



2009/2010 Budget



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Bayside City Council – 2009/10 Budget

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1 Summary

The 2009/10 Budget includes a rates and charges increase of 6.4 percent to \$57.8 million including \$0.3 million for supplementary rates (additional rates for property improvements). This increase provides Council with financial sustainability by meeting the expected 4.1 percent increase in service costs as well as funding a further \$1.4 million in new (priority) projects.

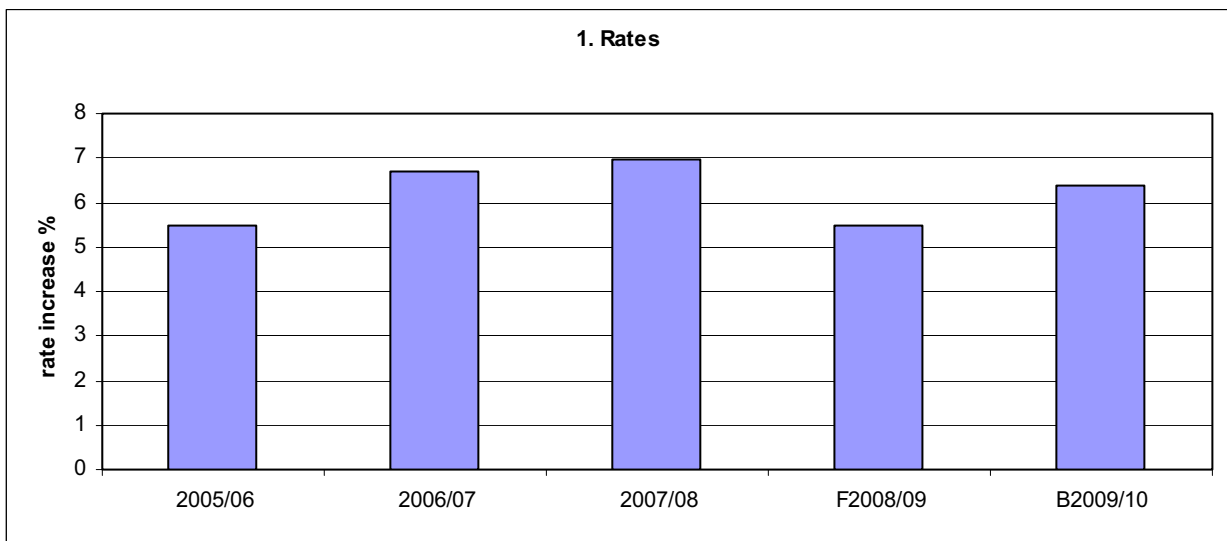
Council's operating result is expected to reflect a \$3.2 million surplus with total cash and investments expected to be \$12.4 million in order to maintain and comply with prudent financial ratios.

The total cost of service delivery is expected to be \$67.7 million comprising \$66.3 million for ongoing services plus a further \$1.4 million for new (priority) projects. Total Capital works is expected to be \$19.1 million.

Council's overall financial performance is summarised by the following graphical analysis.

Rates:

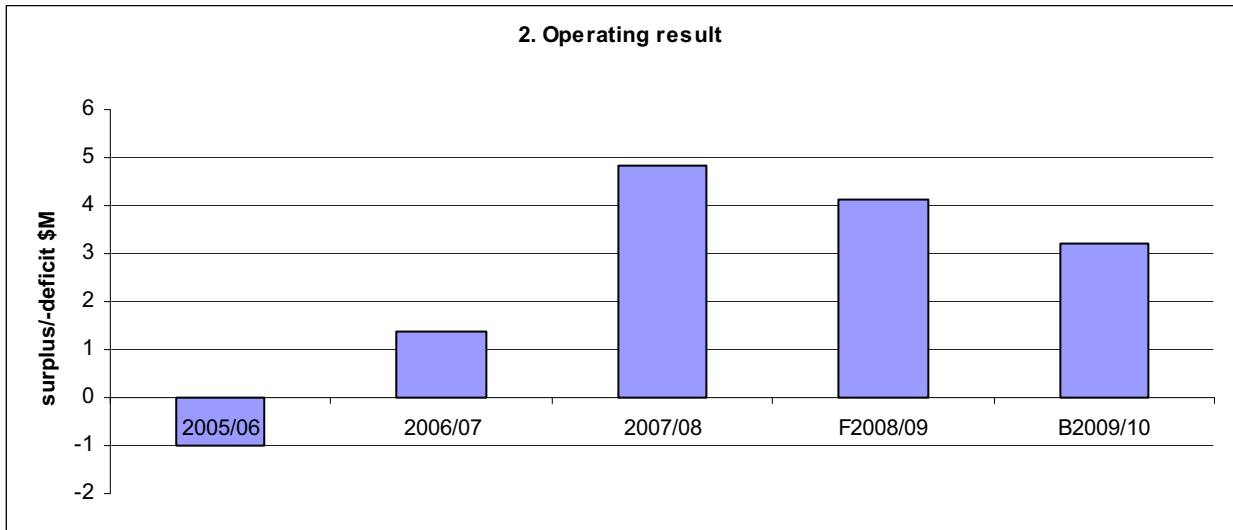
The rates and charges increase of 6.4 percent for the 2009/10 year raises total rates of \$57.8 million that includes \$0.3 million generated from supplementary rates.



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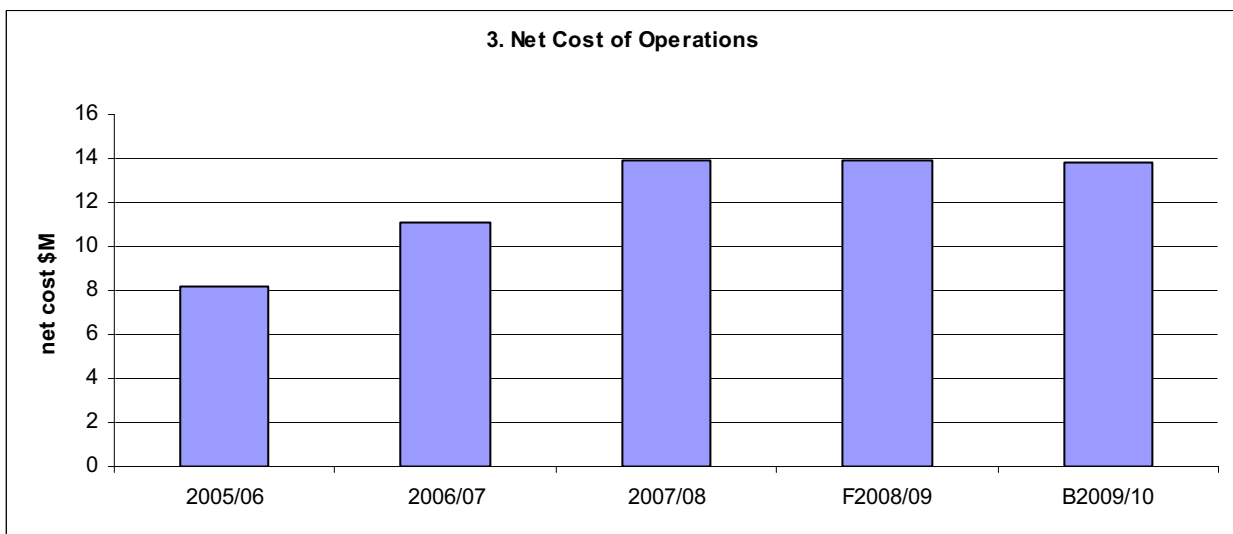
Operating result:

The expected operating result for the 2009/10 year is a surplus of \$3.2 million. By comparison the 2008/09 forecast is a \$4.1 million surplus. While less than the 2008/09 forecast, the 2009/10 budget remains a significant improvement over the 2008/09 budget surplus of \$2.1 million.



Net cost of operations:

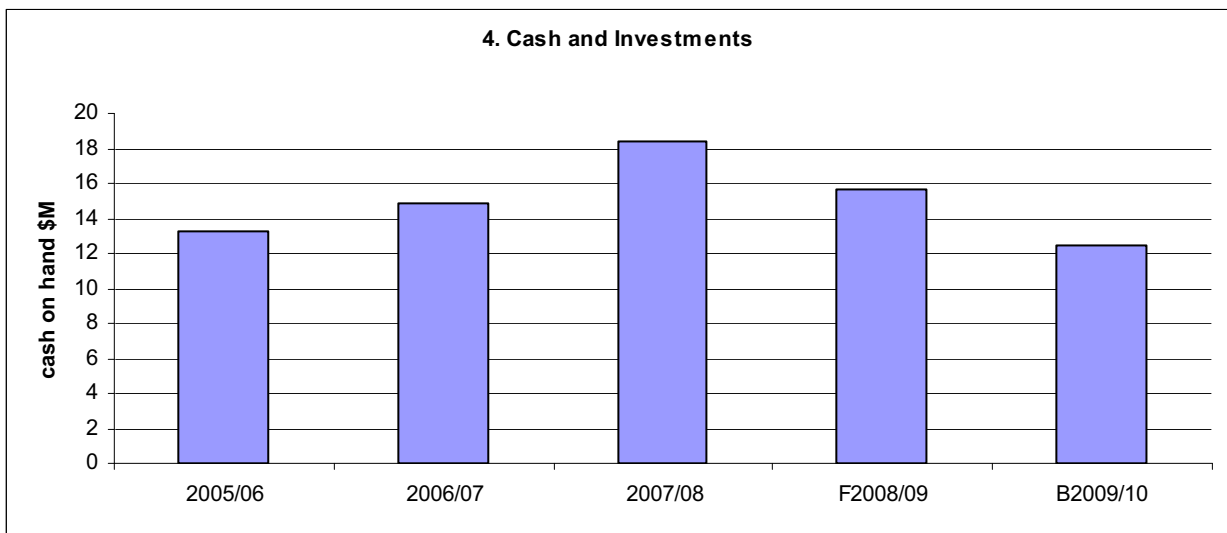
The net cost of services delivered to the community for the 2009/10 year is expected to be \$13.8 million. Net service costs represent operating income less operating expenses. By comparison the 2008/09 forecast is \$13.9 million and the 2008/09 budget amount is \$11.3 million. The net cost of services is applied to fund capital works program.



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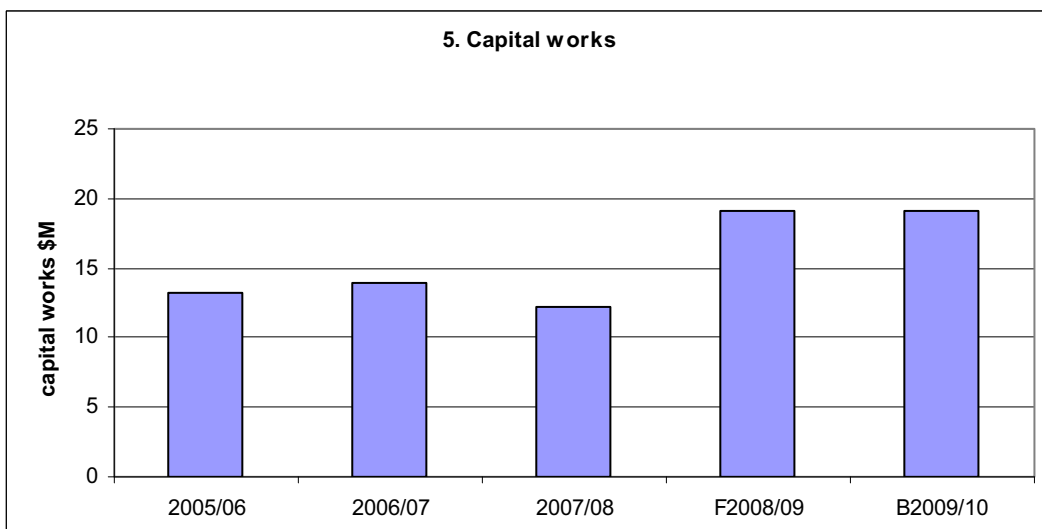
Cash and investments:

Cash and investments are expected to decrease by \$3.2 million during the year to \$12.4 million as at 30 June 2010. The cash reduction is designed to partly fund the additional capital works program scheduled for the 2009/10 year.



Capital works

The capital works program for the 2009/10 year is expected to be \$19.1 million. By comparison the 2008/09 forecast is an amount of \$19.1 million.



1.1 Introduction

The 2009/10 Budget outlines the directions of Council as articulated through the Council Plan 2009-2013 and other strategic documents. It is based on the long term financial plan to

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ensure financial sustainability while addressing the community requirements for ongoing service delivery and asset replacement and enhancement.

The 2009/10 Budget includes a number of cost imposts that are either operational or statutory in nature necessitating an ongoing funding commitment to ensure adequate liquidity and financial viability.

1.2 Budget Framework

The Budget was developed in order to address the following requirements:

- Maintain and enhance the existing service levels across all program areas of Council.
- Capital expenditure program to ensure the timely replacement, refurbishment and maintenance of Council's asset base – in particular roads, footpaths, drains and buildings. Replacing ageing infrastructure assets (roads, drains, footpaths and buildings) is one of the major areas of risk facing Bayside and local governments in general. Annual asset depreciation is \$12.0 million per annum meaning we are using up our asset base by approximately \$12.0 million each year. To ensure sustainability, Council needs to generate this amount of funds to support the capital projects program. The total capital projects program totals \$19.1 million of which \$10.6 million relates to the replacement of infrastructure assets with a further \$8.5 million for new assets and upgrade/expansion of existing assets.
- Council is maintaining its overall cash balance by more effective management of the cashflow and working capital requirements. The strategy is designed to ensure the effective utilisation of cash reserves while ensuring sufficient funds are available for day to day program and capital expenses as they fall due.

1.3 Budget initiatives - priority & capital projects

The priority projects are identified programs that are not incurred on an annual basis. They indicate a change in service level and include the following new initiatives:

- Statutory asbestos control audit of all council buildings
- Planning scheme amendment project for the major shopping centres
- Implement a Bayside Community Plan to better engage and represent the community for the long term vision
- Graffiti removal and prevention program
- Additional resources to enhance local laws
- Municipal Fire Prevention Plan
- Open space and sportsground strategy review
- Participation in the South East council's climate change alliance
- Sustainable water management strategy
- Increased hours of service for client assessment in community services
- Servicing new recycling bins in parks

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Capital infrastructure renewal accounts for \$10.6 million of the budget and includes:

- Refurbishment of buildings and drains
- Refurbishment and maintenance of foreshore areas and shopping centres
- Road re-sealing and reconstruction
- Footpath replacement
- Refurbishment of parks, sportsgrounds and open space
- Replacement of library books and information systems.

1.4 Budget funding

Rates & charges have increased by 6.4 percent per annum while maintaining the current levy for waste management and municipal charges. In addition a further \$0.3 million is included in the 2009/10 budget as a provision for supplementary rates (additional rates for property improvements).

Waste management service charges are designed to recover the cost of collection, disposal to landfill, green waste, hard waste collection, kerbside recycling and mulching as well as waste operations. The charges for 2009/10 are:

140 - litre bin charge \$128 (increased from \$120)
80 - litre bin charge \$113 (increased from \$105)

Municipal Charge \$110 (increase from \$105) – designed to defray the administration costs of Council.

2. Budget Overview

2.1 Budget preparation

The annual budget is prepared in accordance with the *Local Government Act 1989* and submitted to Council for approval in principle. Council is then required to give public notice that it intends to adopt the Budget. It must give 28 days notice of its intention to adopt the Budget and make the budget available for inspection at its offices. Council is then required to adopt the Budget after receiving and considering any submissions from interested parties. The Budget is required to be adopted by 31 August each year.

The 2009/10 Budget which is included in this report, is for the year 1 July 2009 to 30 June 2010 and is prepared in accordance with the *Local Government Act 1989*. The Budget includes projected income and expenditure for the 2009/10 year prepared on an operating basis in accordance with relevant accounting standards. It also includes information regarding the rates and charges to be levied, the capital projects 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 significant steps for the budget process are as follows:

1. Budget submitted to Council for approval 12 May 2009

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2. Public notice advising intention to adopt Budget 14 May 2009
3. Budget available for inspection 14 May 2009
4. Submission period closes 12 June 2009
5. Special Committee to hear submissions 17 June 2009
6. Budget and submissions presented to Council for adoption 23 June 2009.

2.2 External influences

The following external influences impacted the Budget for 2009/10. These include:

- Consumer Price Index is currently 2.5 percent and expected to increase by 2.0 percent
- Annual public sector wage increase is in the order of 4.2 percent per annum
- Increase to Council's contribution to the Metropolitan Fire and Emergency Services Board Levy to \$1.9 million
- Increase in some contract costs in excess of the Consumer Price Index (CPI) mainly due to market forces

3 Operating budget

The 2009/10 Budget reflects a financially sustainable position while achieving Council's operational objectives, the delivery of ongoing services and commitment to new priority and capital projects to meet the existing and growing needs of our community in relation to health, safety, sustainability and infrastructure.

The Income statement includes operating income of \$81.5 million that is offset by operating expenses of \$67.7 million resulting in net surplus of \$13.8 million to be applied to capital projects. (Refer Section 9.1)

This section of the report analyses the expected revenues and expenses of the Council for the 2009/10 year. The operating budget comprises two components.

3.1 Services budget

The services or recurrent budget is the delivery of the same program or level of service contained in the 2008/09 budget. The services budget consists of \$81.1 million income and \$66.3 million expenditure. The cost to Council for the delivery of programs has increased by 4.1 percent on a budget-to-budget basis.

3.2 Priority projects

Priority projects are listed in section 9.3 and represent new activities and initiatives not included to the ongoing services budget.

Priority projects are new services for the community that have been recommended by Council for 2009/10. These are the result of motions of council, statutory requirements, best value recommendations or identified need. The net expenditure on new priority projects is \$1.0 million consisting of \$1.4 million expenditure less \$0.4 million income.

The total operating budget comprises both categories above and reflects the recurrent costs and associated income to maintain Council's ongoing service delivery.

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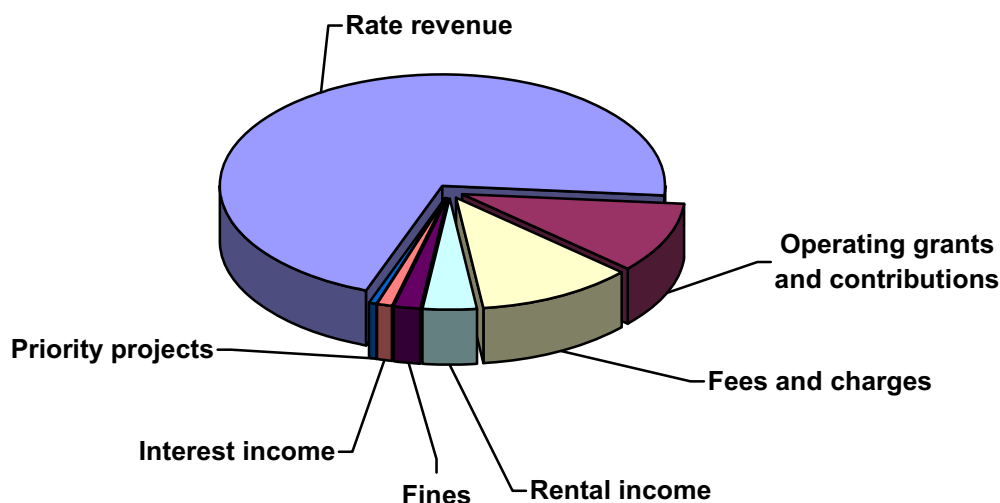
3.3 Spending on services

The services budget includes the delivery of the following major initiatives and programs:

| | |
|--|---------------|
| • Aged & disability, home care & delivered meals | \$6.6 million |
| • Parks, sportsgrounds & foreshores | \$4.4 million |
| • Waste (inc collection, landfill, recycling) | \$6.0 million |
| • Roads, footpaths & sweeping | \$3.3 million |
| • Libraries | \$3.0 million |
| • Children's services | \$2.4 million |
| • Management & maintenance of Council buildings | \$3.1 million |
| • Planning & building services | \$2.5 million |
| • Local laws & investigations | \$3.0 million |
| • Fire brigade levy | \$1.9 million |
| • Tree management | \$1.7 million |
| • Insurance | \$0.8 million |
| • Family health | \$1.3 million |
| • Economic development, events & tourism | \$0.9 million |
| • Drainage | \$0.8 million |
| • Grants to community organisations | \$0.5 million |
| • Public lighting | \$0.7 million |
| • Environmental health | \$0.8 million |
| • Youth Services | \$0.7 million |
| • Conservation & environment | \$2.2 million |

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3.4 What Council earns - operating income comprises:



Rates and Charges (\$4.1 million increase)

Rates and charges will increase by \$4.1 million or 6.4 percent over the 2008/09 forecast result of \$54.1 million to \$57.8 million. The proposed budget includes an additional \$0.3 million for supplementary rates (additional rates for property improvements) expected to be raised during the course of the year.

Operating grants and contributions (\$0.475 million increase)

Government grants and contributions include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers and community. Income in this category has increased in the order of 6.0 percent compared to the 2008/09 budget.

Fees & charges, rental and fines (\$0.599 million increase)

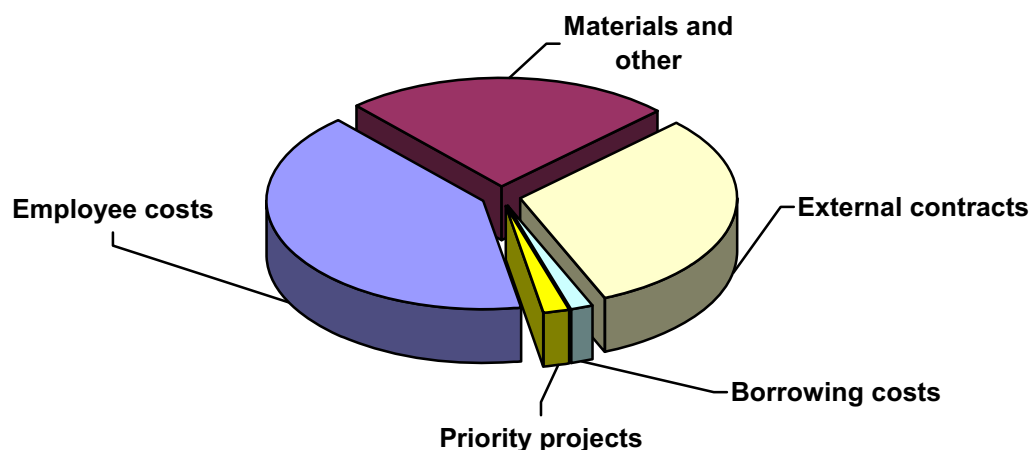
This section includes fees & charges of \$9.2 million, rental of \$3.2 million and fines income of \$1.6 million. Fees and charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services as well as statutory fees such as animal and health act registrations. Rental income has increased by \$0.3 million mainly due to additional income from sporting facilities. Statutory fines are generally fixed by state government and mainly relate to fines levied in accordance with legislation and include parking infringements, local law and library fines. Increases in fines are mainly due to additional enforcement in the areas of parking and local laws. In setting the Budget, the key principles for determining the level of user charges has been to ensure the full recovery of service costs and/or increases in line with wage rates.

Interest revenue (\$0.326 million decrease)

Interest revenue includes interest on investments and penalty interest for late payment of rate revenue. The budgeted decrease is mainly due to the reduction in interest rates as a result of the current global economic environment.

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3.5 What Council spends - operating expenditure includes:



Employee Costs (\$1.1 million increase)

Employee costs includes all labour-related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements and employer superannuation.

This increase relates to the following key factors:

- statutory cost increases associated with Council's Enterprise Bargaining Agreement (EBA) and banding increments in accordance with the relevant award.
- marginal increase in staff resources for delivery of services such as homecare which is offset by additional income.

Materials and other costs (\$0.5 million increase)

Materials and other costs are budgeted to increase by \$0.5 million compared to 2008/09. This relates to non-contract supplier costs as well as utilities such as telephone, gas, water, electricity and the metropolitan fire and emergency services board levy.

External contracts (\$0.98 million increase)

External contracts are budgeted to increase by \$0.98 million compared to 2008/09.

This is mainly due to:

- Increase in Council's contractor costs for the delivery of major services (including roads, footpath, waste, parks & gardens) by an average of 3 percent per annum.
- Expanded services in the areas of beach cleaning, tree watering programs as well as a significant increase in the contract cost for hard waste collection.

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Borrowing costs (\$0.04 million decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction reflects the lower interest rates to be applied to new loan funding.

4 Capital budget

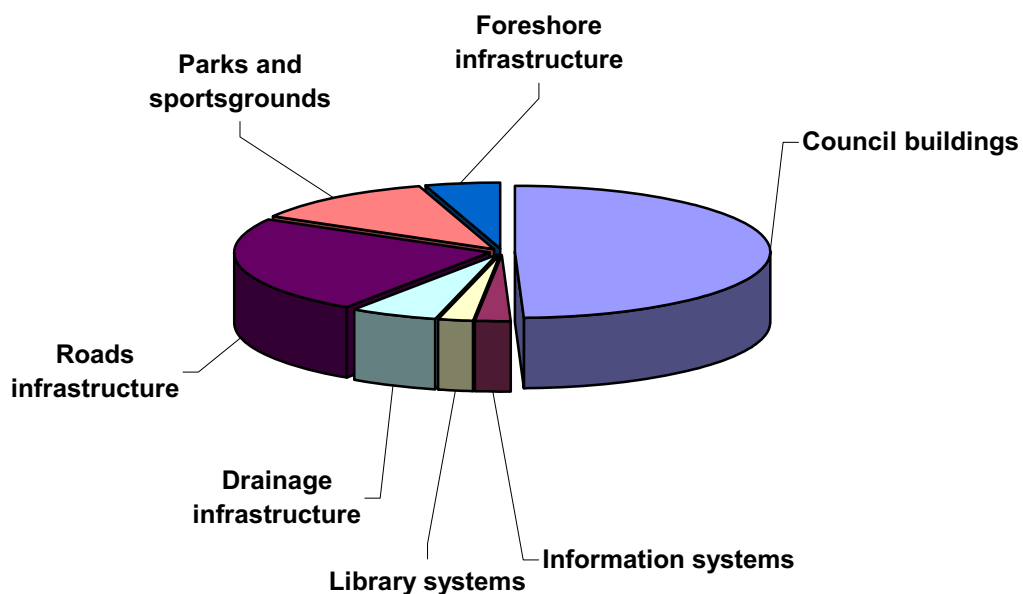
The Capital projects budget (section 9.4) identifies costs for capital project items.

Total capital of \$18.7 million consists of \$10.6 million renewal projects plus a further \$8.1 million for new projects. Renewal Projects mainly comprise replacement of Council's infrastructure while New Projects include both new and improved/upgraded projects.

The total Capital Projects expenditure of \$19.1 million is funded by:

- Surplus from Operating (services & priority) \$13.9 million
- Capital grants & contributions \$1.3 million
- Loan borrowing \$2.0 million
- Cash reserves \$1.9 million

The Capital Projects Budget comprises:



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5 Current year results

This section of the Budget reports the net impact of variances from the 2008/09 year to assess if there will be any significant impacts on the 2009/10 budget.

Council's year end position for 2008/09 forecasts a net surplus of \$13.888 million to be applied to fund Capital projects. This result is \$2.627 million higher than the net surplus budget of \$11.261 million. The variance mainly relates to additional income from supplementary rates, resort and recreation levy and planning and building fees. The variance includes an amount of \$0.317 million additional grant income, to be received at the end of the current financial year relating to aged and disability services that is not able to be expended until the ensuing 2009/10 budget year.

Capital projects is forecast at \$19.1 million being \$1.0 million lower than budget mainly due to projects expect to be carried forward to the ensuing 2009/10 budget year.

| | Budget 2008/09 \$'000's | Forecast 2008/09 \$'000's | Variance fav./ (unfav.) \$'000's |
|----------------------------|------------------------------------|--------------------------------------|---|
| Operating income | 76,512 | 78,137 | 1,625 |
| Operating expenses | 65,251 | 64,249 | 1,002 |
| Net surplus | 11,261 | 13,888 | 2,627 |
| | | | |
| Less depreciation | 10,836 | 11,503 | (667) |
| Plus capital Contributions | 1,690 | 1,727 | 37 |
| Operating result | 2,115 | 4,112 | 1,997 |
| Capital projects | 20,141 | 19,104 | 1,037 |

The variance or savings are included to Council's long term financial plan in formulating the 2009/10 proposed budget. The savings are reflected within the infrastructure reserve for future allocation to either replacement of capital infrastructure or retirement of debt pursuant to Council's long term financial strategy.

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6 Long term financial strategy

6.1 Financial plan

The strategic financial plan is a means to enable Council's ongoing financial sustainability while continuing to deliver services expected by the community and identified in the Council Plan. The financial plan endeavors to highlight Bayside's financial framework in the context of likely trends and options for the ensuing ten years. It is based on the delivery of pre-existing service levels with some capacity for increased demand as well as moderate increases in capital works.

The financial plan is based on a 2009/10 rate increase of 6.4 per cent and rate increases of 5.5 percent for ensuing years to maintain sustainability. Sustainability is identified by adherence to the Victorian Auditor General's (VAGO) financial ratios as well as other prudent ratios.

As a basis for sustainability, annual rate increases are required to fund expected annual increases in major expense areas of employee costs, materials, statutory and other costs as well as external contracts.

The long term financial plan is based on the following parameters:

- Total indebtedness (loan borrowing) of \$17.5 million reducing by \$0.5 million during the ensuing financial years.
- Capital works program at a minimum of \$13 million per annum (excluding carry forward projects from prior years).
- A minimum target for replacement capital works of \$8.5 million per annum. The minimum is to increase annually by CPI.
- That replacement capital works be funded from the net surplus (operating income less operating expense) as identified in the Income Statement.
- That new capital works is to be funded from the operating surplus, government grants and, where appropriate, loan funding. To ensure sustainability loan funding should not be applied to expenses that require an ongoing revenue stream such as the replacement of existing capital.
- The operating budget is to include sufficient funding to meet Council's asset maintenance requirements (per asset programs). The asset maintenance and capital replacement programs are designed to ensure existing assets are maintained and/or replaced and upgraded as and when appropriate.

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6.2 Financial indicators

The following table reports Council's projected financial performance across a range of key indicators. The indicators are based on the proposed budget plus financial projection recorded in the budgeted standard statements.

| | Forecast Year 2009 | Budget Year 2010 | Outlook Year 2011 | Outlook Year 2012 | Outlook Year 2013 | Outlook Year 2014 |
|--|--------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Underlying result (net surplus / revenue) | 5.15% | 3.89% | 3.52% | 5.62% | 6.45% | 6.88% |
| Liquidity (current assets / current liabilities) | 1.26 | 1.00 | 1.14 | 1.29 | 1.48 | 1.73 |
| Self-financing (net operating cash / underlying revenue) | 20.03% | 19.11% | 18.99% | 19.68% | 19.90% | 20.05% |
| Indebtedness (non-current liab./own source revenue) | 23.51% | 22.64% | 21.78% | 20.09% | 19.29% | 19.08% |
| Investment gap (capital spend / depreciation) | 1.66 | 1.60 | 1.08 | 1.18 | 1.25 | 1.29 |
| Debt servicing costs as % total revenue | 1.37% | 1.30% | 1.36% | 1.22% | 1.12% | 1.03% |
| Debt Mgmt - Indebtedness as % of rates & charges | 32.38% | 30.27% | 27.83% | 25.56% | 23.46% | 21.51% |
| Rates & charges as % total revenue | 69.41% | 70.94% | 71.50% | 71.30% | 71.65% | 72.00% |
| Rates unpaid as % of total rates & charges | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| Operating expenses per assessment | \$1,887 | \$1,962 | \$2,045 | \$2,109 | \$2,187 | \$2,277 |
| Capital Expenses per assessment | \$475 | \$471 | \$327 | \$345 | \$365 | \$386 |

The Victorian Auditor General when measuring the financial performance of local government, reports on the following ratios:

1. Underlying result – sufficient operating income to cover operating expenses. (target greater than zero)
2. Liquidity – the ability to pay existing liabilities within the next 12 months (target greater than 1.0)
3. Self financing – the ability to replace assets using cash generated from day to day operations (target greater than 20.0)
4. Indebtedness – the ability to repay debt from own source revenue being revenue not tied to specific projects (target less than 40.0)
5. Investment gap – to ensure sufficient spending on capital renewal (target greater than 1.0)

The following additional ratios are designed to measure debt management as well as other prudent financial indicators:

- Debt servicing costs as % total revenue – the proportion of total revenue required to service Council's debt costs (target less than 5.0)

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- Debt management – This measures the total indebtedness as a percentage of rates & charges as loans are secured against the revenue stream from rates. (target less than 80.0)
- Rate revenue as % of total revenue - identifies Council's reliance on revenue from rates and charges. At 70.9% Council is heavily reliant on rate revenue as its major source of recurrent income
- Rates unpaid as % of total rates and charges – Measures the efficiency for collection of outstanding rates and charges.(target less than 3.0%)
- Operating expenses per assessment – this ratio measures Council's operational efficiency or expense outlay for each ratable property. Bayside's measure of \$1,944 for each assessment is favourable relative to the average for inner metropolitan Melbourne
- Capital expenses per assessment - the average capital investment by Council for each ratepayer.

6.3 Reserves

Council proposes to hold a total of \$5.0 million reserve funds and a cash backed long service leave provision of \$3.0 million at the completion of the 2009/10 budget year as follows:

- Statutory reserves
 - resort and recreation reserve \$1.6 million
 - car parking reserve \$0.4 million
- Infrastructure reserve \$2.0 million
- General reserve \$1.0 million
- Long service leave provision \$3.0 million

6.4 Purpose of reserves

Cash reserves:

Resort and recreation reserve – Receives inflows from sub divisional income that is transferred to this reserve for future allocation to capital projects. Property developers and subdividers are required to contribute to this reserve to be allocated to capital projects that either acquire or improve land for use as public open space.

Car parking reserve – This reserve is designed to hold funds for allocation to car park project works. There is limited funds and minimal activity to this reserve.

Infrastructure reserve – As documented in the long term financial plan, identified savings from the operating budget are to be quarantined to the infrastructure reserve for the purposes of either allocation to infrastructure renewal or retirement of debt.

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General reserve – This reserve reflects the balance of cash that is available for future and unforeseen project works and services.

Long service leave – Council is required to ‘cash back’ sufficient funds to repay all long service leave entitlements.

Non cash reserve:

The asset revaluation reserve – This reserve is identified for the purposes of Accounting Standards and is not cash backed. This reserve balance reflects the extent of revaluation of Council’s infrastructure assets.

7 Rating strategy

7.1 Rating development

In developing the 2009/10 Budget, rates and charges were identified as an important source of revenue. It is therefore necessary to achieve further revenue growth while containing costs of a discretionary nature to ensure ongoing liquidity. The contribution from operating surplus towards capital investment of \$13.8 million provides the major source of revenue to fund capital projects.

7.2 Rating structure

Council has established a rating structure comprising:

- Property values reflecting the capacity of the community to pay (General rate)
- User pays component to reflect the usage of the waste management services provided by Council.

Council applies the Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. The total valuation for the purposes of applying 2009/10 rates is an amount of \$37.9 billion. This compares to the 2008 amount of \$37.6 billion that was returned by Council’s values at the time of the last revaluation. The increase of \$0.3 billion relates to supplementary valuations (additional and enhanced ratable properties) during the course of the prior year.

Council also levies a waste management service charge as well as a municipal charge as allocated under the *Local Government Act 1989*

A detailed analysis of the rates and charges is contained in Section 9.5 Statutory Disclosures.

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8 Borrowing strategy

Council has identified borrowings as an important source of funding for capital project works. Following a period of increased borrowings to improve the infrastructure throughout the city, Bayside had previously embarked on a strategy of maintaining debts to a manageable level of \$17.5 million. By contrast Council has relied on surplus from operations as well as reduction to cash and investment reserves to fund a level of capital works programs required to maintain the city's infrastructure. The long term financial plan is formulated on a gradual strategy of debt reduction expected to commence during the 2010/11 financial year.

The following table provides an analysis of Council borrowings as well as the prudent ratios applicable for debt and borrowing costs.

| Year | Borrowing liability 30 June | Borrowing costs | Liquidity CA/CL(1) | Debt Mgmt debt/rates(2) | Debt mgmt service costs/revenue(3) |
|------|-----------------------------|-----------------|--------------------|-------------------------|------------------------------------|
| | \$'000's | \$'000's | Ratio | % | % |
| 2005 | 15,123 | 1,057 | 1.5 | 36.5 | 1.7 |
| 2006 | 16,636 | 1,019 | 1.1 | 38.0 | 1.5 |
| 2007 | 17,500 | 976 | 1.3 | 37.1 | 1.4 |
| 2008 | 17,500 | 1,050 | 1.4 | 34.4 | 1.4 |
| 2009 | 17,500 | 1,115 | 1.2 | 32.4 | 1.4 |
| 2010 | 17,500 | 1,076 | 1.0 | 30.3 | 1.3 |

(1) CA/CL – Current Assets/Current Liabilities

(2) Debt/Rates loan liability/revenue from rates and charges

(3) Service costs/revenue – borrowing costs/total revenue

Council proposes to take up \$2 million new borrowings to partly fund the capital works program. The total loan borrowings is to be maintained at \$17.5 million for 2009/10 due to a \$2 million loan repayment falling due within the financial year.

Future targets

The forward financial plan is based on projected total debt of \$17.5 million in the short term with a projected reduction of \$0.5 million per annum commencing from the 2010/11 financial year. This would result in the VAGO ratio of indebtedness (non-current liab./own source revenue) reducing from 23.56 per cent (2008/09 year) to 19.08 percent at the completion of the 2013/14 year.

Loan borrowings are to be applied to “one off” or new capital works rather than expenses that require an ongoing revenue stream such as the replacement of existing infrastructure. This would mean that Council’s additional loan borrowing should not exceed the amount of new capital works.

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9 Reports

9.1 Income Statement

The income statement identifies Council's operating (services and priority) program income/expenditure as well as how Council proposes to fund its capital projects program.

| | 2008/09 Budget \$'000's | 2008/09 Forecast \$'000's | 2009/10 Budget \$'000's | Budget to budget variance fav./(unfav.) \$'000's |
|---|--|--|--|---|
| Operating income | | | | |
| Rates and charges | 53,730.0 | 54,052.0 | 57,809.2 | 4,079.2 |
| Operating grants and contributions | 7,941.0 | 8,306.4 | 8,416.5 | 475.5 |
| Fees and charges | 9,127.0 | 9,353.8 | 9,176.2 | 49.2 |
| Rental income | 2,945.0 | 3,301.0 | 3,202.3 | 257.3 |
| Fines | 1,311.0 | 1,595.2 | 1,603.2 | 292.2 |
| Interest income | 1,254.0 | 1,386.9 | 928.0 | (326.0) |
| Total services income | 76,308.0 | 77,995.3 | 81,135.4 | 4,827.4 |
| Priority projects | 204.0 | 141.6 | 370.6 | 166.6 |
| Total operating income | 76,512.0 | 78,136.9 | 81,506.0 | 4,994.0 |
| Operating expenses | | | | |
| Employee benefits | 26,718.0 | 25,757.0 | 27,837.8 | (1,119.8) |
| Materials and other | 15,945.5 | 16,312.4 | 16,488.9 | (543.4) |
| External contracts | 19,880.5 | 19,990.1 | 20,862.0 | (981.5) |
| Finance costs | 1,115.0 | 1,092.7 | 1,075.6 | 39.4 |
| Total services expense | 63,659.0 | 63,152.2 | 66,264.3 | (2,605.3) |
| Priority projects | 1,592.0 | 1,097.0 | 1,393.9 | 198.1 |
| Total operating expenses | 65,251.0 | 64,249.2 | 67,658.2 | (2,407.2) |
| Net surplus/(deficit) | 11,261.0 | 13,887.7 | 13,847.8 | 2,586.8 |
| Less depreciation | 10,836.0 | 11,503.0 | 11,972.1 | (1,136.1) |
| Net surplus/(deficit) after depreciation | 425.0 | 2,384.7 | 1,875.7 | 1,450.7 |
| Capital grants and contributions | 1,690.4 | 1,727.1 | 1,343.9 | (346.5) |
| Operating result | 2,115.4 | 4,111.8 | 3,219.6 | 1,104.2 |
| Capital Projects | 20,141.4 | 19,104.1 | 19,105.5 | 1,035.9 |

Bayside City Council – 2009/10 Budget

9.2 Services Budget

The services budget is the delivery of the same program or level of service contained in the prior year budget. The net cost (expenses less income) of Council's services budget are detailed below:

| Department | 2008/09 Budget \$'000's | 2008/09 Forecast \$'000's | 2009/10 Budget \$'000's | Budget to budget variance fav./.(unfav.) \$'000's |
|--|-------------------------------|---------------------------------|-------------------------------|---|
| Executive Office | 400 | 386 | 400 | 0 |
| People and Performance | 730 | 775 | 823 | (93) |
| Communications and Engagement | 692 | 747 | 745 | (53) |
| Group Management - Corp Services | 402 | 447 | 435 | (33) |
| Finance | 2,499 | 2,257 | 2,779 | (280) |
| Customer and Information Services | 3,396 | 3,428 | 3,361 | 35 |
| Governance | 1,832 | 1,535 | 1,711 | 121 |
| Group Management - Infrastructure | 289 | 228 | 277 | 12 |
| Properties (includes building maintenance, parks and trees, foreshore and public facilities) | 8,070 | 7,653 | 8,430 | (360) |
| Engineering Services (includes roads and footpaths, drainage and waste) | 10,756 | 11,072 | 11,582 | (826) |
| Local Laws & Investigations | 30 | 110 | 140 | 111 |
| Group Management - Sustainability | 279 | 270 | 308 | (29) |
| City Futures (urban planning) | 1,217 | 1,050 | 1,290 | (73) |
| Building Control | 248 | 253 | 306 | (58) |
| Planning | 581 | 425 | 626 | (45) |
| Environmental Sustainability | 239 | 238 | 252 | (13) |
| Group Management - Community Services | 267 | 260 | 280 | (13) |
| Health & Community Care | 252 | 231 | 269 | (17) |
| Aged & Disability Services | 1,843 | 1,080 | 1,851 | (8) |
| Environmental Health | 423 | 387 | 436 | (13) |
| Family Services | 523 | 564 | 536 | (13) |
| Family Health | 864 | 851 | 895 | (31) |

Bayside City Council – 2009/10 Budget

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Children's Services | 421 | 298 | 383 | 38 |
| Youth Services | 664 | 646 | 698 | (34) |
| Libraries and Culture | 2,992 | 2,983 | 3,183 | (191) |
| Service Development (leisure and recreation) | 1,231 | 1,255 | 1,222 | 9 |
| Total net cost | 41,081 | 39,209 | 42,938 | (1857) |

Bayside City Council – 2009/10 Budget

9.3 Priority Projects

Priority projects represent either new activities or projects undertaken on a non-recurrent basis.

| Division | Project | Net Cost |
|-----------------------------------|--|--------------------|
| Executive | | |
| People and Performance | Personnel evaluation system | 18,000 |
| People and Performance | OHS officer | 31,135 |
| Communications and Engagement | Bayside community plan | 100,000 |
| Communications and Engagement | Website development | 60,000 |
| Corporate Services | | |
| Finance | General Valuation | 75,000 |
| Customer and Information Services | MS Office change management and training | 25,000 |
| Governance | Mayoral Ball | 35,000 |
| Infrastructure | | |
| Properties | Cheltenham precinct stormwater capture project | 30,000 |
| Properties | Asbestos condition audit | 45,000 |
| Properties | Servicing new recycling bins in parks | 80,000 |
| Engineering Services | Graffiti Prevention & Strategy | 49,500 |
| Local Laws | Development and initial implementation of a municipal fire prevention plan | 40,000 |
| Local Laws | Parking Officers | (125,000) |
| Sustainability | | |
| Group Management Sustainability | Planning campaign | 25,000 |
| City Futures | Heritage Amendments (C75,C76,C82) | 80,000 |
| City Futures | MAC Planning Scheme Amendment (C58) | 160,000 |
| City Futures | Neighbourhood Character Amendment (C80) | 35,000 |
| City Futures | Developer Contributions Amendment | 25,000 |
| City Futures | Open Space Strategy and Sportsground Strategy review | 50,000 |
| Environmental Sustainability | South East council's climate change alliance | 24,500 |
| Environmental Sustainability | Sustainable water management strategy | 80,000 |
| Community Services | | |
| Aged and Disability | Assessment and Review | 0 |
| Library and Culture | Events Officer | 27150 |
| Library and Culture | Publication Indigenous events | 10,000 |
| Library and Culture | Cataloguing and processing | 7,000 |
| Library and Culture | Radio frequency identification Stage 3 | 7,000 |
| Service Development | Highett Centre Co-ordination | 14,000 |
| Service Development | Highett community hub temporary relocation of services | 15,000 |
| | TOTAL | \$1,023,285 |

9.4 Capital Budget

Capital Projects 2009/10

| | Council Contribution | External Contribution | Total |
|---------------------------------|----------------------|-----------------------|-------------------|
| Program Summary | | | |
| Renewal projects | | | |
| 01 Council Buildings | 4,280,500 | 0 | 4,280,500 |
| 02 Information Systems | 75,000 | 0 | 75,000 |
| 03 Library Systems | 420,000 | 0 | 420,000 |
| 04 Drainage Infrastructure | 910,000 | 0 | 910,000 |
| 05 Roads Infrastructure | 3,500,000 | 247,472 | 3,747,472 |
| 06 Parks & Sportsgrounds | 790,000 | 205,000 | 995,000 |
| 07 Foreshore Infrastructure | 190,000 | 0 | 190,000 |
| Sub-total | 10,165,500 | 452,472 | 10,617,972 |
| New projects | | | |
| 01 Council Buildings | 4,682,000 | 668,000 | 5,350,000 |
| 02 Information Systems | 312,000 | 0 | 312,000 |
| 03 Library Systems | 0 | 0 | 0 |
| 04 Drainage Infrastructure | 175,000 | 0 | 175,000 |
| 05 Roads Infrastructure | 665,000 | 46,400 | 711,400 |
| 06 Parks & Sportsgrounds | 1,062,142 | 177,000 | 1,239,142 |
| 07 Foreshore Infrastructure | 700,000 | 0 | 700,000 |
| Sub-total | 7,596,142 | 891,400 | 8,487,542 |
| Renewal and New projects | | | |
| 01 Council Buildings | 8,962,500 | 668,000 | 9,630,500 |
| 02 Information Systems | 387,000 | 0 | 387,000 |
| 03 Library Systems | 4,200,000 | 0 | 420,000 |
| 04 Drainage Infrastructure | 1,085,000 | 0 | 1,085,000 |
| 05 Roads Infrastructure | 4,165,000 | 293,872 | 4,458,872 |
| 06 Parks & Sportsgrounds | 1,852,142 | 382,000 | 2,234,142 |
| 07 Foreshore Infrastructure | 890,000 | 0 | 890,000 |
| Grand Total | 17,761,642 | 1,343,872 | 19,105,514 |

Bayside City Council – 2009/10 Budget

The Capital Program of \$19,105,514 comprises the following projects, including program totals, for the 2009/10 year.

| Program Summary | Budget | Projects |
|----------------------------|---------------------|---|
| Budget Total | \$19,105,514 | |
| Renewal projects | \$10,617,972 | |
| 01 Council Buildings | \$4,280,500 | <ul style="list-style-type: none"> •Architectural forward designs •Child Services buildings major renewals <ul style="list-style-type: none"> - Beaumaris Playhouse - East Brighton MCHC - Grange Road kindergarten - Hampton Playhouse - Jack & Jill kindergarten - Janet Mundy Kindergarten - Sandringham Playhouse •Commercial building major renewals <ul style="list-style-type: none"> - Billilla Mansion •Community Buildings major renewals <ul style="list-style-type: none"> - Beaumaris Community Centre - Brighton Senior Citizens - Brighton Town Hall •Corporate Centre Accommodation renewals •Library major renewals <ul style="list-style-type: none"> - Brighton Library - Hampton Library •Municipal buildings major renewals <ul style="list-style-type: none"> - Corporate Centre Bluff Road - Depot amenities - Depot transfer station •Public Amenities major renewals <ul style="list-style-type: none"> - Basterfield Public Toilet - Brighton LSC Foreshore Public Toilet - Whyte St Public Toilet •Social Service buildings major renewals <ul style="list-style-type: none"> - Sandringham residential units •Sporting Pavilion major renewals <ul style="list-style-type: none"> - A W Oliver Reserve pavilion - Dendy Park Athletics pavilion - Jack Levy pavilion |
| 02 Information Systems | \$75,000 | •PBX upgrade |
| 03 Library Systems | \$420,000 | •Library Collections |
| 04 Drainage Infrastructure | \$910,000 | <ul style="list-style-type: none"> •Binnie Street Brighton East Easement Drain Upgrade •Hampton Main Drain Renewal (Stage Four) •Landcox Street Brighton East Drain Upgrade •Reid Street Beaumaris drain upgrade |

Bayside City Council – 2009/10 Budget

| | | |
|-----------------------------|--------------------|---|
| 05 Roads Infrastructure | \$3,747,472 | <ul style="list-style-type: none"> •Activity Centre Footpath Reconstruction •Annual Footpath Reconstruction Program •Annual Reseal and Resheet Program •Corporate Signage •Kerb & Channel Annual Reconstruction Program •Road Reconstruction and Design Program •Streetscape Furniture Replacement Program •Traffic Speed Cushion replacements |
| 06 Parks & Sportsgrounds | \$995,000 | <ul style="list-style-type: none"> •Ancillary Infrastructure Program <ul style="list-style-type: none"> - Boss James Reserve - Cheltenham Park Cricket Practice nets - Dendy Park High Jump resurface - Donald MacDonald Reserve - Goal post renewals •Lawn bowls and croquet facility renewal <ul style="list-style-type: none"> - Risk management implementation •Playground Strategy implementation <ul style="list-style-type: none"> - Black Rock Gardens - Cheltenham Park - Lucas Street playground - Whyte Street reserve •Sportsground Improvement Program <ul style="list-style-type: none"> - Hurlingham Park - Sandringham Athletics Track •Sustainable Water Management Program <ul style="list-style-type: none"> - Line-planting warm season grass •Tennis facility upgrades <ul style="list-style-type: none"> - Court conversion contribution - Fencing contributions - Risk management implementation •Trevor Barker Beach Oval Wall Replacement (Stage 3) |
| 07 Foreshore Infrastructure | \$190,000 | <ul style="list-style-type: none"> •Ferdinando Gardens Shelter Rebuild •Parking Machines (car parks) |
| | | |
| New projects | \$8,487,542 | |
| 01 Council Buildings | \$5,350,000 | <ul style="list-style-type: none"> •Asbestos and hazardous material removal program •Brighton Arts & Culture Centre •Buildings' security review and upgrade program •Corporate Centre Accommodation extension •Disability Action Plan implementation •Essential Services compliance implementation •Highett Community Hub Redevelopment •Highett Youth Club Redevelopment •Pavilion Strategy implementation <ul style="list-style-type: none"> - Banksia Reserve tennis clubroom •Sandringham Family Leisure Centre basketball stadium extension •Sandringham Family Leisure Centre family change room |

Bayside City Council – 2009/10 Budget

| | | |
|----------------------------|-------------|---|
| | | <ul style="list-style-type: none"> •Sandringham Football Club Refurbishments •Sandringham Leisure Centre Basketball Facility Expansion •Sandringham Leisure Centre Water management •Simpson Reserve Pavilion Upgrade •Sustainability works at various sites |
| 02 Information Systems | \$312,000 | <ul style="list-style-type: none"> •Electronic Document Management System •Library Radio Frequency ID System (Stage 3 - Final) •Microsoft Office Upgrade •Personnel Evaluation System (PES) Software Purchase |
| 03 Library Systems | \$0 | {No projects} |
| 04 Drainage Infrastructure | \$175,000 | <ul style="list-style-type: none"> •Harold Street Sandringham Drainage Upgrade •Minor drainage works •Minor Drainage Designs |
| 05 Roads Infrastructure | \$711,400 | <ul style="list-style-type: none"> •Bicycle Strategy Traffic works •Black Rock Village •High Priority Pedestrian Crossing •New Street Carpenter Street Intersection (Auslink) •Review 2002 Road Safety Strategic Plan •Road Safety Strategy Implementation •Streetscape Rubbish Bins Replacement program •Tactile Ground Surface Indicators (TGSi) Program •Traffic Design and Improvement Plans •Urgent Traffic Management Works •Various Local Area Traffic Mgt Works (LATM) •High Priority Pedestrian Crossing |
| 06 Parks & Sportsgrounds | \$1,239,142 | <ul style="list-style-type: none"> •Ancillary Infrastructure Program <ul style="list-style-type: none"> - Dendy Park Athletic barrier - Lighting Forward designs and compliance audit - William Street Reserve •Dendy Park and Brighton Golf Course Water Plan •Elsternwick Park South Walking track •Hurlingham Park Tennis Club Court Upgrade •Lawn Bowls and Croquet Upgrades •Playground Strategy implementation <ul style="list-style-type: none"> - North Road playground - Regional access playground - Shade Sail implementation •Royal Avenue Reserve Sandringham •Sandringham College Soccer facility •Skate/BMX Strategy implementation <ul style="list-style-type: none"> - Donald McDonald Skate Facility - Elsternwick Park - Elsternwick Park •Sportsground Improvement Program <ul style="list-style-type: none"> - Beaumaris Reserve - Forward Design |

Bayside City Council – 2009/10 Budget

| | | |
|-----------------------------|-----------|--|
| 06 Parks & Sportsgrounds | | <ul style="list-style-type: none"> - Peterson Reserve - Shipston Reserve - Spring Street Reserve •Sustainable Water Management Program <ul style="list-style-type: none"> - Elsternwick Park - Water tanks •Tennis Facility Upgrades |
| 07 Foreshore Infrastructure | \$700,000 | <ul style="list-style-type: none"> •Bayside Coastal Trails Signage Project •Bicycle Strategy Bay Trail <ul style="list-style-type: none"> -Bay Street to Head Street construction -Bay Street to Sandown Street design •Carparks Reconstruction and Design projects <ul style="list-style-type: none"> - Forward Designs •Foreshore Risk Management •Half Moon Bay public lighting •Landscape Forward Designs •Parking Meters on Beach Road at Ricketts Point •Royal Avenue Sandringham access (steps and ramp) •Shared Path South |

Bayside City Council – 2009/10 Budget

9.5 Statutory Disclosures

Section 127 of the *Local Government Act 1989* and Section 8 of the Local Government (Finance and Reporting) Regulations 2004.

This sets out additional disclosures required pursuant to the above legislation in respect to Council's annual budget.

1. Borrowings

The total amount proposed to be borrowed for the 2009/10 year is \$2,000,000

The total amount of debt redemption for the 2009/10 year is \$2,000,000

The projected debt servicing cost for the 2009/10 year is \$1,074,000

2. Rates and charges

| | | | |
|-----|--|-------------------------------------|--------------------------------|
| 2.1 | Proposed rate in the dollar for each type of rate to be levied | General rate CRLA | 0.00127177 0.00076306 |
| 2.2 | Estimated amount to be raised by each type of rate to be levied | General rate - CIV CRLA – In Use | \$47,638,379 \$236,263 |
| 2.3 | Estimated total amount to be raised by rates | | \$47,874,642 |
| 2.4 | 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 | General rate CRLA | 6.3% increase 6.3% increase |

| 2.5 | Number of assessments for each type of rate to be levied compared to the previous year | General rate CRLA TOTAL | <table border="1"> <thead> <tr> <th>2008/09</th> <th>2009/10</th> </tr> </thead> <tbody> <tr> <td>40,144</td> <td>40,539</td> </tr> <tr> <td>39</td> <td>39</td> </tr> <tr> <td>40,183</td> <td>40,578</td> </tr> </tbody> </table> | 2008/09 | 2009/10 | 40,144 | 40,539 | 39 | 39 | 40,183 | 40,578 |
|---------------|--|--------------------------------------|---|---------|---------|--------|--------|----|----|---------------|---------------|
| 2008/09 | 2009/10 | | | | | | | | | | |
| 40,144 | 40,539 | | | | | | | | | | |
| 39 | 39 | | | | | | | | | | |
| 40,183 | 40,578 | | | | | | | | | | |

| | | |
|-----|--|------------------------|
| 2.6 | Basis of valuation to be used all rateable properties other than | Capital Improved Value |
|-----|--|------------------------|

Bayside City Council – 2009/10 Budget

CRLA properties

CRLA properties

In Use Valuation
Capital Improved Value

| | | 2008/09 | 2009/10 | |
|------------|---|--------------------|------------------|------------------|
| 2.7 | Estimated total value of land in respect of which each type of rate is to be levied compared with the previous year. *Adoption of "In Use" valuation for CRLA properties | General Rate - CIV | \$37,114,478,120 | \$37,458,350,000 |
| | | CRLA – CIV | \$501,066,000 | \$500,932,000 |
| | | CRLA In Use* | \$309,625,400 | \$309,625,400 |

Estimated total value of land in respect of which rates are to be levied - CIV

\$37,615,544,120 \$37,959,282,000

| | | 2008/09 | 2009/10 | |
|------------|---|--------------|---------|-----|
| 2.8 | Proposed unit amount for each type of charge to be levied | Municipal | 105 | 110 |
| | | Waste (140L) | 120 | 128 |
| | | Waste (80L) | 105 | 113 |

| | | 2008/09 | 2009/10 | |
|------------|---|-----------|-------------|-------------|
| 2.9 | Estimated amount to be raised by each type of charge to be levied compared to the previous year | Municipal | \$4,219,215 | \$4,463,580 |
| | | Waste | \$4,800,030 | \$5,170,978 |

| | | | |
|-------------|--|--------------|--------------|
| 2.10 | Estimated total amount to be raised by rates and charges | \$53,630,925 | \$57,509,200 |
|-------------|--|--------------|--------------|

- 2.11** Significant changes that may affect the estimated amounts to be raised
- The making of supplementary valuations
 - The variation of returned levels of value (e.g. valuation appeals)
 - Changes of use of land such that rateable land becomes non-rateable land and vice versa.

- In Use valuation – Where the existing use of the land was to continue on an ongoing basis and no alternative use existed.

- Cultural & Recreation Lands Summary - It is proposed that, in respect of properties to which the Cultural and Recreational Lands Act 1963 applies, the amounts payable as rates be the amounts set out in the Cultural and Recreational Lands Summary (which describes each property and the amount payable) This amount is equal to 0.076306 cents in the dollar of the in use valuation plus statutory charges.

Bayside City Council – 2009/10 Budget

9.6 Budgeted Standard Statements

The following four budgeted standard statements form a special purpose financial report prepared specifically to meet the requirements of the *Local Government Act 1989*, relating to standard statements.

9.6.1 Budgeted standard Income Statement

| | 2008/09 Budget \$'000's | 2008/09 Forecast \$'000's | 2009/10 Budget \$'000's | 2010/11 Outlook \$'000's | 2011/12 Outlook \$'000's | 2012/13 Outlook \$'000's |
|------------------------------------|-------------------------------|---------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Revenue | | | | | | |
| Rates and charges | 53,730 | 54,052 | 57,809 | 61,089 | 64,549 | 68,199 |
| Operating grants and contributions | 8,145 | 8,447 | 8,516 | 8,857 | 9,211 | 9,579 |
| Capital grants and contributions | 1,690 | 1,727 | 1,344 | 1,000 | 1,035 | 1,071 |
| User charges and fines | 13,383 | 14,251 | 14,252 | 14,679 | 15,849 | 16,326 |
| Interest | 1,254 | 1,387 | 928 | 816 | 928 | 1,075 |
| Total revenue | 78,202 | 79,864 | 82,849 | 86,441 | 91,572 | 96,250 |
| Expenses | | | | | | |
| Employee benefits | 26,976 | 25,916 | 28,052 | 29,875 | 31,817 | 33,885 |
| Materials and other | 16,907 | 16,958 | 17,413 | 18,022 | 18,653 | 19,306 |
| External contracts | 20,253 | 20,283 | 21,117 | 21,962 | 22,840 | 23,754 |
| Depreciation | 10,836 | 11,503 | 11,972 | 12,365 | 11,994 | 12,010 |
| Finance costs | 1,115 | 1,093 | 1,076 | 1,174 | 1,122 | 1,082 |
| Total expenses | 76,087 | 75,753 | 79,630 | 83,398 | 86,426 | 90,037 |
| Surplus for the year | 2,115 | 4,111 | 3,219 | 3,043 | 5,146 | 6,213 |

The budgeted standard income statement shows what is expected to happen during the year in terms of revenue, expenses and other adjustments from all activities.

The budgeted standard income statement is a required format for reporting in Council's year-end audited financial statements (Annual Report).

Bayside City Council – 2009/10 Budget

9.6.2 Budgeted Standard Balance Sheet

| | 2008/09 Budget \$'000's | 2008/09 Forecast \$'000's | 2009/10 Budget \$'000's | 2010/11 Outlook \$'000's | 2011/12 Outlook \$'000's | 2012/13 Outlook \$'000's |
|--|-------------------------------|---------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Current assets | | | | | | |
| Cash and cash equivalents | 12,562 | 15,621 | 12,480 | 14,819 | 18,034 | 21,568 |
| Trade and other receivables | 3,100 | 2,487 | 2,531 | 2,622 | 2,810 | 2,916 |
| Inventories | 70 | 49 | 50 | 52 | 54 | 56 |
| Other assets | 850 | 604 | 603 | 619 | 648 | 680 |
| Total current assets | 16,582 | 18,761 | 15,664 | 18,112 | 21,546 | 25,220 |
| Non-current assets | | | | | | |
| Trade and other receivables | 162 | 140 | 149 | 158 | 167 | 176 |
| Property, plant and equipment, infrastructure | 1,518,056 | 1,783,836 | 1,790,969 | 1,791,940 | 1,794,077 | 1,797,091 |
| Total non-current assets | 1,518,218 | 1,783,976 | 1,791,118 | 1,792,098 | 1,794,244 | 1,797,267 |
| Total assets | 1,534,800 | 1,802,737 | 1,806,782 | 1,810,210 | 1,815,790 | 1,822,487 |
| Current liabilities | | | | | | |
| Trade and other payables | 6,127 | 5,930 | 6,198 | 6,489 | 6,791 | 7,110 |
| Interest bearing loans and borrowings | 2,000 | 2,000 | 2,000 | 1,500 | 1,500 | 1,000 |
| Provisions | 4,555 | 4,796 | 5,102 | 5,429 | 5,776 | 6,141 |
| Trust funds and deposits | 1,800 | 2,195 | 2,304 | 2,419 | 2,540 | 2,667 |
| Total current liabilities | 14,482 | 14,921 | 15,604 | 15,837 | 16,607 | 16,918 |
| Non-current liabilities | | | | | | |
| Interest bearing loans and borrowings | 15,500 | 15,500 | 15,500 | 15,500 | 15,000 | 15,000 |
| Provisions | 1,300 | 882 | 1,025 | 1,177 | 1,339 | 1,512 |
| Total non-current liabilities | 16,800 | 16,382 | 16,525 | 16,677 | 16,339 | 16,512 |
| Total liabilities | 31,282 | 31,303 | 32,129 | 32,514 | 32,946 | 33,430 |
| Net assets | 1,503,518 | 1,771,434 | 1,774,653 | 1,777,696 | 1,782,844 | 1,789,057 |
| Equity | | | | | | |
| Accumulated surplus | 317,845 | 321,027 | 324,246 | 327,289 | 332,437 | 338,650 |
| Reserves | 1,185,673 | 1,450,407 | 1,450,407 | 1,450,407 | 1,450,407 | 1,450,407 |
| Total equity | 1,503,518 | 1,771,434 | 1,774,653 | 1,777,696 | 1,782,844 | 1,789,057 |

The budgeted standard balance sheet shows a snapshot of the expected financial situation at the end of each year. It shows the total of what is owned (assets) less what is owed (liabilities). The 'bottom line' of this statement is net assets, which is the net worth of Council.

Bayside City Council – 2009/10 Budget

9.6.3 Budgeted Standard Cash Flow Statement

| | 2008/09 Budget \$'000's | 2008/09 Forecast \$'000's | 2009/10 Budget \$'000's | 2010/11 Outlook \$'000's | 2011/12 Outlook \$'000's | 2012/13 Outlook \$'000's |
|---|-------------------------------|---------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Cash flows from operating activities | | | | | | |
| Receipts | | | | | | |
| Receipts from ratepayers | 53,720 | 54,085 | 57,751 | 61,039 | 64,498 | 68,144 |
| Interest received | 1,264 | 1,367 | 953 | 820 | 922 | 1,068 |
| User charges (inclusive of GST) | 14,321 | 15,191 | 15,251 | 15,658 | 16,819 | 17,411 |
| Grants and contributions received (inclusive of GST) | 10,130 | 10,467 | 10,160 | 10,151 | 10,547 | 10,967 |
| Net GST refund | 3,610 | 3,768 | 3,894 | 3,476 | 3,590 | 3,766 |
| Payments | | | | | | |
| Payments to employees | (26,411) | (25,493) | (27,547) | (29,335) | (31,239) | (33,270) |
| Payments to suppliers (inclusive of GST) | (43,390) | (42,033) | (43,539) | (44,576) | (46,282) | (48,060) |
| Net cash provided by operating activities | 13,244 | 17,352 | 16,923 | 17,233 | 18,855 | 20,026 |
| Cash flows from investing activities | | | | | | |
| Payments for property, plant and equipment, infrastructure | (15,841) | (19,104) | (19,106) | (13,339) | (14,137) | (15,035) |
| Net cash used in investing activities | (15,841) | (19,104) | (19,106) | (13,339) | (14,137) | (15,035) |
| Cash flows from financing activities | | | | | | |
| Finance costs | (1,115) | (1,084) | (1,067) | (1,170) | (1,124) | (1,084) |
| Proceeds from interest bearing loans and borrowings | 2,000 | 2,000 | 2,000 | 1,500 | 1,000 | 1,000 |
| Repayment of interest bearing loans and borrowings | (2,000) | (2,000) | (2,000) | (2,000) | (1,500) | (1,500) |
| Proceeds from trust funds and deposits | - | 105 | 109 | 115 | 121 | 127 |
| Net cash provided by financing activities | (1,115) | (979) | (958) | (1,555) | (1,503) | (1,457) |
| Net increase(decrease) in cash and cash equivalents | (3,712) | (2,731) | (3,141) | 2,339 | 3,215 | 3,534 |
| Cash and cash equivalents at the beginning of the year | 16,274 | 18,352 | 15,621 | 12,480 | 14,819 | 18,034 |
| Cash and cash equivalents at the end of the year | 12,562 | 15,621 | 12,480 | 14,819 | 18,034 | 21,568 |

The budgeted standard cash flow statement shows what is expected to happen during the year in terms of cash. It explains what cash movements are expected to result in the difference in the cash balance at the beginning and the end of the year.

The net cash flows from operating activities, shows how much cash is expected to remain after paying for providing services to the community which is available to be invested in items such as capital works.

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9.6.4 Budgeted Standard Capital Works Statement

| | 2008/09 Budget \$'000's | 2008/09 Forecast \$'000's | 2009/10 Budget \$'000's | 2010/11 Outlook \$'000's | 2011/12 Outlook \$'000's | 2012/13 Outlook \$'000's |
|-------------------------------|-------------------------------|---------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Capital Works Area | | | | | | |
| Council buildings | 7,467 | 7,178 | 9,630 | 3,639 | 4,230 | 4,827 |
| Information systems | 365 | 451 | 387 | 380 | 391 | 403 |
| Library systems | 402 | 402 | 420 | 435 | 448 | 461 |
| Drainage infrastructure | 974 | 826 | 1,085 | 826 | 729 | 717 |
| Roads infrastructure | 5,948 | 5,750 | 4,459 | 4,400 | 4,555 | 4,713 |
| Parks and sportsgrounds | 3,455 | 3,012 | 2,234 | 2,623 | 2,707 | 2,796 |
| Foreshore infrastructure | 1,530 | 1,485 | 890 | 1,037 | 1,073 | 1,111 |
| Total capital works | 20,141 | 19,104 | 19,105 | 13,340 | 14,133 | 15,028 |
| Types of capital works | | | | | | |
| New assets | 12,754 | 9,294 | 8,487 | 4,840 | 5,009 | 5,184 |
| Asset renewal | 7,387 | 9,810 | 10,618 | 8,500 | 9,124 | 9,844 |
| Total capital works | 20,141 | 19,104 | 19,105 | 13,340 | 14,133 | 15,028 |

The budgeted standard capital works statement sets out all expected capital expenditure in relation to non current assets for the year. It also reflects the amount of capital works expenditure dissected between the following types:

New Assets - Upgrade, expansion or creation of new assets

Asset Renewal – Renewal of existing assets

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9.7 Key Strategic Activities

In accordance with Section 127 of the *Local Government Act 1989*, Council is required to separately identify key strategic activities to be undertaken during the financial year.

9.7.1 Non-Financial Indicators

| Commitment | Strategic Indicator | Target 2009/10 |
|--|---|--|
| 1. Lifestage wellbeing of our people | - Community satisfaction with health and human services * | 74 |
| | - Complete the Municipal Health and Wellbeing Plan | Completion by 31 December 2009 |
| 2. Advocacy for and with our community | - Community satisfaction rating for Council's advocacy and community representation on key local issues * | 61 |
| | - Introduce a system to measure and identify financial contributors and cost shifting from state and federal governments | Implementation by 30 September 2009 |
| 3. Managing our built environment | - Community satisfaction with town planning policy and approvals * | 51 |
| | - Develop four activity centre masterplans | Council adoption of four activity centre masterplans by 30 November 2009 |
| 4. Natural environment, open space and biodiversity | - Community satisfaction with appearance of public areas * | 69 |
| | - Community satisfaction with waste management * | 80 |
| | - Plant additional street trees throughout the municipality | 1000 additional street trees planted by 30 June 2010 |
| 5. Community engagement and having real conversations | - Community satisfaction rating for Council's engagement in decision making on key local issues * | 59 |
| | - Develop a community plan that engages the Bayside community and provides a long term vision for the municipality and our neighbourhoods | Community Plan developed and adopted by 30 June 2010 |
| 6. Stewardship, governance and leadership | - Community satisfaction rating for overall performance generally of the Council * | 67 |
| | - Complete the annual internal audit program in accordance with the Audit Charter | Audit plan completed by 30 June 2010 |

Notes to the non-financial indicators

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1. The non-financial indicators above are taken from the Indicators in Bayside's *Council Plan 2009 – 2013*, as well as some of the Key Activities from the *Annual Action Plan 2009 – 2010*. Please see these two documents for further

* The source for these figures is the Department for Planning and Community Development (DPCD) *Annual Community Satisfaction Survey*. Council aims to maintain a score in line with the rolling average of the last three years. Our 2009/2010 targets will be set in accordance with these averages. The survey results for 2008 are not released until late May 2009, therefore no targets can be set until after these results have been received.

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9.7.2 Financial Indicators

| Indicator | Target |
|--|-------------------|
| Financial Health | |
| Underlying result (net surplus / revenue) - Sufficient operating income to cover operating expenses | Greater than zero |
| Liquidity (current assets / current liabilities) - The ability to pay existing liabilities within the next 12 months - | 1 or greater |
| Debt Management | |
| Debt Management - Indebtedness as percentage of rates & charges - This measures the total indebtedness as a percentage of rates & charges as loans are secured against the revenue stream from rates. | Less than 80% |
| Indebtedness (non-current liab./own source revenue) - The ability to repay debt from own source revenue being revenue not tied to specific projects | Less than 40% |
| Debt servicing costs as % total revenue - The proportion of total revenue required to service Council's debt costs | Less than 5% |
| Capital Expenditure | |
| Self-financing (net operating cash / underlying revenue) - The ability to replace assets using cash generated from day to day operations | Greater than 20% |
| Investment gap (capital spend / depreciation) - To ensure sufficient spending on capital renewal - | Greater than 1 |
| Percentage achievement of capital expenditure - Measures the level of capital project completion | Greater than 80% |
| Debtor Management | |
| Percentage of rates and charges outstanding - Measures the efficiency for collection of outstanding rates and charges. | Less than 3% |

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9.8 Action Plan 2009 - 2010

| Commitment 1 – Lifestage wellbeing of our people | | |
|---|---|---|
| Strategic objective 1.1: Bayside residents will continue to enjoy a high quality of life and wellbeing | | |
| Key activity | Target | Performance measure |
| Strategy 1.1.1 – We will develop and maintain strong relationships in planning and delivering services and facilities for the health and wellbeing of the community including volunteerism | | |
| Lead the development of a pilot program aimed at increasing the independence of older people | Pilot evaluated by June 2010 | Pilot introduced by December 2009 |
| Implement a new respite program targeted at carers of frail older people and people suffering with dementia | Increase respite care by 6580 hours per annum | Program commenced by September 2009 |
| Develop strategies to meet the identified needs of the Bayside population at all ages and stages in consultation with key stakeholders, including Council's Advisory Groups | Complete 2009-2010 Municipal Early Years Plan by March 2010 Complete Youth Services Strategy by March 2010 Complete Municipal Health and Wellbeing Plan by 31 December 2009 * | Council adoption of Municipal Early Years Plan Council adoption of Youth Services Strategy Council adoption of Municipal Health and Wellbeing Plan |
| Strengthen 'Bayside Gives' as a community building initiative | Complete register of community groups by June 2010 Increase in volunteers linked to 'Bayside Gives' by June 2010 Development of a communications and marketing plan by September 2009 | Number of registered community groups on 'Bayside Gives' website Number of volunteers linked to 'Bayside Gives' Number of hits on 'Bayside Gives' website |

* This is also a non-financial indicator in the Strategic Resource Plan

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Commitment 1 – Lifestage wellbeing of our people

Strategic objective 1.1: Bayside residents will continue to enjoy a high quality of life and wellbeing

| Key activity | Target | Performance measure |
|---|--|--|
| Strategy 1.1.2 – We will provide accessible and high quality services meeting the established needs of people in their local community | | |
| Improve and develop community facilities in line with endorsed strategies | Upgrade of Simpson Reserve Pavilion commenced in January and completed by May 2010 | Works completed to schedule and budget |
| | Redevelopment of Highett Senior Citizens Centre commenced in August 2009 and completed by January 2010 | Works completed to schedule and budget |
| | Stage three of Bayside Arts and Culture Centre commenced in July 2009 and completed by June 2010 | Works completed to schedule and budget |
| | Redevelopment of skate facility and Donald McDonald Reserve commenced in October 2009 and completed by February 2010 | Works completed to schedule and budget |

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Commitment 2 – Advocacy for and with our community

Strategic objective 2.1: We will be an effective advocate on behalf of, and with, the Bayside community

| Key activity | Target | Performance measure |
|---|---|---|
| Strategy 2.1.1 – We will lobby federal and state governments for extra resources and changes to legislation that will benefit our community and organisation | | |
| Lobby singularly and with key stakeholders to State government to obtain a fairer distribution of aged care funding | Increase government funding for in-home aged care | Funding levels increased |
| Strategy 2.1.2 – We will work to limit cost-shifting to Council from the federal and state governments | | |
| Introduce a system to measure and identify financial contributions and cost shifting from state and federal governments * | Implement on 30 September 2009 | Quarterly report on respective funding levels, including government and other contributions |
| Examine and report to Council each new and varied funding offer against cost shifting implications (including detailed consideration of recurrent costs) | Cost shifting measures are considered against social, economic, environmental and financial implications | Reports provided in a timely manner to allow for a Council resolution on the matter |
| Strategy 2.1.3 – We will identify opportunities to increase funding for human services | | |
| Pursue human services grant opportunities to enable improved services to the community | Increase in grant revenue | Percentage increase in grant revenue in 2009 / 2010 in comparison to current financial year |
| Strategy 2.1.4 – We will achieve approval of our planning scheme amendments | | |
| Conduct a focused and active campaign in support of Council's position on town planning matters | <p>Council's views are recognised and adopted by the Minister for Planning</p> <p>Approval of Council proposed planning scheme amendments by the Minister:</p> <ul style="list-style-type: none"> ○ major activity centre ○ heritage overlay ○ neighbourhood character overlay | <p>Comparison between current year and previous year</p> <p>Time taken for authorisation from lodgement of amendment</p> <p>Number of significant changes to amendments requested by Minister</p> <p>Authorisation to exhibit</p> <p>Approval of gazettal</p> |

* This Key Activity is also a non-financial indicator in the Strategic Resource Plan

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Commitment 2 – Advocacy for and with our community

Strategic objective 2.1: We will be an effective advocate on behalf of, and with, the Bayside community

| Key activity | Target | Performance measure |
|---|--|--|
| Strategy 2.1.5 – Through effective partnerships, Council's will advocate to achieve positive environmental outcomes | | |
| Adoption by Council of priorities arising from the Environmental Sustainability Framework and Local Environmental Sustainability Priority Statement | Priorities assessed and recommended to Council by 30 September 2009 | Council adoption |
| Present Council's view to Federal and State government departments (bodies) that influence environmental policy | Submissions on the Carbon Pollution Reduction Scheme | Submissions lodged within specified timeframes |
| | Policies on environmental issues are completed when relevant and appropriate | Percentage increase in Council environmental policies |
| Build alliances and leverage support from key strategic stakeholders to achieve environmental outcomes | Increase Council's participation in external stakeholder forums and work effectively with community groups | Level of Council's participation in external stakeholder groups Community groups satisfaction with Council's involvement in external stakeholder groups |
| | Participation in South East Councils' Climate Change Alliance (SECCCA) | Number of SECCCA projects participated in by Bayside |

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Commitment 3 – Managing our built environment

Strategic objective 3.1: Buildings and infrastructure will be respectful of Bayside’s character and environment in creating a liveable city

| Key activity | Target | Performance measure |
|--|--|--|
| Strategy 3.1.1 – Built environment controls will encompass environmental sustainability, site responsive design and community needs | | |
| Review and re-write the Local Planning Policy Framework (LPPF) | New LPPF clearly articulates policy direction and incorporates environmental sustainability principles | New LPPF adopted for exhibition by December 2009 |
| Introduce Water Sensitive Urban Design (WSUD) principles (C44 amendment) to improve the quality of stormwater discharged from properties | Successful introduction of Amendment C44 | Implemented by July 2009 |
| Introduce Sustainable Design in the Assessment of Town Planning Permits (SDAPP) to improve the sustainability of Bayside’s built environment | Successful implementation of SDAPP | Implemented by 1 October 2009 Percentage of applications subject to sustainable design assessment |
| Strategy 3.1.2 – We will engage with the community (developers, residents, consultants) on Council’s expectations regarding controls over the built environment quality | | |
| Develop a communications plan, including holding of forums, to engage the community and building / development industry of Council’s initiatives for the built environment | Increased awareness in the community and building / development industry of Council’s initiatives | Level of community and building / development industry awareness of Council’s built environment initiatives |
| Conduct and evaluate the Bayside Built Environment Awards in promoting quality in the built environment | Successful conduct of awards and completion of reviews | Feedback on level of quality in the built environment Number of nominations received per award category Survey of attendees ranks the awards above 80 th percentile for satisfaction Council adoption of review recommendations by December 2009 |
| Conduct a proactive education program for the local planning and development industry | Two forums conducted by June 2010 | Attendance levels of forums Survey of participants ranks the program above 80 th percentile for satisfaction |

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Commitment 3 – Managing our built environment

Strategic objective 3.1: Buildings and infrastructure will be respectful of Bayside's character and environment in creating a liveable city

| Key activity | Target | Performance measure |
|--|--|---|
| Strategy 3.1.3 – Our villages and activity centres will provide an attractive focus for their local communities | | |
| Implement an integrated and holistic approach to activity centre planning involving all relevant council departments | All activity centre plans reflect approach | 100% of activity centre plans commenced in 2009/2010 take an integrated place management approach Extent to which traders/businesses are involved in the adoption of activity centre plans |
| Develop four activity centre masterplans * | Completed by 30 November 2009 | Council adoption of four activity centre masterplans |
| Implement activity centre masterplans - subject to success of Federal Government funding application | Completion of two projects by 2010 | Number of funded projects implemented |
| Strategy 3.1.4 – Housing will meet the diverse and changing community needs over time and be located to support sustainable living | | |
| Prepare a Housing Strategy which establishes criteria to ensure flexibility and adaptability of building design to address changing lifestage needs of occupants (universal housing) | Housing Strategy incorporates design for changing needs | Council adoption of Housing Strategy by December 2009 |
| Adoption of a Housing Strategy that addresses future residential growth, sustainability and diversity of housing requirements | Housing Strategy incorporates future residential growth, sustainability and diversity of housing requirements considerations | Council adoption of Housing Strategy by December 2009 |
| Strategy 3.1.5 – We will provide sustainable infrastructure that is fit for purpose | | |
| Introduce a Developer Contribution Plan in which new development contributes to the cost of additional public infrastructure | Commencement of Developer Contribution Plan by December 2009 | Developer Contribution Plan accepted and gazetted as a planning scheme amendment |
| Develop an Asset Management Strategy for all major asset classes | Asset Management Strategy completed by December 2009 | Council adoption of Asset Management Strategy |

* This Key Activity is also a non-financial indicator in the Strategic Resource Plan

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Commitment 4 – Natural environment, open space and biodiversity

Strategic objective 4.1: We will improve the quality of our natural environment and open spaces and meet the challenges of climate change

| Key activity | Target | Performance measure |
|--|--|---|
| Strategy 4.1.1 – We will conserve Bayside’s natural environment | | |
| Measure extent of vegetation within the vegetation protection overlay | Maintain and increase level of vegetation | Percentage of vegetation canopy within the vegetation protection overlay Results measured by March 2010 |
| Investigate additional means of measuring performance in conserving Bayside’s natural environment | Identification and development of appropriate performance measures | Council adoption of agreed performance measures by June 2010 |
| Strategy 4.1.2 – We will increase the extent of tree canopy of the municipality including the planting of more trees on public land | | |
| Monitor tree canopy for private land and for public land | Conduct aerial survey of tree canopy | Completed by January 2010 |
| Plant 1400 additional trees in streets throughout the municipality * | Completion by 30 June 2010 | Number of successful tree plantings |
| Develop and implement a communications plan to promote the protection of private and public trees | Completion by 30 June 2010 | Evidence of information in Council publications and on website |
| Strategy 4.1.3 – We will provide accessible open space that meets the identified needs of the Bayside community | | |
| Develop a Bayside Open Space Strategy | Completion of evidence-based Open Space Strategy | Council adoption of Open Space Strategy by December 2010 Level of community satisfaction with Council’s engagement in the development of the Open Space Strategy |
| Strategy 4.1.4 – We will develop a response to the challenges of climate change, especially in coastal locations | | |
| Review of Coastal Strategy in preparation of a Coastal Action Plan | Completion by March 2010 | Council adoption of Coastal Action Plan |

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| | | |
|---|-------------------------|---|
| Undertake two erosion control inspections and implement recommendations | Completion by June 2010 | Number of erosion control inspections completed Evidence of follow-up action taken |
|---|-------------------------|---|

* This Key Activity is also a non-financial indicator in the Strategic Resource Plan

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Commitment 4 – Natural environment, open space and biodiversity

Strategic objective 4.2: We will reduce Council's reliance on non-renewable energy resources

| Key activity | Target | Performance measure |
|--|--|--|
| Strategy 4.2.1 – We will achieve carbon neutrality for Council's operations by 2020 | | |
| Review and implement Greenhouse Action Plan | Establish annual targets to 2020 to achieve carbon neutrality by 2020 Complete energy audits identified in the Greenhouse Action Plan | Council adoption of targets by February 2010 Audits accepted and registered in Asset Management Plans |
| Strategy 4.2.2 – We will reduce Council's reliance on potable water | | |
| Review Sustainable Water Management Strategy and Water Action Plan for water restrictions | Establish baseline level and future targets for sustainable water use | Completion of Milestone 5 of ICLEI Local Government for Sustainability Water Campaign Council adoption of sustainable water use targets |
| Strategy 4.2.3 – We will educate and engage our community in environmental sustainability | | |
| Reduce volume of waste to landfill | 50% recovery rate by weight of solid waste for recycling in line with Sustainability Victoria's Metropolitan Waste and Resource Strategic Plan (SVMWRSP) | Comparison by weight of waste to landfill to total domestic waste stream |
| Increase the recovery rate of solid waste for recycling or energy generation | 65% recovery rate by weight of solid waste for recycling or energy generation in line with the SVMWRSP | Percentage of solid waste by weight recovered for recycling or energy generation |
| Develop a position on environmental issues that is well supported by the community | Increase in community awareness and support for Council's environmental policies (requires base-line figure) | Percentage increase of public awareness and support for Councils environmental policies |
| Review mechanisms for community engagement on environmental issues | Review of Bayside Environmental Advisory Group (BEAG) and other current mechanisms | Level of participation by BEAG members Council adoption of review recommendations by December 2009 |

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| | | |
|---|---|---|
| Review the format and content of environmental sustainability material on Bayside's website | Relevant information posted and links established to other appropriate websites | Website updated by December 2009 Number of 'hits' on Council's website Level of user satisfaction |
|---|---|---|

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Commitment 5 – Community engagement and having real conversations

Strategic objective 5.1: We will effectively engage with our community

| Key activity | Target | Performance measure |
|---|---|---|
| Strategy 5.1.1 – We will increase transparency and knowledge about opportunities for community participation | | |
| <p>Review and ensure that the website provides accurate up to date information that is easy to find</p> | <p>Restructure the website by 30 June 2010</p> <p>Improve the number of unique visits from 23,000 per month to 25,000 per month by 2010</p> <p>Benchmark satisfaction rating established by December 2009</p> <p>Ninety per cent of key Council issues onto website within five business days by June 2010</p> <p>Accessibility, navigation and usability meet industry standards and content is accurate and up-to-date by December 2010</p> | <p>Completed and launched</p> <p>Website statistics compiled monthly</p> <p>Annual random survey of website users</p> <p>Level of community satisfaction with council's information provision</p> <p>Website statistics</p> <p>Annual independent audit</p> |
| <p>Inform the community of key Council issues via the local print media</p> | <p>Media releases written for 90% of key issues with a 35% uptake of the media releases by December 2009</p> <p>Council's reputation and brand as conveyed by the local media increased by 10% by December 2009</p> <p>Media queries on publication adequately reflect Council's position or key messages on more than 50% of articles by December 2009</p> | <p>Volume issued and proportion published</p> <p>Council's media ratings system</p> <p>Content analysis</p> |

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| Commitment 5 – Community engagement and having real conversations | | |
|---|--|--|
| Strategic objective 5.1: We will effectively engage with our community | | |
| Key activity | Target | Performance measure |
| Strategy 5.1.2 – We will provide a range of opportunities for the community to actively engage in Council's decision-making activities | | |
| Facilitate opportunities to engage key stakeholders and community members in strategic planning activities | Key stakeholders and interested community members involved in steering/active roles in 20% more projects by June 2010 | Annual internal survey Review of major projects Review of Advisory Committee Terms of Reference Level of community satisfaction with Council's engagement in decision making on key local issues |
| Develop a Community Plan that engages the Bayside community and provides a long term vision for the municipality and our neighbourhoods * | Community Plan developed and adopted by 30 June 2010 | Council adoption of Community Plan with support by key community stakeholders Level of community satisfaction with Council's engagement in decision making on key local issues |
| Use new communication techniques including mobile phone and Web 2+ technology to provide opportunities for conversation, feedback and two-way communication | Evaluate the suitability and potential effectiveness of new technologies by December 2009 and incorporate the appropriate new technology tools into Council's Communication and Engagement strategies and implement from June 2010 | Internal and external reports give evidence-based direction for the adoption of suitably effective tools and techniques Tools included in communication and engagement strategies and the technology is available and being used by staff |

* This Key Activity is also a non-financial indicator in the Strategic Resource Plan

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Commitment 5 – Community engagement and having real conversations

Strategic objective 5.1: We will effectively engage with our community

| Key activity | Target | Performance measure |
|--|--|---|
| Strategy 5.1.3 – We will ensure our approaches to community engagement are appropriate, ongoing, open and collaborative | | |
| Develop and implement community engagement plans for all major projects | <p>All major projects have adopted community engagement plans by November 2009</p> <p>70% of community satisfied with the engagement process by June 2010</p> <p>90% of projects clearly indicate how they have responded to community feedback and acknowledged the input</p> | <p>Compliance against the community engagement framework (see below)</p> <p>Community satisfaction rating for Council's interaction and responsiveness in dealing with the public</p> <p>Random and routine analysis of reports and documentation</p> |

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Commitment 6 – Stewardship, governance and leadership

Strategic objective 6.1: We will improve the condition and suitability of the municipality's assets and resources, and the capability of our organisation

| Key activity | Target | Performance measure |
|---|--|--|
| Strategy 6.1.1 – Economic, social and environmental impacts will inform all council decisions | | |
| Implement a procurement policy that considers economic, social and environmental impacts | 30 September 2009 | Council adoption of Procurement Policy |
| Strategy 6.1.2 – Our long-term financial strategy will provide a transparent validation of Council's intentions to continue to achieve financial sustainability in the medium to long term | | |
| Establish a financial framework to support sound financial decisions | Review the long-term financial strategy and plan | Council adoption of Long-Term Financial Strategy by 30 March each year Financial sustainability: <ul style="list-style-type: none"> ○ Financial statements; and ○ Improved Victorian Auditor-General AGO ratios |
| Develop an annual budget in accordance with the Long-Term Financial Strategy | 30 June 2010 | Council adoption of annual budget in accordance with the Long-Term Financial Strategy |
| Integrate a 10 year capital works program into Council's strategic financial direction | 30 March 2010 | Endorsed by Council |
| Completion of the capital works program | 30 June 2010 | Achieve 85% of the Capital Works Program |
| Strategy 6.1.3 – We will achieve sound risk management | | |
| Complete the annual internal audit program in accordance with the Audit Charter * | Audit plan completed by 30 June 2010 | Timely delivery of key actions from internal audit reports |
| Strategy 6.1.4 – We will meet the current and future requirements relating to organisation structure, capability, succession and talent management | | |
| Adopt an Organisation Business Plan Framework that provides a long-term vision and strategy for the organisation | Framework developed by 31 July 2009 | Chief Executive Officer approval of framework |
| Introduce the Business Excellence Framework to Bayside as the model for Continuous Improvement | Completion of Stage One by November 2009 | Chief Executive Officer approval of Improvement Action Plan |

* This Key Activity is also a non-financial indicator in the Strategic Resource Plan

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Commitment 6 – Stewardship, governance and leadership

Strategic objective 6.2: We will provide open, transparent and accountable governance with the highest standards of integrity

| Key activity | Target | Performance measure |
|--|---|--|
| Strategy 6.2.1 – Council will regularly review and reflect on its decisions and performance | | |
| Council will undertake a self- assessment against the Code of Conduct | Assessment undertaken quarterly | 80% satisfaction |
| Identify strategies to improve areas of opportunity as identified in the DPCD survey | Implementation of strategies. | DPCD survey shows improvement year over year. |
| Develop quarterly performance reporting to Council via Interplan | Quarterly Report to Council developed by the end of the first quarter (30 Sept 2009) | Quarterly Report measures Council Plan Strategies (via the Key Activities in the Annual Action Plan) |
| Strategy 6.2.2 – Council decisions and initiatives will be based on clear and transparent evidence, informed by economic, environmental and social considerations | | |
| Develop a policy and strategy framework | Development of new policy and strategy guidelines, handbook and templates by 30 November 2009 | Policy and Strategy Framework adopted by Council |
| Review all current plans, strategies and policies against framework | Complete review of 50% of current plans, strategies and policies by 30 June 2010 | Percentage of review completed |

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9.9 Glossary of Terms

| | |
|---|--|
| Operating budget (Budgeted income statement) | The budgeted income statement shows the expected operating result in the forthcoming year with a distinction made between revenue received for operating purposes and revenue received for capital purposes. |
| Annual reporting requirements | Annual reporting requirements include the financial reporting requirements of the <i>Local Government Act 1989</i> , Accounting Standards and other mandatory professional reporting requirements. |
| Borrowing strategy | A borrowing strategy is the process by which the Council's current external funding requirements can be identified, existing funding arrangements managed and future requirements monitored. |
| Cash position (Budgeted cash flow statement) | The budgeted cash flow statement reports the expected net cash inflows and outflows in the forthcoming year in the form of reconciliation between opening and closing balances of total cash and investments for the year. Comparison is made to the current year's expected inflows and outflows. |
| Financial position (Budgeted balance sheet) | The budgeted balance sheet shows the expected net current asset, net non-current asset and net asset positions in the forthcoming year compared to the forecast actual in the current year. |
| Capital projects budget | The capital projects that will be undertaken during the forthcoming year. |
| Capital works statement (Budgeted capital works statement) | The budgeted capital works statement shows the expected capital expenditure for the forthcoming year by works area dissected between new assets and asset renewal. |
| CRLA | The rateable properties to which the <i>Cultural and Recreation Land Act 1963</i> applies |
| Reserves | Reserves are funds earmarked by Council for various purposes. |
| External funding sources (Analysis of capital budget) | External funding sources relate to grants or contributions, which will be received from parties external to the Council. |
| External influences in the preparation of a budget | Matters arising from third party actions over which Council has little or no control e.g. change in legislation. |
| Financing activities | Financing activities means those activities which relate to changing the size and composition of the financial structure of the entity, including equity, and borrowings not falling within the definition of cash. |
| Internal funding sources | Internal sources relate to cash and investments held in reserves or which are uncommitted and cash that will be generated from the operations of Council during the budget year. |

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| | |
|---|---|
| Internal influences in the preparation of a budget | Matters arising from Council actions over which there is some element of control e.g. approval of unbudgeted capital expenditure. |
| Infrastructure | Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services. |
| Investing activities | Investing activities means those activities which relate to acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets, and investments not falling within the definition of cash. |
| Legislative framework | Local Government Act 1989, regulations and other laws and statutes under which Council governance and reporting requirements are set. |
| Net Funds (Surplus/Deficit) | Operating Income less Operating Expenses to determine the amount of funds available for allocation to Capital Projects. |
| Operation activities | Operating activities means those activities which relate to the provision of goods and services. |
| Operating expenditure | Operating expenditure is defined as consumptions or losses of future economic benefits, in the form of reductions in assets or increases in liabilities; and that result in a decrease in equity during the reporting period. |
| Operating revenue | Operating revenue is defined as inflows or other enhancements, or savings in outflows of future economic benefits, in the form of increases in assets or reductions in liabilities; and that result in an increase in equity during the reporting period. |
| Prudential ratios and thresholds (borrowing strategy) | Used in assessing a Council's borrowing capacity as part of the annual Australian Loan Council borrowing allocation. |
| Rating strategy | A rating strategy is the process by which the Council's rate structure is established and how the quantum of rate change has been determined, taking into consideration longer term philosophy issues and framework. |
| Rate structure (rating strategy) | Site value (SV) capital improved value (CIV) or net annual value (NAV) are the main bases upon which rates will be levied. |
| Statutory disclosures | The <i>Local Government Act 1989</i> and the <i>Local Government (Finance and Reporting) Regulations 2004</i> require certain information relating to projected results, borrowings, capital works and rates and taxes to be disclosed within the budget. |

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| | |
|----------------------------------|---|
| Statutory reserves | Statutory reserves are funds set aside for specified statutory purposes in accordance with various legislative and contractual requirements. These reserves are not available for other purposes. |
| Uncommitted cash and investments | Uncommitted cash and investments equals working capital and funds preserved from the previous year mainly as a result of grants and contributions received in advance. |
| Working capital | Working capital is the balance of cash and investments not set aside for statutory and discretionary reserves. These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements and unexpected short term needs. A high level of working capital is required as 40% of Council's rate revenue is not received until February each year. Council's working capital balance and undrawn financing facilities are sufficient to meet its long service leave obligations as set out in the <i>Local Government (Long Service Leave) Regulations 2002</i> . |
