

Key Strategic Activities and Strategic Resource Plan

This document contains annually revised information to support the achievement of the Council Plan 2009-2013.

Key Strategic Activities 2011-12

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Under Section 127 of the *Local Government Act 1989* councils are required to develop annual Key Strategic Activities towards achieving the Strategic Objectives of the Council Plan.

Moonee Valley City Council developed 18 Key Strategic Activities for 2011-12 with separately identified performance measures and targets. These are presented under Council's six Key Strategic Objectives as outlined in the 2009-2013 Council Plan:

- A creative City with connected communities
- A healthy environment and a sustainable City
- A City providing smart and accessible transport that connects people
- A City for investment and growth
- A well-planned and managed City
- A dynamic, responsive organisation

Strategic Resource Plan 2011/12 – 2014/15

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A central part of developing the Council Plan is accounting for the financial environment in which Council will work. The Strategic Resource Plan sets a financial framework which shapes each annual budget.

Key elements are:

- Long-term financial plan
- Human resources
- Asset management
- Standard financial tables

Key Strategic Activities 2011 -12

Strategic Objective 1: A creative City with connected communities		
Key strategic activity	Performance measure	Performance target
<p>Strathmore Children's Centre We will develop an integrated family and children's services facility for residents of Strathmore and surrounding areas. Services delivered from the new centre will include maternal and child health and child care, and will result in an additional 41 child care places being available in the area.</p>	Completion of the integrated family and children's services facility in Strathmore.	Facility is operational with maternal and child health, and increased child care services provided.
<p>Healthy Ageing Strategic Plan We will develop a strategic plan of actions to guide service development and delivery in relation to Moonee Valley's ageing population.</p>	Presentation to Council of the strategic plan.	Strategic plan developed and presented to Council.
<p>Library and Learning Strategy We will develop a Strategy that will guide the future delivery and development of library and learning services for the next four years.</p>	Presentation to Council of Strategy.	Strategy developed and presented to Council.

Strategic Objective 2: A healthy environment and a sustainable City		
Key strategic activity	Performance measure	Performance target
<p>Sustainable Waste Management We will promote waste minimisation practices to the community and provide efficient and sustainable waste and recycling collection and processing services and facilities.</p>	Proportion of waste diverted from landfill.	48% diverted from landfill.
<p>Environmental Sustainability Plan Review We will review the Environmental Sustainability Plan in order to ensure that Council's activities continue to protect and enhance the environment in Moonee Valley.</p>	Completion of review.	Review completed and report presented to the Executive Team.
<p>Parks and Open Spaces We will provide and maintain attractive and user-friendly parks and open spaces that are accessible for all.</p>	Local Government Community Satisfaction Survey rating that includes parks and gardens.	Rating of ≥ 67

Strategic Objective 3: A City providing smart and accessible transport that connects people		
Key strategic activity	Performance measure	Performance target
Walking and Cycling Strategy We will develop a strategy to promote sustainable transport options and to guide Council's provision of comprehensive and connected walking and cycling networks and associated facilities.	Presentation to Council of Strategy.	Strategy developed and presented to Council.
Municipal Parking Strategy We will finalise the Municipal Parking Strategy to ensure a planned and coordinated approach to addressing parking issues across the City.	Presentation to Council of Strategy.	Strategy developed and presented to Council.
Road Safety We will provide a safer environment for all road users and improve road user behaviour.	Local Government Community Satisfaction Survey rating that includes road safety.	Rating of ≥ 58

Strategic Objective 4: A City for investment and growth		
Key strategic activity	Performance measure	Performance target
Branding Strategy We will develop a branding strategy identifying the City's key attributes and attractions in order to promote Moonee Valley on a local, statewide and national level as a premier destination to live, work, invest and do business.	Executive Team endorsement of Strategy.	Strategy completed and endorsed by the Executive Team.
Supporting Local Businesses We will support existing and new businesses in Moonee Valley through the provision of training and events that respond to the skill and information needs of the local business sector.	Delivery and attendance at events.	Minimum of five business events and total attendance of 300 people.
Economic Development We will provide services that maximise economic benefits for Moonee Valley.	Local Government Community Satisfaction Survey rating that includes economic development.	Rating of ≥ 64

Strategic Objective 5: A well-planned and managed City		
Key strategic activity	Performance measure	Performance target
<p>Capital Works Program We will spend a minimum of 90% on renewing and maintaining the City's infrastructure for the benefit of the community and future generations.</p>	Amount spent in 2011/12 capital works program, including carry forwards.	90% spent on capital works
<p>Development Contribution Plans We will ensure that the Moonee Valley Planning Scheme meets the infrastructure needs of the community by commencing the implementation of Development Contribution Plans. The plans will seek contributions from the development industry towards the costs of community infrastructure needed as a result of development.</p>	Development of scoping paper and consultations on the introduction of Development Contribution Plans.	Scoping paper and consultations completed.
<p>Planning and Housing Development We will provide a high quality, easily accessible and timely development application processing system and work towards achieving sustainable growth of the Municipality while preserving unique character and heritage.</p>	Local Government Community Satisfaction Survey that includes town planning policy and approvals.	Rating of ≥ 54

Strategic Objective 6: A dynamic, responsive organisation		
Key strategic activity	Performance measure	Performance target
<p>Financial Sustainability We will deliver effective financial management and accountable performance through responsible financial governance and reporting practices.</p>	Budgeted operating result.	Achieve the operating result for the 2011/12 Annual Budget.
<p>Procurement Strategy We will commence implementation of the Procurement Strategy and adopt best practice contracting and procurement processes for all Council goods, services and works. Implementation will focus on achieving sustainable and socially responsible procurement, cost savings, support to local economies and innovation that will result in better services for the community.</p>	Implementation of Phase 1 and 2 actions of the procurement roadmap.	80% of actions completed.
<p>Council Performance We will provide best practice governance and leadership, and deliver effective services and facilities that are responsive to the needs of the community.</p>	Local Government Community Satisfaction Survey rating for Council's overall performance.	Rating of ≥ 69

Strategic Resource Plan 2011/12 – 2014/15

A central part of developing the Council Plan is accounting for the financial environment in which Council will work. The Strategic Resource Plan sets a financial framework which shapes each annual budget.

Key elements are:

- Long-term financial plan
- Human resources
- Asset management
- Standard financial tables

Long-term financial plan

Underpinning the Strategic Resource Plan is consideration of Council's immediate financial resources as well as the apparent trends impacting on Council's financial situation.

Important to this planning are the 'principles of sound financial management' in the Local Government Act that essentially require Council to:

- manage financial risks prudently
- provide a reasonable degree of stability in level of the rates burden
- recognise financial effects on future generations
- ensure full, accurate, timely disclosure of financial information

Key financial impacts

Council's finances are driven by the quantity and service standards of the activities it delivers. This impacts on its expenditure, including staff wages and salaries, as well as asset management and its revenue, namely Council rates, fees and charges and government grants.

Continued cost-shifting by State and Federal Governments is placing significant pressure on Council's ability to provide services, facilities and infrastructure, by raising costs and decreasing revenue. Increasing community expectations for services, and the realistic costs to provide a wide range of services, mean Council will need to change many services and get more out of existing infrastructure.

Property rates are increasing as a share of Council revenue. This is a direct result of declining income from State and Federal Government grants.

Government grants to Council, both operating grants and capital grants, are declining in real terms. However, most Council services are either a regulatory and/or legislative requirement or they are to some extent funded by government grants and therefore there is an expectation that they be provided. There continues to be declining income from State and Federal Government grants.

Financial planning assumptions

The figures in the budgeted standard financial tables forecast Council's likely budget situation for each financial year during 2011-15. These are based on a set of assumptions about projected changes in income and expenditure as set out below.

Assumed yearly change

Rates	4.5%
Salaries	6.0%
Contracts and material	3.0%
Statutory fees and charges	2.0%
Non-statutory fees and charges	4.0%

These assumptions are a starting point that allow Council to forward plan – they are not commitments. Future considerations of Council and issues facing the City will continue to shape these decisions.

Human resource management

Council's human resource programs continue to benefit the community through the achievement of value for money services, including continuous improvement and performance enhancement and our ongoing commitment to staff learning and development.

By aligning human resources to planned services and initiatives in the Council Plan period, it has been identified that permanent employee numbers are expected to remain within current levels.

Council's current enterprise agreement ensures that salary increases are confirmed and appropriately budgeted for until 30 June 2013. Increases beyond this date will form part of the next Enterprise Agreement and are expected to be in line with industry standards and in return for further productivity improvements.

Risk management

Council continues to achieve risk management audit results that are among the best in the state by ensuring that all Council departments comply with our risk management policies and processes. These policies and processes cover the maintenance of Council's infrastructure, including parks and gardens, trees, roads, footpaths, playgrounds and facilities. Our risk management policies and processes will continue to be regularly reviewed and updated with ongoing training provided to staff to ensure our community has access to excellent quality infrastructure.

Occupational health and safety

The human resource strategic safety program, underpinned by Council's Occupational Health and Safety Management System, will seek to maintain annual reductions in incidents that result in staff injuries and lost work time.

Asset management

Council owns a significant number of assets such as roads, footpaths, community halls and parks so that Council can deliver services to the community. In order to sustainably and responsibly manage these assets, Council has developed an Asset Management Strategy.

A central part of the Asset Management Strategy is the development of asset management plans for each class of asset:

- Roads
- Facilities
- Open space
- Drainage
- Plant
- Equipment
- Furniture

A large proportion of Council assets were constructed between the 1950s and 1970s as part of new housing developments, or through specific Commonwealth Government grants. Many of these assets are at the end of their lifespan and will require renewal or replacement in the near future. The challenge facing Local, State and Commonwealth Governments will be how to fund these works.

Council continues to implement related strategies, including the Integrated Transport Plan, Road Safety Plan, Open Space Strategy and the Community Facilities Plan to ensure the renewal and upgrading of existing assets. Strategic documents developed during 2010/11 include the Procurement Policy, a ten year Early Years Infrastructure Plan and the Maribyrnong River Master Plan. An Asset Management system and asset management plans are being implemented for roads, footpaths, drainage and buildings to assist in managing assets for present and future generations.

Standard Financial Tables 2011/12 – 2014/15

Budgeted Standard Income Statement

For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan Projections		
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Revenues from ordinary activities					
Rates and charges	72,802	77,338	81,315	85,332	89,528
Operating grants	13,254	12,348	12,533	12,721	12,912
Capital grants and contributions	2,737	962	3,400	3,400	3,400
Statutory fees & fines	5,658	5,639	5,817	5,754	5,811
User fees and charges	11,052	11,936	12,429	12,942	13,475
Reimbursements and contributions	1,087	734	939	780	986
Other revenue	996	841	864	888	912
Interest received	1,260	1,040	1,051	1,092	1,132
Total revenues	108,846	110,838	118,348	122,907	128,157
Expenses from ordinary activities					
Employee benefits	45,714	49,437	52,403	55,547	58,880
Materials and services	38,135	37,035	38,146	39,290	40,469
Finance Costs	891	1,112	801	480	233
Depreciation	14,505	16,226	16,875	17,550	18,252
Bad and Doubtful Debts	661	655	655	655	655
Other Expenses	461	449	449	449	449
Loss on S	200	97	0	0	0
Total expenses	100,567	105,011	109,329	113,972	118,938
Surplus (deficit) for the year	8,279	5,827	9,019	8,937	9,219

Budgeted Standard Balance Sheet
For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan Projections		
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Current assets					
Cash assets	25,687	21,473	20,660	19,868	21,254
Receivables	7,175	7,275	7,375	7,475	7,575
Other assets	391	391	391	391	391
Assets held for resale	0	0	0	0	0
Total current assets	33,253	29,139	28,426	27,734	29,220
Non-current assets					
Financial assets	205	205	205	205	205
Property, plant and equipment	1,014,150	1,022,449	1,028,327	1,034,025	1,040,934
Investment property	6,855	6,855	6,855	6,855	6,855
Intangible assets	1,428	1,428	1,428	1,428	1,428
Total non-current assets	1,022,638	1,030,937	1,036,815	1,042,513	1,049,422
Total assets	1,055,891	1,060,075	1,065,241	1,070,248	1,078,642
Current liabilities					
Payables	8,145	8,145	8,145	8,145	8,145
Trust funds and deposits	1,896	1,896	1,896	1,896	1,896
Employee provisions	6,363	6,363	6,363	6,363	6,363
Interest bearing liabilities	4,392	4,602	4,680	1,575	1,451
Total current liabilities	20,796	21,006	21,084	17,979	17,855
Non-current liabilities					
Employee provisions	2,546	3,296	4,046	4,796	5,546
Interest bearing liabilities	11,322	8,720	4,039	2,464	1,013
Total non-current liabilities	13,867	12,015	8,085	7,259	6,559
Total liabilities	34,664	33,022	29,169	25,239	24,413
Net assets	1,021,227	1,027,054	1,036,072	1,045,009	1,054,228
Equity					
Accumulated surplus	452,371	458,197	467,215	476,152	485,371
Asset revaluation reserve	567,803	567,803	567,803	567,803	567,803
Statutory and other reserves	1,054	1,054	1,054	1,054	1,054
Total equity	1,021,228	1,027,054	1,036,072	1,045,009	1,054,228

Budgeted Standard Cash Flow Statement
For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan Projections		
	2010-11 \$'000 Inflows (Outflows)	2011-12 \$'000 Inflows (Outflows)	2012-13 \$'000 Inflows (Outflows)	2013-14 \$'000 Inflows (Outflows)	2014-15 \$'000 Inflows (Outflows)
Cash flows from operating activities					
<i>Receipts</i>					
Rates and charges	72,702	77,238	81,215	85,232	89,428
Operating grants	13,254	12,348	12,533	12,721	12,912
Capital grants and contributions	2,737	962	3,400	3,400	3,400
Charges fees and fines	16,710	17,575	18,246	18,695	19,286
Reimbursements and contributions	1,087	734	939	780	986
Interest received	2,256	1,881	1,916	1,980	2,044
	108,746	110,738	118,248	122,808	128,057
<i>Payments</i>					
Payments to employees	(44,964)	(48,687)	(51,653)	(54,797)	(58,130)
Payments to suppliers	(39,257)	(38,139)	(39,250)	(40,394)	(41,573)
	(84,221)	(86,826)	(90,903)	(95,192)	(99,703)
Net cash provided by operating activities	24,525	23,912	27,345	27,616	28,354
Cash flows from investing activities					
Proceeds from sale of assets	600	1,247	1,247	1,247	1,247
Payments for intangible assets	0	0	0	0	0
Payments for property, plant and equipment	(24,613)	(25,869)	(24,001)	(24,495)	(26,407)
Net cash used in investing activities	(24,013)	(24,622)	(22,754)	(23,248)	(25,160)
Cash flows from financing activities					
Proceeds from borrowings	3,750	2,000	0	0	0
Repayment of borrowings	(2,499)	(4,392)	(4,602)	(4,680)	(1,575)
Finance Costs	(891)	(1,112)	(801)	(480)	(233)
Net cash provided by (used in) financing activities	359	(3,505)	(5,403)	(5,160)	(1,808)
Net decrease in cash & cash equivalents	871	(4,216)	(812)	(792)	1,386
Cash and cash equivalents at beginning of year	24,816	25,687	21,473	20,660	19,868
Cash and cash equivalents at end of year	25,687	21,473	20,660	19,868	21,254

Budgeted Standard Capital Works Statement

For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan Projections		
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Works carried forward from 2010-11		4,597			
Capital works areas					
Open space	7,509	2,875	5,553	5,016	5,280
Streetscapes	471	280	325	375	380
Shopping centres	186	295	875	1,002	875
Local roads	2,890	3,545	1,662	1,750	2,112
Bicycle paths	300	445	175	175	175
Bridges	60	60	250	250	323
Footpaths	530	710	825	950	825
Drainage	1,102	1,035	787	787	787
Traffic/Transportation	1,457	950	1,179	1,250	1,350
Facilities	7,688	6,876	10,171	10,507	11,051
Information services	879	1,000	812	812	1,412
Plant/Equipment	1,541	3,341	1,387	1,621	1,837
Civic governance	0	0	0	0	0
Total new works	24,613	21,412	24,001	24,495	26,407
Total capital works	24,613	26,009	24,001	24,495	26,407
Represented by:					
Asset renewal	12,773	13,555	12,455	12,711	13,704
New assets (expansion)	3,100	3,268	3,023	3,085	3,326
Upgrade	8,700	9,144	8,483	8,658	9,334
Maintenance	41	43	40	41	44
Total capital works	24,613	26,009	24,001	24,495	26,407

Reconciliation of net movement in property, plant and equipment

	Forecast	Budget	Strategic Resource Plan Projections		
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Total capital works	24,613	26,009	24,001	24,495	26,407
Asset revaluation increment	0	0	0	0	0
Depreciation and amortisation	(14,505)	(16,226)	(16,875)	(17,550)	(18,252)
Written down value of assets sold	(800)	(1,344)	(1,247)	(1,247)	(1,247)
Granted assets	0	0	0	0	0
Recognition of previously unrecognised assets	0	0	0	0	0
Net movement in property, plant and equipment	9,308	8,439	5,879	5,698	6,908

Budgeted Statement of Investment Reserves

For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan Projections		
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Opening balance					
Open space	885	885	885	885	885
Land sales	1,190	0	0	0	0
Car parking	29	29	29	29	29
Valley lakes	140	140	140	140	140
Grants	0	0	0	0	0
	2,244	1,054	1,054	1,054	1,054
Transfers in					
Open space	900	750	700	700	700
Land sales	0	0	0	0	0
Car parking	0	0	0	0	0
Valley lakes	0	0	0	0	0
Grants	0	0	0	0	0
	900	750	700	700	700
Transfers out					
Open space	900	750	700	700	700
Land sales	1,190	0	0	0	0
Car parking	0	0	0	0	0
Valley lakes	0	0	0	0	0
Grants	0	0	0	0	0
	2,090	750	700	700	700
Closing balance					
Open space	885	885	885	885	885
Land sales	0	0	0	0	0
Car parking	29	29	29	29	29
Valley lakes	140	140	140	140	140
Grants	0	0	0	0	0
	1,054	1,054	1,054	1,054	1,054