

5. OFFICER RESPONSES TO RATEPAYERS ASSOCIATION BUDGET SUBMISSION

COUNCIL PLAN QUERIES

Question No.	Ratepayers Association Query	Officers Response
1a	Why is the next cycle SRP estimates not disclosed in a separate document and with an appropriately relevant title like Proposed SRP 2012-13 to 2015-16 or 2013-14 to 2016-17.	The SRP included in the Council Plan 2009-2013 (2012 Update) is prepared in accordance with Section 126 of the Local Government Act 1989 (the Act) and the regulations.
1b	Can Council provide the target and actual performance measures against each strategic objective, including explaining the variance in performance measures?	The Key Strategic Activities (KSA's) that relate to the Strategic Objectives are reported in the Performance Statement in the Annual Report. These are audited annually by the Victorian Auditor General Office (VAGO). The activities and initiatives are also detailed in the Draft Budget 2012/13. These are monitored and reported to the Chief Executive Officer quarterly.
1c	Is this new SRP supposed to be approved together with the annual budget for 2012-13? If yes, explain why?	<p>Section 125 of the Act related to the Council Plan prescribes a requirement to include the SRP in the Council Plan. The Council Plan must be reviewed annually. The SRP is updated to match the Draft Budget document (e.g. year one)</p> <p>The Council Plan 2009-2013 (2012 Update) will be presented to Council for adoption (following the Section 223 submission process).</p>
1d	Why is the last year of the current 2009-2013 SRP amended and included as the first year in the next cycle of the proposed (2013-2016)? Is this an oversight or as intended?	<p>Not sure which document you are referring to (2013-2016?).</p> <p>The document that was presented for public consultation is titled the Council Plan 2009-2013 (2012 Update). The SRP in the Council Plan 2009-2013 (2012 Update) has been updated each</p>

		year and is in-line with the advertised draft budget.
1e	Referring to the original and revised estimates for year 2012-13, what are the key financial differences in the 2009-2013 SRP and 2013-2016 SRP? Please explain the underlying reasons for the differences.	<p>The projected 2012/13 figures as listed in the original 2009 2013 Council Plan were an estimate of income and expenditure related to service levels based on 2009/10 information.</p> <p>The current document will vary to the original Plan for many reasons including (but not limited to);</p> <ul style="list-style-type: none"> • changes in service levels (e.g. HACC services increasing in-line with Government grant allocations), • Introduction of the Environment Waste Levy (EPA), • Carbon Tax impacts (new in 2012/13), • Enterprise Bargaining Agreements (EBA), • Asset valuations, • New operating and capital initiatives, • Reductions in government subsidies (e.g. Library operating Grant in 2011/12), • Contract variations for service and contract delivery, • Change to CIV rating, • New loan borrowings, • Introduction of the Electronic Gaming Machine (EGM) Land Differential, • Changes to Workcover and insurance premiums, • Superannuation and employee related provisions adjustments (including the \$2.4M Defined Benefits call in

		<p>2010, and</p> <ul style="list-style-type: none"> • Changes in waste management (increased tonnages related to landfills). <p>The Annual Report includes the audited Financial Statements and the audited Standard Statements. These statements disclose the variances to the approved budgets and include explanations as to the variances year on year. The Draft Budget advertised for public consultation will reflect the current financial position taking into account the changes (described above) that have affected the Council. Explanations of variations to the previous year budget are included in the Draft Budget narratives.</p>
1f	Please explain the key revenue & cost drivers for these increases (above) – pls include estimates to support reconciliation of the explanation.	<p>The purpose of the SRP is to ensure that Council is well positioned to meet its short and long-term responsibilities and challenges. A number of external pressures throughout the current term of Council, however, have successfully been absorbed within the projected 6% p.a. rate increase as adopted in the SRP.</p> <p>The key cost drivers are listed in the answer to 1e. The Draft Budget 2012/13 document lists the key factors impacting Council’s decision to limit the increase to a 6% rate revenue increase.</p>
1g	Interest repayments increase by 57% from \$735K to \$1.16M – Q1g. Why is a debt increase needed?	The interest repayments listed in the original Plan were estimated as the cost of servicing Council’s loan portfolio of \$10M. In 2010/11 Council agreed to raise a new loan of \$5M to

		part-fund the new Euneva Avenue Carpark and Community Health Facility. The increased interest expense is mostly attributable to the repayments of interest on the \$5M and adjustments to interest rates on loan rollovers since 2009/10.
1h	The cost/income efficiency ratio dropped from 0.86 to 0.83 but comes at the price of increasing income by 6% and expenses by 3% - Q1h. Is there an explanation for this?	<p>Refer 1f above. The comparison of the original Plan with the current plan is not an “apples with apples” comparison due to the number of significant changes as described in the current budget.</p> <p>At a high level Council will incur an estimated cost of \$1.3M in carbon tax related expenses in 2012/13 and EPA levies of \$2M (the EPA levy has increased from \$9 per tonne in 2009/10 to \$48.40 per tonne in 2012/13 an increase since 2009 of approx.\$1.6M per annum). The carbon tax is new and the significant increase in the EPA has escalated since it was originally reported back in 2009/12.</p> <p>Taking those increases into account your adjusted cost/efficiency ratio calculation is significantly closer (Carbon tax \$1.3M and EPA levy \$1.6M). I suggest you remove the “Sale of Assets” income in both calculations which may distort the results as these figures are not consistent year-on-year. The government figures also include capital grants which vary year to year. In 2011/12 Council budgeted for Capital grants of \$12.572M and in 2012/13 \$2.016M. The 2009 Plan had these amounts as \$2.258 and \$2.209 respectively.</p>
1f	Have all these compliance requirements been addressed in	All sections of the Budget and Council Plan are compliant to the

	the proposed SRP yearly budgets i.e. from year 1-4?	requirements as prescribed in the Local Government Act 1989
1e	Will Council consider changing their budgeting approach from consistent annual ballpark increases to a model that is based on a zero based budget approach – which is best practice these days?	<p>Under the Local Government Act 1989 ('the Act'), Council is required to prepare and adopt an Annual Budget, Council Plan and 4 Year Strategic Resource Plan (SRP). The 2012/13 Annual Budget represents the first year of the SRP for the period 2012/13 to 2015/16.</p> <p>Council reviews every facet of current service delivery; capital works renewal requirements, new initiatives for operating services and new capital projects and then determines how much is required to be raised in rate revenue and other revenue sources within the parameters set out in the SRP.</p>
2a	What are the service KPI measures implied in this quote and where can one access the information in the budget and SRP documents?	<p>With regards to business cases for new initiatives, enhancement to service provision and the development of the capital works program the following is taken into account;</p> <p>Councillors and Officers prepare new capital or operating initiatives for consideration by the whole Council before the Draft Budget is adopted that includes reference to:</p> <ul style="list-style-type: none"> • Description of New Initiative: • Where does this initiative fit within Council's strategic objectives? • Brief explanation of how this initiative meets one or more of the strategic objectives. • Description of the benefits obtained by introducing this initiative; e.g. for the Community and Council,

		<ul style="list-style-type: none"> • Consideration in terms of Council’s key strategic risk areas • If risks have been identified then a brief explanation of how the risk will be eliminated or minimised. • Identification of any savings made by introducing this initiative – i.e.: dollars, time, other. • Linkage to an existing Council Report/ Plan/ Strategy , • Identification of Users/Stakeholders that have been consulted. • External Funding Partners (e.g. MonashLink, Govt.) • Financial data (including associated revenue, grants, contributions, costs and savings) <p>When preparing the draft budget, all new items, including new positions, projects and activities, are referred to the Corporate Management Team (CMT) for approval before presentation to Council for consideration. Once new initiatives have been approved by Council, they are included in the draft budget. These working papers are not made publicly available.</p>
2b	What are the financial sustainability measures in this quote and where can one access the information in the budget and SRP documents?	As stated in the Budget document under the Local Government Act 1989 (‘the Act’), Council is required to prepare and adopt an Annual Budget, Council Plan and 4 Year Strategic Resource Plan (SRP). The 2012/13 Annual Budget represents the first year of the SRP for the period 2012/13 to 2015/16. In terms of sustainability all new initiatives are considered within the financial constraints identified in the SRP and the revenue and expense impacts of each initiative.

		Also refer answer to 2a
2c	What are the specific risk management framework and supporting documentation details underpinning the annual and SRP budgets and where can access this information?	<p>A Risk and Opportunity Management Framework and the Risk and Opportunity Management Policy have been implemented at Monash. Risk and Opportunity Management is a central part of the City of Monash's strategic management. The City of Monash is committed to applying risk and opportunity management principles at all levels of the organisation to enable its objectives to be achieved.</p> <p>The Council's approach to risk management is as much about identifying opportunities as avoiding or mitigating losses. It is an integral part of the continuous improvement process endorsed by the Audit Committee and adopted by Council.</p>
2d	Can Council provide details of the business cases of new service enhancement and capital works initiatives planned for each SRP year as an appendix to support this quote.	These are internal documents and not available for public distribution. However, if you wish to discuss any particular item of service delivery and or capital works please advise which ones. It is not practical to supply all the working papers as requested.
3a	Are the highlights on page 23 meant to be SRP budget assumptions?	These items have been identified as the key strategies and highlights in the SRP and draft budget figures.

SRP HIGHLIGHTS

Question No. SRP Highlights	Ratepayers Association Query	Officers Response
<ul style="list-style-type: none"> • Rate increases over the period of the Financial Plan of 6.0% for the four years. 	<ol style="list-style-type: none"> 1. What is the justification basis of assuming a 6% rate increase in each of the 4 years? 2. Has CPI been considered in capping annual increases – if not, why not? 3. In the proposed annual budget for 2012-13 (page 100), Council reported in Schedule A that the proposed percentage of change in rate in the dollar for general differential rate is 4.96%. 2 questions relating to this: <ol style="list-style-type: none"> a. Why ratepayers are charged 6% increase in last year's rate when Council reports 4.96% in the LGA compliance reporting? b. What is the justification rationale of this compliance reported 4.96% change in general differential rate? 	<ol style="list-style-type: none"> 1. The purpose of the SRP (and Draft Budget) is to ensure that Council is well positioned to meet its short and long-term responsibilities and challenges. A number of external pressures throughout the current term of Council, however, have successfully been absorbed within the projected 6% p.a. rate increase as adopted in the SRP. Please refer to the the budget document regarding the justification of the 6% increase. 2. CPI is considered, however it is usually only useful as a guide to contracts that have “rise and fall” provisions related to CPI and grant estimates that are linked to CPI increases. Employee related costs are tied to the EBA. Utility costs are rarely in line with CPI. 3. The 4.96% movement relates to the change in the “rate in the dollar” from 2011/12 to 2012/13. Total revenue from rates has increased by 6% from the total estimated rate revenue in 2011/12. The impact of the biennial revaluation and the total rate revenue required determines the movement to the “rate in the dollar”.

<ul style="list-style-type: none"> • Introduction of an Electronic Gaming Machine (EGM) Land Differential rate 	<ol style="list-style-type: none"> 4. What is the basis of calculating this EGM land differential rate? 5. What project accounts and program logic evaluation measures have been set up to ensure that future proceeds from this rate revenue is used to address gambling social issues in Monash and not put into future budget pools for general allocations to cover the Council ever increasing future operating spends? 6. On Council's website, we understand that the Council's <i>"overall goal and long-term commitment is to identify opportunities to minimise negative health impacts from gambling and maximise the positive ones, both current and potential, on the Monash Community"</i>. Since the EGM rate increases have been included in the SRP budgets, how does Council measure these social and health effects and what KPIs have been considered to ensure the research costs to be spent on gambling will achieve the Council's goals on this matter? Otherwise, the resulting perception is that Council is changing this EGM special rate in accordance to LGA Sect 163 – declaring a special rate/charge for defraying expenses or repaying (with interest) debts or loans incurred. 7. The SRP forecasts must have predefined 	<p>In summary Council will introduce the EGM Land Differential Rate to address problem gambling in Monash. The objective of the EGM land differential rate is to equitably impose a differential rate on rateable land within the municipal district on which EGMs are operated and thereby to raise revenue to be used to improve the overall quality of life of people in the local community within the Monash municipality having regard to the social and economic impacts of problem gambling.</p> <p>The rates raised from the EGM Differential Rate (\$191K) in 2012/13 will be utilised to fund research on the extent and impact of problem gambling within the municipal district and to develop and implement strategies to reduce the impact of problem gambling within the municipal district. Please refer to the details of the EGM Differential rate can be found in Part 5 of the Draft Budget document.</p> <p>This is a differential rate under Section 161 of the Act (not Section 163).</p>
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	<p>this rate and why is this information not disclosed in current community debate/review for introducing this special tax increase.</p>	<p>These amounts were not identified in the original SRP in the Council Plan 2009-2013.</p>
<ul style="list-style-type: none"> Revenue from fees and charges generally increase by 5% or in line with either cost increases or market levels as appropriate. This also recognises that other levels of Government set a considerable portion of statutory fees, fines and charges. 	<p>8. What is the justification basis of assuming a 5% rate increase in each of the 4 years?</p> <p>9. Has CPI been considered in capping annual increases – if no why not?</p>	<p>The movement in fees and charges revenue is a combination of fee and charge unit price increases and increases in volumes. Council considers the fees and charges for every Council service during the draft budget consideration.</p> <p>CPI is considered when setting prices however other matters are also considered including, cost recovery, concessions, external influences (e.g. EPA levy and Carbon Tax), available resources (e.g. pool lane usage and facility capacity) and fees that are set by the State Government (e.g. Infringements, Land information certificates, building permit levy etc.).</p>
<ul style="list-style-type: none"> An increase in Financial Assistance Grants in line with CPI over the life of the plan. 	<p>10. Exactly how much is this increase for each of the SRP year and what are the CPI assumptions used to project year estimates (if any)?</p> <p>11. Why is this cost driver using CPI while other financial estimates are not CPI linked/capped?</p>	<p>We use CPI as the cost driver to budget for the Financial Assistance Grants. Council only receives the minimum grant which entitles us to a CPI increase per annum, subject to the Federal Grant allocation to Victoria increasing by CPI.</p> <p>In 2012/13 Council will receive: \$3.677M General Purpose Grant \$1.079M Local Road Funding This represents an increase of approx.3% over last year's grant allocation.</p>

<ul style="list-style-type: none"> The maintenance or enhancement of existing service levels and increased maintenance and asset management of council facilities and infrastructure. 	<p>12. How does Council know that they are maintaining service levels when there are no service KPIs or measures, a weakness already identified in the VAGO's audit on Performance Reporting in Local Government?</p> <p>13. Please provide specifics of each Council's facility/infrastructure assets' total cost of ownership breakdown, to help the community understand the asset management cost breakdown and service level commitment asserted in this justification statement.</p>	<p>A quarterly report on service delivery for all Divisions is monitored and provided to Council quarterly. In addition where arrangements exist for service delivery agreements (e.g. Home and Community Care HACC), service delivery KPI's are monitored by external parties related to those service agreements. Reports on Council performance and service delivery can be found in the audited Annual Report.</p> <p>It is not practical to provide specifics of every Council facility <i>'total cost of ownership breakdown'</i> (you may need to clarify what <i>'total cost of ownership breakdown'</i> means?). If you have a specific query on a particular facility please advise and additional information may be available.</p>
<ul style="list-style-type: none"> The funding of both operating expenditure and base capital works – that is the maintenance of absolute and relative infrastructure standards- from recurrent revenue sources, capital subsidies and cash reserves. 	<p>14. Please provide specifics of each of Council's existing and new capital assets' total cost of ownership breakdown, to help the community understand the capital asset management cost breakdown</p>	<p>There is significant detail provided in the draft budget document regarding capital asset information related to the 2012/13 capital works program. A detailed list of every project, including a breakdown of renewal, upgrade and new is provided. It is not practical to list in the draft budget expenditure related to every facility and asset. The detailed list of Council's infrastructure assets is vast and the neither Draft Budget nor Council Plan is prepared on that basis. However, the costs associated with maintenance, upgrade and renewal are provided for.</p>
<ul style="list-style-type: none"> Debt level 	<p>15. Why does Council aim to maintain this</p>	<p>In 2010/11 Council agreed to raise a new loan of \$5M to part-</p>

<p>maintained at \$15 million.</p>	<p>level of debt – pls also justify reconcilable spend items for each year.</p> <p>16. What hedging strategies are undertaken - pls disclose the risk underwriters and the cost of such instruments to ensure that there are no increases in future debt repayments that contribute to eroding operating efficiency and rates affordability?</p>	<p>fund the new Euneva Avenue Carpark and Community Health Facility. The increased interest expense is mostly attributable to the repayments of interest on the \$5M and adjustments to interest rates on loan rollovers since 2009/10.</p> <p>The level of debt in 2012/13 will be \$15M with no new loans raised. Currently the debt portfolio is premised on an interest-only repayment schedule. This policy is reviewed annually. Over time this debt level as a percentage of revenue is falling in “real terms”.</p>
<ul style="list-style-type: none"> An asset land sales program over the life of the plan consisting of trade-ins for plant and equipment to supplement the plant and equipment budget. 	<p>17. Please provide specific details of this program – including scope, cost KPI and benefits, etc</p> <p>18. Will this program reduce existing open space assets in Monash?</p>	<p>The asset sales line consists of mainly of two components, plant trade-in income and land sales. Plant trade-ins are relatively consistent year to year. Land sales are irregular and generally relate to land identified as surplus to Council’s needs and/or as a funding source for a particular project.</p> <p>The only land earmarked for sale in 2012/13 is the land site of the former Aged Residential Care facility in Clarinda. The funds related to this sale will be placed in the Aged Residential Care Facilities Upgrade Reserve.</p>
<ul style="list-style-type: none"> Provides from 2013/14 for \$800K per annum for liabilities associated with the superannuation 	<p>19. Please explain how Council’s headcount targets – employees/contractor mix contribute to reduce this liability and justify the \$800 annual estimate for each of the 4 years.</p> <p>20. Why provision for this highlighted</p>	<p>Council has been provided preliminary advice that an announcement will be made regarding a call on the Defined Benefits Superannuation Fund. However until such time that the details of the quantum of this amount are made available it was considered prudent to include in the SRP an estimate of some amount that would be required to pay into the Fund (\$800K p.a. from 2013/14).</p>

<p>Defined Benefits Scheme.</p>	<p>superannuation Defined Benefits is not reflected in the new SRP budgets?</p>	<p>The Statements in the SRP do include the \$800K in Employee Costs (including the Cashflow).</p>
<ul style="list-style-type: none"> • Maintenance of a level of cash investment to meet non-discretionary funding commitments. 	<p>21. What are each of these non-discretionary commitment items and estimate values?</p>	<p>Council maintains a “Working Capital’ amount of \$2.4M in addition to the minimum statutory requirements.</p>
<ul style="list-style-type: none"> • A base capital works program averaging \$22.72 million over the life of the plan. • A program of Major capital works over the 4 years including: <ul style="list-style-type: none"> ○ Construction of the Central Reserve Northern Pavilion which commenced in 2011/12 and will be completed at a total project cost of \$1.8M. 	<p>22. Pls provide program planning & cost details of each of these capital works</p> <p>23. For each program, how much is funded by State or Federal Grants/Revenues and by Council?</p> <p>24. Will the \$20.4 million include expanding infrastructure capacity to cater for higher population and developments – pls provide scenario assumptions and reconcilable financial models for working out this value?</p>	<p>The capital works program for 2012/13 is provided in detail in the draft budget document, including funding sources and categorised by type, renewal, upgrade or new.</p> <p>We publish the prescribed information and other additional disclosures. The detailed work papers that sit behind each project and service will not be released as public information.</p> <p>If you have specific concerns regarding any project please advise and we can provide further information. However it is not practical to provide the detail of every project as requested.</p>

<ul style="list-style-type: none"> ○ The Oakleigh Village Rejuvenation Project will be completed during 2012/13 at an estimated cost of \$2M. ○ A continued commitment of \$20.4M to renew and upgrade the City's infrastructure in the Base Capital Works program. 		
<ul style="list-style-type: none"> ● There is also an expected continuing increase in services to the aged, increasing maintenance demands and the implementation of new initiatives agreed by Council over the next four years. 	<p>25. What other new initiatives are assumed in the 4 years budgets?</p> <p>26. What are their forecast financials and performance KPI?</p> <p>27. Who is accountable to achieve these new programs financial and performance KPI?</p>	<p>New initiatives are listed in the narrative of the budget document. There are no new capital initiatives listed in the SRP after 2012/13.</p>
<ul style="list-style-type: none"> ● The SRP provides 	<p>28. Please define best value in terms of</p>	<p>Council has a business planning and continuous improvement</p>

<p>a high-level, medium-term view of how Council intends to utilise its resources to achieve best value for the Monash community</p>	<p>services and performance levels to be provided to communities</p> <p>29. How would Council report measurable best value achievements to the community?</p>	<p>framework that has the principles of the best value components of the Act built in. Departments and service areas produce a Service Operational Plan annually that includes best value principle references and services levels. The Best Value principles are incorporated in a number of internal processes and have been reported via Council Reports and in previous Annual Reports in the form of Cost and Quality indicators.</p>
<ul style="list-style-type: none"> The SRP is soundly based and built around the need for Council to be fiscally prudent in managing the competing pressures of community demand and ensuring the long-term financial sustainability of the City. 	<p>30. What are the community demands that the SRP are meant to fulfil and deliver as service value for best rate prices?</p> <p>31. What are the targeted financial sustainability measures?</p>	<p>The SRP is formulated with regard to current service levels and taking into account any changes in service levels identified through feedback received via Council input, customer satisfaction and/or community engagement mechanisms and funded service provision requirements by other levels of government.</p> <p>The financial plan is formulated to be compliant with the Auditor General's financial sustainability measures.</p>
<ul style="list-style-type: none"> Financial forecasts 	<p>32. Why is there a huge increase of selling assets in 2012/13 than other years?</p> <p>33. Why is asset rationalisation consistently \$25K each year?</p>	<p>Refer response above re: land Sales (Q17)</p> <p>The asset rationalisation amount relates to preparation costs related to land sales.</p>

	34. What are and why the large and significantly different transfers to/from accumulated surplus?	The significant movement in 2012/13 relates to the transfer to reserve of the Clarinda site (refer previous answer above Q17)
<ul style="list-style-type: none"> Human Resource Statement 	<p>35. Justify why are there incremental increases in permanents while temp/causal remains constant over the 4 years?</p> <p>36. Why are there more females than males in the headcount estimates?</p> <p>37. Are the Female/Male ratios meant to be HR targets – if so why is there discrimination to hire fewer males than females?</p> <p>38. Why can't Council increase outsourcing/contract employments to reduce operating costs and contribute to lowering rates?</p>	<p>The Human Resource Statement is based on staff numbers as at February 2012 with an adjustment for approved new initiatives included on the budget document. The increments in the following years are estimates based on movement trends in past years however are not linked to specific initiatives.</p> <p>The Council is an EEO compliant employer and the female/male mix is irrelevant.</p> <p>A number of services are outsourced, e.g. waste collection, valuation services, pound services, local laws (part). Most Capital works project are also outsourced to external contractors.</p>

BUDGET QUERIES

Question No.	Ratepayers Association Query	Officers Response
4a	What are the budget assumptions aka influences were used in the annual budget and SPR forecasting?	The assumptions for the budget are detailed in the budget narrative. Please refer to the Draft Budget document (and answers above).
5a	What are the purposes/uses underpinning the increase of Council's interest bearing debt?	Refer previous response to debt and loan portfolio (Q15).
5b	What investment securities have been acquired and what expenses can be curbed to reduce or eliminate Council's loan debt?	Council invests surplus funds (these are generally funds received prior to the need to use for capital or operating expenses) in short-term deposits with major and second-tier Australian banks. These investments are in-line with the approved investment policy which was prepared in accordance with the Local Government Act 1989.
5c	Why does Council wants to sustain a debt level of \$15m a year for the next SRP cycle?	Refer previous answer (Q15)
5d	What are the plans and timelines for redeeming the debt?	Refer previous answer (Q15)
6a	Are the highlights in the Executive Summary section the key causes of the annual rate increase? If no, please indicate which are the new cost drivers and their values.	Yes, the key drivers are explained in the narrative in the Draft Budget document.
6b	Are some the new expenditures necessary, given the impact of global economic turmoils and the growing issues of rates affordability on the community, especially pensioners and migrants who make up a significant portion of Monash population?	The "new" expenditures in the draft budget are relatively small compared to the impacts of the EPA levy increases and the introduction of the Carbon Tax. Council is cognisant of the issues regarding rates affordability, particularly for pensioners and people on fixed incomes and give them consideration

		during the preparation of the draft budget.
6c	What program logic model underpins the desired EGM revenue raising outcomes?	Refer previous response to the EGM queries
6d	Will this be the last social research that focuses on problem identification needs to be done – Council already have researched and confirmed the social and economic problems to justify the increase rates for EGM providers (bearing in mind State Government has also undertaken similar researches but resulted in little benefits delivery)?	Refer previous response to the EGM queries and the detail provided in the budget document.
6e	Has a quote been provided to justify that this social research is likely to cost 50% of EGM rates raised or is this a guesstimate?	<p>The amount is an estimate. Formal quotes will be obtained following finalisation of the detail of the project and subject to Council adopting this proposal included in the budget.</p> <p>The amount to be raised for the EGM rate (\$191K) is also included as an expense in the draft budget document.</p> <p>Refer previous response to the EGM queries and the detail provided in the budget document.</p>
6f	What will the remaining 50% of funds raised be used for – to be reallocated to subsidise other operating expenses, or solely reserved to create and deliver social benefits to affected community members and those at risk of excessive gambling.	<p>The EGM differential is made up of two components:</p> <ul style="list-style-type: none"> • 50% towards the problem gambling initiatives; and • 50% (equivalent to the amount that would have been raised in rates if the EGM was not proposed) towards general rate revenue, as in previous years.
6g	When will the EGM project plan, with full disclosure of project financial management and program logic evaluation measures will be available for public review?	Refer above (6e)

6h-j	<p>An additional maternal & Child Health nurse is needed –</p> <ul style="list-style-type: none"> • Q6h. Is this a full time or part-time role and what budget amount has been assigned? • Q6i. Is the Department of Health & Aging partially funding this role – if yes – how much? • Q6j. Is this additional resource requirement part of the projected HRM statement? 	<p>This will be a full-time role funded by Council (part funded by State Government based on Maternal & Child Health Services Memorandum of Understanding 2012–2015). It is included in the Human Resource Statement.</p>
6k	<p>. If the external cost drivers mentioned are significant concerns, how come they are not clearly visible in the SRP 2012-13 to 2015-16 budgets – which reported GST cashflows, but not these additional levies? If Council can indicate which SRP items include these government levies, most appreciated?</p>	<p>The significant external influences are all included in the SRP and Budget documents under “Materials, Services & Contracts” line items. The detail and impacts of these are listed in the Budget narrative.</p>
6h	<p>Has Council attempted to reduce less higher priority spends and increase operating efficiency to absorb these government levies to lessen the burden on ratepayers? If not, will Council consider these alternative strategies to accommodate these levies in the near future?</p>	<p>The budget process identifies savings and efficiencies as part of the officer preparation of a draft document for Council consideration. Further work is done with Councillors during the budget preparation to identify savings before new projects are put in the draft budget.</p>
7a	<p>What are the specific service categories and line items, cost and service performance measures underpinning such words?</p>	<p>Please provide specific queries. The draft budget is a summary of the services and capital program for the Council. The detailed information that the Draft Budget and Plan are sourced from is extensive. It is not practical (or a requirement) to publish this information.</p>
7b	<p>Are the compliance requirements quoted on page 8 new or existing compliance requirements?</p>	<p>Please refer to the narrative regarding the external influences.</p>
7c	<p>What about internal influences – as the information is not disclosed, does this mean that there are no organisational risk drivers affecting possible overrun of budgets?</p>	<p>Internal influences (e.g. program/service requirements to be met through employee costs, staffing levels, customer service provision) are considered.</p>

7d	Is there provision for unexpected spends like Councillors continuing to spend over \$20,000 on phone bills, or making decisions that incur additional unplanned costs?	Budgets are prepared based on reasonable expectation of the identified projects requirements. Throughout the year income and expenditure compared to budgets are reported to Council on a quarterly basis as required under the Act.
7e	Why does Council prefer to peg increases of rates, fees and charges to cost increases instead of CPI?	Refer to previous responses on CPI references (Q2). The detail of rate setting and fees and charges is outlined in the budget.
7f	Why is CPI not considered in calculating such increases?	Refer to previous responses on CPI references (Q2).
7g	What are these standards are and how they are used to ensure quality service delivery and satisfaction of community needs fulfilments?	The reference to service standards is in the context of maintaining current programs and works (as detailed in the detailed cost centre reports in the Draft Budget) with the addition of new initiatives.
7h	How can property values increase when market rates have dropped significantly during the last few years?	The revaluation figures are as at 1 January 2012 as required under the Valuation of Land Act 1960 (VLA) giving consideration to a range of factors, including movement in the property market during the period. The 1 January 2012 figures will be the figures used (CIV) to calculate the rates on each rate notice (e.g. CIV x Rate in Dollar = Rate per assessment).
7i	Is the revaluation rate a guestimate with no field validation and what revaluation method/s underpin/s the estimates?	The revaluation figures were provided in the draft budget as a guide and not as a statutory requirement. The final revaluation figures have only recently been forwarded to the Valuer General for review and approval. The figure of 1.38% average residential increases (as detailed in the draft budget) is the same figure advised to the Valuer General.

8a	Why is Council have negative returns on its investments? What are these investments?	The investing line relates to payments for capital works. It is an outflow of funds and is shown in brackets.
8b	Why is Council increasing its debt by \$5M next year?	Refer previous response (Q15).
9a	What is this strategy about and its strategic value to Monash 2021, or is it meant to reduce administration costs as a result of its implementation (i.e. we like to know its business case and cost-benefit measures).	The IT Strategy identifies Council's current and future information technology requirements in line with the Council Plan. This document is the key to identifying the upgrade and new information technology requirements and is used for the preparation of the draft budget and SRP.
9b	How much is provided for implementing it?	The Draft Budget includes a capital commitment of \$602K for implementation of the IT Strategy in the 2012/13 year.
9c	Can Council consider reducing the car fleet to help reduce operating costs?	The car fleet is reviewed annually in conjunction with the needs for service delivery.
9d	How many cars are purposed as part of employee benefits/packages and what is the \$value?	Some cars are attached to employee packages and some are housed at Council facilities, however all cars owned by the Council are used for municipal purposes, either specific to a program or a pooled resource for all programs.
10	why is a deficit variance in operating expenses marked as (unfav) ?	The tables you refer clearly show that each line of expenditure is increasing.
9b	Can the final budget reflect the rounded up value of \$4.0M?	Disclosure in this document for these items is rounded to the nearest decimal point.
11	Will Council review and improve their currently poor strategy execution management frameworks and KPI	Council has developed its strategic framework to be compliant with Section 125 of the Local Government Act. The current

	structures in future?	framework is revised should it be required post Auditor General reports and recommendations for improvement.
12a	Why does the 2012-13 annual budget exclude this information?	The budget and plan documents include standard statements in the prescribed format. Only the Plan is required to have an SRP with 4 years of financial projections.
	Given that Council spends over \$2.5M in ICT, surely the public expects to see proof read messages on the Council website – the propaganda message should read “Keeping costs down in Monash”.	Noted. Website has been updated
14a	When can we expect this best practice standard to be fully operating in Monash?	The Model Budget Guidelines are reviewed annually and compared to the Monash Draft Budget format. These are guidelines not the prescribed format (also not a ‘standard’).
14b	What improvement programs have been undertaken to address some of these issues that prevail in Monash?	<p>The VAGO reports are reviewed when published and are presented to the Audit Committee for noting and consideration where relevant.</p> <p>The current strategic planning framework is revised should it be required post VAGO reports and recommendations for improvement.</p>