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Corporate Services

Annual Budget
2016/17

CITY OF Armadale

Directorate Overview	2
Key Directorate Actions for 2016/17	3
Directorate Workforce	6
Proposed Directorate Estimates Explained	7
Proposed Directorate Estimates	9
Proposed Fees and Charges	13

DRAFT

Directorate Overview

The Corporate Services Directorate reports to the City Strategy Committee and provides primary support services to the other Directorates. The Directorate is responsible for the provision of essential governance, administrative and financial management and accounting services to the City, and comprises the following –

Corporate Services Management

The administration of the Executive Director of Corporate Services' Office, including specialist projects relating to the Corporate Services Directorate.

Finance (Including Rates)

The administration and operation of all corporate finance related matters, including cash receipting, accounts receivable, investment of funds, accounts payable, corporate finance systems and rates (billing and collection).

Governance and Administration (Including Customer Services and Records)

The provision of governance services, such as preparation of policy documents, statutory reviews and the maintenance of statutory registers. The area also includes the administration of corporate office requirements, including reception, record keeping, photocopying, print production, stationery, and insurance related matters.

ICT Services

The provision, operation and maintenance of the corporate computer systems, including software management, hardware management, printing and consumables and telephone and communication networks.

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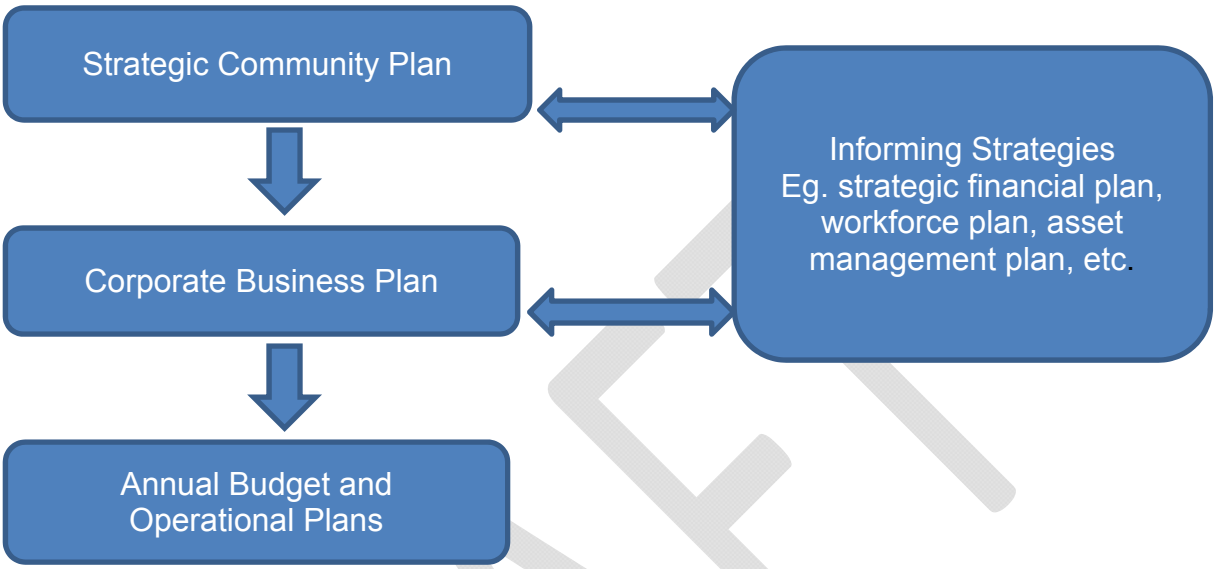
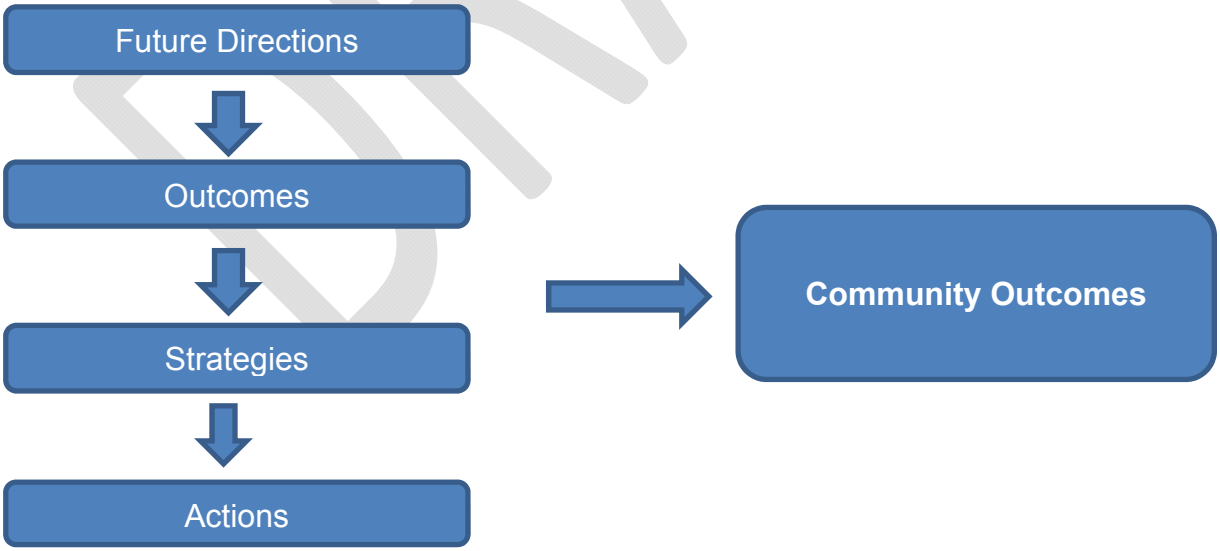
Key Actions for 2016/17

The following is commentary on the key Actions to be undertaken by the Corporate Services Directorate in delivering on the City's Strategic Community Plan.

The links between the Strategic Community Plan, the Corporate Business Plan and the Informing Strategies, such as the Workforce Plan, Asset Management Plan and Long Term Financial Plan are shown as follows:



The City's Strategic Community Plan under the future direction heading of Leadership, Identifies a series of Outcomes and Strategies relevant to the operations and responsibilities of the Corporate Services Directorate.



Key Actions for 2016/17

The City's Corporate Business Plan identifies a series of Actions to be taken for each strategy and hereunder are those Actions relevant to the Corporate Services Directorate to be undertaken during the 2016/17 year.

These Actions together with the functions and activities ordinarily undertaken by the Directorate on a daily basis (referred to in the Corporate Business Plan as enabling services) collectively contribute to the Outcomes of the Strategic Community Plan.

All of the following Actions are funded from either the estimates already included in the adopted Corporate Business Plan or additional funds identified during the recent Councillor Workshops for consideration and inclusion.

Future Direction Leadership

Outcome **4.1** **Visionary Civic Leadership and Sound Governance**

Strategy 4.1.2 Make decisions that are sound, transparent and strategic

Actions	
4.1.2.1	Implement policies and associated delegations to improve transparency of decisions
4.1.2.2	Implement the Better Business Review
4.1.2.5	Implement annual reviews of the Corporate Business Plan

Strategy 4.1.3 Support the role of the elected body

Actions	
4.1.3.2	Deliver to Councillors appropriate training and development opportunities
4.1.3.3	Advocate and support Councillor engagement in outside bodies and events to maintain awareness and enhance the City's knowledge base
4.1.3.4	Implement a review of Council election ward boundaries

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Outcome **4.2** **An Innovative and Progressive Organisation**

Strategy 4.2.2 Implement business plans and practices that improve service delivery

Actions	
4.2.2.2	Implement ICT system improvements

Strategy 4.2.3 Foster a positive and responsive "can do" approach

Actions	
4.2.3.2	Facilitate on-line capabilities that are responsive to customer needs
4.2.3.3	Investigate and implement customer service standards that align to customer expectations, needs and industry best practice

Outcome **4.3** **Financial Sustainability**

Strategy 4.3.1 Prepare and implement short to long term financial plans

Actions	
4.3.1.1	Implement the Annual Budget as derived from the Corporate Business Plan
4.3.1.2	Implement annual reviews of the long term financial plan
4.3.1.3	Investigate, monitor and report on key financial ratios

Strategy 4.3.2 Pursue non-rates revenue opportunities

Actions	
4.3.2.1	Investigate opportunities for grants, contributions and partnerships from Government, Not for Profit and Commercial Agencies

Strategy 4.3.3 Seek efficiencies that will reduce service delivery costs

Actions	
4.3.3.1	Investigate core business systems options
4.3.3.2	Implement the outcomes of core business systems review
4.3.3.3	Investigate ways that assets service levels can be matched to long term funding capability

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Directorate Workforce

The Corporate Services Directorate is primarily an internal service provider to other Directorates. Consequently, as staffing numbers increase in other Directorates so too is there a need to increase the corporate resources to provide the necessary support. The FTE resources ratio of Corporate Services to other Directorates is estimated at 1:7.

The following Table shows the Directorate's workforce –

Management Area	Actual 2015/16	Proposed 2016/17
Corporate Services Management	3.00	3.60
Customer Services	6.50	7.00
Finance	5.86	6.00
Governance & Admin	7.00	7.50
Information Tech & CommInformation & Commu	11.00	11.00
Rating Services	6.00	6.60
Records Management	7.00	7.00
Total	**46.36**	**48.7**

Of the additional 1.7 positions proposed in 2016/17, 1.1 positions require funding from the Workforce Plan, the remaining 0.6 positions for the Coordinator Internal Audit is accommodated from funds allocated to the Directorate.

Department	Position
Governance & Admin	Customer Services Officer
Rates	Rates Officer
Finance	Coordinator Internal Audit

These additional resources are:

- in response to increased activity levels occasioned primarily by the City's ongoing growth, and
- in accordance with the City's Workforce Plan Report which was recently resolved by Council at the Council Meeting held on 26th April 2016 (resolution No. C31/4/16 refers and explains).

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Proposed Directorate Estimates Explained

The 2016/17 Directorate estimates for each Management Area together with the current 2015/16 year budget and actuals are presented in the following pages.

Matters to note about the following financial figures include:-

- The first schedule shows the Directorate Total Summary Position, i.e. the total municipal funds required to fund the Directorate's enabling services and Key Actions is $8,404,870;
- The subsequent schedules shows the breakdown of the $8,404,870 required funding over the various Directorate Management Areas as follows:
  - Corporate Services Management $804,690
  - Finance - $1,216,340
  - Governance and Administration - $2,415,090
  - ICT Services - $3,968,750

The revenue and expense descriptors are explained as follows:-

- Employment - covers expenses like salaries, superannuation, compensation insurance, training, uniforms and fringe benefits tax;
- Office – covers expenses like stationary, printing, telephone, insurance, postage and equipment maintenance;
- Professional Services – covers expenses like legal, consultancies and audit fees;
- Vehicles – covers the operating, maintenance and depreciation cost of vehicles in that management area;
- Other Expenses – covers all other costs not included in the above descriptors that are usually quite specific to that management area. For example, in the ICT Services Management Area, other expenses cover systems development, hardware costs and software costs and in the Finance area, it covers bank charges, security services and debtor write-offs;
- Earnings from Interest – relates to the Rating Services area and in particular the penalty interest on unpaid rates and the instalment interest on the (2) and (4) instalment rate payment options.

The remaining revenue and expense descriptors are self-explanatory.

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Other matters to note about the financial schedules are:-

- The "YTD Actual" figures are the year to date actual revenues and expenses for the period 1 July 2015 to 30 April 2016
- The "2015/16 Revised Budget" figures represent the budget figures as adopted by Council in the 2015/16 Annual Budget, plus or minus the budget amendments made during the year;
- The "2016/17 Proposed Budget" figures represent the estimates as shown in the currently adopted Corporate Business Plan for 2016/17, but do not include the agreed variations as workshopped with Councillors over the last (2) months, which are as follows:

Corporate Services Directorate Summary Total		Councillor Workshop - Additional Matters	2016/2017 Proposed Budget
Required Municipal Funds			**0**
Revenue			**-50,000**
Rate Revenue		Rate Instalment Administration fees as identified during the mid-year budget review	**-50,000**
Expense			**50,000**
Employment			
Office		Postage Costs - Australia Post increased their costs from 1 Jan 2016	**50,000**
Capital Expense			**1,340,000**
Furniture / Equipment		Review of current core business systems	**340,000**
		Core System Review - Implementation	**1,000,000**
Non-Operating Revenue			**-1,340,000**
From Reserve Transfer		Computer Systems Reserve Account to fund the proposed review of core systems	**-340,000**
Loan Proceeds		Core System Review ' - Implementation	**-1,000,000**

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Proposed Directorate Estimates

Corporate Services Directorate Summary Total	2015/2016 C/Fwds Budget	2015/2016 Revised Budget	2015/2016 Total Budget	2015/2016 YTD Actual	2016/2017 Proposed Budget
Required Municipal Funds	**964,700**	**7,930,070**	**8,894,770**	**6,603,309**	**8,404,870**
Revenue	**0**	**-1,028,200**	**-1,028,200**	**-924,741**	**-977,200**
Grants / Contributions	0	-100,000	-100,000	-128,838	**-100,000**
Fees and Charges	0	-531,200	-531,200	-410,958	**-480,200**
Earnings from Interest	0	-397,000	-397,000	-384,945	**-397,000**
Expense	**964,700**	**8,957,770**	**9,922,470**	**7,528,050**	**9,382,070**
Employment	0	4,690,040	4,690,040	4,026,069	**4,780,540**
Office	0	901,030	901,030	693,585	**785,230**
Professional Services	350,000	424,500	774,500	250,785	**295,300**
Vehicles	0	63,400	63,400	46,995	**63,400**
Other Expense	614,700	2,878,800	3,493,500	2,510,616	**3,457,600**
Capital Expense	**0**	**500**	**500**	**0**	**0**
Furniture / Equipment	0	500	500	0	**0**

Corporate Services Management	2015/2016 C/Fwds Budget	2015/2016 Revised Budget	2015/2016 Total Budget	2015/2016 YTD Actual	2016/2017 Proposed Budget
Required Municipal Funds (Note)	**350,000**	**992,120**	**1,342,120**	**622,274**	**804,690**
Expense	**350,000**	**992,120**	**1,342,120**	**622,274**	**804,690**
Employment	0	541,420	541,420	449,007	**578,990**
Office	0	93,500	93,500	7,607	**11,900**
Professional Services	350,000	328,700	678,700	145,701	**185,300**
Vehicles	0	26,000	26,000	19,948	**26,000**
Other Expense	0	2,500	2,500	10	**2,500**

Professional Services of $185,300 covers :-

- $120,000 – Better Business Review, ie. Audit Regulation 17 requirements;
- $60,000 – external audit fees; and
- $5,300 – legal expenses.

Proposed Directorate Estimates

Finance	2015/2016 C/Fwds Budget	2015/2016 Revised Budget	2015/2016 Total Budget	2015/2016 YTD Actual	2016/2017 Proposed Budget
Required Municipal Funds (Note)	**0**	**881,640**	**881,640**	**804,774**	**1,216,340**
Grants / Contributions	0	-100,000	-100,000	-128,838	**-100,000**
Fees and Charges	0	-527,700	-527,700	-408,488	**-476,700**
Earnings from Interest	0	-397,000	-397,000	-384,945	**-397,000**
Expense	**0**	**1,906,340**	**1,906,340**	**1,727,044**	**2,190,040**
Employment	0	1,233,010	1,233,010	1,047,353	**1,234,010**
Office	0	118,830	118,830	108,944	**101,030**
Professional Services	0	80,000	80,000	72,338	**80,000**
Vehicles	0	12,000	12,000	7,206	**12,000**
Other Expense	0	462,500	462,500	491,203	**763,000**

The above estimates refer to the operations of the Finance and Rates Departments.

Grants/Contributions of ($100,000) covers :-

- ($50,000) – commission from DFES for billing of the Emergency Services Levy on the annual rates notice;
- ($30,000) - recoverable legal costs on rate recovery actions; and
- ($20,000) – interest received on year-end balance of pensioner deferments

Fees & Charges of ($476,700) covers :-

- ($325,000) – property and rating enquiry fees
- ($142,500) – rate instalment administration fees
- ($9,200) – other various rating fees and charges

Earnings from Interest of ($397,000) covers :-

- ($223,000) – rate instalment interest charges
- ($165,000) – late payment interest charges on unpaid rates
- ($9,000) – other various rating charges

Office Expenses of $101,030 covers :-

- $88,000 – contracted services to generate, envelope and mail annual, instalment and final rate notices
- $13,030 – other various costs, eg. stationery, printing

Professional Services of $80,000 covers :-

- $60,000 – legal costs to recover unpaid rates (NB: approx. 50% of this cost is recoverable)
- $20,000 – general consultancy services

Other Expenses of $763,000 covers :-

- $340,000 – valuation costs for rating purposes – includes (3) year revaluation of all GRV rated properties
- $200,000 – Loan Guarantee fee of 0.7% payable to WA Treasury on loan borrowings;
- $75,000 – bank charges and fees
- $75,000 – write-off of rates – primarily government owned land that is no longer leased for non-govt purposes
- $40,000 – commission payable to Australia Post for rates agency collection arrangements;
- $26,000 – cash security services
- $7,000 – other various costs

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Proposed Directorate Estimates

Governance and Administration (inc Customer Services and Records)	2015/2016 C/Fwds Budget	2015/2016 Revised Budget	2015/2016 Total Budget	2015/2016 YTD Actual	2016/2017 Proposed Budget
Required Municipal Funds (Note)	**35,800**	**2,438,060**	**2,473,860**	**2,080,957**	**2,415,090**
Revenue	0	-3,500	-3,500	-2,470	-3,500
Fees and Charges	0	-3,500	-3,500	-2,470	**-3,500**
Expense	35,800	2,441,060	2,476,860	2,083,427	2,418,590
Employment	0	1,791,760	1,791,760	1,509,010	**1,776,490**
Office	0	501,100	501,100	399,745	**495,700**
Professional Services	0	15,800	15,800	32,746	**30,000**
Vehicles	0	12,400	12,400	10,344	**12,400**
Other Expense	35,800	120,000	155,800	131,583	**104,000**
Capital Expense	0	500	500	0	0
Furniture / Equipment	0	500	500	0	**0**

The above estimates refer to the operations of the Governance/Administration, Records and Customer Service Departments.

Office Expenses of $495,700 covers :-

- $230,000 – lease cost of all copiers/printers – approx. 30 machines across the organisation
- $141,000 – printing costs of meeting agendas and minutes and corporate documents, eg. Corporate Business Plan – cost includes paper and copy unit costs
- $85,000 – corporate postage costs
- $39,700 – other various costs, eg. advertising, stationery

Professional Services of $30,000 covers :-

- $30,000 – legal costs

Other Expenses of $104,000 covers :-

- $80,000 – hard copy record back-scanning – is an ongoing activity
- $14,000 – records archival and disposal costs
- $10,000 – other various costs

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Proposed Directorate Estimates

IT Services	2015/2016 C/Fwds Budget	2015/2016 Revised Budget	2015/2016 Total Budget	2015/2016 YTD Actual	2016/2017 Proposed Budget
Required Municipal Funds (Note)	**578,900**	**3,618,250**	**4,197,150**	**3,095,305**	**3,968,750**
Expense	578,900	3,618,250	4,197,150	3,095,305	3,968,750
Employment	0	1,123,850	1,123,850	1,020,699	**1,191,050**
Office	0	187,600	187,600	177,289	**176,600**
Vehicles	0	13,000	13,000	9,497	**13,000**
Other Expense	578,900	2,293,800	2,872,700	1,887,820	**2,588,100**

Office Expenses of $176,600 covers :-

- $168,000 – administration centres telephone costs
- $7,800 – public liability insurance
- $800 – other various costs

Other Expenses of $2,588,100 covers :-

- $1,216,000 – software systems support and maintenance, eg. core business systems; Microsoft office applications; id data subscription; mapping software; records software; asset management software; email archive software
- $760,000 – hardware leasing and support services, eg. 560 desktop/laptop machines; 350 telephone handsets; storage area network servers
- $304,200 – communications maintenance, eg. public wifi costs; data cabling; phone system; microwave capabilities
- $228,100 – systems development and version upgrades; and
- $79,800 – library services software and technology

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Proposed Fees and Charges

The Proposed Fees and Charges as relevant to the operations and responsibilities of the Directorate for the 2016/17 financial year are explained as follows.

It is to be noted that some fees and charges cannot be varied by Council on account of being set in accordance with legislation – these are denoted in the Schedule with an asterisk (*).

For the majority of other fees and charges, an inflationary increase factor is proposed. This factor has been applied having regard for –

- The requirements of Section 6.17 of the Local Government Act 1995 * &
- The primary cost drivers are labour costs and the Local Government Cost Index of + 1.0%

The proposed fees aim to maintain affordable access to Council facilities and services. Fees and charges will need to increase each year in order to offset the increased cost of simply doing business. Further reviews of management practices and service levels provided may have an impact on fees and charges in the future.

* Section 6.17 of the Local Government Act 1995 – Setting the level of fees and charges

(1) In determining the amount of a fee or charge for a service or for goods, a local government is required to take into consideration the following factors –

(a) the cost to the local government of providing the service or goods;

(b) the importance of the service or goods to the community;

and

(c) the price at which the service or goods could be provided by an alternative provider.

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Proposed Fees and Charges

Particulars	2015/16 Fees Including GST $	2016/17 Fees Excluding GST $	2016/17 GST $	2016/17 Fees Including GST $
Governance				
Property Enquiry Fees				
Per enquiry for written confirmation of orders	198.00	180.00	18.00	**198.00**
Per enquiry for statement of rates	27.00	28.00	0.00	**28.00**
Per enquiry for combined statement and confirmation	117.00	121.00	0.00	**121.00**
Per enquiry for rates advice – current year	27.00	28.00	0.00	**28.00**
Per enquiry for rates advice – current and previous years	54.00	56.00	0.00	**56.00**
Per enquiry for rates advice – current + more than 4yrs	108.00	112.00	0.00	**112.00**
Standard Instalment Charge				
Per instalment for 2nd, 3rd and 4th instalment	8.00	8.00	0.00	**8.00**
Dishonour Fees				
Dishonour fee for payment	15.00	15.00	0.00	**15.00**
Debt Recovery Fees				
Administration charge	70.00	**No Longer Available**		
Administration charge (Additional Legal)	100.00	**No Longer Available**		
Special Arrangement Charge				
Per assessment	48.00	50.00	0.00	**50.00**
Dishonour fee per dishonour	7.00	7.00	0.00	**7.00**
Freedom of Information *				
Application fee	30.00	30.00	0.00	**30.00**
Per hour charge for staff dealing with application	30.00	30.00	0.00	**30.00**
Per hour charge for supervised access	30.00	30.00	0.00	**30.00**
Per hour charge for staff photocopying information	30.00	30.00	0.00	**30.00**
Per copy charge for photocopying	0.20	0.20	0.00	**0.20**
Delivery, packaging and postage	Cost			**Cost**
Sale of Council Minutes / Agendas				
Photocopying / printing per page	0.20	0.18	0.02	**0.20**
Electronic copy / CD or DVD	Cost			**Cost**
Delivery, packaging and postage	Cost			**Cost**
Photocopying / Printing				
Per page A4 (black and white)	0.20	0.18	0.02	**0.20**
Per page A3 (black and white)	0.40	0.36	0.04	**0.40**
Per page A4 (colour)	0.40	0.36	0.04	**0.40**
Par page A3 (colour)	0.80	0.73	0.07	**0.80**
Special Print Production (POA = price on application)	POA			**POA**
Photocopying / Printing - Coated Bond Stock				
Per page A0 (Colour or Black and White)	11.00	10.00	1.00	**11.00**
Per page A1 (Colour or Black and White)	6.05	5.55	0.55	**6.10**
Per page A2 (Colour or Black and White)	3.30	3.09	0.31	**3.40**
Photocopying / Printing - Photo / Polypropylene Stock				
Per page A0 (Colour or Black and White)	22.00	20.00	2.00	**22.00**
Per page A1 (Colour or Black and White)	12.10	11.09	1.11	**12.20**
Per page A2 (Colour or Black and White)	6.60	6.00	0.60	**6.60**
Public Trading Permit				
Application fee per annum - non refundable plus on issue or renewal	50.00	**50.00**	**0.00**	**50.00**
Daily Charge	15.00	**15.00**	**0.00**	**15.00**
Weekly Charge	75.00	**75.00**	**0.00**	**75.00**
Monthly Charge	150.00	**150.00**	**0.00**	**150.00**
Biannual Charge	250.00	**250.00**	**0.00**	**250.00**
Annual Charge	500.00	**500.00**	**0.00**	**500.00**

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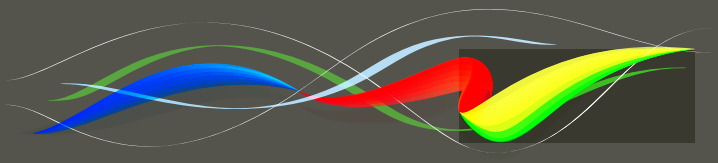

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