



City of Greater Dandenong  
**ANNUAL REPORT**  
**2006-2007**



**GREATER  
DANDENONG**  
*City of Opportunity*

## Our Vision:

Greater Dandenong is a great place to live, work and invest with great people for neighbours, colleagues and friends:

- where people from all cultures and nations are welcomed, involved and well cared for;
- where everyone contributes to building a dynamic sustainable future as the regional capital of the south-east;
- where achievements are recognised and proudly celebrated.

## Our Values:

We respect all members of our community, our Councillors and people we work with, actively building relationships to strengthen our shared desire for a better future.

We strive for excellence in customer service and courageously challenge everything we do as we seek to improve our services.

We act with integrity, professionalism and honesty to ensure everyone can rely on what we say and do.

## Guiding Principles:

In all we do, we consider:

**Cultural Diversity** – as one of Australia’s most multi-cultural communities we can build on our unique aspects which set us apart.

**Opportunity for all** – everyone has opportunities to achieve their own goals and positively change their situations through life long learning and employment.

**Sustainability** – longevity, prosperity, protection and growth for residents, businesses and the environment.

**Advocacy** – others will know what we want, why we want it and why it is in their best interest to help us achieve it.

**Partnerships** – strong working partnerships are built with those who can help us achieve shared goals.

**Triple Bottom line +1** – balance is achieved between the need for economic growth, social connectedness, environmental stewardship and democratic civic decision making.

## Great Place

- Dynamic and diverse city
- Recognised as the capital of the south east
- Victoria’s manufacturing heartland
- Home to 9,000 businesses
- 170 parks and reserves
- Home to Sandown International Raceway
- Multi-million dollar Drum Theatre, now open
- Land area of 129.5 square kilometres

## Great Times

- Festivals held monthly
- Sandown Racing  
– cars, horses and greyhounds
- Scenic bike paths stretching from Jells Park to Carrum beach
- 200 active sports clubs
- Indoor and outdoor swimming pools
- Largest basketball stadium in the southern hemisphere
- Victoria’s largest Lunar New Year festival

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## Great People

- Over 130,000 residents
- People from 156 nations
- More than half our residents born overseas
- Over 70,000 people employed locally
- 150 local community groups and service clubs
- An active and committed volunteer community
- National women's basketball champion team

## Great Shops

- A thriving and bustling Dandenong Market
- Modern shopping complexes at Dandenong and Keysborough
- Wide variety of fresh produce, seafood and meat
- Over 50 Asian restaurants and specialty supermarkets
- Extensive range of factory outlets

# Message from the Mayor

**The City of Greater Dandenong is proud to have had another positive and productive year.**

## **Investing in the future**

Following the successful completion of several major projects last year, the momentum continued with a number of significant milestones in 2006-2007. These included the construction of the new State Volleyball Centre at the Dandenong Stadium, the completion of stage one of the Dandenong Market redevelopment, continued improvements to Tattersson Park, and a number of new public art projects.

Under the umbrella of Council's revised City Improvement Program budget, there has been significant investment in vital projects throughout the city.

## **Centre of the South East**

The Drum Theatre is now in full operation, attracting 46 major touring shows for the year and patronised by visitors from around the region. Some of the big name acts included Carmen by OzOpera; Merchant of Venice by Bell Shakespeare; The Blonde, Brunette and the Vengeful Redhead; Renee Geyer; Vika and Linda Bull; Macbeth by Bell Shakespeare; and more.

The initiatives underway for revitalising central Dandenong are already making their mark. These include new gateway flags, floral displays, signage and public art. The Dandenong central business district is a more colourful, clean, safe and enjoyable place, and this trend will continue. One of our aims is to set a high standard that will attract people to the area and keep them coming back, whether for shopping, dining or entertainment.

## **Investment in community**

Council's ever-popular community grants program gave over \$1.6 million to around 200 community groups and individuals for local projects, events and activities. This continues to be one of the most generous local government grant programs in the state.

Once again our volunteers provided an invaluable service to the community, the number of which grew to 296 giving an amazing 33,877 hours of their time. During National Volunteer Week we thanked and congratulated these amazing people who work tirelessly for others in need.

Council made significant progress in planning new community facilities, including the development of a Dandenong Community Facilities Plan and setting the wheels in motion to establish a new Springvale Children's Service Centre. Consolidation of the Visy Cares Centre and establishment of The Castle as a fully operational music and youth venue also demonstrated Council's strong support for youth and community building activities.

### **Environment and culture**

The Dandenong wetlands regional playground was completed, along with refurbishment of three local playgrounds. Continuing our focus on environmental initiatives, various waste minimisation activities were carried out during the year and over 18,000 new seedlings were planted.

Renowned for our wide variety of exciting international festivals and events, Council supported 21 community festivals, including the Dandenong Show, the Lunar New Year Festival and Carols by Candlelight. The vibrancy and diversity of celebrations in Greater Dandenong is one of our key strengths in building community spirit and providing local entertainment.

### **Achievement and success**

Please take the time to read over the many other highlights of 2006-2007 presented in this Annual Report. These are the results of the significant combined efforts of the executive team, staff, Councillors, residents and our strategic partners – all of whom I thank and congratulate.

I'm extremely proud to be Mayor of such an exciting city, and I look forward to serving the community during what I know will be another year of endless opportunities for people in Greater Dandenong.



**Cr Youhorn Chea**  
Mayor

# CEO OVERVIEW

As the first full year of my tenure as CEO at the City of Greater Dandenong draws near, I can state how exciting and fulfilling the period has been. Upon accepting the position, I said how much I was looking forward to helping lead the city into the future, and helping the city reach its full potential. I recognised that incredible changes were taking place across the city and wanted to be part of the journey.

I'm very proud to say that journey is continuing with full momentum. 2006-2007 has been another year of growth, change, and increased 'opportunities' for the City of Greater Dandenong.

## Major projects

The revitalisation of central Dandenong continues to be one of the most ambitious projects ever undertaken in the city. Strategic initiatives have been undertaken by Council, in partnership with VicUrban, the Department of Planning and Community Development and the Dandenong Development Board, in an effort to provide positive changes to the city streetscape and overall amenity. The culmination of this work has resulted in the development of an Urban Masterplan to provide the planning impetus required to realise the aspirations of the community and partnership agencies for central Dandenong.

A two-year program of exciting on-ground projects commenced this year within central Dandenong, and saw the completion of new pedestrian signage, numerous public art projects, floral displays, alfresco dining incentives, Little India cultural tours, new bus shelters, additional flag poles and gateway decorative lighting. All have been highly successful and will continue over the coming twelve months.

Central Dandenong has been a primary focus of revitalisation, however Council has not overlooked the needs and aspirations of other activity centres with essential strategic and operational planning work also underway in Springvale and Noble Park.

Council's focus is on its entire municipality and future work, and resource and investment allocation, will give consideration to the broadest needs of this diverse city.

\$9.3 million was spent on expansion of community assets which included work on the State Volleyball Centre at the Dandenong Stadium, the Dandenong Market redevelopment, and open space works in the Tattersson Park, Keysborough.

## Planning for the Community

Our annual preparation and review of the Council Plan again created an opportunity to have a whole of Council approach to planning, by engaging interested parties in the process. This helps us to create a unique plan that embraces the widest level of community need.

Council again embraced the Best Value legislation and the opportunities it brings us to challenge what we do and how we do it, as well as to consider how we may do things differently. It also allows us to consult with the community on their needs. Given the ongoing financial and operational challenges all councils face it is critical that we include all elements of Best Value in our organisation. It is our view that the community we serve expect, and are entitled to receive, the highest levels of service we can provide.



## Advocacy

The City of Greater Dandenong continued its outstanding record for advocating on behalf of the needs of the municipality. In 2006-2007 this involved proposals such as grade separation (of road and rail) at Springvale Road and Heatherton Road; arterial road upgrades; community services funding for central Springvale; regional public transport; and further government investment in the revitalisation of central Dandenong. These are just some of the projects that will continue to be brought to the fore as we endeavour to advance our 'City of Opportunity'.

## Financial Position

Council's financial position improved by \$18.3 million during the year. This incorporated an operating surplus of \$12.4 million of which \$8.2 million was in the form of new infrastructure assets contributed by developers. There was an increase in asset valuations of \$5.9 million. Council invested \$21.9 million in capital expenditure for the year, with \$12.6 million of this on renewal and upgrades to existing infrastructure assets.

In structuring our five year Financial Plan, Council has continued to take a responsible position to manage borrowings and has a long-term plan in place to reduce its overall debt. This plan includes generating an annual operating surplus to better manage operating costs. Each year we need to strike a balance between keeping rates to a minimum amid rising operational costs and ageing infrastructure. Greater Dandenong does this particularly well, offering some of the lowest residential rates in Victoria.

## Looking forward

As I commence a new year at the helm of this great city, I look forward to the projects, challenges, and many opportunities presented. Along with my professional and dedicated Executive team and committed staff, we anticipate another strong year of growth and positive outcomes in Greater Dandenong, reinforcing its status as the 'City of Opportunity'.

I would also like to thank Councillors, staff and the community for their combined commitment and hard work towards making Greater Dandenong an even better place to live, work, visit and invest.



**John Bennie**  
*Chief Executive Officer*



# Performance at a Glance

## Vibrant Healthy Supported Community

### Highlights

- Volunteers provide an invaluable service to the community, supporting a range of Council managed activities. Over the year, 296 volunteers gave a significant 33,877 hours of their time.
- The Drum Theatre provided new opportunities to experience the arts in a range of forms. It is quickly becoming a strong regional attractor with 6,813 members of which 50% are local and 50% from the wider region. It has attracted 76,047 attendances throughout the year and 46 major touring shows were held.
- 21 community festivals held, providing community members with a variety of vibrant and diverse events in which to get involved.
- 2,593 Greater Dandenong residents naturalised at Citizenship Ceremonies throughout the year.
- Extensive progress made in planning the development of a range of community facilities, including the Dandenong Community Facilities Plan and the Springvale Children's Service Centre. Completing the consolidation of the Visy Cares Centre and establishing The Castle as a fully operational music and youth venue have provided the community with revamped facilities that maintain a strong focus on youth activities.
- 17,384 immunisations administered at seven infant sessions and 18 schools. This significant increase has resulted from the introduction of the cervical cancer vaccine.
- Longer term activities and programs of the Community Safety Plan have been reviewed with future actions recommended. Work focused on safer environments, drug and alcohol use and antisocial behaviour in public places and road safety.

### Challenges

Caring for our ageing community will require a focus on leisure and accommodation needs of people in retirement, concerns for the isolation that often affects older individuals and finding the right mix of professionals and volunteers to support them.

### The Year Ahead

- Partnerships with community organisations to be developed and maintained.
- City of Greater Dandenong and local business promotion campaign to showcase Dandenong to the community and wider region.
- Alternate accommodation for HL Williams Court Aged Care Facility clients to be successfully finalised.
- Disadvantaged young people to be supported to find employment and practical skill development opportunities within Council.

# Environmentally Active City

## Highlights

- Activities undertaken as part of the Waste Minimisation and Education Strategy throughout the year include:
  - Multi Unit Dwelling Waste Education Project completed. The project included conducting resident surveys, signage installation, informative materials and educational BBQs.
  - Feasibility study of Public Place Recycling conducted at the Dandenong Stadium. The project is considered feasible and will be implemented with Sustainability Victoria funding in 2007-2008.
  - Business Streams Stormwater Education project conducted at Noble Park and Springvale. The project included trader engagement, stormwater education workshop and awards ceremony.
    - Six 'Your Sustainable School' newsletters distributed to schools.
    - Three 'SustainableTeacher's Forums' conducted.



- 'Waste Minimisation' presentations delivered to three classes (75 students) at Lyndale Primary School.
- 'Detox your home' household chemical collection day held.
- Waste and recycling presentations delivered at six schools.
- Stage 3 of the Dandenong Wetlands Master Plan has been completed.
- 21,967 seedlings have been planted throughout the year.

## Challenges

Creating a sustainable balance between the need for economic growth and protection of the environment needs to be achieved by challenging ourselves, residents and industry to actively find ways to reduce reliance on finite natural resources, create infrastructure that supports clean energy, determine efficient ways to use land and implement changes to reduce pollution, waste and litter.

## The Year Ahead

- Environmental Improvement Strategy 2007-2008 action plan to be implemented and the strategy reviewed.
- Water management initiatives identified and implemented.
- Dandenong Floodplains development continued.

## Well Planned Liveable City

### Highlights

- New Municipal Buildings Program – A facilities planning consultant has commenced a comprehensive space needs analysis to quantify the building space requirements.
- The Municipal Strategic Statement review completed and the statutory process of exhibition commenced.
- 100% of the revised annual budget for the City Improvement Program invested. The 2007-2008 program adopted by Council on 12 June 2007.
- The Dandenong Wetlands regional playground completed along with three playgrounds that have been refurbished at Gatley Reserve, Rosene Reserve and Blackmore Road Reserve.
- State Basketball and Volleyball Centre construction continued. New basketball courts to the south east corner open for use.
- Leisure Strategy 2006-2007 action plan implemented.
- Tatterson Park – sprigging of grass undertaken. Architectural consultants engaged for the pavilion design. Scoping of 2007-2008 works has been undertaken.
- Integrated Transport Strategy 2006-2007 action plan implemented. This is an ongoing action plan to be delivered over the next 15 years. Works are advancing with improved roads, public transport, cycle routes and parking.
- Advocacy approaches successful in gaining Thiess John Holland to provide lighting for the new Hanna Street pedestrian path across Eastlink into Greaves Reserve which is required for community safety. Further advocacy projects include marking of bus lanes on some arterials.
- 1,460 trees have been planted in line with the Leafy Legacy Strategy.
- Several significant and interesting arts projects achieved.
  - Vessels of light installation of two vessels at Walker Street car park and Ewart Lane.
  - Reverie Lighting (occurs every night at dusk).
  - Wonders of Dandenong Walking Tours (run on the third Wednesday of each month, attracting 226 participants since October).
  - Other projects in progress include salvaging timber from Oakwood Park and Fotheringham Reserve, and the 400 year old tree which was removed from Hammond Road.

### Challenges

The community's need for infrastructure and buildings that have capacity to handle current and future demands requires all levels of government working together to plan and design assets that allow for future growth, develop assets with whole of life costing considered and maintain assets to a safe and presentable standard.

### The Year Ahead

- Green Wedge Policy review to be completed.
- Drainage Strategy 2007-2008 action plan implemented and Drainage Catchment Studies Stage 2 and 3 to be completed.
- Car Parking Plan covering the city developed.
- Street Lighting Strategy 2007-2008 action plan to be implemented.

# Prosperous Dynamic City

## Highlights

- New investment in residential, commercial and industrial properties by building approvals reached \$403.5 million for the year.
- Seven BYO restaurants, 24 licensed premises, three general licensed premises and three club licensed premises recorded in central Dandenong.
- 46 major touring shows were held at the Drum Theatre including:
  - Australian Ballet School
  - Graeme Connors
  - Dorothy the Dinosaur
  - John Waters
  - Wendy Stapleton
  - Sleeping Beauty
- Shop front improvement program continued in Little India, Foster Street Dandenong.
- A concept was developed for Railway Parade, Noble Park shopping precinct and a contractor was appointed to 'brand' the area.

## Challenges

Encourage manufacturing, trades and service industries to re-invent their organisations with new business models that will assist them to address emerging skills shortages and develop abilities to remain relevant and grow in increasingly competitive global markets.

## The Year Ahead

- Business investment attracted and fostered through promotional activities, publications and partnerships.
- Shop front improvement project to be implemented.
- 'Manufacturing Week in Greater Dandenong' to be organised and promoted.
- Investment Gap Analysis undertaken and new businesses targeted.

## Regional Capital of the South-East

### Highlights

- A survey undertaken in conjunction with VicUrban determined there are 226 commercial and 369 retail businesses established in central Dandenong.
- The development of the Dandenong Produce Market continued with the town planning application for Stage Two submitted.
- The final 'Design and Mobility Plan' for central Dandenong was completed and reported to Council.

### Challenges

Creating positive images and perceptions about Greater Dandenong, and inspiring confidence in everyone about how great our city is, will require a marketing focus aimed at minimising potentially damaging press and maximising constructive media coverage.

### The Year Ahead

- Dandenong Produce Market upgrade – Stage Two construction to commence.
- Major infrastructure projects monitored and updates/progress reported.
- Retail Revitalisation Strategy 2007-2008 action plan implemented.



# Recognised Leading Organisation

## Highlights

- The Budget 2007-2008, revised Council Plan 2006-2010, Corporate Plan 2007-2008 and Strategic Resource Plan 2007-2011 presented to Council and adopted on 12 June 2007.
- The Local Government Sector Annual Community Satisfaction Survey results for Greater Dandenong were released and Greater Dandenong rated highest in the outer metropolitan region for Council's engagement in decision making on key local issues.
- A draft Information Technology Plan developed and recommendations now being considered by the Information Technology Steering committee.

## Challenges

Prioritising the needs and growing demands of our community against the limited resources available will require us to redesign our services to ensure they remain relevant in meeting the changing needs of the community.

## The Year Ahead

- 10 year financial plan implemented, reviewed and improvements reported annually.
- Occupational Health and Safety promoted – focus and direction of the committee and staff involvement in creating safer workplaces reinvigorated.
- Two City of Greater Dandenong community consultation road-shows to be organised.



# Corporate Governance

# The Council

The City of Greater Dandenong's 11 Councillors are elected as representatives of all residents and ratepayers within the city. Their key responsibilities include:

- establishing the strategic direction of the city
- advocating a broad range of issues
- management of the community's assets
- ensuring the delivery of quality services
- providing fair and equitable representation of all constituents
- enforcement of local laws

Greater Dandenong Council was elected on 26 November 2005 and will retire in November 2008.



## **CLEELAND**

### **Cr Paul Donovan**

*Phone: 0408 251 926*

Cr Donovan joined the Greater Dandenong Council in 1997 and served as Mayor in 2002-2003. Cr Donovan is committed to improving his local area and to the continued growth of Greater Dandenong.



## **KEYSBOROUGH**

### **Cr Roz Blades**

*Phone: 0417 053 612*

Cr Blades served as Mayor of the former City of Springvale in 1992 and was elected Mayor of Greater Dandenong in 1998. Currently serving her fifth term, Cr Blades has always been an

active participant in community programs and her greatest passion is people.



## **DANDENONG**

### **Cr Jim Memeti**

*Phone: 0434 560 239*

Cr Memeti was motivated to stand for Council in 2005 in an effort to improve perceptions of Dandenong. He believes it is important to work together with fellow Councillors to get excellent results for our city.



## **KEYSBOROUGH SOUTH**

### **Cr Peter Brown**

*Phone: 0408 138 939*

Having served as a Councillor with the former City of Springvale for seven years, Cr Brown was elected to the City of Greater Dandenong in 2003 and served as Mayor

from December 2005 to November 2006. He is motivated by a desire to improve the quality of life for residents in terms of care and management of the physical environment.



## **DANDENONG NORTH**

### **Cr John Kelly**

*Phone: 0418 350 743*

Cr Kelly has served as a Councillor for more than 14 years and is committed to ensuring the Greater Dandenong Council is open and transparent in its operations and encourages increased community consultation in decision-making.

**LYNDALE****Cr Sue Walton**

*Phone: 0434 560 240*

As a resident of Greater Dandenong for more than 20 years, Cr Walton is passionate about life and people in general. She hopes to see the development of better roads and more facilities to meet residents' needs in Greater Dandenong during her term.

**SPRINGVALE NORTH****Cr Alan Gordon**

*Phone: 0434 560 238*

Cr Gordon has lived in Greater Dandenong for over 23 years and becoming a Councillor has been a life long dream. He plans to serve the city by improving communications with residents and identifying new funding opportunities.

**NOBLE PARK****Cr Pinar Yesil**

*Phone: 0434 560 242*

Cr Yesil lives in Keysborough and works locally. She has lived in Greater Dandenong for over four years, and is particularly passionate about the protection of animals.

**SPRINGVALE SOUTH****Cr Yvonne Herring**

*Phone: 0434 560 241*

Having already served as a Councillor between 1997 and 2003, Cr Herring returned in 2005 with a desire to continue offering Greater Dandenong good governance and to provide

a voice for residents. She has lived in the city with her family for 26 years.

**NOBLE PARK NORTH****Cr Maria Sampey**

*Phone: 0438 800 027*

A perseverance to achieve positive results and the ability to listen to residents resulted in Cr Sampey joining the Council in 2000 and was elected Mayor of the city in 2004-2005. She is passionate about

ensuring local parkland is retained and upgraded to be more user-friendly for families and young people.

**COUNCILLORS' OFFICE**

*Tel: 9239 5230 Fax: 9239 5369*

**SPRINGVALE CENTRAL****Cr Youhorn Chea (Mayor)**

*Phone: 0417 320 645*

Cr Chea, currently serving his second term as Mayor (commenced 1 December 2006), has been a Councillor since 1997 and previously held the office of Mayor in 2001-2002.

He believes it is important for the Council to maintain a strong focus on facilities for young people, job creation and increased community safety.

## Council's Role

The City of Greater Dandenong is committed to good corporate governance. The development of policies, codes of practice and systems together with adherence to legislative requirements and transparent reporting are all part of Greater Dandenong's commitment to open and accountable government.

The Chief Executive Officer (CEO) is appointed by Council for the purpose of managing the operations of the organisation. The CEO will then delegate to Council officers operational functions that will be undertaken in an accountable, efficient and effective manner.

## Council Meetings

Council conducts its business in open and publicly advertised meetings. In 2006-2007 there were 23 ordinary and 4 special meetings of Council.

<b>COUNCILLORS FROM 1st JULY 2006 – 30th JUNE 2007</b>	<b>ORDINARY MEETINGS ATTENDED</b>	<b>SPECIAL MEETINGS ATTENDED</b>
<b>Number of Meetings Held</b>	<b>23</b>	<b>4</b>
Cr. Roz Blades	21	4
Cr. Peter Brown	23	4
Cr. Youhorn Chea	23	4
Cr. Paul Donovan	21	4
Cr. Alan Gordon	22	4
Cr. Yvonne Herring	22	3
Cr. John Kelly	19	2
Cr. Jim Memeti	20	3
Cr. Maria Sampey	22	4
Cr. Sue Walton	21	3
Cr. Pinar Yesil	22	3

## Council Meetings On-line

As part of Council's commitment to open and accountable government, all ordinary and special meetings of Council are webcast on [greaterdandenong.com](http://greaterdandenong.com). During 2006-2007 the average number of 'log-ins' to the live webcast was 56, with 3,771 people accessing archived (non-live) webcast Council meetings. The Council has been pleased with the results and will continue to webcast meetings during 2007-2008. The City of Greater Dandenong is one of only a few municipalities in Victoria to webcast Council meetings.

## Councillor Code of Conduct

The City of Greater Dandenong's 'Code of Conduct – Councillors' sets out guidelines within which Councillors must operate. It outlines behaviours and actions, which will reduce the risk of corruption or misuse of Council assets, including information. The 'Code of Conduct – Councillors' is a key component of Greater Dandenong's commitment to open and accountable government. No breaches were reported during 2006-2007.

## Councillor Remuneration

On 23 January 2006, the Councillor annual allowance was increased to \$18,000 and the Mayoral annual allowance was increased to \$57,500 with the use of a fully maintained vehicle.

## Representation

Councillors have been appointed as representatives of the following organisations/committees that assist the Council and the community to provide services to the people of Greater Dandenong:

<b>Organisation</b>	<b>Councillors 1 July 2006 – 30 November 2006</b>	<b>Councillors 1 December 2006 – 30 June 2007</b>
<b>Advisory Committees</b>		
Audit Committee	Cr. Peter Brown Cr. Yvonne Herring	Cr. Youhorn Chea Cr. Sue Walton
<b>Reference Groups</b>		
Community Road Safety Reference Group	Cr. Youhorn Chea Cr. Paul Donovan Cr. Alan Gordon Cr. Sue Walton	Cr. Alan Gordon Cr. Sue Walton
Dandenong Basketball Stadium	Cr. Paul Donovan Cr. Jim Memeti	Cr. John Kelly Cr. Roz Blades Cr. Paul Donovan
Disability Reference Group	Cr. Maria Sampey Cr. Sue Walton	Cr. Maria Sampey Cr. Sue Walton
Oasis Reference Group	Cr. Jim Memeti Cr. Sue Walton*	Cr. John Kelly Cr. Paul Donovan
Springers Reference Group	Cr. Roz Blades Cr. Peter Brown Cr. Youhorn Chea	Cr. Roz Blades Cr. Peter Brown Cr. Youhorn Chea
Community Safety Committee	Cr. Paul Donovan Cr. Maria Sampey	Cr. Paul Donovan Cr. Maria Sampey
Cyrene Centre – Board of Management	Cr. Roz Blades Cr. Alan Gordon Cr. Yvonne Herring*	Cr. Roz Blades Cr. Youhorn Chea
Dandenong Benevolent Society	Cr. Maria Sampey	Cr. Maria Sampey
Dandenong Community Advisory Bureau	Cr. Jim Memeti	Cr. Jim Memeti
Dandenong and District Historical Society Inc	No representatives appointed	Cr. Maria Sampey
Dandenong Drug Action Committee	Cr. Maria Sampey Cr. Sue Walton	Cr. Maria Sampey Cr. Sue Walton
Dandenong Fire Brigade	Cr. Jim Memeti	Cr. Jim Memeti
Disability Reference Group (Disability Consultative Committee)	Cr. Maria Sampey Cr. Roz Blades*	Cr. Maria Sampey Cr. Sue Walton
Eastern Transport Coalition	No representative appointed	Cr. Yvonne Herring

<b>Organisation</b>	<b>Councillors 1 July 2006 – 30 November 2006</b>	<b>Councillors 1 December 2006 – 30 June 2007</b>
Greater Dandenong Australia Day Committee	Cr. Peter Brown	No representative appointed
Greater Dandenong Children's Services Association	Cr. Roz Blades Cr. Pinar Yesil*	Cr. Roz Blades Cr. Pinar Yesil*
Greater Dandenong Interfaith Network	Cr. Youhorn Chea	Cr. Youhorn Chea
Inter-Council Aboriginal Consultative Committee – South East Region	Cr. Sue Walton	Cr. Sue Walton
International Council for Local Environmental Initiatives	Cr. Maria Sampey Cr. Sue Walton	Cr. Maria Sampey Cr. Sue Walton
Local Government Waste Management Forum		Cr. John Kelly
Lyndale Secondary College Council	Cr. Maria Sampey	Cr. Maria Sampey
Melbourne 2030 – City of Greater Dandenong Spokesperson	Cr. Paul Donovan	Cr. Youhorn Chea
Migrant Settlement Committee	Cr. Youhorn Chea Cr. Sue Walton Cr. Pinar Yesil	Cr. Youhorn Chea Cr. Sue Walton Cr. Pinar Yesil
Municipal Association of Victoria (MAV)	Cr. Maria Sampey	Cr. Maria Sampey Cr. Youhorn Chea
Noble Park – Keysborough Drug Action Community Forum	Cr. Roz Blades Cr. Alan Gordon Cr. Maria Sampey Cr. Pinar Yesil	Cr. Roz Blades Cr. Pinar Yesil
Public Art Reference Group	Cr. Paul Donovan Cr. Maria Sampey*	Cr. Peter Brown Cr. Paul Donovan
Roadsafe Committee – Outer South East inc	No representative appointed	Cr. Maria Sampey
Regional Housing Working Group – Southern Region	Cr. Paul Donovan Cr. Sue Walton*	Cr. Sue Walton Cr. Paul Donovan
South East Region Gas Company (SERGASCO)	Cr. John Kelly	Cr. John Kelly
South Eastern Regional Waste Management Group	Cr. John Kelly	No representative
South Eastern Integrated Transport Group	Cr. Alan Gordon	Cr. Alan Gordon
Springvale Benevolent Society	Cr. Peter Brown Cr. Youhorn Chea Cr. Alan Gordon Cr. Yvonne Herring	Cr. Alan Gordon Cr. Yvonne Herring
Springvale Community Aid and Advice Bureau	Cr. Roz Blades	Cr. Roz Blades
Springvale Community Drug Action Forum	Cr. Youhorn Chea	Cr. Youhorn Chea Cr. Alan Gordon
Springvale and District Historical Society	No representative appointed	Cr. Alan Gordon
Victorian Local Governance Association (VLGA)	Cr. Youhorn Chea	Cr. Youhorn Chea Cr. Sue Walton

\* Alternative representative

## Community Leadership

In 1999 Greater Dandenong residents were offered the opportunity to register to become part of a Community Research Panel. As members of this panel, residents would work with Council staff to influence the development of Service Charters, particularly service quality guarantees for each of Council's services.

Following the introduction of Best Value, the objective of the panel was broadened to include involvement in Best Value Service Reviews and, as a consequence, membership has expanded. Our Panel now consists of over 700 residents.

Council conducted one major community consultation forum during 2006-2007. The purpose of the forum was to provide information and explanation to the community on significant projects that will impact the central Dandenong and Springvale precinct. The forum also provided an opportunity for the community to engage in discussions on issues of concern to them. A positive response from the community was reflected by the high level of attendance. Councillors will continue to hold community consultation forums in 2007-2008.

## Advocacy

There are many services provided by State and Federal government agencies that support Greater Dandenong residents. During 2006-2007 Council continued with significant advocacy programs to gain increased funding and levels of service for the city from these external sources. Outlined below are key advocacy activities and groups that staff and Councillors have been involved in.

- Members of Parliament Quarterly Breakfasts
- Regional Meals on Wheels Kitchen
- Regular meetings with:
  - VicRoads
  - Melbourne Water
  - Department of Infrastructure
  - Department of Sustainability and Environment
  - Department of Innovation, Industry and Regional Development
  - Parks Victoria
  - South East Water
- Mayor and Chief Executive Officers Groups
- Federal Government South East Development Area Consultative Committee
- Dandenong Development Board
- VicUrban
- EastLink
- Eastern Group of Councils
- Service based industry network groups
- Eastern Transport Coalition
- South East Integrated Transport Group
- Southern and Eastern Integrated Transport Authority

Council's advocacy programs have been highly successful in many service areas, with the announcement that the Government will spend \$20 million on planning a third rail track between Caulfield and Dandenong. As part of the \$10 billion program announced in the Government's 'Meeting our Transport Challenges', Council was successful in having seven of the bus routes servicing the Dandenong community improved with longer operating hours and more frequent services. As an active member of the Eastern Transport Coalition, Council was able to lobby successfully for the abolition of Zone 3 in the metropolitan public transport fare system, resulting in cheaper fares for many residents.

Further grants have been received for the Federal Blackspot program, community facility improvements and Home and Community Care Package funding.

# Audit Advisory Committee

## Members

Mr Michael Said	Chair
Cr Peter Brown <i>from 1 July 2006 to 30 November 2006</i> Cr Youhorn Chea <i>from 1 December 2006</i>	Council Representative (Mayor)
Cr Yvonne Herring <i>from 1 July to 30 November 2006</i> Cr Sue Walton <i>from 1 December 2006</i>	Council Representative
Mr Eddie Creaney	External member
Mr Rob Wernli	External member
CEO	Non-voting
Director Corporate Services	Non-voting
Manager Financial Services	Non-voting

The audit committee met on five occasions during 2006-2007.

Matters considered included:

- Financial and Performance Statements for 2005-2006
- The 2007-2008 Financial Plan
- The Internal Audit Plan of Council for 2006-2007 and 2007-2008
- Risk Management Strategy of Council
- The Auditor General's Audit Strategy for 2006-2007

# Whistleblower Protection Act

The Whistleblower Protection Act 2001 came into effect on 1 January 2002.

Its purpose is to encourage and facilitate the disclosure of improper conduct by Councillors and Council officers. The Act also provides protection for persons making disclosures who may suffer reprisals as a result of their actions.

The City of Greater Dandenong recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures. Comprehensive written procedures have been established and implemented for whistleblower matters which are fully documented on the Council's internet and intranet sites. A printed copy can also be obtained on request from the Council's service centres and libraries.

Coordinator: **John Bennie** *Chief Executive Officer*

Protected Disclosure Officer: **Sue Harris** *Manager Organisational Development*

**Number and types of disclosures made to public bodies**

Number of disclosures referred to the Ombudsman for determination as to whether they were public interest disclosures	0
Number and types of disclosed matters referred by the public body to the Ombudsman for investigation	0
Number and types of investigations taken over from the public body by the Ombudsman	0
Number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body	0
Number and types of disclosed matters that the public body has declined to investigate	0
Number and types of disclosed matters that were substantiated upon investigation, and the action taken on completion of the investigation	0
Recommendations	0

## Freedom of Information (FOI)

Council is committed to open and transparent democracy. Information held on behalf of the community can be accessed in accordance with the Freedom of Information Act 1982.

18 FOI requests were received during 2006-2007.

The table below outlines the results of those requests and compares them to previous end of year total.

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Total number of requests	23	14	21	19	14	20	18
Access granted in full	7	0	3	0	0	1	1
Access granted in part	13	11	15	13	4	8	4
Other – not finalised/proceeded with	2	3	3	3	5	8	5
Access denied in full	1	0	1	0	0	3	1
Requests still under consideration	0	0	0	3	5	1	4
Number of internal reviews sought	1	1	1	0	0	0	0
Number of appeals lodged with VCAT	0	0	0	0	0	0	0
Number of requests transferred/ withdrawn							3
<b>Total charges collected</b>	<b>\$70</b>	<b>\$0</b>	<b>\$476</b>	<b>\$280</b>	<b>\$143</b>	<b>\$255</b>	<b>\$193</b>

### **Information Available for Inspection**

- Details of current salaries and allowances fixed for the Councillors.
- Details of senior officers' gross salaries, allowances and other benefits for the current financial year and two previous financial years.
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months.
- Names of Council officers and Councillors required to submit a return of pecuniary interest during the financial year and the dates the returns were submitted.
- Agenda for and minutes of ordinary and special Council meetings kept under Section 93 of the Local Government Act 1989 except where such minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act.
- A list of all major committees established by the Council and the purpose for which each committee was established.
- A list of all major committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of special Council committees established under Section 86 of the Local Government Act 1989 except where such minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act.
- Application for enrolment on the voters' roll under Section 11 of the Local Government Act 1989 for the next roll being prepared.
- Register of delegations kept under Section 87 of the Local Government Act 1989.
- Register of delegations kept under Section 88 of the Local Government Act 1989.
- Register of delegations kept under Section 98 of the Local Government Act 1989.
- Submissions received under Section 223 of the Local Government Act 1989 during the previous 12 months.
- Agreement to establish regional corporations under the Local Government Act 1989.
- Register of authorised officers appointed under Section 224 of the Local Government Act 1989.

To inspect any of the above information, please contact the Council's Governance and Corporate Planning Service Unit on 9239 5100.

## **Risk Management**

The City of Greater Dandenong maintains an effective risk management program to ensure that exposure to operational, legal, material, contractual and financial risks is minimised. The Council complies with its obligations under the Local Government Act 1989 and manages risk management practices, principles and procedures in accordance with the Australian Standard AS/NZS 4360:2004 which addresses the process of risk identification, risk control, risk evaluation, risk treatment and risk financing.

### **Insurance**

Council has in place an insurance program whereby an insurance company is called upon for catastrophic losses only. The Council carries a high deductible (policy excess) for all classes of insurance and is thus a 'self-insurer' for all claims, other than major losses. This has proved to be cost effective in a hardening insurance market with escalating premiums.

For the second consecutive year there were no major property claims. Public liability claims against the Council continue to be a concern; however, recent tort reform has proven to be beneficial bringing about a slight reduction in the number of claims against Council. Council continues to take a position wherein such claims are vigorously contested.

### Strategies

In consultation with LOGOV Risk Management Services, Council has implemented a Strategic Asset Management Program® that supports our risk management philosophy. This program establishes standards and service levels that enhance Council's 'self-insurance' philosophy.

Council has established a Risk Financing Strategy whereby monies are set aside annually in a contingency fund to be used in the event of excessive claims against Council.

Risk is also recognised as a key component of contemporary management practice across the organisation. Senior officers are required to monitor and identify potential risk situations in all aspects of their business. The effective management of risk is part of the senior officer performance review process.

A Business Continuity Strategy is in place to address the issues so that the day-to-day demands on Council can be continued in the event of a disaster affecting the operations and delivery of service.

### Municipal Emergency Management

Council has a statutory obligation, under the Emergency Management Act 1986, to plan for the best use of municipal resources in the prevention of, response to, and recovery from municipal emergencies. Typical emergencies may include storms and localised flooding, motor vehicle accidents, toxic spills, bush fires and fire damage to private and commercial properties.

Council has a Municipal Emergency Management Plan that documents the requirements and procedures for emergency operations within the municipality. The aim of the plan is to ensure an effective and coordinated response to minimise the effects of an emergency situation and to enable the community to recover from that emergency.

Greater Dandenong's Emergency Management Plan was reviewed by the State Emergency Service and other key stakeholders in 2005 to incorporate a 'risk management' approach to emergency management. The plan now focuses on the causes of risk (hazards) and the elements at risk (community and environment) rather than emergencies that may arise.

This plan will contribute to the well-being of the community and the environment by reducing the incidence and impact of emergency risks within Greater Dandenong.



# National Competition Policy Compliance 2006-2007

## Certification by Chief Executive Officer

Greater Dandenong Council has complied with the requirements of the Local Government Improvement Incentive Program in respect of:-

- National Competition Policy (in accordance with *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*);

for the financial year 2006-07 as set out below:

---

### A. Trade Practices Compliance

State whether the Council is compliant or non-compliant.  
If non-compliant, justify or cite actions to redress.

*Greater Dandenong Council is compliant*

---

### B. Local Laws Compliance

State whether the Council is compliant or non-compliant.  
If non-compliant, justify or cite actions to redress.

*Greater Dandenong Council is compliant*

---

### C. Competitive Neutrality Compliance

State whether the Council is compliant or non-compliant  
for all significant businesses. If non-compliant, justify or cite  
actions to redress.

*Greater Dandenong Council is compliant*

---

I certify that:

- (a) this statement has been prepared in accordance with the 2006-07 Local Government Improvement Incentive guidelines issued in June 2007 for reporting on the following criterion: National Competition Policy in accordance with *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*; and
- (b) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed:



**John Bennie**  
*Chief Executive Officer*

Date: 24 September 2007



# Organisation

# Organisation Structure



## **CHIEF EXECUTIVE OFFICER**

**John Bennie**

- Organisational Development
- South East Networks



## **DIRECTOR COMMUNITY SERVICES**

**June Dugina**

- Social Development
- Children, Youth and Family Services
- Library, Arts and Heritage Services
- Aged and Disability Services



## **DIRECTOR DEVELOPMENT SERVICES**

**Mal Baker**

- Building Services
- Regulatory Services
- Property, Leisure and Accessibility
- Planning and Design
- Economic Development



## **DIRECTOR ENGINEERING SERVICES**

**Tim Tamlin**

- Infrastructure Planning
- Project Delivery
- Asset Management Services



## **DIRECTOR CORPORATE SERVICES**

*Commenced 4 June 2007*

**Phillip Trestrail**

- Customer Service
- Financial Services
- Governance and Corporate Planning
- Information Technology
- Communications
- Strategic Risk Services



## **DIRECTOR CORPORATE SERVICES**

*From 1 July 2006 to 30 March 2007*

**Ross Hepburn**

# Employer of Choice

## Achieving work life balance

The City of Greater Dandenong is committed to promoting effective and contemporary organisational development practices that assist employees to balance their work, family, health, study and other life commitments. Training was conducted to assist managers and team leaders to continue to implement flexible work options.

## Work experience placements

The City of Greater Dandenong values the contribution that work experience provides and is committed to providing this community service to schools and students. A number of students were placed across the organisation in a range of work functions. Two DOXA Youth Foundation students undertook a placement within Corporate Services.

## Traineeships

44 trainees were placed across the organisation in a range of occupations and roles. This includes 35 trainee community care workers studying Certificate 3 in Aged Care who successfully secured permanent ongoing employment. All trainees receive valuable on the job training and experience whilst studying a nationally accredited program.

## Leadership and management development

A number of leadership and management development activities were conducted including participation in the innovative inter-council Leadership Challenge organised by the Local Government Managers of Australia. Tailored leadership programs on conducting performance conversations, individual coaching and leadership development were also conducted during the year. 14 staff completed a tailored leadership development program during 2006-2007.

## Employee development

Ongoing professional and personal development continued throughout 2006-2007. Over 1,000 attendees participated in training opportunities in a range of program areas including presentation skills, occupational health and safety, conflict resolution, information technology, time management, communication and human resources. Employee Development continues to be a strong focus for the organisation and will become even more critical as skills shortages start to have an impact.

## Service milestones

35 staff achieved service milestones of between 10, 20 and 30 years during 2006-2007 and received recognition for their achievement and contribution to the City of Greater Dandenong.

## Staff numbers

	Male	EFT	Female	EFT	Total	EFT
<b>Full-time</b>	213	213	195	195	408	408
<b>Part-time</b>	57	24.11	298	152.61	355	176.72
<b>Casual</b>	40		110		150	
	<b>310</b>	<b>237.11</b>	<b>603</b>	<b>347.61</b>	<b>913</b>	<b>584.72</b>

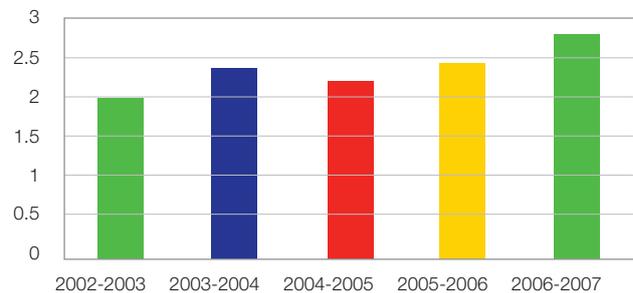
77 new staff commenced full time, part time or casual work during the year. This increase was due to additional employment in Aged and Disability Services to cater for an increase in service delivery, and casual staff employed at the Drum Theatre.

### Absenteeism

The total number of workplace incidents show a slight decrease over the previous year's results, however days lost through injury rose over this period.

Absence due to illness rose by approximately 0.9% to 2.65% of available working hours.

### Absence due to illness



### Health and Safety

The Council's Occupational Health and Safety programs (OHS) share the common purpose of providing a safe and risk-free working environment for staff, whilst also ensuring the safety of our city for both residents and visitors.

Training opportunities were provided to management and staff which covered a number of areas including first aid, OHS Representative five day training and WorkCover claims for management and supervisors.

### Health and Safety Management System

Council's Health and Safety System, based on the Australian and New Zealand Standard AS/NZ 4801:2001, has been audited to complete a gap analysis in all business units. Compliance audits will continue to be undertaken in the coming year.

### Health and Wellbeing

Council has maintained an active health and wellbeing program for the year 2006-2007, providing staff with a range of activities in which to participate. Staff have attended Pilates classes, fitness exercise, lifestyle programs, massage sessions, health presentations, and have actively participated in the annual volleyball and Mini Olympics competitions. 15 staff participated in the 'Biggest Loser Program' (a weight loss program) which was run over an eight week period.

### Achievements

Achievements for the year included streamlining of Incident and Claims Management processes. Council also purchased an OHS and Risk Management system to further enhance data recording and reporting capabilities. Council has expanded the Task Analysis program to a broader range of positions across the organisation. The Task Analysis is a tool used to analyse the physical requirements of a position and documents safe working practices for that position. It may also be used as a return to work tool to assist in the safe return to work of injured employees and by allied health professionals in determining appropriate duties for injured workers. When used in conjunction with the position description, the Task Analysis can also be used in the recruitment process by allowing potential candidates to make an informed decision as to their physical suitability for the work.

### The Year Ahead

Goals for 2007-2008 include achievement of compliance with Australian Standard AS 4801:2001. Audits conducted during the year indicate approximately 80% compliance was achieved.

- Development of a task weighting system to enhance balanced workloads.
- Implement revised systems to reduce the incidence of work-related injury and illness.

## Equal Employment Opportunity

During 2006-2007, the City of Greater Dandenong continued to implement equal opportunity (EO) principles and practices in a number of areas. These include:

### Training

- 71 staff undertook Equal Opportunity and diversity related training including EEO and Diversity Induction, Interpreter-VITS and TTY/national relay service for the hearing impaired.
- Two staff were trained as EO Contact Officers.
- A number of staff participated in interfaith tours.

### Communication

- All employees were provided access to the new enterprise bargaining agreement with information on new conditions including increased workplace flexibility and work life balance provisions.

### Complaints and Grievances

- Six complaints were received during 2006-2007. Five complaints were satisfactorily resolved following internal investigations and one complaint was referred to an external agency.

### Research

- Focus group sessions were conducted with managers and staff to provide a forum where strategic human resource issues such as attraction and retention, ageing workforce and future skills shortages could be discussed. The focus group sessions were part of an overall process in the development of an Organisation Development Strategy for Council.

### The Year Ahead

- Finalise the Organisation Development Strategy and promote and implement it across the organisation.
- Integrate the Victorian Human Rights Charter into workplace policies and educate all managers and staff.
- Revise and launch the Reward and Recognition Program.



# Community Grants

## Community Grants Program

The Community Grants Program supports the community through the allocation of funds for programs and activities. It is administered through the Social Development Unit of the Community Services Directorate.

The total funding allocation to Funding and Service Agreements for 2006-2007 was approximately \$678,000. These agreements are for a three year period, from 2005 to 2008. They provide greater certainty and continuity of funding for key service organisations.

In 2006-2007 there were two application based Community Grants Programs, as detailed below.

## The General Support Program

In the 2006-2007 General Support Program, \$394,496 was given to the community, within seven categories – Health and Wellbeing, Festivals, Arts Activities, Young People, Diversity and Harmony, Older Persons and Establishment Grants.

Organisation Name	Amount Granted	Organisation Name	Amount Granted
Antiochian Community Support Association	\$2,000.00	Dandenong AA Saturday Night Meetings at Palm Plaza	\$2,500.00
Australian Nuer Community Association	\$2,000.00	Dandenong AA Sunday Morning Meetings at Palm Plaza	\$2,500.00
Bosnian Doves Choir	\$1,000.00	Dandenong Basketball Association	\$5,000.00
Bosnian Herzegovinian Eld Ctz	\$1,000.00	Dandenong Basketball Association	\$12,000.00
Cambodian Association Of Victoria	\$4,000.00	Dandenong Basketball Association	\$3,000.00
Cambodian Association Of Victoria	\$29,000.00	Dandenong Bridge Club	\$500.00
Cambodian Women's Group	\$3,000.00	Dandenong Chess Club	\$3,000.00
Carwatha College Community Centre	\$3,000.00	Dandenong Choral Society Inc	\$1,657.00
Ceylonese Welfare Organisation Inc	\$1,000.00	Dandenong Eisteddfod of Dance	\$4,200.00
Chandler Community Centre	\$3,000.00	Dandenong Festival Music and Art for Youth	\$36,291.00
City of Greater Dandenong Band Inc	\$11,000.00	Dandenong Philatelic Society	\$572.00
City of Greater Dandenong Band Inc	\$2,000.00	Dandenong South Primary School	\$2,000.00
Coomoora Secondary College	\$3,000.00	Dandenong Theatre Company	\$20,000.00
Country Womens Association – Dandenong Branch	\$2,730.00	Dandenong Turkish Islamic Cultural Society Inc	\$1,000.00
Croatian Senior Citizens Group of Keysborough	\$1,000.00	Darfur Community Association of Australia Inc	\$1,000.00
Dandenong and District Diabetes Support Group	\$560.00	Darfur Community Association of Australia Inc	\$1,000.00
Dandenong AA Friday Night Meeting	\$2,500.00	Eastern and Central Africa Communities of Victoria	\$2,000.00
Dandenong AA Saturday Afternoon Meetings at Palm Plaza	\$2,500.00	Eastern Regions Mental Health Assoc Inc	\$4,000.00
		Ethnic Communities Council of the South East	\$6,000.00
		Fonda La Clinica of Victoria Inc	\$12,000.00

Organisation Name	Amount Granted	Organisation Name	Amount Granted
Fusion Theatre	\$2,900.00	Out of School Hours Care Program Wallarano PS	\$18,990.00
Greater Dandenong Blue Light Boxing Club	\$13,897.91	Sauzal Folkloric Group	\$884.00
Greek Senior Citizens St Athanasios Springvale	\$1,000.00	Senior Slavic Women's Group Springvale	\$500.00
Handbrake Turn	\$13,000.00	South Eastern Turkish Folkloric Association	\$1,500.00
Hararian Organisation Inc	\$3,000.00	South Sudanese Family Foundation	\$12,000.00
Hoa Nghiem	\$2,000.00	Springvale Asian Business Association	\$15,000.00
Interfaith Network – School's Interfaith Education Committee	\$5,150.00	Springvale Indochinese Mutual Assistance Assoc Inc	\$2,264.00
Keysborough Basketball Association	\$2,000.00	Springvale Mandarin Support Group	\$2,500.00
Leisure Link Up Options Victoria	\$2,000.00	Sudan Liaison Office Australia Inc	\$6,000.00
Lions Club Noble Park	\$12,500.00	Sudan Liaison Office Australia Inc	\$3,000.00
Lions Club of Springvale	\$2,500.00	The Interfaith Network of the City of Greater Dandenong	\$6,000.00
Lou Nuer Community Association	\$1,000.00	The Victorian Foundation for the Survivors of Torture	\$1,000.00
Mary of the Cross	\$40,000.00	Victorian Multiethnic Slavic Welfare Association	\$500.00
Maya Dance Group and School of Dance	\$1,000.00	Victorian Tamil Cultural Association	\$2,000.00
Melbourne S/E Region Chinese Friendship Centre	\$1,000.00	Vietnamese Community in Australia – Victoria Chapter	\$10,000.00
Migrant Resource Centre	\$1,000.00	Wallarano Primary School	\$18,990.00
Migrant Resource Centre	\$1,000.00	Wallarano Primary School	\$620.00
National Institute for the Honour Guards to the Royal Tombs of the Pantheon	\$1,980.00	Wellsprings for Women	\$2,000.00
Noble Park Chess Club	\$3,000.00	Zevku Seda Turkish Classical Band	\$1,000.00
Noble Park Community Centre	\$1,000.00		
Noble Park Occasional Child Care	\$300.00		
Noble Park/Keysborough Drug Action Forum Inc	\$3,000.00		
Nuer Women Group Inc	\$1,000.00		
			<b>\$394,495.91</b>

## Occasional Grants

Community groups and individuals can apply to the Occasional Grants Program for amounts up to \$1,000. This grants program is open all year round, and is considered by Council on a weekly basis. The majority of applications received are from local community groups wishing to source small amounts of funding for group social and recreational activities, or for the purchase of equipment essential to the group's activities.

The 2006-2007 Occasional Grants Program received 184 applications, 136 of which were funded. The total amount of funding allocated to the community through the Occasional Grants Program in 2006-2007 was \$51,173.



# Asset Management

## Asset Management Framework

The City of Greater Dandenong recognises the importance of, and is committed to, improving asset management information, knowledge and technology.

Council has established an asset management framework as well as systems and processes in accordance with Best Practice industry standards and has a five year improvement program. A Risk and Asset Management Project Team was established to oversee the development of asset management policy and strategy, implementation, monitoring and the continuous improvement of asset management projects.

An asset management practices gap analysis procedure has been implemented and is conducted annually to initiate and monitor the improvement program. The Council also participates in the MAV STEP program to supplement this improvement program.

In 2004 Council adopted the Strategic Asset Management Policy (SAMP). The Policy forms a major component of Council's Corporate Risk Management Framework for the strategic and operational management of infrastructure assets and to meet the requirements of the Road Management Act 2004. The SAMP policy is reviewed annually as an integral part of Council's annual budget setting process.

Life Cycle Asset Management Plan for roads and roadside furniture, drainage, parks, reserves and sports grounds, buildings, paths (footpaths and bikepaths) and carparks has been developed and implemented. A review timetable is in place to ensure that these Asset Management Plans remain current and relevant.

## Asset Management Information

Council has consolidated all asset information into a corporate asset register to enable life cycle asset management. A sustainable asset data capture program has been implemented to meet asset management requirements.

## Asset Management Knowledge

Complete life cycle asset information is captured on the Asset Management System to meet compliance requirements and to enhance asset management operational systems and decision-making.

## Asset Management Technology

The Council has successfully developed and implemented a template for data capture, record keeping and service delivery which will be used across the organisation. Council is continuously reviewing the knowledge management technological infrastructure requirements needed to enhance delivery of life cycle asset management. Greater Dandenong collaborated with its Asset Management System providers to develop a maintenance management system that integrates seamlessly with the corporate asset database. This Asset Management System meets all the record keeping requirements of the Road Management Act 2004.

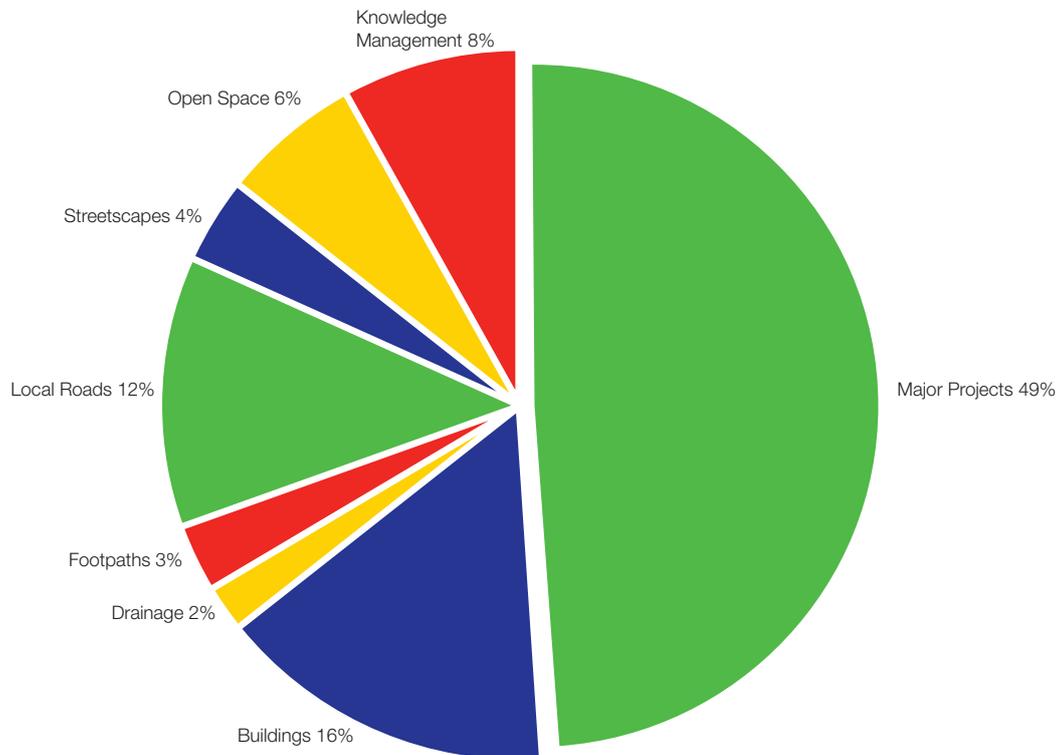
## 2006/2007 City Improvement Program

The City Improvement Program has been established to plan, program and manage the city's public assets including roads, drains, buildings, parks, open spaces, playgrounds, footpaths, and bike paths. The community is invited to put forward suggestions for public works that they consider will benefit the Greater Dandenong community.

The yearly City Improvement Program budget is determined within the city's annual budget formulation process and the size of this budget depends on the funds available relative to other Council commitments. Once approved, projects are planned, designed and delivered by 30 June. \$19.59 million was spent in 2006-2007 and a breakdown of this total is detailed below.

### City Improvement Program 2006/2007

(% of money spent per category)



Category	Expenditure YTD (\$)	Summary
<b>Major Projects</b>	<b>\$9,597,552</b>	<b>Major Projects currently underway include:</b> <ul style="list-style-type: none"> <li>The State Volleyball Centre at the Dandenong Stadium – construction program ahead of schedule, anticipated completion by November 2007.</li> <li>Dandenong Produce Market redevelopment – awaiting town planning approval from Planning Minister for Declared Area.</li> <li>Tatterson Park development – works include: path works, mulching of garden beds, significant tree planting.</li> </ul>
The State Volleyball Centre at the Dandenong Stadium	\$7,824,147	
Dandenong Produce Market	\$1,278,153	
Dandenong Produce Market (Associated Works)	\$0	
Tatterson Park	\$475,371	
Springvale Children Service's Centre	\$19,881	
Other Projects	\$0	
<b>Buildings</b>	<b>\$3,053,198</b>	<b>Buildings works included:</b> <ul style="list-style-type: none"> <li>Essential services compliance to Council buildings.</li> <li>Public toilet strategy implementation (Exeloo toilets at Douglas St, Noble Park and Wachter Res, Keysborough).</li> <li>Upgrade and maintenance works at various Council buildings including Springers, Oasis, etc.</li> <li>Roof Safety implementation program</li> </ul>
Improvements	\$1,456,396	
Major Maintenance	\$1,596,802	
<b>Drainage</b>	<b>\$351,595</b>	<b>Drainage works included:</b> <ul style="list-style-type: none"> <li>Minor drainage and pit lid replacement works at various locations.</li> <li>Design Works for future drainage improvement works (ie French Street area)</li> </ul>
New Construction	\$28,328	
Rehabilitation	\$323,267	
<b>Footpaths</b>	<b>\$618,974</b>	<b>Footpath works included:</b> <ul style="list-style-type: none"> <li>Footpath renewal program, city-wide based on customer requests and condition audits.</li> </ul>
Rehabilitation	\$618,974	

Category	Expenditure YTD (\$)	Summary
<b>Local Roads</b>	<b>\$2,443,667</b>	<p><b>Local roads work included:</b></p> <ul style="list-style-type: none"> <li>• Remington Drive/Abbotts Road traffic signals and road widening.</li> <li>• Bus shelter installation/upgrade program.</li> <li>• Various Blackspot treatments installed.</li> <li>• Various Local Area Traffic Management treatments installed.</li> <li>• Rehabilitation and resurfacing of roads throughout the city.</li> </ul>
New Construction	\$58,667	
Rehabilitation	\$870,619	
Resurfacing	\$512,669	
Roadside Furniture and Lighting	\$99,060	
Traffic Management and Parking	\$873,860	
Bridges	\$28,792	
<b>Streetscapes</b>	<b>\$719,890</b>	<p><b>Streetscape works included:</b></p> <ul style="list-style-type: none"> <li>• Street tree strategy implementation (Leafy Legacy).</li> <li>• Springvale streetscape upgrade works.</li> <li>• Refurbishment Pillars of Freedom.</li> <li>• Various public art initiatives.</li> </ul>
Rehabilitation	\$719,890	
<b>Open Space</b>	<b>\$1,201,669</b>	<p><b>Open space works included:</b></p> <ul style="list-style-type: none"> <li>• Dandenong Wetlands Masterplan (tree planting, paths works and furniture)</li> <li>• Hemmings Park Masterplan (playground upgrade, picnic area and jump track)</li> <li>• Dandenong Creek Trail upgrade</li> <li>• Playground Strategy implementation (Bilbungra Drive Reserve, Spring Valley Park)</li> <li>• Playground Audit implementation at pre-schools and childcare centres.</li> </ul>
Parks	\$485,709	
Sports Reserves	\$292,786	
Bike Paths	\$124,220	
Playgrounds	\$298,954	

Category	Expenditure YTD (\$)	Summary
<b>Knowledge Management</b>	<b>\$1,602,371</b>	<b>Knowledge management expenditure included:</b> <ul style="list-style-type: none"> <li>• Purchase of library materials and implementation of Stage 2 of Library Services Management System.</li> <li>• Drainage data collection program.</li> <li>• Invoice process automation.</li> <li>• Mobile computing software purchase.</li> <li>• Network server replacement</li> <li>• Other minor IT improvement initiatives.</li> </ul>
Library Services	\$642,969	
Computer Equipment and Data Capture	\$959,402	
<b>Total capital expenditure (including external funding)</b>	<b>\$19,588,916</b>	



Best Value

## Service Improvement Process

Every Service Unit continually seeks to improve the services provided to the community. The City of Greater Dandenong's Service Improvement Process aims to:

- Provide a focus on identifying Best Value services for residents and stakeholders that they can understand, respond to and measure the Unit's performance against.
- Build an organisational culture of innovation, trust and collaboration in the pursuit of continuous improvement in all endeavours.
- Build an organisational culture based on a team approach to the delivery of the best possible services to residents and other stakeholders.
- Comply with the Best Value principles established in Section 208 A-J of the Local Government Act.

The Best Value principles listed below are taken into consideration when reviewing components of services:

- Services must meet cost and quality standards set by the Council, having regard for community expectations, affordability, accessibility, value for money and best practice.
- Services must be responsive to community needs.
- Services must be accessible to the people they are intended for.
- Continuous improvement must be achieved.
- There must be regular consultation with the community regarding the services being provided.
- There must be regular reporting to the community on the Council's performance in achieving the objectives of Best Value.

## Greater Dandenong's Approach

Greater Dandenong is implementing a holistic integrated service improvement program. The program addresses continuous improvement in the various aspects of Council's services.

The most important focus is meeting the needs of the Greater Dandenong community. Broad spectrum planning on behalf of the community, in the form of a Community Plan, provides Council with guidance on actions that need to be taken. Council's response to the Community Plan is then achieved through an integrated corporate and service planning framework. This then cascades down into individual service plans and across organisational projects. Process reviews of services, technological advancements and encouraging innovation within the workplace then provide refinements at the service level.

Customer satisfaction with services is sought and monitored to provide valuable feedback from the community on how effectively the implementation of Council's plans are meeting customer needs. This feedback is then integrated back into the planning framework and process reviews to guide continuous improvements to the services.

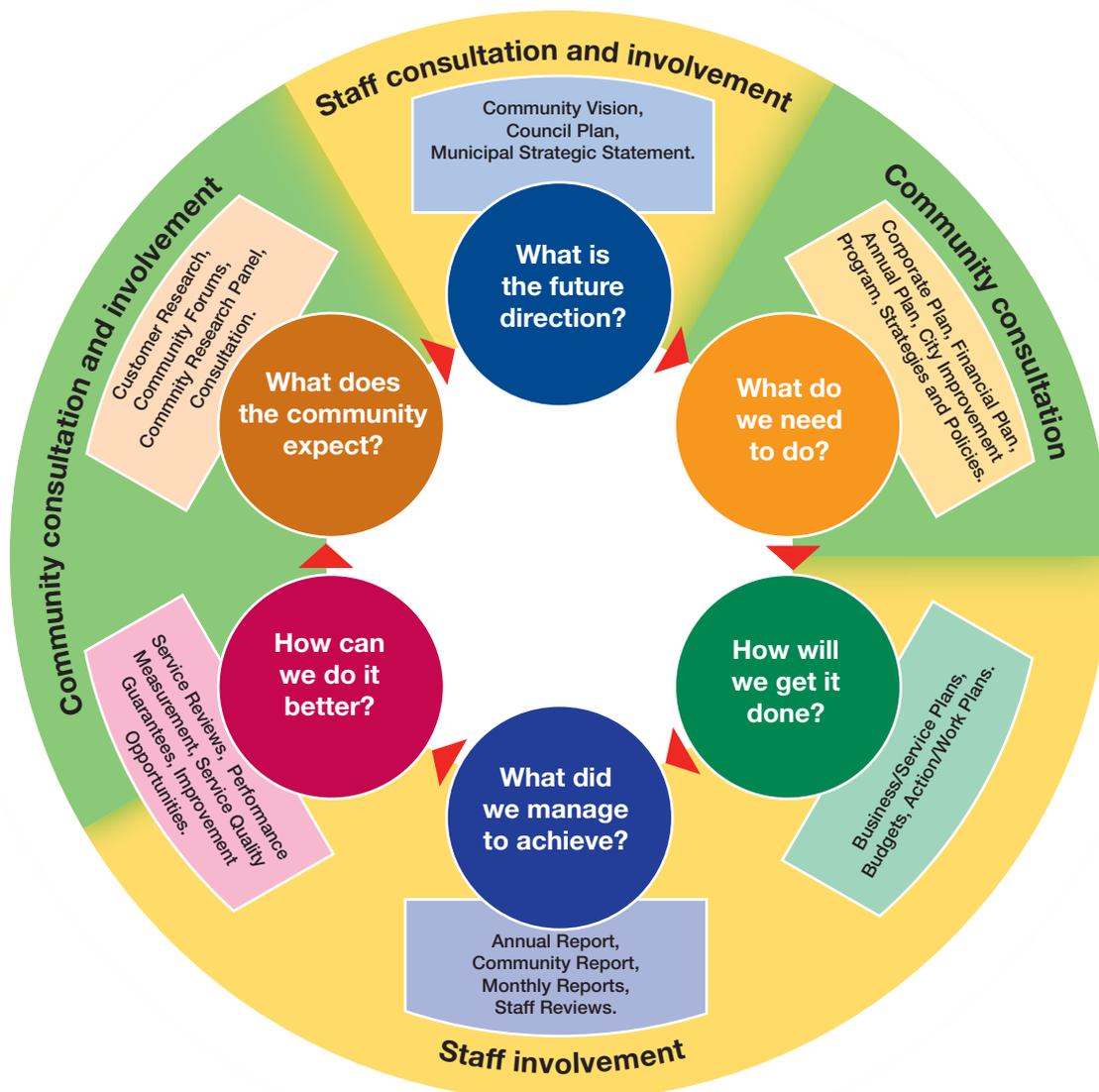
Council regularly reports progress on its performance to the community through a variety of means. These include the Annual Report, monthly Organisational Performance Reports covering financial targets and progress against the Corporate Plan, monthly releases on a range of activities in Council's newsletter *The City* and weekly media releases distributed to local newspapers on current issues. Extensive information is also provided on Council's website [www.greaterdandenong.com](http://www.greaterdandenong.com) including copies of the Corporate and Service Unit Plans, monthly Organisation Performance Reports, Council Minutes and Agendas and regular updates of current activities, just to name a few.

Staff engagement in the various elements of the service improvement process is critical to the success of a customer centred organisation. Service improvements can only be achieved by making changes to the way people work, the structures they work within, the processes they follow and technologies they use. Managing change then becomes a significant component of the service improvement process. Council has implemented many initiatives to assist staff in managing change and new approaches are continually being considered and implemented to enable staff to address change in a positive way.

The Service Summaries – ‘A Year in Review’, outlined in the following section, provide a snapshot of the services and achievements of Council’s individual Service Units.

Keeping the community informed and involved in influencing decision making, connects the service improvement program to the planning, reporting and review processes. An informed community can lead to an engaged community. An engaged community stimulates the changes needed to create a desirable city in which to live, work and invest.

Council’s planning framework, outlined in the diagram below, highlights the cyclical and integrated approach taken to plan and improve service delivery, report on performance and monitor community expectations.



## Implementation Program

<b>Program Components</b>	Implementation Plan
<b>Community Plan</b>	Development to commence in 2007-2008
<b>Corporate Planning Framework</b>	Robust systems and program in place – ongoing
<b>Strategy Integration to Corporate Planning Framework</b>	Structure currently under development – further progress planned 2007-2008
<b>Process Reviews</b>	Structure currently under development – further progress planned 2007-2008
<b>Change Management</b>	Work/life balance opportunities in place – new tools and support mechanisms continually under review
<b>Customer Research and Consultation</b>	Customer research program and consultation approaches programmed for review in 2007-2008
<b>Reporting Framework</b>	Robust systems and program in place – ongoing



# Service Summaries – A Year in Review

## Aged and Disability Services

Aged and Disability Services consist of Community Care (home based/home maintenance HACC and Community Aged Care Packages), Meals on Wheels, Community Social Support (specialised community transport, planned activity groups, Seniors Clubs and Groups), H L Williams Court Hostel, Volunteer program and Metro Access Disability Inclusion Project. The unit provides appropriate direct service delivery and community development work in the above areas for older people and people with a disability.

### Achievements

- Provision of HACC services to over 2,800 older residents each month.
- Significant increase in HACC funding to provide additional home based services.
- Provision of specialised community commute to transport the disadvantaged.
- Provision of a Council-wide volunteer program involving 300 volunteers.
- Additional HACC funding to provide planned activity group social support.
- Participation in establishment of a regional food kitchen.

## Asset Management Services

Asset Management Services is responsible for the maintenance of the city's road, drainage, and footpath network, buildings, parks, recreational and sporting facilities. Key focus points are improving safety, functionality and asset life for the community and residents.

Asset Management Services also manages Council's fleet and waste collection services including waste education and graffiti removal.

### Achievements

- Asset Management Services has moved towards an integration approach to the management of all asset groups.
- Implementation of asset network inspections via the Strategic Asset Management Program (SAMP) and continued enhancement of mobile computing for issuing of work orders.
- Introduction of the 'At Call' hard waste collection service.
- Blanket graffiti removal introduced.
- Development of local education plan for waste minimisation and environmental school projects.
- Buildings Essential Safety Measures program completed.
- 'Flowers in Bloom' program introduced in central Dandenong.
- Environmental interactive caravan roadshow introduced.

## Building Services

Building Services maintain standards of amenity, habitation and safety in buildings. The Unit provides services including building inspections, enforcement of safety standards, advice and consultation on building regulations issues and issuing of building permits. Building Services also provides copies of approved buildings and past permit details, activity reports to the Building Commission and variations to regulatory siting requirements.

### Achievements

- Completion of Stage 1 Market Redevelopment (Aldi and recycle area)
- Addition to Dandenong Stadium (State Volleyball Centre)
- Essential Safety Measures inspections carried out resulting in safer buildings.
- Building compliance improved through education and enforcement with six prosecutions undertaken.
- 2,197 requests for information by solicitors and building surveyors answered within required timelines.
- 1,434 privately issued building permits recorded on Council's systems.
- 354 report and consent applications assessed, including 132 siting consents and 50 build over easement consents.
- 434 building notices and orders issued on non-compliant building work.

## Children's, Youth and Family Services

Children's Youth and Family Services focuses on monitoring and supporting a range of:

- Children's Services which include:
  - Seven community based child care centres offering 291 long day care and 41 occasional care places.
  - 23 community based pre-schools with 1,210 children enrolled and attending in 2007.
  - Family day care – 84 caregivers and 356 children.
  - Maternal and child health services – 23,910 consultations and 265 group sessions for parents with children 0-6 years; 1,981 new babies born in Greater Dandenong in 2006-2007.
  - Specialised needs addressed for indigenous children through the Dandenong and District Aboriginal Co-operative through the Best Start Program.
- Family Services which include the formation of a partnership between Greater Dandenong, Connections and Windermere Family Services in the implementation of the Child First legislation across Dandenong, Casey and Cardinia.
- Youth Services and Visy Cares Centre:
  - Youth Services provide counselling, intake and referral services, programs i.e. 'Musos Network', dance, school holiday programs and accredited training.
  - Commencement of the Salvo Café with an average attendance of 20 young people per day.
  - Commencement of the Male Adolescents at Risk Program (MARP) project.
- Paddy O'Donoghue Centre is an integrated intergenerational multipurpose centre offering services from Children's through to Aged Services, Customer Service and Community Hall meeting spaces. The centre is operating at over 90% capacity.

## Achievements

- Commencement of the consultation process for the Springvale Integrated Child and Family Services Centre achieving agreements on the Governance model and over-riding principle and vision for the service delivery model.
- Support to the Sudanese community through assisting with a forum, basketball program transferred to the Dandenong Basketball Association, soccer team success, cooking and nutrition classes and a range of other projects. Sudanese university student on placement in Maternal and Child Health. Youth worker traineeship for Sudanese community members.
- Successfully implementing the Child First project and incorporating Council's Family Services program into the South East Family Services Child First model. Enhancing support to vulnerable families.
- Increased funding in the 10 program areas resulting in substantial increases in local services.
- Establishment of the Youth Support team in Noble Park at the Venue.

## Communications

The Communications unit consists of media coordination, communications, web content management, print shop, and halls and meeting rooms service. Key responsibilities include preparation and distribution of *The City* and *Stakeholder* newsletters, public relations, media campaigns and responses, design and publication of brochures and corporate documents, internal printing support service, coordination of civic attendants and booking of halls and meeting rooms.

### Achievements

- Commenced the program to promote the city's new logo and branding on signage, publications and presentation materials.
- Increased availability of community halls and meeting rooms to the community and introduced a new not-for-profit community fee structure for various venues.
- Reviewed and updated Council's website and monitored usage to determine trends for future planning.
- Coordinated a systematic update of Council's intranet content.
- Positive metropolitan media releases on a range of subjects.

## Customer Service

The Customer Service unit is responsible for Council's corporate call centre and three face-to-face customer service centres and is the primary 'first point of contact' for Council.

Customer Service seeks to satisfy the majority of customer queries and requests at initial contact, and where needed, direct the query to the appropriate person in Council.

### Achievements

- Responded to over 143,000 customer calls for Council.
- Answered 91% of customer calls within 15 seconds.
- Serviced the needs of over 70,000 customers visiting our Dandenong, Springvale and Parkmore service centres.
- Receipted over \$38,000,000 in customer payments to council through our call and service centres.
- Issued over 19,000 customer requests for service to relevant departments throughout Council.
- Refurbished Parkmore Customer Service Centre to improve service to our customers.

## Economic Development

The Economic Development team promote the region, encourage investment, support development and growth across all sectors of business and strengthen partnerships with key stakeholders for the purpose of long-term economic well being.

### Achievements

- Business Development Centre conducted the 'Greater Dandenong on Show Mini Business Week' in partnership with other stakeholders to promote and support local businesses.
- Four editions of the *Stakeholder* magazine published and distributed.
- A new on-line Business Directory introduced to encourage residents and businesses to support local businesses.
- Courtesy Bus carried nearly 50,000 passengers supporting the local economy and promoting the Dandenong shopping precinct.
- Economic Development Strategy activities focussed on attracting business investment, supporting existing businesses and development of trade.

## Financial Services

The Unit is responsible for the efficient management and delivery of Council's financial services. The team coordinates the preparation of short, medium and long term financial plans, and maintains financial records to enable us to monitor Council's performance against these plans. Finance staff provide advice on financial matters to all levels of Council, management and staff. (It maintains a current and accurate property database which is used in the calculation of Council's rate revenue. Financial Services is responsible for the collection of rate revenue, which is based on valuations of properties, a function managed by the unit.)

### Achievements

- Prepared Council's first ten year Financial Plan.
- Formulated Council's Annual Budget for 2007-2008, which was adopted by Council on 12 June 2007.
- Rate notices were issued within ten days of the new financial year.
- Timely and accurate financial reporting enabled Council to deliver services and capital works within budget.
- Successful implementation of electronic scanning and invoice approval systems in accounts payable.
- Council's Annual Financial Report prepared in a timely manner with no audit qualifications.

## Governance and Corporate Planning

The Unit consists of Governance, Corporate Planning, Records Management and support for the Mayor and Councillors. Key responsibilities include management of the Mayor and Councillors office, Council meetings and minutes, Corporate Governance organisational planning and reporting, service improvement, customer research and records management.

### **Achievements**

- Organisational planning and reporting system redeveloped and redeployed.
- Streamlined Council meetings and briefings.
- 15 citizenship ceremonies coordinated on behalf of the Department of Immigration with 2,593 Greater Dandenong residents naturalised.
- Enabled and trained staff in pilot units to manage their records electronically.
- Prepared, published and adopted the Annual Report and Revised Council Plan, delivering copies to the Minister by the due dates.
- Reviewed and updated the majority of Council's policies.

## Information Technology

Information Technology Services develops, maintains and enhances corporate software solutions, hardware, data networks, telephony infrastructure and services for all Council staff and Councillors and provides web based services to the community.

### **Achievements**

- Continuous improvements and enhancements to corporate systems and network infrastructure, including Maternal and Child Health software, Conquest (Asset Management), OPRA (Corporate Planning and Reporting) and Proclaim (Property/Rates, Community Grants and Essential Services).
- New mobile computing solutions for field staff, including parking infringements processing and paperless administration of work orders by maintenance crews.
- Remote access for all staff and suppliers improved.
- Completion of the telephony upgrade project, using VOIP technology and including new call centre and call accounting software.
- Continued server consolidation and improved disaster recovery ability through 'server virtualisation'.
- Training of staff in IT Service Management best practice principles.

## Infrastructure Planning

Infrastructure Planning is responsible for the long term planning of infrastructure assets across the city including advocating to other government bodies and organisations on the public transport, freight efficiency, road safety and drainage needs of Greater Dandenong's community.

### **Achievements**

- Completed drainage catchment studies and flood mitigation options for the Edithvale, Noble Park and Parkmore catchments.
- Installed 43 new bus shelters under the Adshel bus shelter replacement program.
- The Sustainable Public Lighting Action Plan for the City of Greater Dandenong was formally recognised and approved by the International Council for Local Environment Initiatives – Aus/NZ.
- Completed the following Local Area Traffic Management (LATM) planning studies: David Street, Kelvinside Road, Festival Crescent and Darren Road.

- Negotiated changes to the design of the Perry Road connection between the Dandenong Bypass and Cheltenham Road with Thiess John Holland and VicRoads. The changed design has enabled the major part of an important stand of indigenous trees to be protected.
- Secured a significant number of additional late finishing bus services within the municipal area as part of 'Meeting our Transport Challenges'.

## Libraries, Arts and Heritage Services

The Unit manages Greater Dandenong Libraries, Cultural Facilities (Drum Theatre at the Dandenong Town Hall, The Castle, Heritage Hill Museum and Historical Gardens, Walker Street Gallery and Dandenong Community Arts Centre), Festivals and Events, and Cultural Development and Planning.

### Achievements

- Successful first year of the Drum Theatre.
- Expansion of the public floor space at the Dandenong Library to provide improved amenity for library users.
- Successful implementation of new library management system and participation in consortium group.
- Introduction of Council Kiosk providing access to Council information and payments in the Springvale Library.
- Implementation of automated booking system for public access computers resulting in improved service for users.
- Successful entrepreneurial exhibitions at Walker Street Gallery – She, He, 9x5 and Brian Dunlop.
- Enhanced amenity within central Dandenong through the ReFRESH program.
- Positive community response to floral displays, Art in the City Program and Public Art Lighting Project in central Dandenong.
- High participation rates in the Wonders of Dandenong and Little India walking tours.
- Introduction of partnership agreements with local arts and information related groups, including the Greater Dandenong Chamber of Commerce mentoring program for community groups.

## Organisational Development

Organisational Development is responsible for occupational health and safety, management of Workcover claims, return to work programs, learning and development activities, recruitment and selection of employees, industrial relations, development and implementation of human resource policies and programs, payroll and superannuation.

### Achievements

- New Enterprise Bargaining Agreement negotiated.
- Tailored leadership program conducted for 14 staff.
- 26 worksite assessments completed.
- Employee development programs for 1,100 participants implemented.
- 15 staff participated in the 'Biggest Loser Program' which was run over an 8 week period.
- Organisational systems audits of 34 Service Units completed.

# Planning and Design

The Unit provides Statutory Planning, Strategic Planning, Urban Design, Open Space and Environmental Planning services to the city as well as monitoring and enforcement of planning legislation and permissions.

## Achievements

Significant achievements in Planning Compliance area with Industrial area audits expanded. Two RedDot VCAT decisions and a Magistrates' Court finding in favour of Council on precedent setting environmental matters.

- Targets met in permit application processing timelines, and Council's fast track Priority Paid statutory planning system received a record number of applications considered and not a single default since its inception four years ago.
- Development of draft uniquely multifaceted strategic Neighbourhood Character Study to guide residential development in the municipality.
- Working in partnership with State Government and agencies to produce a revised draft structure plan and development contributions plan for 1040ha of land for industrial development for exhibition.
- Far-reaching master plans for the development/redevelopment of a number of municipal parks, such as the extensive Dandenong Park and Hemmings Park have been drafted.
- Maintained our position in planning services as one of the top performing councils in our Local Government Group.

# Project Delivery

The Unit consist of Civil Development and Design and Construction Project Management. Project delivery undertakes the long-term planning and coordination of Council's Capital Improvement Program (CIP) and provides detailed designs. We project manage and supervise the work from concept through to completion. The team considers all planning applications and associated civil works that affect the infrastructure network. This includes managing all sub-divisional and development works. The unit provides advice to developers and authorities in meeting council standards and ensures Council's civil standards and specifications are met.

## Achievements

- Successful delivery of the 2006-2007 Capital Improvement Program.
- Completion of the State Volleyball Centre at the Dandenong Stadium.
- Completion of Stage 1 of the Dandenong Produce Market.
- Successful installation of 43 new bus shelters under the Adshel bus shelter replacement program.
- Completed the installation of more than 50 traffic management devices.
- Successful development and approval of the 2007-2008 City Improvement Program.

## Property, Leisure and Accessibility

The Unit integrates strategic planning with practical service delivery across fields of property management, disability planning and leisure and sport development to proactively influence improvements, reflect community values, provide opportunities for community input and responsibly manage properties, programs and projects.

### Achievements

- Re-tendered the Dandenong Market management contract and also received an award for the achievement of 80% recycling at the market together with a public place recycling grant to further improve recycling.
- Coordinated 'Ride to Work Day' for corporate organisations across Greater Dandenong.
- Proactively worked with sport clubs through visits to 40 clubs, allocation of 61 grounds across the municipality to 77 clubs and receipt of state government grants of \$105,000 for sport programs and building improvements.
- Initiated and chaired the Southern Region Sport Drought Network across neighbouring and local sport leagues to coordinate response to drought conditions.
- Continued the Suite of Journeys Programs working with people across cultures with disabilities, in particular the Stepping Out program with Aboriginal elders at the Oasis Leisure Centre.
- Drafted recommendations for the On Your Feet Dandenong Project including an updated pedestrian/bicycle network plan and community workshops.

## Regulatory Services

Regulatory Services provides compliance, education and enforcement functions related to Environmental Health, Immunisation, Animal Management, Fire Prevention, Local Laws, Parking Management and School Crossing Supervision.

### Achievements

- Introduced new system for managing abandoned shopping trolleys, which led to a 67% decrease in the number of trolleys impounded by Council.
- Hosted 2006 Australian Institute of Environmental Health National Conference, receiving accolades as most successful conference conducted.
- Conducted a seminar for real estate agents, which was widely applauded by the real estate industry.
- Introduced mobile computer systems for field staff that greatly improve efficiency both in the field and administratively.
- Conducted micro-chipping day that saw the highest number of animals micro-chipped in a single day within this municipality.
- Provided ovarian cancer vaccination program to every secondary school in the municipality.
- Introduced a revised model for parking management within the Dandenong Market which has greatly improved safety for pedestrians and market staff.

## Social Development

The Unit comprises of Social Planning and Research, Community Development, and Community Safety. Key areas of activity include community grants, social policy, municipal public health planning, cultural/ethnic diversity programs, funding and support to key service agencies, and a range of community safety programs and initiatives.

### Achievements

- Establishment of the Department for Victorian Communities funded Community Strengthening and Participation Project.
- Food for Everybody project nominated for National Best Practice Award and received a commendation.
- Parenting Across Cultures program delivered successfully with extremely positive feedback received from participants and community stakeholders.
- Successful rollout of the Victorian Interpreter card, with our change management process used as a model for other councils.
- Successful rollout of the Local Area Planning Support Program to improve access to statistical and demographic information.
- Establishment of a new Department for Victorian Communities funded project working with the African community, in response to community issues.
- Successful delivery of a wide range of community safety initiatives which have been well supported by stakeholders including local residents.

## South East Networks

The South East Networks (SEN) team 'connects' companies and provides practical support through its unique network program that strengthens their capability, competitiveness and sustainability – thus enhancing employment opportunities and economic wellbeing of the region.

### Achievements

- Employment growth framework action plan 2006-2007 implemented including the establishment of a new coalition 'S4', a school industry group comprising of South East Networks, South East Melbourne Manufacturing Alliance (SEMMA), the Local Learning Employment Network and South East Development.
- Membership of SEMMA increased by 18%, servicing enquiries have grown exponentially reflecting its influence as an organisation representative of the region's manufacturing sector.
- Commenced two year 'Maturity in Manufacturing' project designed to assist local manufacturers to develop and implement strategies to manage, retain and grow their mature age workforce.
- SEN facilitated a broad range of activities/events and new initiatives (using both national and international speakers) from activities that strengthen global competitiveness/export to those assisting women in business.
- SEN/SEMMA nominated local manufacturers that were inducted into the Victorian Government's Manufacturing Hall of Fame (three inductees and Young Manufacturer of the Year).
- *Star* Newspaper 'wrap' distributed to more than 5,000 companies – designed to promote 'careers in manufacturing'.
- SEN raised awareness on environmental issues through its 'Symbiosis' events and activities – including those in partnership with VicUrban to promote LOGIS.

## Strategic Risk Services

Strategic Risk Services is responsible for the development of a strong risk and asset management culture within the organisation and the development and maintenance of an appropriate and affordable management framework including:

- Insurance and Risk Systems.
- Purchasing and Procurement Systems.
- Contract Management Systems.
- Asset Management Systems.

### Achievements

- Maintained and strengthened Council's comprehensive Risk Strategy and Risk Framework with subsequent reduction in premiums and claims.
- Implemented a new audit program to check compliance with Road Management Act 2004 and assist as a continuous improvement tool for Council's operational response to the legislation.
- Extended the Utility Tracker data base to include all utilities and continued to monitor Electricity Accounts, identifying and recovering \$190,000 in overcharging to date.
- Reviewed Strategic Asset Management Policy (SAMP) and supporting documentation including all Asset Management Plans and submitted to Council for re-adoption.
- Maintained and managed Council's asset data base: Conquest, adding over 53,000 new assets during the year.
- Conducted a number of strategic purchasing initiatives during the year resulting in savings of \$210,000 over existing costs.
- Project managed the development of the Business Case for the Municipal Buildings Project and the related Springvale Public Consultation project.



# Performance Statement

## Strategic objectives, strategic statements, indicators and activities for 2006-2007

The Victorian Government is of the view that it is reasonable to expect all councils to collect and publish performance information. The Government amended the Local Government Act 1989 (section 153B) to ensure that local government develops performance accountability mechanisms which allow for a consistent approach to the collection and reporting of information regarding financial performance, operating costs and community satisfaction. Without comparable figures, a great deal of benefit of measuring performance is lost.

The use of performance indicators by local government is a significant first step towards achieving:

- An improved capacity to objectively measure council performance leading to a better set of relationships between state and local government; and
- Better informed local communities.

Since 1997-1998, there has been a requirement for councils to adopt an Annual Plan as part of its corporate planning cycle and as from 1998-1999 to include in its Annual Report a statement of performance against the targets set in the annual plan.

Council has successfully achieved 60% of its Annual Plan targets for 2006-2007, with a further 20% achieved in part. Disappointingly, 20% of the targets were not achieved. Each year Council aims to set targets which are a deliberate stretch as we endeavour to continuously improve our quality and delivery of services to our residents. Many of the measures arise from the independent State Government Survey conducted by Wallis Consulting, and as such can fluctuate depending on community perceptions at the time of the interviews.

For the future, Council is still keen to incorporate stretch targets, but is seeking measures that are more directly in our control or more closely related to the outcomes we are seeking to achieve.

## Vibrant Healthy Supported Community

**Strategic Statement:** Vibrant people, proud of who we are, what we achieve and how we present ourselves to the watching world.

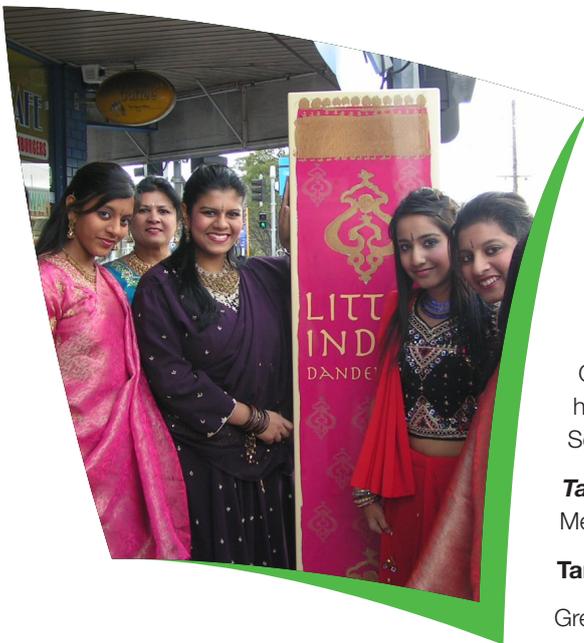
### **2006-2007 Strategic Indicator:**

Community satisfaction with Council's interaction and responsiveness in dealing with the public as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

### **Target not achieved.**

Greater Dandenong received a result of 73 which was a slight decrease on the 2006 result. Greater Dandenong is slightly behind the mean for the Outer Melbourne Metropolitan LGA Group.



**Strategic Statement:** The community's resilience is reflected in the health and wellbeing of its people.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of the Council's health and human services as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target partially achieved.**

Greater Dandenong received a result of 73 which was a slight improvement on the 2006 result. Greater Dandenong is equal with the mean for the Outer Melbourne Metropolitan LGA Group and is only 2 points behind the region's top performing council.

## Environmentally Active City

**Strategic Statement:** Everyone in the city is encouraged to use environmentally sound practices and products.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of the Council's waste management as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target not achieved.**

Greater Dandenong received a result of 73 which was a slight improvement on the 2006 result. Greater Dandenong is slightly lower than the mean for the Outer Melbourne Metropolitan LGA Group.

**2006–2007 Strategic Indicator:**

Average kilograms of domestic waste to landfill per household per week.

**Target 2006-2010:** aim for 10.50 kilograms or lower.

**Target 2006-2007:** 10.50 kilograms or lower per household per week.

**Target achieved.**

10.37 kilograms of domestic waste has been diverted to landfill per household.

**2006–2007 Strategic Indicator:**

Average kilograms of domestic recyclables recovered per household per week.

**Target 2006-2010:** aim for 6 kilograms or more.

**Target 2006-2007:** 5 kilograms or more per household per week.

**Target not achieved.**

97.8% achieved. 4.89 kilograms of domestic recyclables recovered per household per week.

**2006–2007 Strategic Indicator:**

Average kilograms of green waste collected per household per week.

**Target 2006-2010:** aim for 4 kilograms or more.

**Target 2006-2007:** 2.9 kilograms or more per household per week.

**Target achieved.**

5.22 kilograms of green waste collected per household per week.

**Strategic Statement:** The landscape and natural environment are responsibly managed, protected, regenerated and valued.

**2006–2007 Strategic Indicator:**

Number of seedlings planted.

**Target 2006-2010:** aim for 60,000 seedlings planted.

**Target 2006-2007:** 18,000 seedlings planted.

**Target achieved.**

21,967 seedlings planted.

**2006–2007 Strategic Indicator:**

Community tree planting events organised.

**Target 2006-2010:** aim for 45 tree planting events.

**Target 2006-2007:** 15 tree planting events.

**Target not achieved.**

The drought conditions delayed the commencement of some of our tree planting events. 11 events were organised throughout the year.

## Well Planned Liveable City

**Strategic Statement:** City planning and design reflects the aspirations of the community and provides for the appropriate use and development of the built environment and guides future growth.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of the Council's town planning policies and approvals as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target achieved.**

Greater Dandenong received a result of 66 which was equal to 2006 result. Greater Dandenong is higher than the mean for the Outer Melbourne Metropolitan LGA Group and only 2 points below the region's top performing council.



**Strategic Statement: Community buildings and infrastructure are designed, developed and maintained to be flexible in meeting current uses and future needs.**

**2006–2007 Strategic Indicator:**

Dollars invested in assets through the City Improvement Program.

**Target 2006-2010:** aim is a minimum of \$60 million.

**Target:** Minimum 80% of \$27.03 million (revised target approved March 13, 2007 for 80% of \$22.77 million).

**Target achieved.**

\$19.59 million has been invested in assets.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of the Council's recreation facilities as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target partially achieved.**

Greater Dandenong received a result of 72 which was equal to 2006 result. Greater Dandenong is higher than the mean for the Outer Melbourne Metropolitan LGA Group and only 2 points below the region's top performing council.

**Strategic Statement: People and goods can move safely and with minimal inconvenience.**

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of the Council's traffic management and parking facilities as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target not achieved.**

Greater Dandenong received a result of 59 which was a slight improvement on the 2006 result. Greater Dandenong is slightly below the mean for the Outer Melbourne Metropolitan LGA Group.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of the Council's local roads and footpaths as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target achieved.**

Greater Dandenong received a result of 61 which was equal to the 2006 result. Greater Dandenong is slightly above the mean for the Outer Melbourne Metropolitan LGA Group.

**Strategic Statement:** The city's liveability is reflected in safe, accessible and well presented neighbourhoods, shopping centres, suburban streets and public places.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of the Council's appearance of public places as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target not achieved.**

Greater Dandenong received a result of 66 which was a slight improvement on the 2006 result. Greater Dandenong is equal with the mean for the Outer Melbourne Metropolitan LGA Group, but 5 points below the region's top performing council.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of the Council's enforcement of By Laws as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target partially achieved.**

Greater Dandenong received a result of 65 which was a slight improvement on the 2006 result. Greater Dandenong is equal with the mean for the Outer Melbourne Metropolitan LGA Group and only 2 points behind the region's top performing council.

## Prosperous Dynamic City

**Strategic Statement:** A strong economy based on internationally competitive manufacturing businesses, sustainable service industries and innovative research and development companies.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of Council's economic development as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target achieved.**

Greater Dandenong received a result of 67 which was significantly improved on the 2006 result. Greater Dandenong is above the mean for the Outer Melbourne Metropolitan LGA Group and is only 1 point behind the region's top performing council.

**2006–2007 Strategic Indicator:**

New investment in residential, commercial and industrial properties approved by building approvals:

**Target 2006-2010:** aim is \$1.2 billion investment approved.

**Target 2006-2007:** \$300 million.

**Target achieved.**

\$403.5 million worth of building permits issued within the city.

## Regional Capital of the South East

**Strategic Statement:** The cosmopolitan and residential centre at the heart of Melbourne's south east.

**2006–2007 Strategic Indicator:**

New investment in residential dwellings approved by the responsible authority in the Comprehensive Development Zone.

**Target 2006–2010:** 300 new dwellings.

**Target 2006–2007:** 100 new dwellings.

**Target achieved.**

Permits for 143 dwellings approved in the financial year for the Comprehensive Development Zone.

## Recognised Leading Organisation

**Strategic Statement:** A recognised leader in Local Government for its viability, quality of customer service, long term planning and sustainable work practices.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of the Council in key service areas and responsibilities as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target achieved.**

Greater Dandenong received a result of 67 which was a slight improvement on the 2006 result.

The survey results do not provide a comparison with other councils in the region or the state.

**2006–2007 Strategic Indicator:**

Community satisfaction with the overall performance of Council as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target achieved.**

Greater Dandenong received a result of 69 which was significantly improved on the 2006 result. Greater Dandenong is above the mean for the Outer Melbourne Metropolitan LGA Group and only 2 points behind the region's top performing council.

**2006–2007 Strategic Indicator:**

Annual Report for 2005-2006 prepared, adopted and published.

**Target:** By 30 September 2006.

**Target achieved.**

The Annual Report for 2005-2006 was prepared, adopted, published and delivered to the Minister by 30 September. An Annual Report Highlights was prepared, published and distributed along with the full Annual Report on CD to all Victorian councils.

**2006–2007 Strategic Indicator:**

Budget 2007-2008 prepared, adopted and published.

**Target:** By 30 June 2007.

**Target achieved.**

The budget was presented to and adopted by Council on 12 June 2007.

The five year plan has been incorporated in the budget document.

**2006–2007 Strategic Indicator:**

Strategic Resource Plan 2007-2011 prepared adopted and published.

**Target:** By 30 June 2007.

**Target achieved.**

The Strategic Plan 2007-2011 was adopted by Council at the 12 June 2007 Council Meeting. The Strategic Resource Plan has been published in the same document as the revised 2006-2010 Council Plan and 2007-2008 Corporate Plan. The Plan was advertised for final public comment between 16 to 31 May 2007. No comments from the public were received.

**Strategic Statement: A council committed to open and transparent democracy that embraces governance best practice and community participation.**

**2006–2007 Strategic Indicator:**

Community satisfaction with Council's advocacy and community representation on key local issues as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target partially achieved.**

Greater Dandenong received a result of 66 which is slightly lower than the 2006 result. Greater Dandenong is equal to the mean for the Outer Melbourne Metropolitan LGA Group and only 2 points behind the region's top performing council.

**2006–2007 Strategic Indicator:**

Community satisfaction with Council's engagement in decision making on key local issues as measured through the Local Government Sector Annual Community Satisfaction Survey.

**Target:** aim is to be one of the top performing councils in the Outer Melbourne Metropolitan LGA Group.

**Target achieved.**

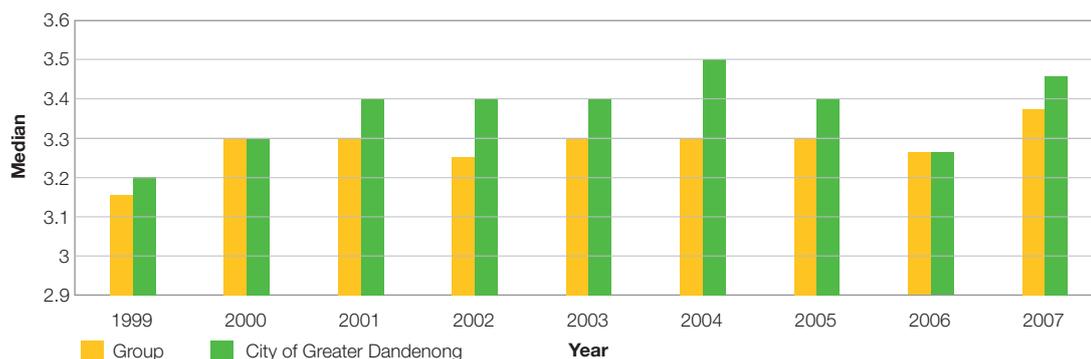
Greater Dandenong received a result of 64 which significantly improved on the 2006 result. Greater Dandenong is above the mean for the Outer Melbourne Metropolitan LGA Group and is highest in the group.

# Community Satisfaction

This State Government survey is undertaken annually by the Department for Victorian Communities (DVC) with an independent research company Wallis Consulting Group commissioned to conduct the study. The research is undertaken in an effort to measure Victorian residents' perceptions of their Council's performance in a number of different categories. 27,000 residents are surveyed across the State during February and March with 350 interviews conducted within each municipality.

Greater Dandenong is included in the Outer Melbourne Metropolitan Local Government Group. Within this group, Greater Dandenong is the leader in the area of 'Community Engagement'. Greater Dandenong is above the mean in 'Overall Performance', 'Economic Development', 'Local Roads and Footpaths' and 'Town Planning Policy and Approvals'. We are comparable to the rest of the group in the areas of 'Advocacy', 'Recreational Facilities', 'Appearance of Public Areas', 'Enforcement of By Laws'. We fall slightly below the average in regard to 'Customer Contact', 'Traffic Management and Parking' and 'Waste Management'. Our main concerns rest with areas where our results have fallen. There are always a range of influences affecting the results. We shall continue to work closely with our community to uncover some of the key areas of concern as we continually look to find better ways of addressing the changing needs within the city.

## Indexed Mean Comparison Table for Overall Performance



## Local Government Sector Annual Community Satisfaction Survey

	2006 Overall Score	2007 Overall Score	
<b>Local Government Indicators</b>			
Overall Performance	65	69	Significant increase
Advocacy	67	66	Decrease
Community Engagement	60	64	Significant increase
Customer Contact	76	73	Decrease
<b>Specific Performance Areas</b>			
Local Roads and Footpaths	61	61	Equal
Health and Human Services	71	73	Increase
Recreational Services	72	72	Equal
Appearance of Public Areas	65	66	Increase
Traffic Management and Parking	57	59	Increase
Waste Management	72	73	Increase
Enforcement of By Laws	63	65	Increase
Economic Development	63	67	Significant increase
Town Planning Policy and Approvals	66	66	Equal

## Progress Against Financial Targets

Outputs	Note	Measures	Actual 2005/2006	Actual 2006/2007	Target 2006/2007	Difference
<b>Rates Management</b>		Total rates and charges declared (\$000's)	\$55,736	\$61,087	\$61,087	–
		Average Rates and charges (per assessment)	\$1,018	\$1,106	\$1,106	–
		Rates and charges (per capita)	\$413	\$453	\$452	\$1
		Rates and charges (% of CIV)	0.38%	0.37%	0.37%	–
		Average residential rates and charges per assessment	\$675	\$724	\$724	–
<b>Dependence on Rates and Grants</b>		Rates and charges (% of total recurrent revenue)	50.70%	53.46%	56.84%	(3.38%)
		Financial assistance grants (per capita)	\$54.33	\$56.94	\$53.66	\$3.28
<b>Achieve Financial Plans</b>	1	% achievement of budgeted operating surplus (actual against original budget)	310.39%	154.02%	100%	54.02%
	2	% achievement of capital expenditure program	88.88%	81.18%	100%	(18.82%)
<b>Financial Health</b>	1	Operating surplus/(deficit) (% of total recurrent revenue)	15.25%	10.80%	7.5%	3.30%
		% change in net assets from previous year	17.4%	3.14%	1.0%	2.14%
		Debt servicing costs as % of rates and charges revenue	2.2%	2.57%	2.5%	(0.07%)
		Working capital ratio (current assets/current liabs.)	0.64	1.10	1.03	(0.73)
	1	Operating result per assessment	\$306	\$224	\$145	\$79
<b>Capital Expenditure</b>		Ratio of capital expenditure to total depreciation	2.11	1.19	1.54	(0.35)
		Average capital expenditure (per assessment )	\$587	\$397	\$489	(\$92)
<b>Infrastructure Renewal</b>		Ratio of current spending on renewal to the long term AAAC.	0.13	0.10	0.19	(0.09)
<b>Infrastructure Renewal and Maintenance</b>		Ratio of current spending on renewal plus maintenance to the long term AAAC plus maintenance.	0.20	0.15	0.26	(0.11)
<b>Debt Management</b>		Rates, fees and charges outstanding at 30 June	6.31%	8.55%	7.41%	1.14%
		Average liabilities per assessment	\$720	\$786	\$722	\$64
<b>Operating Costs</b>		% Change in net operating expenditure (from 30 June )	(1.79%)	9.81%	6.86%	2.95%
		Average operating expenditure per assessment	\$1,612	\$1,848	\$1,801	\$47
		Operating expenditure per capita	\$653	\$756	\$737	19
		% Change in operating expenditure per capita	(1.79%)	9.81%	6.86%	2.95%

**Notes – Comments on significant variances**

1. Council achieved a better than budget operating result for the year 2006-2007 which was mainly due to gifted assets through subdivision activity of \$8.1M.
2. Following the year end completion of capital expenditure, \$2.5M of costs identified as major maintenance or operational were transferred across to operating expenditure. Also approximately \$3.4M of capital works has been carried forward to 2007-2008.

## Certification of the Performance Statement

In our opinion the accompanying Performance Statement of the City of Greater Dandenong in respect of the 2006-2007 financial year, is presented fairly and in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the Annual Plan in respect of that year described in the Council Plan and describes the extent to which the business plan was met in that year having regard to those targets and measures.

As at the time of signing, we were not aware of any circumstance which would render any particulars in the statement to be misleading or inaccurate.



**Cr Youhorn Chea**  
Mayor



**Cr Sue Walton**



**John Bennie**  
Chief Executive Officer

Dated: 24 September 2007

# Auditor General Victoria Performance Statement

## VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDIT REPORT

#### Greater Dandenong City Council

##### To the Councillors

###### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2007 of Greater Dandenong City Council which comprises the statement, the related notes and the certification of performance statements has been audited.

###### *The Responsibility of the Councillors for the Performance Statement*

The Councillors of Greater Dandenong City Council are responsible for the preparation and the fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

###### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Councillors' preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## Independent Audit Report (continued)

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion, the performance statement of Greater Dandenong City Council in respect of the 30 June 2007 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
25 September 2007

  
D.D.R. Pearson  
Auditor-General

2

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Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*



Management Comment  
on the Financial Report

## Overview

The following management comments are written with a view to explaining Council's financial performance during 2006-2007 and financial position as at 30 June 2007. These comments must be read with reference to the Financial Report and the Standard Statements that follow these comments. The budget information contained in the Standard Statements has been extracted from Council's 2006-2007 Financial Plan which is available to the public through Council's website.

The Financial Report has been prepared in accordance with Australian Accounting Standards and other regulatory requirements. The Standard Statements compare Council's operating, capital expenditure and cashflow performance, as well as its financial position against Council's Financial Plan (budget) for 2006-2007. Major variances between the budgeted results and actual outcomes are explained in the notes to the Standard Statements.

Council budgeted to achieve an operating surplus of \$8.02M, against which Council achieved a surplus of \$12.35M (surplus of \$16.73M in 2006). The following major factors impacted on the result for the year:

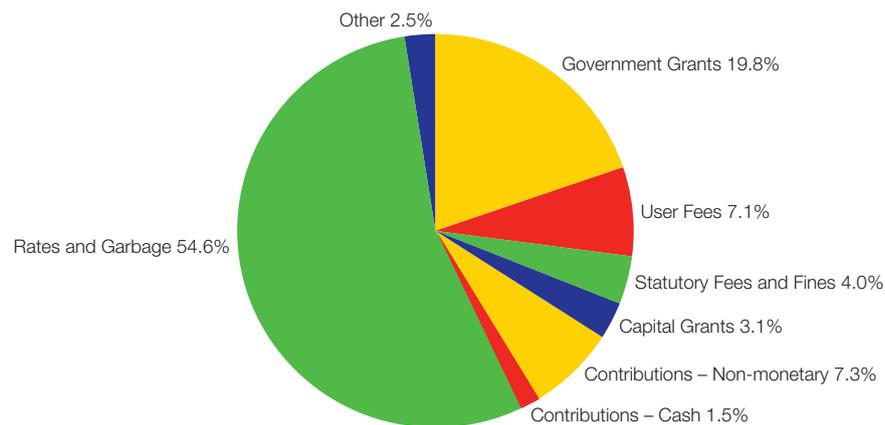
- Gifted assets or 'non-monetary contributions' from developer activity totalled \$8.197M which were not budgeted for. These gifted assets primarily consisted of drainage and road assets.
- Interest received was \$1.03M against a budget of \$0.490M, as a result of good cash management and lower capital expenditure.
- Grant income was down from a budget of \$26.79M to an actual of \$25.69M due to a \$3M capital grant for the State Volleyball Centre at the Dandenong Stadium being received in 2005-2006 and not in 2006-2007 as originally budgeted.
- Depreciation charged was \$18.47M against a budget of \$17.5M, this increase being due to a revaluation of road assets during the year.

## Change in Equity

Council recognised in the accounts a net increase in value of its infrastructure assets based on the Rawlinsons price index and advice received from Council's engineers. This movement resulted in an increase in the value of Council's infrastructure assets by \$5.97M. This increase, combined with the operating surplus, resulted in Council's equity (net assets) increasing by \$18.32M.

## Revenue

Council's revenue for 2006-2007 was \$111.9M (\$106.6M in 2005-2006) including rates and charges revenue (\$61.1M), government grants (\$25.7M), fees and charges (\$12.5M) and 'gifted' assets (\$8.1M). The breakdown of revenue by major categories is depicted in the graph below.



**Rate Revenue** (including waste collection charges) – General rate revenue is based on the Capital Improved Value of properties and a 'rate in the dollar' applied against each category of property. Waste collection charges are based on the number of bins and frequency of collections. Council's rate revenue for the year was in line with budget expectations. Refer note 3.1 of the Financial Report for further details on rate revenue.

**Grants and Contributions** – Grants revenue comprises a general purpose grant of \$7.69M (which included a road funding grant of \$1.0M for local roads), and tied grants of \$18.0M which were essentially for community services such as home care, aged care and youth services. These grants are fully expended on these services in addition to the funds allocated by Council from other sources of revenue (Refer Note 3.2 of Financial Report). Contributions received of \$1.6M were mainly for open space development at Keysborough and other capital works.

**Fees, Charges and Fines** – Revenue from these sources was \$12.5M for the year (\$11.4M in 2005-2006). The major sources of revenue are:

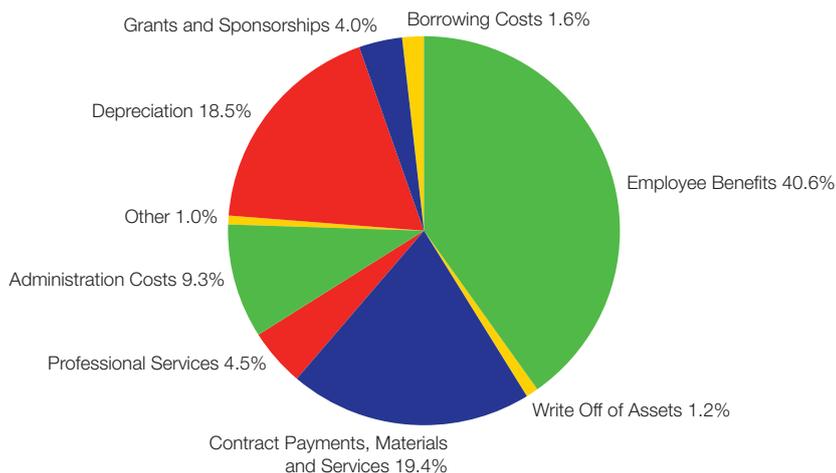
- Dandenong Market stall income \$2.9M
- Hire of Council facilities \$1.3M
- Aged care services \$1.2M
- Parking fees and fines \$2.6M
- Statutory and other fees (building permits, infringements, Perin Court recoveries etc.) \$3.3M

**Other Income (\$2.7M)** – This item of income essentially relates to fees for provision of valuation data to State Revenue Office, interest received on late payment of rates and investments and other recoveries.

## Recurrent Expenditure

Total recurrent expenditure for 2006-2007 including depreciation and assets written off was \$100.0M (\$92.4M in 2005-2006).

The major items of expenditure are depicted in the graph:



**Employee Costs (\$40.6M)** – Salaries costs include salary on-costs such as WorkCover premium, provision for Long Service Leave entitlements and Council's superannuation contributions on behalf of employees.

**Contract payments, materials and services (\$19.4M)** – Included in this category are the following major costs relating to:

• Maintenance and repairs of roads, drains and buildings	\$2.9M
• Waste Collection and Disposal	\$5.9M
• Park Services	\$3.2M
• Dandenong Market	\$1.7M
• Major maintenance under the City Improvement Program	\$1.3M
• Street lighting	\$1.0M
• Fleet maintenance	\$0.5M
• Food services	\$0.4M

**Grants and sponsorships (\$4.0 M)** – Council provides grants to various sporting and cultural bodies to assist in promoting the city's diversity. It also provides an annual amount towards Council's Family Day Care program.

**Professional fees and other expenses (\$4.5M)** – Mainly includes consultancy costs and legal costs for various services (\$3.9M). Other costs include statutory fees and audit costs. Refer to note 4.5 in the Financial Report.

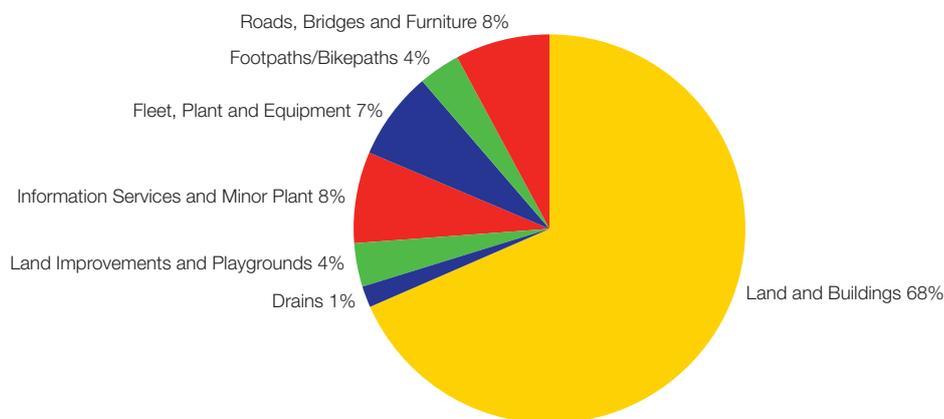
**Administration costs (\$9.3M)** – Administration costs include information management expenses (\$1.9M), and insurance costs (\$1.1M), printing, publications and promotions of \$1.8M and motor vehicle maintenance of \$0.9M. It also includes occupancy costs (\$1.9M), for electricity, gas, telephone and water. Refer to note 4.6 in the Financial Report.

**Borrowing Costs (\$1.6M)** – Represents interest on Council's short term and long term borrowings. Council borrowed \$7.0M of long term borrowing for major capital works during 2006-2007.

**Depreciation (\$18.5M)** – The depreciation expense reflects the diminution in the value of assets due to wear and tear and obsolescence. It has no impact on the cash position of Council. Cash flow is impacted only at the time of purchase of assets.

## Capital Expenditure

The major items of expenditure are depicted in the chart below.



Council spent \$19.59M on capital expenditure during the year. \$12.6M of this was on renewal and upgrades to Council's existing infrastructure assets. \$9.3M was spent on expansion of assets through major projects which included work on the State Volleyball Centre at the Dandenong Stadium and the Dandenong Market re-development currently in progress and open space works in Tatterson Park, Keysborough. Council also spent \$2.2M replacing its fleet and other plant utilised in maintenance and cleaning of the city's roads, drains and other infrastructure assets.

## Cash Flows

(Refer Standard Cash Flow Statement)

**Net inflows from operating activities** – Council generated a net cash inflow from operating activities of \$23.98M. Included in this result are:

- lower than budgeted receipt of grants because of the \$3M capital grant for the State Volleyball Centre at the Dandenong Stadium being received in 2005-2006 and not as originally budgeted for in 2006-2007.
- lower than expected salary costs were offset by the increase in payments to suppliers, mainly for major maintenance costs and professional fees relating to Council assets. These costs were budgeted as part of Council's City Improvement Program, which shows a corresponding reduction.

**Note:** The specific line items making up the cash flows from operations in the Financial Report differs from the Standard Statements in that the cash flows in the Financial Report are inclusive of Goods and Services tax.

**Net outflows from investing activities** – Investing activities refer mainly to Council's sale and purchase of fixed assets. Council spent a net amount of \$19.5M in purchase of assets.

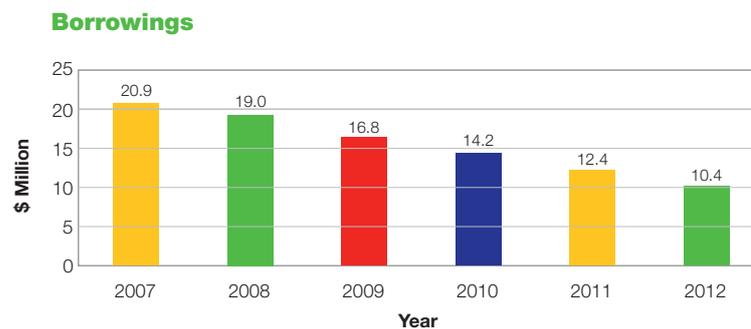
**Financing activities** – Financing activities refer to Council's borrowings. Council borrowed \$5.0M in short term financing (for a period of five months), in addition to the planned amount of \$7.0M for major capital works. Council met its loan repayment obligations of \$8.7M, including the short term financing.

## Borrowings

Council's borrowing at 30 June 2007 was \$20.9M, which is 34.2% of rate revenue (Government prudential limit is 60%). Further borrowings of \$5.0M are planned over the next two years towards funding the Dandenong Market redevelopment. Loan repayments of \$15.5M are planned over the next five years under Council's borrowing strategy.

Council intends to retire these debts through the sale of redundant assets and improved cash flows.

The loan balances in each of the years is depicted in the chart below.



## Council's Financial Position

Council's financial position improved by \$18.3M during the year. There was an increase in asset valuations of \$5.9M. The net worth of Council at 30 June 2007 was \$968.4M (\$950.2M in 2006), made up of the following assets and liabilities:

### Council's assets (what Council owns) comprise:

	\$M	%
Roads and Bridges	273.2	27.0
Drainage	113.7	11.3
Car Parks	9.6	0.9
Land	377.3	37.3
Buildings	107.0	10.6
Footpaths and Bike Paths	67.3	6.7
Plant/Furniture, Playground Equipment	30.4	3.0
Cash and Other Assets	32.3	3.2
	<b>1,010.8</b>	<b>100.0</b>

**Council's liabilities (what council owes) comprise:**

	<b>\$M</b>	<b>%</b>
Long term borrowing	20.9	49.3
Creditors	10.7	25.2
Trust Monies	2.0	4.7
Employee entitlements	8.8	20.8
	<b>42.4</b>	<b>100.0</b>

The difference between the assets and liabilities of \$968.4M is the net worth of the Council to its ratepayers and community.

**Note:** The above financial report summary does not form part of the statutory reporting and hence not subject to audit certification. It has been written to assist the Greater Dandenong community in better understanding the financial operations and financial position of their Council. As stated in the Overview, these comments must be read in conjunction with the Financial Report and Standard Statements that immediately follow these comments in this Annual Report.



# Annual Financial Report

Year Ended 30 June 2007

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# Income Statement

for the year ended 30 June 2007

	Note	2007 \$'000	2006 \$'000
<b>REVENUES</b>			
Rates and charges	3.1	61,166	55,602
Grants – Recurrent	3.2	20,730	20,477
Grants – Non-recurrent	3.2	4,964	7,176
Contributions – Cash	3.3 (a)	1,671	1,432
Contributions – Non-monetary assets	3.3 (b)	8,197	8,068
Statutory fees and fines	3.4	4,488	3,812
User fees	3.5	7,999	7,633
Other revenue	3.7	2,749	2,441
<b>Total Revenue</b>		<b>111,964</b>	<b>106,641</b>
<b>EXPENSES</b>			
Employee benefits	4.1	40,594	38,263
Contract payments, materials and services	4.2	19,391	18,276
Depreciation	4.3	18,470	15,196
Grants and sponsorships	4.4	4,050	5,221
Professional Services	4.5	4,492	3,277
Administration costs	4.6	9,267	9,447
Finance costs	4.7	1,575	1,227
Other	4.8	1,043	868
Write-off of assets	6, 6.1	1,185	701
<b>Total Expenses</b>		<b>100,067</b>	<b>92,476</b>
<b>Net gain/(loss) on disposal of assets</b>	<b>3.6</b>	<b>457</b>	<b>2,565</b>
<b>SURPLUS FOR THE YEAR</b>		<b>12,354</b>	<b>16,730</b>

The accompanying notes form part of this Financial Report.

# Balance Sheet

as at 30 June 2007

	Note	2007 \$'000	2006 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	9,544	2,721
Trade and other receivables	5.2	9,634	9,003
Inventory – Property	1.8, 5.3	7,389	3,719
Intangible assets	5.4, 6.2	1,505	–
<b>Total current assets</b>		<b>28,072</b>	<b>15,443</b>
<b>Non-current assets</b>			
Property, infrastructure, plant and equipment	1.3, 6	978,619	963,004
Inventory – Property	1.8	4,156	9,152
Intangible assets	6.2	–	1,505
<b>Total non-current assets</b>		<b>982,775</b>	<b>973,661</b>
<b>Total assets</b>		<b>1,010,847</b>	<b>989,104</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7.1	10,733	10,017
Employee benefits	7.2	8,425	7,883
Trust funds and deposits	7.3	1,979	2,568
Interest-bearing liabilities	9	4,221	3,766
<b>Total current liabilities</b>		<b>25,358</b>	<b>24,234</b>
<b>Non-current liabilities</b>			
Employee benefits	7.2	313	504
Interest-bearing liabilities	9	16,704	14,216
<b>Total non-current liabilities</b>		<b>17,017</b>	<b>14,720</b>
<b>Total liabilities</b>		<b>42,375</b>	<b>38,954</b>
<b>NET ASSETS</b>		<b>968,472</b>	<b>950,150</b>
<b>EQUITY</b>			
Accumulated surplus		447,285	434,931
Reserves	1.3 (d), 10	521,187	515,219
<b>TOTAL EQUITY</b>		<b>968,472</b>	<b>950,150</b>

The accompanying notes form part of this Financial Report.

# Statement of Changes in Equity

for the year ended 30 June 2007

	Notes	Total		Accumulated Surplus		Reserves	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Balance at the beginning of the year</b>		<b>950,150</b>	<b>800,028</b>	<b>434,931</b>	<b>407,072</b>	<b>515,219</b>	<b>392,956</b>
Prior year adjustments	6.1 (a)		8,129		8,129		
Equity payment from VicUrban (Note)			3,000		3,000		
Surplus for year		12,354	16,730	12,354	16,730		-
Revaluation increment of assets	6.1	5,968	122,263		-	5,968	122,263
<b>Balance at the end of the year</b>		<b>968,472</b>	<b>950,150</b>	<b>447,285</b>	<b>434,931</b>	<b>521,187</b>	<b>515,219</b>

**Note:** The Council has entered into an agreement with VicUrban (former Urban and Regional Land Corporation) for a residential development of the former Dandenong sale yards. Council received \$3 million from VicUrban under this agreement in March 2003 as an equity payment towards this development. This payment was initially recognised as unearned income in the balance sheet under non-current liabilities, to be recognised as revenue at the end of the project. Council decided to recognise the revenue in 2006-2007 and adjusted it through equity.

The accompanying notes form part of this Financial Report.

# Cash Flow Statement

for the year ended 30 June 2007

	Note	2007 \$'000	2006 \$'000
<b>Cash flows from operating activities</b>			
Receipts from ratepayers		60,747	55,439
Fees, charges, fines and other (including GST)		14,420	12,404
Contributions (including GST)		1,671	1,436
Government grants (including GST)		27,750	29,954
Interest received		1,035	638
Payments to suppliers (including GST)		(39,183)	(37,722)
Payments to employees		(40,245)	(37,973)
Finance costs		(1,498)	(1,227)
Net GST (payments)/refunds		(718)	63
<b>Net cash provided by operating activities</b>	16.1	<b>23,979</b>	<b>23,012</b>
<b>Cash flows from investing activities</b>			
Payments for property and other non-current assets		(21,960)	(32,286)
Proceeds from sale of property, plant and equipment		2,450	1,728
<b>Net cash used in investing activities</b>		<b>(19,510)</b>	<b>(30,558)</b>
<b>Cash flows from financing activities</b>			
Proceeds from secured loans		12,000	13,000
Repayment of secured loans		(8,756)	(7,830)
Repayment of trust monies and deposits	1.4, 7.3	(5,749)	(1,007)
Proceeds from trust monies and deposits	1.4, 7.3	5,160	2,031
<b>Net cash provided by/(used in) financing activities</b>		<b>2,655</b>	<b>6,194</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,124</b>	<b>(1,352)</b>
<b>Cash and cash equivalents at beginning of the year</b>	16.2	<b>2,420</b>	<b>3,772</b>
<b>Cash and cash equivalents at end of the year</b>	16.2	<b>9,544</b>	<b>2,420</b>
<b>Restricted cash assets</b>	5.1	<b>2,818</b>	<b>2,649</b>

The accompanying notes form part of this Financial Report

# Notes to and Forming Part of the Financial Report

## Introduction

The City of Greater Dandenong was established in December 1994 with the amalgamation of the former City of Springvale and former City of Dandenong, and is a body corporate. The Council's main office is located at 397-405 Springvale Road, Springvale 3171.

The purpose of Council is to:

- Provide for the peace, order and good government of the city
- To promote our cultural diversity, and economic, social and environmental viability
- To build partnerships with its citizens
- To promote business and employment opportunities
- To ensure transparency and accountability in Council decision making
- To improve the overall quality of life of its citizens
- To enable all citizens to take pride in Greater Dandenong as a great place to live, work, play or visit.

The Council's external audit is conducted by the Victorian Auditor General's Office, and its internal auditor is Acumen Alliance. The main banker for the Council is the Commonwealth Bank of Australia.

This Financial Report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these financial statements. It has been prepared in accordance with Australian Accounting Standards, the *Local Government Act 1989*, Local Government (Finance and Reporting) Regulations 2004, and other authoritative pronouncements of the Australian Accounting Standards Board.

## NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of accounting

- (a) The Financial Report is prepared on the accrual and going concern basis under the historical cost convention, except for certain assets as disclosed in Note 1.3 (d).

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

### 1.2 Revenue Recognition

- (a) Rates

Rates and service charges are recognised as revenue at the declaration of the rate, levy or service charge, at commencement of the rating year as it is an enforceable debt linked to the rateable property. The Council uses Capital Improved Value (CIV) as the basis of valuation of all properties for rating purposes. CIV includes the value of land and buildings and improvements made to them. A rate in the dollar for different types of properties is applied to the CIV to arrive at the declared rates (Refer Note 3.1).

The Council does not provide for doubtful debts on rates as unpaid rates represent a charge against the rateable property and will be recovered when the property is next sold.

(b) Grants, donations and other contributions

Grants, donations and other cash contributions are recognised as revenue upon receipt or upon prior confirmation that they have been secured.

Where grants or contributions recognised as revenue during the financial year were for a specific purpose and remained unspent at balance date, the unspent amount of the grant or contribution is disclosed in Notes 3.2 and 3.3. Any amount of a grant that was received in prior years and was spent during the current year is disclosed in note 3.2.

(c) User fees, charges and fines

User fees and charges are recognised as revenue upon such fees and charges being raised for services provided or payment received, whichever occurs first. Fines are recognised as revenue upon issuance of infringement notices.

A provision for bad debts is recognised when collection in full is no longer probable.

(d) Sale of property, plant and equipment

Revenue arising from the sale of assets is recognised when control of the asset has unconditionally passed to the buyer.

(e) Interest and rents

Interest and rents are recognised as revenue when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

(f) Assets from new developments

Council acquires infrastructure assets such as land, roads, drains and footpaths from developers through new sub-division activity. These assets are initially recognised as non-monetary contributions at their current valuations.

### 1.3 Recognition and measurement of non-current assets

The Council has adopted the following in relation to the acquisition and depreciation of non-current assets.

(a) Acquisition

Assets are initially recorded at cost, being the fair value of the assets provided as consideration at the date of acquisition. Costs incidental to their acquisition, such as architects' fees and engineering design fees, that are incurred in preparing the asset for use are also capitalised. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Where assets are constructed by Council, cost of construction includes all direct materials and labour, and an appropriate amount of directly attributable variable and fixed overheads.

Assets acquired from developers through sub division activity are initially recognised at their current valuation (Refer Note 1.2 f).

(b) Thresholds for asset recognition

The following classes of assets have been recognised in note 6 with threshold limits as shown below and unless otherwise stated are consistent with prior years.

## Notes (continued)

<b>Class of assets</b>	<b>\$</b>
<b>Land and buildings</b>	
Land	Nil
Land improvements (including irrigation and sprinkler systems, and fencing)	1,000
Buildings	Nil
Building Improvements	2,000
<b>Plant and equipment</b>	
Plant and equipment	1,000
Minor plant, furniture and equipment	500
<b>Infrastructure assets (non-realizable)</b>	
Roads	20,000
Kerb and channel	5,000
Footpaths/Bikepaths	
– Expansion & upgrade	1,000
– Renewals	Nil
Bridges	5,000
Drains	5,000
<b>Infrastructure assets (realizable)</b>	
Recreational equipment	1,000
Street furniture	10,000

(c) Depreciation and amortisation of non-current assets

All non-current assets are depreciated over their useful lives to the Council in a manner that reflects the consumption of the service potential of those assets. Depreciation is provided on a straight-line basis using rates applicable to the Council's experience. The estimated useful lives reflect a program of normal maintenance and are reviewed continually as part of the Council's asset management program.

Where infrastructure assets have separate identifiable components with distinct useful lives, a separate depreciation rate is determined for each component.

The following table shows the major categories of assets and associated useful lives. Unless otherwise stated the depreciation rates are consistent with the prior year.

<b>Asset category</b>	<b>Years</b>	<b>Asset category</b>	<b>Years</b>
<b>Property</b>		<b>Infrastructure</b>	
Land		Roads	
– Land, parks, reserves, ovals	Infinite	– Pavement and Seal	12-20
Land improvements	10	– Substructure	100
Buildings	50-75	– Kerb and channel	80
Building Improvements	10	Footpaths/bikepaths	10-50
		Bridges	20-100
		Drains	100
		Off street car parks	25
		Recreational equipment (playgrounds)	10-20
		Street furniture	10-20
<b>Plant and Equipment</b>		<b>Intangible Assets</b>	
Plant and equipment	5	Bed Licences	Infinite
Minor plant, furniture and equipment			
– Artworks	N/A		
– Furniture and equipment	6-15		
– IT devices	5		
– Parking meters	10		
– Street signs/traffic control	20		
– Library catalogue	5		
– Library equipment	20		
– Library plant	15		

## (d) Revaluation of non-current assets

Subsequent to initial recognition, all non-current assets other than plant, equipment and realisable infrastructure assets are measured at fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. Fair value for most asset categories is represented by their current replacement cost less accumulated depreciation.

Valuation assessments are carried out by the Council each year to ensure that each asset category is represented at fair value at the reporting date. Formal revaluations are carried out at rolling four yearly intervals to confirm these assessments, except for land and buildings which are formally valued every two years. Council uses index movements to establish fair value in the years between formal valuations. The Council's internal experts or independent valuers carry out these formal valuations. Where the carrying value materially differs from the fair value, that class of asset is revalued.

Where assets are revalued, the revaluation increment is credited to the asset revaluation reserve, except where such increment reverses a previous valuation decrement of the same class of asset. In that event, the increment is recognised as revenue in the Income Statement to the extent of the previous revaluation expense.

A valuation decrement is recognised as an expense in the Income Statement, except where such a decrement is a reversal of a previous increment of the same class of asset. In such cases, the decrement is charged against the asset revaluation reserve to the extent of the previous increments.

## Notes (continued)

### (e) Realisable infrastructure assets

Infrastructure assets comprising of street furniture and recreational equipment are considered by their nature to be realisable assets. All other infrastructure assets are considered to be non-realisable. Non-realisable assets are excluded from the calculations of financial ratios (Refer Note 17).

### (f) Intangible Assets

The bed licences included in the annual accounts have been shown at fair value. They have not been depreciated as they have an indefinite life.

### (g) Existing assets not previously recognised

Non-current assets not previously recognised are classified as though they had always been recognised by an adjustment through equity and a restatement of the previous year's income statement if applicable.

## 1.4 Trust monies

Amounts received as tender deposits, bonds, retention monies and hostel entrance fees controlled by the Council are recognised as Trust monies until they are refunded or forfeited. (Refer Note 7.3).

## 1.5 Employee benefits

### (a) Accrued salary and wages

A liability for accrued salary and wages including associated oncosts is recognised, being the amount earned and unpaid at balance date.

### (b) Annual leave and long service leave

#### *Annual leave*

Annual leave entitlements are determined up to balance date as amounts expected to be paid when the obligation is settled, inclusive of leave loading and associated oncosts. Annual leave entitlements expected to be settled within twelve months are measured in nominal dollars. Annual leave entitlements expected to be settled after twelve months are measured at the present value of the estimated future cash outflows. Commonwealth bond rates are used for discounting future cash flows.

#### *Long service leave*

Long service leave entitlements are assessed at each balance date having regard to length of service, estimated future movements in rates of pay, oncosts and other factors including experience of employee departures and their periods of service. Long service leave expected to be paid within twelve months is measured at nominal value based on the amount expected to be paid when settled. Long service leave entitlements expected to be settled after twelve months are measured at the present value of the estimated future cash outflows. Commonwealth bond rates are used for discounting future cash flows.

#### *Classification of employee benefits*

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least twelve months. All annual leave and unconditional long service leave entitlements after seven years of continuous service have been classed as current.

#### *Sick leave*

No provision is made in respect of employee entitlements for sick leave because it is non-vesting and the pattern of sick leave taken indicates that accumulated non-vesting sick leave will never be paid in the majority of instances.

(c) Superannuation

The superannuation expense for the financial year is the amount of the statutory contribution the Council makes to the superannuation plans that provide benefits to its employees.

Additionally, the Council may recognise a liability in respect of present obligations to the defined benefits superannuation schemes from time to time, to which current and former employees of Council belong. The liability, if any, will represent the Council's share of the shortfall of the net market value of the scheme's assets (inclusive of tax and interest accrued), relative to the benefits accrued to its members at balance date. (See Note 13.)

### **1.6 Recognition of payables**

Liabilities are recognised for amounts to be paid in the future for goods and services received as at balance date, whether or not invoices have been received. (Refer Notes 7.1 and 11).

### **1.7 Leases**

#### *Operating leases*

Operating lease payments are expensed in the year in which the payments are made as they reflect the pattern of benefits derived by the Council.

Operating lease receivables are recognised in the year in which they are invoiced or when Council becomes entitled to the income from the lease, whichever is earlier.

### **1.8 Inventory – Property**

Properties that are earmarked for future development and sale are shown at the lower of cost and net realisable value. Properties that are likely to be sold within twelve months of balance date are shown as current assets. (see also Note 1.15)

### **1.9 Recognition of receivables**

Receivables are recognised for amounts owed to the Council for goods and services provided at balance date, whether or not invoices have been issued. Provision is made for doubtful debts after considering collectability. No provision is made in respect of rates debtors. (Refer Notes 5.2 and 12).

### **1.10 Cash and cash equivalent assets**

For the purpose of the statement of cash flows, cash and cash equivalent assets include cash on hand, deposits at call and other highly liquid investments with short periods to maturity. They are subject to insignificant risk of changes in value and include cash available for day to day cash management activities and those restricted under regulations for specific purposes (Refer Notes 5.1 and 16.2).

### **1.11 Managed Funds**

Managed Funds are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

### **1.12 Maintenance and repairs**

Maintenance, repair costs and minor renewals are recognised as expenses. Where the repair relates to the replacement of a component of an asset and the cost exceeds the recognised threshold and results in an extension of the life of the asset, that cost is capitalised to that asset. The carrying value of the replaced asset is expensed.

## Notes (continued)

### **1.13 Interest-bearing liabilities**

Interest-bearing liabilities represent overdrafts, short term loans, long term loans and other liabilities which accrue interest on the balance outstanding. The carrying amounts of these liabilities represent the amounts payable in future years (Refer Notes 9 and 12).

Interest accrued on these liabilities is treated as finance costs (Refer Notes 9 and 12).

### **1.14 Allocation between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, or if Council does not have an unconditional right to defer settlement of a liability for at least twelve months after the reporting date.

### **1.15 Impairment of assets**

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expenses to the Income Statement.

### **1.16 Finance costs**

Finance costs are recognised as an expense in the period in which they are incurred.

### **1.17 Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis.

### **1.18 New accounting standards and interpretation**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2007 reporting period. The City of Greater Dandenong assesses the impact of these new standards as to their applicability to the Council and early adoption where applicable.

As at 30 June 2007 the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2007. The Council has not, and does not intend to, adopt these standards early.

<b>AASB Amendment</b>	<b>Standards affected</b>	<b>Outline of amendment</b>	<b>Application date of Standard</b>	<b>Application date for Council</b>
AASB 2005-10 Amendment to Australian Accounting Standards	AASB 1 First time adoption of AIFRS  AASB 101 Presentation of Financial Statements  AASB 117 Leases  AASB 139 Financial Instruments: Recognition and Measurement	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However there will be no direct impact on amounts included in the financial report as it is a disclosure standard	01/01/2007	01/07/2007
AASB 7 Financial Instruments: Disclosures	AASB 132 Financial Instruments: Disclosure and Presentation	As above	01/01/2007	01/07/2007
AASB 2006-3 Amendments to Australian Accounting Standards	AAS 27 Financial Reporting by Local Governments  AASB 1045 Land Under Roads: Amendments to AAS 27A, AAS 29A and AAS 31A	From the beginning of the reporting period to which this Standard is first applied, until the end of the first reporting period ending on or after 31 December 2007, transitional provisions shall apply. Under those provisions, local governments, while encouraged to apply the full provisions of the Standard, may elect instead not to recognise land under roads as an asset in the balance sheet.  The impact of any changes that may be required when the transitional provisions cease cannot be reliably estimated and is not disclosed in the financial report.	October 2006	01/07/2008

### 1.19 Rounding

The figures in the financial report are rounded to the nearest thousand dollars.

## Notes (continued)

### NOTE 2. FUNCTIONS AND ACTIVITIES

Revenue, expenses and Council assets have been attributed to the following broad functions.

#### 2.1 Revenue and non-current assets

	Revenue Attributed 2007				Expenses 2007		Surplus/ (Deficit)	Total Non- Current Assets
	\$000 General	\$000 Grants	\$000 Total	% of Total	\$000	% of Total	\$000	\$000
Corporate Services*	63,363	7,691	71,054	62.10	33,545	32.87	37,509	8,514
Organisational Development	22	5	27	0.02	3,743	3.67	(3,716)	391
Health and Environment	11,991	659	12,650	11.06	18,164	17.79	(5,514)	141,508
Leisure and Culture	1,954	972	2,926	2.56	14,990	14.70	(12,064)	295,446
Community Services	2,129	11,339	13,468	11.77	18,473	18.10	(5,005)	33,469
Transport and Infrastructure	3,700	4,960	8,660	7.57	8,058	7.89	602	482,994
Economic Development	5,561	68	5,629	4.92	5,087	4.98	542	20,453
<b>Total</b>	<b>88,720</b>	<b>25,694</b>	<b>114,414</b>	<b>100.00</b>	<b>102,060</b>	<b>100.00</b>	<b>12,354</b>	<b>982,775</b>

	Revenue Attributed 2006				Expenses 2006		Surplus/ (Deficit)	Total Non- Current Assets
	\$000 General	\$000 Grants	\$000 Total	% of Total	\$000	% of Total	\$000	\$000
Corporate Services*	53,974	7,354	61,328	58.44	29,481	32.47	31,847	8,451
Organisational Development	27	5	32	0.03	3,186	3.51	(3,154)	389
Health and Environment	10,705	564	11,269	10.73	17,285	19.04	(6,016)	140,455
Leisure and Culture	1,174	1,383	2,557	2.44	13,551	14.93	(10,994)	293,247
Community Services	1,938	10,485	12,423	11.84	16,768	18.47	(4,345)	33,220
Transport and Infrastructure	3,273	7,768	11,041	10.52	7,317	8.06	3,724	477,598
Economic Development	6,202	94	6,296	6.00	3,193	3.52	3,103	20,301
<b>Total</b>	<b>77,293</b>	<b>27,653</b>	<b>104,946</b>	<b>100.00</b>	<b>90,781</b>	<b>100.00</b>	<b>14,165</b>	<b>973,661</b>

\*Council's rate revenue is fully allocated to this segment

## 2.2 Functions of Council

Functions	Activities undertaken under each function
Corporate Services	<ul style="list-style-type: none"> <li>• Civic and Corporate support</li> <li>• Call and Service Centres</li> <li>• Financial, Information Technology and Records Management Services</li> <li>• Contract Management and procurement</li> <li>• Rates administration, property valuations</li> <li>• Risk Management</li> </ul>
Organisational Development	<ul style="list-style-type: none"> <li>• Human Resources, staff training and development</li> <li>• Occupational Health and Safety</li> <li>• Corporate planning, media and communications, public relations</li> </ul>
Health and Environment	<ul style="list-style-type: none"> <li>• Collection and disposal of all waste, including hard waste and garden waste</li> <li>• City planning and urban design</li> <li>• Building approvals and control</li> <li>• Preventative health services</li> <li>• Street beautification</li> <li>• Roads, footpaths and drains cleaning and maintenance</li> <li>• Parking management and control</li> <li>• Drug prevention strategies</li> <li>• Animal management</li> <li>• General law enforcement</li> <li>• School crossing supervision</li> </ul>
Leisure and Culture	<ul style="list-style-type: none"> <li>• Cultural activities, Walker Street Gallery, Heritage Hill, Drum Theatre</li> <li>• Indoor leisure centres, including Oasis swimming centre</li> <li>• Parks and gardens, sporting and nature reserves</li> <li>• Public halls and community centres</li> <li>• Public library and information services</li> <li>• Recreation programs</li> <li>• Cultural diversity through community grants program</li> </ul>
Community Services	<ul style="list-style-type: none"> <li>• Adult Day Care, aged hostels, senior citizens centres, community bus</li> <li>• Childcare centres and pre-schools</li> <li>• Family support, home care</li> <li>• Meals-on-Wheels</li> <li>• Services for the disabled</li> <li>• Youth support, housing and recreation programs</li> </ul>
Transport and Infrastructure	<ul style="list-style-type: none"> <li>• Civil and transport planning</li> <li>• Maintenance of bridges</li> <li>• Parking and traffic control facilities</li> <li>• Pedestrian and bicycle networks</li> <li>• Road and footpath construction</li> <li>• Street lighting</li> <li>• Fleet and Plant Operations</li> <li>• Building maintenance</li> </ul>
Economic Development	<ul style="list-style-type: none"> <li>• Promotion of business and employment</li> <li>• Operation of Dandenong Market and multi deck car parks</li> </ul>

## Notes (continued)

	2007 \$'000	2006 \$'000
<b>NOTE 3. REVENUES</b>		
<b>3.1 Rates and garbage charges</b>		
General rates (Note)		
Residential	27,132	25,294
Commercial	6,612	6,099
Industrial	18,811	16,560
Supplementary rates and adjustments	951	845
Residential garbage	7,660	6,804
	<b>61,166</b>	<b>55,602</b>
<p><b>Note:</b> The valuation base used to calculate general rates for 2006-2007 was \$16,568 billion (\$14,570 billion in 2005-2006).  The date of the last general revaluation of land within the municipality for rating purposes was on 1 January 2006. This valuation applied to the rating period commencing 1 July 2006.  The date of the next general revaluation is 1 January 2008, and the valuation will first apply for the rating period commencing 1 July 2008.</p>		
<b>3.2 Grants – recurrent and non-recurrent</b>		
Grants were received in respect of the following:		
<b>Recurrent</b>		
<b>General Purpose Grants:</b>		
Commonwealth Government – General Purpose	6,676	6,380
Commonwealth Government – Local Roads Funding	1,011	955
<b>Operational Grants:</b>		
Aged and Disability Services	6,629	5,902
Children, Youth and Family Services	4,020	4,160
Library, Arts and Heritage	741	705
Asset Management Services	113	86
Information Management Services	4	18
Regulatory Services	279	272
Infrastructure Planning – Roads to Recovery	529	1,238
– Other	4	1
Planning and Design	112	223
Property, Leisure and Environment	192	220
Business Networking	68	41
Social Development	352	276
<b>Total recurrent</b>	<b>20,730</b>	<b>20,477</b>

	2007 \$'000	2006 \$'000
<b>Non-recurrent</b>		
Asset Management Services	121	–
Children, Youth and Family Services	5	155
Social Development	141	76
Library, Arts and Heritage	–	180
Aged and Disability	20	60
Capital Grants (Note)	4,677	6,705
<b>Total non-recurrent</b>	<b>4,964</b>	<b>7,176</b>
<b>Total Grants Received</b>	<b>25,694</b>	<b>27,653</b>
<b>Note:</b> The capital grants received in 2006-2007 related mainly to the State Volleyball Centre at the Dandenong Stadium of \$3.5million (\$2.975million in 2005-2006).		
<b>Unexpended grants (Note)</b>		
Grants recognised as revenue for the year to be expended for specific purposes that had not been expended at balance date were:		
<b>Operational Grants:</b>		
Infrastructure Planning – Roads to Recovery	–	582
Aged and Disability Services	210	89
Children, Youth and Family Services	190	325
Business Networking	25	–
Property, Leisure and Environment	2	–
Social Development	45	135
Library, Arts and Heritage	–	181
Asset Management Services	121	–
Capital Grant	1,434	276
<b>Total unexpended grants</b>	<b>2,027</b>	<b>1,588</b>
<b>3.3 Contributions</b>		
<b>(a) Cash</b>		
Community Services	20	77
Developer contributions	89	250
Health and Environment	1,378	876
Transport and Infrastructure	–	229
Engineering Development	184	–
<b>Total contributions</b>	<b>1,671</b>	<b>1,432</b>

## Notes (continued)

	<b>2007 \$'000</b>	<b>2006 \$'000</b>
<b>(b) Non-monetary</b>		
Land	527	2,186
Roads	2,391	2,226
Car Parks	14	48
Drains	4,822	2,577
Bike Paths/Footpaths	443	331
Bridges	–	678
Other	–	22
	<b>8,197</b>	<b>8,068</b>
<b>Unexpended contributions (Note)</b>		
Developer Contributions	57	154
Health and Environment	320	–
<b>Total unexpended contributions</b>	<b>377</b>	<b>154</b>
<b>Note:</b> Unexpended contributions from previous years have been expended before the end of the 2006-2007 financial year.		
<b>3.4 Statutory fees and fines</b>		
Parking fines	1,189	1,201
Building and town planning	906	976
Infringements and costs	1,688	996
Infringement (Perin) court recoveries	621	548
Land information certificates	84	91
	<b>4,488</b>	<b>3,812</b>
<b>3.5 User fees</b>		
Parking fees	1,386	1,016
Aged care services	1,204	1,275
Civil and transport planning	–	253
Recreation and leisure	95	133
Market stall rental (Note)	2,956	3,180
Hire of facilities	913	710
Multideck Car Parking	354	356
Other fees and charges	1,091	710
	<b>7,999</b>	<b>7,633</b>

**Note:** The Dandenong Market figures for 2005-2006 have been restated to reflect the gross income and expenditure for the year.

	2007 \$'000	2006 \$'000
<b>3.6 Profit (loss) on sale of assets</b>		
<b>Land and buildings</b>		
Proceeds from sale of assets	5,734	4,886
Less: VicUrban share of Metro 3175 sales to Trust (Note)	(3,866)	(847)
Less: Carrying amount of assets sold – Land	(1,450)	(1,659)
Other costs	(15)	(38)
Profit (loss) on sale of land and buildings	403	2,342
<b>Plant and equipment</b>		
Proceeds from sale of assets	583	689
Less: Carrying amount of assets sold	–	–
Plant and Fleet (Non-current)	(521)	(466)
Other	(8)	–
Profit on sale of plant and equipment	54	223
<b>Total profit on sale of assets</b>	<b>457</b>	<b>2,565</b>
<b>Note:</b> The Council has entered into an agreement with VicUrban (former Urban and Regional Land Corporation) for a residential development of the former Dandenong sale yards. VicUrban are responsible for the development of the land under this agreement, and is entitled to 74.53% of the proceeds of this developed land. The amount in Trust represents VicUrban's share of the sales proceeds as at 30 June 2007.		
<b>3.7 Other revenue</b>		
Recoveries – State Revenue Office (supply of valuation data)	149	380
Recoveries – other	679	373
Interest received on rates	467	442
Interest received on investments	567	196
National competition policy	–	344
Retainer – H L Williams court	17	25
Sundry income	870	681
	<b>2,749</b>	<b>2,441</b>

## Notes (continued)

	2007 \$'000	2006 \$'000
<b>NOTE 4. EXPENSES</b>		
<b>4.1 Employee benefits</b>		
Salaries and wages	31,594	29,405
Casual staff	1,347	1,190
Annual leave and long service leave	3,730	3,325
Superannuation	2,983	3,062
WorkCover	803	1,005
Redundancy	137	276
	<b>40,594</b>	<b>38,263</b>
<b>4.2 Contract payments, materials and services</b>		
Maintenance and repairs	2,802	2,623
Contract payments:		
Garbage collection	5,899	5,879
Parks Services	2,174	1,851
Plant Fleet Management	513	540
Building Maintenance	412	398
Dandenong Market (Note)	1,683	1,695
Cleansing	373	219
Community Aged Care Program	260	326
Other contract payments	1,254	1,296
Materials and services:		
Building Maintenance	1,324	1,304
Parks Services	987	818
Roads and drains	437	385
Other materials and services	1,273	942
	<b>19,391</b>	<b>18,276</b>

**Note:** The Dandenong Market figures for 2005-2006 have been restated to show the gross income and expenditure.

	<b>2007 \$'000</b>	<b>2006 \$'000</b>
<b>4.3 Depreciation</b>		
Plant and equipment	1,292	1,241
Minor plant, furniture and equipment	1,566	1,327
Land improvements	879	682
Car parks	146	63
Buildings	3,407	3,077
Bike paths/footpaths	1,562	1,193
Bridges	121	132
Roads	6,962	4,592
Drains (Note)	1,422	1,573
Street furniture	278	480
Playground equipment	835	836
	<b>18,470</b>	<b>15,196</b>
<b>Note:</b> Council's roads were revalued on 30 June 2006 which increased the value of roads by \$57.3 million resulting in increased depreciation.		
<b>4.4 Grants and sponsorships</b>		
Community grants	1,259	1,668
Contributions	427	1,246
Sponsorships – Family Day Care	2,116	2,122
Sponsorships – other	248	185
	<b>4,050</b>	<b>5,221</b>
<b>4.5 Professional services</b>		
Consultants	3,247	2,445
Legal costs	647	314
Statutory fees	306	313
Audit costs: Internal	196	141
External – VAGO	56	46
Strategic Asset Management Project	40	18
	<b>4,492</b>	<b>3,277</b>

## Notes (continued)

	<b>2007 \$'000</b>	<b>2006 \$'000</b>
<b>4.6 Administration costs</b>		
Printing, publications and promotion	1,795	1,642
Motor vehicle maintenance	925	1,090
Bad and doubtful debts	397	715
Insurance	1,083	1,009
Information management costs	1,961	1,985
Postage	353	345
Councillor's allowances	243	209
Occupancy costs	1,857	1,909
Other administration costs	653	543
	<b>9,267</b>	<b>9,447</b>
<b>4.7 Finance costs</b>		
Interest on long term loans	1,366	984
Interest on short term loan and overdraft	209	243
	<b>1,575</b>	<b>1,227</b>
<b>4.8 Other expenses</b>		
Bank charges	203	191
Sundry expenses	840	677
	<b>1,043</b>	<b>868</b>
<b>NOTE 5. CURRENT ASSETS</b>		
<b>5.1 Cash and cash equivalents</b>		
Cash at bank, deposit and on hand	6,141	72
Investments (Note)	3,403	2,649
	<b>9,544</b>	<b>2,721</b>
<b>Note:</b> \$2.818 million of bank deposits on call are subject to restrictions as required by law, against meeting Council's long-service leave commitments to employees prescribed under the Local Government (Long Service Leave) Regulations 2002.		

	2007 \$'000	2006 \$'000
<b>5.2 Trade and other receivables</b>		
Rates debtors (Refer Note 1.2 (a))	2,350	1,931
Parking infringement debtors	4,731	4,254
General debtors	4,470	4,379
Less: Provision for doubtful debts:		
– Parking infringements	(2,011)	(1,713)
– General debtors	(525)	(474)
Prepayments	619	626
	<b>9,634</b>	<b>9,003</b>

**5.3 Inventory**

Properties held for resale (Note)	7,389	3,719
	<b>7,389</b>	<b>3,719</b>

**Note:** Property Inventory represents the value of properties held for development and resale within the next twelve months, and essentially includes the Metro 3175 properties, HL Williams Hostel and two land parcels on Buckley Street.

**5.4 Intangible Assets**

Bed Licences (Note)	1,505	–
	<b>1,505</b>	<b>–</b>

**Note:** The bed licences have been re-classified from non-current assets to current assets in 2006-2007 due to the imminent sale of the HL Williams Hostel in early 2007-2008 to which these licences relate.

**NOTE 6. PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT****Plant and equipment**

At cost	6,969	6,135
Less: Accumulated depreciation	(2,309)	(1,940)
	<b>4,660</b>	<b>4,195</b>

**Minor plant, furniture and equipment**

At cost	15,901	14,726
Less: Accumulated depreciation	(7,114)	(6,845)
	<b>8,787</b>	<b>7,881</b>

## Notes (continued)

	2007 \$'000	2006 \$'000
<b>Car parks (Note)</b>		
At valuation	12,720	8,666
At cost	119	79
Less: Accumulated depreciation	(3,206)	(2,054)
	<b>9,633</b>	<b>6,691</b>
<b>Note:</b> Council carried out an audit of its car parks at 1 January 2007. Car parks were revalued as part of this audit and was carried out by Council's engineers.		
<b>Land</b>		
At independent valuation	368,804	367,311
At cost	1,922	1,147
	<b>370,726</b>	<b>368,458</b>
<b>Land improvements</b>		
At cost	9,354	6,979
Less: Accumulated depreciation	(2,743)	(1,866)
	<b>6,611</b>	<b>5,113</b>
<b>Buildings</b>		
At independent valuation	170,902	172,255
At cost	21,264	14,879
Less: Accumulated depreciation	(85,150)	(82,672)
	<b>107,016</b>	<b>104,462</b>
<b>Land and buildings (note)</b>		
<b>Note (i) Land and Buildings:</b> 'At valuation' estimates for land and buildings were determined by ProVal (Vic) Pty Ltd certified valuers as at 1 January 2006. The previous valuation was done on 1 January 2004, also by ProVal (Vic) Pty Ltd. The valuation was done on the basis of site value for land and written down replacement value for buildings.		
<b>Bike paths – Note (i)</b>		
At valuation	3,217	3,186
At cost	375	167
Less: Accumulated depreciation	(342)	(202)
	<b>3,250</b>	<b>3,151</b>
<b>Footpaths – Note (i)</b>		
At valuation	68,849	68,463
At cost	1,667	993
Less: Accumulated depreciation	(6,497)	(5,079)
	<b>64,019</b>	<b>64,377</b>

	2007 \$'000	2006 \$'000
<b>Note (i) Bike paths/Footpaths:</b> Bike paths and footpaths are carried at valuation based on written down replacement value carried out in April 2006.		
<b>Bridges – Note (ii)</b>		
At valuation	11,619	11,620
At cost	–	–
Less: Accumulated depreciation	(3,504)	(3,383)
	<b>8,115</b>	<b>8,237</b>
<b>Note (ii) Bridges:</b> 'At valuation' estimates for bridges were determined as at 30 June 2006 by Council's Infrastructure and Planning unit.		
<b>Roads (Note iii)</b>		
<b>Sub-structure</b>		
At Council valuation	230,365	229,107
At cost	563	444
Less: Accumulated depreciation	(76,455)	(74,138)
	<b>154,473</b>	<b>155,413</b>
<b>Seal</b>		
At Council valuation	64,889	64,270
At cost	1,751	1,256
Less: Accumulated depreciation	(14,742)	(11,167)
	<b>51,898</b>	<b>54,359</b>
<b>Kerb &amp; channel</b>		
At Council valuation	78,689	78,171
At cost	1,131	599
Less: Accumulated depreciation	(21,139)	(20,064)
	<b>58,681</b>	<b>58,706</b>
<b>Earthworks</b>		
At cost	56	–
	<b>56</b>	<b>–</b>
<b>Roads Total</b>		
At Council valuation	373,943	371,548
At cost	3,501	2,299
Less: Accumulated depreciation	(112,336)	(105,369)
	<b>265,108</b>	<b>268,478</b>
<b>Drains (Note iii)</b>		
At Council valuation	166,702	160,967
At cost	1,347	209
Less: Accumulated depreciation	(54,303)	(53,574)
	<b>113,746</b>	<b>107,602</b>

## Notes (continued)

	<b>2007 \$'000</b>	<b>2006 \$'000</b>
<b>Note (iii) Roads and Drains:</b> 'At valuation' estimates for roads (kerbs) were determined as at 30 June 2006 and drains at 30 June 2007 by Council's qualified engineers. The valuations were done on the basis of written down replacement value, taking into account their current condition. The change in valuation also includes assets acquired from subdivisions. These assets were brought into the books at 30 June 2007 at their current valuation.		
<b>Street furniture</b>		
At cost	5,048	4,972
Less: Accumulated depreciation	(3,137)	(3,070)
	<b>1,911</b>	<b>1,902</b>
<b>Recreational equipment</b>		
At cost	10,295	9,653
Less: Accumulated depreciation	(4,169)	(3,494)
	<b>6,126</b>	<b>6,159</b>
<b>Works in progress</b>		
At cost	8,911	6,298
	<b>8,911</b>	<b>6,298</b>
<b>Total Property, infrastructure, plant and equipment</b>		
At valuation	1,176,756	1,164,016
At cost	86,673	68,536
Less: Accumulated depreciation	(284,810)	(269,548)
<b>Total Non-Current Assets</b>	<b>978,619</b>	<b>963,004</b>

### 6.1 Property Infrastructure Plant and Other – (Movement in written down value 2007)

The carrying amounts of each class of fixed assets at the beginning and end of the current financial year are set out below:

2007	Adjusted Balance at beginning of financial year	Acquisition of assets including gifted assets	Assets written off	Transfer (to) from current assets	Less: Disposals at carrying amount	Less: Depreciation expense for the year	Add: Net movement in revaluation	Changes due to transfers adjustments and other minor adjustments	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant and equipment	4,195	2,285	(5)		(521)	(1,292)		(2)	4,660
Minor plant, furniture and equipment	7,881	2,048	(86)			(1,566)		510	8,787
Car parks	6,691	68	(51)			(146)	3,082	(11)	9,633
Land	368,458	1,142		160	(184)		1,150		370,726
Buildings	104,462	4,186	(425)	(96)		(3,407)		2,296	107,016
Bike paths	3,151	164	(17)			(143)		95	3,250
Footpaths	64,377	1,004	(6)			(1,419)		63	64,019
Bridges	8,237					(121)		(1)	8,115
Land Improvements	5,113	974	(3)			(879)		1,406	6,611
Drains	107,602	5,061	(131)			(1,422)	1,736	900	113,746
Roads sub-structure	155,413	1,287	(1)			(2,312)		86	154,473
Roads Seal	54,359	1,136	(1)			(3,575)		(21)	51,898
Roads kerbs and channel	58,706	992	(2)			(1,075)		60	58,681
Earthworks								56	56
Roads Total	268,478	3,415	(4)			(6,962)		181	265,108
Street furniture	1,902	356	(61)			(278)		(8)	1,911
Playgrounds	6,159	1,109	(121)			(835)		(186)	6,126
Work in Progress	6,298	8,330	(275)					(5,442)	8,911
<b>Summary of Non-current asset movements</b>	<b>963,004</b>	<b>30,142</b>	<b>(1,185)</b>	<b>64</b>	<b>(705)</b>	<b>(18,470)</b>	<b>5,968</b>	<b>(199)</b>	<b>978,619</b>

## Notes (continued)

### Comparatives for Property Infrastructure, Plant and Other (Movement in written down value 2006)

2006	Adjusted Balance at beginning of financial year	Acquisition of assets including gifted assets	Assets Written off	Transfer (to) from current assets	Less: Disposals at carrying amount	Less: Depreciation expense for the year	Add: Net movement in revaluation	Changes due to transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant and equipment	3,640	2,225	(3)		(466)	(1,241)			4,155
Minor plant, furniture and equipment	5,629	2,607	(15)			(1,327)		476	7,370
Car parks	784	127				(63)	177	805	1,830
Land	310,409	3,333		(794)	(47)		56,639	37	369,577
Buildings	80,336	14,879	(159)		(336)	(3,077)	2,437	10,223	104,303
Bike paths	1,689	235	(8)			(61)	1,285	11	3,151
Footpaths	58,870	1,257	(227)			(1,132)	5,385	91	64,244
Bridges	8,681	678	(17)			(132)	(973)		8,237
Land Improvements	6,111	157	(1)			(682)		(472)	5,113
Drains	103,029	3,011				(1,573)		84	104,551
Roads sub-structure	138,792	1,728	(212)			(2,028)	16,866	19	155,165
Roads Seal	27,743	1,741	(35)			(1,711)	26,554	(50)	54,242
Roads kerbs and channel	44,345	1,057	(19)			(854)	13,893	156	58,578
Roads Total	210,880	4,526	(266)			(4,593)	57,313	125	267,985
Street furniture	2,158	198				(480)		26	1,902
Playgrounds	5,496	1,096	(4)			(836)		407	6,159
Work in Progress	12,270	5,842	(1)					(11,813)	6,298
<b>Summary of Non-current asset movements</b>	<b>809,982</b>	<b>40,171</b>	<b>(701)</b>	<b>(794)</b>	<b>(849)</b>	<b>(15,197)</b>	<b>122,263</b>	<b>-</b>	<b>954,875</b>

**6.1 (a) Changes to opening balances for 2007 through equity**

<b>2006</b>	<b>Balance at end of financial year</b>	<b>Changes to accum. Depreciation (iv)</b>	<b>Written (off)/back to Retained Earnings (i) (ii)</b>	<b>Assets not previously recognised (iii)</b>	<b>Total Adjustments</b>	<b>Adjusted Opening Balance</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Plant and equipment	4,155	40			40	4,195
Minor plant, furniture and equipment	7,370			511	511	7,881
Car parks	1,830			4,861	4,861	6,691
Land	369,577		(4,510)	3,391	(1,119)	368,458
Buildings	104,303	159			159	104,462
Bike Paths	3,151					3,151
Footpaths	64,244			133	133	64,377
Bridges	8,237					8,237
Land Improvements	5,113					5,113
Drains	104,551		(6,207)	9,258	3,051	107,602
Roads sub-structure	155,165			248	248	155,413
Roads Seal	54,242			117	117	54,359
Roads kerbs and channel	58,578			128	128	58,706
Roads Total	267,985			493	493	268,478
Street Furniture	1,902					1,902
Playgrounds	6,159					6,159
Work in Progress	6,298					6,298
<b>Summary of Non-current asset movements</b>	<b>954,875</b>	<b>199</b>	<b>(10,717)</b>	<b>18,647</b>	<b>8,129</b>	<b>963,004</b>

**Notes:**

- (i) The land written off relates to land previously recognised by Council in error. This land is part of Melbourne Water property.
- (ii) Council carried out a data collection exercise in 2006-2007 which resulted in drainage assets which were previously recognised being written off.
- (iii) Assets not previously recognised include Land (\$3.4million), Car Parks (\$4.8million), Drains (\$9.2million), Roads (\$0.5million) and Public Art (\$0.5million)
- (iv) This relates to over depreciation of vehicles and buildings in previous years.

## Notes (continued)

	2007 \$'000	2006 \$'000
<b>6.2 Intangible Assets</b>		
Aged care bed licences (Note)	–	1,505
	–	<b>1,505</b>

**Note:** The Council owns 50 bed licences which are due to be transferred to a private aged care provider. These licences have been valued on the basis of this transfer price. They have been re-classified as current assets in 2006-2007 due to the imminent sale of the HL Williams Hostel in early 2007-2008 to which they relate.

### NOTE 7. NON INTEREST-BEARING LIABILITIES

#### 7.1 Trade and other payables

##### Current

Trade creditors	7,981	6,525
Other creditors	400	311
Income received in advance	224	296
Accrued expenses	2,128	2,885
	<b>10,733</b>	<b>10,017</b>

#### 7.2 EMPLOYEE BENEFITS

Movement in Employee entitlement provisions	Annual Leave \$'000	Long Service Leave \$'000	Total \$'000
<b>2007</b>			
Balance at beginning of financial year	4,448	3,939	8,387
Additional provisions	2,814	916	3,730
Amounts used	(3,065)	(314)	(3,379)
Balance at the end of the financial year	<b>4,197</b>	<b>4,541</b>	<b>8,738</b>
<b>2006</b>			
Balance at beginning of financial year	4,060	4,037	8,097
Additional provisions	2,984	341	3,325
Amounts used	(2,596)	(439)	(3,035)
Balance at the end of the financial year	<b>4,448</b>	<b>3,939</b>	<b>8,387</b>

	2007 \$'000	2006 \$'000
<b>Current</b>		
Annual leave (Note)	4,197	4,448
Long service leave (Note)	4,228	3,435
	<b>8,425</b>	<b>7,883</b>
<b>Non-current</b>		
Long service leave liability (Note)	313	504
	<b>313</b>	<b>504</b>
<b>Note:</b>		
<b>Current</b>		
All annual leave and LSL entitlements representing seven or more years of service		
– Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	3,883	3,083
– Other long-term employee benefits that do not fall within 12 months after the end of the period measured at present value	4,542	4,800
	<b>8,425</b>	<b>7,883</b>
<b>Non-current</b>		
LSL representing less than seven years of service measured at present value	<b>313</b>	<b>504</b>
Accrued wages and salaries are included in the current accrued expenses balance in note 7.1.		
In arriving at the present value of long service leave the following assumptions were adopted:		
Average increase in employee costs 4.00%		
Average discount rates between 6.265% and 6.455%		
Average settlement period of 10 years		
<b>7.3 TRUST FUNDS AND DEPOSITS</b>		
<b>Current</b>		
Hostel entrance fees	262	300
Jenny Slade scholarship	7	7
Sub-division and other deposits	525	401
Developer contributions	1,184	1,012
Metro 3175 sales – VicUrban share (Note)	–	848
	<b>1,979</b>	<b>2,568</b>
Note: During the year, Council received \$3.226 million which was VicUrban's share of the sale of a property in Metro 3175. This was subsequently paid over to VicUrban within the same financial year.		

## Notes (continued)

	Note	2007 \$'000	2006 \$'000
<b>NOTE 8. FINANCING FACILITIES</b>			
Bank overdraft		2,500	2,500
Used facility per bank statements		–	(353)
<b>Unused facility</b>		<b>2,500</b>	<b>2,147</b>

### NOTE 9. INTEREST-BEARING LIABILITIES

<b>Current</b>			
Bank overdraft		–	301
Loans – secured		4,221	3,465
		<b>4,221</b>	<b>3,766</b>
<b>Non-current</b>			
Loans – secured		16,704	14,216
		<b>16,704</b>	<b>14,216</b>
<b>Total interest-bearing liabilities</b>	12.2	<b>20,925</b>	<b>17,982</b>

#### The maturity profile for Council's borrowings is:

Not less than one year	4,221	3,766
Later than one year and not later than five years	9,531	9,812
Later than five years	7,173	4,404
	<b>20,925</b>	<b>17,982</b>

### NOTE 10. RESERVES

#### 10.1 Asset revaluation reserve

Movement 2006-2007	2006 \$'000	Increment/ (decrement)	2007 \$'000
Land	213,541	1,150	214,691
Car Parks	177	3,082	3,259
Buildings	9,793		9,793
Non-realizable infrastructure assets:			
– Bike paths	2,326		2,326
– Footpaths	29,980		29,980
– Bridges	400		400
– Roads	198,677		198,677
– Drains	60,325	1,736	62,061
<b>Total Reserves</b>	<b>515,219</b>	<b>5,968</b>	<b>521,187</b>

	2005 \$'000	Increment/ (decrement)	2006 \$'000
<b>Movement 2005-2006</b>			
Land	156,902	56,639	213,541
Car Parks	–	177	177
Buildings	7,356	2,437	9,793
Non-realizable infrastructure assets:			
– Bike paths	1,041	1,285	2,326
– Footpaths	24,595	5,385	29,980
– Bridges	1,373	(973)	400
– Roads	141,364	57,313	198,677
– Drains	60,325	–	60,325
<b>Total Reserves</b>	<b>392,956</b>	<b>122,263</b>	<b>515,219</b>

**NOTE 11. COMMITMENTS AND CONTINGENCIES****11.1a Operating lease commitments (Note)**

	2007 \$'000	2006 \$'000
Not later than one year	323	881
Later than 1 year but less than 5 years	483	273
	<b>806</b>	<b>1,154</b>

**Note:** The lease payments are in respect of the revolving operating lease facility for Council's computer equipment from the Commonwealth Bank of Australia (CBA).

**11.1b Operating lease receivables (Note)**

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	367	283
Later than one year and not later than five years	656	485
Later than five years	759	836
	<b>1,782</b>	<b>1,604</b>

Note: The Council has entered into commercial property leases on selected properties. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 98 years.

**11.2 Contracted Capital commitments**

Not later than one year	1,055	13,230
Later than 1 year but less than 5 years	–	–
	<b>1,055</b>	<b>13,230</b>

**11.3 Works and services contracts**

Not later than one year	9,582	8,880
Later than 1 year but less than 5 years	20,983	19,056
Over 5 years	330	–
	<b>30,895</b>	<b>27,936</b>

## Notes (continued)

### 11.4 Redundancy payments

Council has contracted to sell its 50 bed licences in September 2007 to an external aged care service provider. The present aged care facility that is operating in H.L. Williams Court will cease to operate subsequent to this sale, and the facility will be closed. The closure of this facility will incur redundancy payments to existing staff at H.L. Williams amounting to \$351,000.

## NOTE 12. FINANCIAL INSTRUMENTS

### 12.1 Accounting policy, terms and conditions

Recognised financial instruments	Note	Accounting policy	Terms and conditions
<b>Financial assets</b>			
Cash at bank, deposit and on hand	5.1	Valued at face value. Interest is recognised as it accrues.	Funds on call returned floating interest rates of between 5.50% and 6.15% (5.40% and 5.57% in 2005-06).
Managed funds	5.1	Managed funds are measured at market value	Withdrawals are either immediate or within 24 hours. Managed funds provided a return between 5.65% and 6.86% net of fees (5.33% and 6.25% in 2005-2006) excluding unrealised gains or losses.
General Debtors	5.2	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis	General debtors are unsecured and interest free. Credit terms are usually up to 60 days.
<b>Financial Liabilities</b>			
Payables	7.1	Liabilities are recognised for amounts to be paid in the future for goods received and services provided to the Council as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing liabilities	9	The loan with the Commonwealth Bank of \$5.5 million was obtained to repay the amount owing to Vision Super in respect of a superannuation liability. The balance of the loan as at June 30, 2007 was \$1,366,727. (\$1,993,282 as at June 30, 2006)	The loan is for ten years expiring April 2009 and principal & interest are repayable quarterly. The loan is secured by a mortgage over the Council's general rates. The interest rate is fixed at 5.8%.

<b>Recognised financial instruments</b>	<b>Note</b>	<b>Accounting policy</b>	<b>Terms and conditions</b>
Interest-bearing liabilities	9	The loan with the Commonwealth Bank was for \$2.952 million, and was obtained to repay the amount owing to Vision Super in respect of the superannuation liability which was to be claimed against the City of Kingston, which has since been settled. The balance of the loan as at June 30, 2007 was \$1,189,980. (\$1,783,866 as at June 30, 2006)	This loan expired in April 2004 and was rolled over at that date at an interest rate of 6.20%. The loan is secured by a mortgage over the Council's general rates. Repayments are made monthly on a principal and interest basis and is repayable in full by 2009.
Interest-bearing liabilities	9	The loan with the Commonwealth Bank of \$5.0 million was obtained in September 2004 to finance major capital projects. The balance of the loan as at June 30 2007 was \$2,572,541. (\$3,609,195 as at 30 June 2006)	The loan is for five years expiring 30 September 2009 and principal and interest are repayable quarterly. The loan is secured by a mortgage over the Council's general rates. The interest rate is fixed at 6.09%.
Interest-bearing liabilities	9	The loan with the Commonwealth Bank of \$3.0 million was obtained in February 2005 to repay the unfunded superannuation liability that Council assumed in 2002-2003. The balance of the loan as at June 30, 2007 was \$1,841,419. (\$2,437,873 as at 30 June 2006)	The loan is for five years expiring 28 January 2010 and principal and interest are repayable quarterly. The interest rate is fixed at 6.09%.
Interest-bearing liabilities	9	The loan with the Commonwealth Bank of \$8.0 million was obtained in 2005-2006 for the first stage of the redevelopment of Dandenong Market. The balance of the loan as at June 30, 2007 was \$7,246,876 (\$7,857,096 as at 30 June 2006).	The loan is for 10 years expiring on 17 March 2016 and principal and interest are payable quarterly. The interest rate is fixed at 6.12%
Interest-bearing liabilities	9	The loan with the Commonwealth Bank of \$7.0 million was obtained in January 2007 for the second stage of the redevelopment of the Dandenong Market. The balance of the loan as at 30 June, 2007 was \$6,707,580.	The loan is for 10 years expiring on 18 July 2016 and principal and interest are payable quarterly. The interest rate is fixed at 6.66%.

# Notes (continued)

## 12.2 Interest rate risk

The Council's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities at balance date are as follows:

	Fixed interest rate maturing in:										Total carrying amount as per the Balance Sheet		Range of Effective interest rates		
	Floating interest rate		1 year or less		Over 1 to 5 years		More than 5 years		Non-interest bearing		2007	2006	2007	2006	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%		
<b>Financial assets</b>															
General debtors									3,945	3,905	3,945	3,905			
Cash at bank and on hand	6,141	72									6,141	72	5.50 to 6.15	5.40 to 5.57	
Bank deposits	3,403	2,649									3,403	2,649	5.65 to 6.86	5.33 to 6.25	
Prepayments/accrued income								619	626	619	626				
<b>Total financial assets</b>	<b>9,544</b>	<b>2,721</b>						<b>4,564</b>	<b>4,531</b>	<b>619</b>	<b>14,108</b>	<b>7,252</b>			
<b>Financial liabilities</b>															
Payables											10,733	10,017			
Interest-bearing liabilities (Note 10)	-	301	4,221	3,465	9,531	9,812	7,173	4,404			20,925	17,982	5.80/ 6.66	5.80/ 8.95	
Trust monies									1,979	2,568	1,979	2,568			
<b>Total financial liabilities</b>	<b>-</b>	<b>301</b>	<b>4,221</b>	<b>3,465</b>	<b>9,531</b>	<b>9,812</b>	<b>4,404</b>	<b>12,712</b>	<b>12,585</b>	<b>1,979</b>	<b>33,637</b>	<b>30,567</b>			

**Note:** The carrying amounts of financial assets and liabilities (except interest-bearing liabilities) equate to fair value due to their short-term nature. The net fair value of interest-bearing liabilities is \$19.6 million (\$16.1 million in 2006) as at balance date.

### 12.3 Net fair value

The following methods and assumptions are used to determine the net fair value of financial assets and financial liabilities:

Payables, cash on call, bank deposits, and general debtors	The carrying amount equals the fair value because of the short term to maturity.
Interest-bearing liabilities	The fair value is based on the discounted cash flow method.

## NOTE 13. SUPERANNUATION

### Local Authorities superannuation fund

The Council makes employer superannuation contributions in respect of its employees to the Local Authorities superannuation fund (the Fund). Obligations for contributions are recognised as an expense in the Income Statement when they are due. The Fund has two categories of membership, each of which is funded differently.

#### Accumulation Category (Vision Super Saver)

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee Legislation (9% in 2006/2007). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

During 2006-2007 the Council's superannuation contributions relating to Vision Super Saver members was \$2,911,032 (\$2,000,941 in 2005-2006).

#### Defined Benefits Category

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Council does not use defined benefit accounting for these contributions.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Council makes the following contributions:

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees (same as previous year)

The Funds liability for accrued benefits was determined in the 30 June 2006 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	<b>30 Jun 06 \$'000</b>
Net Market Value of Assets	3,443,686
Accrued Benefits (per Accounting Standards)	3,319,598
Difference between Assets and Accrued Benefits	124,088
Vested Benefits	3,040,443

## Notes (continued)

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.0% p.a.
Salary Inflation	5.5% p.a.
Price Inflation	3.0% p.a.

During 2006-2007 the Council's superannuation contributions relating to that year's defined benefits members' service was \$688,054 (\$697,046 in 2005-2006).

Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

In addition, the Council reimburses the Fund for the difference between resignation and retrenchment benefits paid to its retrenched employees – in 2006-2007 this was \$25,484 (\$365,568 in 2005-2006).

### NOTE 14. CONTINGENT LIABILITIES

#### Bank Guarantees

The Council has agreed to guarantee bank loans taken out by the Dandenong Basketball Association (DBA) to a maximum amount of \$2 million. At balance date the amount drawn by the DBA was \$1.05 million (\$1.15 million as at June 30 2006).

#### Legal Actions

The Council is involved in a number of Legal Actions. Council's exposure in these claims may be up to \$16,000 (\$188,000 in 2006)

### NOTE 15. RELATED PARTY TRANSACTIONS

Names of persons holding the position of a responsible person at the City of Greater Dandenong Council during the reporting year are:

#### Councillors

Youhorn Chea (Mayor)	1 December 2006 to date
Peter Brown (Mayor)	1 July 2006 – 30 November 2006
Maria Sampey	1 July 2006 – 30 June 2007
Paul Donovan	1 July 2006 – 30 June 2007
Roz Blades	1 July 2006 – 30 June 2007
John Kelly	1 July 2006 – 30 June 2007
Jim Memeti	1 July 2006 – 30 June 2007
Sue Walton	1 July 2006 – 30 June 2007
Pinar Yesil	1 July 2006 – 30 June 2007
Alan Gordon	1 July 2006 – 30 June 2007
Yvonne Herring	1 July 2006 – 30 June 2007

#### Chief Executive Officer

Bryan Payne	1 July 2006 – 1 October 2006
John Bennie	2 October 2006 – 30 June 2007

**Remuneration of responsible persons in bands of \$10,000**

<b>Income range</b>	<b>2007 No.</b>	<b>2006 No.</b>
To \$10,000	–	5
\$ 10,001 – \$ 20,000	9	9
\$ 20,001 – \$ 30,000	–	1
\$ 30,001 – \$ 40,000	1	1
\$ 40,001 – \$ 50,000	1	–
\$ 50,001 – \$ 60,000	1	–
\$210,001 – \$220,000	–	1
\$220,001 – \$230,000	1	–
<b>Total</b>	<b>13</b>	<b>17</b>
Total remuneration for the reporting year, for responsible persons included above, amounted to:	<b>\$523K</b>	<b>\$474K</b>

Five Councillors were replaced in the November 2005 elections and are included in the 2006 year.

No retirement benefits were made by Council to a responsible person during the reporting year (nil in 2006).

No loans were made, guaranteed or secured by Council to a responsible person during the reporting year (nil in 2006).

No transactions were entered into by Council with responsible persons, other than remuneration and reimbursement of expenses during the reporting year (nil in 2006).

A number of responsible persons have minority shareholdings in public companies, which have dealings with the Council from time to time. These and other transactions with responsible persons who also hold the office of Councillor are required to be declared under section 81 of the Local Government Act 1989 (as amended) and are held in a register in accordance with that Act. The register is available for public inspection.

**Senior officers' remuneration**

The number of senior officers, other than responsible persons, occupying a management role within Council, who either reported directly to the Chief Executive Officer or whose total remuneration exceeded \$100,000 during the financial year, is shown below in their relevant income bands:

<b>Income range</b>	<b>2007 No.</b>	<b>2006 No.</b>
To \$100,000	–	–
\$100,001 – \$110,000	4	5
\$110,001 – \$120,000	6	6
\$120,001 – \$130,000	4	7
\$130,001 – \$140,000	4	1
\$140,001 – \$150,000	1	–
\$160,001 – \$170,000	1	3
\$170,001 – \$180,000	2	1
\$180,001 – \$190,000	–	–
<b>Total</b>	<b>22</b>	<b>23</b>
Total remuneration for the financial year of senior officers included above amounted to:	<b>\$2.82M</b>	<b>\$2.88M</b>

## Notes (continued)

### NOTE 16. NOTES TO THE CASHFLOW STATEMENT

#### 16.1 Reconciliation of operating result with net cash provided by operating activities

	Note	2007 \$'000	2006 \$'000
<b>Surplus for the year</b>		<b>12,354</b>	<b>16,730</b>
<b>Add (less)</b>			
Depreciation	4.3	18,470	15,196
Contributions – Non-monetary assets		(8,197)	(8,068)
Write off of assets		1,375	885
(Profit) loss on sale of assets	3.7	(457)	(2,565)
(Increase) decrease in receivables	5.2	(631)	62
(Decrease) increase in payables	7.1	716	482
(Decrease) increase in employee entitlements	7.2	349	290
<b>Net cash provided by operating activities</b>		<b>23,979</b>	<b>23,012</b>

#### 16.2 Reconciliation of cash

Cash at the end of the financial year as shown in the Cashflow Statement is reconciled to the related items in the statement of financial position as follows:

Current asset – cash and deposits	5.1	9,544	2,721
Current liability – bank overdraft	9	–	(301)
Cash at balance date as per Cash Flow Statement		<b>9,544</b>	<b>2,420</b>

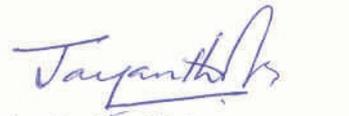
### NOTE 17. FINANCIAL RATIOS

	2006-2007	2005-2006	2004-2005
<b>Underlying Result (Surplus Ratio)</b>			
This is a measure of local governments' surpluses (or deficits) as a percentage of their revenues (excluding non-current asset revenue such as roads and drains from developers).			
$\frac{\text{Surplus (less non-cash asset revenue)}}{\text{Total revenue (less non-cash asset revenue)}}$	4.00%	8.78%	2.58%
<b>Indebtedness</b>			
This is a longer term measure that compares non-current liabilities (which mainly comprises borrowings and employee benefit provisions) to revenue excluding capital grants			
$\frac{\text{Non-current liabilities}}{\text{Total revenue (less capital grants)}}$	15.86%	14.73%	14.15%
<b>Self Financing</b>			
This is a measure of local governments' ability to fund the replacement of assets from cash generated by their operations			
$\frac{\text{Net cash from operating activities}}{\text{Total revenue (less non-monetary asset revenue)}}$	23.11%	23.34%	12.24%

	2006-2007	2005-2006	2004-2005
<p><b>Investment Gap ratio</b></p> <p>This is a measure of whether local governments are spending on infrastructure at a greater rate than the infrastructure is depreciating.</p> <p><i>Capital Expenditure</i> <i>Depreciation</i></p>	118.81%	212.46%	157.61%
<p><b>Debt servicing ratio</b></p> <p>To identify the capacity of Council to service outstanding debt. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.</p> <p>Debt servicing costs includes interest on loan borrowings and bank overdraft.</p> <p><i>Debt Servicing Costs</i> <i>Total Revenue</i></p>	1.41%	1.15%	1.00%
<p><b>Debt commitment ratio</b></p> <p>To identify Council's debt redemption strategy. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.</p> <p><i>Debt Servicing and Redemption Costs</i> <i>Rates Revenue</i></p>	8.71%	7.29%	4.91%
<p><b>Revenue ratio</b></p> <p>To identify Council's dependence on rate income, and is determined by assessing rate revenue as a percentage of total revenue.</p> <p><i>Rates Revenue</i> <i>Total Revenue</i></p>	54.63%	52.14%	49.77%
<p><b>Working capital ratio</b></p> <p>To assess the Council's ability to meet current commitments.</p> <p><i>Current assets</i> <i>Current liabilities</i></p> <p>The ratio expresses the level of current assets available to meet its current liabilities.</p>	1.10:1	0.64:1	0.65:1
<p><b>Debt exposure ratio</b></p> <p>To identify Council's exposure to debt. This is the ratio of total debt to total realisable assets.</p> <p><i>Total liabilities</i> <i>Total realisable assets</i></p> <p>Realisable assets are those which can be readily sold and are not subject to any restriction on sale or use. Total debt includes all liabilities except those that are covered by restricted assets.</p> <p>Non realisable assets include non realisable infrastructure assets (as detailed in Note 6), land with restrictions and buildings on other controlled land. The ratio enables assessment of Council's solvency and exposure to debt. The ratio expresses the multiple of total liabilities covered by each dollar of realisable assets.</p>	1:13	1:13	1:14

# Certification of the Financial Report

In my opinion, the accompanying financial report has been prepared in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements



**Jay Peries CPA**  
*Principal Accounting Officer*

Dated: 24 September 2007

In our opinion, the accompanying financial report presents fairly the financial transactions of the City of Greater Dandenong Council for the year ended 30 June 2007 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances that would render any particulars in the financial report to be misleading or inaccurate.

We have been authorised by the Council on 24 September 2007 to certify the financial report in its final form on behalf of the Council.



**Cr Youhorn Chea**  
*Mayor*

Dated: 24 September 2007



**Cr Sue Walton**

Dated: 24 September 2007



**John Bennie**  
*Chief Executive Officer*

Dated: 24 September 2007



# Standard Statements

Year Ended 30 June 2007

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# Standard Income Statement

for the year ended 30 June 2007

	Note	Budget 2006-2007 \$'000	Actuals 2006-2007 \$'000	\$'000	Variance %
<b>Revenue</b>					
Rates		61,087	61,166	79	0.13
Grants – Operational (Special Purpose)	2	13,123	14,507	1,384	10.55
Grants – Financial assistance (untied)	2	7,244	7,687	443	6.12
Contributions (General)		15	362	347	2313.33
Fees, charges and fines	3	12,210	11,866	(344)	(2.82)
Interest		490	1,035	545	111.22
Proceeds from sale of assets	4	4,448	2,450	(1,998)	(44.92)
Other Income		1,992	2,335	343	17.22
<b>Total Revenues</b>		<b>100,609</b>	<b>101,408</b>	<b>799</b>	<b>0.79</b>
<b>Expenses</b>					
Employee costs		41,858	40,594	1,264	3.02
Contract payments, materials and services	5	17,849	19,391	(1,542)	(8.64)
Administration costs		9,784	9,267	517	5.28
Borrowing costs		1,522	1,575	(53)	(3.48)
Professional services	6	2,972	4,492	(1,520)	(51.14)
Grants and sponsorships		3,768	4,050	(282)	(7.48)
Depreciation		17,500	18,470	(970)	(5.54)
Other Expenses		749	1,043	(294)	(39.25)
Carrying amount of assets sold	7	3,456	1,993	1,463	42.33
<b>Total Expenses</b>		<b>99,458</b>	<b>100,875</b>	<b>(1,417)</b>	<b>(1.42)</b>
<b>SURPLUS FROM OPERATIONS Before non recurrent income and expenditure</b>					
		<b>1,151</b>	<b>533</b>	<b>(618)</b>	<b>(53.69)</b>
<b>Non-recurrent income and expenditure</b>					
Capital Grants	8	6,430	3,500	(2,930)	(45.57)
Capital Contributions	9	440	1,309	869	197.50
Assets acquired from sub division activity	10	–	8,197	8,197	n/a
Write-off of assets	11	–	(1,185)	(1,185)	n/a
<b>OPERATING SURPLUS</b>		<b>8,021</b>	<b>12,354</b>	<b>4,333</b>	<b>54.02</b>

# Standard Balance Sheet

as at 30 June 2007

	Note	Budget 2006-2007 \$'000	Actuals 2006-2007 \$'000	\$'000	Variance %
<b>CURRENT ASSETS</b>					
Cash		2,371	6,141	3,770	159.0
Investments		2,664	3,403	739	27.7
Receivables	12	5,723	9,634	3,911	68.3
Inventory – property	13	6,100	7,389	1,289	21.13
Intangible assets	14	–	1,505	1,505	n/a
<b>Total Current Assets</b>		<b>16,858</b>	<b>28,072</b>	<b>11,214</b>	<b>66.5</b>
<b>NON-CURRENT ASSETS</b>					
Fixed Assets	15	811,202	978,619	167,417	20.6
Inventory – Property	13	9,136	4,156	(4,980)	(54.5)
Intangible Assets	14	1,500	–	(1,500)	n/a
<b>Total Non-current Assets</b>		<b>821,838</b>	<b>982,775</b>	<b>160,937</b>	<b>19.6</b>
<b>TOTAL ASSETS</b>		<b>838,696</b>	<b>1,010,847</b>	<b>172,151</b>	<b>20.5</b>
<b>CURRENT LIABILITIES</b>					
Creditors	16	6,166	10,733	(4,567)	(74.1)
Borrowings		4,132	4,221	(89)	(2.1)
Employee benefits	17	4,536	8,423	(3,887)	(85.7)
Trust monies	19	1,544	1,979	(435)	(28.2)
<b>Total Current Liabilities</b>		<b>16,378</b>	<b>25,356</b>	<b>(8,978)</b>	<b>(54.8)</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings		16,918	16,704	214	1.3
Employee benefits	17	3,562	313	3,249	91.2
Unearned income	18	3,000	–	3,000	100.0
<b>Total Non-current Liabilities</b>		<b>23,480</b>	<b>17,017</b>	<b>6,463</b>	<b>27.5</b>
<b>TOTAL LIABILITIES</b>		<b>39,858</b>	<b>42,373</b>	<b>(2,515)</b>	<b>(6.8)</b>
<b>NET ASSETS</b>		<b>798,838</b>	<b>968,474</b>	<b>169,636</b>	<b>21.2</b>
<b>EQUITY</b>					
Accumulated Surplus		283,619	447,287	163,668	57.7
Assets Revaluation Reserve		515,219	521,187	5,968	1.2
<b>TOTAL EQUITY</b>		<b>798,838</b>	<b>968,474</b>	<b>169,636</b>	<b>21.2</b>

# Standard Cash Flow Statement

for the year ended 30 June 2007

	Note	Budget 2006-2007 \$'000	Actuals 2006-2007 \$'000	\$'000	Variance %
<b>Cash Flows from operating activities</b>					
Cash Inflows					
Rates receipts		60,974	60,747	(227)	(0.37)
Grants		26,797	25,694	(1,103)	(4.12)
Interest Received		490	1,035	545	111.22
Fees, charges, fines and contributions		14,657	15,303	646	4.41
<b>Total cash inflows</b>		<b>102,918</b>	<b>102,779</b>	<b>(139)</b>	<b>(0.14)</b>
Cash Outflows					
Employee costs		41,858	40,245	1,613	3.85
Payments to Suppliers		30,729	33,007	(2,278)	(7.41)
Grants and Sponsorships		3,768	4,050	(282)	(7.48)
Interest Paid		1,522	1,498	24	1.58
<b>Total cash outflows</b>		<b>77,877</b>	<b>78,800</b>	<b>(923)</b>	<b>(1.19)</b>
<b>Net Cash inflows from operating activities</b>		<b>25,041</b>	<b>23,979</b>	<b>(1,062)</b>	<b>(4.24)</b>
<b>Cash flows from investing activities</b>					
Cash Inflows					
Proceeds from Sale of Assets		4,448	2,450	(1,998)	(44.92)
<b>Total cash inflows</b>		<b>4,448</b>	<b>2,450</b>	<b>(1,998)</b>	<b>(44.92)</b>
Cash Outflows					
Payments for non-current assets					
City improvement projects		23,998	19,785	4,213	17.56
Fleet and other capital		3,032	2,175	857	28.27
<b>Total cash outflows</b>		<b>27,030</b>	<b>21,960</b>	<b>5,070</b>	<b>18.76</b>
<b>Net cash outflows from investing activities</b>		<b>(22,582)</b>	<b>(19,510)</b>	<b>3,072</b>	<b>13.60</b>
<b>Cash flows from financing activities</b>					
Cash Inflows					
Proceeds from borrowings		7,000	12,000	5,000	71.43
Proceeds from trust monies and deposits			5,160	5,160	
<b>Total cash inflows</b>		<b>7,000</b>	<b>17,160</b>	<b>10,160</b>	<b>145.14</b>
Transfer to investments		160	754	(594)	(371.25)
Repayment of loans, deposits and trust monies		3,630	14,505	(10,875)	(299.59)
<b>Total cash outflows</b>		<b>3,790</b>	<b>15,259</b>	<b>(11,469)</b>	<b>(302.61)</b>
<b>Net Cash inflow/(outflow) from financing activities</b>		<b>3,210</b>	<b>1,901</b>	<b>(1,309)</b>	<b>(40.78)</b>
<b>Cash Increase/(Decrease)</b>		<b>5,669</b>	<b>6,370</b>	<b>701</b>	<b>12.37</b>
<b>Cash at Beginning</b>		<b>(3,299)</b>	<b>(229)</b>	<b>3,070</b>	<b>(93.06)</b>
<b>Cash at End</b>		<b>2,370</b>	<b>6,141</b>	<b>3,771</b>	<b>159.11</b>

# Reconciliation of Operating Result and Net Cash Flows from Operating Activities

for the year ended 30 June 2007

	Budget 2006-2007 \$'000	Actuals 2006-2007 \$'000	\$'000	Variance %
Net Surplus from operations	8,021	12,354	4,333	54.02
Depreciation	17,500	18,470	970	5.54
Other non cash revenue and expenses	(5,953)	(6,822)	(869)	14.59
(Profit) Loss on Sale of property, plant and equipment	(992)	(457)	535	(53.93)
Net movement in current assets and liabilities	6,465	434	(6,031)	(93.28)
<b>Net Cash inflow from operating activities</b>	<b>25,041</b>	<b>23,979</b>	<b>(1,062)</b>	<b>(4.24)</b>

# Standard Statement of Capital Works

for the year ended 30 June 2007

	Notes	Budget 2006-2007 \$'000	Actuals 2006-2007 \$'000	\$'000	Variance %
Roads, Bridges and Street Furniture		2,745	1,380	1,356	49.73
Land and Buildings	20	15,780	13,183	2,597	16.46
Drains		430	238	192	44.65
Land Improvement and Playgrounds		2,752	2,085	667	24.24
Information Services and Minor Plant		1,691	2,048	(357)	(21.11)
Fleet Plant and Equipment		3,032	2,285	747	24.64
Footpaths		600	725	(125)	(20.83)
<b>Total Capital Works</b>		<b>27,030</b>	<b>21,944</b>	<b>5,086</b>	<b>18.82</b>
<b>Represented by:</b>					
Maintenance/Operational	21	2,500	–	2,500	100.0
Expansion		10,247	9,303	944	9.21
Renewal		4,685	5,063	(378)	(8.07)
Upgrade		9,598	7,578	2,020	21.05
<b>Total Capital Works</b>		<b>27,030</b>	<b>21,944</b>	<b>5,086</b>	<b>18.82</b>

## Property, Plant and Equipment Movement Reconciliation Worksheet

	Budget 2006-2007 \$'000	Actuals 2006-2007 \$'000	\$'000	Variance %
Total Capital works	27,030	21,944	5,086	18.82
Depreciation	(17,500)	(18,470)	970	(5.54)
Assets written off		(1,185)	1,185	
Adjustments to retained earnings		(10,518)	10,518	
Disposals at carrying amount	(3,456)	(705)	(2,751)	79.60
Gifted assets		26,845	(26,845)	
Movement in asset revaluation		5,968	(5,968)	
Transfer to current assets		64	(64)	
Changes due to transfers/adjustments		(199)	199	
<b>Net movement in property, plant and equipment</b>	<b>6,074</b>	<b>23,744</b>	<b>(17,670)</b>	

# Notes to the Standard Statements

## 1. INTRODUCTION

The Standard Income Statement, Balance Sheet, Cash Flow Statement, Statement of Capital Works and explanatory notes form a special purpose financial report prepared specifically to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Statements, but not prepared in accordance with Australian Accounting Standards or other authoritative professional pronouncements. The Standard Statements are not a substitute for the General Purpose Financial Statements, which are also included in a separate section of this Annual Report.

The Standard Statements compare Council's financial plan through original budget targets, with actual performance against those targets. Any material variances between actual results and budget are explained in the notes that follow. Any variances between the original budget and actual results in excess of \$1 million and 10% on the original budget have been commented on.

The results reported in these statements are consistent with those reported in the General Purpose Financial Statements, except that the Standard Statement of Cash Flows excludes cash flows resulting from GST, which are cost and revenue neutral to Council.

The budget figures reported are those adopted by Council on 10 July 2006 except for a change in the classification of property inventory between current and non-current. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long term. The budget does not envisage any changes to equity resulting from asset revaluations as their impacts are not predictable.

Detailed information on the actual results is contained in the General Purpose Financial Statements in the Annual Report. The detailed budget can be obtained by contacting Council or through the Council's website. The Standard Statements must be read with reference to these documents.

## 2. GRANT INCOME

Total grant funding received at 30 June 2007 was \$22.2 million (\$1.8 million or 8.9 per cent above budget). The additional grant funding resulted from:

- Better than planned receipt of Financial Assistance grant funding from the Grants Commission of \$443,000.
- Additional grant funding over budget of \$980,000 received for enhanced services in Aged and Disability, Children, Youth and Family Services.
- Various other unbudgeted grants of \$400,000 for sports planning, leisure and environment and urban open space and design.

# Notes to the Standard Statements (continued)

## **3. FEES CHARGES AND FINES**

The income from this category was 2.82 per cent below budget. This is largely due to:

- An amnesty period for parking enforcement in the market car park that arose out of recent changes.
- The Noble Park Swim Centre operations being absorbed as part of the aquatic centre contract with the YMCA.
- Fewer stall holders as a result of the upgrade of the Dandenong Market.
- HL Williams Court Hostel reduction in fees received following the decision to close the centre.

## **4. PROCEEDS FROM SALE OF ASSETS**

The proceeds from sale of assets was 44.92 per cent below budget. This was mainly a result of the slow uptake of property purchases at Metro 3175 and turnover of Council's fleet.

## **5. CONTRACT PAYMENTS, MATERIALS AND SERVICES**

Exceeded budget by \$1.5 million. This represents major maintenance costs identified through the asset management program to maintain Council's parks and gardens, roads, drains, and buildings. These amounts were budgeted in the City Improvement Program (CIP) under Capital, which shows a corresponding offset.

## **6. PROFESSIONAL SERVICES**

Exceeds budget by \$1.5 million. These costs were mainly associated with surveys and studies relating to Council's assets. As with major maintenance, the costs were budgeted in the City Improvement Program (CIP) under Capital, which shows a corresponding offset.

## **7. CARRYING AMOUNT OF ASSETS SOLD**

This note is related to Note 4 and the variance is due to Council not meeting its sale targets for property, plant and fleet.

## **8. CAPITAL GRANTS**

This represents funding for the State Volleyball Centre at the Dandenong Stadium of which \$3.0 million of the budgeted grant was received in 2005-2006.

**9. CAPITAL CONTRIBUTIONS**

This represents contributions received from developers for public open space, Keysborough Development, Tatterson Park and Community Infrastructure.

**10. ASSETS ACQUIRED FROM SUB DIVISION ACTIVITY**

Represents assets such as car parks, land, footpaths, roads and drains that have been acquired by Council from sub division activity.

**11. WRITE OFF OF ASSETS**

These write offs represent minor plant and equipment, roads and drains.

**12. RECEIVABLES**

Mainly represents debtors relating to parking, sundry debtors from hire of Council facilities and rates debtors. The variance is due to budget under estimation of these debtors.

**13. INVENTORY – PROPERTY**

Represents property assets earmarked for sale.

**14. INTANGIBLE ASSETS**

Represents the 50 bed licences that it holds at HL Williams Court Hostel.

**15. FIXED ASSETS**

In addition to capital additions and gifted assets, the variance is mainly the revaluation which took place in January 2006, resulting in asset revaluation gains of \$122 million. This revaluation gain was not finalised at the time of preparing the 2006-2007 budget.

**16. CREDITORS**

The variance is essentially due to the budget projections being understated.

**17. EMPLOYEE BENEFITS**

The variance is due to the reclassifications from non-current to current.

**18. UNEARNED INCOME**

Council had entered into an agreement with VicUrban (former Urban and Regional Land Corporation) for a residential development of the former Dandenong sale yards. Council received \$3 million from VicUrban under this agreement as an equity payment towards this development. This payment has been recognised as revenue and adjusted in equity.

## **19. TRUST MONIES**

Include bond monies from developers and VicUrban's share of sale proceeds from the sale of Metro 3175 properties. The budget did not anticipate the level of funds Council held at 30 June.

## **20. LAND AND BUILDINGS**

The variance is the deferment of capital works at the Dandenong Produce Market due to delays in planning approvals.

## **21. MAINTENANCE/OPERATIONAL**

The budget for the City Improvement Program included major maintenance expenditure which was determined as not being capital. This expenditure has been transferred to recurrent expenditure at year end (Notes 5 and 6).

## Certification of the Standard Statements

In my opinion, the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.



**Jay Peries CPA**  
*Principal Accounting Officer*

Dated: 24 September 2007

In our opinion, the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by the Council on 24 September 2007 to certify the standard statements in their final form on behalf of the Council.



**Cr Youhorn Chea**  
*Mayor*

Dated: 24 September 2007



**Cr Sue Walton**

Dated: 24 September 2007



**John Bennie**  
*Chief Executive Officer*

Dated: 24 September 2007

# Independent Audit Report

## VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDIT REPORT

#### Greater Dandenong City Council

##### To the Councillors

##### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2007 of Greater Dandenong City Council which comprises of the income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2007 of the Council which comprises of the standard income statement, standard balance sheet, standard cash flow statement, reconciliation of operating result and net cash flows from operating activities, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

##### *The Responsibility of the Councillors for the Financial Report and Standard Statements*

The Councillors of Greater Dandenong City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

##### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report and standard statements are free from material misstatement.

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*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## Independent Audit Report (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Councillors' preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of Greater Dandenong City Council as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE  
25 September 2007

  
D.D.R. Pearson  
Auditor-General

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Level 24, 35 Collins Street, Melbourne Vic. 3000

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*Auditing in the Public Interest*



#### Customer Service

##### Springvale

397-405 Springvale Road

##### Dandenong

39 Clow Street

##### Noble Park

18-32 Buckley Street

#### Keysborough

Shop A7

Parkmore Shopping Centre

#### Business Development Centre

Suite 1, 4th Floor

329 Thomas Street

Dandenong



Telephone

**9239 5100**



Facsimile

**9239 5196**



Internet

[www.greaterdandenong.com](http://www.greaterdandenong.com)



Email

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عربي

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BOSANSKI

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தமிழ்

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廣東話

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Ελληνικά

☎ 9679 9864

دري

☎ 9679 9865

Nuää

☎ 9679 9866

Српски

☎ 9679 9867

Việt ngữ

☎ 9679 9868

TTY

☎ 9679 5153

All other languages

☎ 9679 9869

Italiano

Español

Türkçe

Shqip

Malti

ΜΑΚΕΔΟΝΣΚΙ

Hrvatski

СРПΣΚΙ

Tetum

Soomaali

فارسی

Русский