

Financial Report Year Ended 30 June 2001

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Statement of Financial Performance

for the year ended 30 June 2001

	Note	2001 \$'000	2000 \$'000
Revenues from Ordinary Activities			
Revenue from Operating Activities			
Rates	3.1	36,788	33,592
Government Grants	3.2,3.3	13,958	11,622
Fees, Charges and Fines	3.4	5,672	4,524
Contributions		317	641
Interest		704	911
Other	3.6	3,198	5,236
Revenue from outside Operating Activities			
Proceeds from Sale of Assets	3.5	1,085	1,381
Total Revenues		61,722	57,907
Expenses			
Employee Costs	4.1	21,672	19,421
Materials and Services	4.2	13,776	14,504
Depreciation	4.3	14,161	27,782
Other	4.4	13,325	10,916
Borrowing Costs	4.5	920	1,140
Carrying Amount of Assets Sold and written off	3.5	1,276	987
Write-off of Assets	4.6	-	7,563
Total Expenses		65,130	82,313
Deficit for the Year		(3,408)	(24,406)
Net Increase in Asset Revaluation Reserve		-	207,308
Total Changes in Equity other than those Relating to Ratepayers as Owners		(3,408)	182,902

Statement of Financial Position as at 30 June 2001

	Note	2001 \$'000	2000 \$'000
Assets			
Current Assets			
Cash Assets	5.1	5,179	6,392
Receivables	5.2	7,016	5,588
Property Held for Resale	5.3	6,697	7,781
Other	5.4	166	246
Total Current Assets		19,058	20,007
Non-Current Assets			
Property, Plant and Equipment	1.2, 1.3, 6	599,025	602,144
Total Non-Current Assets		599,025	602,144
Total Assets		618,083	622,151
Liabilities			
Current Liabilities			
Payables	7.1	5,529	3,900
Employee Entitlements	7.2	3,260	3,020
Trust Monies	7.3	559	583
Interest-bearing liabilities	12	3,011	2,825
Total Current Liabilities		12,359	10,328
Non-Current Liabilities			
Employee Entitlements	8	2,528	2,208
Interest-bearing liabilities	12	8,454	11,465
Total Non-Current Liabilities		10,982	13,673
Total Liabilities		23,341	24,001
Net Assets		594,742	598,150
Equity			
Accumulated Surplus		386,593	388,374
Reserves	1.3(d), 9	208,149	209,776
Total Equity		594,742	598,150

The accompanying notes form part of this financial report

Statement of Changes in Equity

for the year ended 30 June 2001

	Notes	Total		Accumulated Surplus		Reserves	
		2000/2001 \$'000	1999/2000 \$'000	2000/2001 \$'000	1999/2000 \$'000	2000/2001 \$'000	1999/2000 \$'000
Balance at the beginning of the year		598,150	415,248	388,374	412,730	209,776	2,518
Deficit for Year		(3,408)	(24,406)	(3,408)	(24,406)	-	-
Revaluation of Assets	9.4	-	207,308	-	-	-	207,308
Transfer to Reserves	9.3	-	-	-	(350)	-	350
Transfer from Reserves	9.3	-	-	1,627	400	(1,627)	(400)
Balance at the end of the year		594,742	598,150	386,593	388,374	208,149	209,776

Statement of Cash Flows

for year ended 30 June 2001

	Note	2001 \$'000	2000 \$'000
Cash Inflows / (Outflows) from Operating Activities			
Receipts from Ratepayers		36,794	33,625
Fees, Charges, Fines & other (including GST)		8,817	11,014
Recurrent Grants (including GST)	3.2	14,504	11,534
Unexpended Grants	3.3	850	88
Interest Received		704	911
Payments to Suppliers and Employees (including GST)	1.14	(49,004)	(46,134)
Borrowing costs		(920)	(1,140)
Net Cash Provided by Operating Activities	17.1	11,744	9,898
Cash Inflows / (Outflows) from Investing Activities			
Payments for Property, Plant and other Non-Current Assets		(11,193)	(8,421)
Proceeds from sale of Property, Plant and Equipment		1,085	1,381
Net Cash (Used in) Investing Activities		(10,108)	(7,040)
Cash Inflows / (Outflows) from Financing Activities			
Repayment of Borrowings		(2,825)	(2,650)
Trust monies and deposits received / (returned)	1.6	(24)	92
Net Cash (Used in) Financing Activities		(2,849)	(2,558)
Net Increase / (Decrease) in Cash Held		(1,213)	300
Total Cash at Beginning of the Year	5.1	6,392	6,092
Total Cash at End of the Year	5.1,17.2	5,179	6,392

This Statement should be read in conjunction with the notes to the financial report

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

This financial report constitutes a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Local Government Act 1989, Local Government Regulations 2001, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views. Accounting policies employed have remained consistent with prior years, unless otherwise stated.

The financial report is prepared on the accrual basis under the convention of historical cost accounting, except for certain assets, which are recorded "at valuation" based on fair value.

Fair value means the amount for which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction.

1.2 Acquisition of Assets

Assets are initially recorded at cost, including costs incidental to their acquisition, such as architects' fees and engineering design fees that are incurred in preparing the asset for use.

1.3 Recognition of Non-Current Assets

The Council has adopted the following policy in relation to the acquisition of fixed assets and depreciation rates in relation to those assets.

a) Due to an absence of a reliable methodology and in accordance with Australian Accounting Standard AAS 27, Financial Reporting by Local Governments, the recognition of Land under Roads has been deferred until the year ending 30 June 2003.

b) Thresholds for asset recognition are as follows:

Class of Assets	2001 \$	2000 \$
Land	N/A	N/A
Parks, Reserves, Ovals	5,000	5,000
Buildings	N/A	N/A
Plant and Equipment	1,000	1,000
Minor Plant, Furniture & Equipment	500	500
Roads	20,000	20,000
Bridges	5,000	5,000
Drains	5,000	5,000
Recreational Equipment	5,000	5,000
Street Furniture	10,000	10,000

c) All non-current assets having a limited useful life are systematically depreciated over their useful lives to 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 Council's experience. The estimated useful lives reflect a program of normal maintenance and are reviewed annually.

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.

Asset Category	Useful Life	Depreciation Rate
Land		
Car Parks	100 years	1%
Land, Parks, Reserves, Ovals	Infinite	Nil
Buildings	50 years	2%
Plant and Equipment	5 years	20%

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

Asset Category	Useful Life	Depreciation Rate
Minor Plant, Furniture & Equipment		
Artworks	100 years	1%
Furniture & Equipment	6.7 years	15%
IT Devices	5 years	20%
Parking Meters	10 years	10%
Street Signs/Traffic Control	20 years	5%
Library Catalogue	5 years	20%
Library Equipment	10 years	10%
Library Plant	5 years	20%
Roads		
Bike Paths	50 years	2%
Footpaths	50 years	2%
Roads	100 years	1%
Bridges	100 years	1%
Drains	100 years	1%
Recreational Equipment (playgrounds)	10 years	10%
Street Furniture	10 years	10%

d) Revaluation of Non-current Assets

All non-current assets are measured at fair value subsequent to initial recognition. Fair value for most asset categories is represented by their current replacement cost less accumulated depreciation.

Valuation assessments will be made every year to establish the fair value of each asset category at the reporting date. Full revaluations will be carried out with sufficient regularity to confirm these assessments. Council's internal experts or independent valuers will carry out these valuations.

The last formal asset revaluation was carried out as at 1 January 2000.

Any revaluation decrement is recognised as an expense, except that, to the extent that the decrement reverses a previous revaluation increment that has been credited to, and is still being carried in the asset revaluation reserve in respect of the class of assets to which the asset belongs. In that event, the decrement is debited directly to the asset revaluation reserve.

Revaluation increments are credited directly to the asset revaluation reserve.

Unless otherwise stated, the carrying value of Property, Plant and Equipment at balance date materially approximates their fair value.

e) Realisable Infrastructure Assets

Infrastructure assets comprising street furniture and playground 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 18).

1.4 Comparative Figures

Comparative information has, where necessary, been reclassified to comply with the presentation adopted in the current year and to comply with new or revised Australian Accounting Standards.

1.5 Recognition of Revenues

a) Rates revenue

Rates and service charges are recognised as revenue at the declaration of the rate, levy or service charge, at commencement of the rating year.

Notes to and forming part of the Financial Report for the year ended 30 June 2001

b) Grants, Donations and Other Contributions

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

Related notes: Note 3.2 and 3.3.

c) Fees, Charges and Fines

Fees and Charges are recognised as revenue upon such fees and charges being raised for services provided by Council. Fines are recognised as revenue upon issuance of infringement notices when individuals breach local laws.

d) Sale of Land

Revenue arising from the sale of land is recognised upon entering into an unconditional contract, or if conditional, revenue is recognised at settlement.

1.6 Trust Funds

Amounts received as tender deposits, bonds, retention monies and Hostel Entrance fees controlled by Council are recognised as 'trusts' until they are refunded, forfeited or adjusted. Related Note 7.3.

1.7 Employee Entitlements

a) Accrued Salary and Wages

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

b) Annual Leave and Long Service Leave

Employee entitlements for Annual Leave and Long Service Leave are calculated in accordance with Australian Accounting Standard AAS 30. The liability for annual leave is determined at current rates of pay, inclusive of leave loading and associated oncosts, and is based on annual leave accrued and not taken as at balance date.

A liability for long service leave is recognised when it is probable that settlement will be required and the liability is capable of being measured reliably. 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 entitlements expected to be settled after twelve months are measured at the present value of the estimated future cash outflows. The current portion is measured in nominal dollars. Interest rates on government securities are used for discounting future cash flows. Related note: Note 7.2 & 8.

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.

The Local Government (Long Service Leave) Regulations 1991 require maintenance of a separate investment account for Long Service Leave. This restricted asset is disclosed at Note 5.1. The liability calculated under the regulation's formula does not match the liability determined under AAS 30 - "Accounting for Employee Entitlements".

c) Superannuation

The superannuation expense for the financial year is the amount of the statutory contribution the council makes to the superannuation plans, which provides benefits to its employees. Additionally, the council may be required to contribute towards any unfunded amounts in the Local Authorities Superannuation Fund in respect of former employees of council. Details of those arrangements are set out in Note 13.

1.8 Recognition of Payables

Liabilities are recognised for amounts to be paid in the future for goods provided and services received as at balance date, whether or not invoices have been received. Related notes: Note 7.1 and 12.

1.9 Leases

Operating lease payments are expensed in the year in which the payment is made. Operating leases are those where the risks of ownership of the assets are effectively retained by the lessor, as opposed to finance leases where the lessee carries a substantial component of the risk. Council has no finance leases.

1.10 Property Held for Resale

Property held for resale is valued at fair value.

Notes to and forming part of the Financial Report for the year ended 30 June 2001

1.11 Recognition of Receivables

Receivables are recognised for amounts owed to 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.

Related notes: 5.2 and 12

1.12 Cash Assets

For the purpose of the statement of cash flows, cash assets include cash and bank deposits. They include cash available for day to day cash management activities and those restricted under regulations for specific purposes. See note 5.1

1.13 Rounding

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

1.14 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1.15 Maintenance and Repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

1.16 Inventory

Inventory is stated at the lower of cost and net realisable value.

1.17 Interest-bearing liabilities

Interest-bearing liabilities represent loans taken out to meet Council's obligations in respect of Superannuation and to refinance existing loans. The carrying amount represents the amounts payable in future years.

Interest is payable on these loans and are accrued as incurred. Refer Notes 4.5 & 12

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

2. **FUNCTIONS AND ACTIVITIES**

Revenue and expenses have been attributed to the following functions:

2.1 **Revenue and Expenses by Function**

Grants Commission revenue and expense classifications have been used in the table:

	REVENUE ATTRIBUTED 2000/2001				EXPENSES 2000/2001		SURPLUS/ (DEFICIT) \$000
	\$000 General	\$000 Grants	\$000 Total	% of Total	\$000	% of Total	
Community Services	1,427	6,019	7,446	12.06%	11,541	17.72%	(4,095)
Health & Environment	6,497	467	6,964	11.28%	10,609	16.29%	(3,645)
Leisure	317	964	1,281	2.08%	6,350	9.75%	(5,069)
Transport	2,067	1,211	3,278	5.31%	4,499	6.91%	(1,221)
Management & Economic Development	37,456	5,297	42,753	69.27%	32,131	49.33%	10,622
Total Revenues & Expenses	47,764	13,958	61,722	100%	65,130	100%	(3,408)

	REVENUE ATTRIBUTED 1999/2000				EXPENSES 1999/2000		SURPLUS/ (DEFICIT) \$000
	\$000 General	\$000 Grants	\$000 Total	% of Total	\$000	% of Total	
Community Services	1,372	4,989	6,361	10.98%	9,818	11.93%	(3,457)
Health & Environment	6,251	109	6,360	10.98%	8,690	10.56%	(2,330)
Leisure	871	635	1,506	2.60%	6,576	7.99%	(5,070)
Transport	1,762	995	2,757	4.76%	4,654	5.65%	(1,897)
Management & Economic Development	36,029	4,894	40,923	70.67%	52,575	63.87%	(11,652)
Total Revenues & Expenses	46,285	11,622	57,907	100%	82,313	100%	(24,406)

Assets are distributed according to management responsibility and this does not align to activities or functions. Therefore, distribution of assets by activities or functions is not separately disclosed as required by Australian Accounting Standard AAS 27 'Financial Reporting by Local Governments'.

Notes to and forming part
of the Financial Report
 for the year ended 30 June 2001

2.2 **Functions of Council**

Function by Grants Commission Categories	Synopsis of activities by functions undertaken
Community Services	Community services to residents and local organisations and support services covering a broad range of community and individual needs: <ul style="list-style-type: none"> • Adult day care and aged persons hostel • Childcare centres & pre-schools • Family support, home care • Meals-on-wheels • Recreation programs • Services for the disabled • Youth support and youth housing
Health & Environment	Operation and maintenance of: <ul style="list-style-type: none"> • Collection and disposal of all waste materials • Development planning and control • Preventative health services • Street beautification • Street cleaning and environmental protection
Leisure	Operation and maintenance of: <ul style="list-style-type: none"> • Arts and cultural activities • Indoor leisure centres • Parks and gardens, sporting and nature reserves • Public halls & community centres • Public library
Transport	Operation and maintenance of: <ul style="list-style-type: none"> • Bridges • Parking and traffic control facilities • Pedestrian and bicycle networks • Road & footpath construction • Street lighting • Works depots
Management & Economic Development	Operation and maintenance of: <ul style="list-style-type: none"> • Economic development • General management and administrative support for all Council operations and services • Maintenance and protection of Council assets • Promotion and marketing of Council services • Rate Revenues & Financial Assistance Grants • Strategic planning

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
3. REVENUES		
3.1 Rates		
General Rates	31,734	28,820
Residential Garbage	4,689	4,443
Commercial Garbage	365	329
	36,788	33,592
3.2 Recurrent Grants		
Financial Assistance Grant - General Purpose	4,912	4,808
Financial Assistance Grant - Untied Road Funding	868	808
Community Services	5,882	4,901
Health & Environment	467	109
Leisure	658	635
Transport	29	187
Management & Economic Development	292	86
	13,108	11,534
Note: Council did not receive any non-recurrent grants during the year.		
3.3 Unexpended Grants		
Community Services	137	88
Leisure	306	-
Transport	314	-
Management & Economic Development	93	-
	850	88
Total Government Grants	13,958	11,622
3.4 Fees, Charges and Fines		
Community Services	1,284	1,140
Health & Environment	940	998
Leisure	533	610
Transport	2,265	1,187
Management & Economic Development	650	589
	5,672	4,524
3.5 Profit / (Loss) on Sale of Assets		
Proceeds from Sale of Assets	1,085	1,381
Less Carrying Amount of Assets Sold	(1,276)	(987)
	(191)	394
3.6 Other Revenue Recoveries		
Residential Amenity	138	581
State Revenue Office	-	231
Other	253	173
	391	985
Recognition of Assets previously not included	-	1,180
Produce Market	1,905	1,769
Communication Towers	102	102
National Competition Policy	158	74
Retainer	29	33
Other	613	1,093
Total Other Revenue	3,198	5,236

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
4. EXPENSES		
4.1 Employee Costs	18,635	16,735
Salaries & Wages	1,752	1,824
Superannuation	1,154	704
WorkCover	131	158
Fringe Benefits Tax	21,672	19,421
4.2 Materials and Services	2,206	2,048
Maintenance and Repairs	9,170	8,733
External Contracts	2,400	3,723
Special Projects	13,776	14,504
4.3 Depreciation	1,629	1,641
Plant & Equipment	2,271	1,716
Minor Plant, Furniture and Equipment	4	4
Land Improvement	3,945	3,764
Buildings	5,435	4,704
Infrastructure Assets - Non-Realisable	877	744
Infrastructure Assets - Realisable	-	15,209
Depreciation Adjustment Prior Years	14,161	27,782
4.4 Other	3,470	2,670
Contractors/Consultants	1,648	1,506
Grants	1,205	1,167
Utilities	1,263	718
Sponsorships	552	222
Legal	516	535
Motor Vehicles	706	535
Insurance	51	41
Audit Costs	158	95
Operating Lease Rental	3,756	3,427
Other	13,325	10,916
4.5 Borrowing Costs	801	1,136
Interest on Loans	119	4
Other Interest	920	1,140
4.6 Write-off of Assets	-	(7563)
Note: Represent assets that Council had recognised in error in previous valuations		

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
5. CURRENT ASSETS		
5.1 Cash Assets		
Cash on Call		
Bank Deposits on Call Refer Note(1)	3,239	4,565
Total Cash Assets	1,940	1,827
	5,179	6,392
<p>(1): Bank deposits on call have been set aside as required by law, against meeting Council's long-service leave commitments to employees prescribed under the Local Government (Long Service Leave) Regulations 1998.</p>		
5.2 Receivables		
Rates Debtors		
General Debtors Refer Note(2)	1,508	1,477
Less: Provision for Doubtful Debts	6,834	5,437
	(1,326)	(1,326)
	7,016	5,588
<p>(2): Following the amalgamation of councils, the Council entered into a settlement agreement with the Cities of Casey & Kingston to address the consequences of changes in the council boundaries. These agreements resulted in the transfer of certain assets, liabilities and personnel between the councils. At that time the responsibility for the superannuation liability in respect of employees transferred to/from the Cities of Casey and Kingston was not transferred. Council negotiated with these Councils to determine the share of liability to be transferred between all three parties. With the City of Kingston, an amount of \$1.678M was recognised in 1998/1999 as a debtor following arbitration. Action taken by Kingston against another council has reopened new arbitration, however Council does not envisage any change to the original determination. Interest accrued on this amount has also been recognised by Council.</p>		
5.3 Property Held for Resale		
Property at Fair Value		
	6,697	7,781
5.4 Other		
Prepayments	18	90
Inventory	148	156
	166	246

Notes to and forming part
of the Financial Report
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	2001 \$'000	2000 \$'000
6. NON-CURRENT ASSETS		
Plant and Equipment		
At Council Valuation - 1 January 2000	5,866	7,060
At Cost	2,475	1,088
Less: Accumulated Depreciation	(5,199)	(4,458)
	3,142	3,690
<p>Plant and Equipment was valued by Sam DiStefano, Council's Fleet Co-ordinator, as at 1 January 2000. The valuation was done on the basis of written down replacement value.</p>		
Minor Plant, Furniture & Equipment		
At Independent Valuation - 1 January 2000	13,357	13,357
At Cost	2,769	766
Less: Accumulated Depreciation	(10,684)	(8,414)
	5,442	5,709
<p>"At valuation" estimates for minor plant, furniture and equipment were determined by Denis Hunt and Associates Pty Ltd as at 1 January 2000. The valuation was done on the basis of written down replacement value.</p>		
Land and Buildings		
Carparks		
At Independent Valuation - 1 January 2000	402	402
At Cost	125	15
Less: Accumulated Depreciation	(76)	(72)
	451	345
Land		
At Independent Valuation - 1 January 2000	174,418	181,909
Land transferred from / (to) Current Assets for sale	220	(7,491)
At Cost	1,031	441
	175,669	174,859
Buildings		
At Independent Valuation - 1 January 2000	196,448	196,738
Buildings transferred to Current Assets for sale	-	(290)
At Cost	1,970	808
Less: Accumulated Depreciation	(95,851)	(91,907)
	102,567	105,349
<p>"At valuation" estimates for land and buildings were determined by ProVal (Vic) Pty Ltd Certified Valuers as at January 1, 2000. The valuation was done on the basis of site value for land and written down replacement value for buildings.</p>		
Non Realisable Infrastructure Assets		
Bike Paths		
At Council Valuation - 1 January 2000	2,283	2,283
At Cost	109	58
Less: Accumulated Depreciation	(542)	(495)
	1,850	1,846
Footpaths		
At Council Valuation - 1 January 2000	52,226	52,226
At Cost	835	460
Less: Accumulated Depreciation	(26,779)	(25,724)
	26,282	26,962

	2001 \$'000	2000 \$'000
Bridges		
At Council Valuation - 1 January 2000		
At Cost	8,998	8,998
Less: Accumulated Depreciation	58 (1,238)	32 (1,148)
	7,818	7,882
Roads		
At Council Valuation - 1 January 2000		
At Cost	289,593	289,593
Less: Accumulated Depreciation	3,874 (109,100)	1,896 (106,185)
	184,367	185,304
Drains		
At Council Valuation - 1 January 2000		
At Cost	132,396	132,396
Less: Accumulated Depreciation	885 (48,969)	511 (47,640)
	84,312	85,267
"At valuation" estimates for infrastructure were determined as at 1 January 2000 by Council's Civil and Transport Planning unit. The valuation was done on the basis of written down replacement value.		
Realisable Infrastructure Assets		
Street Furniture		
At Valuation - 1 January 2000		
At Cost	5,747	5,747
Less: Accumulated Depreciation	1,343 (3,295)	289 (2,746)
	3,795	3,290
Playgrounds		
At Valuation - 1 January 2000		
At Cost	3,215	3,215
Less: Accumulated Depreciation	237 (2,188)	59 (1,861)
	1,264	1,413
"At valuation" estimates for infrastructure assets were determined as at 1 January 2000 by Council's Civil and Transport Planning unit. The valuation was done on the basis of written down replacement value.		
Works in Progress		
At Cost	2,066	228
	2,066	228
Total Non-Current Assets movements		
At Valuation - 1 January 2000		
Assets transferred (to) / from Current Assets for sale	884,949	893,924
At Cost	220	(7,781)
Less: Accumulated Depreciation	17,777 (303,921)	6,651 (290,650)
Total Non-Current Assets	599,025	602,144

Notes to and forming part
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for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
6.1 Non-Current Assets - (Movement in Written Down Value)		
The carrying amounts of each class of fixed assets at the beginning and end of the current financial year are set out below:		
Plant and Equipment		
Balance at beginning of financial year	3,690	3,385
Additions at cost	1,387	1,088
Less: Disposals at carrying amount	(306)	(437)
Less: Depreciation expense for the year	(1,629)	(2,885)
Add: Net asset changes due to revaluation	-	2,239
Balance as at end of financial year	3,142	3,690
Minor Plant, Furniture and Equipment		
Balance at beginning of financial year	5,709	4,371
Additions at cost	2,004	1,352
Less: Depreciation expense for the year	(2,271)	(2,079)
Add: Net asset changes due to revaluation	-	2,065
Balance as at end of financial year	5,442	5,709
Carparks		
Balance at beginning of financial year	345	303
Additions at cost	110	15
Less: Depreciation expense for the year	(4)	(4)
Add: Net asset changes due to revaluation	-	31
Balance as at end of financial year	451	345
Land		
Balance at beginning of financial year	174,859	177,296
Additions at cost	655	408
Less: Disposals at carrying amount	(65)	(550)
Add: Net asset changes due to revaluation	-	5,196
Add/(Less): Transfer from / (to) current asset - Asset held for sale	220	(7,491)
Balance as at end of financial year	175,669	174,859
Buildings		
Balance at beginning of financial year	105,349	87,256
Additions at cost	1,163	951
Less: Depreciation expense for the year	(3,945)	(6,952)
Add: Net asset changes due to revaluation	-	24,384
Less: Transfer to current asset - Property held for sale	-	(290)
Balance as at end of financial year	102,567	105,349
Bike Paths		
Balance at beginning of financial year	1,846	918
Additions at cost	51	58
Less: Depreciation expense for the year	(47)	(122)
Add: Net asset changes due to revaluation	-	992
Balance as at end of financial year	1,850	1,846
Footpaths		
Balance at beginning of financial year	26,962	11,659
Additions at cost	374	611
Less: Depreciation expense for the year	(1,054)	(3,600)
Add: Net asset changes due to revaluation	-	18,292
Balance as at end of financial year	26,282	26,962

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
Bridges		
Balance at beginning of financial year		
Additions at cost	7,882	7,641
Less: Depreciation expense for the year	26	32
Add: Net asset changes due to revaluation	(90)	(158)
Balance as at end of financial year	7,818	7,882
Roads		
Balance at beginning of financial year		
Additions at cost	185,304	82,407
Less: Disposals at carrying amount	1,978	2,532
Less: Depreciation expense for the year	-	(6,383)
Add: Net asset changes due to revaluation	(2,915)	(7,990)
Balance as at end of financial year	184,367	185,304
Drains		
Balance at beginning of financial year		
Additions at cost	85,267	48,550
Less: Depreciation expense for the year	374	511
Add: Net asset changes due to revaluation	(1,329)	(2,652)
Balance as at end of financial year	84,312	85,267
Street Furniture		
Balance at beginning of financial year		
Additions at cost	3,290	3,482
Less: Depreciation expense for the year	1,055	401
Add: Net asset changes due to revaluation	(550)	(684)
Balance as at end of financial year	3,795	3,290
Playgrounds		
Balance at beginning of financial year		
Additions at cost	1,413	1,780
Less: Depreciation expense for the year	178	234
Add: Net asset changes due to revaluation	(327)	(656)
Balance as at end of financial year	1,264	1,413
Works in Progress		
At cost		
Balance as at end of financial year	2,066	228
Total Non-Current Asset movements		
Balance at beginning of financial year		
Additions at cost	602,144	429,348
Plus: Works in Progress	9,355	8,193
Less: Disposals at carrying amount	1,838	228
Less: Depreciation expense for the year	(371)	(7,370)
Add: Net asset changes due to revaluation	(14,161)	(27,782)
Plus/(Less): Transfer from / (to) current asset - Property held for sale	-	207,308
	220	(7,781)
Balance as at end of financial year	599,025	602,144

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

	Note	2001 \$'000	2000 \$'000
7			
CURRENT LIABILITIES			
7.1 Payables			
Trade Creditors		3,870	2,710
Other Creditors		1,328	813
Accrued Expenses		331	377
		5,529	3,900
7.2 Employee Entitlements			
Annual Leave		2,032	1,887
Long Service Leave		204	204
Defined Benefit Superannuation Liability	13	1,024	929
		3,260	3,020
7.3 Trust Monies			
Hostel Entrance Fees		263	331
Jenny Slade Scholarship		11	15
Crossing & Other deposits		285	237
		559	583
8.			
NON-CURRENT LIABILITIES - EMPLOYEE ENTITLEMENTS			
Long Service Leave		2,528	2,208
		2,528	2,208

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
9. RESERVES		
9.1 Restricted General Reserves		
Public Resort and Recreation Land	-	589
Botanical Garden	-	54
Land Development	-	191
Central Car Parking	726	865
	726	1,699
9.2 Non-restricted General Reserves		
Plant Replacement	-	654
Self Insurance	59	59
Meals on Wheels	56	56
	115	769
Total General Reserves	841	2,468
9.3 Movements (from) General Reserves		
Public Resort and Recreation Land	(589)	(50)
Botanical Garden	(54)	-
Land Development	(191)	-
Central Car Parking	(139)	-
Plant Replacement	(654)	-
	(1,627)	(50)
9.4 Asset Revaluation Reserve		
Plant and Machinery	2,239	2,239
Minor Plant, Furniture and Equipment	2,065	2,065
Land	5,227	5,227
Buildings	24,384	24,384
Non-realizable Infrastructure Assets		
Bike Paths	992	992
Footpaths	18,292	18,292
Bridges	367	367
Roads	114,738	114,738
Drains	38,858	38,858
Realisable Infrastructure Assets:		
Street Furniture	91	91
Playgrounds	55	55
	207,308	207,308
Total Reserves	208,149	209,776
10. FINANCING FACILITIES		
Bank Overdraft	2,500	2,500
Note: This facility was not utilised as at balance date.		

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

	Note	2001 \$'000	2000 \$'000
11. COMMITMENTS AND CONTINGENCIES			
11.1 Operating Lease Commitments			
Not later than one year		122	215
Later than 1 year but less than 5 years		383	246
Over 5 years		-	-
	1.9	505	461
Note			
Council has accepted a revolving Operating Lease facility for its computer equipment from the Commonwealth Bank of Australia (CBA) up to a maximum value of \$2.5 million.			
Council has entered into a lease arrangement under this facility with the CBA under a Master Planned Rental Agreement. An Agreement was held in Escrow at 30 June 2001, pending the completion of works relating to Council's new financial systems including a new Human Resources and Payroll system.			
A rental schedule will not be finalised by the CBA until the works are completed in September 2001.			
As at 30 June 2001, the CBA has paid a total amount of \$1,419,017 in respect of this lease to the vendors, and capitalised interest under the terms of the Agreement of \$26,379 was accrued to the end of June 2001. The total value of the lease for the new systems is estimated at \$1.98 million.			
11.2 Capital Commitments			
Not later than one year		1,255	2,311
Later than 1 year but less than 5 years		-	-
Over 5 years		-	-
		1,255	2,311
11.3 Works and Services Contracts			
Not later than one year		12,488	8,927
Later than 1 year but less than 5 years		9,672	14,440
Over 5 years		-	-
		22,160	23,367

Notes to and forming part
of the **Financial Report**
for the year ended 30 June 2001

12. **FINANCIAL INSTRUMENTS**

12.1 **Terms, conditions and accounting policy**

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash on Call	5.1	Valued at cost. Interest recognised as it accrues.	On call deposits returned floating interest rates returns between 4.69% and 6.25% (1999/2000 4.55% and 5.84%). The rate at balance date was 4.76% (1999/2000 5.80%)
Bank Deposits on Call	5.1	Valued at cost. Interest recognised as it accrues.	Withdrawals are on 24 hours notice. Bank Deposits returned floating interest rates returns between 5.17% and 6.59% net of fees (1999/2000 4.24% and 5.59%)
Rates Debtors	5.2	Rates are a charge attached to the rateable land and therefore no provision for doubtful debts is made. Interest charged are at rates determined by regulation	Rates are payable by four installments during the year or by lump sum in February. Arrears, including Deferred Rates, attract interest. The interest rate was 12.3% at balance date for general rates (1999/2000 12.3%)
General Debtors	5.2	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debt 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.
Financial Liabilities			
Payables	7.1	Liabilities are recognised for amounts to be paid in the future for goods received and services provided to 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 Loan with the Commonwealth Bank obtained to refinance borrowings in July 1997. Balance as at June 30, 2001 was \$6,256,419 (\$8,487,727 as at June 30, 2000)	See note 1.17		The loan is for five years and principal & interest are repayable every six months. The loan is secured by a mortgage over Council's general rates. The interest rate is fixed at 6.61 %.
Interest-bearing liabilities Loan with the Commonwealth Bank obtained to repay the amount owing to the Local Authorities Superannuation Board (LASB) in respect of superannuation liability in April 1999 \$5,500,000	See note 1.17		The loan is for ten years and principal & interest are repayable every three months. The loan is secured by a mortgage over Council's general rates. The interest rate is fixed at 5.8 %.
Interest-bearing liabilities Loan with the Commonwealth Bank obtained in April 1999 to repay the amount owing to the LASB in respect of the superannuation liability which is to be claimed against the City of Kingston, \$2,952,000	See note 1.17		The loan was originally taken out for one year, with principal & interest being payable at maturity on 28 April 2000. The loan was rolled over for a further four years, to be repayable in April 2004. This loan is secured by a mortgage over Council's general rates. The interest rate ruling on this loan is 7.58% and is fixed for the remainder of the term.

Notes to and forming part
of the Financial Report
 for the year ended 30 June 2001

12.2 Interest Rate Risk

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:					
	Floating Interest Rate		1 year or less		Over 1 to 5 years	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
1 Financial Assets						
Rates Debtors	1,508	1,477				
General Debtors						
Cash on Call	3,239	4,565				
Bank Deposits	1,940	1,827				
Total Financial Assets	6,687	7,869				
2 Financial Liabilities						
Payables						
Interest-bearing liabilities			3,011	2,825	8,454	9,472
Total Financial Liabilities			3,011	2,825	8,454	9,472

NOTE: The carrying amounts of financial assets and liabilities (except interest-bearing liabilities) equate to fair value due to their short-term nature.

The fair value of interest-bearing liabilities is \$10.5K (\$12.4K in 1999/2000) as at balance date.

More than 5 years		Non-Interest Bearing		Total Carrying Amount as per the Statement of Financial Position		Weighted Average Effective Interest Rate %	
2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
				1,508	1,477	12.3	12.3
		5,508	4,111	5,508	4,111		
				3,239	4,565	5.59	4.86
				1,940	1,827	5.99	4.73
		5,508	4,111	12,195	11,980	5.79	4.80
		5,529	3,900	5,529	3,900		
-	1,993			11,465	14,290	6.08	6.08
-	1,993	5,529	3,900	16,994	18,190	6.08	6.08

Notes to and forming part of the Financial Report for the year ended 30 June 2001

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
Rates Debtors	The carrying amount approximated fair value because of the short-term maturity. Deferred rates do not materially impact on this assumption.

13. SUPERANNUATION

Local Authorities Superannuation Fund

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently.

Lasplan Members

The Fund's LASPLAN category 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 (8% in 2000/2001). 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 2000/2001 Council's superannuation contributions relating to LASPLAN members was \$854,097 (\$611,864 in 1999/2000).

Defined Benefits Members

Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Fund's Trustee. The rate is currently 9.25% of superannuation salary (9.25% in 1999/2000).

During 2000/2001 Council's superannuation contributions relating to that year's defined benefits members' service was \$898,025 (\$991,761 in 1999/2000).

In addition, Council reimburses the Fund for the difference between resignation and retrenchment benefits paid to its retrenched employees. 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.

A further amount of \$80,927 representing retrenchment increments and interest incurred by Council has been brought to account in 2000/2001 (168,144 in 1999/2000).

Council's past service liability to the Fund as at 30 June 2001, including retrenchment increments, accrued interest and tax is \$1,023,883 (\$928,673 as at 30 June 2000).

Council has an ongoing obligation to share in the future experience of the Fund. Favourable or unfavourable variations may arise should the experience of the Fund differ from the assumptions made by the Fund's actuary in estimating the Fund's accrued benefits liability.

The most recent full actuarial review of the Fund was undertaken by the Fund's actuary, Grant Harslett, FIA, FIAA, of Towers Perrin, as at 30 June 2000. The Fund's liability for accrued benefits was determined by reference to expected future salary levels and by application of a market-based risk-adjusted discount rate and relevant actuarial assumptions. It was determined that the net assets of the Fund, which includes amounts owed by Council to the Fund, were more than sufficient to meet the accrued benefits of the Fund's defined benefit category members.

14. CONTINGENT LIABILITIES

Bank Guarantees

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 \$1.62 million (\$1.35 million as at June 30 2000). Council has also agreed to guarantee a bank overdraft taken out by the Springvale City Soccer Club to a maximum amount of \$20,000.

Legal Actions

Council is involved in a number of Legal Actions. Council's exposure in these claims may be up to \$38,000.

Future Legal Claims

Council may be exposed to future legal claims, as part of the former City of Dandenong sanitary depot site, was sold without ensuring Environmental Protection Authority requirements were met.

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

15. RELATED PARTY TRANSACTIONS

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

Councillors	Angela Long (Mayor from 22 March 2000 - 26 March 2001)
	Youhorn Chea (Mayor from 27 March 2001)
	Roz Blades
	John Kelly
	Dale Wilson
	Yvonne Herring
	Paul Donovan
	Maria Sampey
	Geraldine Gonsalvez
	Kevin Walsh
	Naim Melhem
Chief Executive Officer	Warwick Heine

Remuneration of Responsible Persons in bands of \$10,000

Income Range	2001 No.	2000 No.
\$10,000 - \$19,999	10	10
\$20,000 - \$29,999	-	-
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	-	-
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	1	-
Total	12	12
Total remuneration for the reporting year, for Responsible Persons included above, amounted to:	\$391K	\$352K

Senior Officers' Remuneration

The number of senior officers, other than Responsible Persons, whose total remuneration exceeded \$80,000 during the financial year, are shown below in their relevant income bands:

Income Range	2001 No.	2000 No.
\$80,000 - \$89,999	6	5
\$90,000 - \$99,999	5	7
\$100,000 - \$109,999	3	3
\$110,000 - \$119,999	2	0
\$120,000 - \$129,999	2	2
\$130,000 - \$139,999	1	1
Total	19	18
Total remuneration for the financial year of senior officers included above amounted to:	\$1.924M	\$1.756M

Retirement benefits paid by the Council in connection with the retirement of Responsible Persons of the Council amount to \$Nil (1999/2000 \$Nil).

No loans have been made, guaranteed or secured by the Council to a Responsible Person of the Council during the financial year (1999/2000 \$Nil).

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.

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

	Actual 2000/2001 \$'000	Budget 2000/2001 \$'000
16. DISCLOSURES REQUIRED BY THE LOCAL GOVERNMENT ACT 1989		
The Local Government Act 1989 requires that the following additional disclosures be incorporated into the Notes accompanying the Financial Report.		
16.1 Comparison of Budgeted and Actual Operating Results		
Revenues	36,788	36,705
Rates	13,958	16,649
Government Grants	5,672	4,261
Fees, Charges and Fines	317	-
Contributions	704	524
Interest	1,085	4,042
Asset Sales	3,198	2,817
Other	61,722	64,998
Total Revenues		
Expenses	21,672	20,858
Employee Costs - including on costs	13,776	13,131
Materials and Services	14,161	8,870
Depreciation	1,276	-
Carrying Amount of Assets Sold	920	1,081
Interest	13,325	10,896
Other	65,130	54,836
Total Expenses	(3,408)	10,162
Operating Surplus (Deficit)		
NOTE: The difference between the budget operating surplus and the actual result was caused by increased depreciation (\$5.3M) resulting from revaluation of non-current assets, non-receipt of grant (\$5M) for the Dandenong Town Hall refurbishment and the profit on sale of the Stockyards (\$3M) not being realised this financial year.		
16.2 Budget and Actual Statement of Cash flows		
Cash Inflows	36,794	36,184
Receipts from Ratepayers	15,354	15,809
Grants Income	704	524
Finance Income	8,817	4,260
Fees & Charges	1,085	1,700
Asset Sales	62,754	58,477
Total Inflows		
Cash Outflows	21,112	20,858
Salaries and Related Costs	26,244	21,874
Payments to Suppliers	1,648	1,672
Grants	920	1,081
Borrowing costs	49,924	45,485
Total Outflows	12,829	12,992
Net Inflow (Outflow) before Capital and Loan Repayments	(11,193)	(12,460)
Capital Expenditure	(2,849)	(2,825)
Loan Repayments	(1,213)	(2,293)
Net Inflow (Outflow) after Capital and Loan Repayments		

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

	Note	Actual 2000/2001 \$'000	Budget 2000/2001 \$'000
17. NOTES TO THE STATEMENT OF CASH FLOWS			
17.1 Reconciliation of Net Cash provided by Operating Activities to Deficit for year			
Deficit for Year		(3,408)	(24,406)
Add / (Less)			
Depreciation	4.3	14,161	27,782
Write-off of Assets		-	7,563
Recognition of Assets Previously not Included		-	(1,180)
(Increase)/ Decrease in Other Current Assets	5.4	80	(65)
(Profit) /Loss on Sale of Assets	3.5	191	(394)
Borrowing Costs	4.5	920	1,140
(Increase)/ Decrease in Receivables	5.2	1,032	1,726
(Decrease) // Increase in Payables	7.1	(1,791)	(2,387)
(Decrease) // Increase in Employee Entitlements	7.2, 8	560	119
Net Cash provided by Operating Activities		11,744	9,838
17.2 Reconciliation of Cash			
For purposes of the Statement of Cash Flows, cash (net of any outstanding bank overdraft) includes cash deposits and short term investments (less than 90 days to maturity) which are readily converted to cash at the Council's option and which are subject to insignificant risk of change in values. Cash at the end of the financial year as shown in the Statement of Cashflows is reconciled to the related items in the statement of financial position as follows: -			
Current Asset - Cash and deposits	5.1	5,179	6,392
Cash at balance date as per Statement of Cash Flows		5,179	6,392

Notes to and forming part
of the Financial Report
for the year ended 30 June 2001

18. FINANCIAL RATIOS

	2000/2001	1999/2000	1998/1999
Debt Servicing Ratio			
To identify the capacity of Council to service outstanding debt Interest as a percentage of Council's Total Revenue	1.49%	1.97%	2.38%
Debt Commitment Ratio			
To identify a Council's debt redemption strategy Loan interest and loan redemption payments as a percentage of Rate Revenue	10.18%	11.28%	11.04%
Revenue Ratio			
To identify a Council's dependence on non-rate income Rate Revenue as a percentage of Total Revenue	59.60%	58.01%	56.67%
Debt Exposure Ratio			
To identify a Council's exposure to debt Realisable Assets available for every dollar of Total Liabilities less Liabilities associated with Restricted Assets (see note below)	26.48:1	25.92:1	15.99:1
Working Capital Ratio			
To assess a Council's ability to meet current commitments Current Assets available to meet each dollar of Current Liabilities	1.54:1	1.94:1	1.30:1

Value of Land in the Municipality

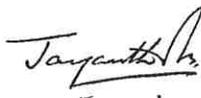
The value of land within the Municipality at Balance Date for rating purposes	\$8,137,103,520
Date of valuation	1 January 2000
Date on which the valuation first applied	1 July 2000
Date of next valuation	1 January 2002
Date on which next valuation will be applicable	1 July 2002

Note: For the purpose of calculation of Financial Ratios, realisable assets are those which are not subject to any restriction or sale. Liabilities associated with restricted assets are excluded from total liabilities for the purpose of calculating the ratio.

Non realizable assets are listed in note 1.3

Certification of Financial Report

In my opinion the accompanying financial report has been prepared in accordance with the Local Government Act 1989, the Local Government Regulations 2001, Australian Accounting Standards and other mandatory professional reporting requirements.



Jay Peries CPA
Principal Accounting Officer
Dated: 28 November 2001

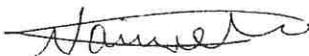
In our opinion the accompanying financial report presents fairly the financial transactions of the City of Greater Dandenong for the year ended 30 June 2001 and the financial position of the Council as at that date.

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

On 28 November 2001 the Council authorised Cr. Youhorn Chea and Cr. Naim Melhem and the Chief Executive Officer to sign this financial report in its final form on behalf of Council.



Cr. Youhorn Chea, Mayor
Dated: 28 November 2001



Cr. Naim Melhem
Dated: 28 November 2001



Warwick Heine
Chief Executive Officer
Dated: 28 November 2001

Location: Springvale



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the responsible Ministers and Councillors of Greater Dandenong City Council

Audit Scope

The accompanying financial report of Greater Dandenong City Council for the financial year ended 30 June 2001, comprising a statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, has been audited. The Councillors are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the responsible Ministers and Councillors as required by the *Audit Act* 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and complies with the requirements of the *Local Government Act* 1989, so as to present a view which is consistent with my understanding of Greater Dandenong City Council's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly the financial position of Greater Dandenong City Council as at 30 June 2001 and the results of its operations and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and complies with the requirements of the *Local Government Act* 1989.

MELBOURNE
18 December 2001


J.W. CAMERON
Auditor-General

Performance Statement Year Ended 30 June 2001

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Introduction

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 (Section 153 of the Local Government Act 1989)' to ensure that local government develops new performance accountability mechanisms which allow for a consistent approach in 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 business 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 business plan.

Common Terms

The majority of the terms used in the performance statement are the same as those used in the financial statements, however some of the terms are different. A full and detailed explanation of each indicator, how it is calculated, its purpose and interpretation etc, can be found in the 'Explanatory Guide' which is available from the council.

Short explanations of the "different" terms used are listed below:

Assessments	or rate notices.
Budget	refers to the originally published budget of the council.
Capital Expenditure	is the amount capitalised to the Statement of Financial Position (ie the aggregate additions to non current assets for the year) and contributions by the council to major assets not owned by the council.
Capital Improved Value	is the total market value of the land plus buildings and other improvements.
Customer Satisfaction Ratings	Indexed mean of 350 respondents' answers in a survey, conducted by the independent strategic research consultants Newton Wayman Research, asking them to rate council's performance. The indexed mean is a weighted score across five performance ratings being 100 - for an excellent / outstanding performance, 80 a good / high standard, 60 - adequate / acceptable 40 - needs some improvement and 20 - needs a lot of improvement.
Net recurrent expenditure	Recurrent expenditure less recurrent grants for specific purposes.
Population	Estimated total residential population of the municipality as at 30 June of the previous year, as published by the ABS in 'Regional Population Growth' catalogue no. 3218.0 or 'Population by Age and Sex' catalogue no. 3235.2.
Rates and Charges	declared - are those declared as being receivable, in the calculations for the adopted rates, at the beginning of the year.
Recurrent expenditure	is operating expenditure less non-recurrent items such as depreciation on infrastructure and heritage assets.
Recurrent revenue	is operating revenue less non-recurrent items such as specific non-recurrent (capital) grants; and profit/loss on sale of assets.
Recurrent surplus/deficit	Recurrent revenue less recurrent expenditure.

Progress Against Financial Targets 2000-2001

Output	Note	Measure	Actual 1999-2000	Actual 2000-2001	Target 2000-2001	Difference
Rates Management		Total rates and charges declared (\$'000)	\$33,592	\$36,788	\$36,705	\$83
		Rates and Charges (per assessment)	\$645.82	\$704	\$704	0.0
		Rates and Charges (per capita)	\$253.41	\$277	\$277	0
		Rates and Charges (% of CIV)	0.49%	0.4552%	0.4572%	-0.002%
		Average residential assessment	\$351	\$377	\$377	0%
Dependence on Rates and Grants		Rates and Charges (% of total recurrent revenue)	59.22%	59.60%	64.40%	-4.8%
		Financial Assistance Grants (per capita)	\$36.27	\$43.59	\$43.57	\$0.02
Achieve Financial Plans	1	% achievement of budgeted operating surplus/deficit (actual against original budget)	-297%	-34%	100%	-134%
	2	% achievement of Capital exp. Program.	87%	85%	100%	-15%
Financial Health		Operating surplus/(deficit.) (% of total recurrent revenue)	-4.96%	-5.5%	3.8%	-9.3%
		% change in net assets from previous year	44.0%	-0.6%	2.40%	-3.0%
		Debt servicing costs as % of rates and charges revenue	10.60%	10.2%	10.00%	0.2%
		Working Capital Ratio (Current Assets/Current Liabs.)	1.72	1.54	1.76	-0.22
Capital Expenditure	3	Ratio of Capital Expenditure to Total Depreciation	0.67	0.79	1.24	-0.45
		Capital Expenditure (per assessment)	\$160.63	\$215	\$211	\$4
Debt Management		Rates, fees and charges outstanding (at 30 June 2000)	4.40%	4.10%	4.00%	0.10%
Operating Costs	4	% change in net operating expenditure (from 30 June 2000)	2.42%	-7.19%	3.8%	-10.99%
	4	% change in net operating expenditure per capita (from 30 June 2000)	2.36%	-6.66%	3.8%	-10.46%
	4	Operating expenditure per assessment	\$882.42	\$951	\$882	\$69
	4	Operating expenditure per capita	\$346.87	\$377	\$347	\$30

Comments on significant variances

- The target operating surplus for the year was not achieved due to:
 - Increased depreciation (\$5.3M) resulting from revaluation of non-current assets.
 - Non receipt of grant (\$5M) for the Dandenong Town Hall refurbishment.
 - Profit on sale of stock yard (\$3M) not being realised this financial year.
- 24 projects which were planned have been carried over to 2001-2002.
- The actual result was below the target due to the combined effect of capital expenditure falling short of target by \$1.6M and depreciation increasing by \$5.3M from the revaluation of assets.
- Comparative information in relation to operating expenditure has been reclassified to comply with the presentation adopted in the current year and to comply with new or revised Australian Standards.

Progress Against Community Satisfaction Targets 2000-2001

Output	Measure	Actual 1999-2000	Target 2000-2001	Actual 2000-2001	Difference
Community satisfaction	Performance of Council	66	68	68	0
	Performance in Key Service areas	64	66	66	0
	Local Roads and Footpaths	58	60	61	+1
	Health and Human Services	69	71	70	-1
	Recreational Facilities	70	72	72	0
	Appearance of Public Areas	63	65	66	+1
	Traffic Management and Parking Facilities	60	62	61	-1
	Waste Management	74	76	75	-1
	Enforcement of By-Laws	63	65	65	0
	Economic Development	54	56	57	+1
	Town Planning Policy and Approvals	65	67	64	-3
	Customer Contact	72	74	76	+2
	Advocacy & Community Representation on Key local issues	65	67	68	+1

Progress Against One-Year Targets 2000-2001

Output	Measure	Target
A Safe City		
Five-year Community Safety Program	Community Safety Program for 5-year period 2001/2006 updated and published	By 30 June 2001 Target not achieved
	Community Safety Achievements Report 2000/01 published	By 31 December 2000 Target not achieved
Community safety activities	'Secure Seniors' program implemented and ongoing progress evaluated and reported	Implemented by 31 December 2000 Target not achieved Evaluated and reported by 30 June 2001 Target not achieved
	'Eyes on the Streets' program with selected Neighbourhood Watch Committees implemented and first report published	By 30 June 2001 Target not achieved
	'Safe Shop' program in Noble Park, Dandenong and Springvale extended to include more retailers	10% by 30 June 2001 Target achieved
	'Self-audit Community Safety Kit' released and community trained	By 30 June 2001 Target not achieved
Impact of illegal drugs reduced	Noble Park Drug Action Committee Strategy established	By 30 August 2000 Target not achieved
	Annual report for Springvale, Dandenong and Noble Park Local Drug Action Committee published	By 31 March 2001 Target not achieved
	Local drugs strategy as recommended by the Drug Policy Expert Committee developed and adopted	By 31 December 2000 Target not achieved
Police resources	Submission for more Police resources prepared and submitted to the Minister for Police and Emergency Services	By 31 March 2001 Target achieved
Safe design guidelines	All planning applications assessed against safe design guidelines	By 31 March 2001 Target achieved
	All City Improvement Projects assessed against community safety guidelines	By 31 May 2001 Target achieved
Community perception of safety	Improved perception of safety in public places and homes as measured through the annual State Government Survey	10% improvement against State Average by March 2001 Target not achieved
	Fear of Crime and Crime Statistics Annual Report published	By 30 September 2000 Target not achieved
Community perceptions of food safety standards	Improved perception of food safety standards as measured through the annual State Government survey	3% by 30 June 2001 Target achieved
Displan	Operational plan audited	By 30 June 2001 Target achieved

Progress Against One-Year Targets 2000-2001

Continued...

Output	Measure	Target
Well Planned Growth		
Planned growth	Greater Dandenong Planning Scheme policy statements reviewed and adopted by Council	By 31 December 2000 Target not achieved
	Municipal Strategic Statement reviewed and adopted by Council	By 31 December 2000 Target not achieved
	Turn-around times for delegated planning approvals reduced	To ten (10) working days by 30 June 2001 Target not achieved
	Policy to conserve non-urban land developed and implemented	Developed by 31 March 2001 Target achieved
Housing options extended	Housing policy developed, action plan implemented and ongoing progress evaluated and reported	Developed by 30 September 2000 Target not achieved Implemented by 31 March 2001 Target not achieved Reported by 30 June 2001 Target not achieved
	Opportunities to encourage a sustainable built environment, particularly housing and industrial development identified	Identified by 30 June 2001 Target not achieved
Streetscapes improved	5 year streetscape improvement plan (2000/05) reviewed	By 28 February 2001 Target achieved
	CIP streetscape improvements in Dandenong, Noble Park and Springvale completed	By 30 June 2001 Target not achieved
	Opportunities to achieve aerial bundling and/or under grounding of cables identified and funding applications submitted	By 30 June 2001 Target not achieved
Environment improved	State of the Environment Report published	By 31 December 2000 Target not achieved
	Cities for Climate Control target for 2000/01 met	By 30 June 2001 Target achieved
	Ten year Waste Management Strategy developed	Commenced by 30 June 2001 Target not achieved
	Domestic waste to landfill reduced from previous year	2% reduction by 30 June 2001 Target not achieved
	Environment Management System (EMS) targets met and achieved	By 30 June 2001 Target achieved
Investment in the city	New investment in residential, commercial and industrial properties as measured by building approvals	\$100 million by 30 June 2001 Target achieved
	Business confidence and job prospects survey completed and reported	By 30 September 2000 Target not achieved
	GDP economic model for the city developed in draft form	By 30 June 2001 Target not achieved
Employment	New job opportunities created as a result of Council action	Two hundred and fifty (250) by 30 June 2001 Target achieved

Output	Measure	Target
City infrastructure	25-year forward infrastructure management program developed and published	Developed by 31 December 2000 Target not achieved Published by 30 June 2001 Target not achieved
	New investment in infrastructure by Commonwealth and State Governments	\$20 million by 30 June 2001 Target not achieved
	New capital investment by Council	\$11 million by 30 June 2001 Target not achieved
	Drainage capacity strategy for the City completed	By 31 December 2000 Target not achieved
	Number of identified properties subject to flooding reduced by drainage improvements	Three (3) improvement projects completed by 30 June 2001 Target achieved
	Street lighting in commercial, residential and public open space areas improved	\$277,000 invested by 30 June 2001 Target not achieved
	2000 "Clean Up" Campaign initiated and completed in Springvale, Noble Park and Dandenong	By 31 December 2000 Target achieved
	2000 "Clean Up" Campaign outcomes reported to Council	By 31 January 2001 Target achieved
Financial return on Council's commercial assets	Five-year development plan to improve financial return from the Dandenong Produce Market completed	By 31 December 2000 Target not achieved
	Financial return from the following properties increased: <ul style="list-style-type: none"> • Oasis Leisure Centre • Multi-deck carparks • Dandenong Basketball Stadium • Springers Leisure Centre • Produce Market 	2.5% collectively by 30 June 2001 Target achieved
City character protected	Policy directions from Stage 2 of Heritage Study adopted by Council and on going progress evaluated and reported	Adopted by 30 September 2000 Target not achieved Reported by 30 June 2001 Target not achieved
	Urban character policy developed	By 30 June 2001 Target not achieved
Place management	Place management capability developed for Dandenong CBD, Springvale retail precinct and Noble Park Shopping Centre	By 30 June 2001 Target not achieved
Open space availability	Investment in useable Open Space increased	\$540,000 by 30 June 2001 Target not achieved

Progress Against One-Year Targets 2000-2001

Continued...

Output	Measure	Target
Providing Better Service		
Partnership with local parliamentary representatives	Programmed meetings with local Members of Parliament	Two (2) briefing meetings by 30 June 2001 Target achieved
	Local Members of Parliament advised of all grant submissions and other requests for assistance to Government by Council	Within fourteen (14) days of submission Target not achieved
	Local Members of Parliament receive copy of Council publications excluding general brochures	Within seven (7) days of production Target not achieved
Partnership with other levels of Government	Briefing papers provided to Council on all new policies and directions advised by Commonwealth and State Governments	Within thirty (30) days of receiving advice Target not achieved
	Policy advice provided to Council on new Government initiatives	Within thirty (30) days of receipt of advice Target not achieved
Partnership with peak local government organisations	Council representation or involvement on sector working parties as requested	Councillor or officer nominated as required Target achieved
Good Governance	Community advised by Council of meetings	Advertised fourteen (14) days prior to each meeting Target achieved
	Council meetings held outside of Chamber	Four (4) by 30 June 2001 Target achieved
	"Major" policy initiatives subject to community consultation (Council to determine "major" initiatives)	No major policy initiatives adopted without community consultation Target achieved
	"Major" Council decisions communicated by separate media release and published in '2nd City News' and '2nd City News In Brief'	Published within seven (7) working days of Council decision Target achieved
	Requests for participation of Councillors on community organisations actioned	100% of requests responded to within ten (10) working days Target not achieved
	Legislative and regulatory requirements met	No breach Target achieved
	Community leadership programs conducted	Two (2) by 30 June 2001 Target not achieved
	2000/2005 Corporate Plan targets met and progress reported	Reported half yearly by 31 December 2000 and 30 June, 2001 Target not achieved
	2001/2006 Corporate Plan prepared and adopted	By 30 June 2001 Target achieved
	2001/2006 Financial Plan prepared and published	By 30 June 2001 Target achieved
	2001/2006 CIP plan reviewed and adopted by Council	By 30 September 2000 Target not achieved
	2001/2002 Annual Plan prepared and adopted	By 30 June 2001 Target achieved
2001/2002 Annual Plan submitted to the Minister for Local Government	By 30 June 2001 Target not achieved	

Output	Measure	Target
	1999/2000 Annual Report adopted by Council and submitted to the Minister for Local Government	By 30 September 2000 Target not achieved
	Draft budget for 2001/2002 prepared and presented to Council	By 15 May 2001 Target achieved
	Budget for 2001/2002 adopted	By 30 June 2001 Target achieved
	Draft 2001/2002 CIP plan submitted to Councillors	By 15 May 2001 Target achieved
	2001/2002 CIP Plan adopted by Council	By 30 June 2001 Target achieved
	Operating surplus (after depreciation) for 2000/2001 achieved	\$10.16 million by 30 June 2001 Target not achieved
	City Improvement Program (CIP) achieved	100% by 30 June 2001 Target not achieved
	Accuracy of project estimated in CIP to completed cost improved	85% accuracy Target achieved
	Monthly financial reports submitted to Council	Second meeting of every month Target achieved
	Debtors reduced	1% by 30 June 2001 Target not achieved
Cash Flow Management	Rate and valuation information provided	One (1) brochure on rate payment options and valuations by 31 July 2000 Target achieved
	Annual asset sales program completed	100% by 30 June 2001 Target achieved
Best Value achieved	Statutory requirements met	By 31 December 2000 Target achieved
	Best Value service review plan published	By 31 December 2000 Target achieved
	2000/2001 Best Value services reviews completed	By agreed date Target achieved
	National Competition Policy compliance requirements met	No breach Target achieved
	Community satisfaction with the performance of Council against the Local Government Division measures improved	3% improvement by 30 June 2001 Target achieved
	Service Charter standards reviewed - third release Charters	By 31 December 2000 Target achieved
	Service standards failures reported monthly	By 10th day of each month Target achieved
	Complaints acknowledged within published service standard	100 % within 10 working days Target achieved
	Complaints resolved within published service standard	100% within 15 working days. Target achieved
	Complaints reported to Council monthly	At second meeting of every month Target achieved

Progress Against One-Year Targets 2000-2001

Continued...

Output	Measure	Target
Providing Better Service Continued...		
Best Value Achieved continued...	Complaints received reduced	5% by 30 June 2001 Target achieved
	Calls at the Call Centre answered within published standard	97% within 15 seconds Target not achieved
	Telephone call drop out rate at call centre reduced	3% by 30 June 2001 Target achieved
	Disability Discrimination Act Action Plan for 2000/2001 implemented	By 30 June 2001 Target achieved
	Insurance premiums reduced	5% by 30 June 2001 Target not achieved
	Insurance payments below excess levels reduced	10% by 30 June 2001 Target achieved
	Insurance claims reduced	5% by 30 June 2001 Target not achieved
	Customer Requests (AMS) completed within agreed standard	100% Target not achieved
	AMS customers contacted if requested	100% Target not achieved
	Correspondence responded to within published standard	100% within 10 working days Target not achieved
Consultation on council services	General community survey completed	By 30 November 2000 Target not achieved
	Consumer research reports published	Within ninety (90) days of completion Target achieved
Information provision - council services	Promotional reports or special features in daily print media published	Two (2) by 30 June 2001 Target achieved
	Press releases issued	Twenty-four (24) per month Target not achieved
	Access points for information expanded	One (1) additional access point by 30 June 2001 Target not achieved
	Increase usage of multilingual telephone lines through Council Contact from previous year	10% by 30 June 2001 Target achieved
	Register of all current Council publications available on web-site, at Service Centres and library outlets	Register current at 30 June 2001 Target achieved
	Council services available on the internet expanded	Twenty (20) additional services by 30 June 2001 Target not achieved

Output	Measure	Target
Safe Movement of People and Goods		
Main roads improved	Funding applications to improve the 10 worst main road "Black-spots" prepared and submitted to VicRoads	By 28 February 2001 Target achieved
	Submission requesting a minimum of \$5 million in main road network improvements prepared and submitted to VicRoads	By 31 December 2000 Target achieved
Local roads improved	Local area traffic management plan design initiated	One (1) by 30 June 2001 Target achieved
	Local area traffic management plan commenced	One (1) by 30 June 2001 Target achieved
	Funding application to improve the 10 worst local road "Black-spots" prepared and submitted to VicRoads	By 28 February 2001 Target achieved
	Local roads improvement funded in CIP	\$2.8 million spent by 30 June 2001 Target not achieved
	50kph speed limit introduced in residential streets	By 30 June 2001 Target achieved
Public transport improved	First Stage of Public Transport Plan 2000-2020 completed	By 30 June 2001 Target achieved
	New bus shelters provided	Seven (7) new shelters by 30 June 2001 Target achieved
	Contract to replace existing bus shelters on main roads signed	By 31 March 2001 Target not achieved
	Audit of rail stations and taxi ranks completed and submitted to the Department of Infrastructure requesting improvements	By 30 June 2001 Target not achieved
Footpaths improved	Annual maintenance and renewal program completed	\$0.6 million spent by 30 June 2001 Target achieved
Bicycle paths improved	Existing paths extended	\$70,000 spent by 30 June 2001 Target not achieved

Progress Against One-Year Targets 2000-2001

Continued...

Output	Measure	Target
A Vibrant Community		
Commercial leisure facilities	Usage of commercial leisure facilities increased and ongoing progress evaluated and reported	4% by 30 June 2001 Target achieved Reported by 30 June 2001 Target achieved
	Oasis development plan completed	By 30 June 2001 Target not achieved
	Dandenong basketball stadium development plan completed	By 30 June 2001 Target not achieved
	Tatterson Park development plan completed	By 31 December 2000 Target not achieved
Leisure participation	Noble Park Swim Centre development plan completed	By 31 March 2001 Target not achieved
	Leisure participation increased and ongoing progress evaluated and reported	4% by 30 June 2001 Target not achieved Reported by 30 June 2001 Target not achieved
	Participation in non-traditional leisure activities increased and ongoing progress evaluated and reported	4% by 30 June 2001 Target not achieved Reported by 30 June 2001 Target not achieved
Arts participation	Usage study of recreation-related buildings completed	By 31 December 2000 Target not achieved
	Participation rates increased	3% by 30 June 2001 Target not achieved
Library services improved	Investment in leisure facilities, including non-traditional facilities, increased and ongoing progress evaluated and reported	\$533,000 by 30 June 2001 Target achieved Reported by 30 June 2001 Target achieved
	Library material collection expanded to 1.2 items per head of population	By 30 June 2001 Target achieved
	Use of library services increased	7% by 30 June 2001 Target achieved
	Library hours of operation increased from previous year	10% by 30 June 2001 Target not achieved
Community on-line	Library internet access increased from previous year	20% by 30 June 2001 Target achieved
	Strategy to provide residents and businesses with internet capability prepared	By 30 June 2001 Target not achieved
Growth of principal retail precincts	Marketing and retailing skills training provided to the retail trader associations in Dandenong CBD, Springvale and Noble Park	Two (2) training programs in each location by 30 June 2001 Target achieved
	Electronic parking meters introduced in the Dandenong CBD	By 30 June 2001 Target achieved

Output	Measure	Target
	Utilisation of multi-deck car parks in Dandenong CBD increased	15% by 30 June 2001 Target not achieved
	Review of available parking spaces in Noble Park and Springvale completed	By 30 June 2001 Target not achieved
Public art installed	One (1) new piece of street art installed annually	By 30 June 2001 Target achieved
Serving the Needs of Families, Youth and Older Persons		
Human services delivered	List of all human services delivered within the city by Council, Government or non-government agencies compiled and maintained	By 30 June 2001 Target achieved
	Gaps in service delivery identified	By 30 June 2001 Target achieved
	Submission for 3% increase in resources for human services prepared and submitted to Commonwealth and State Governments and ongoing progress evaluated and reported	Submitted by 31 December 2000 Target achieved Reported by 30 June 2001 Target achieved
Services coordinated	Proposal for improved coordination of services delivered by non-council providers prepared	By 30 June 2001 Target achieved
Services for older persons	Submission for 10% increase in resources for aged services delivered in the city prepared and submitted to Commonwealth and State Governments	Submitted by 30 June 2001 Target achieved
Housing for older persons	Funding application for first stage of Buckley Street aged accommodation project submitted	By 30 September 2001 Target not achieved
	Submission to increase public and private sector investment in housing stock for older persons by 10% over five (5) years prepared and submitted	By 30 June 2001 Target not achieved
Playgrounds upgraded	2000/2001 playground strategy achieved	By 30 June 2001 Target achieved
Public Health Plan	Public Health Plan targets for 2000/01 achieved	By 30 June 2001 Target achieved
Impact of gaming reduced	Gaming strategy implemented and reported	By 31 December 2000 Target achieved
	Gaming strategy reviewed	By 30 June 2001 Target achieved

Progress Against One-Year Targets 2000-2001

Continued...

Output	Measure	Target
Regional Leadership Recognition as Melbourne's 2nd City	Promotional stories and special features published in the Melbourne metropolitan media	Ten (10) by 30 June 2001 Target achieved
	Recognition by our community as measured through regular community feedback	Recognition by 30% of the community by 30 June 2001 Target not achieved
	Recognition as Melbourne's 2nd City progress report submitted to Council	By 30 June 2001 Target not achieved
Regional infrastructure	Advocacy undertaken and community awareness maintained for the development of the following regional infrastructure: South East Airport; Port of Hastings; Very Fast Train from Sydney to Melbourne along the coastal route	Submissions as required and progress report by 30 June 2001 Target achieved
Regional road infrastructure	Progress of Dingley By Pass construction reported	By 31 December 2000 and 30 June 2001 Target achieved
	Activities of Eastern Ring Road Steering Committee reported (Scoresby arterial)	Report following each meeting Target achieved
	Progress of Greens Road and Hutton Road duplication reported	By 31 December 2000 and 30 June 2001 Target achieved
	Submission for continued construction of Dingley By-Pass completed	By 31 December 2000 Target achieved
Regional networking with councils	Regional issues discussed with neighbouring municipalities	Four (4) meetings by 30 June 2001 Target achieved
Regional centre enhanced	Retail, hospitality, recreation, and arts and culture directories maintained and distributed to community and tourist outlets	By 30 September 2000 Target achieved
	Funding submission prepared to develop Council's web-site as a portal for local business	By 31 December 2000 Target achieved
	Strategy to attract Government offices to Dandenong CBD developed and implemented	By 30 June 2001 Target not achieved
	Advocate for establishment of a Drug Court in Dandenong CBD	Submission completed by 30 September 2000 Target achieved
	Review progress of strategies to encourage redevelopment of aging retail, office and industrial premises developed	By 30 June 2001 Target not achieved
	Strategy to attract new business to the city developed	By 30 June 2001 Target not achieved
	Proposal for consolidation of Council administrative centres completed	By 31 March 2001 Target not achieved

Outputs	Measures	Target
Tourism and hospitality accommodation expanded	Prospectus to attract new hotel development prepared	By 31 December 2000 Target not achieved
Regional entertainment centre (Dandenong Town Hall)	Design completed and construction commenced	By 30 June 2001 Target not achieved
Bicycle path network	Network extended	0.4km by 30 June 2001 Target achieved

Statement of **Chief Executive Officer** on Performance Statement

I Warwick Heine

Being the Chief Executive Officer certify that in my opinion, the information contained in the Performance Statement is presented fairly in accordance with the Local Government Act 1989.

At the time of writing, I am not aware of any circumstance, which would render any particulars in the statement to be misleading or inaccurate.



Warwick Heine
Chief Executive Officer
Dated: 28 November 2001
Location: Springvale

Statement of Councillors on Performance Statement

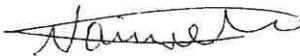
Being a Councillor authorized by Council to sign the accompanying Performance Statement of the City of Greater Dandenong in respect of 2000-2001 financial year, certify that in the opinion of Council, the information contained in the Performance Statement is presented fairly in accordance with the Local Government Act 1989.

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

At the time of signing, I am not aware of any circumstance, which would render any particulars in the statement to be misleading or inaccurate.



Cr. Youhorn Chea, Mayor
Dated: 28 November 2001



Cr. Naim Melhem
Dated: 28 November 2001

Location: Springvale



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT
ON PERFORMANCE STATEMENT

To the responsible Ministers and the Councillors of the Greater Dandenong City Council

Audit Scope

The accompanying performance statement of Greater Dandenong City Council in respect of the 2000-2001 financial year has been audited. The Councillors are responsible for the preparation and presentation of the statement and the information it contains. An independent audit of the statement has been carried out in order to express an opinion on it to the responsible Ministers and the Councillors as required by the *Local Government Act 1989*.

The *Local Government Act 1989* requires the performance statement to outline the performance targets and measures set out in relation to the achievement of the business plan as described in the council's corporate plan submitted to the responsible Minister and to describe the extent to which the business plan was met having regard to those targets and measures.

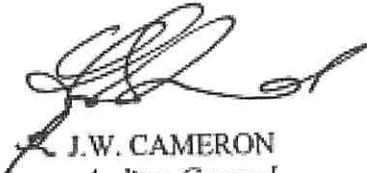
The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the performance statement is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the statement. These procedures, which do not extend to an assessment of the relevance or the appropriateness of the performance measures contained within the statement, have been undertaken to form an opinion as to whether, in all material respects, the performance statement is presented fairly in accordance with the *Local Government Act 1989*.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the performance statement of the Greater Dandenong City Council in respect of the 2000-2001 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE
18 December 2001



J.W. CAMERON
Auditor-General