

# 2005 – 2006

CITY OF GREATER DANDENONG



ANNUAL REPORT 2005 – 2006



GREATER  
DANDENONG  
*City of Opportunity*

## > GREAT PLACE

- Dynamic and diverse city
- Recognised as the capital of the south east
- Victoria's manufacturing heartland
- Home to 9000 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 PEOPLE

- 133 000 residents
- People from 152 nations
- Half our residents born overseas
- 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
- Melbourne's best Asian shopping precinct at Springvale



## > 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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## OUR VISION

> A great city in which to live and work with great people for neighbours and friends where:

- People from all cultures and walks of life are welcomed and involved.
- All residents are proud of their city.
- Plans are in place for a dynamic sustainable future.
- Achievements are recognised and celebrated.
- Environmental, economic, social and civic wellbeing is a reality.

## OUR MISSION

> To achieve the vision for Greater Dandenong through effective leadership, good governance and the delivery of high quality services.

In achieving the mission the council will:

- Provide people focused customer services.
- Be responsive to local needs.
- Plan for a better future.
- Give strong expression to local identity.
- Be democratic, effective and efficient.
- Be highly accountable for its actions.
- Advocate in the interests of the whole community.
- Ensure the continued economic development of the city.
- Improve the health and wellbeing of the community.
- Improve the quality of the city's environment.
- Manage the city's assets in a sustainable manner.
- Provide a safe city.
- Work constructively towards common goals held with the Commonwealth and State Governments.
- Be both a good corporate citizen and a good employer.

## 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.



### Ward Boundaries

- 1 Dandenong Ward
- 2 Keysborough South Ward
- 3 Springvale South Ward
- 4 Springvale Central Ward
- 5 Springvale North Ward
- 6 Noble Park North Ward
- 7 Dandenong North Ward
- 8 Lyndale Ward
- 9 Cleeland Ward
- 10 Keysborough Ward
- 11 Noble Park Ward

### > CLEELAND



**Cr Paul Donovan**  
Phone: 0408 251 926

Cr Paul 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.

### > 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.

### > DANDENONG NORTH



**Cr John Kelly**  
Phone: 0418 350 743

Cr Kelly has served as a councillor for more than thirteen 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.

### > 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.

> KEYSBOROUGH SOUTH



Cr Peter Brown  
Mayor, December 2005 – current  
Phone: 0408 138 939

Cr Brown was elected to the City of Greater Dandenong in 2003 following seven years as a councillor with the City of Springvale. He is motivated by a desire to improve the quality of life for residents in terms of care and management of the physical environment.

> LYNDALE



Cr Sue Walton  
Phone: 0434 560 240

As a resident of Greater Dandenong for twenty 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.

> NOBLE PARK



Cr Pinar Yesil  
Phone: 0434 560 242

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

> NOBLE PARK NORTH



Cr Maria Sampey  
Mayor, July 2005 - Nov 2005  
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 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 & youths.

> SPRINGVALE CENTRAL



Cr Youhorn Chea  
Phone: 0417 320 645

Cr Chea has been a councillor since 1997 and was Mayor of the city 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.

> SPRINGVALE NORTH



Cr Alan Gordon  
Phone: 0434 560 238

Cr Gordon has lived in Greater Dandenong for 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.

> 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.

> COUNCILLOR'S OFFICE

Tel: 9239 5230  
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# COUNCILLORS WHO COMPLETED THEIR TERM IN NOVEMBER 2005

## > DANDENONG



Cr David Kelly

A former Mayor of the City of Dandenong and councillor for nine years, Cr Kelly was elected to the City of Greater Dandenong in 2003. Cr Kelly enjoyed working for the good of the entire community as well as delivering facilities that residents can use and enjoy.

## > LYNDALE



Cr Angela Long

Elected to the City of Greater Dandenong in 1997 and serving as Mayor in 2000-2001 Cr Long has years of community involvement behind her. Cr Long worked with the community to achieve better outcomes for the city and was committed to future development.

## > NOBLE PARK



Cr Kevin Walsh

Driven by a desire to serve his community, Cr Walsh was elected in 2000 and served as Mayor in 2003-2004. His goal was to see the revitalisation of the Noble Park precinct within a vibrant Greater Dandenong as well as urban renewal and maintaining value for money for ratepayers.

## > SPRINGVALE NORTH

Cr Naim Melhem



A councillor for the former City of Springvale, Cr Melhem has served as a councillor of Greater Dandenong since 1997 and was Mayor during 1999-2000. He was the Council representative on the EastLink Freeway Committee and the board of directors of the Municipal Association of Victoria. He has an extensive history of involvement with local community organisations.

## > SPRINGVALE SOUTH



Cr Clare O'Neil

Cr O'Neil was elected to the Council in 2003 and served as Mayor in 2004-2005. Cr O'Neil brought a deep passion for the city's vibrancy and growth to her role.





GREATER  
DANDENONG  
*City of Opportunity*

## MESSAGE FROM THE MAYOR

The City of Greater Dandenong has experienced an outstanding year with the completion of some very significant projects, including the Drum Theatre, the Paddy O'Donoghue Centre and The Castle. We also celebrated a number of festivals and special events including the Commonwealth Games and Queen's Baton Relay.



Reflecting on the year that was, it is clear that Greater Dandenong has achieved a number of successes and has cemented its position as the economic hub of the south east region.

Our City Improvement Program spending saw the completion and official opening of the Drum Theatre, a catalyst for our ongoing plans to revitalise central Dandenong. This was an event to be remembered. The Premier and a line up of star-studded performances dazzled the audience and provided a fitting entrance to what has become a cultural icon in our city.

Other changes now occurring around central Dandenong as part of the partnership between council, VicUrban and the Dandenong Development Board include new way-finding signage, decorative lighting, new bus shelters and Metro Village 3175, the largest inner city residential estate ever undertaken in Dandenong. As well as urban renewal in Dandenong, new housing estates have blossomed in Keysborough South. Eco-friendly houses are being built in landscaped open-space subdivisions, with plans well-advanced for rezoning from rural to residential of a large area of land bounded by Chapel, Hutton/Greens and Perry Roads to further increase housing opportunities within fifteen minutes of Dandenong's central business district and burgeoning arts precinct.

Along with all this was the commencement of redevelopment works on the Dandenong Market, which will see the introduction of an Aldi supermarket by the end of 2006. The future of central Dandenong is truly exciting, and promises to be monumental and of benefit to the entire community.

The completion of the \$5.8 million Paddy O'Donoghue Centre in Noble Park now houses a number of community groups plus childcare, maternal and child health services and a preschool. The success of the centre is clearly evident with close to 1000 bookings made since March and a waiting list already established for kinder places next year.

An exciting year has occurred for the youth of Greater Dandenong with the completion of The Castle, a premier music venue and social outlet. The new youth precinct at

Hemmings Park will see even more changes in the coming year with an upgraded playground, installation of new picnic area and BMX jumps track.

Work also commenced on the \$8.96 million redevelopment of the existing Stud Road Dandenong Basketball complex to house Volleyball Victoria. The redevelopment will include 10 basketball courts, 6 volleyball courts, 3 indoor beach volleyball courts, extension/refurbishment of the administration area to meet the needs of Dandenong Basketball Association and Volleyball Victoria, extension/refurbishment of entry/reception area, kiosk refurbishment, additional change and toilet facilities and additional car parking.

In March we joined in the Commonwealth Games action and witnessed a number of our community members take part in the Queen's Baton Relay through the streets of Dandenong. We hosted a number of events relating to the games and we welcomed Mozambique into our city as our adopted nation. We also celebrated the closing ceremony at the annual Summation Festival where thousands of people turned out to celebrate and embrace the cultural diversity of our city.

Council's popular community grants program gave over \$1.4 million to 269 community groups and individuals for local projects, events and activities. During National Volunteer Week we again thanked and congratulated over 200 volunteers who work for council in a variety of capacities, assisting other local people in need. Council also welcomed a State Government funding boost of over half a million dollars for Home and Community Care (HACC) services in 2005-06, allowing for an additional 20 care workers. Furthermore, we launched 'Dandenong Gives', an online site where people can donate money, goods or time to those less fortunate.

The momentum is set to continue into 2006-07, when as part of our \$23 million City Improvement Program we will witness a number of municipal capital works including the implementation of the Tatterson Park Master Plan, general park improvements, better disability access and car parking bays, footpath upgrades and new library materials.

Once again the results highlighted here in our annual report are the outcome of the dedicated efforts of staff, councillors, residents and all of our strategic partners. I would especially like to commend the continued professionalism and commitment by the executive team and all staff during a year of change, with the departure of our Chief Executive Officer.

I'm particularly proud to be Mayor of such a progressive city, and look forward to another exciting year ahead. I thank all council staff, government stakeholders and the residents, ratepayers and businesses of this vibrant municipality for the significant achievements of the last twelve months and for our brilliant future.



Cr Peter Brown  
Mayor



## EXECUTIVE OVERVIEW

The City of Greater Dandenong has witnessed a spectacular year of growth and revitalisation as we continue to cement our position as the regional capital city of the south east.

There have been a number of significant milestones reached throughout the year including the completion of the Drum Theatre, the Paddy O'Donoghue Centre and The Castle. These were all major development projects for the city and catalysts for the progress taking place.

In September the State Government announced \$92.8 million to kick start the revitalisation of Central Dandenong, including \$50.3 million for the central city, \$17.5 million for the George Street Bridge and \$25 million for the Metro Village 3175 residential development.

When the Community Cabinet visited Greater Dandenong in April, Premier Steve Bracks pledged a further \$190 million investment into Central Dandenong. As part of the government's Transit City initiative, this money will be spent on changed traffic conditions along Lonsdale Street making it more pedestrian friendly and improving the overall safety of the street; a new walk to be established linking Dandenong Station to Dandenong proper; and new public spaces and city parks.

This exciting news followed years of work undertaken by council, and further marks the city as a key activity centre evolving and thriving as a prominent business location and preferred residential address.

To take advantage of this activity and progress, Council also launched a rejuvenated logo and brand identity which graphically represents the council across all visual material including signage, vehicles, merchandise and publications. The logo reflects the reinvigoration and rebirth of the city, strengthening our position with a new tagline as A City of Opportunity.

As mentioned above, major highlights of the year included the completion of the \$13 million Drum Theatre which opened with much fanfare in February by The Premier and Mayor. This facility has been given a new lease of life igniting people's love of the theatre and forming an integral part of the city's cultural precinct.

The \$5.8 million state-of-the-art Paddy O'Donoghue Centre in Noble Park also opened its doors in 2006 reinforcing council's



commitment to improving services to older people, youth, families and children. The completion of The Castle, a premier youth music venue, has provided learning opportunities as well as a social outlet for some of the 25,000 youths that reside in Greater Dandenong.

The Metro Village 3175 initiative, the biggest residential plan for Dandenong in decades, got underway with a number of homes now nearing completion. Environmental sustainability is a focus of the development, with five star energy ratings for every home and designs with maximum exposure to natural light, solar hot water systems and recycling of storm water for parkland irrigation.

The EastLink project is well underway with constructors, Thiess John Holland, surging ahead with works right across the city. To date this has included construction of retaining walls, placement of bridge beams and concrete decking. Council has played an important role in the process by advocating on behalf of local residents where needed and ensuring good open communication is maintained.

Council continued to plan vigorously for the city's future, with a number of significant plans developed to help steer future directions. The Dandenong South Structure Plan, the Dandenong Park Masterplan, the Council Plan 2006-2010 and Noble Park Structure Plan were just a few.

We also took the opportunity to undertake a significant review of the Community Grants process, which resulted in guaranteed three year funding for selected groups. Providers of vital community services in Greater Dandenong now benefit through increased certainty and not having to reapply for funding on an annual basis.

The strength of our Home and Community Care program continued to grow, following council moving the service back in-house in 2004/05. Not only did this move better integrate our aged services, but additional funding has meant the service has grown and provided even more employment opportunities. The service also now boasts the offering of traineeships in Home and Community Care.

Despite another significant year of spending through our City Improvement Program, Council finished the year with an operating surplus of \$16.73 million for 2005/2006. Cash held at year end was \$2.42 million and council has maintained a healthy financial position.

Once again our five year Financial Plan has been structured to ensure that services to the community are maintained, whilst giving it the capacity and flexibility to create infrastructure improvements that enhance the lifestyle of the community.

The Executive team has been proud to be part of such an eventful year, and would like to take this opportunity to thank councillors, staff and the community who have assisted in achieving these wonderful results for our city over the past twelve months.

# PERFORMANCE AT A GLANCE

## ECONOMIC WELLBEING

### HIGHLIGHTS

- New investment in residential, commercial and industrial properties as measured by building approvals reached \$362M.
- 139 City Improvement Program Projects were completed during 2005-2006 to the value of \$29.7M.
- Structure Plans for Noble Park, Central Dandenong and Dandenong South have been significantly advanced through the year.
- A range of activities from the Economic Development Strategy have been actioned including:
  - Support provided to promote and strengthen capability and competitiveness of companies within the region
  - Delivered programs to increase exports & reduce imports
  - Promoted Greater Dandenong as a strategic business destination
  - Advocated for business participation in environmental activities and conservation of waste and other resources.
- Promote and develop local employment
  - Projects targeted partnerships with a range of industry organisations
  - Delivered a series of special school/industry activities and critical skill issues with local education providers
  - Made presentations on engaging & developing the workforce

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

### FUTURE DIRECTION

- The collaborative partnership between the State Government, Greater Dandenong Council, VicUrban and the Dandenong Development Board will transform Central Dandenong into the Regional Capital of the South East.
- Continue to build a strong economy based on internationally competitive manufacturing businesses, sustainable service industries and innovative research and development companies.
- Regional businesses shall be continually supported to grow and actively retain skilled older workers, develop younger workers & open up flexible employment & career opportunities.

## SOCIAL WELLBEING

### HIGHLIGHTS

- The Drum Theatre at the Dandenong Town Hall was officially opened in February and a wide range of performances have been held attracting many local and regional visitors.
- 'The Castle' – an integrated Youth Services Centre at Hemmings Park has been completed. It is being utilised for musical activities and a range of youth programs.
- The 'Paddy O'Donoghue Centre' in Noble Park has been completed and is housing a number of community groups and council services.
- 'Community Gives' website and program was developed and launched – encouraging businesses and individuals to support local charities.
- The health and wellbeing of children was enhanced through the immunisation program, support parenting programs & establishing new family services in Noble Park.
- 916,022 visitors enjoyed the facilities at Council's three library venues borrowing a total of 1,358,491 items during the year. Improvements were made to the Springvale library during May and June.
- \$754,727 in Community Grants were provided to local groups throughout the year & \$53,380 in Occasional Grants.

### 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 affect older individuals and finding the right mix of professionals and volunteers to support them.
- Establishing a sense of pride and connection within the community can be an ongoing challenge particularly in areas where residents only stay for short periods of time and where cultural differences can create barriers.

### FUTURE DIRECTION

- Individuals will be supported and encouraged to reach their full potential and meet the challenges and choices of everyday living. We will work with a range of service providers to meet the changing community needs for the health and wellbeing of its people.
- Creation of a connected community where everyone participates and engages with others in the spirit and true sense of community and encourages residents to take pride in their neighbourhoods, and their personal and social group achievements.

**ENVIRONMENTAL WELLBEING**

**CIVIC WELLBEING**

**HIGHLIGHTS**

- Local educational plan for waste minimisation and litter reduction has been developed and implemented.
- o ‘Your Sustainable School’ newsletter sent to teachers monthly
- o An education plan developed for use by Council’s waste management contractor
- 19,583 indigenous seedlings were planted at 30 tree planting events attended by 3,114 willing participants.
- The level of domestic recycling and collection of green waste both exceeded the targets set.

**HIGHLIGHTS**

- 92.29% of calls were answered at the Call Centre within 15 seconds.
- 1,599 people accessed live webcast of 2005-2006 Council meetings.
- A new Council Plan was developed and adopted by Council providing directions for the coming four years. A five year Financial Plan was developed for Council to support the Council Plan.
- Council reported progress against its 2005-2006 Corporate Plan at the second council meeting of every month. The results were also published on Council’s website.
- A new logo and branding for the city was implemented with the new tag line of ‘City of Opportunity’ introduced. A gradual changeover of signage, stationery and other assets will be rolled out over coming years.

**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.

**CHALLENGES**

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

**FUTURE DIRECTION**

- Everyone in the city is encouraged to use environmentally sound practices and products to reduce our combined impact on our planet.
- Council and the community need to work together to ensure the landscape and natural environment are responsibly managed, protected, regenerated and valued.

**FUTURE DIRECTION**

- Greater Dandenong aims to be a recognised leader in local government for its viability, quality of customer service, long term planning and sustainable work practices. We strive to be a people-attracting workplace where new innovations, technological advancements and creativity continuously improve services.
- Greater Dandenong is committed to open and transparent democracy that embraces governance best practice and community participation.

# PERFORMANCE STATEMENT

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 153) 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:

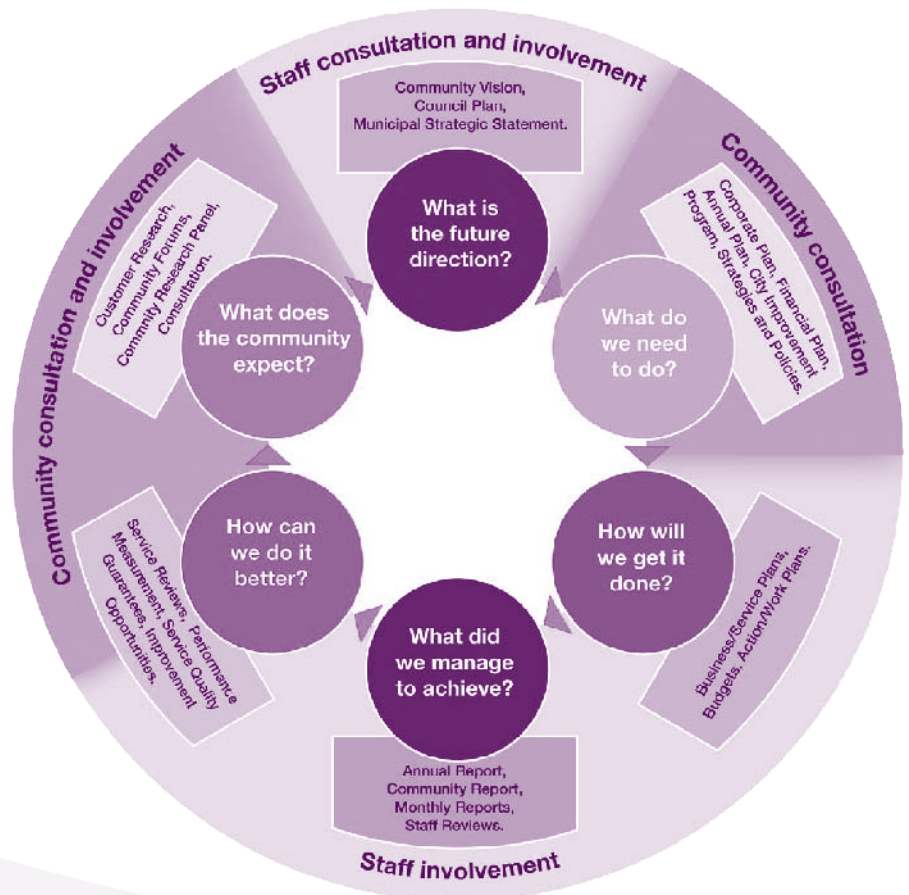
- An improved capacity to objectively measure council performance leading to a better set of relationships between state and local government; and
- Better informed local communities.

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 is aware that for 2005-06 our proportion of 'Target Not Achieved' is higher than we would have wished even though we have made significant improvements in a range of areas. 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.





# STRATEGIC OBJECTIVES, STRATEGIC INDICATORS & KEY STRATEGIC ACTIVITIES FOR 2005-2006

## > ECONOMIC WELLBEING

### Strategic Objective

We will effectively manage the resources and assets of the city, promote thoughtful development, encourage the growth of business and diversified employment opportunities, actively encourage infrastructure investment to support the council's social, cultural, environmental and civic plans and achieve continuing economic growth.

2005–2006 Strategic Indicators		
2005 – 2006 Measure	2005–2006 Target	Result
Community satisfaction with the overall performance of the council in encouraging economic development as measured through the Local Government Sector Annual Community Satisfaction Survey.	63%	Target achieved. The Wallis Report returned a finding of 63%.
New investment in residential, commercial and industrial properties as measured by building approvals.	\$300 Million	Target achieved. \$362 million worth of building permits issued within the city.
Dollars invested in assets through the City Improvement Program.	Within 20% of \$29M	Target achieved. CIP 2005-06 as at end June 2006. Percentage of Budget expanded = 98.3%. Total invested for CIP = \$29,264,825. Budget for CIP 2005-06 = \$29,754,850

2005–2006 Key Activities		
2005 – 2006 Measure	2005–2006 Target	Result
Economic Development Strategy 2005-2006 action plan	Implemented by 30 June 2006	Target achieved. The City of Greater Dandenong's Economic Development Strategy was adopted by Council 26 September. A 2005-06 Action Plan has been developed and implemented, with key areas of activity as follows: <ol style="list-style-type: none"> <li>1. Revitalise Activity Centres.</li> <li>2. Providing current + relevant promotional material for investment purposes.</li> <li>3. Strengthen and promote regional capability and competitiveness of companies in the region.</li> <li>4. Supporting companies to resolve common issues/problems.</li> <li>5. Work with partners to provide an available and capable workforce.</li> <li>6. Deliver programs to increase exports and reduce imports.</li> <li>7. Promote Greater Dandenong as 'location of choice' and a strategic business destination.</li> <li>8. Encourage development of skills that meet the region's needs.</li> <li>9. Deliver initiatives that address a changing business environment.</li> <li>10. Support and/or lead appropriate projects identified in the Melbourne's South East (MSE) strategy.</li> <li>11. Provide an advocacy role for conserving water and other resources and encourage business participation in environmental activities.</li> <li>12. Provide land take-up figures to ensure future availability and efficient use.</li> <li>13. Influence and advocate government for increased local content in major projects and Victorian Industry Participation Policy (VIPP).</li> </ol> Many of the activities undertaken will be ongoing during 2006-07, as in some cases preliminary work only has been undertaken. Specific activities are reported throughout this document.

> ECONOMIC WELLBEING

2005-2006 Key Activities		
2005 – 2006 Measure	2005-2006 Target	Result
Dandenong South Structure Plan	Submitted to Council for adoption by 31 March 2006	Target not achieved. The Plan has been exhibited and commented upon. High level discussions between an inter-Government group from State Government and officers continue in an effort to find solutions to infrastructure costs and the impact that they have on the Developer Contribution Plan (DCP). It is anticipated that the timeline for finalising the structure plan has moved out to at least November 2006. State Government funding has been provided to assist with the costs of additional studies. Target date needs to be adjusted to 15 December 2006.
Destination Dandenong	Central Dandenong Structure Plan submitted to Council for adoption by 30 November 2006	Target not achieved. Scheme Amendment C55 - The statutory basis for the structure plan has been with the Minister for Planning since April 2005. It has been put on hold by the Minister's office pending review by VicUrban in its role as Development Authority in Central Dandenong.
2005-2006 City Improvement Program (CIP) completed	Minimum of 80% by 30 June 2006	Target achieved. Number of CIP projects for 2005-06 = 171 Value = \$29,754,850. 139 Projects were completed. 19 Projects are 'carryover', 'reprogrammed' or 'reallocated', 5 Projects are 'deferred'. 2 Projects to be 'completed' by end July 2006. 2 Projects are 'not required'. 4 Projects 'not completed'.

> SOCIAL WELLBEING

**Strategic Objective**

We will strengthen community and other strategic partnerships to develop a resilient, welcoming and safe city supported by an appropriate range of services that meet the needs of our increasingly robust and diversified population.

2005-2006 Strategic Indicators		
2005 – 2006 Measure	2005-2006 Target	Result
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.	74%	Target not achieved. The Wallis Report returned a finding of 71%.
Community satisfaction with the overall performance of the council's recreation facilities as measured through the Local Government Sector Annual Community Satisfaction Survey.	74%	Target not achieved. The Wallis Report returned a finding of 72%.
Residents satisfaction with personal safety and crime conditions in their neighbourhood as measured through the City of Greater Dandenong Community Survey.	67%	Target not achieved. According to the Greater Dandenong Community Survey 62% of residents surveyed are satisfied with personal safety and crime conditions in their neighbourhood.
Community perception of the appearance of public areas as measured through the Local Government Sector Annual Community Satisfaction Survey.	67%	Target not achieved. The Wallis Report has returned a result of 65%. While the target was not met, the decline is consistent with the overall downward trend in the LGA group and within 1% of the mean in this category.

## &gt; SOCIAL WELLBEING

2005-2006 Key Activities		
2005 – 2006 Measure	2005-2006 Target	Result
'The Castle'	Construction completed by 30 June 2006	Target achieved. Project completed. First jam session was held on 2 June.
Noble Park Community Services Centre	Construction completed by 30 June 2006	Target achieved. Project completed, with official opening on 13 May 2006.
Playground Strategy 2005-2006 action plan implemented	3 playgrounds constructed by 30 June 2006	Target achieved. Menzies Reserve playground complete. Greenglade Court playground complete. The bulk of Hemmings Park playground construction will be undertaken in the next financial year due to a State Government grant now being tied to the project. Initial work to the Hemmings Park playground, including a picnic area completed.
Community Safety Plan	Completed and adopted by Council by 30 June 2006	<p>Target achieved. Plan completed and adopted by Council. Drug Action Week 2006 (June 19-23)</p> <p>A successful program of events was conducted including</p> <ul style="list-style-type: none"> <li>• Special Screening of Little Fish - 22 attended.</li> <li>• Bus Tour of Drug Treatment and Support Services in Greater Dandenong - 13 attended.</li> <li>• 'My Space, Our Space' community forum hosted by Noble Park/Keysborough Community Drug Action Forum, held at the Paddy O'Donoghue Centre - 40 attended.</li> <li>• Walking Tour of Drug-Related Criminal Justice Services in the city – 11 attended.</li> </ul> <p>Drug Action Community Discussion Groups were conducted by Springvale Drug Action Community Forum and Noble Park/Keysborough Community Drug Action Forum. A total of ten discussion groups were conducted with overall attendance of 400+. Themes were: 'What's Happening in Your Neighbourhood' and 'Drug and Safety Information for Seniors'.</p> <p>A total of six Drug Action Community Forums were conducted with the themes of: 'Information for Business', 'Alcohol and Local Communities', 'Inhalant Use', 'Young People', 'Alcohol Use and Public Space'. Overall attendance: 250+</p> <p>Community Safety Audits conducted - Total 5: Wachter Reserve, Burden Park, Hemmings Park, Dandenong Station, Noble Park Station.</p> <p>Safer Syringe Disposal Training conducted with staff across Council.</p>
Leafy Legacy Strategy	800 street trees planted by 30 June 2006	Target achieved. 1,257 street trees planted.
Community Grants Program reviewed and implemented	Funding and Service Partnership agreements established with major agencies by 30 May 2006	Target achieved. Information sessions completed. Grants program now open with several applications having been received.
The Drum Theatre at the Dandenong Town Hall	Officially opened by 30 June 2006	Target achieved. Official opening 11 February 2006.

## > ENVIRONMENTAL WELLBEING

### Strategic Objective

We will act locally to improve air and water quality, to reduce litter, to reduce waste, to reduce water and energy consumption, to enhance the city's natural and built living environment and provide leadership to the community in improving sustainability.

2005–2006 Strategic Indicators		
2005 – 2006 Measure	2005–2006 Target	Result
Number of seedlings planted.	18,000	Target achieved. 19,583 seedlings planted.
Community satisfaction with the overall performance of the council's waste management as measured through the Local Government Sector Annual Community Satisfaction Survey.	77%	Target not achieved. The Wallis Report returned a finding of 72%.
Average kilograms of domestic waste to landfill per household per week.	9.86 kilograms	Target not achieved. 10.41kg/hh/week of domestic waste to landfill. Impact of joint Thiess and Greater Dandenong Education plan will impact positively on future diversion to landfill. Natural Recovery Systems (NRS) were unable to process all green waste in 05/06. The new facility will improve this in future.
Average kilograms of domestic recyclables recovered per household per week.	4.6 kilograms	Target achieved. 4.95 kg/hh/week of recyclables collected.
Average kilograms of green waste collected per household per week.	4.69 kilograms	Target achieved. 5.25kg/hh/week of green waste collected.

2005–2006 Key Activities		
2005 – 2006 Measure	2005–2006 Target	Result
12 Community tree planting events	Organised by 30 June 2006	Target achieved. 30 events.
2004-2005 State of Environment Report	Completed and published by 30 August 2005	Target not achieved. Due to staff vacancy for large component of the year.
Local Educational Plan for waste minimisation and litter reduction	Developed by 30 June 2006	Target achieved. A Local Education Plan has been developed and is being implemented. Actions undertaken from the plan include:- <ul style="list-style-type: none"> <li>• The Noble Park Stormwater program continues</li> <li>• Update of council waste internet pages continues</li> <li>• Monthly 'Your Sustainable School' newsletter sent out to teachers</li> <li>• Quarterly Sustainable Teachers Forum for primary school teachers</li> <li>• Kindergarten litter education excursion</li> <li>• Thiess-Greater Dandenong education plan developed</li> <li>• Drain stencils ordered from Melbourne Water</li> <li>• Meeting with Waterwatch coordinator to discuss stormwater quality education</li> <li>• Meetings with environmental planning to discuss Sustainable Businesses program (including presentation to managers) and a program for non-English speaking community groups</li> <li>• Attendance at Sustainability Roundtable and Business and the Environment (BATE) meeting on waste.</li> </ul>
Central Dandenong Lighting Plan - Walker Street Lighting Project	Implemented by 30 June 2006	Target achieved. Lights are operational. Grant income for the Powerline Relocation Committee was invoiced in June.
Springvale Central Activity District – Stage 2 Buckingham Avenue project	Completed by 30 June 2006	Target not achieved. Documentation of Stage 2 is underway with detailed traffic and underground power issues being resolved. Actual works will commence in the second half of 06/07.

## > CIVIC WELLBEING

### Strategic Objective

We will encourage effective public participation in the life of the city by publishing and distributing information on the overall activities of the city, by creating opportunities for the community to contribute to decision making on matters that affect the long term sustainability of the city and actively engage the community in celebrating achievement, participating in civic affairs and being involved in community life.

2005–2006 Strategic Indicators		
2005 – 2006 Measure	2005–2006 Target	Result
Community satisfaction with the council's advocacy and community representation of local issues as measured through the Local Government Sector Annual Community Satisfaction Survey.	69%	Target not achieved. The Wallis Report returned a finding of 67%.
Community satisfaction with the overall performance of the council in engaging the community in decision making on key local issues as measured through the Local Government Sector Annual Community Satisfaction Survey.	67%	Target not achieved. The Wallis Report returned a finding of 60%.
Community satisfaction with the overall performance of the council as measured through the Local Government Sector Annual Community Satisfaction Survey.	69%	Target not achieved. The Wallis report returned a finding of 65%.
Number of persons accessing live webcast Council meetings.	530	Target achieved. The number of people accessing live webcast council meetings was 1599 persons.
Percentage of calls answered at the Call Centre within 15 seconds.	90%	Target achieved. 92.29% of calls were answered within 15 seconds.
Voter turnout at election.	74%	Target not achieved. Voter turnout for the November 2005 Election was 71%.

2005–2006 Key Activities		
2005 – 2006 Measure	2005–2006 Target	Result
Council Plan for period 2006–2010	Prepared, adopted and published by 30 June 2006.	Target achieved. The 2006–2010 Council Plan was adopted by Council on Monday 26 June, published and couriered to the Minister's office on Friday 30 June.
Financial Plan for period 2006–2010	Prepared and adopted by 30 June 2006.	The draft five year financial plan was presented to council on 22 May and was adopted for the purpose of public consultation. The final adoption was deferred by council to 10 July.
Neighbourhood Forums	Three organised by 30 June 2006	Target not achieved. No Council neighbourhood forums organised in June. Future forums schedule to be determined by Council and Executive.
New Council	Elected by 30 November 2005	Target achieved. New Council elected which includes five new Councillors.

# COMMUNITY SATISFACTION

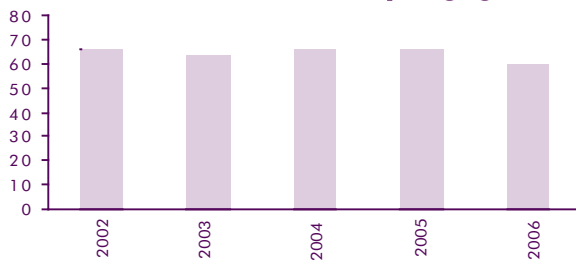
This State Government survey is undertaken annually by the Department of Victorian Communities (DVC) with an independent research company Wallis Consulting Group commissioned to conduct the study. The research is undertaken in an effort to measure Victorian residents perceptions of their Council's performance 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 areas of 'Advocacy' and 'Town Planning Policy and Approvals'. Greater Dandenong is above the mean in 'Customer Service', 'Local Roads & Footpaths' and 'Recreational Facilities'. We are comparable to the rest of the group

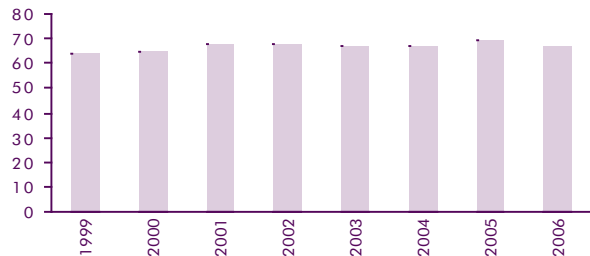
in the areas of 'Overall Performance', 'Community Engagement', 'Health and Human Services', 'Traffic Management & Parking', 'Waste Management', 'Enforcement of By Laws' and 'Economic Development'. We fall slightly below the average in regard to the 'Appearance of Public Places'.

Our main concerns rest with areas where our results have fallen. There are always a range of influences affecting the results. These are sometimes easy to decipher, such as the drop in 'Waste Management' which is likely to be a reflection of problems experienced with the Hard Waste collection, while others are more difficult to identify. 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.

**Satisfaction with Community Engagement**



**Satisfaction with Council's Advocacy**



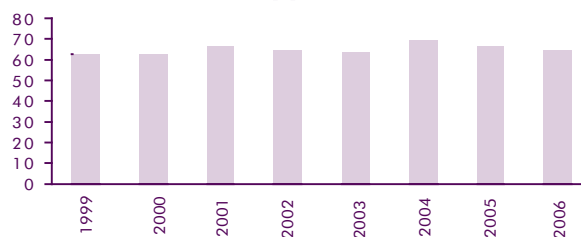
**Satisfaction with Local Roads and Footpaths**



**Satisfaction with Enforcement of By Laws**



**Satisfaction with Appearance of Public Areas**



**Overall Community Satisfaction**

Performance of Council	69	65	-4%
Local Roads and Footpaths	64	61	-3%
Health and Human Services	74	71	-3%
Recreational Facilities	74	72	-2%
Appearance of Public Areas	67	65	-2%
Traffic Management and Parking Facilities	63	57	-6%
Waste Management	77	72	-1%
Enforcement of By Laws	68	63	-5%
Economic Development	63	63	0%
Town Planning Policy and Approvals	69	66	-3%
Performance in Key Service Areas	68	66	-2%
Customer Contact	74	76	2%
Advocacy and Community Representation on Key Local Issues	69	67	-2%
Community Engagement	67	60	-7%

	Target 2006	Result 2006	Variance 2006
Performance of Council	69	65	-4%
Local Roads and Footpaths	64	61	-3%
Health and Human Services	74	71	-3%
Recreational Facilities	74	72	-2%
Appearance of Public Areas	67	65	-2%
Traffic Management and Parking Facilities	63	57	-6%
Waste Management	77	72	-1%
Enforcement of By Laws	68	63	-5%
Economic Development	63	63	0%
Town Planning Policy and Approvals	69	66	-3%
Performance in Key Service Areas	68	66	-2%
Customer Contact	74	76	2%
Advocacy and Community Representation on Key Local Issues	69	67	-2%
Community Engagement	67	60	-7%

## PROGRESS AGAINST FINANCIAL TARGETS

Outputs	Note	Measures	Actual 2004/2005	Actual 2005/2006	Target 2005/2006	Difference
Rates Management		Total rates and charges declared (\$000's)	\$52,100	\$55,736	\$55,736	–
		Average Rates and charges (per assessment)	\$967	\$1,018	\$1,018	–
		Rates and charges (per capita)	\$392	\$413	\$419	\$(6)
		Rates and charges (% of CIV)	0.36%	0.38%	0.38%	–
		Average residential rates and charges per assessment	\$639	\$675	\$675	
Dependence on Rates and Grants		Rates and charges (% of total recurrent revenue)	52.64%	50.70%	57.31%	(6.61%)
		Financial assistance grants (per capita)	\$45.67	\$54.33	\$46.12	(\$8.21)
Achieve Financial Plans	1	% achievement of budgeted operating surplus (actual against original budget)	376.72%	310.39%	100%	210.39%
		% achievement of capital expenditure program	80.37%	88.88%	100%	(11.12%)
Financial Health	1	Operating surplus/(deficit) (% of total recurrent revenue)	11.7%	15.3%	5.4%	9.9%
		% change in net assets from previous year	1.5%	17.4%	0.7%	16.7%
		Debt servicing costs as % of rates and charges revenue	2.0%	2.2%	7.2%	(5.0%)
	3	Working capital ratio (current assets/current liabilities.)	0.65	0.64	0.92	(0.28)
	1	Operating result per assessment	\$213	\$306	\$95	\$211
Capital Expenditure		Ratio of capital expenditure to total depreciation	1.58	2.11	2.10	(0.01)
		Average capital expenditure (per assessment)	\$466	\$587	\$674	(\$88)
Infrastructure Renewal	2	Ratio of current spending on renewal to the long term AAAC	0.16	0.13	182	(181.87)
Infrastructure Renewal & Maintenance	2	Ratio of current spending on renewal plus maintenance to the long term AAAC plus maintenance	0.19	0.20	177	(176)
Debt Management		Rates, fees and charges outstanding at 30 June 2005	8.54%	6.31%	9.10%	(2.79%)
	4	Average liabilities per assessment	\$615	\$720	\$624	(\$96)
Operating Costs		% change in net operating expenditure (from 30 June 2005)	12.04%	(1.79%)	2.31%	(4.10%)
		Average operating expenditure per assessment	\$1,720	\$1,612	\$1,586	\$25
		Operating expenditure per capita	\$696	\$653	\$653	–
		% Change in operating expenditure per capita	12.04%	(1.79%)	2.31%	(4.10%)



## NOTES – COMMENTS ON SIGNIFICANT FINANCIAL VARIANCES

1. Council achieved a better than budget operating result for the year 2005-06 which resulted from the following:
  - Gifted assets through subdivision activity of \$8M
  - Additional grant funding from the Grants commission \$935K
  - Additional grant funding for the provision of Children, Youth and Aged care services of \$600K (partly offset by increased expenditure in salaries).
  - Advance payment of \$3M grant funding for the Dandenong Basketball Stadium budgeted to be received in 2006-07.
2. At the time of setting the target capital expenditure a rough estimate was made in relation to amounts to be spent on maintenance and renewals. The actuals were less than estimated.
3. The actual Working Capital ratio is based on higher Long Service Leave liabilities which are based on vested entitlements as opposed to probable settlement dates under the new accounting standards. The target was based on the previous accounting standards.
4. Total Liabilities at June 2006 was more than budget (target) due to an increase in creditors for major Capital works that were committed at year end and trust funds for land sale deposits received at year end.

## CERTIFICATION

In our opinion the accompanying Performance Statement of the City of Greater Dandenong in respect of the 2005-06 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 Peter Brown  
Mayor



Cr Yvonne Herring



Bryan Payne  
Acting Chief Executive Officer

Dated: 25 September 2006  
Location: Dandenong

# AUDITOR GENERAL VICTORIA PERFORMANCE STATEMENT



## AUDITOR GENERAL VICTORIA INDEPENDENT AUDIT REPORT

### Greater Dandenong City Council

#### To the Councillors

#### Scope

##### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2006 of Greater Dandenong City Council consists of the statement, the related notes and the certification.

##### *Councillors' Responsibility*

The Councillors of Greater Dandenong City Council are responsible for the preparation and presentation of the performance statement and the information it contains.

##### *Audit Approach*

As required by the *Local Government Act 1989*, an independent audit has been carried out in order to express an opinion on the performance statement. 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:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the statement
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the statement.

These procedures, which did 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.

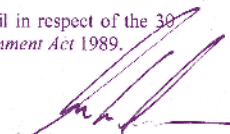
#### Independence

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 and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

#### Audit Opinion

In my opinion, the performance statement of Greater Dandenong City Council in respect of the 30 June 2006 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE  
26 September 2006



Edward M. Hay  
Acting Auditor-General

## BEST VALUE

### > SERVICE REVIEW PROCESS

Every service, provided by the City of Greater Dandenong, has successfully been reviewed through the Best Value Program. All teams completed their Service Reviews by the end of December 2005. The City of Greater Dandenong's Best Value Program aims to:

- Provide a focus on identifying Best Value services for residents and stakeholders that they can understand, respond to and measure our 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 of the Local Government Act.

Every service addressed, the six Best Value principles listed below:

- 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 performance in achieving the objectives of Best Value.

### > GREATER DANDENONG'S APPROACH

A series of learning and review modules were developed for teams to work through as they considered ways of improving the services they deliver. Facilitated sessions assisted teams to look for new approaches to improve their service delivery. The focus

on development and involvement of staff was a key feature of the Best Value Program, as staff are the primary providers of the services and the predominant point of contact with customers. Building a culture that encouraged staff to be proactive and innovative was an important outcome of the program.

Every team has identified and implemented improvements to their services and many have been able to improve the promises they make to customers in their service quality guarantees. Improvements implemented by staff are reported to the Council and the community monthly.

A number of new approaches are currently being implemented by council that continue to build on the continuous service improvement culture that has been established across the organisation. The next generation of service improvements will be generated through a series of across-organisation teams that have been developed to break down communication and service level barriers between teams. It is envisaged that shared goals and a collaborative way forward shall lead to even higher levels of service improvement than have been created by teams working only on their sections of the services.

### > REPORTING

Published on council's Internet site [greaterdandenong.com](http://greaterdandenong.com) are a range of reports for each service unit. These include copies of their current service plans and service charters which are all linked to the Council Plan and Financial Plan. Each month a report on council's progress to achieving its objectives is published on the website. Council's web pages will be updated during coming years as teams continue to review elements of their service, introduce new or streamlined practices, respond to customer satisfaction results or refine their service charters.

A snapshot of each service and their achievements for 2005-06 are outlined in the following pages.

## &gt; GREATER DANDENONG'S SERVICE REVIEW TIMETABLE

Business Unit	Completion Targets
Adult Day Activity Support Service	Review Completed October 2005
Aged & Disability Services	Review Completed November 2005
Asset Management - Parks	Review Completed November 2005
Asset Management - Operations Support	Review Completed September 2005
Asset Management - Works	Review Completed October 2005
Building Services	Review Completed June 2005
Children's Services	Review Completed November 2005
Community Bus	Review Completed October 2005
Community Care Services	Review Completed 2004
Business Support	Review Completed June 2005
Business Systems & Contracts	Review Completed June 2005
Business Systems	Review Completed June 2005
Governance	Review Completed November 2005
Customer Service	Review Completed December 2005
Economic Development	Review Completed August 2005
Environmental Health	Review Completed August 2005
Family Services	Review Completed October 2005
Financial Services	Review Completed November 2005
Food Services	Review Completed June 2005
HL Williams Hostel	Review Completed December 2005
Information Management Services	Review Completed June 2005
Infrastructure Planning	Review Completed December 2005
Library, Arts & Heritage	Review Completed September 2005
Library Services	Review Completed August 2005
Media & Communications	Review Completed August 2005
Organisational Development	Review Completed December 2005
Project Delivery	Review Completed September 2005
Property Revenue	Review Completed December 2005
Residential Amenity	Review Completed August 2005
Social Development	Review Completed August 2005
Planning & Design	Review Completed December 2005
Property, Leisure and Environment	Review Completed December 2005
Waste Services (Domestic Collection) Review	Review Completed 2004
Youth Services	Review Completed November 2005

## SERVICE SUMMARIES – A YEAR IN REVIEW

### > AGED & DISABILITY SERVICES

The Unit consists 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, 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

1. Provision of HACC services to over 2,500 older residents each month.
2. Significant increase in HACC funding to provide additional home based services.
3. Provision of specialised community transport for transport disadvantaged.
4. Integration of client information systems across Aged & Disability to ensure more efficient service delivery.
5. Provision of a council-wide volunteer program.
6. Successful tender application for additional community aged care packages to support older residents living in their own homes.

### > ASSET MANAGEMENT SERVICES

The Unit is responsible for the maintenance of the city's roads, drainage, buildings and footpath network, 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.

#### Achievements

1. Development and implementation of a local education plan for waste minimisation and environmental school projects.
2. Maintenance of additional open space with the creation of parks; approximately 25% increase in area maintained (120 hectares).
3. Delivery of \$4M of capital improvement projects in addition to normal recurrent maintenance spending.

4. A move towards an integrated approach to the management of all asset groups.
5. Implementation of asset network inspections via Strategic Asset Management Program (SAMP) and development of mobile computing for issuing of works orders.
6. Introduction of departmental Occupational Health and Safety meetings and annual workplace inspections.

### > BUILDING SERVICES

The Unit focuses on Council's obligations under the Building Act and Regulations to ensure that all buildings within the city are safe to occupy for their intended use and the recording of building permits, retrieval and dissemination of permit information.

#### Achievements

1. Council obligations under the Building Act achieved through education and enforcement.
2. Audits of commercial industrial buildings for fire safety compliance.
3. Construction of State Volleyball Centre contract let.
4. Market redevelopment stage one nearing completion.

### > BUSINESS DEVELOPMENT CENTRE

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 wellbeing.

The South East Networks 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

1. Newly designed Stakeholder magazine published and distributed (four editions).
2. New prospectus 'Ready to do Business' launched.
3. Courtesy Bus reviewed and new route incorporates Dandenong Hospital stop.
4. Dandenong Creek (MSE) project completed and Atlas (product) launched – Greater Dandenong lead agency.
5. Economic Development Strategy finalised and approved.

6. Retail/Commercial Revitalisation Strategy finalised.
7. 35 per cent increase in participation over past two years – current year est: 2 300 people, 380 companies and 120 activities.
8. 5S + Value Stream Mapping Manufacturing Excellence programs delivered (part fee for service) overall 60 groups across 30 companies (estimated savings of \$5m for participants).
9. South East Melbourne Manufacturers Alliance (SEMMA) – 40 per cent increase in membership; self-sustainability plan developed.
10. Increased participation of 28 per cent in Showcasing Women in Business series.
11. Recognition of our M:Tec schools-industry program by incorporation of M:Tec activities into new State Government CiM (Careers in Manufacturing) program – and acknowledgement provided.
12. Independent survey of SEN membership indicated services highly valued.

## > CHILDREN'S YOUTH & FAMILY SERVICES

The Unit focuses on monitoring and supporting a range of:

- Children's Services which includes -
  - Five community based Child Care Centres.
  - 23 community based pre-schools.
  - Family Day Care - 84 caregivers and 356 children.
  - Early Childhood Support services.
  - Specialised Needs Children through Aboriginal Co-operative for Best Start Program.
- Family Services which include in-home family support (160 cases), counselling (105 clients) and groups eg. post natal depression.
- Youth Services and Visy Cares Centre that includes:
  - Providing counselling, intake and referral services, programs i.e. 'Muso Network', dance, school holiday programs & accredited training.
  - Day to day management of the Visy Cares Centre.
- 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.

### Achievements

1. Opening Paddy O'Donoghue Centre.
2. Re-structure of Youth Services providing programs

- & support services to young people & their families.
- Introduction of three new youth programs targeting Culturally and Linguistically Diverse (CALD) communities.
- 3. Completed the re-development of Visy Cares Centre increasing the lettable space and rental income and addressing OH&S and security issues.
- 4. Youth Assist Inc: Represented council on the Board and assisted the Board through a difficult year resulting in the Boards decision to request Council take over the management of the Visy Cares Centre.
- 5. Increased funding in the 12 program areas resulting in substantial increases in local services.

## > CUSTOMER SERVICE

The Unit is responsible for corporate call centre and three face-to-face Customer Service Centres. The Unit is the primary 'first point of contact' into council and seeks to satisfy a majority of customer queries and requests at initial contact, and where needed, directs queries to appropriate persons in council.

### Achievements

1. Implemented new telephony software and Management Information System (MIS) for Call Centre & Service Centres.
2. Introduced 'virtual call centre' (operate Call Centre from multiple sites).
3. Implemented 'call quality monitoring' program to improve staff performance.
4. Enhanced 'Council Assist' knowledge base and wizard technology to improve service.
5. Achieved target of 90 per cent of calls answered within 15 seconds.
6. Refurbished Service Centres and provided specifications and assisted in fit out of new Customer Service Centre at Paddy O'Donoghue Centre in Noble Park.

## > FINANCIAL SERVICES

The Unit is responsible for the efficient management and delivery of council's financial services. Finance provides advice on financial matters to all levels of council, management and staff. The Property Revenue unit maintains a current and accurate property database which is used in the calculation of its rate revenue. Finance is responsible for the collection of rate revenue and the administration of the 'Grants Commission General Purpose Grant'.

## SERVICE SUMMARIES – A YEAR IN REVIEW

### Achievements

1. Timely preparation of valuation information including supplementary valuations for rating purposes.
2. Formulated council's short-term, medium and long-term financial plans.
3. Successful submission to the Grants Commission for additional grant funding.
4. Efficient management of council's financing costs resulting in lower bank fees and charges.
5. Successful upgrade of financial systems.  
Eg: Computron and BIS V8.
6. Council's Annual Financial Report prepared in a timely manner with no audit qualifications.

## > GOVERNANCE & CORPORATE PLANNING

The Unit consists of Governance, Corporate Planning and Records Management. Key responsibilities include management of council meetings and minutes, organisational planning and reporting, service improvement, customer research and records management.

### Achievements

1. Best Value Service Reviews of 34 teams completed.
2. Council Plan restructured, streamlined and simplified.
3. Citizenship ceremonies revitalised.
4. Council meetings, briefings and minutes managed effectively.
5. RecQuery software introduced and staff trained.
6. Customer research for all teams completed and utilised in service planning.

## > INFORMATION TECHNOLOGY SERVICES

The Unit develops, maintains and enhances corporate software solutions, hardware, data networks, telecommunications infrastructure for all council staff and councillors over 35 sites and provides web based services to the community.

### Achievements

1. Continuous improvements and enhancements to corporate systems and network infrastructure.
2. New Intranet and GIS solution.
3. Remote access improved.
4. VoIP – Upgrade and expansion of telecommunications, convergence of voice and data.

5. Server consolidation through use of 'virtual servers'.
6. Significant expansion of remote sites, eg Drum Theatre, Paddy O'Donoghue Centre.

## > INFRASTRUCTURE PLANNING

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

### Achievements

1. Developed Council's 2006-07 and long-term capital expenditure programs.
2. Negotiated a major contract with Adshel for the provision and maintenance of new bus shelters across the city at no cost to council.
3. Obtained State Government commitment to the third rail on the Dandenong line and improved bus services through targeted advocacy, government submissions and the coordination of regional transport groups.
4. Flood Study for the city commenced with committed grant funding from the Federal Government, State Government and Melbourne Water.
5. Partnership with SEITA and Connect East successfully established to provide council's input and approval to the design and construction of EastLink connections.
6. Local area traffic management and road safety programs implemented in partnership with local communities, Victoria Police and Vic Roads.

## > 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

1. Successful opening and establishment of the Drum Theatre at the redeveloped Dandenong Town Hall.
2. Redevelopment of the Armytage Hall into 'The Castle', a performance venue with a strong youth emphasis, in Hemmings Park, Dandenong.



3. *Trading Places* a snapshot of the retailers in Dandenong Central Business District, jointly funded by the Department of Environment and Heritage and Greater Dandenong – documented in print and in a photographic exhibition.
4. Successful Commonwealth Games related activities and events across the city, with participation by many different community members with the valuable assistance of a volunteer group.
5. LGPro Award for Excellence for the 'Council Ambassador Program' – volunteers attend major events to promote Greater Dandenong and conduct economic impact and other surveys of the attendees, participants and sponsors.
6. The redevelopment of the Springvale Library to enable the trial of different customer interface through the removal of the central circulation desk & redesign of the floor space.

## > MARKETING & COMMUNICATIONS

The Unit consists of Marketing & Communications, Print Shop, and Halls & Meeting Rooms service. Key responsibilities include delivering all marketing, media, communications and public relations functions for the council, all internal print services and managing council's halls & meeting rooms.

### Achievements

1. Redesigned and launched the city's new logo and branding to City of Opportunity.
2. Developed a comprehensive Style Guide on branding and communications processes.
3. Marketing & Communications Strategy developed.
4. Developed and promoted forward plans for *The City and Stakeholder* publications.
5. Reviewed, updated and moved all intranet content into the new system for internal launch.
6. Arrangements made to take over management of Edinburgh Hall in Springvale.

## > ORGANISATIONAL DEVELOPMENT

The Unit 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

1. Employee development programs for 1 000 participants implemented.
2. Climate Survey completed and results distributed.
3. Diploma of Business completed for 20 staff.
4. End of Band Scheme implemented.
5. Functional Assessment & Task Analysis incorporated into recruitment process.
6. 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

1. Central Dandenong rezoning and revitalisation strategy established.
2. Draft structure plan for 1040ha of land for industrial development undertaken and exhibited.
3. Significant capital projects commenced/completed, e.g. Walker St lighting; Dandenong Market (Stages 1 & 2); Dandenong wetlands.
4. Whole-of-Council program to review the Municipal Strategic Statement (and consequent policy work).
5. Increased attention to skilling and training of staff across the unit contributing to Greater Dandenong being a recognised industry leader in planning.
6. The top performing council in our Local Government group as reported in the government survey (Wallis Report).

## > PROJECT DELIVERY

The Unit consists of Civil Development and Design and Construction Project Management. Key responsibilities include: undertaking the long-term planning and co-ordination of council's Capital Improvement Program (CIP); providing detailed designs; project managing and supervising the work from concept through to completion; considering all planning applications and associated civil works that affect the infrastructure network; managing all sub-divisional and development works; and providing advice to developers and authorities in meeting council standards.

## SERVICE SUMMARIES – A YEAR IN REVIEW

### Achievements

1. Successful delivery of the 2005-06 CIP.
2. Completion of the Drum Theatre (\$14M).
3. Completion of the Paddy O'Donoghue Centre (\$5.8M).
4. Completion of the Castle (\$1.2M).
5. Increased standard of developer infrastructure due to council supervision and control.

### > 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

1. Successfully tendered the management of the Aquatic Centres and Springers Leisure Centre.
2. Initiated, obtained funding and commenced *On Your Feet* Dandenong Walking Project.
3. Developed relationships with sport clubs including visits to in excess of 40 clubs and initiated contact with tennis and bowling clubs which were not previously part of the program.
4. Improved and populated the property management database.
5. Initiated debt recovery process in property area and continued process in sport area with consequent recovery in excess of \$100 000 of outstanding debt.
6. Upgraded four council facilities and 20 parking bays to provide utilisation by people with disabilities.

### > REGULATORY SERVICES

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

### Achievements

1. Greater Dandenong recognised as industry leader in litter enforcement around multi unit dwellings.
2. Chosen as host city for 2006 Australian Institute of Environmental Health National Conference.
3. Introduced and implemented new Local Laws No. 2 and 3.
4. Achieved annual target for number of dogs/cats registered in municipality.
5. Inspected all premises in municipality housing dangerous/restricted breed dogs.
6. Conducted clean up programs in two industrial/commercial precincts of city.

### > STRATEGIC RISK SERVICES

The Unit 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

1. Comprehensive Risk Strategy and Risk Framework in place.
2. Strategic Asset Management Policy and Management Framework in place for council's major risk exposure.
3. Leading edge asset management and works management systems.
4. Comprehensive purchasing and procurement policies and systems in place.
5. Contract management systems and training regime in place for council.
6. Third party audit regime for all high risk contracts with regular reports to Executive.

## > SOCIAL DEVELOPMENT

The Unit comprises Social Planning & 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

1. Significant review and restructure of the Community Grants program.
2. Establishment of a new DVC funded project working with the African community, in response to community issues.
3. Successful delivery of a wide range of community safety initiatives which have been well supported by stakeholders including local residents.
4. Development of a new approach to the Municipal Public Health Plan, drawing on the industry standard Environments for Health framework.
5. Transfer of Jan Wilson Community Centre from non-performing community based committee to council management.
6. Highly successful partnership with the Interfaith Network, resulting in the rollout of a range of activities to promote tolerance and harmony.

## COMMUNITY GRANTS PROGRAM

The Community Grants Program is an annual program that 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.

2005-06 saw the introduction of Funding & Service Agreements, which have been brokered between council and a range of local community service providers to cover operational and/or rental costs. The total funding allocation to Funding & Service Agreements for 2005-06 was approximately \$691 000. These Agreements are for a three year period, from 2005-2008. These will provide greater certainty and continuity of funding for key service organisations.

In 2005-06 there were two application based community grants programs, as detailed below.

### > THE GENERAL SUPPORT PROGRAM

There were two main categories through which applicants could apply, Health & Wellbeing and Arts & Culture.

- \$379 917 was allocated for the Health & Wellbeing grants to the community.
- \$374 810 was allocated for the Arts & Culture grants to the community.

The total amount of funding for the community through the General Support Program was \$754 727.

### > 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. Approximately 20 per cent of applications in 2005-06 supported local talent through the provision of financial assistance to individuals competing at the state, national or international level in a variety of sporting and significant competitive events. 161 applications were submitted, 128 of which were funded. The total amount of funding was \$53 380.

### > NEW INITIATIVE: DANDENONG GIVES

*Dandenong Gives* is an initiative of council in conjunction with Our Community, a social venture company. *Dandenong Gives* is an online donations facility, designed to encourage giving in the Dandenong community. It links donors with community groups and assists community groups with fund-raising.

Community groups can access this service through the City of Greater Dandenong website [www.greaterdandenong.com](http://www.greaterdandenong.com) or at <http://www.ourcommunity.com.au/dandenonggives>.

## ASSET MANAGEMENT

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

The 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 has also joined the MAV STEP program to supplement this improvement program. An independent assessment of council's asset management capability exceeded the state target of the STEP Program in 2005-06.

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.

A 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.

### >ASSET MANAGEMENT INFORMATION

The 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.

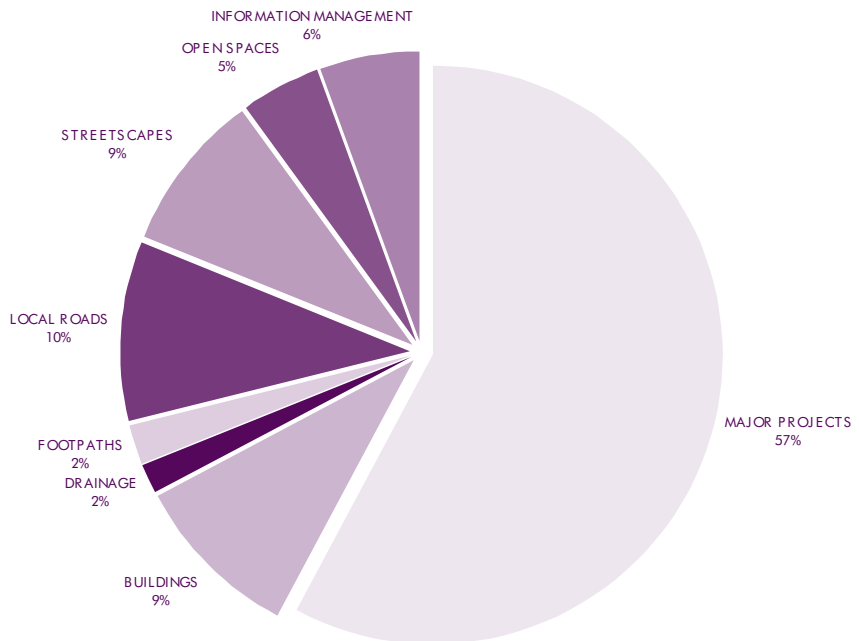
## 2005/2006 CITY IMPROVEMENT PROGRAM

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. Once a year, we invite the community to put forward suggestions for public works that 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 funding ability and other responsibilities. Once approved, projects are planned, designed and delivered by 30 June 2006.

The council continued towards its commitment to spending more than \$60 million on capital works over a five year period with a further \$29.72 million being spent in 2005-06. The actual expenditure amount for capital works for 2005-06 CIP was 99.8 per cent of the budget allocation. The few projects not completed were carried over to the 2006-07 financial year for completion.

**City Improvement Program 2005/2006**  
(% of money spent per category)



Category	Expenditure YTD (\$)	Summary
<b>Major Projects</b>	<b>\$17,163,718</b>	Major projects completed included – Dandenong Town Hall redevelopment, Noble Park Community Services Centre development, The Castle redevelopment. Major Projects currently underway include Dandenong Basketball/State Volleyball Centre redevelopment, Dandenong Produce Market redevelopment and Tatterson Park development.
Basketball/State Volleyball Centre	\$531,841	
Dandenong Town Hall	\$6,650,672	
Dandenong Produce Market	\$2,683,374	
Tatterson Park	\$931,409	
Redevelopment of The Castle	\$1,447,125	
Noble Park Community Centre	\$4,465,216	
Other Projects	\$454,081	
<b>Buildings</b>	<b>\$2,796,889</b>	Buildings works included: 1) Renovations & safety improvements at the Dandenong Oasis Leisure Centre. 2) Roof Safety implementation program. 3) WJ Turner Reserve pavilion. 4) Exeloo Toilet installation at Hemmings Park. 5) Upgrade and Maintenance works at various council buildings including Springvale and Dandenong Libraries.
Improvements	\$2,100,340	
Major Maintenance	\$696,549	
<b>Drainage</b>	<b>\$527,446</b>	Drainage works included: 1) Minor drainage and pit lid replacement works at various locations. 2) Ronald Street Drainage construction (400m). 3) Flood Mitigation/Mapping Project.
New Construction	\$131,939	
Rehabilitation	\$395,507	
<b>Footpaths</b>	<b>\$616,459</b>	Footpath works included: 1) Chandler Road, Keysborough - Construct footpath between Cheltenham Road and Accra Street. 2) Footpath renewal program, city wide based on SmartTrack requests and condition audits.
New Construction	\$12,768	
Rehabilitation	\$603,691	
<b>Local Roads</b>	<b>\$2,970,416</b>	Local roads work included: 1) the reconstruction of McMahrens Road. 2) Rehabilitation and resurfacing of roads throughout the city. 3) Traffic management devices installed municipal-wide.
New Construction	\$603,816	
Rehabilitation	\$879,992	
Resurfacing	\$464,223	
Roadside Furniture & Lighting	\$31,049	

2005/2006 CITY IMPROVEMENT PROGRAM

Category	Expenditure YTD (\$)	Summary
Traffic Management & Parking	\$960,710	
Bridges	\$30,626	
<b>Streetscapes</b>	<b>\$2,630,929</b>	Streetscape works included: 1) Street tree planting. 2) Springvale Structure Plan implementation – Stage 1 (Buckingham Avenue between Queens and Balmoral). 3) Walker Street streetscape, lighting upgrade and Public Art works (outside Town Hall).
Rehabilitation	\$2,630,929	
<b>Open Space</b>	<b>\$1,357,614</b>	Open space works included: 1) Wetlands improvement (board walk, bird hide and gravel paths). 2) Park furniture and playground improvements at Hemmings Park. 3) Construct concrete path along Dandenong Creek Trail (approx 750 m). 4) Various improvement works undertaken at several sporting ovals and reserves.
Parks	\$650,079	
Sports Reserves	\$320,378	
Bike Paths	\$176,324	
Playgrounds	\$210,833	
<b>Knowledge Management</b>	<b>\$1,654,525</b>	Knowledge management expenditure included the purchase of: 1) New library materials. 2) GIS system upgrade. 3) Server replacement including eProclaim. 4) Records management scanning project.
Library Services	\$748,945	
Computer Equipment & Data Capture	\$905,580	
<b>Total Capital Expenditure (including external funding)</b>	<b>\$29,717,996</b>	



## RISK MANAGEMENT

The City of Greater Dandenong maintains an effective risk management program to ensure that its 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, principals 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

The 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 therefore a 'self-insurer' for all claims, other than major losses. This has proved to be cost effective in an environment of a hardening insurance market and 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. The council continues to take a position wherein such claims are vigorously contested.

### > STRATEGIES

In consultation with LOGOV Risk Management Services, the 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.

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.

Council is an active Corporate Member of the Risk Management Institution of Australasia (RMIA).

### > MUNICIPAL EMERGENCY MANAGEMENT

The 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.

The 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 in the prevention of, response to and recovery from municipal emergencies.

## CORPORATE GOVERNANCE

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.

### > COUNCIL'S ROLE

The City of Greater Dandenong's 11 councillors are elected 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

The Chief Executive Officer (CEO) is appointed by council for the purposes of managing the daily business of the organisation. The CEO may delegate to other council officers to enable the functions of council to be undertaken in an accountable, efficient and effective manner.

### Council Meetings

Council conducts its business in open and publicly advertised meetings. In 2005-06 there were 23 ordinary and two special meetings of council. Listed below are the number of meetings attended by individual councillors.

Councillors From 1/7/05 – 30/6/06	Ordinary Meetings	Special Meetings
<b>Number of Meetings Held</b>	<b>23</b>	<b>2</b>
Cr. Roz Blades	20	2
Cr. Peter Brown	23	2
Cr. Youhorn Chea	22	2
Cr. Paul Donovan	20	2
Cr. John Kelly	20	2
Cr. Maria Sampey	22	2

Councillors From 1/7/05 – 25/11/05	Ordinary Meetings	Special Meetings
<b>Number of Meetings Held</b>	<b>10</b>	<b>0</b>
Cr. David Kelly	10	0
Cr. Angela Long	8	0
Cr. Naim Melhem	10	0
Cr. Kevin Walsh	10	0
Cr. Clare O'Neil	10	0

Councillors From 26/11/05 – 30/6/06	Ordinary Meetings	Special Meetings
<b>Number of Meetings Held</b>	<b>13</b>	<b>2</b>
Cr. Alan Gordon	13	2
Cr. Yvonne Herring	13	2
Cr. Jim Memeti	13	2
Cr. Sue Walton	13	2
Cr. Pinar Yesil	13	1

### 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 [www.greaterdandenong.com](http://www.greaterdandenong.com). During 2005-06 the average number of 'log-ins' to the live webcast was 67, with 2122 people accessing archived (non-live) webcast council meetings. The council has been pleased with the results and will continue to webcast meetings during 2006-07. The City of Greater Dandenong is one of only three 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 and council representatives 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 2005-06.

### Councillor Remuneration

The Mayoral annual allowance for 2005-06 was \$46 500 and the use of a fully maintained vehicle. The Councillor annual allowance for 2005-06 was \$15 000. As from 23 January 2006 the Mayoral annual allowance was increased to \$57 500 and Councillor annual allowance was increased to \$18 000.

## > COMMUNITY LEADERSHIP

Council conducted one major neighbourhood forum during 2005-06. The purpose of the forum was to provide information and explanation to the community on significant projects that will impact the central Dandenong area. 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 neighbourhood forums in 2006-07.

## > ADVOCACY

There are many services provided by State and Federal Government agencies that support Greater Dandenong residents. During 2005-06 council has implemented 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
- Premier's Community Cabinet Day at Greater Dandenong
- Meals on Wheels Kitchen
- Regular monthly meeting with:
  - VicRoads
  - Melbourne Water
  - Department of Infrastructure
  - Department of Sustainable Energy
  - Department of Innovation, Industry and Regional Development (DIIRD)
  - Parks Victoria
  - South East Water

- Mayor and Chief Executive Officers Groups
- Federal Government South East Development Area Consultative Committee
- Dandenong Development Board
- VicUrban
- Southern and Eastern Integrated Transport Authority (SEITA)
- EastLink
- Eastern Group of Councils
- Service based industry network groups
- Melbourne South East

Council's advocacy programs have been highly successful in many service areas, culminating in the announcement by Premier Steve Bracks at the Premier's Community Cabinet Day for a further \$197M to be added to the \$92M already committed to the 'Transit City' initiative for central Dandenong. Further grants have been received for the Federal Blackspot Program, Public Transport and improvements, community facility improvements and Home and Community Care package funding.

## CORPORATE GOVERNANCE

### > REPRESENTATION

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

Organisation	Councillors 1/7/05 – 25/11/05	Councillors 26/11/05 – 30/6/06
<b>Advisory Committees</b>		
Audit Committee	Cr. Maria Sampey, Cr. Kevin Walsh	Cr. Peter Brown, Cr. Yvonne Herring
<b>Reference Groups</b>		
Community Road Safety Reference Group	Cr. Paul Donovan	Cr. Youhorn Chea, Cr. Paul Donovan, Cr. Alan Gordon, Cr. Sue Walton
Dandenong Basketball Stadium	Cr. Roz Blades, Cr. Angela Long, Cr. David Kelly	Cr. Paul Donovan, Cr. Jim Memeti
Disability Reference Group	Cr. Maria Sampey, Cr. Roz Blades,	Cr. Maria Sampey, Cr. Sue Walton
Oasis Reference Group	Cr. David Kelly, Cr. Angela Long, Cr. Youhorn Chea	Cr. Jim Memeti, Cr. Sue Walton*
Springers Reference Group	Cr. Roz Blades, Cr. Peter Brown, Cr. Youhorn Chea	Cr. Roz Blades, Cr. Peter Brown, Cr. Youhorn Chea
<b>Other Councillor Representations</b>		
Australian Local Government – Nuclear Free Zones and Toxic Industries Secretariat	Cr. Maria Sampey, Cr. Naim Melhem	No representatives appointed*
Australian Sister Cities Association	Cr. Angela Long*	No representatives appointed
Community Advisory Group for the Mitcham – Frankston Project	Cr. Clare O’Neil	No representative appointed
Community Safety Committee		Cr. Paul Donovan, Cr. Maria Sampey
Cyrene Centre - Board of Management	Cr. Roz Blades, Cr. Kevin Walsh*	Cr. Roz Blades, Cr. Alan Gordon, Cr. Yvonne Herring*
Dandenong Benevolent Society	Cr. Maria Sampey	Cr. Maria Sampey
Dandenong Community Advisory Bureau	Cr. David Kelly	Cr. Jim Memeti
Dandenong Day Nursery	Cr. Angela Long	No representatives appointed
Dandenong Development Board	Cr. Maria Sampey	No representative appointed
Dandenong Drug Action Committee	Cr. Angela Long	Cr. Maria Sampey, Cr. Sue Walton
Dandenong Fire Brigade	Cr. David Kelly	Cr. Jim Memeti
Disability Reference Group (Disability Consultative Committee)	Cr. Maria Sampey, Cr. Roz Blades*	Cr. Maria Sampey, Cr. Roz Blades
Eastern Ring Road Steering Committee	Cr. Kevin Walsh	No representative appointed
Greater Dandenong Australia Day Committee	Cr. Maria Sampey, Cr. David Kelly	Cr. Peter Brown*
Greater Dandenong Children’s Services Association	Cr. Roz Blades	Cr. Roz Blades, Cr. Pinar Yesil*
Greater Dandenong Interfaith Network	Cr. Clare O’Neil	Cr. Youhorn Chea
Heritage Hill Advisory Committee	Cr. David Kelly	No representative appointed

\*Alternative representative

Organisation	Councillors 1/7/05 – 25/11/05	Councillors 26/11/05 – 30/6/06
Inter-Council Aboriginal Consultative Committee – South East Region	Cr. Angela Long	Cr. Sue Walton
International Council for Local Environmental Initiatives	Cr. Angela Long	Cr. Maria Sampey, Cr. Sue Walton
Lyndale Secondary College Council	Cr. Maria Sampey	Cr. Maria Sampey
Melbourne 2030 – City of Greater Dandenong Spokesperson	Cr. Naim Melhem	Cr. Paul Donovan
Migrant Settlement Committee	Cr. Youhorn Chea	Cr. Youhorn Chea, Cr. Sue Walton, Cr. Pinar Yesil
Mills Reserve Hockey Group Incorporated Committee	Cr. Angela Long, Cr. Paul Donovan*	No representative appointed*
Municipal Association of Victoria (MAV)	Cr. Naim Melhem, Cr. Maria Sampey*	Cr. Maria Sampey*
Municipal Association of Victoria 2030 Initiative Reference Group	Cr. Naim Melhem	No representative appointed
Municipal Association of Victoria – Community Planning Knowledge Sharing & Reference Group	Cr. Naim Melhem	No representative appointed
Municipal Association of Victoria – Strategic Environment Advisory Group	Cr. Clare O'Neil	No representative appointed
Municipal Fire Prevention Committee	Cr. David Kelly*	No representative appointed
Noble Park – Keysborough Drug Action Community Forum	Cr. Roz Blades, Cr. Peter Brown, Cr. Maria Sampey, Cr. Kevin Walsh	Cr. Roz Blades, Cr. Alan Gordon, Cr. Maria Sampey, Cr. Pinar Yesil
Public Art Reference Group	Cr. Naim Melhem, Cr. Clare O'Neil	Cr. Paul Donovan, Cr. Maria Sampey*
Regional Housing Working Group – Southern Region	Cr. Naim Melhem, Cr. Paul Donovan	Cr. Paul Donovan, Cr. Sue Walton*
South East Alcohol and Drug Service (SEADS) Community Reference Group	Cr. Angela Long	No representative appointed
South East Region Gas Company (SERGASCO)	Cr. John Kelly	Cr. John Kelly
South Eastern Region Migrant Resource Centre	Cr. Youhorn Chea	No representative appointed
South Eastern Regional Waste Management Group	Cr. John Kelly	Cr. John Kelly
South Eastern Integrated Transport Group	Cr. Kevin Walsh	Cr. Alan Gordon
Southern and Eastern Integrated Transport Authority	Cr. Kevin Walsh	No representative appointed
Springvale Benevolent Society	Cr. Maria Sampey, Cr. Youhorn Chea, Cr. Roz Blades	Cr. Peter Brown, Cr. Youhorn Chea, Cr. Alan Gordon, Cr. Yvonne Herring
Springvale Community Aid and Advice Bureau	Cr. Roz Blades, Cr. Youhorn Chea	Cr. Roz Blades
Springvale Community Drug Action Forum	Cr. Clare O'Neil, Cr. Youhorn Chea	Cr. Youhorn Chea
Victorian Local Governance Association (VLGA)	Cr. Peter Brown	Cr. Youhorn Chea
Visy Cares Centre – Committee of Management	Cr. Clare O'Neil, Cr. Paul Donovan*	No representative appointed*

\*Alternative representative

# CORPORATE GOVERNANCE

## > AUDIT ADVISORY COMMITTEE

Members	
Mr Michael Said	Chair
Cr Peter Brown from December 2005	Council Representative (Mayor)
Cr Yvonne Herring	Council Representative
Mr Eddie Creaney	External member
Mr Rob Wernli	External member
CEO	Non-voting
Mr Ross Hepburn, Director Corporate Services from January 2005	Non-voting
Mr Jay Peries, Manager Financial Services	Non-voting

The audit committee met on five occasions during 2005-2006.

Matters considered included:

- Financial and Performance Statements for 2004-2005
- The 2006-2007 Financial Plan
- The Internal Audit Plan of Council for 2005-2006 and 2006-2007
- Risk Management Strategy of Council
- The Auditor General’s Audit Strategy for 2005-2006

## > 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 and 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**

Bryan Payne – Acting Chief Executive Officer

**Protected Disclosure Officer**

Sue Harris - Manager Organisational Development

Number & types of disclosures made to public bodies	0
Number of disclosures referred to the Ombudsman for determination as to whether they were public interest disclosures	0
Number & types of disclosed matters referred to the public body by the Ombudsman for investigation	0
Number & types of disclosed matters referred by the public body to the Ombudsman for investigation	0
Number & 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 & types of disclosed matters that the public body has declined to investigate	0
Number & types of disclosed matters that were substantiated upon investigation, and the action taken on completion of the investigation	0
Recommendations	0

## > LOCAL GOVERNMENT IMPROVEMENT INCENTIVE PROGRAM

Greater Dandenong 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 2005-06 as set out below:

<p><b>a) Trade Practices Compliance</b> State whether the Council is compliant or non-compliant, justify or cite actions to redress.</p>	<p>City of Greater Dandenong is compliant</p>
<p><b>b) Local Laws Compliance</b> State whether the Council is compliant or non-compliant, justify or cite actions to redress.</p>	<p>City of Greater Dandenong is compliant</p>
<p><b>c) Competitive Neutrality Compliance</b> State whether the Council is compliant or non-compliant for all significant business. If non-compliant, justify or cite actions to redress.</p>	<p>City of Greater Dandenong is compliant</p>

I certify that:

- this statement has been prepared in accordance with the 2005-06 Local Government Improvement Incentive guidelines issued in August 2006 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
- this statement presents fairly the Council's implementation of the National Competition Policy.

Signed:



Bryan Payne  
(Acting Chief Executive Officer)

Dated: 25 September 2006

## CORPORATE GOVERNANCE

### > FREEDOM OF INFORMATION

Requests for access to information under the Freedom of Information Act should be lodged with the Freedom of Information Officer, PO Box 200, Dandenong, Victoria, 3175. Enquiries regarding the Freedom of Information Act can also be made by telephoning 9239 5100.

	2000- 2001	2001- 2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006
Total number of requests	23	14	21	19	14	20
Access granted in full	7	0	3	0	0	1
Access granted in part	13	11	15	13	4	8
Other – not finalised/proceeded with	2	3	3	3	5	8
Access denied in full	1	0	1	0	0	3
Requests still under consideration	0	0	0	3	5	1
Number of internal reviews sought	1	1	1	0	0	0
Number of appeals lodged with the Administrative Appeals Tribunal	0	0	0	0	0	0
<b>Total charges collected</b>	<b>\$70</b>	<b>0</b>	<b>\$476.52</b>	<b>\$280</b>	<b>\$143.50</b>	<b>\$255.70</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 for 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 90 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 12 and 13 of the Local Government Act 1989 for the immediate past roll and 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 Section 197 of the Local Government Act 1989.
- Guarantees given by a Council under Section 197 of 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.



## ORGANISATION

### > 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. A set of practical guidelines has been produced to assist employees to access flexible work options. Training is scheduled for early 2006-07 to assist managers and team leaders to continue to implement flexible work options.

#### Work Experience Placements

More than 20 students were placed across the organisation in a range of work functions and settings in 2005-06. The City of Greater Dandenong values the contribution that work experience provides and is committed to providing this community service to schools and students. One DOXA Youth Foundation student undertook a placement within Corporate Services.

#### Traineeships

32 trainees were placed across the organisation in a range of occupations and roles. This includes 20 trainee community care workers studying certificate three in Aged Care and who successfully secured permanent ongoing employment. All trainees receive valuable on the job training and experience whilst studying a nationally accredited program. Two indigenous trainees are currently in Greater Dandenong's employ.

#### Leadership and Management Development

A number of leadership and management development activities were conducted during 2005-06 including participation in the innovative inter-council Leadership Challenge organised by the Local Government Managers of Australia. Tailored programs on coaching, change management and leadership were also conducted during the year. 20 staff graduated from the Diploma of Business program conducted internally through Swinburne.

#### Employee Development

Ongoing professional and personal development continued throughout 2005-06. 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. This area continues to be a strong focus, ensuring staff are competent and participate in lifelong learning activities. Greater Dandenong employs two staff members with physical disabilities in full time roles.

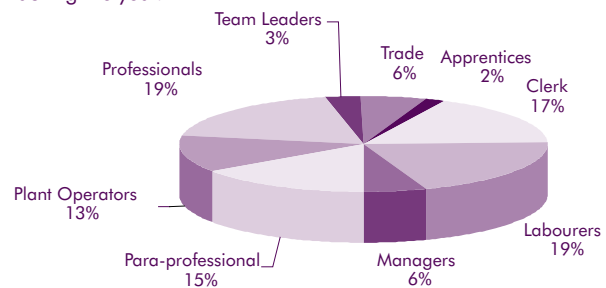
#### Service Milestones

38 staff achieved service milestones of between 10, 20 and 30 years during 2005-06 and received recognition for their achievement & contribution to the City of Greater Dandenong.

#### Staff numbers

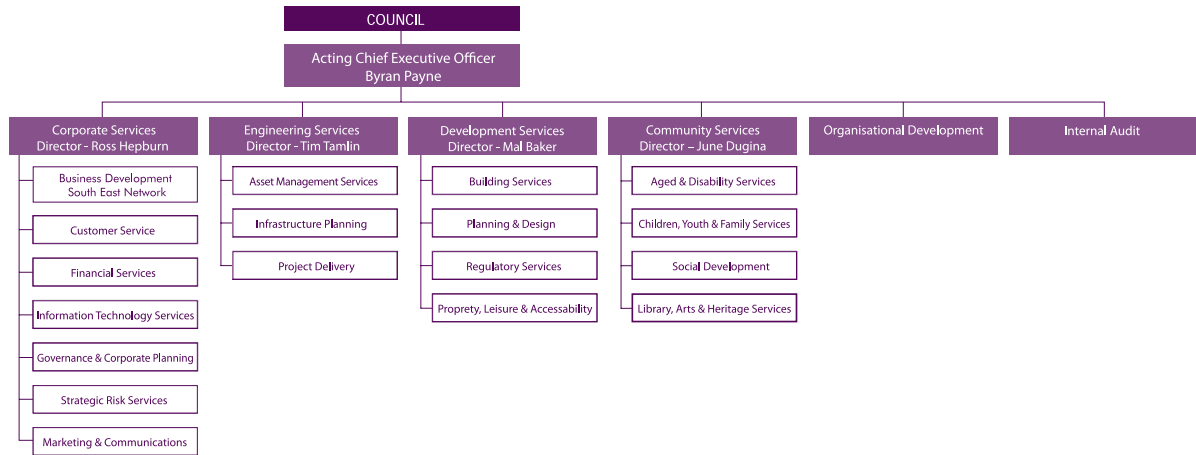
	Male	EFT	Female	EFT	Total	EFT
Full-time	214	214	185	185	399	399
Part-time	56	24.38	274	133.06	330	157.44
Casual	33	–	90	–	123	
Total	303	238.38	549	318.06	852	556.44

57 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 the increase in service delivery, staff previously employed by Visy Cares became council staff, and new employees for the Paddy O'Donoghue Centre.

# ORGANISATION



## > HEALTH AND SAFETY

The council’s health and safety programs 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.

### Achievements

- Streamlining of Incident and Claims Management processes.
- Purchase of an OHS and Risk Management system to further enhance data recording and reporting capabilities.
- Further expansion of Task Analysis across council departments.

### 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 are to be conducted and results completed in the 2006-07 year.

### Training

Training opportunities were provided to management and staff which covered a number of areas including first aid, OHS Representative refreshers and Working from Heights. A Mock Court was conducted for management, staff and contractors to graphically demonstrate the need for compliance to OHS legislation.

### Health And Wellbeing

The council has maintained an active health and wellbeing program, 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. This program will continue in 2006-07.

### Absenteeism through Injury

The total number of 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 17 per cent to 2.43 per cent of available working hours.

### Looking Ahead

Goals for 2006-07 include:

- Achievement of compliance with Australian Standard AS 4801:200.
- 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 2005-06, the City of Greater Dandenong continued to implement equal opportunity (EO) principles and practices in a number of areas. These include:

### Training

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

### Communication

- The results of the Employee Opinion Survey were communicated to all staff across the organisation.

### Complaints & Grievances

- Three complaints were received during 2005-06. All complaints were satisfactorily resolved following internal investigations without the need to refer matters to an external agency.

### Research

- The Employee Opinion Survey was conducted during 2005-06. Results place Greater Dandenong in the top 30 per cent of organisations participating in the survey. Focus group sessions with staff have been scheduled to work through survey results and develop action plans during 2006-07.

### Priorities For 2006-2007

- Provide training for 'Managing Work Life Balance' for managers and team leaders.
- Continue to provide a program for educating and refreshing knowledge for managers and staff in equal opportunity principles and responsibilities.
- Finalise negotiations for the Enterprise Agreement due to commence operation in early 2006-07.



# MANAGEMENT COMMENT ON THE FINANCIAL REPORT

## > OVERVIEW

The following management comments are written with a view to explaining council’s financial performance during 2005-06 and financial position as at 30 June 2006. 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 2005-2006 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 cash flow performance, as well as its financial position against council’s Financial Plan (budget) for 2005-06. Major variances between the budgeted results and actual outcomes are explained in the notes to the standard statements.

The City of Greater Dandenong Council (council) budgeted to achieve a surplus from operations of \$5.39M, against which council achieved a surplus of \$16.73M (surplus of \$5.2M in 2005). The following major factors impacted on the result for the year:

- Receipt of additional grant income from the Grants Commission of \$0.9M and additional unbudgeted grant funding of \$600K for the provision of Children, Youth and Aged Care Services. (Note 2 of Standard Statements).
- An early payment of \$3M of grant funding relating to the Dandenong Basketball/Volleyball Stadium. This was budgeted to be received in 2006-07.
- Recognition as revenue of \$8M in ‘gifted’ assets of roads,

drains and footpaths from sub division activity in the Keysborough development and Metro 3175. (Note 5 of Standard Statements).

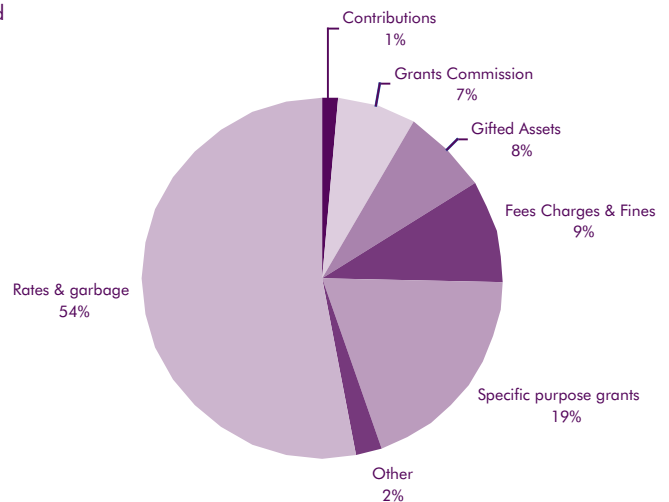
- Employee costs of \$38.2M which includes an additional \$1M of agency costs to provide the additional Aged Care Services funded through additional grant income and fees and charges.
- Depreciation expense of \$15.2M on council’s fixed assets.

### 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 \$122.3M. This increase, combined with the operating surplus resulted in council’s Equity (Net Assets) to increase by \$139M.

### Revenue

Council’s revenue for 2005-06 was \$104.9M (\$100.8M in 2004-05) including rates and charges revenue (\$55.6M), government grants (\$27.6M), fees and charges (\$9.8M) and ‘gifted’ assets (\$8M). 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 4.1 of Financial Report for further details on rate revenue.

**Grants and Contributions** – Grants revenue comprises a general purpose grant of \$7.3M (which included a road funding grant of \$0.9M for local roads), and tied grants of \$20.3M which were essentially for community services such as home care, aged care and youth services. Also included was \$3.0M received in advance for the Dandenong Basketball/Volleyball Stadium which was budgeted to be received in 2006-07. These grants are fully expended on these services in addition to the funds allocated by council from other sources of revenue (Refer Note 4.2 of Financial Report). Contributions received of \$1.4M were mainly for open space development at Keysborough and other capital works.

**Fees, charges and fines** - Revenue from these sources was \$9.7M for the year (\$10.2M in 2004-05). The major sources of revenue are:

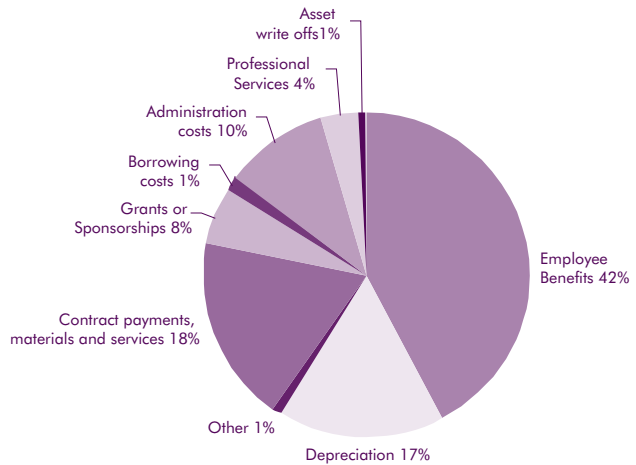
- Hire of council facilities \$2.6M
- Aged care services \$1.3M
- Civil transport planning and other \$1.0M
- Parking fees and fines \$2.2M
- Statutory and other fees (building permits, Infringements, Perin court recoveries etc.) \$2.6M

**Other Income** (\$2.4M) - This item of income essentially relates to fees for provision of valuation data to State Revenue Office, National Competition Policy payment and Interest received on rates and investments and other recoveries.

**Recurrent Expenditure**

Total recurrent expenditure for 2005-06 including depreciation and assets written off was \$90.8M (\$90.0M in 2004-05).

The major items of expenditure are depicted in the graph below:



**Employee Costs** (\$38.2M) – 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 & services (\$16.6M) – Included in this category are the following major costs relating to:

- Maintenance & Repairs \$2.6M
- Waste Collection and Disposal \$5.9M
- Park Services \$1.8M
- Contract Payments \$2.8M
- Materials & Services \$3.5M

**Grants and sponsorships** (\$5.2M) – 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.

# MANAGEMENT COMMENT ON THE FINANCIAL REPORT

## > OVERVIEW

**Professional fees and other expenses** (\$4M) – Mainly includes consultancy costs and legal costs for various services (\$2.7M). Other costs include statutory fees and audit costs. Refer to note 5.5 in the Financial Report.

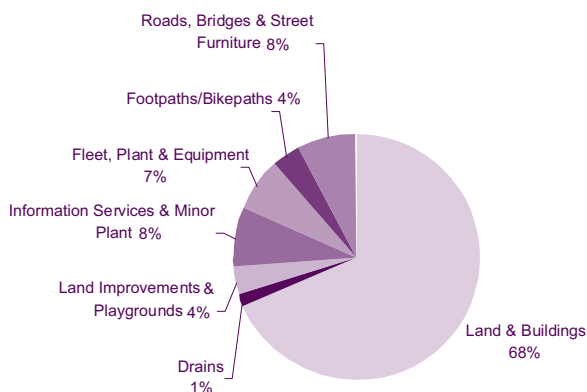
**Administration costs** (\$9.4M) – Administration costs include information management expenses (\$2M), and insurance costs (\$1M), printing, publications and promotions of \$1.6M and motor vehicle maintenance of \$1M. Refer to note 5.6 in the Financial Report.

**Borrowing costs** (\$1.2M) – represents interest on councils short-term and long-term borrowings. Council borrowed \$8M of long-term borrowing for major capital works.

**Depreciation** (\$15.2M) – 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 \$32.1M on capital expenditure during the year. \$12.7M of this was on renewal and upgrades to council's

existing infrastructure assets. \$15.4M was spent on new assets through major projects which included the completion of the Drum Theatre, work on the Market re-development currently in progress, initial works on the Dandenong Basketball/Volleyball Stadium and open space works in the Keysborough Tatterson Park. It also spent \$3.9M in 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 \$22.5M. Included in this result are:

- Better than expected receipt of grants from the grants commission, and other operating grants
- Grant payment of \$3M for the Dandenong Basketball/Volleyball Stadium received in June that was budgeted to be received in 2006-07

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 \$30.4M in purchase of assets.

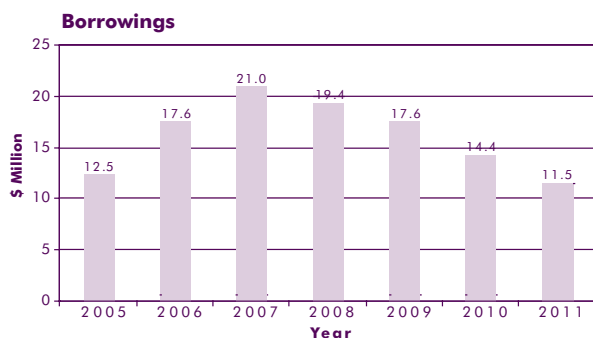
Financing activities – Financing activities refer to council's borrowings. Council borrowed the planned amount of \$8M for major capital works. Council met its loan repayment obligations of \$1.3M on existing loans.

## Borrowings

Council's borrowings at 30 June 2006 was \$17.6M. Further borrowings of \$12.0M are planned over the next three years towards funding the Dandenong Market redevelopment and major capital works. Loan repayments of \$18.2M are planned over the next five years under council's borrowing strategy. At its peak, council's borrowings will be \$21.0M in 2007, which is 34.5% of rate revenue (Government prudential limit is 60%).

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 \$138.9M during the year, made up of the operating surplus of \$16.7M and movement in valuation of land, buildings, footpaths and roads. The net worth of Council at 30 June 2006 was \$939.0M (\$800.0M in 2005 restated following changes due to IFRS), made up of the following assets and liabilities:

## Council's assets

What Council owns comprises	\$M	%
Roads & Bridges	276	28.1
Drainage	105	10.7
Land	392	40.0
Buildings	104	10.6
Footpaths & Bike Paths	67	6.8
Plant/Furniture, Playground Equipment	20	2.0
Cash and Other Assets	17	1.7
<b>Total</b>	<b>981</b>	<b>100.0</b>

What Council owes comprises	\$M	%
Long term borrowing	18	42.9
Creditors	10	23.8
Trust Monies	6	14.3
Employee entitlements	8	19
<b>Total</b>	<b>42</b>	<b>100.0</b>

The difference between the assets and liabilities of \$939.0M 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.*

# FINANCIAL REPORT FOR YEAR END 30 JUNE 2006

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## INCOME STATEMENT FOR YEAR END 30 JUNE 2006

	Note	2006 \$'000	2005 \$'000
<b>REVENUES</b>			
Rates and garbage charge	4.1	55,602	51,495
Government grants	4.2	27,653	20,826
Contributions	4.4	1,432	1,744
Fees, charges and fines	4.6	9,750	10,179
Assets acquired from subdivisions	1.2(f)	8,068	8,608
Assets not previously recognised	2	–	6,015
Other	4.8	2,441	1,940
<b>Total Revenue</b>		<b>104,946</b>	<b>100,807</b>
<b>EXPENSES</b>			
Employee benefits	5.1	38,263	36,185
Contract payments, materials and services	5.2	16,582	16,077
Depreciation	5.3	15,196	15,914
Grants and sponsorships	5.4	5,221	4,088
Professional Services	5.5	3,277	4,124
Administration costs	5.6	9,447	8,409
Finance costs	5.7	1,227	1,031
Other	5.8	868	3,226
Write-off of assets	7, 7.1	700	1,005
<b>Total Expenses</b>		<b>90,781</b>	<b>90,059</b>
<b>Net gain / (loss) on disposal of assets</b>	<b>4.7</b>	<b>2,565</b>	<b>237</b>
<b>SURPLUS FOR THE YEAR</b>		<b>16,730</b>	<b>10,985</b>

The accompanying notes form part of this financial report.

## BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 \$'000	2005 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6.1	2,721	5,063
Trade and other receivables	6.2	9,003	9,065
Inventory – Property	1.8, 6.3	3,719	2,148
<b>Total current assets</b>		<b>15,443</b>	<b>16,276</b>
<b>Non-current assets</b>			
Property, infrastructure, plant and equipment	1.3, 7	954,875	809,982
Inventory – Property	1.8	9,152	11,246
Intangible assets	7.2	1,505	1,505
<b>Total non-current assets</b>		<b>965,532</b>	<b>822,733</b>
<b>Total assets</b>		<b>980,975</b>	<b>839,009</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8.1	10,017	9,537
Employee benefits	8.2	7,883	7,055
Trust monies	8.3	2,568	4,544
Interest-bearing liabilities	10	3,766	3,979
<b>Total current liabilities</b>		<b>24,234</b>	<b>25,115</b>
<b>Non-current liabilities</b>			
Unearned income	8.1	3,000	3,000
Employee benefits	8.2	504	1,042
Interest-bearing liabilities	10	14,216	9,824
<b>Total non-current liabilities</b>		<b>17,720</b>	<b>13,866</b>
<b>Total liabilities</b>		<b>41,954</b>	<b>38,981</b>
<b>NET ASSETS</b>		<b>939,021</b>	<b>800,028</b>
<b>EQUITY</b>			
Accumulated surplus	2	423,802	407,072
Reserve	11.3(d), 11	515,219	392,956
<b>TOTAL EQUITY</b>		<b>939,021</b>	<b>800,028</b>

The accompanying notes form part of this financial report.

## STATEMENT OF CHANGES IN EQUITY FOR YEAR END 30 JUNE 2006

	Note	Total		Accumulated Surplus		Reserves	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Balance at the beginning of the year</b>	2	<b>800,028</b>	<b>781,280</b>	<b>407,072</b>	<b>394,582</b>	<b>392,956</b>	<b>386,698</b>
Surplus for year	2	16,730	10,985	16,730	10,985		–
IFRS adjustments	2		1,505		1,505		
Revaluation increment of assets	7.1	122,263	6,258		–	122,263	6,258
<b>Balance at the end of the year</b>		<b>939,021</b>	<b>800,028</b>	<b>423,802</b>	<b>407,072</b>	<b>515,219</b>	<b>392,956</b>

The accompanying notes form part of this financial report.

## CASH FLOW STATEMENT FOR YEAR END 30 JUNE 2006

	Note	2006 \$'000	2005 \$'000
<b>Cash inflows/(outflows) from operating activities</b>			
Receipts from ratepayers		55,439	51,480
Fees, charges, fines and other (including GST)		13,840	11,593
Government grants (including GST)		29,954	22,832
Interest received		638	770
Payments to suppliers and employees (including GST)		(75,695)	(74,436)
Borrowing costs		(1,227)	(1,031)
Net GST (payments)/refunds		63	74
<b>Net cash provided by operating activities</b>	<b>17.1</b>	<b>23,012</b>	<b>11,282</b>
<b>Cash inflows/(outflows) from investing activities</b>			
Payments for property and other non-current assets		(32,286)	(25,083)
Proceeds from sale of property, plant and equipment		1,728	2,666
<b>Net cash (used in) investing activities</b>		<b>(30,558)</b>	<b>(22,417)</b>
<b>Cash inflows/(outflows) from financing activities</b>			
Proceeds from/(Repayment of) secured loans		5,170	6,501
Payments for trust monies and deposits	1.4, 8.3	(1,007)	(339)
Proceeds from trust monies and deposits	1.4, 8.3	2,031	4,192
<b>Net cash provided by/(used in) financing activities</b>		<b>6,194</b>	<b>10,354</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,352)</b>	<b>(781)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>17.2</b>	<b>3,772</b>	<b>4,553</b>
<b>Cash and cash equivalents at end of the year</b>	<b>17.2</b>	<b>2,420</b>	<b>3,772</b>
<b>Restricted cash assets</b>	<b>6.1</b>	<b>2,649</b>	<b>2,504</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 offices are located at 397-405 Springvale Road, Springvale 3171.

The purpose of the 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. Council's internal auditor is Acumen Alliance. The Commonwealth Bank of Australia is the main banker for council.

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, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views.

### Financial Report complies with AIFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Some Australian equivalents to IFRSs contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

The Council is an entity to which AAS 27 'Financial Reporting by Local Governments' applies and that the entity has applied a requirement in the Standard that overrides the requirements in an Australian equivalent to IFRS. Except to the extent that these special provisions require, this Financial Report complies with the Australian equivalents to IFRS (AIFRS).

## > 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). These financial statements have restated council's surplus, balance sheet and equity for 30 June 2005 with the transition to A-IFRS. Note 2 contains a reconciliation between the figures reported under the previous AGAAP with the comparative 30 June figures under A-IFRS.

### 1.2 Recognition of revenues

#### 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 4.1).

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 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 is disclosed in Note 4.3. Any amount of a grant that was received in prior years and was spent during the current year is disclosed in the same note.

> NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

- c) **Fees, user charges and fines**  
Fees and user 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 revenue 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 7 with threshold limits as shown below and unless otherwise stated are consistent with prior years.

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

## &gt; NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

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

- 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 Statement of Financial Performance 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.

- e) **Realisable infrastructure assets**  
Infrastructure assets comprising 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 18).
- f) **Land under roads**  
The council has elected not to recognise land under roads as an asset in accordance with AASB 1045 Land Under Roads. This accounting standard extends the requirement to recognise and measure land under roads as an asset of council until 30 June 2007.
- g) **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. As such, they will be reviewed annually for impairment.

- 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 8.3).

## &gt; NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

**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*

Under the Accounting Standard AASB 119, annual leave entitlements are determined up to balance date at amounts expected to be paid when the obligation is settled, inclusive of leave loading and associated oncosts. Annual leave entitlements expected to be settled after 12 months are measured at the present value of the estimated future cash outflows. Annual leave entitlements expected to be settled within 12 months are measured in nominal dollars. Under the Accounting Standard, all annual leave is classified as current.

*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 entitlements expected to be settled after 12 months are measured at the present value of the estimated future cash outflows. The current portion is measured in nominal dollars. All long service leave entitlements after ten years of continuous service have been classed as current. Interest rates on government securities are used for discounting future cash flows. (Refer Note 8.2).

*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 14.)

**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 8.1 and 12).

**1.7 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.

**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 12 months of balance date are shown as current assets.

**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 6.2 and 13).

**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 6.1 and 17.2).

**1.11 Rounding**

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



## > NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

### 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 replacement asset is expensed.

### 1.13 Interest-bearing liabilities

Interest-bearing liabilities represent overdrafts, 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 10 and 13).

Interest accrued on these liabilities is treated as borrowing costs (Refer Notes 10 and 13).

### 1.14 Finance costs

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

## > NOTE 2 FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Following the adoption of Australian equivalents to International Financial Reporting Standards (AIFRS), the Council has prepared and presented its first financial report and other accountability statements in compliance with the AIFRS framework for the financial year end 30 June 2006.

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. The Council has analysed its purpose, objectives, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the Council has elected to apply options and exemptions within the AIFRS that are applicable to not-for-profit entities.

With certain exceptions, the Council has recorded transactions and events as though AIFRS had always applied. This practice has extended to any comparative information included within the financial report. Most accounting policy adjustments arising from the first time adoption of AIFRS apply retrospectively and have been adjusted against the accumulated surplus funds at 1 July 2004, being the opening balance sheet date for the comparative period.

Reconciliations of AIFRS surplus / (deficit), balance sheet and equity for 30 June 2005 to the balances reported in the 30 June 2005 financial report are

detailed in the following tables.

**Table 1: Reconciliation of surplus/(deficit) as presented under previous Australian GAAP to that under AIFRS**

	Note	30 June 2005 \$'000
<b>Surplus as reported under previous Australian GAAP</b>		<b>5,213</b>
<i>AIFRS impact on income</i>		
Proceeds from sale of property, plant and equipment, infrastructure	(i)	(2,666)
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	(i)	237
Assets not previously recognised	(ii)	(374)
Assets not previously recognised	(iv)	6,015
<i>AIFRS impact on expenses</i>		
Assets written off in 04/05 relating to 03/04	(iii)	131
Written down value of assets sold	(i)	2,429
Total AIFRS impact on surplus/ (deficit)		5,772
<b>Surplus under AIFRS</b>		<b>10,985</b>

Note

(i) Previously the totals for proceeds and costs from asset sales were shown in revenue and expenses respectively. Under AIFRS only the net result is shown as a separate item.

## > NOTE 2 FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

- (ii) These assets were recognised as income in 2004-05. Under AIFRS they are treated as though the transaction had occurred in 2003-04. Hence there is an adjustment to the surplus (and therefore equity) and also non-current assets (see Table 2 and Table 3).
- (iii) These assets written off in 2004-05 relate to assets that should have been written off in 2003-04. Under AIFRS an adjustment has been made between equity and non-current assets (see Table 2 and Table 3).
- (iv) These assets that were first recognised in 2005-06 relate to 2004-05. Under AIFRS these are shown as a restatement of the comparative year's income and assets.

**Table 2: Reconciliation of total assets as presented under previous Australian GAAP to that under AIFRS**

	30 June 2005 \$'000	1 July 2004 \$'000
<b>Total Non-current assets under previous Australian GAAP</b>	<b>816,351</b>	<b>790,496</b>
<i>AIFRS impact on assets</i>		
Intangible Assets	1,505	
Property, plant, equipment, infrastructure	5,590	5,833
Impairment write down of inventory	(713)	(713)
<b>Total AIFRS impact on assets</b>	<b>6,382</b>	<b>5,120</b>
<b>Total Non-current assets under AIFRS</b>	<b>822,733</b>	<b>795,616</b>

**Table 3: Reconciliation of equity as presented under previous Australian GAAP to that under AIFRS**

	30 June 2005 \$'000	1 July 2004 \$'000
<b>Total equity under previous Australian GAAP</b>	<b>793,646</b>	<b>776,160</b>
<i>AIFRS impact on equity</i>		
AIFRS prior year adjustments	6,382	5,120
Total AIFRS impact on equity	6,382	5,120
<b>Total equity under AIFRS</b>	<b>800,028</b>	<b>781,280</b>

### Explanation of material adjustments to the cash flow statements

There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous Australian GAAP.

### Explanatory Notes:

#### Impairment of assets

Impairment testing was conducted on transition date, 1 July 2004. No impairment changes were identified, hence no adjustments were required.

#### Property, plant and equipment, infrastructure

When an asset is initially recognised, AASB

116 *Property, Plant and Equipment* requires the capitalisation of costs of dismantling and removing an asset and restoring the site on which the asset was created, together with the recognition of a provision determined at present value in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

There was no impact on Councils' books from these standards at 30 June 2005.

#### Employee benefits

AASB 119 *Employee Benefits* requires liabilities for short-term employee benefits to be measured at nominal amounts and liabilities for long-term employee benefits to be measured at present value. AASB 119 defines short-term employee benefits as benefits that fall due wholly within 12 months after the related period of service. Therefore, liabilities for short-term employee benefits are measured at present value where they are not expected to be settled within 12 months of the reporting date.

#### Non-current assets held for sale

AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* requires an entity to classify a non-current asset as held for sale if its carrying amount will be recovered principally through its sale rather than through continued use. A non-current asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. In addition, depreciation ceases when an asset has been classified as held for sale.

Properties identified for sale were transferred from non-current assets and reflected in the Balance Sheet as at 30 June 2005. No depreciation expense was recognised in respect of these properties in the year 2005-06. As such, no adjustment is required to the accounts under the transition to AIFRS.

## > NOTE 2 FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

### *Financial instruments*

Under the IFRS requirements, councils are able to elect to apply the first-time adoption exemption available under AASB 1 *First-time adoption of Australian Equivalent to International Financial Reporting Standards* to defer the date of transition of AASB 139 *Financial Instruments: Recognition and Measurement* until 1 July 2005.

Council was not impacted by this transitional requirement, accordingly, there is no quantitative impact on the balance sheet as at 1 July 2004 and 30 June 2005 and the income statement for the year ended 30 June 2005.

## > NOTE 3 FUNCTIONS AND ACTIVITIES

### 3.1 Revenue, expenses and council assets have been attributed to the following broad functions

Revenue attributed 2006					Expenses 2006		surplus/ (deficit)	Total non- current assets
	General \$000	Grants \$000	\$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	8,444
Organisational development	27	5	32	0.03	3,186	3.51	(3,154)	376
Health & environment	10,705	564	11,269	10.73	17,285	19.04	(6,016)	139,590
Leisure & culture	1,174	1,383	2,557	2.44	13,551	14.93	(10,994)	291,518
Community services	1,938	10,485	12,423	11.84	16,768	18.47	(4,345)	32,932
Transport & infrastructure	3,273	7,768	11,041	10.52	7,317	8.06	3,724	472,464
Economic development	6,202	94	6,296	6.00	3,193	3.52	3,103	20,195
Total Revenues & Expenses	77,293	27,653	104,946	100.00	90,781	100.00	14,165	965,519

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

Revenue attributed 2005					Expenses 2005		surplus/ (deficit)	Total non- current assets
	General \$000	Grants \$000	\$000 Total	% of Total	\$000	% of Total	\$000	\$000
Corporate services*	58,808	6,074	64,882	64.36	30,640	34.11	34,242	7,200
Organisational development	1	48	49	0.05	3,767	4.18	(3,718)	321
Health & environment	11,669	558	12,227	12.13	17,842	19.78	(5,615)	119,017
Leisure & culture	777	911	1,688	1.67	12,545	13.91	(10,857)	248,555
Community services	1,719	9,810	11,529	11.44	15,158	16.80	(3,629)	28,300
Transport & infrastructure	3,403	3,389	6,792	6.74	7,169	7.95	(377)	402,121
Economic development	3,604	36	3,640	3.61	2,938	3.27	702	17,219
Total Revenues & Expenses	79,981	20,826	100,807	100.00	90,059	100.00	10,748	822,733

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

> NOTE 3 FUNCTIONS AND ACTIVITIES

3.2 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, IT and records management services</li> <li>• Contract management and procurement</li> <li>• Rates administration and 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, marketing 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> </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 persons hostel, 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> <li>• School crossing supervision</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>

## &gt; NOTE 4 REVENUES

<b>4.1 Rates and garbage charges</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
General rates (Note)		
Residential	25,294	23,496
Commercial	6,099	5,693
Industrial	16,560	15,082
Supplementary rates and adjustments	845	865
Residential garbage	6,804	6,359
	<b>55,602</b>	<b>51,495</b>

**Note** - The valuation base used to calculate general rates for 2005-2006 was \$14.570 billion (\$14.281 billion in 2004-05). The date of the last general revaluation of land within the municipality for rating purposes was on 1 January 2006. This valuation applies 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.

<b>4.2 Government grants</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Grants were received in respect of the following:		
<b>Recurrent</b>		
General Purpose Grants:		
Commonwealth Government: General Purpose	6,380	5,165
Local Roads Funding	955	909
Operational Grants:		
Aged and Disability Services	5,902	5,004
Children, Youth & Family Services	4,160	4,340
Library, Arts & Heritage	705	678
Asset Management Services	86	50
Information Management Services	18	15
Regulatory Services	272	332
Infrastructure Planning	657	597
Planning & Design	223	260
Property, Leisure & Environment	220	-
Business Networking	41	36
Social Development	276	241
<b>Total recurrent</b>	<b>19,895</b>	<b>17,627</b>

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## &gt; NOTE 4 REVENUES

<b>4.2 Government grants</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Non-recurrent</b>		
Commonwealth Government: General Purpose	–	251
Infrastructure Planning	–	45
Children, Youth & Family Services	155	–
Social Development	76	–
Library, Arts & Heritage	180	17
Aged & Disability	60	70
Capital Grants	7,287	2,816
<b>Total non-recurrent</b>	<b>7,758</b>	<b>3,199</b>
<b>Total Grants Received</b>	<b>27,653</b>	<b>20,826</b>

<b>4.3 Unexpended grants (Note)</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
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Grants recognised as revenue for the year to be expended for specific purposes that had not been expended at balance date were:

<b>Recurrent grants</b>		
Commonwealth Government Roads to Recovery	582	–
<b>Operational Grants</b>		
Aged & Disability Services	28	10
Children, Youth & Family Services	171	70
Asset Management Services	–	50
Infrastructure Planning	–	84
Planning & Design	–	81
Social Development	59	172
<b>Total unexpended recurrent grants</b>	<b>840</b>	<b>467</b>
<b>Non-recurrent grants</b>		
Aged & Disability Services	61	–
Children, Youth & Family Services	154	–
Library, Arts & Heritage	181	–
Social Development	76	–
Capital Grants	276	125
<b>Total unexpended non-recurrent</b>	<b>748</b>	<b>125</b>
<b>Total unexpended grants</b>	<b>1,588</b>	<b>592</b>

Note: All unexpended grants of prior year were expended in 2006

## &gt; NOTE 4 REVENUES

<b>4.4 Contributions</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Community services	77	3
Developer contributions	250	450
Health & environment	876	1,223
Transport & infrastructure	229	68
<b>Total contributions</b>	<b>1,432</b>	<b>1,744</b>

<b>4.5 Unexpended contributions (Note)</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Health and environment	–	677
Developer contributions	154	450
Transport & infrastructure	–	68
<b>Total unexpended contributions</b>	<b>154</b>	<b>1,195</b>

Note: All contributions received in prior years were expended in 2005-06.

<b>4.6 Fees, charges and fines</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Statutory fees and fines</b>		
Building and town planning	976	1,153
Infringements and costs	996	1,022
Perin court recoveries	548	675
Land information	91	74
	<b>2,611</b>	<b>2,924</b>
<b>User charges and other fines</b>		
Parking fees and fines	2,217	2,337
Aged care services	1,275	1,428
Civil and transport planning	253	271
Recreation and leisure	133	193
Market stall rental	1,485	1,689
Hire of facilities	1,066	971
Other fees and charges	710	366
	<b>7,139</b>	<b>7,255</b>
<b>Total fees, charges and fines</b>	<b>9,750</b>	<b>10,179</b>

## ANNUAL REPORT 2005 – 2006

## &gt; NOTE 4 REVENUES

<b>4.7 Profit/(loss) on sale of assets</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Land and buildings</b>		
Proceeds from sale of assets	4,886	1,223
Less: VicUrban share of Metro 3175 sales to Trust (Note)	(847)	
Less: Carrying amount of assets sold		
Land (Current)	(1,659)	(1,100)
Other costs (Cash)	(38)	(124)
Buildings (Non-current)	–	(42)
<b>Profit/(loss) on sale of land and buildings</b>	<b>2,342</b>	<b>(43)</b>
<b>Plant and equipment</b>		
Proceeds from sale of assets	689	1,443
Less: Carrying amount of assets sold		
Plant & Fleet (Non-current)	(466)	(1,163)
<b>Profit on sale of plant and equipment</b>	<b>223</b>	<b>280</b>
<b>Total profit on sale of assets</b>	<b>2,565</b>	<b>237</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. 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 2006.

<b>4.8 Other revenue</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Recoveries</b>		
State Revenue Office (provision of valuation data)	380	133
Other recoveries	373	257
	<b>753</b>	<b>390</b>
Interest received on rates	442	433
Interest received on investments	196	337
National competition policy	344	313
Retainer – H L Williams court	25	20
Sundry income	681	447
	<b>1,688</b>	<b>1,550</b>
	<b>2,441</b>	<b>1,940</b>



## &gt; NOTE 5 EXPENSES

<b>5.1 Employee benefits</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Salaries & wages	29,405	27,165
Casual staff	1,190	1,136
Annual leave and long service leave	3,325	3,730
Superannuation	3,062	2,653
WorkCover	1,005	889
Redundancy	276	612
	<b>38,263</b>	<b>36,185</b>
<b>5.2 Contract payments, materials and services</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Maintenance and repairs	2,623	3,277
Contract payments:		
Garbage collection	5,879	5,228
Home and community care	–	350
Parks Services	1,851	1,842
Other contract payments	2,779	2,032
Other materials and services	3,450	3,348
	<b>16,582</b>	<b>16,077</b>
<b>5.3 Depreciation</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Plant & equipment	1,241	1,125
Minor plant, furniture and equipment	1,327	983
Land improvements	682	444
Car parks	63	39
Buildings	3,077	2,774
Bike paths/footpaths	1,193	1,322
Bridges	132	126
Roads (Note)	4,592	6,054
Drains	1,573	1,532
Street furniture	480	695
Playground equipment	836	820
	<b>15,196</b>	<b>15,914</b>

Note: Council's road assets were revalued during the year by council's engineers. This revaluation resulted in an extension of their useful lives based on condition, and hence a reduction in depreciation charge for the year.

## ANNUAL REPORT 2005 – 2006

## &gt; NOTE 5 EXPENSES

<b>5.4 Grants and sponsorships</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Community grants	1,668	1,797
Contributions (Note)	1,246	421
Sponsorships – Family Day Care	2,122	1,870
Sponsorships – Other	185	–
	<b>5,221</b>	<b>4,088</b>

Note: Contributions in 2006 include \$1.052M for underground relocation of power lines at different sites within the municipality.

<b>5.5 Professional services</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Consultants	2,446	3,381
Legal costs	314	248
Statutory fees	313	354
Audit costs: Internal	141	37
External – VAGO	46	50
Strategic Asset Management Project	18	54
	<b>3,277</b>	<b>4,124</b>

<b>5.6 Administration costs</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Printing, publications & promotion	1,642	1,225
Motor vehicle maintenance	1,090	883
Bad & doubtful debts	715	342
Insurance	1,009	1,423
Information management costs	1,985	1,764
Postage	345	326
Councillors allowances	209	198
Other administration costs	2,452	2,248
	<b>9,447</b>	<b>8,409</b>

<b>5.7 Borrowing costs</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Interest on long term loans	984	620
Interest on short term loan and overdraft	243	115
Interest on unfunded superannuation (Note)	–	296
	<b>1,227</b>	<b>1,031</b>

Note: Interest on unfunded superannuation in 2005 represents seven months interest accrued on the liability that was assumed in 2003. This liability was paid off in February 2005.

<b>5.8 Other expenses</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Bank charges	191	148
Sundry expenses	677	771
Refund of contributions (Note)	–	2,307
	<b>868</b>	<b>3,226</b>

Note: Council refunded \$2.3M of contributions received in 2003-04 to developers upon completion of works relating to non-current assets.

## &gt; NOTE 6 CURRENT ASSETS

<b>6.1 Cash and cash equivalents</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Cash at Bank and on hand	72	2,559
Bank deposits on call (Note)	2,649	2,504
	<b>2,721</b>	<b>5,063</b>

Note: \$2.649M 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.

<b>6.2 Trade and other receivables</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Rates debtors (Refer Note 1.2 (a))	1,931	1,768
Parking infringement debtors	4,254	3,785
General debtors	4,379	5,018
Less: Provision for doubtful debts:		
Parking infringements	(1,713)	(1,329)
General debtors	(474)	(191)
Pre-payments	626	14
	<b>9,003</b>	<b>9,065</b>

<b>6.3 Inventory</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Properties held for resale (Note)	3,719	2,110
Other	–	38
	<b>3,719</b>	<b>2,148</b>

Note: Property Inventory represents the value of properties held for development and resale within the next 12 months, and essentially includes the Metro 3175 properties. These are valued at lower of the last valuation and recoverable amount.

> NOTE 7 NON-CURRENT ASSETS

<b>Property, Infrastructure, Plant And Equipment</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Plant and equipment</b>		
At cost	6,095	5,235
Less: Accumulated depreciation	(1,940)	(1,595)
	<b>4,155</b>	<b>3,640</b>
<b>Minor plant, furniture &amp; equipment</b>		
At cost	14,154	11,314
Less: Accumulated depreciation	(6,784)	(5,685)
	<b>7,370</b>	<b>5,629</b>
<b>Land and buildings (Note)</b>		
<i>Car parks</i>		
At valuation	2,059	–
At cost	79	973
Less: Accumulated depreciation	(308)	(189)
	<b>1,830</b>	<b>784</b>
<b>Land</b>		
At independent valuation	368,430	308,834
At cost	1,147	1,576
	<b>369,577</b>	<b>310,410</b>
<b>Land improvements</b>		
At cost	6,979	7,295
Less: Accumulated depreciation	(1,866)	(1,184)
	<b>5,113</b>	<b>6,111</b>
<b>Buildings</b>		
At independent valuation	172,096	148,783
At cost	14,879	6,884
Less: Accumulated depreciation	(82,672)	(75,332)
	<b>104,303</b>	<b>80,335</b>

Note (j) Land & Buildings

'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.

## &gt; NOTE 7 NON-CURRENT ASSETS

<b>Property, Infrastructure, Plant And Equipment</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Infrastructure assets</b>		
<b>Bike paths - Note (i)</b>		
At valuation	3,186	2,376
At cost	167	78
Less: Accumulated depreciation	(202)	(765)
	<b>3,151</b>	<b>1,689</b>
<b>Footpaths – Note (i)</b>		
At valuation	68,325	63,872
At cost	993	3,877
Less: Accumulated depreciation	(5,074)	(8,879)
	<b>64,244</b>	<b>58,870</b>
<b>Bridges – Note (ii)</b>		
At valuation	11,620	10,275
At cost	–	133
Less: Accumulated depreciation	(3,383)	(1,727)
	<b>8,237</b>	<b>8,681</b>
<b>Roads (Note iii)</b>		
<b>Sub-structure</b>		
At council valuation	228,857	200,214
At cost	444	1,964
Less: Accumulated depreciation	(74,136)	(63,386)
	<b>155,165</b>	<b>138,792</b>
<b>Seal</b>		
At council valuation	64,153	51,073
At cost	1,256	5,415
Less: Accumulated depreciation	(11,167)	(28,745)
	54,242	27,743
<b>Kerb &amp; channel</b>		
At council valuation	78,043	57,389
At cost	599	865
Less: Accumulated depreciation	(20,064)	(13,909)
	<b>58,578</b>	<b>44,345</b>
<b>Roads Total</b>		
At council valuation	371,053	308,173
At cost	2,299	8,244
Less: Accumulated depreciation	(105,367)	(106,040)
	<b>267,985</b>	<b>210,377</b>

## &gt; NOTE 7 NON-CURRENT ASSETS

Property, Infrastructure, Plant And Equipment	2006 \$'000	2005 \$'000
<b>Drains (Note iii)</b>		
At council valuation	156,674	153,184
At cost	209	604
Less: Accumulated depreciation	(52,332)	(50,759)
	<b>104,551</b>	<b>103,029</b>

*Note (i) Bike paths/Footpaths*

Bike paths and footpaths are carried at valuation based on written down replacement value carried out in April 2006. The valuation was carried out by Council's asset management coordinator. The movement in valuation between the two years represents an indexed movement in valuation, based on Rawlinson's Handbook of construction costs plus new assets acquired through sub division activity. Assets acquired through capital works since the valuation are recognised at cost.

*Note (ii) Bridges*

'At valuation' estimates for bridges were determined as at 30 June 2006 by council's Infrastructure Planning unit. The change in valuation between the two years represents an indexed movement in valuation, based on Rawlinson's Handbook of construction costs. The valuations were done on the basis of written down replacement value.

*Note (iii) Roads and Drains*

'At valuation' estimates for roads (kerbs) were determined as at 30 June 2006 and drains at 30 June 2004 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 2006 at their current valuation.

Property, Infrastructure, Plant And Equipment	2006 \$'000	2005 \$'000
<b>Street furniture</b>		
At cost	4,972	4,749
Less: Accumulated depreciation	(3,070)	(2,591)
	<b>1,902</b>	<b>2,158</b>
<b>Recreational equipment</b>		
At cost	9,653	8,290
Less: Accumulated depreciation	(3,494)	(2,794)
	<b>6,159</b>	<b>5,496</b>
<b>Works in progress</b>		
At cost	6,298	12,270
	<b>6,298</b>	<b>12,270</b>

Property, Infrastructure, Plant And Equipment	2006 \$'000	2005 \$'000
<b>Total Property, infrastructure, plant and equipment</b>		
At valuation	1,153,218	996,000
At cost	68,149	71,522
Less: Accumulated depreciation	(266,492)	(257,540)
<b>Total Non-current Assets</b>	<b>954,875</b>	<b>809,982</b>

## &gt; NOTE 7 NON-CURRENT ASSETS

**7.1 Property Infrastructure Plant and Other – (Movement in written down value 2006)**

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

	Balance at beginning of financial year	Additions	Assets Written off	Transfer to 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
	2006 \$'000								
Plant & equipment	3,640	2,225	(3)		(466)	(1,241)			4,155
Minor plant, furniture & 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
Road seal	27,743	1,741	(35)			(1,711)	26,554	(50)	54,242
Roads kerbs & channel	44,345	1,057	(19)			(854)	13,893	156	58,578
<b>Roads Total</b>	<b>210,880</b>	<b>4,526</b>	<b>(266)</b>			<b>(4,593)</b>	<b>57,313</b>	<b>125</b>	<b>267,985</b>
Street furniture	2,158	198				(480)		26	1,902
Playgrounds	5,496	1,096	(4)			(836)		407	6,159
WIP	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>

# ANNUAL REPORT 2005 – 2006

## > NOTE 7 NON-CURRENT ASSETS

### Comparatives for Property Infrastructure, Plant and Other (Movement in written down value 2005)

	Balance at beginning of financial year	Additions	Assets Written off	Reversal of prior year invoicing	Transfer to current assets	Disposals at carrying amount	Depreciation expense for the year	Net movement in revaluation	Changes due to AIFRS adjustments	Changes due to transfers	Balance at end of financial year
<b>2005 \$'000</b>											
Plant & equipment	3,394	2,545	(10)			(1,163)	(1,126)				3,640
Minor plant, furniture & equipment	4,591	2,003	(9)	(14)			(983)			41	5,629
Car parks	729	94					(39)				784
Land	304,277	1,576			181			(1,034)	5,409		310,409
Buildings	80,944	3,810	(910)			(42)	(2,774)	(17)	176	(851)	80,336
Bike paths	1,755	43	(2)				(107)				1,689
Footpaths	52,481	1,268	(9)				(1,215)	6,302	42	1	58,870
Bridges	7,770	31					(126)	1,006			8,681
Land Improvements	3,690	2,862					(445)			4	6,111
Drains	101,796	2,753					(1,532)	1		11	103,029
Roads sub-structure	138,242	2,552					(2,004)			2	138,792
Roads Seal	28,773	2,287					(3,322)			5	27,743
Roads kerbs & channel	43,212	1,364	(16)				(727)		503	9	44,345
<b>Roads Total</b>	<b>210,227</b>	<b>6,203</b>	<b>(16)</b>				<b>(6,053)</b>		<b>503</b>	<b>16</b>	<b>210,880</b>
Street furniture	2,698	162	(2)	(6)			(695)			1	2,158
Play grounds	5,881	311	(47)	(5)			(819)		44	131	5,496
WIP	1,847	10,029		(93)					(159)	646	12,270
<b>Summary of non-current asset movements</b>	<b>782,080</b>	<b>33,690</b>	<b>(1,005)</b>	<b>(118)</b>	<b>181</b>	<b>(1,205)</b>	<b>(15,914)</b>	<b>6,258</b>	<b>6,015</b>	<b>-</b>	<b>809,982</b>

### 7.2 Intangible Assets

	2006 \$'000	2005 \$'000
Aged care bed licences (Note)	1,505	1,505
	<b>1,505</b>	<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, and will be tested for impairment on an annual basis. Under AIFRS, council is now recognising these assets as if this valuation was available in prior years, and the 2004-05 figures have been restated accordingly.



## &gt; NOTE 8 NON INTEREST-BEARING LIABILITIES

<b>8.1 Trade and other payables</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Current</b>		
Trade creditors	6,525	6,757
Other creditors	311	861
Income received in advance	296	385
Accrued expenses	2,885	1,534
	<b>10,017</b>	<b>9,537</b>
<b>Non-current</b>		
Unearned income (Note)	3,000	3,000
	<b>3,000</b>	<b>3,000</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 \$3M from VicUrban under this agreement as an equity payment towards this development. This payment will be finalised as revenue when contracts for sale of land are finalised.

<b>8.2 Employee benefits</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Current</b>		
Annual leave (Note)	4,448	4,060
Long service leave (Note)	3,435	2,995
	<b>7,883</b>	<b>7,055</b>
<b>Non-current</b>		
Long service leave liability (Note)	504	1,042
	<b>504</b>	<b>1,042</b>

<b>Movement in Employee entitlement provisions</b>	<b>Annual Leave</b>	<b>Long Service Leave</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2006</b>			
Balance at beginning of financial year	4,060	4,037	8,097
Additional provisions	869	567	1,436
Amounts used	(481)	(665)	(1,146)
<b>Balance at the end of the financial year</b>	<b>4,448</b>	<b>3,939</b>	<b>8,387</b>
<b>2005</b>			
Balance at beginning of financial year	3,728	3,641	7,369
Additional provisions	775	799	1,574
Amounts used	(443)	(403)	(846)
<b>Balance at the end of the financial year</b>	<b>4,060</b>	<b>4,037</b>	<b>8,097</b>

## ANNUAL REPORT 2005 – 2006

## &gt; NOTE 8 NON INTEREST-BEARING LIABILITIES

<b>8.2 Employee benefits</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Current</b>		
All annual leave and LSL entitlements representing 10+ years of service		
Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	3,083	2,711
Other long-term employee benefits that do not fall within 12 months after the end of the period measured at present value	4,800	4,344
<b>Total</b>	<b>7,883</b>	<b>7,055</b>
<b>Non-current</b>		
LSL representing less than 10 years of service measured at present value	<b>504</b>	<b>1,042</b>

Note: Accrued wages and salaries are included in the current accrued expenses balance in note 8.1.

In arriving at the present value of long service leave the following assumptions were adopted:

Average increase in employee costs 4.00 per cent

Average discount rates between 5.695 per cent and 5.80 per cent

Average settlement period of 12 years

<b>8.3 Trust monies</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Current</b>		
Hostel entrance fees	300	269
Jenny Slade scholarship	7	7
Sub-division & other deposits	401	360
Developer contributions	1,012	608
Metro 3175 sales – VicUrban share	848	–
Part settlement on sale of land	–	3,300
	<b>2,568</b>	<b>4,544</b>

## &gt; NOTE 9 FINANCING FACILITIES

	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Bank overdraft	2,500	2,500
Used facility per bank statements	(353)	(1,396)
<b>Unused facility</b>	<b>2,147</b>	<b>1,104</b>

## &gt; NOTE 10 INTEREST-BEARING LIABILITIES

	Note	2006 \$'000	2005 \$'000
<b>Current</b>			
Bank overdraft		301	1,291
Loans – secured		3,465	2,688
		<b>3,766</b>	<b>3,979</b>
<b>Non-current</b>			
Loans – secured		14,216	9,824
		<b>14,216</b>	<b>9,824</b>
<b>Total interest-bearing liabilities</b>	13.2	<b>17,982</b>	<b>13,803</b>

## &gt; NOTE 11 RESERVES

11.1 Asset revaluation reserve		2005 \$'000	Movement \$'000	2006 \$'000
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	57,385	198,677
	Drains	60,325	–	60,325
<b>Total Reserves</b>		<b>392,956</b>	<b>122,263</b>	<b>515,219</b>

		2004 \$'000	Movement \$'000	2005 \$'000
Land		157,936	(1,034)	156,902
Buildings		7,373	(17)	7,356
Non-realizable infrastructure assets:	Bike paths	1,041	–	1,041
	Footpaths	18,292	6,302	24,595
	Bridges	367	1,006	1,373
	Roads	141,364	–	141,364
	Drains	60,325	–	60,325
<b>Total Reserves</b>		<b>386,698</b>	<b>6,258</b>	<b>392,956</b>

> NOTE 12 COMMITMENTS AND CONTINGENCIES

<b>12.1 Operating lease commitments (Note)</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Not later than one year	881	842
Later than one year but less than five years	273	789
	<b>1,154</b>	<b>1,631</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).

<b>12.2 Contracted Capital commitments</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Not later than one year	13,230	10,700
Later than one year but less than five years	–	–
	<b>13,230</b>	<b>10,700</b>

<b>12.3 Works and services contracts</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
Not later than one year	8,880	7,358
Later than one year but less than five years	19,056	14,956
	–	–
	<b>27,936</b>	<b>22,314</b>

## &gt; NOTE 13 FINANCIAL INSTRUMENTS

<b>13.1 Accounting policy, terms and conditions</b>			
<b>Recognised financial instruments</b>	<b>Note</b>	<b>Accounting policy</b>	<b>Terms and conditions</b>
<b>Financial assets</b>			
Cash at bank and on hand	6.1	Valued at face value. Interest is recognised as it accrues.	On call deposits returned floating interest rates of between 5.40% and 5.57% (4.98% and 5.60% in 2004-05).
Bank deposits on call	6.1	Valued at face value. Interest is recognised as it accrues.	Withdrawals are on 24 hour's notice. Bank Deposits returned between 5.33% and 6.25% net of fees (5.03% and 6.39% in 2004-05).
Rates debtors	6.2	Rates are a charge attached to the rateable property and therefore no provision for doubtful debts is made. Interest charged is at rates determined by regulation.	Rates are payable by four instalments during the year or by lump sum in February. Arrears, including deferred rates, attract interest. The interest rate applicable on general rates outstanding at balance date was 11.50% (12.00% in 2004-05).
Parking infringements and general debtors	6.2	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	8.1	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	10	The loan with the Commonwealth Bank of \$5.5M was obtained to repay the amount owing to Vision Super in respect of a superannuation liability. The balance of the loan as at 30 June, 2006 was \$1,993,282 (\$2,584,778 as at 30 June, 2005).	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%.

## > NOTE 13 FINANCIAL INSTRUMENTS

13.1 Accounting policy, terms and conditions			
Recognised financial instruments	Note	Accounting policy	Terms and conditions
<b>Financial Liabilities</b>			
Interest-bearing liabilities	10	The loan with the Commonwealth Bank was for \$2.952M, 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 30 June 2006 was \$1,783,866 (\$2,342,523 as at June 30, 2005).	This loan expired in April 2004 and was rolled over at that date at an interest rate of 6.2%. 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	10	The loan with the Commonwealth Bank of \$5.0M was obtained in September 2004 to finance major capital projects. The balance of the loan as at June 30 2006 was \$3,609,195 (\$4,584,504 as at 30 June 2006).	The loan is for five years expiring 30 September 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 6.09%.
Interest-bearing liabilities	10	The loan with the Commonwealth Bank of \$3M was obtained in February 2005 to repay the unfunded superannuation liability that council assumed in 2002-03. The balance of the loan as at June 30, 2006 was \$2.438M (\$3M as at June 30 2005).	The loan is for five years expiring 28 January 2010 and principal & interest are repayable quarterly. The interest rate is fixed at 6.09%.
Interest-bearing liabilities	10	The loan with the Commonwealth Bank of \$8.0M was obtained in 2005-2006 for the first stage of the redevelopment of Dandenong Market.	The loan is for ten years expiring on 17 March 2016 and principal and interest are payable quarterly. The interest rate is fixed at 6.12%

### 13.2 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:													
	Floating interest rate		1 year or less		Over 1 to 5 years		More than 5 years		Non-interest bearing		Total carrying amount as per the Balance Sheet		Range of effective interest rates	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 %	2005 %
<b>Financial Assets</b>														
Rates debtors	1,931	1,768									1,931	1,768	11.5	12
Parking infringements and general debtors									6,446	7,283	6,446	7,283		
Cash at bank and on hand	72	2,559									72	2,559	5.40 to 5.57	4.98 to 5.60
Bank deposits	2,649	2,504									2,649	2,504	5.33 to 6.25	5.03 to 6.39
Prepayments/accrued income									626	14	626	14		
<b>Total Financial assets</b>	<b>4,652</b>	<b>6,831</b>							<b>7,072</b>	<b>7,297</b>	<b>11,724</b>	<b>14,128</b>		

Floating interest rate		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount as per the Balance Sheet		Range of effective interest rates	
		1 year or less		Over 1 to 5 years		More than 5 years							
2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 %	2005 %

**Financial liabilities**

Payables										13,017	12,537	13,017	12,537		
Interest-bearing liabilities (Note 10)	301	1,291	3,465	2,688	9,812	9,824	4,404	–				17,982	13,803		5.8 / 8.95
Trust monies										2,568	4,544	2,568	4,544		
<b>Total Financial liabilities</b>	<b>301</b>	<b>1,291</b>	<b>3,465</b>	<b>2,688</b>	<b>9,812</b>	<b>9,824</b>	<b>4,404</b>	<b>–</b>	<b>15,585</b>	<b>17,081</b>	<b>33,567</b>	<b>30,884</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 \$16.1M (\$11.7M in 2005) as at balance date.

**13.3 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 to maturity. Deferred rates do not materially impact on this assumption.

**> NOTE 14 SUPERANNUATION****Local Authorities superannuation fund**

The 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.

**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 per cent in 2005-06). 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 2005-06 the council's superannuation contributions relating to Vision Super Saver members was \$2,000,941 (\$1,768,502 in 2004-05).

**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 the 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);

## > NOTE 14 SUPERANNUATION

The Fund's liability for accrued benefits was determined in the 31 December 2005 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	<b>31 Dec 05 \$'000</b>
Net Market Value of Assets	3,225,842
Accrued Benefits (per Accounting Standards)	3,118,911
Difference between Assets and Accrued Benefits	136,931
Vested Benefits	2,865,633

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 2005-06 the council's superannuation contributions relating to that year's defined benefits members' service was \$697,046.11 (\$845,495 in 2004-05).

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 2005-06 this was \$365,568 (\$140,468 in 2004-05).

## > NOTE 15 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 \$1.15 million (\$1.26 million as at June 30 2005).

### Legal Actions

The council is involved in a number of Legal Actions. Council's exposure in these claims may be up to \$188k (\$560K in 2005).

### Future Legal Claims

The 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 being met.

## > NOTE 16 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

Peter Brown (Mayor)	5 Dec 2005 to date
(Councillor)	1 July 2005 to 4 Dec 2005
Maria Sampey (Mayor)	1 July 2005 to 25 Nov 2005
(Councillor)	26 Nov 2005 to date
Paul Donovan	1 July 2005 to date
Youhorn Chea	1 July 2005 to date
Roz Blades	1 July 2005 to date
John Kelly	1 July 2005 to date
Angela Long	1 July 2005 to 25 Nov 2005

Clare O'Neil	1 July 2005 to 25 Nov 2005
Kevin Walsh	1 July 2005 to 25 Nov 2005
Naim Melhem	1 July 2005 to 25 Nov 2005
David Kelly	1 July 2005 to 25 Nov 2005
Jim Memeti	5 Dec 2005 to date
Sue Walton	5 Dec 2005 to date
Pinar Yesil	5 Dec 2005 to date
Alan Gordon	5 Dec 2005 to date
Yvonne Herring	5 Dec 2005 to date

### Chief Executive Officer

Carl Wulff	1 July 2005 to 14 June 2006
Bryan Payne (Acting)	15 June to date



## &gt; NOTE 16 RELATED PARTY TRANSACTIONS

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

Income range	2006 No.	2005 No.
To \$10,000	5	–
\$ 10,001 - \$ 20,000	9	9
\$ 20,001 - \$ 30,000	1	1
\$ 30,001 - \$ 40,000	1	1
\$200,001 - \$210,000	–	–
\$210,001 - \$220,000	1	1
<b>Total</b>	<b>17</b>	<b>12</b>
Total remuneration for the reporting year, for responsible persons included above, amounted to:	<b>\$474K</b>	<b>\$405K</b>

No retirement benefits were made by the Council to a responsible person during the reporting year (Nil in 2005).

No loans were made, guaranteed or secured by the council to a responsible person during the reporting year (Nil in 2005).

No transactions were entered into by the Council with responsible persons, other than remuneration and reimbursement of expenses during the reporting year (Nil in 2005).

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:

Income range	2006 No.	2005 No.
To \$100,000	–	1
\$100,001 - \$110,000	5	4
\$110,001 - \$120,000	6	9
\$120,001 - \$130,000	7	2
\$130,001 - \$140,000	1	1
\$140,001 - \$150,000	–	1
\$150,001 - \$160,000	–	–
\$160,001 - \$170,000	3	2
\$170,001 - \$180,000	1	1
\$180,001 - \$190,000	–	–
<b>Total</b>	<b>23</b>	<b>21</b>
Total remuneration for the reporting year, for responsible persons included above, amounted to:	<b>\$2.88M</b>	<b>\$2.44M</b>

## &gt; NOTE 17 NOTES TO THE CASHFLOW STATEMENT

17.1 Reconciliation of operating result with net cash provided by operating activities	Note	2006 \$'000	2005 \$'000
<b>Surplus for the year</b>		<b>16,730</b>	<b>10,985</b>
Add / (less)			
Depreciation	5.3	15,196	15,914
Assets not previously recognised		–	(6,015)
Assets acquired from sub division activity		(8,068)	(8,608)
Write off of assets		885	1,005
(Increase)/decrease in other current assets	6.3	(612)	24
(Profit)/loss on sale of assets	4.7	(2,565)	(237)
(Increase)/decrease in receivables	6.2	674	(2,424)
(Decrease)/increase in payables	8.1	482	3,432
(Decrease)/increase in employee entitlements	8.2	290	(2,794)
<b>Net cash provided by operating activities</b>		<b>23,012</b>	<b>11,282</b>

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## 17.2 Reconciliation of cash

	Note	2006 \$'000	2005 \$'000
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	6.1	2,721	5,063
Current liability – bank overdraft	10	(301)	(1,291)
<b>Cash at balance date as per Cash Flow Statement</b>		<b>2,420</b>	<b>3,772</b>

## > NOTE 18 FINANCIAL RATIOS

	2005 -2006	2004 - 2005	2003 - 2004
<p><b>Debt servicing ratio</b> 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. Debt servicing costs includes interest on loan borrowings and bank overdraft.</p>	1.17%	1.00%	1.15%
<p><b>Debt commitment ratio</b> To identify council's debt redemption strategy. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.</p>	2.21%	2.00%	3.65%
<p><b>Revenue ratio</b> To identify council's dependence on rate income, and is determined by assessing rate revenue as a percentage of total revenue.</p>	52.98%	49.77%	48.66%
<p><b>Debt exposure ratio</b> To identify council's exposure to debt. This is the ratio of total debt to total realisable assets. <math display="block">\frac{\text{Total liabilities}}{\text{Total realisable assets}}</math> 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. 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>	1:12	1:14	1:15
<p><b>Working capital ratio</b> To assess the council's ability to meet current commitments. The ratio expresses the level of current assets available to meet its current liabilities. This ratio has decreased with the reclassification of long service leave to recognize the vested entitlement as current. Prior years' comparatives have been restated accordingly.</p>	0.64:1	0.65:1	0.81:1

## 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: 25 September 2006

In our opinion, the accompanying financial report presents fairly the financial transactions of the City of Greater Dandenong Council for the year end 30 June 2006 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 25 September 2006 to certify the financial report in its final form on behalf of the Council.



Cr. Peter Brown  
Dated: 25 September 2006



Cr. Yvonne Herring  
Dated: 25 September 2006



Bryan Payne  
Acting Chief Executive Officer  
Dated: 25 September 2006

# STANDARD STATEMENTS YEAR END 30 JUNE 2006

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## STANDARD INCOME STATEMENT YEAR END 30 JUNE 2006

	Note	Budget 2005-06 \$'000	Actual 2005-06 \$'000	Variance \$'000	%
<b>Revenue</b>					
Rates		55,736	55,602	(134)	(0.24)
Grants – Operational (Special Purpose)	2	16,359	20,318	3,959	24.20
Grants – Financial assistance (untied)	2	6,400	7,335	935	14.61
Contributions		1,312	1,432	120	9.15
Fees, charges and fines	3	9,864	9,202	(662)	(6.71)
Interest		476	638	162	34.03
Proceeds from sale of assets	4	5,250	4,728	(522)	(9.94)
Assets acquired from sub division activity	5		8,068	8,068	0.00
Other Income		2,067	2,351	284	13.74
<b>Total Revenues</b>		<b>97,464</b>	<b>109,674</b>	<b>12,210</b>	<b>12.53</b>
<b>Expenses</b>					
Employee costs		36,976	38,263	1,287	3.48
Contract payments, materials and services	6	14,967	16,582	1,615	10.79
Administration costs		9,135	9,447	312	3.42
Borrowing costs		1,325	1,227	(98)	(7.40)
Professional services	7	2,302	3,227	975	42.35
Grants and sponsorships		4,122	5,221	1,099	26.66
Depreciation		17,500	15,196	(2,304)	(13.17)
Other Expenses		726	868	142	19.56
Carrying amount of assets sold	8	5,021	2,163	(2,858)	(56.92)
Write-off of assets	9		700	700	
<b>Total Expenses</b>		<b>92,074</b>	<b>92,944</b>	<b>870</b>	<b>0.94</b>
<b>SURPLUS FROM OPERATIONS</b>		<b>5,390</b>	<b>16,730</b>	<b>11,340</b>	<b>210.39</b>

## STANDARD BALANCE SHEET AS AT 30 JUNE 2006

	Note	Budget 2005-06 \$'000	Actual 2005-06 \$'000	Variance \$'000	%
<b>Current Assets</b>					
Cash			72	72	–
Investments		2,117	2,649	532	25.1
Receivables	10	5,972	9,003	3,031	50.8
Inventory – property	11	4,448	3,719	(729)	(16.4)
Inventory - other		81	–	(81)	(100)
<b>Total Current Assets</b>		<b>12,618</b>	<b>15,443</b>	<b>2,825</b>	<b>22.4</b>
<b>Non-current Assets</b>					
Fixed Assets	12	796,166	954,875	158,709	19.9
Inventory – Property	11	7,891	9,152	1,261	16.0
Intangible Assets	13		1,505	1,505	–
<b>Total Non-current Assets</b>		<b>804,057</b>	<b>965,535</b>	<b>161,475</b>	<b>20.1</b>
<b>TOTAL ASSETS</b>		<b>816,675</b>	<b>980,975</b>	<b>164,300</b>	<b>20.1</b>
<b>Current Liabilities</b>					
Overdraft	14	2,171	301	(1,870)	(86.1)
Creditors	15	4,883	10,017	5,134	105.1
Borrowings		2,968	3,465	497	16.7
Employee benefits	16	3,107	7,883	4,776	153.71
Trust monies	17	538	2,568	2,030	377.3
<b>Total Current Liabilities</b>		<b>13,667</b>	<b>24,234</b>	<b>10,567</b>	<b>77.3</b>
<b>Non Current Liabilities</b>					
Borrowings		14,856	14,216	(640)	(4.3)
Employee benefits	16	2,608	504	(2,104)	(80.67)
Unearned income		3,000	3,000		
<b>Total Non-current Liabilities</b>		<b>20,464</b>	<b>17,720</b>	<b>(2,744)</b>	<b>(13.4)</b>
<b>TOTAL LIABILITIES</b>		<b>34,131</b>	<b>41,954</b>	<b>7,823</b>	<b>22.9</b>
<b>NET ASSETS</b>		<b>782,544</b>	<b>939,021</b>	<b>156,477</b>	<b>20.0</b>
<b>Equity</b>					
Accumulated Surplus		389,588	423,802	34,214	8.8
Assets Revaluation Reserve		392,956	515,219	122,263	31.1
<b>TOTAL EQUITY</b>		<b>782,544</b>	<b>939,021</b>	<b>156,477</b>	<b>20.0</b>

## STANDARD CASH FLOW STATEMENT YEAR END 30 JUNE 2006

	Note	Budget 2005-06 \$'000	Actual 2005-06 \$'000	Variance \$'000	%
<b>Cash Flows from operating activities</b>					
Cash Inflows:					
Rates receipts		55,614	55,439	(175)	(0.31)
Grants		22,759	27,653	4,894	21.50
Interest Received		476	638	162	34.03
Fees, charges, fines and contributions		13,243	10,491	(2,752)	(20.78)
<b>Total cash inflows</b>		<b>92,092</b>	<b>94,221</b>	<b>2,129</b>	<b>23.11</b>
Cash Outflows:					
Employee costs		36,976	38,014	(1,038)	(2.81)
Payments to Suppliers		27,363	27,228	135	0.49
Grants & Sponsorships		4,122	5,106	(984)	(23.87)
Interest Paid		1,325	1,357	(32)	(2.42)
<b>Total cash outflows</b>		<b>69,786</b>	<b>71,705</b>	<b>(1,919)</b>	<b>28.60</b>
<b>Net Cash inflows from operating activities</b>		<b>22,306</b>	<b>22,516</b>	<b>210</b>	<b>0.94</b>
<b>Cash flows from investing activities</b>					
Cash Inflows:					
Proceeds from Sale of Assets		5,250	1,728	(3,522)	(67.09)
<b>Total cash inflows</b>		<b>5,250</b>	<b>1,728</b>	<b>(3,522)</b>	<b>(67.09)</b>
Cash Outflows:					
Payments for non-current assets					
City Improvement Projects		33,316	29,877	3,439	10.32
Fleet & other capital		3,594	2,225	1,369	38.09
<b>Total cash outflows</b>		<b>36,910</b>	<b>32,102</b>	<b>4,808</b>	<b>13.03</b>
<b>Net cash outflows from investing activities</b>		<b>(31,660)</b>	<b>(30,374)</b>	<b>1,268</b>	<b>(80.11)</b>
<b>Cash flows from financing activities</b>					
Cash Inflows:					
Proceeds from borrowings		8,000	8,000	-	-
Proceeds from trust monies and deposits		-	(1,336)	(1,336)	(100.00)
<b>Total cash inflows</b>		<b>8,000</b>	<b>6,664</b>	<b>(1,336)</b>	<b>(16.7)</b>
Cash Outflows:					
Transfer to investments		-	145	(145)	
Repayment of Loans		2,687	2,830	(143)	(5.32)
<b>Total cash outflows</b>		<b>2,687</b>	<b>2,975</b>	<b>(288)</b>	<b>(10.72)</b>
<b>Net Cash inflow/(outflow) from financing activities</b>		<b>5,313</b>	<b>5,025</b>	<b>288</b>	<b>5.42</b>
<b>Cash Increase/(Decrease)</b>		<b>(4,041)</b>	<b>(1,497)</b>	<b>3,120</b>	<b>(77.21)</b>
<b>Cash at Beginning</b>		<b>1,872</b>	<b>1,268</b>	<b>(604)</b>	<b>32.26</b>
<b>Cash at End</b>		<b>(2,169)</b>	<b>(229)</b>	<b>2,516</b>	<b>(116.00)</b>

## RECONCILIATION OF OPERATING RESULT AND NET CASH FLOWS FROM OPERATING ACTIVITIES YEAR END 30 JUNE 2006

	Budget 2005-06 \$'000	Actual 2005-06 \$'000	Variance	
			\$'000	%
Net Surplus from operations	5,390	16,730	11,340	210.39
Depreciation	17,500	15,196	(2,304)	(13.17)
Other non cash revenue and expenses	–	(7,183)	(7,183)	–
(Profit) Loss on Sale of property, plant and equipment	(229)	(2,565)	(2,336)	1020.08
Net movement in current assets and liabilities	(355)	338	693	195.21
<b>Net Cash inflow from operating activities</b>	<b>22,306</b>	<b>22,516</b>	<b>210</b>	<b>0.94</b>



## STANDARD STATEMENT OF CAPITAL WORKS YEAR END 30 JUNE 2006

	Note	Budget 2005-06 \$'000	Actual 2005-06 \$'000	Variance	
				\$'000	%
Roads, Bridges and Street Furniture		2,993	2,697	296	9.89
Land & Buildings		22,540	20,340	2,200	9.76
Drains		670	435	235	35.07
Land Improvement & Playgrounds		4,719	2,235	2,484	52.64
Information Services & Minor Plant		1,784	2,657	(873)	(48.93)
Fleet Plant & Equipment		3,594	2,491	1,103	30.69
Footpaths		610	1,247	(637)	(104.43)
<b>Total Capital Works</b>		<b>36,910</b>	<b>32,102</b>	<b>4,808</b>	<b>13.03</b>
<b>Represented by:</b> Expansion		14,332	9,091	5241	
New		14,123	16,800	(2,677)	
Renewal		2,308	1,641	667	
Upgrade		6,147	4,570	1,577	
<b>Total Capital Works</b>		<b>36,910</b>	<b>32,102</b>	<b>4,808</b>	

Property, Plant & Equipment movement reconciliation worksheet	Note	Budget 2005-06 \$'000	Actual 2005-06 \$'000	Variance	
				\$'000	%
Total Capital works		36,910	32,102	4,803	13.03
Depreciation		(16,500)	(15,197)	(1,303)	7.90
Assets written off		0	(701)	701	
Disposals at carrying amount		(5,021)	(849)	(4,172)	83.09
Gifted assets		0	8,069	(8,069)	
Movement in asset revaluation			122,263	(122,263)	
Transfers from current to non-current		0	(794)	794	
<b>Net movement in property, plant and equipment</b>		<b>15,389</b>	<b>144,893</b>	<b>(129,504)</b>	

## NOTES TO THE STANDARD STATEMENTS

### > NOTE 1 INTRODUCTION

The Standard Income Statements, Balance Sheet, Cash Flow Statement, 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 basis 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 \$1M and 10 per cent 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 Cashflow Statement excludes cash flows resulting from GST, which are cost and revenue neutral to council.

The budget figures reported are those adopted by council on 20 June 2005 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 sets 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.

### > NOTE 2 GRANT INCOME

Total grant income received at 30 June was \$27.6M (\$4.9M or 21.5 per cent above budget). The additional grant funding resulted from:

- Better than planned receipt of Financial Assistance grant funding from the Grants commission of \$935K,
- Capital grant for the Dandenong Basketball Stadium of \$3.0M received in June 2006 (was budgeted to be received in 2006-2007),
- Additional grant funding over budget of \$600K received for Children, Youth and Aged Care services, which was used to employ additional temporary staff to provide these services.

### > NOTE 3 FEES CHARGES AND FINES

The income from this category was 6.71 per cent below budget. This mainly reflects the decision taken by council to suspend paid parking in most of central Dandenong between December and March, which resulted in a reduction in parking fines of \$393K.

### > NOTE 4 PROCEEDS FROM SALE OF ASSETS

Proceeds from sale of assets were 9.9 per cent below budget. Council did not achieve the planned sales from the Dandenong saleyard properties (Metro 3175) and turnover of council's fleet. This was however negated by the recognition of the sale of Erickson Gardens (\$3.0M) in the 2005-06 year although it was budgeted in 2004-05.

### > NOTE 5 ASSETS ACQUIRED FROM SUB DIVISION ACTIVITY

Represents assets such as roads, drains and footpaths that have come into council ownership from sub division activity. Council does not budget for income.

## > NOTE 6 CONTRACT PAYMENTS, MATERIALS AND SERVICES

Exceeded budget due to higher than expected costs associated with collection and disposal of waste, increased costs associated with the maintenance of council parks and gardens and increased maintenance obligations that council undertook for roads and drains under the new Road Management Bill. Most of these services were also impacted by the rise in fuel costs that was not anticipated in the budget.

## > NOTE 7 PROFESSIONAL SERVICES

The over budget expenditure resulted from the engagement of consultants and legal services during the year for advice on feasibility of a possible strategic services partnership with the private sector for service delivery. Council also incurred higher than expected fees on advice in relation to:

- Oasis/Noble park pool and Springers leisure centre
- Dandenong South structure plan
- Potential obligations in relation to the Lyndhurst tip
- Proposed municipal buildings project

## > NOTE 8 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.

## > NOTE 9 WRITE-OFF OF ASSETS

These write-offs essentially represent footpaths, bike paths, road segments and drainage assets that were pulled out to make way for the construction of the EastLink freeway.

## > NOTE 10 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.

## > NOTE 11 INVENTORY – PROPERTY

Inventory of property assets earmarked for sale was close to budget between the current and non-current components. The current component of the budget is based on council's half yearly review of assets held for resale at 30 June.

## > NOTE 12 FIXED ASSETS

The variance is mainly the revaluation which took place in January 2006, resulting in asset revaluation gains of \$122M.

## > NOTE 13 INTANGIBLE ASSETS

Council recognised 30 bed licences that it holds at H.L. Williams aged care hostel for the first time during the year. This recognition was not anticipated in the budget.

## > NOTE 14 OVERDRAFT

Council's projected overdraft was significantly reduced with the unplanned receipt of grants of \$3.0M for the Dandenong Basketball Stadium development.

## > NOTE 15 CREDITORS

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

## > NOTE 16 EMPLOYEE BENEFITS

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

## > NOTE 17 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.

# 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: 25 September 2006

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 25 September 2006 to certify the standard statements in their final form on behalf of the Council.



Cr. Peter Brown

Dated: 25 September 2006



Cr. Yvonne Herring

Dated: 25 September 2006



Bryan Payne  
Acting Chief Executive Officer

Dated: 25 September 2006

# AUDITOR GENERAL'S REPORT



AUDITOR GENERAL  
VICTORIA

## INDEPENDENT AUDIT REPORT

Greater Dandenong City Council

### To the Councillors

#### Scope

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

The accompanying financial report for the year ended 30 June 2006 of Greater Dandenong City Council consists of the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the certification of the financial report.

The accompanying standard statements for the year ended 30 June 2006 of the Council consists of the standard income statement, standard balance sheet, standard statement of cash flows, standard statement of capital works, the related notes and the certification of the standard statements.

##### *Councillors' Responsibility*

The Councillors of Greater Dandenong City Council are responsible for:

- the preparation and presentation of the financial report and the standard statements, and the information they contain, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

##### *Audit Approach*

As required by the *Audit Act* 1994, an independent audit has been carried out in order to express an opinion on the financial report and standard statements. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report and standard statements are free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report and standard statements
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Councillors
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report and standard statements.

# AUDITOR GENERAL'S REPORT



AUDITOR GENERAL  
VICTORIA

## Independent Audit Report (continued)

These procedures have been undertaken to form an opinion as to whether:

- the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act 1989*, so as to present a view which is consistent with my understanding of the Council's financial position, and its financial performance and cash flows
- the standard statements are presented fairly in accordance with the basis of preparation described in note 1, comply with the requirements of the *Local Government Act 1989*, and the "actual" amounts are correctly extracted from the financial report. While the standard statements have to be prepared on a basis consistent with the financial report they are not required to meet all of the presentation requirements of Accounting Standards and other mandatory professional reporting requirements.

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

### 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 and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

### Audit Opinion

In my opinion:

- (a) the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act 1989*, the financial position of Greater Dandenong City Council as at 30 June 2006 and its financial performance and cash flows for the year then ended
- (b) the standard statements are presented fairly 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  
26 September 2006



Edward M. Hay  
Acting Auditor-General



## ANNUAL REPORT 2005 – 2006

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廣東話

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Ελληνικά

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دری

☎ 9679 9865

Nuää

☎ 9679 9866

Српски

☎ 9679 9867

Việt ngữ

☎ 9679 9868

TTY

☎ 9239 5153

All other languages ☎ **9679 9869**

Italiano Español Türkçe

Shqip Malti МАКЕДОНСКИ

Hrvatski СРПСКИ Tetum

Soomaali فارسی Русский