

City of Greater Dandenong

Financial Statements

Year Ended 30 June 1999

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Financial Statements for the year ended 30 June 1999

Operating Statement for the Year ended 30 June 1999

	Note	1998/99 \$'000	1997/98 \$'000
REVENUES			
Rates		30,765	28,787
Government Grants	3.1,3.2	10,816	10,219
Fees, Charges and Fines	3.3	4,455	4,958
Contributions		782	787
Interest		756	709
Proceeds from Sale of Assets	3.4	2,922	2,852
Other	3.5	4,359	4,819
Total Revenues		54,855	53,131
EXPENSES			
Employee Costs	4.1	20,916	21,212
Materials and Services	4.2	12,240	9,081
Depreciation	4.3	7,984	7,003
Carrying Amount of Assets Sold	3.4	2,525	2,789
Interest		1,304	2,181
Other	4.4	10,433	10,398
Total Expenses		55,402	52,664
INCREASE / (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS BEFORE ABNORMAL ITEMS		(547)	467
Abnormal Items			
Abnormal Revenue	3.6	1,861	-
Abnormal Expenses	4.5	(2,057)	(51,682)
Total Abnormal Items		(196)	(51,682)
(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS AFTER ABNORMAL ITEMS		(743)	(51,215)

The accompanying notes form part of these financial statements.

Financial Statements for the year ended 30 June 1999

Statement of Financial Position as at 30 June 1999

	Note	1999 \$'000	1998 \$'000
ASSETS			
Current Assets			
Cash	5.1	4,357	6,809
Investments	5.2	1,735	1,655
Receivables	5.3	7,314	3,750
Property Held for Resale	5.4	1,248	2,670
Other	5.5	181	166
Total Current Assets		14,835	15,050
Non-Current Assets			
Property, Plant and Equipment	1.2, 6	428,100	429,855
Total Non-Current Assets		428,100	429,855
Total Assets		442,935	444,905
LIABILITIES			
Current Liabilities			
Creditors & Accruals		5,147	4,611
Provisions	7.1	2,838	3,699
Borrowings		2,952	2,091
Trust Monies	7.2	491	933
Total Current Liabilities		11,428	11,334
Non-Current Liabilities			
Provisions	8	2,271	9,093
Borrowings		13,988	8,487
Total Non-Current Liabilities		16,259	17,580
Total Liabilities		27,687	28,914
NET ASSETS		415,248	415,991
EQUITY			
Accumulated Surplus		412,730	413,117
General Reserves	9	2,518	2,874
TOTAL EQUITY		415,248	415,991

The accompanying notes form part of these financial statements.

Financial Statements for the year ended 30 June 1999

Statement of Changes in Equity
for the Year ended 30 June 1999

	Notes	Total		Accumulated Surplus		Reserves	
		1998/99 \$'000	1997/98 \$'000	1998/99 \$'000	1997/98 \$'000	1998/99 \$'000	1997/98 \$'000
Balance at the beginning of the year		415,991	467,206	413,117	463,773	2,874	3,434
Change in Net Assets resulting from Operations after abnormal items		(743)	(51,215)	(743)	(51,215)	-	-
Transfer to Reserves	9.3	-	-	-	(550)	-	550
Transfer from Reserves	9.3	-	-	356	1,110	(356)	(1,110)
Balance at the end of the year		415,248	415,991	412,730	413,117	2,518	2,874

The accompanying notes form part of these financial statements

Financial Statements for the year ended 30 June 1999

Statement of Cash Flows for Year ended 30 June 1999

	Note	1998/99 \$'000	1997/98 \$'000
CASH INFLOWS / (OUTFLOWS) FROM OPERATING ACTIVITIES			
Receipts from Ratepayers		30,845	29,089
Fees, Charges, Fines & other		7,514	9,868
Government Grants – Untied	3.1	4,932	4,442
Government Grants for Service Delivery	3.2	5,884	5,777
Interest Received		756	726
Payments to Suppliers and Employees		(43,090)	(38,756)
Interest Paid		(1,304)	(2,181)
Net Cash (Used in) / Provided by Operating Activities	17(a)	5,537	8,965
CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(7,333)	(7,189)
Proceeds from sale of Property, Plant and Equipment		2,922	2,852
Net Cash (Used in) Investing Activities		(4,411)	(4,337)
CASH INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES			
Borrowings		8,453	
Repayment of Borrowings		(2,092)	(996)
Repayment of Superannuation		(9,417)	(773)
Trust monies and deposits received / (returned)	1.6	(442)	39
Net Cash (Used in) / Provided by Financing Activities		(3,498)	(1,730)
NET INCREASE / (DECREASE) IN CASH HELD		(2,372)	2,898
Non-restricted Cash at beginning of the financial year		6,809	4,185
Restricted Cash at beginning of the financial year		1,655	1,381
TOTAL CASH AT BEGINNING OF THE YEAR		8,464	5,566
Non-restricted Cash at the end of the financial year	5.1	4,357	6,809
Restricted Cash at the end of the financial year	5.2	1,735	1,655
TOTAL CASH AT END OF THE YEAR	17(b)	6,092	8,464

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Accounting

These financial statements constitute a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Local Government Act 1989, Local Government Regulations 1990, other authoritative pronouncements of the Australian Accounting Standards Board and/or Public Sector Accounting Standards Board and Urgent Issues Group Consensus Views. Accounting policies employed have remained consistent unless otherwise stated.

The financial statements are prepared on the accrual basis under the convention of historical cost accounting, except for certain assets, which are recorded "at valuation". These assets are valued at the lesser of written down replacement cost or market value. Where no market value exists assets are valued at the written down replacement cost.

Works in Progress are taken up at cost.

1.2. Recognition of Non-Current Assets

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

- a) Due to an absence of reliable methodology and in accordance with Australian Accounting Standard AAS 27 Financial Reporting by Local Governments, the recognition of Land under Roads has been deferred until the year ending 30 June 2001.
- b) Thresholds for asset recognition were unchanged from 97/98:

Class of Assets	New Works Threshold Limit \$	Improvements Threshold Limit \$
Plant and Equipment	1,000	N/A
Minor Plant, Furniture & Equipment	5,000	5,000
Infrastructure Assets		
Roads	1	20,000
Drains, Footpaths and Bridges	1	5,000
Street Furniture	10,000	10,000

- c) All non-current assets having a limited useful life are systematically depreciated over their useful lives to Council in a manner that reflects the consumption of the service potential of those assets. Depreciation is provided on a straight-line basis using a range of rates applicable to Council's experience. The estimated useful lives reflect a program of normal maintenance. The following table shows the major categories of assets and associated useful lives. This table is unchanged from the previous year except for item marked (i):

Asset Category	Useful Life	Depreciation Rate
Plant & Equipment	10 years	10%
Minor Plant, Furniture & Equipment		
Artworks	100 years	1%
Furniture & Equipment	6 years	15%
IT Devices	5 years	20%
Parking Meters	10 years	10%
Street Signs/Traffic Control	10 years	10%
Library Catalogue	5 years	20%
Library Equipment	10 years	10%
Library Plant	5 years	20%
Land & Buildings		
Car Parks	100 years	1%
Land	Infinite	Nil
Buildings	50 years	2%

Non-Realisable Infrastructure Assets		
Bike Paths	50 years	2%
Footpaths	50 years	2%
Bridges	100 years	1%
Roads (i)	60 years	1.6%
Drains	100 years	1%
Realisable Infrastructure Assets		
Street Furniture	10 years	10%
Playgrounds	Infinite	10%

(i) Following a review of asset useful lives, and in accordance with Australian Accounting Standard AAS 4 "Depreciation", the rate of depreciation on roads was increased as from 1 July 1998 from 1% to 1.6% which increased the depreciation charge by \$0.52M.

d) **Realisable Infrastructure Assets**

Infrastructure assets comprising garbage bins and playground equipment are considered by their nature to be realisable assets. All other Infrastructure Assets are considered to be non-realisable. Non-realisable assets are excluded from the calculations of Financial Ratios. (Refer note 18)

1.3. Comparative Figures

Comparative information has, where necessary, been reclassified to comply with the presentation adopted in the current year.

1.4. Recognition of Revenues

a) **Rates revenue**

Rates and service charges are recognised as revenue when control over the assets comprising the revenues is obtained. Control over assets comprising rates and service charges is obtained at the declaration of the rate, levy or service charge, or commencement of the rating period, whichever is the later.

b) **Grants, Donations and Other Contributions**

Grants, donations and other contributions are recognised as revenue when control over the assets comprising the revenues is obtained. Control is normally obtained upon receipt or upon prior confirmation that the asset has been secured. Unreceived grants, donations and other contributions over which control has been obtained are recognised as Receivables. Related notes: Note 3.1 and 3.2.

1.5. Recognition of General Debtors

Debtors are recognised when the risks and rewards of ownership of the underlying assets or benefits of service transactions have passed to the customer. This event usually occurs on the delivery of goods or services. Related notes: Note 5.3 and 12. Revenue arising from the sale of land is recognised upon entering into an unconditional contract, or if conditional, revenue is recognised at settlement. A provision is made for amounts which are considered to be doubtful debts and are not subject to a charge on property. Related Note 5.3.

1.6. Trust Funds

Amounts received as tender deposits, bonds, retention monies and Hostel Entrance fees controlled by Council are recognised as 'trusts' within Current Liabilities until they are refunded, forfeited or adjusted. Related Note 7.2.

1.7. Employee Entitlements

a) **Accrued Salary and Wages**

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

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

b) Annual Leave and Long Service Leave

The liability for annual leave is determined at current rates of pay, inclusive of leave loading and associated oncost, and is based on annual leave not taken as at balance date. A liability for long service leave is recognised when it is probable that settlement will be required and the liability is capable of being measured reliably. Long service leave entitlements payable are assessed at each balance date having regard to length of service, estimated future movements in rates of pay, on costs and other factors including experience of employee departures and their periods of service. Long service leave entitlements estimated to fall due later than one year after balance date have been measured at the present value of the estimated future cash outflows. Interest rates on government securities are used for discounting future cash flows. Related note: Note 7.1 & 8

Local Government (Long Service Leave) Regulations 1991 require maintenance of a separate investment account for Long Service Leave. This Restricted Asset is disclosed at Note 5.2. The liability calculated under the regulation's formula does not match the liability determined under AAS 30 - "Accounting for Employee entitlements"

c) Other

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

The superannuation expense for the financial year is the amount of the statutory contribution the municipality makes to the superannuation plan, which provides benefits to its employees. Details of those arrangements are set out in Note 13.

1.8. Recognition of General Creditors

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

1.9. Leases

Operating lease payments are expensed to the period in which the payment are made. Council has no finance leases.

1.10. Property Held for Resale

Property held for resale is valued at the lower of cost and net realisable value. Costs have been assigned to particular property by the method of specific identification or weighted average cost.

1.11. Committees of Management

The adopted incorporated Committee of Management structure provides committees with the power and autonomy to effectively manage and plan for the long-term future of the facility they utilise.

The operations of the Committees of Management are not material to the overall operations of the Council and their revenues and expenses are excluded from the Council's Financial Statements. However all land and buildings managed by Committees of Management are reported as assets of Council.

1.12. Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

1.13. Rounding

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

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

2. FUNCTIONS AND ACTIVITIES

Revenue and expenses have been attributed to the following functions:

2.1. Revenue and Expenses by Function

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

REVENUE ATTRIBUTED 1998/99					EXPENSES 1998/99		SURPLUS / (DEFICIT) before Abnormals
	\$000 General	\$000 Grants	\$000 Total	% of Total	\$000	% of Total	\$000
Community Services	1,467	4,634	6,101	11.12%	8,712	15.73%	(2,611)
Health & Environment	4,591	117	4,708	8.58%	8,181	14.77%	(3,473)
Leisure	1,239	772	2,011	3.67%	6,870	12.40%	(4,859)
Transport	1,982	1,094	3,076	5.61%	5,238	9.45%	(2,162)
Management & Economic Development	34,760	4,199	38,959	71.02%	26,401	47.65%	12,558
Total Revenues & Expenses	44,039	10,816	54,855	100%	55,402	100%	(547)

REVENUE ATTRIBUTED 1997/98					EXPENSES 1997/98		SURPLUS / (DEFICIT) before Abnormals
	\$000 General	\$000 Grants	\$000 Total	% of Total	\$000	% of Total	\$000
Community Services	1,546	4,649	6,195	11.7%	9,026	17.1%	(2,831)
Health & Environment	4,366	160	4,526	8.5%	8,065	15.3%	(3,539)
Leisure	1,095	557	1,652	3.1%	6,317	12.0%	(4,665)
Transport	970	1,178	2,148	4.0%	4,217	8.0%	(2,069)
Management & Economic Development	34,935	3,675	38,610	72.7%	25,039	47.6%	13,571
Total Revenues & Expenses	42,912	10,219	53,131	100%	52,664	100%	467

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

2.2. Functions of Council

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

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

	1998/99 \$'000	1997/98 \$'000
3. REVENUES		
3.1. Government Grants Untied		
Financial Assistance Grant - General Purpose	4,130	3,655
Financial Assistance Grant - Untied Road Funding	802	787
	<u>4,932</u>	<u>4,442</u>
3.2. Government Grants for Service Delivery		
Community Services	4,634	4,649
Health & Environment	117	160
Leisure	772	557
Transport	292	391
Management & Economic Development	69	20
Total Government Grants for Service Delivery	<u>5,884</u>	<u>5,777</u>
Total Government Grants	<u>10,816</u>	<u>10,219</u>
3.3. Fees, Charges and Fines		
Community Services	1,218	1,316
Health & Environment	824	756
Leisure	636	651
Transport	1,022	1,035
Management & Economic Development	755	1,200
Total Fees, Charges and Fines	<u>4,455</u>	<u>4,958</u>
3.4. Profit on Sale of Property, Plant and Equipment		
Proceeds on sale of Land, Plant & Equipment	2,922	2,852
Less carrying amount of assets sold.	(2,525)	(2,789)
	<u>397</u>	<u>63</u>
3.5. Other Revenue		
Recoveries		
Residential Amenity	754	716
Occupational Health & Safety	567	514
Property Revenue	106	148
Other	74	112
	<u>1,501</u>	<u>1,490</u>
Contributions		
Senior Citizens	81	66
City Life	76	0
Other	120	82
	<u>277</u>	<u>148</u>
Produce Market	1,755	1,810
Communication Towers	102	102
NCP	75	0
Retainer	36	39
Other	613	1,230
Total Other Income	<u>4,359</u>	<u>4,819</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

	Note	1998/99 \$'000	1997/98 \$'000
3.6. Abnormal Revenue			
Transfer of Superannuation Liability	13	1,861	-
		1,861	-
4. EXPENSES			
4.1. Employee Costs			
Salaries & Wages		18,572	18,726
Superannuation		1,604	1,787
Workcover		581	526
Fringe Benefits Tax		159	173
		20,916	21,212
4.2. Materials and Services			
Maintenance and Repairs		2,376	849
External Contracts		6,093	5,097
Special Projects		3,771	3,135
		12,240	9,081
4.3. Depreciation			
Plant & Equipment		1,163	974
Minor Plant, Furniture and Equipment		1,055	867
Land Improvement		3	34
Buildings		3,178	3,082
Infrastructure Assets- Non-Realisable		2,159	1,638
Infrastructure Assets -Realisable		426	408
		7,984	7,003
4.4. Other			
Contractors/Consultants		2,195	1,371
Grants		1,394	1,479
Utilities		1,148	1,249
Sponsorships		597	611
Legal		405	296
Motor Vehicles		453	463
Insurance		490	578
Other		3,751	4,352
		10,433	10,399
4.5. Abnormal Expenses			
Y2K Project		153	-
Staff Redundancies		1,734	849
Increase in provision for irrecoverable Perin Court Fines		-	296
Prepaid Interest on Long Term Loan written off		-	405
Superannuation	13	170	1,054
Land and Buildings revalued		-	49,078
		2,057	51,682

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

5. CURRENT ASSETS	Note	1999 \$'000	1998 \$'000
5.1. Cash at Bank			
Cash on Call		4,357	6,809
5.2. Investments			
Bank Deposits on Call		1,735	1,655
Assets, which have restrictions imposed on their use by law, deed or regulation and which are included in Investments:			
Restricted Assets with offsetting Liabilities			
Long Service Leave Investment	12	1,735	1,655
Restricted Cash - Cashflows			
Restricted Cash at beginning of the financial year		1,655	1,381
Cash Inflows Long Service Leave		80	274
Restricted Cash at end of the financial year		1,735	1,655
5.3. Receivables			
Rates Debtors		1,510	1,590
General Debtors (i)		7,230	3,285
Less: Provision for Doubtful Debts (ii)		(1,426)	(1,125)
		<u>7,314</u>	<u>3,750</u>
(i) An amount of \$2.14M has been included in Debtors in respect of monies due for the sale of properties, which were signed under contract prior to year-end. In addition an amount of \$1.678M has been recognised as a Debtor in respect of the anticipated settlement with the City of Kingston for superannuation liability. Related note 13			
(ii) The provision for irrecoverable fines submitted to the Magistrates Perin Court was increased by \$246,000.			
5.4. Property Held for Resale			
Land at net realisable value - Valued 1 July 1997		1,248	2,670
5.5. Other			
Prepayments		21	16
Inventory		160	150
		<u>181</u>	<u>166</u>
6. NON-CURRENT ASSETS			
6.1. Plant and Equipment			
At Valuation - 1 July 1996		4,055	4,055
At Cost		2,362	1,749
Less: Accumulated Depreciation		(3,084)	(1,921)
		<u>3,333</u>	<u>3,883</u>
Plant and Equipment was valued by Ron Smith, Council's former Fleet Co-ordinator, as at 1 July 1996.			
6.2. Minor Plant, Furniture & Equipment			
At Valuation 30 June 1997		4,477	4,477
At Cost		2,118	1,242
Less: Accumulated Depreciation		(2,622)	(1,567)
		<u>3,973</u>	<u>4,152</u>
"At valuation" estimates for minor plant, furniture and equipment were determined by Dean Capp, Financial Accountant, as at 30 June 1997			

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

	Note	1999 \$'000	1998 \$'000
6.3. Land and Buildings			
Land			
At Valuation - 1 July 1997		175,475	175,475
At Cost		864	774
Less: Accumulated Depreciation		(68)	(65)
		176,271	176,184
Buildings			
At Valuation - 1 July 1997		157,226	157,226
At Cost		2,911	1,702
Less: Accumulated Depreciation		(73,171)	(69,992)
		86,966	88,936

"At valuation" estimates for land and buildings were determined by Mrs. P Lawson AAPI, Certified Valuer as at levels of values applicable as at 1 July 1997

6.4. Infrastructure Assets			
Non Realisable Infrastructure Assets			
Completed Assets At Cost		6,242	4,339
At Valuation - 1 July 1997		148,635	148,635
Less: Accumulated Depreciation		(3,900)	(1,741)
		150,977	151,233
Realisable Infrastructure Assets			
Completed Assets At cost		610	361
At Valuation - 1 July 1997		5,511	5,511
Less: Accumulated Depreciation		(859)	(433)
		5,262	5,439

"At valuation" estimates for infrastructure were determined as at 30 June 1997 by:

- Gutteridge, Haskin & Davies, Civil Engineers (Roads).
- Acer Wargon Chapman, Civil Engineers (Drains).
- Graeme Lyne, Civil Engineer (Bridges).

6.5. Works in Progress at Cost	1,318	28
TOTAL NON-CURRENT ASSETS	428,100	429,855

7. CURRENT LIABILITIES

7.1. Provisions		
Annual Leave	1,897	2,273
Long Service Leave	180	649
Defined Benefit Superannuation Liability	761	777
	2,838	3,699
7.2. Trust Monies		
Hostel Entrance Fees	345	296
Jenny Slade Scholarship	15	15
Crossing & Other deposits	131	622
	491	933

8. NON-CURRENT LIABILITIES - Provisions

Long Service Leave	2,271	1,418
Defined Benefit Superannuation Liability	-	7,675
	2,271	9,093

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

	Note	1999 \$'000	1998 \$'000
9. RESERVES			
9.1. Restricted Reserves			
Public Resort and Recreation Land		639	995
Botanical Garden		54	54
Land Development		191	191
Central Car Parking		865	865
		1,749	2,105
9.2. Non-restricted Reserves			
Plant Replacement		654	654
Self Insurance		59	59
Meals on Wheels		56	56
		769	769
Total Reserves		2,518	2,874
9.3. Movements to and (from) Reserves			
Public Resort and Recreation Land		(356)	475
Road Development		-	(34)
Off Street Car Parking		-	(60)
Land Development		-	31
Central Car Parking		-	44
District Centre Improvement		-	(31)
Plant Replacement		-	(985)
		(356)	(560)
The Council adopted a consolidation strategy in the 1998/99 Budget to reduce the number of reserves			
10. FINANCING ARRANGEMENTS			
Council has access to the following line of credit at balance date			
Bank Overdraft facilities available	12	2,500	2,500
Bank Overdraft facilities utilised at balance date		-	-
11. COMMITMENTS AND CONTINGENCIES			
11.1. Operating Lease Commitments			
Not later than one year		201	-
Later than 1 year but less than 5 years		195	64
Over 5 years		-	-
	1.9	396	64
11.2. Capital Commitments			
Not later than one year		519	87
11.3. Works and Services Contracts			
Not later than one year		11,330	9,050
Later than 1 year but less than 5 years		5,417	5,860
Over 5 years		3,044	108
		19,791	15,018

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

12. FINANCIAL INSTRUMENTS**12.1. Terms, conditions and accounting policy**

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash on Call	5.1	Valued at cost. Interest recognised as it accrues.	On call deposits returned floating interest rates returns between 4.36% and 5.42% (1997/98 2.5% and 5.04%). The rate at balance date was 4.36% (1997/98 4.67%)
Bank Deposits on Call	5.2	Valued at cost. Interest is recognised as it accrues.	Withdrawals are on 24 hours notice. Bank Deposits returned floating interest rates returns between 4.95% and 5.31%. net of fees (1997/98 4.87% and 6.84%)
Rates Debtors	5.3	Rates are a charge attached to the rateable land and therefore no provision for doubtful debts is made. Interest rates are reviewed annually.	Rates are payable by four installments during the year or by lump sum in February. Arrears, including Deferred Rates, attract interest. The interest rate was 13.2% at balance date for general rates (1997/98 13.2%)
General Debtors	5.3	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debt is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest free. Credit terms are usually up to 60 days.
Financial Liabilities			
General Creditors		Liabilities are recognised for amounts to be paid in the future for goods received and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Borrowings		The loan with the Commonwealth Bank was obtained to refinance borrowings in July 1997. \$8,487,727	The loan is for five years and principal & interest are repayable every six months. The loan is secured by a mortgage over Council's general rates. The interest rate is fixed at 6.61 % (1997/98 6.9%)
Borrowings		The loan with the Commonwealth Bank was obtained to repay the amount owing to the LASB in respect of superannuation liability in April 1999. \$5,500,000	The loan is for ten years and principal & interest are repayable every three months. The loan is secured by a mortgage over Council's general rates. The interest rate is fixed at 5.8 %.
Borrowings		The loan with the Commonwealth Bank was obtained in April 1999 to repay the amount owing to the LASB in respect of the superannuation liability which is to be claimed against the City of Kingston, \$2,952,000	The loan is for one year and principal & interest are payable at maturity – 28 April 2000. The loan is secured by a mortgage over Council's general rates. The interest rate is fixed at 5.10 %.

12.2. Interest Rate Risk

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

Floating Interest Rate		Fixed Interest rate maturing in:						Non-Interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate %	
		1yr or less		Over 1 to 5 years		More than 5 years							
1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000

1) Financial Assets

Rates	1,510	1,590								1,510	1,590	13.2	13.2
Debtors								5,804	2,160	5,804	2,160		
Cash on Call	4,357	6,809								4,357	6,809	4.86	4.3
Bank Deposits	1,735	1,655								1,735	1,655	4.73	5.4
Total Financial Assets	7,602	10,054						5,804	2,160	13,408	12,214	4.80	4.88

2) Financial Liabilities

Creditors								5,147	4,611	5,147	4,611		
Borrowings			2,952	2,091	8,488	8,488	5,500			16,940	10,578	6.08	6.9
Total Financial Liabilities			2,952	2,091	8,488	8,488	5,500	5,147	4,611	22,087	15,189	6.08	6.9

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

12.3. Net Fair Value

The aggregate fair values of financial assets and financial liabilities as at balance date are as follows:

	Total carrying amount as per the statement of financial position		Aggregate net fair value	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
On Balance Sheet Financial Assets				
Rates	1,510	1,590	1,510	1,590
Debtors	5,804	2,160	5,804	2,160
Cash on Call	4,357	6,809	4,357	6,809
Bank Deposits	1,735	1,655	1,735	1,655
Total Financial Assets	13,406	12,214	13,406	12,214
Financial Liabilities				
Creditors	5,147	4,611	5,147	4,611
Borrowings	16,940	10,578	14,463	9,244
Total Financial Liabilities	22,087	15,189	19,610	13,855

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

Creditors, Cash Investments, and Debtors	The carrying amount equals the fair value because of the short term to maturity.
Borrowings	The fair value is based on the discounted cash flow method
Rates	The carrying amount approximated fair value because of the short-term maturity. Deferred rates do not materially impact on this assumption.

13. SUPERANNUATION**Local Authorities Superannuation Fund**

In accordance with statutory requirements, Council makes employer superannuation contributions, in respect of its employees, to the Local Authorities Superannuation Fund (the Fund).

Accumulation Benefits Members

From 1 January 1994 new employees are classified by the Fund as members under an accumulation benefits scheme, known as LASPLAN. LASPLAN receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee Legislation (7% in 1998/99 and 6% in 1997/98). 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 1998/99 superannuation contributions relating to LASPLAN for that year's accumulation benefits members' service was \$567,255 (\$393,195 in 1997/98).

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

Defined Benefits Members

Employees who commenced with Local Government before 1994 are classified by the Fund as Defined Benefits members. Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Fund's Trustee. The rate is currently 9.25% (9.25% in 1997/98) of eligible remuneration. During 1998/99 Council's superannuation contributions relating to that year's defined benefits members' service was \$976,411 (\$1,004,995 in 1997/98). In addition, Council reimburses the Fund for the difference between resignation and retrenchment benefits paid to employees retrenched during the year. 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 1996/97 Council brought to account, as an abnormal expense item, a liability of \$7.593 million, including \$1.139 million tax, for its share of the Fund's superannuation liability relating to benefits accrued for past service as at 30 June 1997. Interest is applied by the Fund on outstanding balances at the annual earning rate of the Fund. Federal tax (currently equivalent to 17.65%) is applied to principal and interest and is included in the liability recorded by Council.

A further amount of \$383,394, including \$57,517 tax, representing retrenchment increments incurred by Council has been brought to account in 1998/99.

During 1998/99 Council paid \$9.417M, including \$1.349M tax, to the Fund, over and above its annual employer contributions to fund ongoing service, to reduce its superannuation liability for past service and retrenchment increments. In 1997/98 Council paid the Fund \$0.077M, including interest and tax.

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

The most recent full actuarial review of the Fund was undertaken by the Fund's actuary, Grant Harslett, FIA, FIAA, of Towers Perrin, as at 30 June 1998. The Fund's liability for accrued benefits was determined by reference to expected future salary levels and by application of a market-based risk-adjusted discount rate and relevant actuarial assumptions. It was determined that the net assets of the Fund, which includes amounts owed by Council to the Fund, were more than sufficient to meet the accrued benefits of the Fund's defined benefit category members. The reported funding surplus of the Fund was \$36.8 million as at 30 June 1998. Contributing employers, including the Council, of the defined benefits category of the Fund have a potential future benefit relating to this surplus. However, their liability to the Fund as at 30 June 1999 has not been reduced as the Trustee of the Fund determined to retain the funding surplus and undertake a further full actuarial review as at 30 June 2000.

Following restructure the Council entered into a settlement agreement with the Cities of Casey & Kingston to address the consequences of changes in the council boundaries. These agreements resulted in the transfer of certain assets, liabilities and personnel between the councils. At that time the responsibility for the superannuation liability in respect of employees transferred to the Cities of Casey and Kingston was not transferred.

Council has been negotiating with these Councils to determine the share of liability to be transferred between all three parties. During this Financial year the Council has negotiated a settlement with the City of Casey and assumed a liability of \$0.170 million (refer note 4.5 – Abnormal Expenses)

With the City of Kingston the Arbitrators have determined that an amount of \$1.861M is due to be refunded to the City of Greater Dandenong. This amount has been accrued in the current financial statements and reflected as an abnormal revenue item. Refer Note 3.6

14. CONTINGENT LIABILITIES**BANK GUARANTEES**

Council has agreed to guarantee bank loans taken out by the Dandenong Basketball Association (DBA) to a maximum amount of \$2 million. At Balance Date the amount drawn by the DBA was \$1.410 million. Council has also agreed to guarantee a bank overdraft taken out by the Springvale City Soccer Club to a maximum amount of \$20,000.

LEGAL ACTIONS

Council is involved in a number of Legal Actions. Council's exposure in these claims may be up to \$250,000.

FUTURE LEGAL CLAIMS

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

SUPERANNUATION

As indicated in Note 13, an Arbitrator was appointed in 1998/99 by an Order in Council to inquire into and determine the amount of superannuation liability to be proportioned between the City of Kingston and neighbouring councils including the City of Greater Dandenong. The Arbitrator found that a liability within the Local Authorities Superannuation Board of \$1,861,000 as at 1 July 1997 should be transferred from Kingston to Greater Dandenong.

Following receipt of the report of the Arbitrator, separate advice was received from the City of Kingston advising that settlement was not to be effected due to Supreme Court action by the City of Glen Eira seeking a Judicial Review of the Arbitrator's determination. This review will be listed for hearing before a Judge of the Supreme Court on a date to be fixed.

15. RELATED PARTY TRANSACTIONS

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

Councillors

Naim Melhem (Mayor) 22/3/99 –
Roz Blades (Mayor) 16/3/98 – 22/3/99
Sharon Harris
John Kelly
Angela Long
Phil Reed
Dale Wilson
Greg Harris
Yvonne Herring
Youhorn Chea
Paul Donovan

Chief Executive Officer

Warwick Heine

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

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

Income Range	1997/98 No.	1998/99 No.
\$10,000 - \$19,999	9	10
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	1	1
\$160,000 - \$169,999	1	-
\$180,000 - \$189,999	-	1
Total	12 ==	12 ==

	\$'000	\$'000
Total remuneration for the reporting period, for Responsible Persons included above, amounted to:	\$375	\$344

Senior Officers' Remuneration

The number of senior officers, other than the Responsible Persons, whose total remuneration exceeded \$70,000 during the financial year, are shown below in their relevant income bands:

Income Range	1997/98 No.	1998/99 No.
\$70,000 - \$79,999	4	6
\$80,000 - \$89,999	9	3
\$90,000 - \$99,999	3	6
\$100,000 - \$109,999	1	4
\$110,000 - \$119,999	3	0
\$120,000 - \$129,999	-	3
\$130,000 - \$139,999	-	1
Total	20 ====	23 ====
	\$'000	\$'000
Total remuneration for the Financial year of senior officers included above amounted to:	\$1,786	\$2,181

Retirement benefits paid by the Council in connection with the retirement of Responsible Persons of the Council amount to \$Nil.

No loans have been made, guaranteed or secured by the Council to a Responsible Person of the Council during the financial year.

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 accord with that Act. The Register is available for public inspection.

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

16. DISCLOSURES REQUIRED BY THE LOCAL GOVERNMENT ACT 1989

The Local Government Act 1989 requires that the following additional disclosures be incorporated into the Notes accompanying the Financial Statements. There are no relevant Australian Accounting Standards related to these disclosures.

16.1. Comparison of Budgeted and Actual Operating Results - Regulation 83(a)

	Actual 1998/99 \$'000	Budget 1998/99 \$'000
Revenues		
General Rates	30,765	30,466
Government Grants	10,816	10,490
Fees, Charges and Fines	4,455	4,190
Contributions	782	782
Interest Income	756	483
Asset Sales	2,922	3,630
Other	4,359	2,791
Total Revenues	54,855	52,832
Expenses		
Employee Costs – including on costs	20,916	21,641
Materials and Services	12,240	11,638
Depreciation	7,984	7,984
Carrying Amount of Assets Sold.	2,525	3,856
Interest Expense	1,304	912
Other	10,433	10,376
Total Expenses	55,402	56,407
Operating Deficit before Abnormal Items	(547)	(3,575)
Abnormal Expenses	(2,057)	(748)
Abnormal Income	1,861	-
Operating Deficit after Abnormal Items	(743)	(4,323)

16.2. Budget and Actual Cash flows Relevant to Determining Rates and Charges-Regulation 83(b)

	Actual 1998/99 \$'000	Budget 1998/99 \$'000
Revenues		
Operating Revenue	54,855	52,832
Less Rates and Charges	30,765	30,466
	24,090	22,366
Plus Transfers From Reserves	356	784
Less Transfers to Reserves	-	(70)
Cash Available Excluding Rates and Charges (A)	24,446	23,080
Expenditures		
Operating Expenses	55,402	56,407
Plus Expenditure on Assets	7,333	9,724
Plus Loan Repayments	2,092	2,091
Plus superannuation repayments	8,991	-
Net Abnormal Items	196	748
Less Depreciation	(7,984)	(7,984)
Less Carrying amount of Assets Sold	(2,525)	(3,856)
Less Long Term Loan received	(8,453)	-
Cash Expenditure Requirement (B)	55,052	57,130
Net Cash Required from Rates(B-A)	30,606	34,050
Rates and Charges Raised	30,765	30,466
Cash Result	159	(3,584)

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

16.3. Reconciliation Between the Operating Result and Cash Result - Regulation 83(c)

	Note	Actual 1998/99 \$'000	Budget 1998/99 \$'000
Operating Deficit after abnormal items	16.1	(743)	(4,323)
Less Non-cash Items Included in the Operating Result			
Depreciation	16.1	7,984	7,984
Carrying amount of Assets Sold	16.1	2,525	3,856
Long Term Loan Received		8,453	-
Operating Result less Non-cash Items		18,219	7,517
Cash Items not included in the Operating Statement			
Expenditure on Assets	16.2	(7,333)	(9,724)
Superannuation Payout	16.2	(8,991)	-
Repayment of five year Bank Loan	16.2	(2,092)	(2,091)
Transfers from Reserves	16.2	356	784
Transfers to Reserves		-	(70)
		(18,060)	(11,101)
Cash Result	16.2	159	(3,584)

17. STATEMENT OF CASH FLOWS**17 (a) Reconciliation of Net Cash Inflow / (Outflow) from Operating Activities to Increase / (Decrease) in Net Assets resulting from operations**

	Note	Actual 1998/99 \$'000	Actual 1997/98 \$'000
Decrease in Net Assets resulting from operations		(743)	(51,215)
Add / (Less)			
Depreciation		7,984	7,003
(Increase)/ Decrease in other current assets	5.5	(15)	851
Profit on Sale of Assets	3.4	(397)	(63)
(Increase)/ Decrease in Receivables	5.3	(3,564)	1,727
(Decrease) / Increase in Creditors		538	348
(Decrease) / Increase in Employee Entitlements	7.1	1,734	1,236
Write down of Land & Buildings	4.5	-	49,078
Net Cash Flow Inflow / (Outflow) from Operating Activities		5,537	8,965

17 (b) Reconciliation of Cash

For purposes of the Statement of Cash Flows, cash (net of any outstanding bank overdraft) includes cash deposits and short term investments (less than 90 days to maturity) which are readily converted to cash at the Council's option and which are subject to insignificant risk of change in values. Cash at the end of the financial year as shown in the Statement of Cashflows is reconciled to the related items in the statement of financial position as follows:-

Current Asset - Cash	5.1	4,357	6,809
Current Asset - Investments	5.2	1,735	1,655
Cash at balance date as per Statement of Cash Flows		6,092	8,464

Notes to and forming part of the Financial Statements for the year ended 30 June 1999

18. Financial Ratios - Regulation 84	1998/99	1997/98
Debt Servicing Ratio To identify the capacity of Council to service outstanding debt. Interest as a percentage of Council's Total Revenue.	2.38%	4.10%
Debt Commitment Ratio To identify a Council's debt redemption strategy. Loan interest and loan redemption payments as a percentage of Rate revenue.	11.04%	9.13%
Revenue Ratio To identify a Council's dependence on non-rate income. Rate revenue as a percentage of Total Revenue.	56.08%	54.18%
Debt Exposure Ratio To identify a Council's exposure to debt. Realisable Assets available for every dollar of Total Liabilities less liabilities associated with Restricted Assets.	.063:1	.065:1
Working Capital Ratio To assess a Council's ability to meet current commitments. Current Assets available to meet each dollar of Current Liabilities.	1.30:1	1.33:1

Value of Land in the Municipality - Regulation 83(l)

The value of land within the Municipality at Balance Date	\$6,661,620,349
Date of Valuation	30/6/1994
Date on which the valuation first applied	1/10/1996
Date of next Valuation	1/1/2000
Date on which next valuation will be applicable	1/7/2000

CERTIFICATION OF FINANCIAL STATEMENTS

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government Regulations 1990, Australian Accounting Standards and other mandatory professional reporting requirements.

Brenda Hollander
Principal Accounting Officer



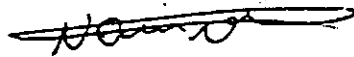
Dated:

5th OCTOBER 1999

In our opinion the accompanying financial statements present fairly the financial transactions of the City of Greater Dandenong for the year ended 30 June 1999 and the financial position of the Council as of that date.

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

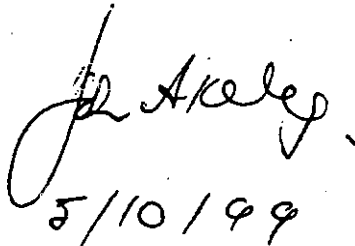
Naim Melhem
Councillor



Dated:

5th October 1999

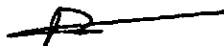
John Kelly
Councillor



Dated:

5/10/99

Brenda Hollander
Principal Accounting Officer



Dated:

5TH OCTOBER 1999

Location: Springvale



VICTORIAN
AUDITOR-
GENERAL'S
OFFICE

*Auditing in the
Public Interest*

AUDITOR-GENERAL'S REPORT

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

Audit Scope

The accompanying financial report of Greater Dandenong City Council for the financial year ended 30 June 1999, comprising an operating statement, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, has been audited. The Councillors are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the responsible Ministers and the Councillors as required by the *Audit Act 1994*.

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

The audit does not provide any assurances that the Council's systems, or any other systems that the Council relies on in the conduct of its activities such as those of suppliers and service providers are year 2000 compliant, or whether plans and associated actions are adequate to address the year 2000 issue. The year 2000 issue has been addressed only in the context of existing audit responsibilities under Australian Auditing Standards to express an opinion on the financial report.


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

Audit Opinion

In my opinion, the financial report presents fairly the financial position of the Greater Dandenong City Council as at 30 June 1999 and the results of its operations and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and complies with the requirements of the *Local Government Act 1989*.

MELBOURNE

7/10/1999


R. G. Hamilton
Acting Auditor-General

COMPETITIVE TENDERING STATEMENT for the year ended 30 June 1999

TOTAL EXPENSES	1998/99 '000s			1997/98 '000s		
Operating Expenditure before abnormals	\$55,402			\$52,664		
Less Depreciation	\$7,984			\$7,003		
Plus Capital excluding Land acquisition (1998/99 only)	\$7,330			\$7,189		
Value of Expenses for CCT base	\$54,748		100.00%	\$52,850		100.00%
COMPETITIVE TENDERING TARGET	\$27,374		50.00%	\$26,425		50.00%
(minimum requirement under Local Govt Act 1989)						
COMPETITIVE ARRANGEMENTS						
(by categories listed in s. 208B(1) of the Local Govt Act 1989)						
a) Contracts for supply of goods/services works to Council	\$15,451	116	28.22%	\$14,992	111	28.37%
b) In-House Agreements	\$11,185	12	20.43%	\$10,211	13	19.32%
c) Contracts for the supply of goods/services/ works by Council	\$0	0	0.00%	0	0	0
d) Contracts approved by the Minister under Section 208F	\$2,928		5.35%	\$3,759		7.11%
TOTAL COMPETITIVE ARRANGEMENTS (note 1.)	\$29,564	128	54.00%	\$28,962	124	54.80%
SURPLUS (DEFICIT) OF COMPETITIVE ARRANGEMENTS COMPARED TO TARGET	\$2,190			\$2,537		4.8%
IN-HOUSE TENDERS (competitive arrangements for which Council received an In- House tender in 98/99)		5			16	
AWARD TO NON-COUNCIL CONTRACTORS	\$6,898	2	12.60%	\$4,211	13	7.97%
(contracts awarded to other persons in 98/99 where Council staff were formerly providers of the goods/services/works)						

Notes. 1. Expenditure by Internal Bid Teams has been excluded to eliminate double counting.

Certification of Competitive Tendering Statement

In my opinion the accompanying competitive tendering statement has been prepared in accordance with the Local Government Act 1989 and the Local Government Regulations 1990.

Brenda Hollander
Principal Accounting Officer



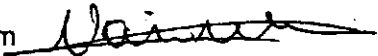
Dated:

5th October 1999

In our opinion the accompanying competitive tendering statement presents fairly the number and value of competitive arrangements of Council for the year ended 30 June 1999.

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

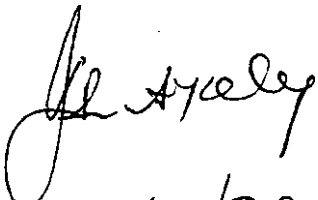
Naim Melhem
Councillor



Dated:

5th - October 1999

John Kelly
Councillor



Dated:

5/10/99

Location: Springvale



VICTORIAN
AUDITOR-
GENERAL'S
OFFICE
*Auditing in the
Public Interest*

AUDITOR-GENERAL'S REPORT ON COMPULSORY COMPETITIVE TENDERING STATEMENT

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

Audit Scope

The accompanying compulsory competitive tendering statement of Greater Dandenong City Council for the financial year ended 30 June 1999 has been audited. The Councillors are responsible for the preparation and presentation of the statement and the information it contains. An independent audit of the statement has been carried out in order to express an opinion on the statement to the responsible Ministers and the Councillors as required by the *Local Government Act 1989*.


The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the compulsory competitive tendering statement is free of material misstatement and whether a register, proper records and documents have been maintained by Greater Dandenong City Council as required by the Act. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the statement. These procedures have been undertaken to form an opinion as to whether, in all material respects, the compulsory competitive tendering statement is presented fairly in accordance with the *Local Government Act 1989*.

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

Audit Opinion

In my opinion, the compulsory competitive tendering statement of the Greater Dandenong City Council for the financial year ended 30 June 1999 is presented fairly in accordance with the *Local Government Act 1989* and a register, proper records and documents have been maintained by Greater Dandenong City Council as required by that Act. In addition, Greater Dandenong City Council has provided all the information and explanations required to form this opinion.

MELBOURNE
7 /10/ 1999


K. G. Hamilton
Acting Auditor-General

PERFORMANCE STATEMENT for the year ended 30 June 1999**Introduction to the 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 has amended the Local Government Act (Section 153 of the Local Government Act 1989) to ensure that local government develops new performance accountability mechanisms which allow for a consistent approach in the collection and reporting of information regarding financial performance, operating costs and community satisfaction. Without comparable figures, a great deal of benefit of measuring performance is lost.

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

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

Since 1997/98, there has been a requirement for councils to adopt an annual business plan as part of its corporate planning cycle and to include in its annual report a statement of performance against the targets set in the annual business plan.

As this is the first year that the performance statement has appeared in local government annual reports, there are no comparative details showing the previous years results.

Common Terms

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

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

Assessments – or rate notices.

Budget – refers to the originally published budget of the council.

Capital Expenditure – is the amount capitalised to the Balance Sheet (ie the aggregate additions to non current assets for the year) and contributions by Council to major assets not owned by Council.

Capital Improved Value – is the sum which land, might be expected to realise, at the time of valuation, if offered for sale on any reasonable terms and conditions, which a genuine seller might in ordinary circumstances be expected to require. This applies to all property sectors.

Customer Satisfaction Ratings – Indexed mean of 350 respondents' answers in a survey, conducted by the independent strategic research consultants Newton Wayman Research, asking them to rate council's performance. The indexed mean is a weighted score across five performance ratings being 100 – for an excellent / outstanding performance, 80 a good / high standard, 60 – adequate / acceptable 40 – needs some improvement and 20 – needs a lot of improvement.

Internal Funding – is the sum of the operating surplus before abnormal items, depreciation of all assets and transfers from reserves, less profit / (loss) on asset sales.

Median residential property – is the “Mid Point” of the values for residential properties such that exactly half of the values of residential properties have greater values than that point or dollar figure and half have smaller values. It is NOT the average (or arithmetic mean).

Net recurrent expenditure – Recurrent expenditure less recurrent grants for specific purposes.

Non recurrent depreciation – Depreciation on infrastructure and heritage assets only.

Non recurrent items – are profit / (loss) on asset sales, grants for specific purposes and depreciation on infrastructure and heritage assets.

Population – Estimated total residential population of the municipality as at 30 June of the previous year, as published by the ABS in “Regional Population Growth” catalogue no. 3218.0 or “Population by Age and Sex” catalogue no. 3235.2.

Rates and Charges – declared – are those declared as being receivable, in the calculations for the adopted rates, at the beginning of the year.

Recurrent expenditure – is operating expenditure less non-recurrent items such as depreciation on infrastructure and heritage assets.

Recurrent revenue - is operating revenue less non-recurrent items such as specific non-recurrent (capital) grants; and profit/loss on sale of assets.

Recurrent surplus/deficit - Recurrent revenue less recurrent expenditure.

Annual Plan Indicators 1998/9

		Target 1998/99	Annual 1998/99	Difference
Financial Planning				
FP.1	% Achievement of budgeted operating surplus/deficit (actual against original budget)	101	582	481
FP.2	Operating surplus/deficit as a percent of total Recurrent Revenue	8.37	-1.35	-9.72
FP.3	% change in net assets	0.01	-0.18	-0.19
FP.4	Working capital ratio current assets as a % of current liabilities	115	130	15
FP.5	Total debt servicing costs as a % of rates and charges revenue	2.83	4.24	1.41
FP.6	% of rates, fees and charges outstanding at 30 June	8.20	4.29	-3.91

Comments on Financial Performance API results

FP.1 The operating deficit for the year was \$0.743M and the budget was \$4.323M (refer note 16.1). This improvement in the financial result for the year was due to extra income being received of approximately \$1.7M and reduced expenditure of \$0.995M. In addition Council accrued for \$1.861M in respect of the estimated City of Kingston settlement (refer note 13).

Annual Plan Indicators 1998/9 cont'd

		Target 1998/99	Annual 1998/99	Difference
Rates Management				
RM.1	% Movement in rates and charges revenue from previous year	5.66	6.87	1.21
RM.2	Rates and charges revenue per assessment	576	596	20
RM.3	Rates and charges revenue per capita	225	230	5
RM.4	Rates and charges revenue as a % of CIV - total	0.45	0.46	0.01
RM.5	Rates and charges declared on the median property value - residential	588	425	-163
RM.6	Average rates and charges per assessment - residential	418	421	3
RM.7	Rates and charges declared as a % of CIV - farms	0.35	0.49	0.14
RM.8	Rates and charges declared as a % of CIV - commercial and industrial	0.45	0.48	0.03
RM.9	Rates and charges revenue as a % of total recurrent revenue	54.39	56.08	1.69
RM.10	General purpose grants per capita	31.18	30.82	-0.36

Comments Rates Management API Results

RM.5 The targeted result for 1998/99 was incorrectly calculated in the corporate plan and should in fact have been calculated at \$425.00.

		Target 1998/99	Annual 1998/99	Difference
Capital Expenditure				
CE.1	Capital expenditure divided by the total number of assessments	158	125	-33
CE.2	Recurrent surplus/deficit as a % of capital expenditure	100	64	-36
CE.3	% of capital expenditure internally funded	69	112	43
CE.4	% Achievement of capital program	90	80	-10
CE.5	Ratio of capital expenditure to total depreciation	0.69	0.81	0.12

Comments Capital Expenditure API Results

CE.1 & 4 The reason that these results are down on the original target, is due to the fact that the capital expenditure program did not achieve the level of expenditure anticipated and Council will be addressing this matter in the coming budget period to ensure a higher level of completion.

CE.2 & 3 The target result for 1998/99 was incorrectly calculated in the corporate plan and should in fact have been calculated at 10% and 100% respectively.

Annual Plan Indicators 1998/9 cont'd

		Target 1998/99	Annual 1998/99	Difference
Operating Costs				
OC.1	% change in net recurrent expenditure, per assessment from previous year	0.36	-1.24	-1.60
OC.2	% Change in net recurrent expenditure per capita from previous year	0.19	-2.72	-2.91
OC.3	Net recurrent expenditure per assessment	982	794	-188
OC.4	Net recurrent expenditure per capita	376	306	-70

Comments on Operating Cost API Results

OC.3 The target result for 1998/99 was incorrectly calculated in the corporate plan and should in fact have been calculated at \$1,092.00 which would have been in line with the actual results achieved the 97/98 financial year.

		Target 1998/99	Annual 1998/99	Difference
Community Satisfaction				
CS.1	Community satisfaction rating for OVERALL PERFORMANCE GENERALLY of the council.	65	64	-1
CS.2	Community satisfaction rating for overall performance in KEY SERVICE AREAS AND RESPONSIBILITIES.	65	63	-2
CS.2.1	Community satisfaction rating for LOCAL ROADS AND FOOTPATHS.	60	59	-1
CS.2.2	Community satisfaction rating for HEALTH AND HUMAN SERVICES.	63	68	5
CS.2.3	Community satisfaction rating for RECREATIONAL FACILITIES.	70	67	-3
CS.2.4	Community satisfaction rating for APPEARANCE OF PUBLIC AREAS.	60	63	3
CS.2.5	Community satisfaction rating for TRAFFIC MANAGEMENT AND PARKING FACILITIES.	60	60	0
CS.2.6	Community satisfaction rating for WASTE MANAGEMENT SERVICES.	70	73	3
CS.2.7	Community satisfaction rating for ENFORCEMENT OF LOCAL LAWS	60	64	4
CS.2.8	Community satisfaction rating for ECONOMIC DEVELOPMENT.	55	54	-1
CS.2.9	Community satisfaction rating for TOWN PLANNING POLICY AND APPROVALS.	60	59	-1
CS.3	Community satisfaction rating for council's INTERACTION AND RESPONSIVENESS in dealing with the public.	75	72	-3
CS.4	Community satisfaction rating for council's ADVOCACY AND COMMUNITY REPRESENTATION on key local issues.	65	64	-1

Comments on Community Satisfaction API results

Council is satisfied with the results achieved.

Annual Plan: Progress against One Year Targets

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
1. Create a Safe, Clean, Livable City		
Community Safety program 1998/99-2000/01	Completion	Community safety program for period 1998/99 to 2000/01 published by 31 December 1998 Not achieved. Scheduled for publication in 1999/2000.
	Implementation	Community safety program activities for period 1 July, 1998 to 30 June 1999, 100% achieved by 30 June 1999 Not fully achieved. Refer to comments under Community programs below.
	Achievements	Community safety achievements report updated and published by 31 March 1999 Report published February 1999.
Fear of Crime and Crime Statistics	Report completion	Report published by 31 December 1998 Report published February 1999.
Community Perception of Safety	Annual survey (Police Board of Victoria)	Raise perceptions of safety in public places and the home by 10% Not achieved. The March 1999 survey results are to be published in 1999/2000. Results show an increase in the level of community concern for personal safety, especially at night and in shopping centres, on the streets and on public transport.
Community Drugs Strategy	Community involvement	First annual report from Springvale committee published by 31 March 1999 Report published April 1999.
		Local committee established in Noble Park by 30 June 1999 Not achieved. Consultations with the local community and key agencies commenced. Initial meeting scheduled for 1999/2000.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Community Drugs Strategy	Community involvement	Local committee established in Dandenong by 31 March 1999 Dandenong committee established in February 1999. A draft strategy currently being developed by the committee.
Community Programs	Community involvement	Secure Seniors pilot program evaluated by 31 March 1999 Evaluation completed in May 1999. Program to be extended in 1999/2000. "Eyes on the Streets" program documented and piloted with selected Neighborhood Watch committee by 31 March 1999 Target not achieved. Deferred to 1999/2000.
	Publication	Self audit "Community Safety Kit" developed and piloted by 31 December 1998 Target not achieved. Deferred to 1999/2000.
Appearance of public places	Cleanliness	2% improvement in community public satisfaction 1999 OLG community satisfaction survey recorded a 7% improvement.
Safe food premises	Cleanliness and safety	3% improvement in community satisfaction 1999 OLG community satisfaction survey recorded a 10% improvement in satisfaction with the enforcement of by-laws, a field of activity which includes food inspection and safety..
Public Health Plan	Documentation	Adopt a Public Health Achievement plan by 30 September, 1998 Plan launched by Minister for Health in February 1999.
	Implementation	Publish a report on Public Health Achievements by 30 June 1999 Not achieved. Achievement Report presented to Council in July 1999.
Traffic management	Traffic study completed	A new local area traffic management study completed by 30 June 1999 Not achieved. McFees Road Local Area Traffic Management Study commenced. To be completed 1999/2000.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Road network planning	Policy statement	Review of road network strategy completed and adopted by 30 June 1999 Not achieved. Municipal Transport Strategy Study commenced. To be completed 1999/2000.
Pedestrian safety	Accessibility	All reported footpath/cross-over faults are inspected and appropriate action taken 100% of Action Management System (AMS) requests completed to 30 June 1999, with 74% of inspections completed within timelines. New procedures to automate issue of work orders implemented.
Road Infrastructure	Improvement	Westall Road (Springvale by-pass) construction commenced by 30 June 1999 Tenders for VicRoads project design and construction, Heatherton Road to Centre Road, closed on Wednesday, 30 June 1999. Construction scheduled for completion by mid-2001.

2. Support a Caring City

Aged Accommodation Needs Study	Completion	Aged accommodation study for elderly residents, including those whose primary language is other than English, completed by 30 June 1999 Not achieved. Final report delayed to assist community based working party establish the Greater Dandenong Multicultural Aged Care Association Inc.
Submissions	Completion	Submission to Commonwealth and State Governments on future needs of our aged population by 30 June 1999 Not achieved. Preliminary paper on aged care packages and Home and Community Care funding has been completed. Report to Council 1999/2000.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Information Provision	Publications	Minimum of one story each month in <i>2nd City News</i> explaining an aspect of another culture or faith One article produced in each edition of <i>2nd City News</i>.
	Publications	Minimum of one report in <i>2nd City News</i> or other Council publication each month on a community cultural festival One article/report in each edition of <i>2nd City News</i>.
Gaming Strategy	Completion	Gaming policy completed and adopted by Council by 31 October 1998 Reports to Council October 1998. Revisions to the Gaming Policy completed. Final report 1999/2000.

3. Promote Local Employment and Economic Growth

Investment: Private sector	\$'s invested	\$100 million in new private sector investment by 30 June 1999 Value of building approvals within the municipality, as recorded by the ABS, totaled \$117 million in 1998/9 – which may include some public sector investment.
Investment: Public sector	\$'s invested	\$20 million in new public sector investment by 30 June 1999 Public sector investment is not represented as a discrete category among the available statistics. Projects announced by Government during 1998/9 included: <ul style="list-style-type: none"> • Greens Road upgrade - \$4 million • Westall Road duplication - \$37 million • Thompsons Road upgrade - \$0.2 million • Western Port Hwy upgrade - \$28 million; and • Dandenong Hospital redevelopment – \$30 million
Investment: City infrastructure	\$'s invested	\$2 million in new investment by 30 June 1999 Capital expenditure for 1998/99 was \$6.3 million. \$0.8 million in projects have been re-scheduled for 1999/2000.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Employment	Permanent jobs created	250 new jobs by 30 June 1999 Council's Economic Development Unit estimates that 410 new jobs were created as an indirect result of its economic development activities. At present, no independent verification of this data is available.
	Traineeships and apprenticeships created	250 new traineeships or apprenticeships by 30 June 1999 No information available from industry or training sources.
Print media	Promotional reports published	2 supplements or other special features in daily print media by 30 June 1999 Herald-Sun feature April 1999 - 'Seriously Succulent Secrets' - featured the Springvale Road shopping precinct describing it as 'Melbourne's Hidden Jewel'. The Australian feature May 1999 - 'A Glimpse of Hope in the Rustbelt' focused on the economic strengths of Dandenong and surrounding region.
	Press releases issued	At least 24 press releases issued per month 363 press releases were issued to the local and metropolitan media (an average of 30 releases per month).
Electronic Media	Radio timeslots presented	2 radio timeslots per month Not fully achieved. Southern FM 88.3 community radio program continues on a bi-monthly basis. A new ethnic radio program is to be investigated in 1999/2000.
Brochures	Publications published	Publish brochure promoting the city by 30 September 1998 Published July 1998.
		Publish brochure promoting new investment by 30 September 1998 Published November 1998.
Business Video	Production completed	Release business video (with voice-over) by 30 September 1998 Released December 1998.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Internet	Web-site online	Complete Internet site by 30 September 1998 and ensure that it is updated at least monthly Site launched November 1998. Updates undertaken. Further site development in 1999/2000.
Greater Dandenong Planning Scheme	Adoption	New Planning Scheme to be adopted by Council by 31 August 1998 Adopted August 1998.
	Implementation	Minimum of two information sessions held with residents and development professionals by 31 October 1998 Two information sessions held in August/September 1998.
	Completion of policy statements	All policy statements required to operate new Planning Scheme completed by 31 December 1998 Not achieved.
		Planning contractor trained to administer new Planning Scheme by 30 September 1998 Training sessions conducted in December 1998.

4. Develop Arts and Culture

Library Services	Improvement	Hours of operation of Greater Dandenong Libraries extended by 10% by 30 June 1999 Operating hours increased by 15% from March 1999 (750 hours annually) Internet access increased by 40% by 30 June 1999 Access increased by 50% due to extension of operating hours from March 1999. Library materials collection expanded, with an emphasis on special collections, by 10% by 30 June 1999 Collections increased by 13% through improved materials management. No change in special collections.
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Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
International Cultural Games Festival	Event Held	Confirm participating countries by 31 October 1998
		Thirty-one countries confirmed participation by October 1998.
		Confirm festival program by 15 November 1998
		Festival program released November 1998.
		Conduct International Games Festival (7-11 December 1998)
		Festival conducted December 1998.
		Report on Festival to Council by 31 December 1998
		Report completed 22 February 1999.
Performance Venue Feasibility	Completeness	Feasibility study completed by 30 September 1998
		Not achieved. Internal working party established, June 1999.
		Council decision to proceed by 31 December 1998
		Not achieved. Council discussed May 1999.
Heritage Study	Completeness	Complete Stage One of heritage study by 30 September 1998
		Stage One report published November 1998.
	Implementation	Adopt policy directions from Stage One by 31 December 1998
		Not fully achieved. Council approved interim local protection for sites identified in Stage One study, in December 1998. Stage Two consultants commenced work on 31 May 1999 to complete all evaluations recommended in Stage One report. Stage Two report due 1999/2000.
Street Art Works	Installation	One new piece of street art installed by 30 June 1999
		Bicycle sculpture installed at Falkiner Reserve November 1998.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
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5. Promote Participation in Sport and Recreation

Open Space Strategy Plan	Completeness	Strategy to be completed by 31 October 1998 Reported to Council June 1999.
	Policy adoption	Council policy decision determined by 31 December 1998 Open Space Strategy adopted June 1999.
Recreation participation	Participation rates	Survey of sport participation completed by 31 March 1999 Not achieved. Information collected but not collated by end of June 1999.
		Participation rate increased by 2.5% by 30 June 1999 Not achieved. Insufficient information available.
		Strategies for increased participation in non-traditional sports completed by 30 June 1999 Not fully achieved. No specific data available. Partnership established with Active Australia Local Government Network. Specific activities promoted include walking clubs, sports for disabled people, bocce, fast pitch softball and petanque.
Tatterson Park Development Plan	Completeness	Development plan completed by 30 April 1999 Not fully achieved. Draft plan discussed by Councillors during June 1999. Further development of the plan to be undertaken for completion in 1999/2000.
	Policy adoption	Council policy decision by 30 June 1999 Not achieved. Development plan to be completed 1999/2000.

6. Enhance Natural and Urban Environments

Environment targets	Targets developed	Environmental targets for the organisation developed and adopted by 31 December 1998 Targets adopted December 1998.
		Publish environmental targets for business units by 31 December 1998 Targets published December 1998.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
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State of the Environment Report		State of the Environment report published by 31 December 1998
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Published January 1999.

Housing Development	Policy development	Policy to encourage diversity in the built environment adopted by 30 June 1999
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Not achieved. Deferred to 1999/2000.

7. Promote the Unique Strength of Our Retail Centres

"StreetLIFE" program	Completeness	StreetLIFE program in Dandenong, Noble Park and Springvale completed by 30 June 1999
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Program completed and report submitted to Employment Victoria StreetLIFE Program team June 1999.

Streetscape Improvement	Completeness	CIP streetscape works in Dandenong, Noble Park and Springvale completed by 30 June 1999
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Not fully achieved. Not all streetscape improvements completed as part of 1998/99 CIP. Works carried over to 1999/2000.

Springvale 'Clean Up' Campaign	Completeness	'Clean Up' campaign completed by 31 December 1998
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Campaign successfully completed October 1998.

Report to Council on 'Clean Up' campaign by 31 January 1999

Report submitted April 1999.

Retail Directory and Hospitality and Recreation Guide	Published	Directories published and distributed by 31 October 1998
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Published October 1998.

8. Promote a Dynamic Community/Council Partnership

Council meetings accessible	Community awareness	All Council meetings advertised to the community a minimum of seven days prior to the meeting
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Meetings advertised in 2nd City News and local media.

Meetings outside of Chamber		Minimum of four Council meetings held in locations other than the Council Chamber
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Meetings held in Noble Park North, Dandenong, Noble Park and Springvale.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Consumer Research Feedback	Feedback	Results of all consumer feedback research published within 90 days of being undertaken Not fully achieved. 64% of reports published within 90 days. No outstanding reports at 30 June 1999.
Council Representation	Participation	Council appropriately represented on community organizations Council representatives appointed as required.
Community Consultation	Completeness	Opportunity for community consultation on all major policy decisions Consultation scheduled as required. Specific consultation held on <ul style="list-style-type: none"> • Open Space strategy • Springvale Streets • Dandenong CBD streetscape • Keysborough non-urban area policy; and • Gaming strategy
Corporate Plan	Progress against Corporate Plan targets	Half yearly report of progress against Corporate Plan published by 31 January 1999 and 31 July 1999 Not fully achieved. Half-year report not published due to delay in completion of reporting system. Full year report presented to Council July 1999.
Annual Plan	Progress against Annual Plan targets	Monthly report of progress against Annual Plan targets to Council at second meeting of each month Not fully achieved. Ten reports produced, the first being for the months of July-September..

9. Effectively Manage the City

Annual Budget	Surplus	Achieve \$0.5 million surplus by 30 June 1999 Operating surplus of \$3.0 million. CIP surplus of \$1.6 million. A total surplus of \$4.6 million achieved for 1998/99.
	Achievement	1999/2000 Budget presented to Council by 15 May 1999 Report to Council 15 June 1999.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
City Improvement Program	Achievement	Program completed by 30 June 1999 Not fully achieved. Of the 224 CIP projects, 152 completed. 43 projects were more than 90% completed. Balance of 23 carried forward to 1999/2000.
	Project estimates	Projects completed within 98% of estimate Not fully achieved. 110 projects completed below or on budget. 42 projects exceeded budget for reasons such as expanded project scope, market forces, and service relocation costs.
Operational costs	Expenditure	Reduce operational costs by \$0.75 million by 30 June 1999 Estimated recurrent savings \$1.0 million.
Asset sales – property	Sales	Contract of sale for all properties listed for sale signed by 30 June 1999 Not fully achieved. 3 properties withdrawn from sale by Council resolution, 2 properties not sold and 1 sale not settled.
Financial reporting	Reports submitted	Monthly financial reports presented to Council at first meeting of each month Not achieved. Adjusted to second meeting of each month. Amended target achieved.
Performance reporting	Reports submitted	Monthly performance reports presented to Council at second meeting of each month Incorporated into monthly Annual Plan progress report.
Service Charters	Charters released	30 service charters released by 31 December 1998 General charter and twenty-two (22) charters released December 1998. Further 22 charters released May 1999.
	Service standards	Review all Service Charter standards by 30 June 1999 Not achieved. Charters only released December 1998 and May 1999. Monthly report of service standards not met by 10th day of the next month No service standard failures reported.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Complaints resolution	Complaints resolved	100% of complaints resolved No complaints recorded. System initiated as part of General Charter launched in December 1998.
		Publish report of complaints and resolution by 10th day of following month No complaints recorded.
Consumer research	Completed feedback activities	One general survey and fifty individual service feedback activities completed by 30 June 1999 General survey completed August 1998. Eighty service feedback activities completed and reports released by 30 June 1999.
Call Centre operations	Response times	97% of calls received answered within 15 seconds Not achieved. Result for full year 91%. Result for final quarter 95%.
	Drop out rate	Reduce call drop-out rate to 3% Average drop-out rate 1.2%.
Service Centres	Options to pay rates and accounts	Improved range of payment options introduced by 30 September 1999 Payment options extended to include cash, cheques, Eftpos, BPay and credit cards.
Marketing	Plans completed	90% of business units to have completed a marketing plan and incorporated it into their business plan by 30 June 1999 Not achieved. Four marketing training sessions held in April 1999. To be completed 1999/2000.
Electronic service delivery	Services available	Ability to access at least four council services via the Internet by 30 June 1999 Not fully achieved. Web access to library catalogue achieved October 1998. Further services on-line in 1999/2000.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Year 2000 Compliance	Compliance	<p>All information technology-based systems, including those with suppliers are Year 2000 compliant by 31 December 1999</p> <p>Not achieved. Internal reports indicate that compliance requirements have been met to 30 June 1999.</p>
Awareness by local Parliamentary representatives	Programmed meetings and written advice	<p>Minimum of 2 briefing meetings with local representatives by 30 June 1999</p> <p>Meetings held December 1998 and June 1999.</p> <p>Advice of all applications for grants and government assistance forwarded to local representatives within fourteen days of submission of the application</p> <p>Not fully achieved. Restricted to major submissions only.</p> <p>Copy of all publications forwarded to local representatives within seven days of publication</p> <p>Not fully achieved. Only major publications forwarded as published.</p>
Take advantage of new government policies	Awareness of new directions	<p>Briefing papers to Council of new Government initiatives within 30 days of receiving advice</p> <p>Not fully achieved. Some delays due to complexity of new initiatives. Specific initiatives reported include: PHACS reform and Food Safety legislation.</p> <p>Where appropriate, preparation of policy advice to Council within thirty days of providing briefing paper</p> <p>Not fully achieved. Refer to related target above.</p>
Interaction with peak Local Government organizations	Involvement	<p>Councilor and/or staff involvement with a minimum of 2 industry working parties by 30 June 1999</p> <p>Council represented on the VLGA Gaming Forum and the South East Primary Health and Community Support Project (SEPHCS).</p>

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Compulsory Competitive Tendering compliance	Statutory target	50% of eligible operating expenditure subject to tender by 30 June 1999 Achieved.
	Competitive testing program	Target to be achieved by 30 June 1999 Achieved.
	Preparation of service specifications	100% of specifications are met within required time-lines Not fully achieved. Some slippage in timelines for Noble Park Pool, Street Cleansing and Maternal & Child Health Services.
	Staff readiness	100% of business units to be tested complete bid preparation within required time-lines All Bid Teams met tender timelines.
National Competition Policy compliance	Statutory targets met	Ensure 100% of statutory targets are met by 30 June 1999 Achieved.
	Local Laws review	Complete Local Law review by 30 June 1999 Council report in June 1999.
Five Year Corporate Plan	Completeness	Plan published by 31 December 1998 Published March 1999.
		Review of Plan commenced by 31 December 1999 Not achieved. Review to commence in 1999/2000.
Five Year City Improvement Program	Completeness	Plan published by 31 December 1998 Not achieved. Forward CIP still in draft form not adopted.
		Review of Plan completed by 30 April 1999 Not achieved. Draft plan to be subject to further review in 1999/2000.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Annual Plan 1998/1999	Completeness	Plan published by 31 August 1998 Published November 1998.
Annual Plan 1999/2000	Completeness	Draft plan to Council by 30 April 1999 Adopted May 1999.
Team effectiveness	Audit	External audit completed by 31 October 1998 Audit completed December 1998.
	Training program	Develop and implement team training program by 31 December 1998 Not fully achieved. Team training for nominated teams commenced May 1999.
	Diversity Audits	Completion
		Diversity audit of all business areas completed by 31 December 1998 Achieved by February 1999.
	Implementation of recommendations	Implementation of recommendations from Diversity audits commenced by 31 December 1998 Action Plans in place in all audited business units by March 1999.
Telephone translating service	Operation	Increase usage of the telephone translating service by 50% by 30 June 1999 Usage increased by over 100% in last quarter, when compared with March-May 1998 – the first 3 months of operation.
Business Plans	Completeness	Internal audit of business plans completed by 30 September 1998 Internal audit conducted in collaboration with the external auditor, with its findings presented in the report of the external auditor. External audit of business plans completed by 31 October 1998 Audit completed December 1998.
	Targets	Publish reports of monthly performance against targets completed by 10th day of the next month Report submitted to Council each month.

Annual Plan: Progress against One Year Targets cont'd

OUTPUTS	MEASURES	TARGETS (Achievements in Bold)
Risk Management	Insurance premiums paid	Reduce annual insurance premium costs by 5% by 30 June 1999 12% reduction achieved.
	Insurance payments below excess levels	Reduce costs of claims paid below excess by 10% by 30 June 1999 Not achieved. Cost of claims paid in 1998/9 was \$131,000 – over three times the corresponding figure of \$43,000, for 1997/8.
	Insurance claims	Reduce number of claims received by 5% by 30 June 1999 15% reduction in claims received.

STATEMENT OF CHIEF EXECUTIVE OFFICER ON PERFORMANCE STATEMENT

I *Warwick Heine*

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

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

Warwick Heine
Chief Executive Officer



Dated:

5th October 1999

Location: Springvale

STATEMENT OF COUNCILLORS ON PERFORMANCE STATEMENT

I Naim Melhem

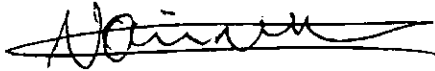
I John Kelly

being a Councillor authorised by Council to sign the accompanying Performance Statement of the City of Greater Dandenong in respect of 1998/99 financial year certify that in the opinion of Council the information contained in the Performance Statement is presented fairly in accordance with the Local Government Act 1989.

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

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

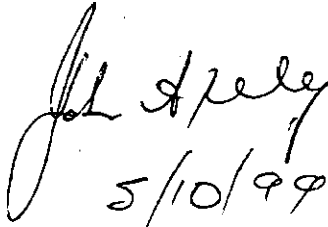
Naim Melhem
Councillor



Dated:

5th - October - 1999

John Kelly
Councillor



Dated:

5/10/99

Location: Springvale



**VICTORIAN
AUDITOR-
GENERAL'S
OFFICE**

*Auditing in the
Public Interest*

AUDITOR-GENERAL'S REPORT ON PERFORMANCE STATEMENT

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

Audit Scope

The accompanying performance statement of the Greater Dandenong City Council in respect of the 1998-99 financial year has been audited. The Councillors are responsible for the preparation and presentation of the statement and the information it contains. An independent audit of the statement has been carried out in order to express an opinion on the statement to the responsible Ministers and the Councillors as required by the *Local Government Act 1989*.

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


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

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

Audit Opinion

In my opinion, the performance statement of the Greater Dandenong City Council in respect of the 1998-99 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE
7/10/1999


K.G. Hamilton
Acting Auditor-General