

Financial Statements Year Ended 30 June 2010



YStop staff dedicating their time to the city's youth

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Comprehensive Income Statement

For the Year Ended 30 June 2010

	Note	2010 \$'000s	2009 \$'000s
Revenues from Operations			
Rates and Charges	3	76,005	71,040
Grants Recurrent	4	25,794	25,832
Grants Non-Recurrent	4	398	1,157
Contributions	5a	-	17
Statutory fees and fines	6	5,256	5,045
User Fees	7	13,421	12,503
Other Revenue	9	3,609	3,626
Total - Revenues from Operations		124,483	119,220
Expenses from Operations			
Employee Benefits	10	48,383	46,244
Contract Payments, Materials and Services	11	28,439	26,333
Depreciation and Amortisation	12	21,675	20,538
Grants, Sponsorships and contributions	13	6,156	4,961
Professional Services	14	5,240	4,831
Administration Costs	15	10,216	9,541
Finance Costs	16	1,071	1,049
Other Expenses	17	726	820
Total Expenses from Operations		121,906	114,317
Net Underlying Result from Operations	2	2,577	4,903
Other Non operational revenue and (expenses)			
Net Profit/(Loss) on disposal of assets	8	7,522	1,661
Capital Grants	4	4,861	6,315
Capital Contributions	5(b)	5,178	758
Contributions - Non-monetary Assets	5(c)	29,926	8,085
Assets Written Off	21.1	(526)	(2,363)
Contributed Assets	13	(1,612)	-
Total Revenue from ordinary activities		171,970	136,039
Total Expenses from ordinary activities		124,044	116,680
Surplus before other comprehensive income		47,926	19,359
Other Comprehensive Income			
Net Asset Revaluation Increment	26	128,609	(754)
COMPREHENSIVE RESULT		176,535	18,605

The above comprehensive income statement should be read with the accompanying notes.

Balance Sheet

as at 30 June 2010

	Note	2010 \$'000	2009 \$'000	2008 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	18	50,427	35,632	21,867
Trade and other receivables	19	16,977	12,181	9,241
Inventory - property	20	1,758	1,164	1,198
Total current assets		69,162	48,977	32,306
Non-current assets				
Property, plant and equipment	21(a), 21(b)	746,390	609,042	607,090
Infrastructure Assets - realisable	21(c)	9,390	8,755	8,819
Infrastructure Assets - non realisable	21(d)	495,792	464,255	456,598
Inventory - property	20	3,960	6,057	7,305
Total non-current assets		1,255,532	1,088,109	1,079,812
Total assets		1,324,694	1,137,086	1,112,118
LIABILITIES				
Current liabilities				
Trade and other payables	22	10,752	11,511	9,534
Employee provisions	23	10,966	10,463	9,070
Trust funds and deposits	24	5,984	3,676	3,157
Interest-bearing loans and borrowings	25	2,629	2,556	4,373
Total current liabilities		30,331	28,206	26,134
Non-current liabilities				
Employee provisions	23	463	388	350
Interest-bearing loans and borrowings	25	23,648	14,775	12,332
Total non-current liabilities		24,111	15,163	12,682
Total liabilities		54,442	43,369	38,816
NET ASSETS		1,270,252	1,093,717	1,073,302
EQUITY				
Accumulated surplus		505,332	472,364	460,412
Reserves	26	764,920	621,353	612,890
TOTAL EQUITY		1,270,252	1,093,717	1,073,302

Note: In accordance with AASB 101.39 a third balance sheet has been presented to recognise a prior year correction to the opening balances for Receivables and Infrastructure Assets. Corresponding Notes 19 and 21 are also restated to reflect this change. The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2010

2010	Total	Accumulated Surplus	Reserves		
			Total reserves	Asset revaluation	General reserves
Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the year	1,091,907	470,554	621,353	611,428	9,925
Prior year adjustments relating to:					
Receivables	87	87	-	-	-
Fair value adjustments to fixed assets (See note 21.1(a))	1,727	1,727	-	-	-
Fair value adjustments to Inventory	(4)	(4)	-	-	-
Surplus for the year	47,926	47,926	-	-	-
Transfer (from)/to Insurance fund	-	(150)	150	-	150
Transfer (from)/to Re-vegetation reserve	-	(46)	46	-	46
Transfer (from)/to Grants Reserve	-	(1,178)	1,178	-	1,178
Transfer (from)/to Public Open Space reserve	-	(1,262)	1,262	-	1,262
Transfer (from)/to Major Projects reserve	-	(6,041)	6,041	-	6,041
Transfer (from)/to Municipal Buildings reserve	-	(1,750)	1,750	-	1,750
Transfer (from)/to Developer Contribution funds (DCP C36 and C87)	-	(4,531)	4,531	-	4,531
Revaluation increment of assets	128,609	-	128,609	128,609	-
Balance at the end of the year	1,270,252	505,332	764,920	740,037	24,883

2009	Notes	Total \$'000	Accumulated Surplus \$'000	Reserves		
				Total reserves \$'000	Asset revaluation \$'000	General reserves \$'000
Balance at the beginning of the year		1,073,302	460,412	612,890	612,182	708
Surplus for year		19,359	19,359	-	-	-
Prior year adjustments relating to:		-	-	-	-	-
Transfer (from)/to Insurance fund		-	(308)	308	-	308
Transfer (from)/to Re-vegetation reserve		-	(149)	149	-	149
Transfer (from)/to Grants reserve		-	(7,607)	7,607	-	7,607
Transfer (from)/to Public Open Space reserve		-	(593)	593	-	593
Transfer (from)/to Major Projects reserve		-	(560)	560	-	560
Revaluation decrement of assets	21.1	(754)	-	(754)	(754)	-
Balance at the end of the year		1,091,907	470,554	621,353	611,428	9,925

The above Statements of Changes in Equity should be read with the accompanying notes

Cash Flow Statement

For the Year Ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Cash flows from operating activities			
Receipts from ratepayers		75,363	71,061
Fees, charges, fines and other (including GST)		18,114	17,241
Contributions (including GST)		5,011	776
Government grants (including GST)		31,593	34,181
Interest received		1,719	1,584
Payments to suppliers (including GST)		(56,060)	(49,685)
Payments to employees		(48,469)	(44,530)
Net GST (payments) / refunds		5,510	4,268
Net cash provided by operating activities	32	32,781	34,896
Cash flows from investing activities			
Payments for property and other non-current assets	34	(31,771)	(23,044)
Proceeds from sale of property, plant and equipment		3,786	2,270
Net cash used in investing activities		(27,985)	(20,774)
Cash flows from financing activities			
Finance costs		(1,253)	(1,186)
Proceeds from interest bearing loans		11,500	5,000
Repayment of interest bearing loans		(2,556)	(4,373)
Repayment of trust monies and deposits		(244)	(309)
Proceeds from trust monies and deposits		2,552	511
Net cash provided by / (used in) financing activities		9,999	(357)
Net increase / (decrease) in cash and cash equivalents		14,795	13,765
Cash and cash equivalents at beginning of the year		35,632	21,867
Cash and cash equivalents at end of the year	32.1 & 18	50,427	35,632
Financing arrangements	18		
Restricted Cash	18		

The above Cash Flow Statement should be read with the accompanying notes

Notes to the Financial Report

For the Year Ended 30 June 2010

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, and its internal auditor is WHK. The main banker for the council is the Commonwealth Bank of Australia. The council draws from a pool of solicitors, depending on the nature of the requirement.

The council's website address is www.greaterdandenong.com

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

Note 1 Significant accounting policies

1.1 Basis of accounting

The financial report is prepared on the accrual and going concern basis under the historical cost convention, except for certain assets as disclosed in notes 1.3(d), 1.8 and 1.11.

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

1.2 Revenue Recognition

a) Rates

Rates and service charges are recognised as revenue at the declaration of the rate, levy or service charge, at commencement of the rating year as it is an enforceable debt linked to the rateable property. The council uses Capital Improved Value (CIV) as the basis of valuation of all properties for rating purposes. CIV includes the value of land and buildings and improvements made to them. A rate in the dollar for different types of properties is applied to the CIV to arrive at the declared rates (Refer Note 3).

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

b) Grants, donations and other contributions

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

Where grants or contributions recognised as revenue during the financial year were for a specific purpose and remained unspent at balance date, the unspent amount of the grant or contribution is disclosed in Notes 4 and 5. Any amount of a grant that was received in prior years and was spent during the current year is disclosed in Note 4.

c) User fees, charges and fines

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

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

d) Sale of property, plant and equipment

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

e) Interest and rents

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

f) Assets from new developments

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

1.3 Recognition and measurement of non-current assets

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

a) Acquisition

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

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

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

b) Thresholds for asset recognition

The following classes of assets have been recognised in Note 21 with threshold limits as shown below and have not changed from the prior year.

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

c) Depreciation and amortization 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, and has not changed from the prior year.

Asset category	Years
Property	
Land	
- Land, parks, reserves, ovals	Infinite
Land improvements	10
Buildings	50 – 75
Building Improvements	10
Plant and Equipment	
Plant and equipment	5
Minor plant, furniture and equipment	
- 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
Infrastructure	
Roads	
- 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

d) **Revaluation of non-current assets**

Subsequent to initial recognition, all non-current assets other than plant, equipment, realisable infrastructure assets and Land under Roads are measured at fair value. 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 generally 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 Comprehensive Income Statement to the extent of the previous revaluation expense.

A valuation decrement is recognised as an expense in the Comprehensive 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.

Land under Roads:

In accordance with *AASB 1051: Land under Roads* the Council has elected not to recognise land under roads existing at 30 June 2008. All land under roads acquired after that date are brought to account at cost, or at a valuation if acquired as a 'gifted' asset.

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 33).

f) Existing assets not previously recognised

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

1.4 Trust monies

Amounts received as tender deposits, bonds and retention monies are recognised as Trust monies until they are refunded or forfeited. (Refer Note 24).

1.5 Employee costs

a) Accrued salary and wages

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

b) Annual leave and long service leave

Annual leave

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

Long service leave

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

Classification of employee benefits

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least twelve months. All annual leave and unconditional long service leave entitlements after 7 years of continuous service have been classed as current.

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 29).

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 22 and 27).

1.7 Leases

Operating leases

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

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

1.8 Inventory - property

Properties that are earmarked for future development and sale are shown at the lower of cost and net realisable value. Properties that are likely to be sold within twelve months of balance date are shown as current assets. This classification between current and non current is reviewed each year in line with future sales programme (see also Note 1.15).

1.9 Recognition of receivables

Receivables are recognised for amounts owed to the council for goods and services provided at balance date, whether or not invoices have been issued. Provision is made for doubtful debts after considering collectability. No provision is made in respect of rates debtors. (Refer Notes 19 and 28).

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 for specific purposes either under regulations or council's obligations for delivery of services or capital works. (Refer Notes 18 and 32.1).

1.11 Managed Funds

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

1.12 Maintenance and repairs

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

1.13 Interest-bearing liabilities

Interest-bearing liabilities represent overdrafts, short term loans, long term loans and other liabilities which accrue interest on the balance outstanding. The carrying amounts of these liabilities represent the amounts payable in future years (Refer Notes 25 and 28).

Interest accrued on these liabilities is treated as finance costs (Refer Notes 25 and 28).

1.14 Allocation between current and non-current

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

1.15 Impairment of assets

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

1.16 Finance costs

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

1.17 Goods and Services Tax (GST)

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

Cash flows are presented in the cash flow statement on a gross basis.

1.18 New accounting standards and interpretation

Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Council financial statements
ASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 Jan 2010	Terminology and editorial changes. Impact minor.
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of Prepayments of a Minimum Funding Requirement	Beginning 1 Jan 2011	Expected to have no significant impact

1.19 Rounding

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

Note 2 Underlying Operational Result for the year ended 30 June 2010	2010 \$'000	2009 \$'000
Surplus for the year	176,535	18,605
Less Non-operating income		
Net gain on disposal of assets	7,522	1,661
Capital grants	4,861	6,315
Capital contributions	5,178	758
Contributions - non-monetary assets	29,926	8,085
Add Non-operating expenses		
Assets written off	526	2,363
Contributed assets	1,612	
Less Other comprehensive income		
Net asset revaluation increment/(decrement)	128,609	(754)
Underlying operational result	2,577	4,903

The Underlying Operational Result represents Council's financial year outcome from ongoing operational transactions. The outcome excludes the impact of Capital Revenue (Grants & Contributions) which Council receives for the provision of associated capital works. This associated expenditure is not included in the Comprehensive Income Statement. The outcome further excludes the impact of Sale of Assets and assets which are constructed by developers and 'gifted' to Council to maintain in the future. Neither of these transactions form part of Council's core operational activities.

For City of Greater Dandenong to be operating in a financially sustainable fashion, it is important for the underlying result to remain in surplus - which means that core operational activities are adding to the net asset value of Council rather than slowly eroding the net value of Council.

Note 3 Rates and Charges

Council uses the Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all improvements on it, and is determined by independent valuers and certified by the Valuer General Victoria.

General rates (Note)		
Residential	32,244	30,419
Commercial	7,488	7,137
Industrial	25,332	23,218
Farm	613	598
Supplementary rates and adjustments	828	921
Maintenance Levy	413	412
Residential garbage	9,087	8,335
	76,005	71,040

Note – The valuation base used to calculate general rates for 2009-2010 was \$22.285 billion (\$21.965 billion in 2008-2009). The date of this general revaluation of land was 1 January 2008.

The date of the last general revaluation of land within the municipality for rating purposes was 1 January 2010. This valuation applies to the rating period commencing 1 July 2010.

The date of the next general revaluation is 1 January 2012, and the valuation will be first applied for the rating period commencing 1 July 2012.

Note 4 Grants – recurrent and non-recurrent	2010	2009
	\$'000	\$'000
Grants were received in respect of the following:		
Recurrent		
General Purpose Grants:		
Commonwealth Government - General Purpose	8,869	11,093
- Local Roads Funding	1,115	1,379
Operational Grants:		
Aged & Disability Services	7,257	6,658
Children, Youth & Family Services	7,030	5,182
Library, Arts & Heritage	892	789
Asset Management Services	22	90
Infrastructure Planning	2	-
Regulatory Services	302	352
Sports & Leisure	46	50
Planning & Design	9	59
Social Development	168	180
Business Networking	45	-
Organisational sustainability	37	-
Total recurrent	25,794	25,832
Non-recurrent		
Asset Management Services	-	98
Children, Youth & Family Services	288	405
Social Development	-	133
Library, Arts & Heritage	60	26
Aged & Disability	50	336
Infrastructure Planning - Other	-	10
Planning & Design	-	35
Business Networking	-	58
Organisational Sustainability	-	56
Total Non-recurrent	398	1,157
Total Operational Grants	26,192	26,989
Capital Grants		
Recurrent		
Infrastructure Planning - Roads to Recovery	650	571
Library, Arts & Heritage	-	36
Aged & Disability	50	61
Total Recurrent	700	668
Non-recurrent		
Capital Grants	4,161	5,647
Total Capital Grants	4,861	6,315
Total Operational and Capital Grants Received	31,053	33,304

	2010 \$'000	2009 \$'000
Unexpended grants		
Grants recognised as revenue for the year to be expended for specific purposes that had not been expended at balance date were:		
Operational Grants:		
Aged & Disability Services	199	252
Children, Youth & Family Services	1,302	719
Library, Arts and Heritage	125	104
Asset Management Services	7	75
Property, Leisure & Environment	70	50
Planning & Design	32	35
Organisational Sustainability	21	54
Finance VGC Grant	2,631	2,527
Social development	33	-
Capital Grants	4,368	3,791
Total unexpended grants	8,788	7,607

Note 5 Contributions

Notes (a) and (b) below represent contributions received in cash.

(a) Operating

- Community services	-	1
- Central Dandenong revitalisation	-	16
	-	17

(b) Capital

- Infrastructure	141	16
- Public Open space	1,398	593
- Developer Contributions	3,639	149
	5,178	758

Total cash contributions	5,178	775
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(c) Non-monetary

- Land	15,135	1,720
- Land Under Roads (refer Note 21.1)	3,465	1,667
- Roads	4,162	2,597
- IT Devices	-	2
- Traffic Signals	1,612	75
- Car Park	-	23
- Trees	255	-
- Drains	4,799	1,391
- Bike Paths / Footpaths	498	610
	29,926	8,085

	2010	2009
	\$'000	\$'000
Unexpended contributions (Note)		
Re-Vegetation Reserve	136	-
Public open space	1,262	593
Developer Contributions	3,639	9
Total unexpended contributions	5,037	602

Note – 9K of the unexpended contributions from previous years have been expended before the end of the 2009-2010 financial year.

Note 6 Statutory fees and fines

Parking fines	1,856	1,852
Building and town planning	1,139	991
Infringements and costs	1,368	1,277
Infringement (Perin) court recoveries	806	849
Land information certificates	87	76
	5,256	5,045

Note 7 User fees

Parking fees	1,493	1,527
Aged care services	941	884
Recreation and leisure	964	950
Market stall rental	2,920	2,996
Hire of facilities	1,129	1,032
Multideck Car Parking	457	343
Aquatic Centre and Springers Leisure Centre	4,220	4,026
Other fees and charges	1,297	745
	13,421	12,503

Note 8 Net gain / (loss) on disposal of assets

Land and buildings

Proceeds from sale of assets	17,186	5,600
Less: VicUrban share of Metro 3175 sales to Trust (Note)	(8,166)	(3,551)
Less: Carrying amount of assets sold - Land	(1,652)	(498)
- Other costs	(158)	(218)

Net gain / (loss) on disposal of land and buildings	7,210	1,333
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Plant & Fleet Sales

Proceeds from sale of assets	654	763
Less: Carrying amount of assets sold	(342)	(435)
Net gain / (loss) on disposal of plant and fleet	312	328

Total net gain / (loss) on sale of assets	7,522	1,661
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Note: The Council has entered into an agreement with VicUrban for a residential development of the former Dandenong sale yards. VicUrban is 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 transferred to Trust represents VicUrban's share of the sales proceeds as at 30 June 2010.

Note 9 Other revenue	2010 \$'000	2009 \$'000
Recoveries – State Revenue Office (supply of valuation data)	359	135
Recoveries – other	496	770
Interest received on rates	268	710
Interest received on investments	1,517	881
Sundry income	969	1,130
	3,609	3,626

Note 10 Employee costs

Salaries & wages	37,499	34,767
Casual staff	1,460	1,625
Annual leave and long service leave	4,648	5,082
Superannuation	3,553	3,441
WorkCover	1,108	1,273
Redundancy	115	56
	48,383	46,244

Note 11 Contract payments, materials and services

Maintenance and repairs	841	1,753
Contract payments:		
Garbage collection	7,023	6,818
Parks Services	3,108	2,649
Plant / Fleet Management	722	938
Building Maintenance	1,708	414
Dandenong Market	1,946	1,767
Cleansing	365	190
Community Aged Care Program	13	175
Street lighting	1,133	1,067
Property valuation contract	335	369
Other contract payments	1,515	857
Aquatic centre and Leisure centre	4,197	4,011
Materials and services :		
Building Maintenance	1,170	1,651
Parks Services	1,016	995
Roads and drains	1,495	802
Other materials and services	1,852	1,877
	28,439	26,333

Note 12 Depreciation	2010 \$'000	2009 \$'000
Property:		
Land improvements	1,100	1,003
Buildings	3,980	3,885
Car parks	237	235
Plant and Equipment:		
Plant & equipment	1,774	1,562
Minor plant, furniture and equipment	1,843	2,029
IT Software	177	
Infrastructure:		
Bike paths/footpaths	1,677	1,613
Bridges	125	124
Roads	7,816	7,423
Drains	1,899	1,683
Street furniture	211	174
Playground equipment	836	807
	21,675	20,538

Note 13 Grants and sponsorships

Community grants	1,266	1,259
Contributions	1,213	343
Sponsorships - Family Day Care	3,475	3,078
Sponsorships - Other	202	281
	6,156	4,961
Contributed assets (Note)	1,612	-
	7,768	4,961

Note: As part of the DCP Program (C87) Council received Assets in kind from developers which satisfied the obligation of the developer to Council. Included in these Assets were traffic lights valued at \$1.6M that were subsequently handed over to Vic Roads and did not form part of council assets.

Note 14 Professional services

Consultants	3,906	3,758
Legal costs	700	401
Statutory fees	434	430
Audit costs: Internal	112	129
External – VAGO	60	56
Strategic Asset Management Project	28	57
	5,240	4,831

Note 15 Administration costs	2010 \$'000	2009 \$'000
Printing, publications & promotion	2,094	1,879
Motor vehicle maintenance	1,137	1,055
Bad & doubtful debts	1,117	530
Insurance	1,004	967
Information management costs	1,769	1,692
Postage	441	395
Councillors Allowances	350	320
Occupancy costs	2,080	2,002
Other administration costs	224	701
	10,216	9,541

Note 16 Finance costs		
Interest on long term loans	1,071	1,049
	1,071	1,049

Note 17 Other expenses		
Bank charges	219	241
Sundry expenses	507	579
	726	820

Note 18 Cash and cash equivalents		
Cash at bank, deposit and on hand	47,819	32,665
Investments	2,608	2,967
	50,427	35,632

Represented by:

Operating Cash	8,966	11,171
Restricted Cash		
Employee provisions	11,429	10,851
Insurance fund	1,166	1,016
Re-vegetation Reserve	195	149
Unexpended grants	8,785	7,607
Unexpended contributions & Open Space	6,386	602
Trust funds and deposits	5,149	3,676
Major Projects Reserve	6,601	560
Municipal Buildings Reserve	1,750	-
	50,427	35,632

Financing Arrangements

Overdraft facility	2,500	2,500
Used amount	-	-
	2,500	2,500

Amount available **2,500** **2,500**

Note 19 Trade and other receivables	2010	2009	2008
	\$'000	\$'000	\$'000
Rates debtors (Refer Note 1.2 (a))	3,472	2,831	2,852
Parking infringement debtors	4,095	6,207	5,431
General debtors	4,814	6,344	3,921
General debtors (Non-Cash)	5,730	-	-
Less: Provision for doubtful debts:			
- Parking infringements	(1,138)	(2,919)	(2,468)
- General debtors	(483)	(571)	(766)
Prepayments	487	289	271
	16,977	12,181	9,241

Note 20 Inventory Property (Note)	2010	2009
	\$'000	\$'000
Properties held for sale – Current	1,758	1,164
Properties held for sale – Non-current	3,960	6,057
	5,718	7,221

Note: Property held for sale represents the value of properties held for development and resale, and essentially includes the Metro 3175 properties.

Note 21 Property, plant and equipment, infrastructure	2010	2009	2008
	\$'000	\$'000	\$'000
(a) Plant and equipment:			
Plant and equipment			
At cost	7,299	7,374	7,174
Less: Accumulated depreciation	(2,398)	(1,899)	(2,050)
	4,901	5,475	5,124
Minor Plant, furniture & equipment			
At cost	19,762	19,305	17,269
Less: Accumulated depreciation	(11,307)	(10,726)	(8,673)
	8,455	8,579	8,596
IT Software			
At cost	2,477	8	-
Less: Accumulated depreciation	(1,340)	-	-
	1,137	8	-
Total Plant and equipment			
At cost	29,538	26,687	24,443
Less: Accumulated depreciation	(15,045)	(12,625)	(10,723)
Total	14,493	14,062	13,720
(b) Property:			
Land and buildings – Note (i)			
Land			
At independent valuation	575,200	463,709	460,038
At cost	-	2,349	2,268
	575,200	466,058	462,306

	2010 \$'000	2009 \$'000	2008 \$'000
Car parks			
At valuation	12,241	12,241	12,715
At cost	1,596	1,357	1,182
Less: Accumulated depreciation	(3,901)	(3,663)	(3,429)
	9,936	9,935	10,468
Land improvements			
At cost	11,608	11,025	10,587
Less: Accumulated depreciation	(5,803)	(4,703)	(3,700)
	5,805	6,322	6,887
Buildings			
At independent valuation	218,061	170,779	170,812
At cost	24,907	35,205	32,401
Less: Accumulated depreciation	(102,012)	(93,319)	(89,504)
	140,956	112,665	113,709
Total Property			
At valuation	805,502	646,729	643,565
At cost	38,111	49,936	46,438
Less: Accumulated depreciation	(111,716)	(101,685)	(96,633)
Total	731,897	594,980	593,370
Total Property, Plant & Equipment			
At valuation	805,502	646,729	643,565
At cost	67,649	76,623	70,881
Less: Accumulated depreciation	(126,761)	(114,310)	(107,356)
Total	746,390	609,042	607,090
(c) Infrastructure Assets- realisable:			
Street furniture			
At cost	3,883	3,964	4,143
Less: Accumulated depreciation	(2,880)	(2,862)	(2,838)
	1,003	1,102	1,305
Recreational equipment			
At cost	14,705	13,280	12,389
Less: Accumulated depreciation	(6,318)	(5,627)	(4,875)
	8,387	7,653	7,514
Total Infrastructure Assets- realisable:			
At cost	18,588	17,244	16,532
Less: Accumulated depreciation	(9,198)	(8,489)	(7,713)
Total	9,390	8,755	8,819
(d) Infrastructure Assets- non realisable:			
Trees			
At valuation	-	-	-
At cost	372	-	-
	372	-	-

	2010 \$'000	2009 \$'000	2008 \$'000
Bike paths - Note (iii)			
At valuation	3,233	3,189	3,192
At cost	808	687	565
Less: Accumulated depreciation	(765)	(615)	(485)
	3,276	3,261	3,272
Footpaths – Note (iii)			
At valuation	71,901	69,809	69,344
At cost	5,513	3,362	2,571
Less: Accumulated depreciation	(10,878)	(9,370)	(7,945)
	66,536	63,801	63,970
Bridges – Note (iv)			
At valuation	11,679	11,679	11,619
At cost	40	-	-
Less: Accumulated depreciation	(3,875)	(3,750)	(3,626)
	7,844	7,929	7,993
Land under Roads – Note (ii)			
At deemed cost	6,230	1,667	-
Total	6,230	1,667	-
Roads - (Note v)			
Sub-structure			
At council valuation	233,309	233,309	232,421
At cost	3,419	1,694	1,257
Less: Accumulated depreciation	(83,589)	(81,225)	(79,077)
	153,139	153,778	154,601
Seal			
At council valuation	66,972	66,094	65,849
At cost	10,023	6,428	3,632
Less: Accumulated depreciation	(26,932)	(22,644)	(18,772)
	50,063	49,878	50,709
Kerb & channel			
At council valuation	87,830	79,563	79,340
At cost	4,400	2,616	1,982
Less: Accumulated depreciation	(24,488)	(23,324)	(22,249)
	67,742	58,855	59,073
Earthworks			
At cost	56	56	56
	56	56	56

	2010 \$'000	2009 \$'000	2008 \$'000
Roads Total			
At council valuation	388,111	378,966	377,610
At cost	17,898	10,794	6,927
Less: Accumulated depreciation	(135,009)	(127,193)	(120,098)
Total	271,000	262,567	264,439
Drains (Note v)			
At council valuation	185,639	170,454	170,002
At cost	7,720	2,177	1,834
Less: Accumulated depreciation	(59,101)	(57,184)	(55,978)
Total	134,258	115,447	115,858
Works in progress at cost			
Total	6,276	9,583	1,066
Total Infrastructure Assets- non-realizable			
At valuation	633,645	634,097	631,767
At cost	44,857	28,270	12,963
Less: Accumulated depreciation	(209,628)	(198,112)	(188,132)
Total	468,874	464,255	456,598
Total non-current assets			
At Valuation	1,466,065	1,280,826	1,275,332
At cost	131,094	122,137	100,376
Accumulated depreciation	(345,587)	(320,911)	(303,201)
Total Non-current assets	1,251,572	1,082,052	1,072,507

Note (i) Land & Buildings

'At valuation' estimates for land and buildings were determined by ProVal (Vic) Pty Ltd certified practising valuers as at 1 January 2010. The previous valuation was done on 1 January 2008, 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.

Note (ii) Land under Roads

Land under Roads is valued at deemed cost based on Council valuation for acquisitions after 30 June 2008. Valuations have been done by using site values, adjusted for englobo (undeveloped/un serviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. The acquisitions for the year include new assets from sub division activity and returned assets from EastLink.

Note (iii) Bike paths/Footpaths

Bike paths and footpaths are carried at valuation based on written down replacement value carried out in April 2006. A desktop valuation for bike paths and footpaths was conducted by Council's Asset Management Coordinator and brought to book ahead of a full valuation to be conducted in the next financial year. The valuation was based on the written down replacement value.

Note (iv) Bridges

'At valuation' estimates for bridges were determined as at 30 June 2006 by Council's Civil and Transport Planning unit.

The valuations were done on the basis of written down replacement value.

Note (v) Roads and Drains

'At valuation' estimates for roads (kerbs) were determined as at 30 June 2006 and drains at 30 June 2007 by council's qualified engineers. The valuations were done on the basis of written down replacement value, taking into account their current condition. The change in valuation also includes assets acquired from subdivisions. These assets were brought into the books at 30 June 2008 at their current valuation.

A desktop valuation for Roads and Drains was conducted by Council's Asset Management Coordinator and brought to book ahead of a full valuation to be conducted in the next financial year. The valuation was based on the written down replacement value.

21.1 Property Infrastructure Plant and Other – (Movement in written down value 2010)

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

2010		Balance at beginning of financial year	Acquisition of assets including gifted assets	Assets written off	Transfer to non-current assets	Disposals at carrying amount	Depreciation expense for the year	Net movement in revaluation	Changes due to transfers	Balance at end of financial year
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant & Equipment										
	Plant & equipment	5,475	1,504		(328)	(1,774)	24	4,901		
	IT Software	8	511		(177)	795		1,137		
	Minor plant, furniture & equipment	8,579	1,990	(2)	(13)	(1,843)	(256)	8,455		
	Total Plant & Equipment	14,062	4,005	(2)	-	(3,41)	563	14,493		
Property										
	Land	466,058	15,216		(731)		(534)	95,191		575,200
	Car parks	9,934	239			(237)		9,936		
	Land Improvements	6,322	507			(1,100)	76	5,805		
	Buildings	112,665	18,162	(293)		(3,980)	7,857	140,956		
	Total Property	594,979	34,124	(293)	(731)	-	(5,317)	101,736	7,399	731,897
Infrastructure										
	Street furniture	1,102	89	(26)		(211)	49	1,003		
	Playgrounds	7,653	1,437	(9)		(836)	142	8,387		
Infrastructure Assets										
Non-Reliable										
	Bike Paths	3,261	63			(150)	102	3,276		
	Footpaths	63,801	1,539	(108)		(1,527)	692	66,536		
	Bridges	7,929	40			(125)		7,844		
	Roads sub-structure	153,778	1,726			(2,364)	(1)	153,139		
	Roads Seal	49,878	3,599			(4,288)	(4)	50,063		
	Roads kerbs & channel	58,856	1,886			(1,164)	(47)	67,742		
	Earthworks	56						56		
	Land Under Roads	1,667	3,465	(46)	580		(43)	6,230		
	Drains	115,447	5,274	(42)		(1,899)	(110)	134,258		
	Trees		267				105	372		
	Total Infrastructure	463,428	19,385	(231)	580	(12,564)	1,433	498,906	(9,396)	6,276
	Works In Progress	9,583	6,088							
	Total Plant & Equipment, Property and Infrastructure	1,082,052	63,602	(526)	(151)	(341)	(21,675)	128,611	-	1,251,572

21.1 Property Infrastructure Plant and Other - (Movement in written down value 2009)

2009	Balance at beginning of financial year	Acquisition of assets including gifted assets	Assets written off	Transfer to non-current assets	Disposals at carrying amount	Depreciation expense for the year	Net movement in revaluation	Changes due to transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant & Equipment									
Plant & equipment	5,124	2,448			(431)	(1,562)		(104)	5,475
Minor plant, furniture & equipment	8,596	1,755	(23)		(4)	(1,981)		236	8,579
Total Plant & Equipment	13,720	4,203	(23)		(435)	(3,543)		132	14,054
Property									
Land	462,306	1,801		807	(27)		(754)		464,133
Car parks	10,468	198				(235)		(497)	9,934
Land Improvements	6,887	437				(1,003)		183	6,504
Buildings	113,709	2,820	(184)			(3,885)		221	112,681
Total Property	593,370	5,256	(184)	807	(27)	(5,123)	(754)	(93)	593,252
Infrastructure									
Street furniture	1,305	159	(19)			(221)		(2)	1,222
Playgrounds	7,514	861	(5)			(807)		97	7,660
Bike Paths	3,272	130	(67)			(146)		13	3,202
Footpaths	63,970	1,392	(167)			(1,467)		26	63,754
Bridges	7,993					(124)		60	7,929
Roads sub-structure	154,601	2,224	(698)			(2,349)			153,778
Roads Seal	50,709	3,255	(143)			(3,940)		(3)	49,878
Roads kerbs & channel	59,073	1,040	(101)			(1,134)		33	58,911
Earthworks	56								56
Land Under Roads	-	1,667							1,667
Drains	115,858	1,727	(956)			(1,683)		48	114,994
Total Infrastructure	464,351	12,455	(2,156)	-	-	(11,871)	-	272	463,051
Works In Progress									
Minor plant, furniture & equipment	1	575						(1)	575
Buildings	792	7,501						(126)	8,167
Car Parks	23	1						(24)	-
Footpaths	9							(9)	-
Roads sub-structure	13								13
Roads, kerbs & channel	21							(34)	(13)
Land Improvements	207	913						(117)	1,003
Drainage		91							91
Playground Equipment		132							132
Total Works In Progress	1,066	9,213						(31)	9,968
Total Plant & Equipment, Property & Infrastructure	1,072,507	31,127	(2,363)	807	(462)	(20,537)	(754)	-	1,080,325

Note - Assets Written Off - As part of the EastLink project, council disposed of roads, footpaths, bike paths and drains that were impacted by the development. New assets handed back to council were recognised at valuation and are included in acquisitions.

21.1(a) Changes to Opening balances for 2010 through Equity

2010	Balance at end of financial year \$'000	Changes to accum. depreciation \$'000	Assets written (off) (recognised) to retained earnings \$'000	Total adjustments \$'000	Adjusted Opening Balance \$'000
Plant & Equipment					
Plant & equipment	5,475				5,475
IT Software			8	8	8
Minor plant, furniture & equipment	8,579		-	-	8,579
Total Plant & Equipment	14,054	-	8	8	14,062
Property					
Land	464,133		1,925	1,925	466,058
Car parks	9,934			-	9,934
Land improvements	6,504		(182)	(182)	6,322
Buildings	112,681		(16)	(16)	112,665
Total Property	593,252	-	1,727	1,727	594,979
Infrastructure					
Street furniture	1,222		(120)	(120)	1,102
Playgrounds	7,660		(7)	(7)	7,653
Bike paths	3,202		59	59	3,261
Footpaths	63,754		47	47	63,801
Bridges	7,929			-	7,929
Roads sub-structure	153,778			-	153,778
Roads seal	49,878			-	49,878
Roads kerbs & channel	58,911		(55)	(55)	58,856
Earthworks	56			-	56
Land Under Roads	1,667			-	1,667
Drains	114,994	50	403	453	115,447
Total Infrastructure assets	463,051	50	327	377	463,428
Works in progress					
Minor plant, furniture & equipment	574			-	574
Buildings	8,167		(75)	(75)	8,092
Carparks	1		(1)	(1)	-
Streetscapes	1,003		(215)	(215)	788
Playgrounds	132		(48)	(48)	84
Drains	91		(46)	(46)	45
WIP	9,968	-	(385)	(385)	9,583
Total Plant & Equipment, Property & Infrastructure	1,080,325	50	1,677	1,727	1,082,052

	2010 \$'000	2009 \$'000	2008 \$'000
Note 22 Trade and other payables			
Current			
Trade creditors	6,233	9,262	7,822
Other creditors	604	329	371
Income received in advance	70	216	129
Accrued expenses	3,845	1,704	1,212
	10,752	11,511	9,534

Note 23 Employee provisions

	Annual Leave		Long Service Leave	Total
	Annual Leave	Long Service Leave		
	\$'000	\$'000	\$'000	
2010				
Balance at beginning of financial year	4,739	6,112	10,851	
Additional provisions	3,656	992	4,648	
Amounts used	(3,430)	(640)	(4,070)	
Balance at the end of the financial year	4,965	6,464	11,429	
2009				
Balance at beginning of financial year	4,304	5,116	9,420	
Additional provisions	3,644	1,438	5,082	
Amounts used	(3,209)	(442)	(3,651)	
Balance at the end of the financial year	4,739	6,112	10,851	

	2010 \$'000	2009 \$'000
Current (Note i)		
Annual leave	4,965	4,739
Long service leave	6,001	5,724
	10,966	10,463
Non-current (Note ii)		
Long service leave liability	463	388
	463	388

Current (Note i)

All annual leave, and LSL entitlements representing seven or more years of service, and include:

- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	6,203	5,912
- Other long-term employee benefits that do not fall within 12 months after the end of the period measured at present value	4,763	4,551
	10,966	10,463

Non-current (Note ii)	2010 \$'000	2009 \$'000
LSL representing less than seven years of service measured at present value:	463	388

Accrued wages and salaries are included in the current accrued expenses balance in note 22.

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

- Average increase in employee costs 3.5%
- Average discount rates between 3.45% and 5.32%
- Average settlement period of 10 years.

Note 24 Trust funds and deposits

Current:

Sub-division & other deposits	2,506	1,025
Developer contributions	2,195	1,215
Metro 3175 sales – VicUrban share (Note)	1,146	1,380
Drum Theatre deposits	137	56
	5,984	3,676

Note – Represents VicUrban's share of the sale of properties in Metro 3175 not yet remitted to VicUrban.

Note 25 Interest bearing liabilities

Current:

Loans – secured	2,629	2,556
	2,629	2,556

Non-current:

Loans – secured	23,648	14,775
	23,648	14,775

Total interest-bearing liabilities (Refer Note 28.2)	26,277	17,331
---	---------------	---------------

The maturity profile for Council's borrowings is:

Less than one year	2,629	2,556
Later than one year and not later than five years	12,468	8,087
Later than five years	11,180	6,688
	26,277	17,331

Note 26 Reserves

Movement 2009-2010	2009	Increment/ (decrement)	2010
Asset revaluation reserve (Note i)	\$'000	\$'000	\$'000
Land	303,953	95,146	399,099
Car Parks	3,259	-	3,259
Buildings	10,679	6,545	17,224
Non-realizable infrastructure assets:			
- Bike paths	2,326	102	2,428
- Footpaths	30,073	2,139	32,212
- Bridges	400	-	400
- Roads	198,677	9,089	207,766
- Drains	62,061	15,588	77,649
Total Asset revaluations reserves	611,428	128,609	740,037

Discretionary reserves

- Insurance Reserve fund (Note ii)	1,016	150	1,166
- Re-vegetation Reserve (Note iii)	149	46	195
- Grants Reserve (Note iv)	7,607	1,178	8,785
- Public Open Space Reserve (Note v)	593	1,262	1,855
- Major Projects Reserve (Note vi)	560	6,041	6,601
- Municipal Buildings project	-	1,750	1,750
- Developer contributions (Note vii)	-	4,531	4,531
Total Discretionary Reserves	9,925	14,958	24,883
Total Reserves	621,353	143,567	764,920

Movement 2008-2009	2008	Increment/ (decrement)	2009
Asset revaluation reserve (Note i)	\$'000	\$'000	\$'000
Land	304,707	(754)	303,953
Car Parks	3,259	-	3,259
Buildings	10,679	-	10,679
Non-realizable infrastructure assets:			
- Bike paths	2,326	-	2,326
- Footpaths	30,073	-	30,073
- Bridges	400	-	400
- Roads	198,677	-	198,677
- Drains	62,061	-	62,061
Total asset revaluations reserve	612,182	(754)	611,428

Discretionary reserves

- Insurance Fund (Note ii)	708	308	1,016
- Re-vegetation Reserve (Note iii)	-	149	149
- Grants Reserve (Note iv)	-	7,607	7,607
- Public Open Space Reserve (Note v)	-	593	593
- Major Projects Reserve (Note vi)	-	560	560
Total discretionary reserves	708	9,217	9,925
Total reserves	612,890	8,463	621,353

Note (i): This reserve contains increments and decrements arising out of revaluation of non-current assets– refer Note 1.3(d)

Note (ii): The insurance reserve fund has been created to meet large and unexpected policy excesses on multiple insurance claims.

Note (iii): This reserve fund is to meet native re-vegetation requirements on council's reserves.

Note (iv): This reserve represents unexpended grant funds.

Note (v): Funds set aside in this reserve will be utilised exclusively for allocation towards enhancing the City's open space.

Note (vi): The major projects reserve will hold funds realised from the sale of council's property assets and will be utilised for investing in other properties.

Note (vii): The reserve for developer contributions holds unspent funds received by developers in respect of two major developments in Dandenong South (C87) and Keysborough (C36)

	2010 \$'000	2009 \$'000
Note 27 Commitments		
27.1a Operating lease commitments (Note)		
Not later than one year	268	166
Later than 1 year but less than 5 years	408	341
	676	507
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).		

27.1b Operating lease receivables (Note)

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

Not later than one year	870	868
Later than one year and not later than five years	3,341	2,609
Later than five years	4,608	4,756
	8,819	8,233

Note: The Council has entered into commercial property leases on selected properties. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 50 years.

27.2 Contracted Capital commitments

Not later than one year	4,263	14,082
Later than 1 year but less than 5 years	242	-
	4,505	14,082

27.3 Works and services contracts

Not later than one year	16,895	13,993
Later than 1 year but less than 5 years	8,120	12,249
Over 5 years	-	-
	25,015	26,242

Note 28 Financial instruments

28.1 Accounting policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and conditions
Financial assets			
Cash at bank, deposit and on hand	18	Valued at face value. Interest is recognised as it accrues.	Funds on call returned floating interest rates of between 2.9% and 4.4% (2.90% and 7.15% in 2008-2009).
Managed funds	18	Managed funds are measured at market value.	Withdrawals are either immediate or within 24 hours. Managed funds provided a return between 4.63% and 7.34% net of fees (1.35% and 4.17% in 2008-2009) excluding unrealised gains or losses.
Trade and other receivables	19	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.
Financial Liabilities			
Payables	22	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	25	The loan with the Commonwealth Bank of \$8.0M was obtained in 2005-2006 for capital programs. The balance of the loan as at June 30, 2010 was \$5,181,378 (\$5,912,061 as at 30 June 2009).	The loan is for 10 years expiring on 17 March 2016 and principal and interest are payable quarterly. The interest rate is fixed at 6.12%
Interest-bearing liabilities	25	The loan with the Commonwealth Bank of \$7.0M was obtained in January 2007 for capital programs. The balance of the loan as at 30 June, 2010 was \$4,964,541 (\$5,583,372 as at 30 June 2009).	The loan is for 10 years expiring on 18 July 2016 and principal and interest are payable quarterly. The interest rate is fixed at 6.66%.
Interest-bearing liabilities	25	The loan with the National Australia Bank of \$5.0M was obtained in May 2009 for capital programs. The balance of the loan as at 30 June, 2010 was \$4,630,542 (\$5.0M as at 30 June 2009).	The loan is for 10 years expiring on 15 May 2019 and principal and interest are payable quarterly. The interest rate is fixed at 6.32%.
Interest-bearing liabilities	25	The loan with the National Australia Bank of \$11.5M was obtained in June 2010 for capital programs. The balance of the loan as at 30 June, 2010 was \$11.5M (\$Nil as at 30 June 2009).	The loan is for 10 years expiring on 8 June 2020 and principal and interest are payable quarterly. The interest rate is fixed at 7.83%.

28.2 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:

2010	Floating interest rate \$'000	Fixed interest rate maturing in:			Non-interest bearing \$'000	Total carrying amount as per the Balance Sheet \$'000	Range of effective interest %
		1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000			
Financial Assets							
General Debtors	-	-	-	-	10,544	10,544	
Cash at bank and on hand	9,353	-	-	-	-	9,353	2.4 to 3.9
Bank deposits	11,475	29,389	-	-	209	41,073	2.9 to 7.34
Total financial assets	20,828	29,389	-	-	10,753	60,970	

2010	Floating interest rate \$'000	Fixed interest rate maturing in:			Non-interest bearing \$'000	Total carrying amount as per the Balance Sheet \$'000	Range of effective interest %
		1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000			
Financial Liabilities							
Payables	-	-	-	-	10,752	10,752	
Interest-bearing liabilities	-	2,629	12,468	11,180	-	26,277	6.12 - 7.83
Trust monies	-	-	-	-	5,984	5,984	
Total financial liabilities	-	2,629	12,468	11,180	16,736	43,013	

2009	Floating interest rate \$'000	Fixed interest rate maturing in:			Non-interest bearing \$'000	Total carrying amount as per the Balance Sheet \$'000	Range of effective interest %
		1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000			
Financial Assets							
General Debtors	-	-	-	-	6,257	6,257	
Cash at bank and on hand	17,933	-	-	-	-	17,933	2.9 to 7.15
Bank deposits	2,967	14,732	-	-	-	17,699	1.35 to 4.45
Total financial assets	20,900	14,732	-	-	6,257	41,889	

2009	Floating interest rate \$'000	Fixed interest rate maturing in:			Non-interest bearing \$'000	Total carrying amount as per the Balance Sheet \$'000	Range of effective interest %
		1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000			
Financial Liabilities							
Payables	-	-	-	-	11,511	11,511	
Interest-bearing liabilities	-	2,556	8,087	6,688	-	17,331	6.09 - 6.66
Trust monies	-	-	-	-	3,676	3,676	
Total financial liabilities	-	2,556	8,087	6,688	15,187	32,518	

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 \$25.00M (\$16.50M in 2009) as at balance date.

28.3 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.

28.4 Risks and mitigation

The risks associated with the main financial instruments and Council policies for minimising these risks are detailed below:

Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in the market prices. The Council's exposure to market risk is primarily through exposure to interest rate risk and other price risks. Components of market risk to which Council is exposed are discussed below.

Interest rate risk

Interest rate risk for Council arises from overdrafts, other short term borrowing and future long term borrowings. Council is also exposed to interest rate fluctuations for investments of surplus funds.

Overdraft and Borrowings

Council's current loan borrowings are sourced from a major Australian bank. An agreed overdraft limit is in place with the same banker. Council manages interest rate risk on the net debt portfolio by:

- being able to access diverse sources of funding;
- reduced risks of refinancing by managing in accordance with target maturity profiles
- setting prudential limits on interest repayments as a percentage of rate revenue.
- appropriate budgeting strategies and obtaining approval for borrowings from the Australian Loan Council each year

Investments

Council manages the interest rate exposure on investments by:

- Investing surplus funds with approved financial institutions under the Local Government Act 1989.
- investing in diverse products and institutions with recognised credit ratings
- monitoring return on investments,
- benchmarking of returns and comparison with budget.

Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets included in the balance sheet.

Credit risks arise from non statutory debtors not meeting their obligations. These debts for council are managed in the following manner:

- By establishing credit limits for the debtors we deal with where applicable
- By investing surplus funds with financial institutions which have a recognised credit rating.

Credit risk associated with the Council's financial assets is minimal as Council does not have any significant credit risk exposure to a single customer or groups of customers.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when it provides a guarantee for another party. Details of contingent liabilities are disclosed in note 30.

Council's non statutory debts at 30 June 2010 was \$8.96M (\$3.86M in 2008-09) against which a provision of \$0.34M (\$0.41M in 2008-09) has been made for doubtful debts.

Movement in Provisions for Doubtful Debts for General Debtors	2010	2009
Description	\$'000	\$'000
Balance at the beginning of the Year	571	766
New Provisions recognised during the Year	300	405
Amounts already provided for and written off as uncollectible	(388)	(600)
Amounts provided for but recovered during the Year	-	-
Balance at the end of Year	483	571

Ageing of Trade and other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

Ageing of Trade and other Receivables	2010	2009
Description	\$'000	\$'000
Current (not yet due)	6,876	2,840
Past due by up to 30 days	1,246	1,234
Past due between 31 and 180 days	572	416
Past due between 180 and 365 days	133	169
Past due by more than 1 Year	334	302
Total Trade & Other Receivables	9,161	4,961

Liquidity risk

Council manages its liquidity risk through the following practices:

- having readily accessible overdraft and other standby facilities in place
- monitoring budget to actual performance on a regular basis
- preparing forward cash flow projections to estimate future cash requirements
- Long term borrowing within the State Government's prudential guidelines, and with fixed interest rates

Council's exposure to this risk is mainly in the area of long term borrowings. The table below lists the contractual maturities for Council's long term borrowings. These amounts represent undiscounted gross payments including both principal and interest amounts.

2009-2010

	6 months or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	> 5 years \$'000	Contracted Cash Flows \$'000	Carrying Amount \$'000
Trade and other payables	11,063	-	-	-	-	11,063	11,063
Trust Funds and deposits	1,047	4,938	-	-	-	5,985	5,985
Interest-bearing loans & borrowings	2,201	2,201	4,401	13,206	13,092	35,101	35,101
Total	14,311	7,139	4,401	13,206	13,092	52,149	52,149

2008-2009

	6 months or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	> 5 years \$'000	Contracted Cash Flows \$'000	Carrying Amount \$'000
Trade and other payables	11,511	-	-	-	-	11,511	11,511
Trust Funds and deposits	1,470	2,206	-	-	-	3,676	3,676
Interest-bearing loans & borrowings	2,040	1,549	5,464	8,196	4,743	21,992	21,992
Total	15,021	3,755	5,464	8,196	4,743	37,179	37,179

Sensitivity disclosure

Council's long term borrowings of \$35.1M (\$21.99M in 2008-2009) have been taken at fixed interest rates, and hence any interest rate movements will not have an impact on Council's operating result or financial position.

The cash balances inclusive of investments held by Council averages between \$27.5M and \$ 50.2M over the year (\$11.2M and \$39.1M respectively in 2008-09), based on past experience and projected future balances. An interest rate movement of up to 2% would impact the operating result by up to around \$0.77K for the year.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data.

30 June 2010	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available for sale - financial assets	200	-	-	200
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
Total	200	-	-	200

30 June 2009	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available for sale - financial assets	200	-	-	200
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
Total	200	-	-	200

Note 29 Superannuation

Local Authorities superannuation fund

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

Accumulation Category (Vision Super Saver)

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee Legislation (9% in 2009-2010). 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 2009-2010 the council's superannuation contributions relating to Vision Super Saver members was \$ 3,553K (\$ 3,441K in 2008-2009).

Defined Benefits Category

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

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2008, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Council makes the following contributions:-

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

The Fund's liability for accrued benefits was determined in the 31 December 2008 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	31 Dec 2008
	\$'000
Net Market Value of Assets	3,630,432
Accrued Benefits (per Accounting Standards)	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested Benefits	3,561,588

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

Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

During 2009-2010 the council's superannuation contributions relating to that year's defined benefits members' service was \$700,675 (\$ 684,664 in 2008-2009).

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 2009-2010 this was Nil (\$nil in 2008-2009).

Council has an ongoing obligation to share in the future experience of the Fund. Favourable or unfavourable variances 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.

Note 30 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 \$2.0million. At balance date the amount drawn by the DBA was \$0.73M (\$0.855 million as at 30 June 2009).

Legal Actions

The council is involved in a number of Legal Actions. Council's exposure in these claims may be up to \$0.25M (\$nil in 2009)

Note 31 Related party transactions

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

Councillors

Pinar Yesil	1 July 2009 to 30 June 2010	(Mayor 1 July 2009 – 3 December 2009)
John Kelly	1 July 2009 to 30 June 2010	
Youhorn Chea	1 July 2009 to 30 June 2010	
Peter Brown	1 July 2009 to 30 June 2010	
Maria Sampey	1 July 2009 to 30 June 2010	
Paul Donovan	1 July 2009 to 30 June 2010	
Roz Blades	1 July 2009 to 30 June 2010	
Jim Memeti (Mayor)	1 July 2009 to 30 June 2010	(Mayor 3 December 2009 to date)
Angela Long	1 July 2009 to 30 June 2010	
Loi Truong	1 July 2009 to 30 June 2010	
Yvonne Herring	1 July 2009 to 30 June 2010	

Chief Executive Officer

John Bennie	1 July 2009 to date
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Remuneration of responsible persons in bands of \$10,000

Income Range	2010 No.	2009 No.
To \$10,000	-	2
\$10,001 - \$20,000	-	2
\$20,001 - \$30,000	9	7
\$30,001 - \$40,000	-	-
\$40,001 - \$50,000	1	1
\$50,001 - \$60,000	-	-
\$60,001 - \$70,000	-	1
\$70,001 - \$80,000	1	-
\$310,001 - \$320,000	-	1
\$320,001 - \$330,000	-	-
\$330,001 - \$340,000	1	-
Total	12	14
Total remuneration for the reporting year, for responsible persons included above, amounted to:	\$680K	\$632K

No retirement benefits were made by the council to a responsible person during the reporting year (Nil in 2009).

No loans were made, guaranteed or secured by the council to a responsible person during the reporting year (Nil in 2009).

No transactions were entered into by the council with responsible persons, other than remuneration and reimbursement of expenses during the reporting year (Nil in 2009).

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 \$120,000 (\$100,000 in 08/09) during the financial year, is shown below in their relevant income bands:

2010	
Income Range (\$)	Number of staff
To 120,000	7
120,001 to 130,000	7
130,001 to 140,000	3
140,001 to 150,000	6
150,001 to 160,000	2
160,001 to 170,000	0
170,001 to 180,000	0
180,001 to 190,000	0
190,001 to 200,000	3
200,001 to 210,000	0
Total	28

Total remuneration for the financial year of senior officers included above amounted to \$3.85M

2009	
Income Range (\$)	Number of staff
To 100,000	1
100,001 to 110,000	1
110,001 to 120,000	5
120,001 to 130,000	6
130,001 to 140,000	3
140,001 to 150,000	5
150,001 to 160,000	1
160,001 to 170,000	0
170,001 to 180,000	0
180,001 to 190,000	0
190,001 to 200,000	4
Total	26

Total remuneration for the financial year of senior officers included above amounted to \$3.56M

Note 32 Reconciliation of operating result with net cash provided by operating activities

	Note	2010 \$'000	2009 \$'000
Surplus for the year			
Add / (less)		47,926	19,359
Depreciation	12	21,675	20,538
Contributions – Non-monetary assets		(34,043)	(8,085)
Write off of assets		526	2,363
Finance Costs		1,071	1,049
(Profit) /loss on sale of assets	8	(1,792)	(1,661)
(Increase)/ decrease in receivables	19	(4,796)	(2,854)
(Decrease) / increase in payables	22	(759)	1,977
(Decrease) / increase in employee entitlements	23	578	1,431
(Decrease) / increase in trust funds		2,308	519
Adjustments relating to receivables and payables- refer Statement of Changes in Equity		87	260
Net cash provided by operating activities		32,781	34,896

32.1 Reconciliation of cash and cash equivalents

Cash at the end of the financial year as shown in the Cashflow Statement is reconciled to the related items in the balance sheet as follows: -

Current asset – cash and deposits	18	50,427	35,632
Cash at balance date as per Cash Flow Statement		50,427	35,632

Note 33 Financial ratios

Underlying Result (Surplus Ratio)

This is a measure of Council's underlying surplus (or deficit) as a percentage of its underlying revenue. In arriving at the surplus and revenue, capital grants, contributions, non-cash revenue (such as roads and drains from developers) profit on sale of assets and other one-off items of revenue and expenditure are excluded.

	2010	2009	2008
	2.07%	4.10%	2.53%

Underlying Surplus

Underlying Revenue

Indebtedness

This is a longer term measure that compares non-current liabilities (which mainly comprises borrowings and employee benefit provisions) to revenue excluding capital grants, contributions and non cash revenue that cannot be used to retire debt.

	18.77%	12.72%	11.46%
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Non-Current Liabilities

*Total Revenue (less capital grants,
contributions and non-cash revenue)*

	2010	2009	2008
Self Financing			
This is a measure of local governments' ability to fund the replacement of assets from cash generated by their operations	26.42%	27.03%	23.40%
<i>Net Cash from Operating Activities</i>			
<u>Total Revenue (less non-cash revenue)</u>			
Investment Gap ratio			
This is a measure of whether Council is spending on infrastructure at a greater rate than the infrastructure is depreciating.	162.81%	112.20%	90.41%
<i>Capital Expenditure</i>			
<u>Depreciation</u>			
Debt servicing ratio			
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.	0.83%	0.88%	1.14%
<i>Debt Servicing Costs</i>			
<u>Total Revenue</u>			
Debt commitment ratio			
To identify council's debt redemption strategy.			
The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.	4.77%	7.63%	8.27%
<i>Debt servicing & redemption costs</i>			
<u>Rates Revenue</u>			
Revenue ratio			
To identify council's dependence on rate income, and is determined by assessing rate revenue as a percentage of total revenue.	54.89%	55.02%	60.22%
<i>Rates Revenue</i>			
<u>Total Revenue</u>			
Working capital ratio			
To assess the council's ability to meet current commitments.			
<i>Current assets</i>			
<u>Current liabilities</u>	2.28:1	1.73:1	1.22:1
The ratio expresses the level of current assets available to meet its current liabilities.			

	2010	2009	2008
Debt exposure ratio			
To identify council's exposure to debt.			
This is the ratio of total debt to total realisable assets.	1:22	1:28	1:16
<u> Total liabilities</u>			
<u> Total realisable assets</u>			
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 21), 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.			

Note 34 Capital expenditure	2010 \$'000	2009 \$'000
Capital Expenditure areas		
Roads, Bridges and Street Furniture	5,368	4,083
Land and Buildings	23,732	10,454
Drains	553	427
Land Improvements and Playgrounds	1,253	2,467
Information Services and & Minor Plant	1,442	2,252
Fleet Plant and Equipment	2,149	2,448
Footpaths & Bikepaths	791	913
Total Capital Works	35,288	23,044
Represented by:		
Expansion	4,396	8,939
Renewal	8,465	7,318
Upgrade	22,335	6,787
Other	92	-
Total Capital Works	35,288	23,044

Plant and equipment, Property and Infrastructure movement

The movement between the previous year and the current year in Plant and equipment, Property and Infrastructure as shown in the Balance Sheet links to the net of the following items:

Total Capital Works	35,288	23,044
Depreciation	(21,675)	(20,538)
Assets written off	(526)	(2,363)
Disposals at carrying amount	(341)	(462)
Gifted assets	28,314	8,085
Movement in asset revaluation	128,611	-
Changes through Equity	-	(754)
Transfer to current assets	(151)	807
Net movement in Plant and equipment, Property and Infrastructure	169,520	7,819

(a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

(b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in council's asset base.

(c) Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

Note 35 Subsequent events

There have been no events occurring after balance date.

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: 21 September 2010

In our opinion, the accompanying financial report presents fairly the financial transactions of the City of Greater Dandenong Council for the year ended 30 June 2010 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 13 September 2010 to certify the financial report in its final form on behalf of the Council.



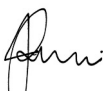
Cr Jim Memeti
Mayor

Dated: 21 September 2010



Cr Youhorn Chea
Councillor

Dated: 21 September 2010



John Bennie
Chief Executive Officer

Dated: 21 September 2010

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Greater Dandenong City Council

The Financial Report

The accompanying financial report for the year ended 30 June 2010 of Greater Dandenong City Council which comprises of comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Certification of the Financial Report has been audited.

The Councillors' Responsibility for the Financial Report

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

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*

This responsibility includes:

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

Auditor's Responsibility

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

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

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

1

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of Greater Dandenong City Council for the year ended 30 June 2010. The Councillors of Greater Dandenong City Council are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statement named above. An opinion is not provided on any other information which may have been hyperlinked to or from this statement. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Council's website.

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. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

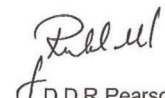
Qualification

The Greater Dandenong City Council has not included "capital grants", "capital contributions", "contributions of non-monetary assets", "assets written off" and "contributed assets" in its reported subtotal of "net underlying result from operations". All of these items are operating in nature as they relate to the activities that the Council carries out to achieve its primary objectives as outlined in the *Local Government Act 1989*. Accordingly, the Council has not presented its comprehensive income statement in accordance with AASB 101 as the subtotal "net underlying result from operations" did not include all items that it purports to represent. This resulted in the Council's subtotal "revenue from operations" of \$124.48 million (2009: \$119.22 million) being understated by \$39.97 million (2009: \$15.16 million), the subtotal "expenses from operations" of \$121.91 million (2009: \$114.32 million) being understated by \$2.14 million (2009: \$2.36 million), and the subtotal "net underlying result from operations" of \$2.58 million (2009: \$4.90 million) being understated by \$37.83 million (2009: \$12.80 million). However, the Council's comprehensive result for the year has not been affected.

Auditor's Opinion

In my opinion except for the qualification on the matter above, the financial report presents fairly, in all material respects, the financial position of Greater Dandenong City Council as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
24 September 2010


D D R Pearson
Auditor-General

2

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

Standard Statements Year Ended 30 June 2010



Temporary artwork titled `imag_ne` composing of large letters that reference the popular word puzzle Scrabble

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Standard Income Statement

For the Year Ended 30 June 2010

Income Statement	Note	Budget 2009-2010 \$'000	Actual 2009-2010 \$'000	Variance \$'000	%
Revenue					
Rates		76,029	76,005	(24)	(0.03)
Grants – Operational (Special Purpose)	2	14,155	16,208	2,053	14.50
Grants – Financial assistance (untied)	3	10,094	9,984	(110)	(1.09)
Fees, charges and fines		8,536	8,729	193	(2.26)
Hire of facilities		9,820	9,142	(678)	(6.90)
Interest	4	923	1,785	862	93.39
Other Income		2,645	2,630	(15)	(0.57)
Total Revenue		122,202	124,483	2,281	1.87
Expenses					
Salaries & related costs		49,324	48,383	941	1.91
Materials and services	5	3,065	3,963	(898)	(29.30)
Administration costs		7,711	8,136	(425)	(5.51)
Finance costs		1,976	1,071	905	45.80
Contract services		24,847	24,476	371	1.49
Professional fees	6	3,321	5,240	(1,919)	(57.78)
Grants & Sponsorships	7	4,788	6,156	(1,368)	(28.57)
Other		695	726	(31)	(4.46)
Depreciation		18,271	21,675	(3,404)	(18.63)
Occupancy Costs		2,038	2,080	(42)	(2.06)
Total Expenses		116,036	121,906	(5,870)	(5.06)
Underlying Operating Result		6,166	2,577	(3,589)	(58.21)
Non-operating income and expenditure					
Net gain/(Loss) on disposal of assets	8	1,634	7,522	5,888	(360.34)
Capital Contributions	9	13,552	5,178	(8,374)	(61.79)
Capital Contributions - (non cash)	10	-	29,926	29,926	-
Grants - Capital	11	1,286	4,861	3,575	(277.99)
Asset Write offs	12	-	(526)	(526)	-
Contributions to Vic Roads - (non cash)	13	-	(1,612)	(1,612)	-
Net projected Surplus		22,638	47,926	25,288	(111.71)

Standard Balance Sheet

As at 30 June 2010

Balance Sheet	Note	Budget 2009-2010 \$'000	Actual 2009-2010 \$'000	Variance \$'000	%
Assets					
Current Assets					
Cash and cash equivalents		22,634	50,426	27,792	122.79
Trade and other receivables	14	9,466	16,978	7,512	79.36
Inventories - property		198	1,758	1,560	787.88
Intangible assets		-	-	-	-
Total Current Assets		32,298	69,162	36,864	114.14
Non-Current Assets					
Plant, Furniture and Equipment	15	1,117,728	1,251,572	133,844	11.97
Inventory - property		6,705	3,960	(2,745)	(40.94)
Total Non-Current Assets		1,124,433	1,255,532	131,099	11.66
Total Assets		1,156,731	1,324,694	167,963	14.52
Liabilities					
Current Liabilities					
Trade and other payables		10,767	10,752	15	0.14
Employee benefits	16	11,793	10,966	827	7.01
Trust funds and deposits	17	2,500	5,984	(3,484)	(139.36)
Interest bearing liabilities		2,742	2,629	113	4.12
Total Current Liabilities		27,802	30,331	(2,529)	(9.10)
Non-Current Liabilities					
Employee benefits		511	463	48	9.39
Interest Bearing Liabilities		22,600	23,648	(1,048)	(4.64)
Total Non-Current Liabilities		23,111	24,111	(1,000)	(4.33)
Total Liabilities		50,913	54,442	3,529	6.93
Net Assets		1,105,818	1,270,252	164,434	14.87
Equity					
Accumulated Surplus		491,437	505,332	13,895	2.83
Reserves		614,381	764,920	150,539	24.50
Total Equity		1,105,818	1,270,252	164,434	14.87

Standard Cash Flow Statement

For the Year Ended 30 June 2010

Cash Flow Statement	Budget 2009-2010 \$'000	Actual 2009-2010 \$'000	Variance \$'000	%
Cash Flow from Operations				
Cash Inflow				
Receipts from ratepayers	75,830	75,363	(467)	(0.62)
Fees, charges, fines and other	20,722	17,762	(2,960)	(14.28)
Capital Grants & Contributions	13,552	10,038	(3,514)	(25.93)
Government Grants	25,535	25,805	270	1.06
Interest received	630	1,719	1,089	172.86
Total Inflows	136,269	130,687	(5,582)	(4.10)
Cash Outflow				
Payments to suppliers	39,471	43,482	(4,011)	(10.16)
Payments to employees	47,844	48,469	(625)	(1.31)
Grants & sponsorships	4,787	5,955	(1,168)	(24.40)
Total Outflows	92,102	97,906	(5,804)	(6.30)
Net Cash from operating activities	44,167	32,781	(11,386)	(25.78)
Cash Flow from Investing				
Cash Inflow				
Proceeds from sale of property, plant and equipment	3,474	3,786	312	8.98
Cash Outflow				
Payments for property and other non-current assets	48,993	31,771	17,222	35.15
Net cashflow from investing activities	(45,519)	(27,985)	17,534	(38.52)
Cash flow from investing				
Cash Inflow				
Proceeds from secured loans	11,500	11,500	-	-
Proceeds/(Repayments) of trust monies and deposits	-	2,308	2,308	-
Cash Outflow				
Finance costs	1,976	1,253	723	36.59
Repayment of secured loans	3,408	2,556	852	25.00
Net cash from financing activities	6,116	9,999	3,883	63.49
Net increase/(decrease) in cash and cash equivalents	4,764	14,795	10,031	210.56
Cash and cash equivalents at beginning of the year	17,870	35,632	17,762	99.40
Cash and cash equivalent at end of the year	22,634	50,427	27,793	122.79

Reconciliation of Operating Result and Net Cash Flows from Operating Activities

For the Year Ended 30 June 2010

	Budget 2009-2010 \$'000	Actual 2009-2010 \$'000	Variance \$'000	%
Net Surplus (deficit) from operations	22,638	47,926	25,288	111.71
Depreciation	18,271	21,675	3,404	18.63
Other non cash revenue and expenses	-	(33,517)	(33,517)	-
(Profit) Loss on Sale of property, plant and Equip	(1,634)	(1,792)	(158)	9.67
Finance costs	1,976	1,071	(905)	(45.80)
Net movement in current assets and liabilities	2,916	(2,669)	(5,585)	(191.53)
Increase in equity relating to prior year	-	87	87	-
Net Cash inflow (outflow) from operating activities	44,167	32,781	(11,386)	(25.78)

Standard Statement of Capital Works

For the Year Ended 30 June 2010

Note	Budget 2009-2010 \$'000	Actual 2009-2010 \$'000	Variance \$'000	%
Roads, Bridges and Street Furniture	5,126	5,118	8	0.16
Land & Buildings	22,920	23,732	(812)	(3.54)
Drains	560	553	7	1.25
Land Improvement & Playgrounds	1,315	1,253	62	4.71
Information Services & Minor Plant	1,336	1,442	(106)	(7.93)
Fleet Plant & Equipment	3,064	2,149	915	29.86
Footpaths	1,090	791	299	27.43
Development Contribution Program	13,582	250	13,332	98.16
Total Capital Works	48,993	35,288	13,705	27.97
Represented by:				
Expansion	6,114	4,396	1,718	28.10
Renewal	11,753	8,465	3,288	27.98
Upgrade	31,126	22,335	8,791	28.24
Other	-	92	(92)	-
Total Capital Works	48,993	35,288	13,705	27.97

Property, Infrastructure, Plant & Equipment Movement Reconciliation Worksheet

	Budget 2009-2010 \$'000	Actual 2009-2010 \$'000	Variance \$'000	%
Total Capital works	48,993	35,288	23,705	48.38
Depreciation	(18,271)	(21,675)	(3,404)	(18.63)
Assets written off	-	(526)	-	-
Disposals at carrying amount	(2,363)	(341)	(2,022)	85.57
Gifted assets	-	28,314	-	-
Movement in asset revaluation	-	128,611	-	-
Transfer to current assets	-	(151)	-	-
Changes through Equity	-	-	-	-
Net movement in property, plant and equipment	28,359	169,520	(141,161)	(497.76)

Notes to the Standard Statements

1. Introduction

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

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

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

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

The budget figures reported are those adopted by Council on 29 June 2009. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget does not envisage any changes to equity resulting from asset revaluations as their impacts are not predictable.

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

- 2. Grant Income.** Special Purpose – The total grant funding received at 30 June 2010 was 16.2M (\$2.0M or 14.5 per cent above budget). The additional funding included unbudgeted grants which have been fully or partially expended in the financial year and grant funding received in advance that relate to the 2010-2011 financial year. Included in these grants are the following:

- Additional grant funding over budget of \$1.663M for Children, Youth and Family Services, \$253k for Library services, \$114k for Aged and Disability, \$46K for Sports and Leisure, and \$10k for Regulatory Services.

The bulk of these grants will be expended in the 2010-2011 financial year.

- 3. Financial Assistance grant** – The final grant allocation confirmed by the Grants Commission for 2009-2010 was \$236K less than budget. In addition, an advance of \$2.5M against the 2009-2010 allocation was received in June 2009.

Council has also received \$2.6M of funding in the current year which relates to the 2010-2011 allocation.

- 4. Interest Income** – Council's better than forecast bank balances resulted in higher interest income of \$793K, and penalty and interest on rates contributed a further \$166K.

- 5. Materials & services** – Exceeds budget by \$898K. This figure includes \$750K of major maintenance costs identified through the asset management program to maintain Council's parks and gardens, roads, drains and buildings. These amounts were budgeted in the City Improvement Program (CIP) under Capital, and transferred to operating expenditure through the capitalisation program.

6. **Professional Services** – Exceeds budget by \$1.9M of which \$1.0M represents unbudgeted expenditure relating to surveys and studies relating to councils assets which were included in the CIP under Capital. Also included is \$385K relating to leasing costs for the new Market which were transferred out of CIP. \$194K relates to legal expenditure associated with the delivery of the CIP program and \$461K of additional consultancy expenditure across the Community Services group mainly towards the Best Start Program, and Inclusion Support program. This has been funded through additional grant funding.
7. **Grants & Sponsorships** – Included in the Grants and Sponsorships category is unbudgeted expenditure of \$804K on assets that are not council owned. This expenditure has been treated as contributions to other utility services. Also contributing to the variance is the higher than planned care provider payments of \$765K for family day care. These payments have been offset through additional grant funding.
8. **Net Gain/(Loss) on disposal of assets** – The better result is the sale of Balmoral Avenue that was not included in the budget.
9. **Developer Contributions** – The budget represented developer contributions to be received for the Dandenong South (C87) and Keysborough South (C36) developments. However, a delay in the commencement of these projects has resulted in the variance of \$8.3M.
10. **Capital Contributions** – Represents assets acquired from sub division activity.
11. **Capital Grants** – This better result of \$3.5M represents unbudgeted grants received from the Department of Infrastructure Transport regional Development and Local Government of \$1.8M for the Noble Park Swimming Pool. \$539K from Vic Roads for the Blackspot program, \$286K towards the Noble Park streetscape project, \$210K towards Springvale Reserve, \$128K for Tatterson Park, \$282 towards the Bicycles/shared User Path Network and \$300K for various other capital projects.
12. **Write off of assets** – These write offs represent minor plant, playgrounds, buildings, footpaths, and street furniture.
13. **Contributed Assets** – As part of the DCP program council received assets valued at \$1.6M from the developers which satisfied the developers obligation to council. These assets however did not belong to council and were passed on to Vic Roads.
14. **Receivables** – Included in receivables is the \$5.7M relating to the Balmoral Avenue sale of land. This will be settled in exchange for the car parks when the building is completed later in the year.
15. **Fixed Assets** – The variance is mainly due to the impact of the Valuations on the Land and Buildings.
16. **Employee benefits** – The budget was premised on all leave entitlements taken by staff during the year hence the variance.
17. **Trust Monies** – Mainly represents the net movement in monies from developer contributions and VicUrban share of Metro land sales.

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: 21 September 2010

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 13 September 2010 to certify the standard statements in their final form on behalf of the Council.



Cr Jim Memeti
Mayor

Dated: 21 September 2010



Cr Youhorn Chea
Councillor

Dated: 21 September 2010



John Bennie
Chief Executive Officer

Dated: 21 September 2010

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, City of Greater Dandenong

The Standard Statements

The accompanying standard statements for the year ended 30 June 2010 of the Council which comprises of standard income statement, standard balance sheet, standard cashflow statement, standard statement of capitle works, the related notes and the Certification of the Standard Statements have been audited.

The Councillors' Responsibility for the Standard Statements

The Councillor's of the City of Greater Dandenong are responsible for the preparation and the fair presentation of:

- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

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

Auditor's Responsibility

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

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

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

1

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

E3/2010 AGR03

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Matters Relating to the Electronic Presentation of the Audited Standard Statements

This auditor's report relates to the standard statements published in both the annual report and on the website of the City of Greater Dandenong for the year ended 30 June 2010. The Councillors of the City of Greater Dandenong are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited standard statements to confirm the information included in the audited standard statements presented on the City of Greater Dandenong website.


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. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE
24 September 2010


D D R Pearson
Auditor-General

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Level 24, 35 Collins Street, Melbourne Vic. 3000
Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

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Customer Service

Springvale
397-405 Springvale Road

Dandenong
39 Clow Street

Noble Park
18-32 Buckley Street

Keysborough
Shop A7
Parkmore Shopping Centre

Business Development Centre
Suite 1, 4th Floor
329 Thomas Street
Dandenong

Telephone 9239 5100	Facsimile 9239 5196	TTY 9239 5153
Internet www.greaterdandenong.com	Email council@cgd.vic.gov.au	TIS 13 14 50