



Annual Financial Report

Year Ended 30 June 2009

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Income Statement

for the year ended 30 June 2009

	Note	2009 \$'000	2008 \$'000
OPERATING REVENUE			
Rates and charges	3.1	71,040	66,634
Grants – Recurrent	3.2	25,832	22,589
Grants – Non-recurrent	3.2	1,157	463
Contributions – Cash	3.3(a)	17	5
Statutory fees and fines	3.4	5,045	4,805
User Fees	3.5	12,503	12,430
Other revenue	3.7	3,626	3,733
Total operating revenue		119,220	110,659
OPERATING EXPENSES			
Employee benefits	4.1	46,244	42,763
Contract payments, materials and services	4.2	26,333	25,165
Depreciation	4.3	20,538	19,763
Grants and sponsorships	4.4	4,961	4,925
Professional Services	4.5	4,831	3,825
Administration costs	4.6	9,541	9,202
Finance costs	4.7	1,049	1,290
Other	4.8	820	926
Total operating expenses		114,317	107,859
		4,903	2,800
Net gain (loss) on disposal of assets	3.6	1,661	1,450
Capital grants	3.2	6,315	1,408
Capital contributions	3.3 (b)	758	754
Contributions – non-monetary assets	3.3(c)	8,085	3,211
Assets written off	6.1	(2,363)	(425)
SURPLUS FOR THE YEAR		19,359	9,198

The above Income Statement should be read with the accompanying notes.

Balance Sheet

as at 30 June 2009

	Note	2009 \$'000	2008 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5.1	35,632	21,867
Trade and other receivables	5.2	12,094	9,241
Inventory - Property	1.8, 5.3	1,164	1,198
Total current assets		48,890	32,306
Non-current assets			
Plant and equipment and Property	1.3, 6 (a), 6(b)	608,314	607,090
Infrastructure Assets – realisable	1.3, 6(c)	8,882	8,819
Infrastructure Assets -non realisable	1.3, 6(d)	463,129	456,598
Inventory – Property	1.8, 5.3	6,061	7,305
Total non-current assets		1,086,386	1,079,812
Total assets		1,135,276	1,112,118
LIABILITIES			
Current liabilities			
Trade and other payables	7.1	11,511	9,534
Employee benefits	7.2	10,463	9,070
Trust funds and deposits	7.3	3,676	3,157
Interest-bearing liabilities	8	2,556	4,373
Total current liabilities		28,206	26,134
Non-current liabilities			
Employee benefits	7.2	388	350
Interest-bearing liabilities	8	14,775	12,332
Total non-current liabilities		15,163	12,682
Total liabilities		43,369	38,816
NET ASSETS		1,091,907	1,073,302
EQUITY			
Accumulated surplus		470,554	460,412
Reserves- Asset revaluation reserve	1.3(d), 9	611,428	612,182
- other reserves	1.3(d), 9	9,925	708
TOTAL EQUITY		1,091,907	1,073,302

The above Balance Sheet should be read with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2009

Notes	Total		Accumulated Surplus		Reserves	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance at the beginning of the year	1,073,302	971,975	460,412	450,272	612,890	521,703
Prior year adjustments relating to:						
- non current assets 6.1(a)		874		874		
- receivables (Note 1 below)		(180)		(180)		
- payables (Note 2 below)		440		440		
Surplus for year	19,359	9,198	19,359	9,198		
Transfer (from)/to Insurance fund			(308)	(192)	308	192
Transfer (from)/to Re-vegetation reserve 9			(149)		149	
Transfer (from)/to Grants reserve (Note 3 below)			(7,607)		7,607	
Transfer (from)/to Public Open Space reserve (Note 4 below)			(593)		593	
Transfer (from)/to Major Projects reserve (Note 5 below)			(560)		560	
Revaluation increment of assets (Note 6 below) 6.1	(754)	90,995			(754)	90,995
Balance at the end of the year	1,091,907	1,073,302	470,554	460,412	621,353	612,890

Note 1: Charges in relation to permit applications for town planning, building and asset management recognized as income in previous years now reversed since permits were not proceeded with by the customers.

Note 2: Relate mainly to a reversal of land tax accrued in prior years on the basis of an assessment levied on Council in respect of Metro 3175 land (\$311K). Council successfully appealed this assessment. Of the balance, \$105K relates to a grant in community services which had been held in reserves. This had been fully expended in 2007-08 and the amount held in the reserve account had not been transferred to income to offset the expenditure.

Note 3: Council received an advance payment of \$2.5M from the Victorian Grants Commission which relates to the 2009-10 financial year. In addition, there were unbudgeted grants both for operational and capital projects received during the year that will be spent in 2009-10.

Note 4: All public open space contributions have been set aside as reserves.

Note 5: All property sales excluding Metro 3175 land sales have been set aside as reserves.

Note 6: A portion of the Land set aside in current assets for the Metro 3175 development has been identified as open space by the developers and handed back to Council. This portion of land was revalued and transferred back to Non-current assets.

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

Cash Flow Statement

for the year ended 30 June 2009

	Note	2009 \$'000	2008 \$'000
Cash flows from operating activities			
Receipts from ratepayers		71,061	66,131
Fees, charges, fines and other (including GST)		17,241	24,141
Contributions (including GST)		776	759
Government grants (including GST)		34,181	24,913
Interest received		1,584	1,557
Payments to suppliers (including GST)		(49,685)	(51,783)
Payments to employees		(44,530)	(42,384)
Net GST (payments) / refunds		4,268	3,067
Net cash provided by operating activities	15.1	34,896	26,401
Cash flows from investing activities			
Payments for property and other non-current assets	17	(23,044)	(18,633)
Proceeds from sale of property, plant and equipment		2,270	9,140
Net cash used in investing activities		(20,774)	(9,493)
Cash flows from financing activities			
Finance costs		(1,186)	(1,538)
Proceeds from secured loans		5,000	3,000
Repayment of secured loans		(4,373)	(7,221)
Repayment of trust monies and deposits	1.4	(309)	(5,816)
Proceeds from trust monies and deposits	1.4	511	6,990
Net cash provided by / (used in) financing activities		(357)	(4,585)
Net increase / (decrease) in cash and cash equivalents		13,765	12,323
Cash and cash equivalents at beginning of the year	15.2	21,867	9,544
Cash and cash equivalents at end of the year	15.2 & 5.1	35,632	21,867
Represented By:			
Operating Cash	5.1	15,910	11,237
Restricted Cash	5.1	19,722	10,630
Total		35,632	21,867

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

Notes to the Financial Report for the Year Ended 30 June 2009

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 Oakton AA Services Pty Ltd. 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 an 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 3.1).

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

Notes (continued)

b) Grants, donations and other contributions

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

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

c) User fees, charges and fines

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

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

d) Sale of property, plant and equipment

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

e) Interest and rents

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

f) Assets from new developments

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

1.3 Recognition and measurement of non-current assets

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

a) Acquisition

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

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

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

b) Thresholds for asset recognition

The following classes of assets have been recognised in note 6 with threshold limits as shown below and 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 amortisation of non-current assets

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

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

The following table shows the major categories of assets and associated useful lives, and has not changed from the prior year.

Notes (continued)

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

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

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

Land under Roads:

In accordance with *AASB 1051: Land under Roads* the Council has elected not to recognize 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 16).

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 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 7.3).

1.5 Employee benefits

a) Accrued salary and wages

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

b) Annual leave and long service leave

Annual leave

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

Long service leave

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

Classification of employee benefits

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

Sick leave

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

Notes (continued)

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 12).

1.6 Recognition of payables

Liabilities are recognised for amounts to be paid in the future for goods and services received as at balance date, whether or not invoices have been received. (Refer Notes 7.1 and 10).

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 5.2 and 11).

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 5.1 and 15.2).

1.11 Managed Funds

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

1.12 Maintenance and repairs

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

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 8 and 11).

Interest accrued on these liabilities is treated as finance costs (Refer Notes 9 and 11).

1.14 Allocation between current and non-current

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

1.15 Impairment of assets

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

1.16 Finance costs

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

1.17 Goods and Services Tax (GST)

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

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

1.18 New accounting standards and interpretation

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. The City of Greater Dandenong assesses the impact of these new standards as to their applicability to the Council and early adoption where applicable.

As at 30 June 2009 the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2009. The Council has not and does not intend to, adopt these standards early.

Notes (continued)

AASB Amendment	Standards affected	Outline of amendment	Application date of Standard	Application date for Council
AASB 2007-06	AASB 101 Presentation of Financial Statements	Amends an earlier version of AASB 101 issued in July 2006. This Standard introduces the concept of a "complete set of financial statements" and amends the title of some statements in the accounts. The other change of some relevance to Council relates to reporting owner changes in equity and comprehensive income. No significant impacts are expected to arise from this Standard.	1 July 2009	1 July 2009
AASB 2007 - 08	AASB 123 Borrowing Costs	Amends an earlier version of AASB 123 issued in July 2004. This Standard requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised. Previously, entities had the option of expensing such costs. Subject to the existence of borrowings for the purpose of funding capital expenditure, this standard will require related borrowing costs to be capitalised rather than expensed. It is not expected that this will have a material impact on the reported financial performance or position of Council.	1 January 2009	1 January 2009
AASB 2008 - 5	AASB 127 Consolidated and Separate Financial Statements	Amends an earlier version of AASB 127 issued in July 2004. This standard makes various relatively minor changes. This Standard is not expected to have any impact on Council.	1 July 2009	1 July 2009
AASB 2008-1, AASB 2008-2, AASB 2008-3, AASB 2008-5, AASB 2008-6 AASB 2008-7	Various	These standards make revisions, which are generally minor, to a range of other accounting standards. It is not expected that these Standards will have any significant impact on Council.	1 January 2009	1 January 2009

1.19 Rounding

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

2. FUNCTIONS AND ACTIVITIES

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

2.1 Revenue, expenses and non-current assets by function

	Revenue Attributed 2009				Expenses 2009		Surplus/ (Deficit)	Total Non- Current Assets
	\$000 General	\$000 Grants	\$000 Total	% of Total	\$000	% of Total	\$000	\$000
Corporate services*	72,630	12,528	85,158	62.07	37,963	32.22	47,195	9,444
Organisational development	77	30	107	0.08	4,177	3.54	(4,070)	434
Health & environment	12,671	372	13,043	9.51	19,999	16.97	(6,956)	156,955
Leisure & culture	6,020	1,035	7,055	5.14	20,767	17.62	(13,712)	327,697
Community services	2,002	12,897	14,899	10.86	20,879	17.72	(5,980)	37,123
Transport & infrastructure	10,928	10	10,938	7.97	9,601	8.15	1,337	532,047
Economic development	5,873	117	5,990	4.37	4,445	3.78	1,545	22,686
Total	110,201	26,989	137,190	100.00	117,831	100.00	19,359	1,086,386

	Revenue Attributed 2008				Expenses 2008		Surplus/ (Deficit)	Total Non- Current Assets
	\$000 General	\$000 Grants	\$000 Total	% of Total	\$000	% of Total	\$000	\$000
Corporate services*	63,964	8,420	72,384	57.86	33,937	29.28	38,447	9,387
Organisational development	1	14	15	0.01	3,854	3.32	(3,839)	432
Health & environment	12,305	513	12,818	10.25	18,970	16.37	(6,152)	156,014
Leisure & culture	5,596	1,087	6,683	5.34	19,541	16.86	(12,858)	325,731
Community services	3,479	12,274	15,753	12.59	20,779	17.93	(5,026)	36,900
Transport & infrastructure	4,407	1,990	6,397	5.11	9,530	8.22	(3,133)	527,924
Economic development	10,900	162	11,062	8.84	9,303	8.03	1,759	22,550
Total	100,652	24,460	125,112	100.0	115,914	100.0	9,198	1,078,938

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

Notes (continued)

2.2 Functions of Council

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

3 REVENUES

	2009 \$'000	2008 \$'000
3.1 Rates and garbage charges		
General rates (Note)		
Residential	30,419	29,030
Commercial	7,137	7,036
Industrial	23,218	21,149
Farm	598	212
Supplementary rates and adjustments	921	863
Maintenance Levy	412	375
Residential garbage	8,335	7,969
	71,040	66,634

Note - The valuation base used to calculate general rates for 2008-2009 was \$22.285 billion (\$16.865 billion in 2007-2008). 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 2008. This valuation applies to the rating period commencing 1 July 2008.

The date of the next general revaluation is 1 January 2010, and the valuation will be first applied for the rating period commencing 1 July 2010.

3.2 Grants – recurrent and non-recurrent

Grants were received in respect of the following:

Recurrent

General Purpose Grants:

Commonwealth Government - General Purpose	11,093	7,397
- Local Roads Funding	1,379	1,023

Operational Grants:

Aged & Disability Services	6658	6,494
Children, Youth & Family Services	5182	5,276
Library, Arts & Heritage	789	749
Asset Management Services	90	114
Infrastructure Planning - Roads to Recovery	-	571
- Other	-	1
Library, Arts & Heritage	-	34
Regulatory Services	352	410
Sports & Leisure	50	-
Planning & Design	59	150
Social Development	180	311
Business Networking	-	59
Total recurrent	25,832	22,589

Notes (continued)

	2009 \$'000	2008 \$'000
Non-recurrent		
Asset Management Services	98	113
Children, Youth & Family Services	405	210
Social Development	133	9
Library, Arts & Heritage	26	57
Aged & Disability	336	65
Communications	-	9
Infrastructure Planning - Other	10	-
Planning & Design	35	-
Business Networking	58	-
Organizational Sustainability	56	-
Total Non-recurrent	1,157	463
Total Operational Grants	26,989	23,052
Capital Grants		
Recurrent		
Infrastructure Planning - Roads to Recovery	571	-
Library, Arts & Heritage	36	-
Aged & Disability	61	-
Total Recurrent	668	-
Non-recurrent		
Capital Grants	5,647	1,408
Total Capital Grants	6,315	1,408
Total Operational and Capital Grants Received	33,304	24,460
Unexpended grants		
Grants recognized 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	252	511
Children, Youth & Family Services	719	544
Library, Arts and Heritage	104	38
Asset Management Services	75	30
Communications	-	9
Property, Leisure & Environment	50	-
Planning & Design	35	-
Organizational Sustainability	54	-
Finance	2,527	-
Capital Grant	3,791	445
Total unexpended grants	7,607	1,577

	2009 \$'000	2008 \$'000
3.3 Contributions		
(a) Operating		
-Community services	1	5
-Central Dandenong revitalization	16	-
	17	5
(b) Capital		
-Infrastructure	16	63
-Public Open space	593	691
-Developer Contributions	149	-
	758	754
Total contributions	775	759
(c) Non-monetary		
-Minor Plant- Art works	-	18
-Land	1,720	1,265
-Land Under Roads (refer Note 6.1)	1,667	-
-Roads	2,597	956
-IT Devices	2	-
-Traffic Signals	75	-
-Car Park	23	-
-Drains	1,391	801
-Bike Paths / Footpaths	610	171
	8,085	3,211
Unexpended contributions (Note)		
Public open space	593	-
Developer Contributions	9	36
Total unexpended contributions	602	36
Unexpended contributions from previous years have been expended before the end of the 2008-2009 financial year.		
3.4 Statutory fees and fines		
Parking fines	1,852	1,642
Building and town planning	991	1,021
Infringements and costs	1,277	1,327
Infringement (Perin) court recoveries	849	727
Land information certificates	76	88
	5,045	4,805

	2009	2008
	\$'000	\$'000
3.5 User fees		
Parking fees	1,527	1,515
Aged care services	884	931
Recreation and leisure	950	894
Market stall rental	2,996	3,099
Hire of facilities	1,032	965
Multideck Car Parking	343	434
Aquatic Centre and Springers Leisure Centre	4,026	3,840
Other fees and charges	745	752
	12,503	12,430
3.6 Profit / (loss) on sale of assets		
Land and buildings		
Proceeds from sale of assets	5,600	13,707
Less: VicUrban share of Metro 3175 sales to Trust (Note)	(3,551)	(6,882)
Less: Carrying amount of assets sold - Land	(498)	(5,422)
- Other costs	(218)	(259)
Profit/(loss) on sale of land and buildings	1,333	1,144
Plant & Fleet Sales		
Proceeds from sale of assets	763	811
Less: Carrying amount of assets sold	(435)	(505)
Profit/(loss) on sale of assets	328	306
Proceeds from sale of Bed Licences	-	1,505
Less: Carrying amount of asset	-	(1,505)
Profit/(Loss) on sale of Bed Licences	-	-
Total profit/(Loss) on sale of assets	1,661	1,450
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 2009.		
3.7 Other revenue		
Recoveries -State Revenue Office (supply of valuation data)	135	365
Recoveries – other	770	770
Interest received on rates	710	613
Interest received on investments	881	944
National Competition Policy	-	15
Retainer – H L Williams court	-	11
Sundry income	1,130	1,015
	3,626	3,733

	2009 \$'000	2008 \$'000
4. EXPENSES		
4.1 Employee benefits		
Salaries & wages	34,767	32,046
Casual staff	1,625	1,514
Annual leave and long service leave	5,082	4,420
Superannuation	3,441	3,153
WorkCover	1,273	819
Redundancy (Note)	56	811
	46,244	42,763
Note: Redundancy payments in 2008 include payments of \$351K from the closure of HL Williams court following the transfer of the Aged Care services to a private provider in September 2007.		
4.2 Contract payments, materials and services		
Maintenance and repairs	1,753	1,761
Contract payments:		
Garbage collection	6,818	6,246
Parks Services	2,649	2,568
Plant / Fleet Management	938	792
Building Maintenance	414	469
Dandenong Market	1,767	1,813
Cleansing	190	278
Community Aged Care Program	175	184
Street lighting	1,067	1,045
Property valuation contract	221	369
Other contract payments	1,005	809
Aquatic centre and Leisure centre	4,011	4,153
Materials and services :		
Building Maintenance	1,651	1,489
Parks Services	995	823
Roads and drains	802	692
Other materials and services	1,877	1,674
	26,333	25,165
4.3 Depreciation		
Property:		
Land improvements	1,003	957
Buildings	3,885	3,677
Car parks	235	225
Plant and Equipment:		
Plant & equipment	1,562	1,522
Minor plant, furniture and equipment	2,029	1,798
Infrastructure:		
Bike paths/footpaths	1,613	1,592
Bridges	124	122
Roads	7,423	7,138
Drains	1,683	1,675

Notes (continued)

	2009	2008
	\$'000	\$'000
Street furniture	174	223
Playground equipment	807	834
	20,538	19,763
4.4 Grants and sponsorships		
Community grants	1,259	1,234
Contributions	343	556
Sponsorships – Family Day Care	3,078	3,080
Sponsorships - other	281	55
	4,961	4,925
4.5 Professional services		
Consultants	3,758	2,894
Legal costs	401	369
Statutory fees	430	334
Audit costs: Internal	129	132
External – VAGO	56	52
Strategic Asset Management Project	57	44
	4,831	3,825
4.6 Administration costs		
Printing, publications & promotion	1,879	1,895
Motor vehicle maintenance	1,055	1,075
Bad & doubtful debts	530	725
Insurance	967	1,060
Information management costs	1,692	1,679
Postage	395	388
Councilors Allowances	320	262
Occupancy costs	2,002	1,885
Other administration costs	701	233
	9,541	9,202
4.7 Finance costs		
Interest on long term loans	1,049	1,179
Interest on short term loan and overdraft	-	111
	1,049	1,290
4.8 Other expenses		
Bank charges	241	217
Sundry expenses	579	709
	820	926

	2009 \$'000	2008 \$'000
5. CURRENT ASSETS		
5.1 Cash and cash equivalents		
Cash at bank, deposit and on hand	32,665	18,911
Investments	2,967	2,956
	35,632	21,867
Represented by:		
Operating Cash	15,910	11,237
Restricted Cash		
Long Service Leave	6,112	5,116
Insurance fund	1,016	708
Re-vegetation Reserve	149	-
Unexpended grants and contributions	8,209	1,613
Trust funds and deposits	3,676	3,193
Major Projects Reserve	560	-
	35,632	21,867
5.2 Trade and other receivables		
Rates debtors (Refer Note 1.2 (a))	2,831	2,852
Parking infringement debtors	6,207	5,431
General debtors	4,429	3,504
Less: Provision for doubtful debts:		
- Parking infringements	(2,919)	(2,468)
- General debtors	(571)	(766)
Prepayments	2,117	688
	12,094	9,241
5.3 Inventory (Note)		
Properties held for resale – Current	1,164	1,198
Properties held for resale – Non-current	6,061	7,305
	7,225	8,503

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

	2009 \$'000	2008 \$'000
6. PLANT AND EQUIPMENT, PROPERTY AND INFRASTRUCTURE		
(a) Plant and equipment		
At cost	7,374	7,174
Less: Accumulated depreciation	(1,899)	(2,050)
	5,475	5,124
Minor plant, furniture & equipment		
At cost	19,305	17,269
Less: Accumulated depreciation	(10,726)	(8,673)
	8,579	8,596
Total Plant and equipment		
At cost	26,679	24,443
Less: Accumulated depreciation	(12,625)	(10,723)
Total	14,054	13,720
(b) Property		
Land and buildings – Note (i)		
Land		
At independent valuation	461,784	460,038
At cost	2,349	2,268
	464,133	462,306
Car parks		
At valuation	12,240	12,715
At cost	1,357	1,182
Less: Accumulated depreciation	(3,663)	(3,429)
	9,934	10,468
Land improvements		
At cost	11,207	10,587
Less: Accumulated depreciation	(4,703)	(3,700)
	6,504	6,887
Buildings		
At independent valuation	170,779	170,812
At cost	35,221	32,401
Less: Accumulated depreciation	(93,319)	(89,504)
	112,681	113,709
Total Property		
At valuation	644,803	643,565
At cost	50,134	46,438
Less: Accumulated depreciation	(101,685)	(96,633)
Total	593,252	593,370
(c) Infrastructure Assets- realisable		
Street furniture		
At cost	4,084	4,143
Less: Accumulated depreciation	(2,862)	(2,838)
	1,222	1,305

	2009 \$'000	2008 \$'000
Recreational equipment		
At cost	13,287	12,389
Less: Accumulated depreciation	(5,627)	(4,875)
	7,660	7,514
Total Infrastructure Assets- realisable		
At cost	17,371	16,532
Less: Accumulated depreciation	(8,489)	(7,713)
Total	8,882	8,819
(d) Infrastructure Assets- non realisable		
Bike paths - Note (iii)		
At valuation	3,130	3,192
At cost	687	565
Less: Accumulated depreciation	(615)	(485)
	3,202	3,272
Footpaths – Note (iii)		
At valuation	69,762	69,344
At cost	3,362	2,571
Less: Accumulated depreciation	(9,370)	(7,945)
	63,754	63,970
Bridges – Note (iv)		
At valuation	11,679	11,619
Less: Accumulated depreciation	(3,750)	(3,626)
	7,929	7,993
Land under Roads – Note (ii)		
At deemed cost	1,667	-
Total	1,667	-
Roads - (Note v)		
Sub-structure		
At council valuation	233,309	232,421
At cost	1,694	1,257
Less: Accumulated depreciation	(81,225)	(79,077)
	153,778	154,601
Seal		
At council valuation	66,094	65,849
At cost	6,428	3,632
Less: Accumulated depreciation	(22,644)	(18,772)
	49,878	50,709
Kerb & channel		
At council valuation	79,563	79,340
At cost	2,672	1,982
Less: Accumulated depreciation	(23,324)	(22,249)
	58,911	59,073

Notes (continued)

	2009 \$'000	2008 \$'000
Earthworks		
At cost	56	56
	56	56
Roads Total		
At council valuation	378,966	377,610
At cost	12,517	6,927
Less: Accumulated depreciation	(127,193)	(120,098)
	264,290	264,439
Drains (Note v)		
At council valuation	170,051	170,002
At cost	2,177	1,834
Less: Accumulated depreciation	(57,234)	(55,978)
	114,994	115,858
Works in progress at cost		
Total	9,968	1,066
Total Infrastructure Assets- non-realisable		
At valuation	633,588	631,767
At cost	27,703	12,963
Less: Accumulated depreciation	(198,162)	(188,132)
Total	463,129	456,598
Total non-current assets		
At Valuation	1,278,391	1,275,332
At cost	122,895	100,376
Accumulated depreciation	(320,961)	(303,201)
Total Non-current assets	1,080,325	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 2008. The previous valuation was done on 1 January 2006, 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/unserved) 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.

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.

6.1 Property Infrastructure Plant and Other – (Movement in written down value 2009)

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

	Balance at beginning of financial year	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
2009									
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	-	-	-	-	-	(311)	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, bikepaths and drains that were impacted by the development. New assets handed back to council were recognized at valuation and are included in acquisitions.

Notes (continued)

Comparatives for Property Infrastructure, Plant and Other (Movement in written down value 2008)

	Balance at beginning of financial year \$'000	Acquisition of assets including gifted assets \$'000	Assets written off \$'000	Transfer to non-current assets \$'000	Disposals at carrying amount \$'000	Depreciation expense for the year \$'000	Net movement in revaluation \$'000	Changes due to transfers \$'000	Balance at end of financial year \$'000
Plant & Equipment									
Plant & equipment	4,660	2,487	-	-	(503)	(1,522)	-	2	5,124
Minor plant, furniture & equipment	9,112	1,645	(39)	-	(2)	(1,798)	-	(321)	8,597
Total Plant & Equipment	13,772	4,132	(39)	-	(505)	(3,320)	-	(319)	13,721
Property									
Land	370,680	2,633	-	(1,023)	-	-	90,016	-	462,306
Car parks	9,644	463	(14)	-	-	(225)	-	600	10,468
Land Improvements	6,611	1,050	-	-	-	(957)	-	216	6,920
Buildings	107,016	2,929	(255)	-	(1,356)	(3,677)	886	8,147	113,690
Total Property	493,951	7,075	(269)	(1,023)	(1,356)	(4,859)	90,902	8,963	593,384
Infrastructure									
Street Furniture	1,605	150	(53)	-	-	(233)	-	(171)	1,308
Playgrounds	6,116	2,059	(10)	-	-	(834)	-	128	7,459
Bike paths	3,250	190	(19)	-	-	(149)	-	-	3,272
Footpaths	64,255	1,080	(9)	-	-	(1,443)	93	(5)	63,971
Bridges	8,115	-	-	-	-	(122)	-	-	7,993
Roads sub-structure	155,680	1,114	-	-	-	(2,331)	-	63	154,526
Roads Seal	52,306	2,202	(26)	-	-	(3,702)	-	83	50,863
Roads kerbs & channel	59,054	796	-	-	-	(1,105)	-	89	58,834
Earthworks	56	-	-	-	-	-	-	-	56
Land Under Roads	-	-	-	-	-	-	-	-	-
Drains	115,560	1,235	-	-	-	(1,675)	-	60	115,180
Total Infrastructure	465,997	8,826	(117)	-	-	(11,584)	93	247	463,462
Works in Progress	8,910	1,046	-	-	-	-	-	(8,890)	1,066
Total Plant & Equipment, Property & Infrastructure	982,630	21,080	(425)	(1,023)	(1,861)	(19,763)	90,995	-	1,071,633

6.1 (a) Changes to Opening balances for 2009 through equity

2009	Balance at end of financial year 2008 \$'000	Changes to accum. Depreciation \$'000	Assets written (off) /back to retained earnings \$'000	Total adjustments made through retained earnings \$'000	Adjusted Opening Balance 2009 \$'000
Plant & Equipment					
Plant & equipment	5,124	-	-	-	5,124
Minor plant, furniture & equipment	8,597	(1)	-	(1)	8,596
Total Plant & Equipment	13,721	(1)	-	(1)	13,720
Property					
Land	462,306	-	-	-	462,306
Car parks	10,468	-	-	-	10,468
Land improvements	6,920	-	(33)	(33)	6,887
Buildings	113,690	-	19	19	113,709
Total Property	593,384	-	(14)	(14)	593,370
Infrastructure					
Street furniture	1,308	4	(7)	(3)	1,305
Playgrounds	7,459	15	40	55	7,514
Bike paths	3,272	-	-	-	3,272
Footpaths	63,971	-	(1)	(1)	63,970
Bridges	7,993	-	-	-	7,993
Roads sub-structure	154,502	(53)	152	99	154,601
Roads seal	50,669	(6)	46	40	50,709
Roads kerbs & channel	59,052	-	21	21	59,073
Earthworks	56	-	-	-	56
Drains	115,180	(7)	685	678	115,858
Total Infrastructure assets	463,462	(47)	936	889	464,351
Works in progress					
Minor plant, furniture & equipment	1	-	-	-	1
Buildings	792	-	-	-	792
Carparks	23	-	-	-	23
Footpaths	9	-	-	-	9
Roads sub-structure	13	-	-	-	13
Roads kerbs & channel	21	-	-	-	21
Land improvements	207	-	-	-	207
WIP	1,066				1,066
Total Plant & Equipment, Property & Infrastructure	1,071,633	(48)	922	874	1,072,507

Notes (continued)

7. NON INTEREST-BEARING LIABILITIES

	2009 \$'000	2008 \$'000
7.1 Trade and other payables		
Current		
Trade creditors	9,262	7,822
Other creditors	329	371
Income received in advance	216	129
Accrued expenses	1,704	1,212
	11,511	9,534

7.2 Employee benefits

Movement in Employee entitlement provisions	Annual Leave \$'000	Long Service Leave \$'000	Total \$'000
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
2008			
Balance at beginning of financial year	4,197	4,541	8,738
Additional provisions	3,421	999	4,420
Amounts used	(3,314)	(424)	(3,738)
Balance at the end of the financial year	4,304	5,116	9,420
		2009 \$'000	2008 \$'000
Current (Note i)			
Annual leave		4,739	4,304
Long service leave		5,724	4,766
		10,463	9,070
Non-current (Note ii)			
Long service leave liability		388	350
		388	350
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		5,912	5,287
- Other long-term employee benefits that do not fall within 12 months after the end of the period measured at present value		4,551	3,783
		10,463	9,070
Non-current (Note ii)			
LSL representing less than seven years of service measured at present value:		388	350

Accrued wages and salaries are included in the current accrued expenses balance in note 7.1.

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

- Average increase in employee costs 4%
- Average discount rates between 3.45% and 5.32%
- Average settlement period of 10 years.

7.3 Trust funds and deposits**Current**

	2009 \$'000	2008 \$'000
Sub-division & other deposits	1,025	603
Developer contributions	1,215	1,214
Metro 3175 sales – VicUrban share (Note)	1,380	1,212
Drum Theatre deposits	56	128
	3,676	3,157

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

8. INTEREST-BEARING LIABILITIES**Current**

Loans – secured	2,556	4,373
	2,556	4,373

Non-current

Loans – secured	14,775	12,332
	14,775	12,332

Total interest-bearing liabilities (Refer Note 11.2)	17,331	16,705
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The maturity profile for Council's borrowings is:

Less than one year	2,556	4,373
Later than one year and not later than five years	8,087	6,792
Later than five years	6,688	5,540
	17,331	16,705

9. RESERVES**Movement 2008-2009**

Asset revaluation reserve (Note i)	2008 \$'000	Increment / (decrement)	2009 \$'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 reserves	612,182	(754)	611,428

Notes (continued)

	2008 \$'000	Increment / (decrement)	2009 \$'000
Discretionary reserves			
- Insurance Reserve 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

	2007 \$'000	Increment / (decrement)	2008 \$'000
Movement 2007-2008			
Asset revaluation reserve (Note i)			
Land	214,691	90,016	304,707
Car Parks	3,259	-	3,259
Buildings	9,793	886	10,679
Non-realizable infrastructure assets:			
- Bike paths	2,326	-	2,326
- Footpaths	29,980	93	30,073
- Bridges	400	-	400
- Roads	198,677	-	198,677
- Drains	62,061	-	62,061
Total asset revaluations reserves	521,187	90,995	612,182
Discretionary reserves – Insurance Fund (Note ii)	516	192	708
Total reserves	521,703	91,187	612,890

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 utilized exclusively for allocation towards enhancing the City's open space.

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

10. COMMITMENTS AND CONTINGENCIES

	2009 \$'000	2008 \$'000
10.1a Operating lease commitments (Note)		
Not later than one year	151	280
Later than 1 year but less than 5 years	310	279
	461	559

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).

2009 2008
\$'000 \$'000

10.1b Operating lease receivables (Note)

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

Not later than one year	382	372
Later than one year and not later than five years	619	597
Later than five years	866	879
	1,867	1,848

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.

10.2 Contracted Capital commitments

Not later than one year	12,802	717
Later than 1 year but less than 5 years	-	-
	12,802	717

10.3 Works and services contracts

Not later than one year	12,721	12,250
Later than 1 year but less than 5 years	11,135	19,186
Over 5 years	-	-
	23,856	31,436

11. FINANCIAL INSTRUMENTS

11.1 Accounting policy, terms and conditions

Recognised financial instruments	Note	Accounting policy	Terms and conditions
Financial assets			
Cash at bank, deposit and on hand	5.1	Valued at face value. Interest is recognised as it accrues.	Funds on call returned floating interest rates of between 2.90% and 7.15% (6.15% and 7.15% in 2007-08).
Managed funds	5.1	Managed funds are measured at market value.	Withdrawals are either immediate or within 24 hours. Managed funds provided a return between 1.35% and 4.17% net of fees (4.53% and 5.39% in 2007-2008) excluding unrealised gains or losses.
General Debtors	5.2	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest free. Credit terms are usually up to 60 days.

Notes (continued)

Recognised financial instruments	Note	Accounting policy	Terms and conditions
Financial Liabilities			
Payables	7.1	Liabilities are recognised for amounts to be paid in the future for goods received and services provided to the council as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing liabilities	8	The loan with the Commonwealth Bank of \$5.0M was obtained in September 2004 to finance major capital projects. The balance of the loan as at June 30 2009 was \$303,477 (\$1,472,668 as at 30 June 2008)	The loan is for five years expiring 30 September 2009 and principal & interest are payable quarterly. The loan is secured by a mortgage over the council's general rates. The interest rate is fixed at 6.09%.
Interest-bearing liabilities	8	The loan with the Commonwealth Bank of \$3.0M was obtained in February 2005 to repay the unfunded superannuation liability that council assumed in 2002-2003. The balance of the loan as at June 30, 2009 was \$532,840 (\$1,206,756 as at 30 June 2008)	The loan is for five years expiring 28 January 2010 and principal & interest are payable quarterly. The interest rate is fixed at 6.09%.
Interest-bearing liabilities	8	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, 2009 was \$5,912,061 (\$6,599,686 as at 30 June 2008).	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	8	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, 2009 was \$5,583,372 (\$6,164,611 as at 30 June 2008)	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	8	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, 2009 was \$5.0M (\$nil as at 30 June 2008)	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%.

11.2 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:

	Floating interest rate		Fixed interest rate maturing in:						Total carrying amount as per the Balance Sheet		Range of Effective interest rates		
	2009 \$'000	2008 \$'000	1 year or less		Over 1 to 5 years		More than 5 years		2009 \$'000	2008 \$'000	2009 %	2008 %	
			2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000					
Financial Assets													
General debtors	-	-	-	-	-	-	-	-	4,429	3,504	-	-	
Cash at bank and on hand	17,933	18,911	-	-	-	-	-	-	-	17,933	18,911	2.90 - 7.15	
Bank deposits	2,967	2,956	14,732	-	-	-	-	-	-	17,699	2,956	1.35 to 7.15 to 4.45	
Prepayments/accrued income	-	-	-	-	-	-	-	2,117	688	2,117	688	-	
Total Financial assets	20,900	21,867	14,732	-	-	-	-	6,546	4,192	42,178	26,059	-	
Financial liabilities													
Payables	-	-	-	-	-	-	-	-	11,511	9,534	11,511	9,534	
Interest-bearing liabilities (Note 8)	-	-	2,556	4,373	8,087	6,792	6,688	5,540	-	17,331	16,705	6.09-6.66	
Trust monies	-	-	-	-	-	-	-	-	3,676	3,157	3,676	3,157	
Total Financial liabilities	-	-	2,556	4,373	8,087	6,792	6,688	5,540	15,187	12,691	32,518	29,396	-

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

The net fair value of interest-bearing liabilities is \$16.50M (\$15.9M in 2008) as at balance date.

Notes (continued)

11.3 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.

11.4 RISKS AND MITIGATION

The risks associated with the main financial instruments and Council policies for minimizing 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 recognized credit ratings
- monitoring return on investments,
- benchmarking of returns and comparison with budget.

Sensitivity disclosure

Council's long term borrowings of \$17.3M (\$16.7M in 2007-08) 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 held by Council averages between \$6M and \$ 8M over the year (\$ 3M and \$ 6M respectively in 2007-08), 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 \$160K for the year.

Credit risk

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 recognized 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 13.

Council's non statutory debts at 30 June 2009 was \$3.86M (\$3.34M in 2007-08) against which a provision of \$0.41M (\$0.66M in 2007-08) has been made for doubtful debts.

Movement in Provisions for Doubtful Debts

Description	2009 \$'000
Balance at the beginning of the Year	766
New Provisions recognized during the Year	405
Amounts already provided for and written off as uncollectible	(600)
Amounts provided for but recovered during the Year	-
Balance at the end of Year	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 Description	2009 \$'000
Current (not yet due)	1,584
Past due by up to 30 days	1,234
Past due between 31 and 180 days	416
Past due between 180 and 365 days	169
Past due by more than 1 Year	302
Total Trade & Other Receivables	3,705

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.

Notes (continued)

2008/09

	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 borrowings	2,040	1,549	5,464	8,196	4,743	21,992	17,331
Total	15,021	3,755	5,464	8,196	4,743	37,179	32,518

2007/08

	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	9,534	-	-	-	-	9,534	9,534
Trust Funds and Deposits	1,376	1,781	-	-	-	3,157	3,157
Interest –bearing borrowings	2,721	2,578	2,906	6,137	6,106	20,448	16,705
Total	13,631	4,359	2,906	6,137	6,106	33,139	29,396

12. 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 recognized 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 2008/2009). 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. From 1 July 2008 employers are required to pay superannuation guarantee contributions based on Ordinary Time Earnings (OTE) which may put upward pressure on contribution levels.

During 2008-2009 the council's superannuation contributions relating to Vision Super Saver members was \$ 3,441,081 (\$ 3,152,604 in 2007-2008).

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 2008-2009 the council's superannuation contributions relating to that year's defined benefits members' service was \$ 684,664 (\$ 685,434 in 2007-2008).

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 2008-2009 this was Nil. (\$59,405 in 2007-2008)

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.

13. 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 \$0.855 million (\$0.955 million as at 30 June 2008).

Legal Actions

The council is involved in a number of Legal Actions. Council's exposure in these claims may be up to \$ Nil. (\$13K in 2008)

14. 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 (Mayor)	1 July 2008 to 30 June 2009	(Mayor 8 December 2008 to date)
John Kelly	1 July 2008 to 30 June 2009	(Mayor 1 July 2008 to 8 December 2008)
Youhorn Chea	1 July 2008 to 30 June 2009	
Peter Brown	1 July 2008 to 30 June 2009	
Maria Sampey	1 July 2008 to 30 June 2009	
Paul Donovan	1 July 2008 to 30 June 2009	
Roz Blades	1 July 2008 to 30 June 2009	
Jim Memeti	1 July 2008 to 30 June 2009	
Sue Walton	1 July 2008 to 8 December 2008	
Angela Long	8 December 2008 to 30 June 2009	
Alan Gordon	1 July 2008 to 8 December 2008	
Loi Truong	8 December 2008 to 30 June 2009	
Yvonne Herring	1 July 2008 to 30 June 2009	

Chief Executive Officer

John Bennie	1 July 2008 to date
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Remuneration of responsible persons in bands of \$10,000

Income Range	2009 No.	2008 No.
To \$10,000	2	-
\$ 10,001 - \$ 20,000	2	9
\$ 20,001 - \$ 30,000	7	-
\$ 30,001 - \$ 40,000	-	-
\$ 40,001 - \$ 50,000	1	2
\$ 50,001 - \$ 60,000	-	-
\$ 60,001 - \$ 70,000	1	-
\$210,001 - \$220,000	-	-
\$220,001 - \$230,000	-	-
\$300,001 - \$310,000	-	1
\$310,001 - \$320,000	1	-
Total	14	12
Total remuneration for the reporting year, for responsible persons included above, amounted to:	\$632K	\$545K

No retirement benefits were made by the council to a responsible person during the reporting year (Nil in 2008).

No loans were made, guaranteed or secured by the council to a responsible person during the reporting year (Nil in 2008).

No transactions were entered into by the council with responsible persons, other than remuneration and reimbursement of expenses during the reporting year (Nil in 2008).

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

Senior officers' remuneration

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

Income Range	2009 No.	2008 No.
To \$100,000	1	1
\$100,001 - \$110,000	1	-
\$110,001 - \$120,000	5	6
\$120,001 - \$130,000	6	6
\$130,001 - \$140,000	3	2
\$140,001 - \$150,000	5	5
\$150,001 - \$160,000	-	-
\$160,001 - \$170,000	-	-
\$170,001 - \$180,000	-	-
\$180,001 - \$190,000	-	-
\$190,001 - \$200,000	4	3
Total	25	23
Total remuneration for the Financial year of senior officers included above amounted to:	\$3.41M	\$3.03M

15 NOTES TO THE CASHFLOW STATEMENT

15.1 Reconciliation of operating result with net cash provided by operating activities

	Note	2009 \$'000	2008 \$'000
Surplus for the year		19,359	9,198
Add / (less)			
Depreciation	4.3	20,538	19,763
Contributions – Non-monetary assets		(8,085)	(3,211)
Write off of assets		2,363	425
Finance Costs		1,049	1,538
(Profit) /loss on sale of assets	3.6	(1,661)	(1,450)
(Increase)/ decrease in receivables	5.2	(2,854)	(295)
(Decrease) / increase in payables	7.1	1,977	(759)
(Decrease) / increase in employee entitlements	7.2	1,431	684
(Decrease) / increase in trust funds		519	-
Adjustments relating to receivables and payables- refer Statement of Changes in Equity		260	508
Net cash provided by operating activities		34,896	26,401

15.2 Reconciliation of cash

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

Current asset – cash and deposits	5.1	35,632	21,867
Cash at balance date as per Cash Flow Statement		35,632	21,867

16 FINANCIAL RATIOS

	2008-2009	2007-2008	2006-2007
<p>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.</p> $\frac{\text{Underlying Surplus}}{\text{Underlying Revenue}}$	4.10%	2.53%	(1.29%)
<p>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.</p> $\frac{\text{Non-Current Liabilities}}{\text{Total Revenue (less capital grants, contributions and non-cash revenue)}}$	12.72%	11.46%	15.86%
<p>Self Financing This is a measure of local governments' ability to fund the replacement of assets from cash generated by their operations</p> $\frac{\text{Net Cash from Operating Activities}}{\text{Total Revenue (less non-cash revenue)}}$	27.03%	23.40%	23.11%
<p>Investment Gap ratio This is a measure of whether Council is spending on infrastructure at a greater rate than the infrastructure is depreciating.</p> $\frac{\text{Capital Expenditure}}{\text{Depreciation}}$	112.20%	90.41%	118.81%
<p>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 include interest on loan borrowings and bank overdraft.</p> $\frac{\text{Debt Servicing Costs}}{\text{Total Revenue}}$	0.88%	1.14%	1.41%
<p>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.</p> $\frac{\text{Debt servicing \& redemption costs}}{\text{Rates Revenue}}$	7.63%	8.27%	8.71%
<p>Revenue ratio To identify Council's dependence on rate income, and is determined by assessing rate revenue as a percentage of total revenue.</p> $\frac{\text{Rates Revenue}}{\text{Total Revenue}}$	55.02%	60.22%	54.63%

	2008-2009	2007-2008	2006-2007
Working capital ratio			
To assess the Council's ability to meet current commitments.	1.73:1	1.22:1	1.10:1
<i>Current assets</i>			
<i>Current liabilities</i>			
The ratio expresses the level of current assets available to meet its current liabilities.			
Debt exposure ratio			
To identify Council's exposure to debt.			
This is the ratio of total debt to total realisable assets.	1:28	1:16	1:13
<i>Total liabilities</i>			
<i>Total realisable assets</i>			
Realisable assets are those which can be readily sold and are not subject to any restriction on sale or use.			
Total debt includes all liabilities except those that are covered by restricted assets.			
Non realisable assets include non realisable infrastructure assets (as detailed in Note 6), land with restrictions and buildings on other controlled land.			
The ratio enables assessment of Council's solvency and exposure to debt. The ratio expresses the multiple of total liabilities covered by each dollar of realisable assets.			

17 CAPITAL EXPENDITURE

	2009 \$'000	2008 \$'000
Capital Expenditure areas		
Roads, Bridges and Street Furniture	4,083	3,306
Land and Buildings	10,454	6,571
Drains	427	434
Land Improvements and Playgrounds	2,467	3,109
Information Services and & Minor Plant	2,252	1,627
Fleet Plant and Equipment	2,448	2,487
Footpaths & Bikepaths	913	1,099
Total Capital Works	23,044	18,633
Represented by:		
Expansion	8,939	7,327
Renewal	7,318	7,132
Upgrade	6,787	4,174
Total Capital Works	23,044	18,633

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:

	2009	2008
	\$'000	\$'000
Total Capital Works	23,044	17,868
Depreciation	(20,538)	(19,763)
Assets written off	(2,363)	(425)
Disposals at carrying amount	(462)	(1,861)
Gifted assets	8,085	3,211
Movement in asset revaluation	(754)	90,995
Transfer to current assets	807	(1,022)
Net movement in Plant and equipment, Property and Infrastructure	7,819	89,003

(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.

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.



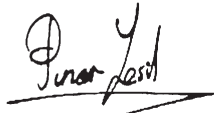
Jay Peries CPA
Principal Accounting Officer

Dated: 17 September 2009

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 2009 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 14 September 2009 to certify the financial report in its final form on behalf of the Council.



Cr. Pinar Yesil
Mayor

Dated: 17 September 2009



Cr. John Kelly
Councillor

Dated: 17 September 2009



John Bennie
Chief Executive Officer

Dated: 17 September 2009



Standard Statements

Year Ended 30 June 2009

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Standard Income Statement

For the year ended 30 June 2009

	Note	Budget 2008-2009 \$'000	Actual 2008-2009 \$'000	Variance \$'000	%
Revenue from Ordinary Activities					
Rates		70,914	71,040	126	0.18%
Grants – Operational (Special Purpose)	2	12,850	14,517	1,667	12.97%
Grants – Financial assistance (untied)	3	8,648	12,472	3,824	44.22%
Fees, charges and fines		8,332	7,902	(430)	(5.16)%
Hire of facilities		8,805	8,797	(8)	(0.09)%
Asset Sales		3,314	2,812	(502)	(15.15)%
Contributions		-	17	17	-
Interest & Other Income	4	2,702	4,475	1,773	65.62%
Total Revenues		115,565	122,032	6,467	5.60%
Expenses from Ordinary Activities					
Salaries & related costs		46,084	46,244	(160)	(0.35)%
Grants and sponsorships		4,051	4,961	(910)	(22.46)%
Materials and services	5	2,875	4,827	(1,952)	(67.90)%
Professional services	6	2,991	4,831	(1,840)	(61.52)%
Contract Services		21,473	21,506	(33)	(0.15)%
Administration & IT costs		7,751	7,539	212	2.74%
Occupancy costs		2,008	2,002	6	0.30%
Finance & Other Expenses		2,262	2,087	175	7.74%
Total Expenses		89,495	93,997	(4,502)	(5.03)%
Operating Result before depreciation and cost of assets sold					
		26,070	28,035	1,965	7.54%
Depreciation		18,000	20,538	(2,538)	(14.10)%
Cost of assets sold	7	2,300	933	1,367	59.43%
Operating Result after depreciation and cost of assets sold					
		5,770	6,564	794	13.76%
Non-operating income & expenditure					
Capital Grants	8	1,052	6,315	5,263	500.29%
Capital Contributions	9	10,980	758	(10,222)	(93.10)%
Gifted Assets	10	-	8,085	8,085	-
Write-off of Assets	11	-	(2,363)	(2,363)	-
Total Changes to Equity		17,802	19,359	1,557	8.75%

Standard Balance Sheet

As at 30 June 2009

	Note	Budget 2008-2009 \$'000	Actual 2008-2009 \$'000	Variance \$'000	%
CURRENT ASSETS					
Cash		5,175	32,665	27,490	531.21%
Investments		13,362	2,967	(10,395)	(77.80)%
Receivables	12	8,627	12,094	3,467	40.19%
Inventory – property		1,198	1,164	(34)	(2.84)%
TOTAL CURRENT ASSETS		28,362	48,890	20,528	72.38%
CURRENT LIABILITIES					
Borrowings		2,536	2,556	(20)	(0.79)%
Creditors	13	7,433	11,511	(4,078)	(54.9)%
Employee Entitlements	14	8,423	10,463	(2,040)	(24.22)%
Trust monies	15	1,979	3,676	(1,697)	(85.75)%
TOTAL CURRENT LIABILITIES		20,371	28,206	(7,835)	(38.46)%
NET CURRENT ASSETS/ (LIABILITIES)		7,991	20,684	12,693	158.80%
NON-CURRENT ASSETS					
Fixed Assets	16	994,311	1,080,325	86,014	8.65%
Inventory – Property		7,305	6,061	(1,244)	(17.04)%
TOTAL NON-CURRENT ASSETS		1,001,616	1,086,386	84,770	8.46%
NON-CURRENT LIABILITIES					
Borrowings		14,712	14,775	(63)	(0.43)%
Employee Entitlements		313	388	(75)	(23.96)%
TOTAL NON-CURRENT LIABILITIES		15,025	15,163	(138)	(0.92)%
NET ASSETS		994,582	1,091,907	97,325	9.79%
EQUITY					
Accumulated Surplus		464,183	470,554	6,371	1.37%
Assets Revaluation Reserve		521,187	611,428	90,241	17.31%
Other Statutory Reserves		6,618	-	(6,618)	(100.0)%
Discretionary Reserves		2,594	9,925	7,331	282.61%
TOTAL EQUITY		994,582	1,091,907	97,325	9.79%

Standard Cash Flow Statement

For the year ended 30 June 2009

Note	Budget 2008-2009 \$'000	Actual 2008-2009 \$'000	Variance \$'000	%
Cash Flows from operating activities				
Cash Inflows				
Rates receipts	70,785	71,061	276	0.39
Grants	21,498	26,989	5,491	25.54
Interest Received	677	1,584	907	133.97
Fees, Charges, Fines and Others	20,162	16,140	(4,022)	(19.95)
Capital Grants & Contributions	12,032	7,240	(4,792)	(40.00)
Total Cash Inflows	125,154	123,014	(2,140)	(1.71)
Cash Outflows				
Payment to suppliers	39,106	38,883	223	0.57
Grants & Sponsorships	4,051	4,705	(654)	(16.14)
Salary & Related Costs	46,084	44,530	1,554	3.37
Total Cash Outflows	89,241	88,118	1,123	1.26
Net Cash inflows from operating activities	35,913	34,896	(1,017)	(2.83)
Cash flows from investing activities				
Cash Inflows				
Proceeds from Sale of Assets	3,314	2,270	(1,044)	(31.50)
Total Cash Inflows	3,314	2,270	(1,044)	(31.50)
Cash Outflows				
Payments for non-current assets				
City Improvement Projects	14,235	12,175	2,060	14.47
CIP – Major projects	13,650	8,389	5,261	38.54
Fleet & other capital	3,131	2,480	651	20.79
Dandenong South / Keysborough South Devp.	4,272	-	4,272	100.00
Total Cash Outflows	35,288	23,044	12,244	34.70
Net cash outflows from investing activities	(31,974)	(20,774)	11,200	(35.03)
Cash flows from financing activities				
Cash Inflows				
Proceeds from borrowings	5,000	5,000	-	-
Net Proceeds from trust monies and deposits	-	202	202	-
Total Cash Inflows	5,000	5,202	202	4.04
Cash Outflows				
Interest Paid	1,247	1,186	61	4.89
Transfer to Investments	6,605	-	6,605	100.00
Repayment of loans and trust monies	4,455	4,373	82	1.84
Total Cash Outflows	12,307	5,559	6,748	54.83
Net Cash inflow/(outflow) from financing activities	(7,307)	(357)	6,950	95.11
Cash Increase/(Decrease)	(3,368)	13,765	17,133	508.70
Cash at Beginning	8,543	21,867	13,324	155.96
Cash at End	5,175	35,632	30,457	588.54

Reconciliation of Operating Result and Net Cash Flows from Operating Activities

For the year ended 30 June 2009

	Budget 2008-2009 \$'000	Actual 2008-2009 \$'000	Variance \$'000	%
Net Surplus from operations	17,802	19,359	1,557	8.75
Depreciation	18,000	20,538	2,538	14.10
Other non cash revenue and expenses	-	(5,722)	(5,722)	-
(Profit) Loss on Sale of property, plant and equipment	814	(1,661)	(2,475)	(304.05)
Finance costs	1,247	1,049	(198)	(15.88)
Net movement in current assets and liabilities	(1,950)	1,073	3,023	155.03
Increase in equity relating to prior year movements	-	260	260	-
Net Cash inflow from operating activities	35,913	34,896	(1,017)	(2.83)

Standard Statement of Capital Works

For the year ended 30 June 2009

	Note	Budget 2008-2009 \$'000	Actual 2008-2009 \$'000	Variance \$'000	%
Roads, Bridges and Street Furniture		9,802	4,083	5,719	58.35%
Land & Buildings	17	15,426	10,454	4,972	32.23%
Drains		375	427	(52)	(13.87)%
Land Improvement & Playgrounds		3761	2,467	1,294	34.41%
Information Services & Minor Plant		1,993	2,252	(259)	(13.00)%
Fleet Plant & Equipment		3,131	2,448	683	21.81%
Footpaths		800	913	(113)	(14.13)%
Total Capital Works		35,288	23,044	12,244	34.70%
Represented by:					
Expansion		8,990	8,939	51	0.57%
Renewal		14,793	7,318	7,475	50.53%
Upgrade		11,505	6,787	4,718	41.01%
Total Capital Works		35,288	23,044	12,244	34.70%

Property, Infrastructure, Plant & Equipment Movement Reconciliation Worksheet

Note	Budget 2008-2009 \$'000	Actual 2008-2009 \$'000	Variance \$'000	%
Total Capital works	35,288	23,044	12,244	34.70%
Depreciation	(18,000)	(20,538)	2,537	(14.09)%
Assets written off		(2,363)	2,363	
Disposals at carrying amount	(2,300)	(462)	(1,838)	79.91%
Gifted assets		8,085	8,085	
Movement in asset revaluation		(754)	754	
Transfer to current assets		807	(807)	
Net movement in infrastructure, property, plant and equipment	14,988	7,819	7,168	47.82%

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 23rd June 2008. 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 - Total operational grant funding received at 30 June 2009 was \$14.5M (\$1.6M or 12.9 per cent above budget). The additional grant funding included unbudgeted grants which have been fully or partly expended in this financial year and grant funding received in advance that relate to the 2009-10 financial year. Included in these grants are the following:

- Additional grant funding over budget of \$ 537K for Children, Youth and Family Services and \$675K received for enhanced services in Aged and Disability and \$80K in Library services.
- An unbudgeted grant of \$75K received for Immunisation.
- A number of other unbudgeted grants received across council totaling \$150K for various services.
- Grants of \$154K received in advance that relate to the 2009-10 financial year.

3. Financial Assistance grant

Council received \$1.3M more against the budget of \$8.6M for 2008-2009. In addition, an advance payment of \$2.5M was received which relates to the 2009-10 allocation by the Grants Commission.

4. Interest & Other Income

Council's better than forecast bank balances resulted in higher interest income of \$519K, and penalty interest on rates contributed a further \$377K. Also contributing to this better result is the recovery of costs of \$305K for the implementation of the Bus Shelter installation, \$81K in recoveries for Spring valley Landfill, \$124K in recoveries for Park Services, \$287K in recoveries from Parking fees and \$124K in recoveries for Drum Theatre costs.

5. Materials & services

Exceeds budget by \$1.9M of which \$1.6M represents major maintenance costs identified through the asset management program to maintain Council's parks and gardens, roads, drains and buildings. These amounts were budgeted in the City Improvement Program (CIP) under Capital, and transferred to operating expenditure. Most of the other over budget expenditure has been recovered in other income.

6. Professional Services

Exceeds budget by \$1.8M. This figure included \$1.3M of expenditure items relating to surveys and studies relating to council's assets. As with major maintenance, the costs were budgeted in the City Improvement Program (CIP) under Capital, which shows a corresponding offset.

7. Carrying amount of assets sold

This variance is due to slow uptake of Metro 3175 properties that were budgeted to be sold.

8. Capital Grants

This better result mainly represents unbudgeted grants received from the Department of Infrastructure Transport Regional Development and Local Government of \$2.5M for the Noble Park Swimming pool upgrade, and \$1.4M for various community infrastructure projects. Council has also received \$300K for the Springvale Community Services centre, \$247K as black spot funding, and \$287K for Springvale Streetscapes. Other unbudgeted grants received were for various projects across council.

9. Developer Contributions

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

10. Gifted Assets

Represent assets acquired from sub division activity, and new assets returned by Eastlink such as footpaths, roads and drains following the completion of the Eastlink project.

11. Write off of assets

These write offs represent Minor plant, Car parks, Buildings, Bike Paths/Footpaths, Street Furniture and Roads.

12. Receivables

Mainly represents debtors relating to Parking Infringements, and Sundry Debtors. The variance is due to budget underestimation of these debtors.

13. Creditors

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

14. Employee benefits

Budget has assumed all leave entitlements will be taken by staff during the year, hence the variance.

15. Trust Monies

Represents the net movement in monies from developer contributions and VicUrban share of Metro 3175 sales.

16. Fixed Assets

The variance is due to the impact of the January 2008 revaluation of land and buildings, which was not included in the budget.

17. Land & Buildings

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

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.



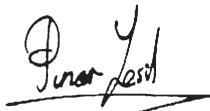
Jay Peries CPA
Principal Accounting Officer

Dated: 17 September 2009

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.

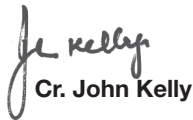
As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by the Council on 14 September 2009 to certify the standard statements in their final form on behalf of the Council.



Cr. Pinar Yesil
Mayor

Dated: 17 September 2009



Cr. John Kelly

Dated: 17 September 2009



John Bennie
Chief Executive Officer

Dated: 17 September 2009

Independent Audit Report

VAGO

Victorian Auditor-General's Office
INDEPENDENT AUDITOR'S REPORT

To the Councillors, City of Greater Dandenong

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2009 of City of Greater Dandenong which comprises of income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2009 of the Council which comprises of standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

This responsibility includes:

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

Auditor's Responsibility

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

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

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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

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Matters Relating to the Electronic Presentation of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements published in both the annual report and on the website of the City of Greater Dandenong for the year ended 30 June 2009. 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 financial report to confirm the information included in the audited financial report presented on the Council's website.

Independence

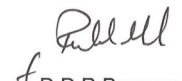
The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with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

Auditor's Opinion

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of City of Greater Dandenong as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE
22 September 2009


D D R Pearson
Auditor-General

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Level 24, 35 Collins Street, Melbourne Vic. 3000

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Auditing in the Public Interest



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Noble Park
18-32 Buckley Street

Keysborough
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Parkmore Shopping Centre

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Ελληνικά 9679 9864

عربي 9679 9860

BOSANSKI 9679 9861

ខ្មែរ 9679 9862

廣東話 9679 9863

普通话 9679 9870

دري 9679 9865

Nuää 9679 9866

Српски 9679 9867

Việt ngữ 9679 9868

TTY 9239 5153

All other languages 9679 9869

Italiano Español Türkçe

Shqip Malti МАКЕΔΟΝСКИ

Hrvatski СРПСКИ Tetum

Soomaali فارسی Русский