

# Local Government in Victoria 2003



Attachments

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# Using indicators

It's the story behind them which counts; and the sharing of that story, which makes the difference.

Indicators are measures of outputs or outcomes. Individually and without associated explanations, they can only ever tell part of the story.

It is important to put indicator results in context and to remember that they only give an indication of where to start looking for the reasons behind differences. The usefulness of indicators is not in the numbers themselves but the analysis of why some local governments may have different results from others. It is more useful to consider the combined results of several broad indicators to help in asking relevant questions.

When comparing one local government with another it is important to remember that the indicators do not on their own give the full picture of local governments' results. Although indicators show the differences between local governments, they do not explain why these differences have arisen. Differences may arise for many reasons, such as democratic policy choices, geographic and demographic factors, population density and external funding decisions.

The democratic nature of local government is intended to ensure that differences are reflected in different priorities and expenditure. Higher residential rates and charges for example may indicate:

- the provision of better or more extensive services (libraries, leisure centres, child care, urban development) or
- particular problems associated with delivery of services (extensive road networks, footpaths damaged by extensive tree canopies, a high aged care population with high home care needs)
- particular disadvantages (natural disasters)

Local government responsibilities and priorities vary with the circumstances, needs and expectations of their communities. Any interpretation of the indicators needs to be informed by consideration of the challenges faced by different local governments.

Primary documents outlining councils' priorities include Council Plans (including Strategic Resource Plans), Budgets and Annual Reports (including Best Value Review reports).

## Definitions of Indicators 2003

Changes to the definitions from last year are underlined>.

<b>Overall performance</b>	Community satisfaction rating for overall performance generally of the council	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results - Result No. 1), coordinated by the Local Government and Regional Services Division.
<b>Advocacy</b>	Community satisfaction rating for Council's advocacy and community representation on key local issues	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results - Result No. 4), coordinated by the Local Government and Regional Services Division.
<b>Engagement</b>	Community satisfaction rating for Council's engagement in decision making on key local issues	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results - Result No. 5), coordinated by the Local Government and Regional Services Division.
<b>All rates</b>	Average rates and charges per assessment	Rates and charges declared as being receivable, in the calculations for the adopted rates, at the beginning of the year, including: <ul style="list-style-type: none"> <li>• general rates and charges declared under ss. 160, 161, 161A of the Local Government Act 1989</li> <li>• municipal charges and service rates and charges (that is, garbage services) levied under ss. 159, 162 respectively</li> <li>• supplementary rates declared</li> </ul> <i>divided by</i> the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).
<b>Residential rates</b>	Average residential rates and charges per assessment	Rates and charges declared for all residential assessments ( <u>including vacant residential assessments</u> ) as defined in "All rates", except for residential assessments only <i>divided by</i> the number of residential assessments used in the calculation of the adopted rate (that is, when the rate was struck).
<b>Operating costs</b>	Average operating expenditure per assessment	Operating expenditure per the statement of financial performance including asset sales and depreciation <i>divided by</i> the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).  <i>Note: <u>Where major factors of expenditure such as devaluations or transfers of assets are excluded, councils should provide a note explaining what has been excluded.</u></i>
<b>Capital expenditure</b>	Average capital expenditure per assessment	Amount capitalised to the statement of financial position and contributions by a local government to major assets not owned by the local government, including expenditure on: <ul style="list-style-type: none"> <li>• <b>capital renewal</b> of existing assets which returns the service potential or the life of the asset to that which it had originally</li> <li>• <b>capital expansion</b> which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users</li> </ul>

<b>Capital expenditure</b>	Average capital expenditure per assessment	<ul style="list-style-type: none"> <li>• <b>capital upgrade</b> which upgrades 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</li> </ul> <p><i>divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).</i>  <i>NB Exactly what is included as capital expenditure will vary according to the local government's policy in defining the 'asset' and its 'life'.</i></p>
<b>Infrastructure</b>	<p>Renewal</p> <p>Renewal and maintenance</p>	<p>Ratio of current spending on <u>capital</u> renewal of existing <u>infrastructure</u> assets which returns the service potential or the life of the asset to that which it had originally to the long-term AAAC*.</p> <p>Ratio of current spending on <u>capital</u> renewal of existing <u>infrastructure</u> assets which returns the service potential or the life of the asset to that which it had originally plus <u>current spending</u> on maintenance to AAAC plus <u>planned</u> maintenance (that is, the expected level of maintenance which was used in the calculation of the useful life of the asset).</p> <p><i>*The Average Annual Asset Consumption (AAAC) is the amount of a local government's asset base consumed during a year based on current replacement cost (that is, cost or fair value) divided by useful life; and totalled for each and every infrastructure asset to give one ratio.</i></p>
<b>Debts</b>	Average liabilities per assessment	<p>Total liabilities as per the statement of financial position less items held in trust (reflected in assets also held) <i>divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).</i></p> <p><i>NB Items held in trust does not include employee leave entitlements such as long service leave.</i></p>
<b>Operating result</b>	Operating result per assessment	<p>Bottom line per statement of financial performance divided by the number of assessments used in the calculation of the adopted rate (that is when the rate was struck)</p> <p>A note should be provided to this indicator explaining any major factors including their dollar amount, which have contributed to the result. For example, capital grants, developers contributions, revaluations of non current assets and what the result would be excluding <u>these major factors</u>.</p> <p><i>NB Surpluses should be shown as positive and losses or deficits as negatives.</i></p>

# Source Data 2003

	OVERALL PERFORMANCE	ADVOCACY	ENGAGEMENT	ALL RATES	RESIDENTIAL RATES	OPERATING COSTS	CAPITAL EXPENDITURE	RENEWAL	RENEWAL AND MAINTENANCE	
	Community satisfaction overall performance of council	Community satisfaction advocacy and community representation	Community satisfaction engagement in decision-making	Rates and charges per assessment \$	Residential rates and charges per assessment \$	Operating expenditure per assessment \$	Capital expenditure per assessment \$	Infrastructure renewal %	Infrastructure renewal and maintenance %	
S	Alpine	59	58	51	870	733	1,909	366	73	86
S	Ararat	69	70	62	884	634	2,406	499	80	88
R	Ballarat	63	66	58	894	681	2,301	710	29	90
I	Banyule	74	70	64	721	692	1,609	413	6	34
S	Bass Coast	50	53	50	624	589	1,201	187	42	73
L	Baw Baw	69	68	61	869	726	1,786	563	88	93
I	Bayside	66	60	55	889	907	1,437	215	60	92
S	Benalla	62	62	57	870	495	2,732	364	39	75
I	Boroondara	70	64	60	1,016	996	1,656	270	84	87
O	Brimbank	66	62	58	818	781	1,355	227	55	78
S	Buloke	58	62	56	874	503	2,442	401	42	62
L	Campaspe	68	67	64	867	681	2,302	350	70	60
O	Cardinia	63	64	58	790	694	1,861	533	42	72
O	Casey	70	68	63	718	673	1,298	216	28	54
S	Central Goldfields	64	67	56	631	602	2,571	756	129	124
L	Colac-Otway	64	60	58	811	688	2,603	396	29	45
L	Corangamite	66	66	63	957	516	3,425	1,409	75	83
I	Darebin	69	64	61	823	708	1,561	397	80	83
L	East Gippsland	57	55	50	781	690	1,421	549	116	68
O	Frankston	61	59	54	711	680	1,432	294	86	134
S	Gannawarra	61	58	57	737	555	2,368	672	22	51
I	Glen Eira	67	63	58	801	768	1,264	243	187	173
L	Glenelg	65	64	60	816	463	2,186	609	37	60
S	Golden Plains	71	68	65	580	551	1,781	563	64	75
R	Greater Bendigo	68	66	59	819	665	1,665	634	23	51
O	Greater Dandenong	67	67	64	799	547	1,495	308	79	82
R	Greater Geelong	65	64	58	816	697	1,617	473	82	80
R	Greater Shepparton	64	64	52	993	721	2,385	570	108	105
S	Hepburn	56	58	54	615	554	1,874	398	56	68
S	Hindmarsh	64	69	59	683	395	2,304	598	51	69
I	Hobsons Bay	67	66	61	1,049	769	1,922	473	59	73
R	Horsham	70	67	61	793	722	2,385	347	22	52
O	Hume	63	61	62	806	650	1,731	427	31	49
S	Indigo	66	64	61	788	705	3,523	381	31	66
I	Kingston	67	65	61	744	672	1,031	73	53	94
O	Knox	72	64	61	692	628	1,437	558	84	143
R	Latrobe	62	59	54	950	683	2,028	458	117	115
S	Loddon	70	69	65	632	399	2,160	851	101	103
L	Macedon Ranges	59	59	55	865	847	1,753	268	42	76
O	Manningham	72	68	65	901	831	1,521	107	70	105
S	Mansfield	66	67	64	740	626	1,077	180	56	117

DEBTS		OPERATING RESULT	COMMENTS
Liabilities per assessment \$	Operating result per assessment \$		Summary of comments provided by councils
582	338		A major factor contributing to the operating result was \$1.5 million for land & buildings brought to account for the first time.
623	(306)		A major factor contributing to the operating result was the superannuation shortfall \$0.7 million. The result excluding this would have been \$198 deficit.
868	861		Major factors contributing to the operating result were revaluations \$29.6 million, developers contributions \$7.1 million, capital grants \$3.2 million, art acquisitions \$0.5 million, emp benefits \$(0.2) million. The result excluding these would have been \$250 deficit.
253	(77)		A major factor contributing to the operating result was \$3.9 million capital grants. The result excluding this would have been \$159 deficit. In accordance with the asset management system in place, Council is satisfied with its asset management program and overall condition of its assets.
554	2,062		Major factors contributing to the operating result were developer contributions \$5.0 million and revaluation of assets of \$42.7 million. Adjusted operating result would be \$1.7 million or \$70 per assessment.
983	202		A major factor contributing to the operating result was the superannuation shortfall, which has reduced the result per assessment from the previous year.
720	2,492		Major factors contributing to the operating result were \$96 million revaluation/recognition of non current assets, \$0.9 million capital grants, \$0.7 million developers contributions. The result excluding these would have been \$50 deficit.
857	(615)		A major factor contributing to the operating result was the de-amalgamation of the former Delatite Shire Council. The rate income for the year was accounted for under the Delatite Shire Council, which issued the rate notices prior to de-amalgamation. The operating result does not therefore reflect the municipality's total cash income for the period.
542	2,446		Major factors contributing to the operating result were capital income of \$1.75 million, developers contributions \$1.2 million, drainage assets recognised for the first time of \$9.2 million, superannuation shortfall \$4.0 million and asset revaluations of \$156.5 million. The result excluding these would have been \$108. Residential rates and charges were increased to address failing infrastructure, with extensive engagement of the community. Higher average residential rates are also reflective of high standard and extensive services (library, leisure centres, urban development, parks and gardens) combined with much lower than average grants from other levels of government.
919	311		The operating result excludes capital grants, developers contributions and revaluations of non current assets.
823	(380)		A major factor contributing to the operating result was depreciation which increased by \$1.3 million over the previous year due to the revaluation of the road network.
763	74		No comments.
1,302	141		Major factors contributing to the operating result were developers contributions \$5.0 million, capital grants \$1.8 million, devaluation \$2.9 million, superannuation shortfall \$0.8 million. The result excluding these would be \$10.
355	417		Major factors contributing to the operating result were found assets \$1.4 million, new infrastructure \$24.9 million, developers contributions \$5.4 million and superannuation shortfall \$3.2 million. The result excluding these would be \$29.
838	(306)		No comments.
752	(564)		Major factors contributing to the operating result were deficit on disposal of assets \$1.8 million, asset write off \$1.2 million, superannuation shortfall \$1.0 million.
868	(198)		Major factors contributing to the operating result were superannuation shortfall \$0.9 million. share of net loss in regional library \$0.2 million and asset revaluations \$0.2 million. Capital expenditure includes VicRoads, Better Roads grants for main roads, other capital expenditure not on council's assets, rehabilitation of sealed roads, resealing, resheeting, streetscape improvements and plant replacement. Council has focused on improving the standard of its roads, but recreational facilities and other community assets have also been targeted in accordance with long term plans.
338	160		No comments.
755	(21)		No comments.
449	75		No comments.
664	(84)		No comments.
230	113		Council's No. 1 strategy is to 'Maximise Capital expenditure to fix up community assets (and having the financial base to do so)'. The infrastructure renewal and renewal and maintenance indicators suggest success against this strategic priority and progress towards a sustainable asset base. Most of our Capital expenditure needs to be undertaken each year – like painting the harbour bridge. We believe it needs to be funded each year, not by borrowing from the future.
809	955		Major factors contributing to the operating result were capital grants \$3.4 million, recognition of non-current assets \$10.7 million. The result excluding these would be \$130 deficit.
390	381		Major factors contributing to the operating result were \$1.5 million of Crown Land not previously recognised and \$0.9 million of infrastructure contributions from subdividers.
701	186		The operating result has been adjusted by adding assets transferred and write offs \$2.0 million and revaluation decrement \$1.1 million and deducting assets transferred to council of \$7.3 million
509	650		No comments.
572	208		A major factor contributing to the operating result was \$18.4 million assets received in kind.
398	25		Major factors contributing to the operating result were contributions of \$2.6 million and \$1.5 million for payment of Councils superannuation shortfall
521	665		Major factors contributing to the operating result were capital grants \$1.0 million and revaluation of infrastructure assets \$8.0 million. The result excluding these would be \$300 per assessment.
662	(152)		A major factor contributing to the operating result was capital grants of \$0.7 million which have been deducted from the operating result.
659	69		No comments.
744	(369)		A major factor contributing to the operating result was a \$9.6 million asset revaluation. The result excluding this would have been \$313 deficit.
803	395		No comments.
1,099	2,167		A major factor contributing to the operating result was \$16.0 million of land and buildings being recognised for the first time. Operating expenditure includes the expenditure of Indigo Way Services as does revenue.
605	(8)		Council's capital expenditure is expected to systematically increase over time, to close and then eliminate the current renewal gap shortfall by 2008/09. The 2003/04 budget anticipates an increase in the amount spent on capital.
373	779		No comments.
613	40		No comments.
456	55		This operating result does not include movements in equity
953	71		No comments.
362	179		No comments.
609	(502)		No comments.

# Source Data 2003

	OVERALL PERFORMANCE	ADVOCACY	ENGAGEMENT	ALL RATES	RESIDENTIAL RATES	OPERATING COSTS	CAPITAL EXPENDITURE	RENEWAL	RENEWAL AND MAINTENANCE	
	Community satisfaction overall performance of council	Community satisfaction advocacy and community representation	Community satisfaction engagement in decision-making	Rates and charges per assessment \$	Residential rates and charges per assessment \$	Operating expenditure per assessment \$	Capital expenditure per assessment \$	Infrastructure renewal %	Infrastructure renewal and maintenance %	
I	Maribyrnong	61	60	59	1,123	885	1,871	299	105	121
I	Maroondah	70	65	60	747	777	1,565	180	29	45
I	Melbourne	72	64	61	2,782	869	5,429	975	131	125
O	Melton	67	66	63	872	885	2,192	266	34	57
R	Mildura	69	70	62	1,002	659	2,154	347	83	100
L	Mitchell	59	58	54	750	707	1,740	409	38	129
L	Moira	61	65	59	824	709	1,838	532	68	31
I	Monash	69	64	58	664	633	1,438	190	56	67
I	Moonee Valley	71	70	66	846	825	1,682	227	92	95
L	Moorabool	60	61	57	781	718	2,089	447	110	109
I	Moreland	66	66	63	792	765	1,528	197	26	35
O	Mornington Peninsula	64	62	59	649	642	1,205	215	47	76
S	Mount Alexander	61	61	60	668	618	2,029	245	43	62
L	Moyne	66	68	64	804	687	2,669	715	94	93
S	Murrindindi	63	66	61	841	697	2,111	551	59	78
O	Nillumbik	59	58	57	1,054	983	2,088	203	43	113
S	Northern Grampians	52	54	48	683	653	1,979	320	79	80
I	Port Phillip	68	67	65	959	780	1,800	278	66	80
S	Pyrenees	63	66	64	624	421	2,223	720	97	98
S	Queenscliffe	65	63	61	1,010	967	1,673	202	140	126
L	South Gippsland	59	59	53	888	701	2,012	528	31	54
L	Southern Grampians	68	67	62	766	558	2,223	424	65	120
I	Stonnington	70	63	59	841	813	1,647	353	150	137
S	Strathbogje	50	56	45	855	739	2,000	258	55	82
L	Surf Coast	49	53	53	957	985	1,901	157	34	47
R	Swan Hill	61	60	50	976	777	2,746	522	15	58
S	Towong	65	64	61	739	590	2,060	415	73	87
R	Wangaratta	66	66	59	816	708	2,247	571	25	60
R	Warrnambool	69	67	56	863	754	2,759	760	44	58
L	Wellington	*	*	*	737	525	1,333	419	43	70
S	West Wimmera	66	67	63	676	324	2,644	771	48	63
I	Whitehorse	72	67	65	623	589	1,551	287	92	95
O	Whittlesea	71	70	65	910	755	1,730	482	29	62
R	Wodonga	77	72	68	1,103	995	2,445	527	22	48
O	Wyndham	69	68	65	1,084	881	2,175	513	60	61
I	Yarra	66	65	60	1,117	854	1,921	280	80	84
O	Yarra Ranges	63	62	60	888	826	1,608	327	31	55
S	Yarriambiack	61	66	63	717	328	2,080	633	80	84
	Indexed mean	Indexed mean	Indexed mean	Median	Median	Median	Median	Median	Median	Median
	<b>Sector Results</b>	65	64	59	816	694	1,847	401	59	78
I	Inner metro	69	65	61	841	777	1,559	278	80	87
O	Outer metro	66	64	61	812	725	1,508	301	45	74
R	Regional cities	66	65	57	894	708	2,225	527	29	60
L	Large shires	62	62	58	816	690	1,944	447	65	70
S	Small shires	62	63	58	727	590	1,991	408	58	79



DEBTS		OPERATING RESULT	COMMENTS
Liabilities per assessment \$	Operating result per assessment \$		Summary of comments provided by councils
1,528	180		Historically council has had comparatively high rates due to its relatively small size/ratebase combined with a community which has high social needs. Maribyrnong is also a rapidly ageing community with lower levels of employment and substantial infrastructure challenges exacerbated by truck/freight movements due to proximity to the ports. Council is committed to reducing its debt. The long term financial plan ensures that this aim is achieved.
427	198		No comments.
1,290	2,568		A major factor contributing to the operating result was the reduction in the increase in the valuation of assets.
763	953		A major factor contributing to the operating result was \$27.3 million developer contributions.
923	(151)		A major factor contributing to the operating result was a revaluation decrement of \$9.4 million. The result excluding this would be \$233
542	30		No comments.
826	(13)		A major factor contributing to the operating result was the superannuation shortfall \$0.6 million
456	403		Major factors contributing to the operating result include: \$31.6 million asset revaluation and recognition and \$3.5 million superannuation shortfall
441	170		No comments.
678	(40)		Major factors contributing to the operating result were loss on sale of non-current assets \$1.0 million and superannuation shortfall of \$0.6 million
316	536		Major factors contributing to the operating result were developers cash and assets \$3.4 million, management association \$0.4 million, revaluations \$44.0 million. The result excluding these would be \$244 deficit.
490	360		A major factor contributing to the operating result was \$27.8 million contributed by non-operating revenues. The result excluding this would be \$32
780	(151)		A major factor contributing to the operating result was \$0.5 million written down value of infrastructure replaced. The result excluding this is \$103 deficit.
672	42		A major factor contributing to the operating result was superannuation shortfall \$0.9 million. The result excluding this would be \$120
843	173		A major factor contributing to the operating result was a surplus on recognition of crown land of \$1.2 million which is identified as part of revaluations.
572	284		No comments.
741	(73)		A major factor contributing to the operating result was the superannuation shortfall which increased the loss from \$0.7 million or \$70 per assessment.
476	(87)		Major factors contributing to the operating result were capital grants, developer contributions and revaluation decrements. The result excluding these would be \$2.
535	800		Major factors contributing to the operating result were recognition of new assets \$5.3 million and writeoff of assets not verified \$0.3 million. The result excluding these would be \$146 deficit.
374	26		No comments.
1,083	(74)		A major factor contributing to the operating result was the recognition of non-current assets of \$0.8 million
462	(52)		No comments.
679	28		No comments.
979	4		The community satisfaction survey was undertaken during the March 2003 election period. A number of candidates for the council election campaigned on the need for Council to improve community engagement in local decision making. This had a corresponding impact on the survey result moving from 57 to 45.
949	627		Major factors contributing to the operating result were \$6.6 million received in granted assets, \$5.2 million from assets recognised first time and \$0.5 million assets written off. The community satisfaction results reflect the Surf Coast Shire's difficulties in the previous year. These matters were thoroughly investigated and have been acted upon. Under its new leadership, the Surf Coast Shire has moved on, improving its performance significantly. This improvement is reflected in the periodic financial reviews undertaken by the Municipal Inspector appointed by the State Government, and in the Minister's comments on the Council's Five Year Financial Plan.
1,029	1,160		Major factors contributing to the operating result were \$13.7million revaluation of non-current assets, \$1.1million superannuation shortfall and \$1.25 million asset recognition. The result excluding these would have been \$125 deficit.
414	(96)		No comments.
1,005	90		A major factor contributing to the operating result was net assets recognised of \$1.4 million
1,074	144		No comments.
853	91		Major factors contributing to the operating result were the superannuation shortfall and capital grants. The result excluding these would be \$69 deficit. *Community satisfaction results not included as this council did not participate in the statewide survey.
431	5,307		Major factors contributing to the operating result were revaluation of non-current assets \$24.0 million and superannuation shortfall of \$0.4 million. Excluding these the result would be \$22. The high operating result is due to tight budgetary control. The Council makes its assessment on the level of rates and charges based on the Community's ability to pay and on conditions prevalent in the farming sector (the predominant source of rate income). The Council has been very active in pursuing alternative funding sources and are currently examining the possibility of providing agency services for several commonwealth service providers who do not have a presence within the Shire. This will have the dual effect of generating income for the shire and providing much needed services local to our community. Tight management of staff numbers is also a factor in keeping pressure off rate increases.
314	(61)		No comments.
670	844		A major factor contributing to the operating result was \$4.5 million asset revaluation.
1,190	239		Our overall community satisfaction performance results indicate that our communication process is working well and we are doing what our community want to see happen. In the areas of advocacy and engagement the results show that our Councillors are in touch with the community
798	803		Major factors contributing to the operating result were subdivision contribution \$34.4 million, asset write-offs \$7.8 million. Note revaluations of \$81.8 million have been excluded.
818	38		No comments.
461	91		No comments.
521	(105)		A major factors contributing to the operating result was an superannuation shortfall of \$0.5 million
Median	Median		
670	91		
476	160		
541	378		
868	144		
809	30		
616	(35)		

