

Local Government in Victoria 2005



Attachments

*Department for
Victorian Communities*

**A Victorian
Government
initiative**



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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 appear to perform better than others, as well as insights as to how to improve their performance.

It may, therefore, be more useful to consider the combined results of several broad indicators in assessing performance rather than any one indicator on its own. When comparing one local government with another or assessing one local government's performance it is important to remember that the indicators do not on their own give the full picture of local governments' performance.

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 (highest Metropolitan Fire Brigade rates)

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

Primary documents for such evaluation include Council Plans (including Strategic Resource Plans), Budgets and Annual Reports (including Best Value Review reports).

Definitions of indicators 2005

Overall performance	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 Local Government Victoria.
Advocacy	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 Local Government Victoria.
Engagement	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 Local Government Victoria.
All rates	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"> • general rates and charges declared under ss. 160, 161, 161A of the Local Government Act 1989 • municipal charges and service rates and charges (that is, garbage services) levied under ss. 159, 162 respectively • supplementary rates declared, <i>divided by</i> the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).
Residential rates	Average residential rates and charges per assessment	Rates and charges declared for all residential assessments (including vacant residential assessments) 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).
Operating costs	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: Where major factors of expenditure such as devaluations or transfers of assets are excluded, councils should provide a note explaining what has been excluded.</i>
Capital expenditure	Average capital expenditure per assessment	Amount of council's expenditure 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"> • capital renewal of existing assets which returns the service potential or the life of the asset up to that which it had originally • capital expansion which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users • capital upgrade 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

Source data 2005

		OVERALL PERFORMANCE	ADVOCACY	ENGAGEMENT	ALL RATES	RESIDENTIAL RATES	OPERATING COSTS
		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 \$
S	Alpine	62	60	63	973	874	1,943
S	Ararat	66	70	63	1,047	776	2,449
R	Ballarat	63	65	56	1,014	788	2,205
I	Banyule	74	67	64	844	813	1,700
S	Bass Coast	54	53	48	780	744	1,503
L	Baw Baw	68	66	61	957	828	1,886
I	Bayside	66	61	57	1,057	1,055	1,590
S	Benalla	60	59	52	1,083	968	2,619
I	Boroondara	70	63	62	1,160	1,147	1,841
O	Brimbank	62	61	60	944	869	1,431
S	Buloke	58	64	57	1,024	645	2,441
L	Campaspe	65	65	61	1,016	844	2,799
O	Cardinia	56	57	51	1,060	828	2,056
O	Casey	66	63	60	867	826	1,340
S	Central Goldfields	64	65	55	718	711	2,546
L	Colac-Otway	62	64	61	914	810	2,483
L	Corangamite	67	67	66	1,106	681	3,088
I	Darebin	69	66	60	932	808	1,695
L	East Gippsland	61	61	59	879	828	1,753
O	Frankston	63	55	58	868	835	1,630
S	Gannawarra	66	66	64	893	731	2,919
I	Glen Eira	68	63	57	900	862	1,434
L	Glennelg	58	61	52	954	570	2,403
S	Golden Plains	70	69	66	671	612	1,901
R	Greater Bendigo	64	60	57	918	777	1,954
O	Greater Dandenong	68	69	66	953	648	1,720
R	Greater Geelong	61	61	56	927	772	1,937
R	Greater Shepparton	62	63	55	1,158	802	2,372
S	Hepburn	58	62	57	800	744	2,088
S	Hindmarsh	66	71	63	771	500	2,313
I	Hobsons Bay	67	64	62	1,172	877	2,052
R	Horsham	71	69	65	928	856	2,436
O	Hume	63	64	61	985	836	2,024
S	Indigo	59	61	54	884	836	3,481
I	Kingston	70	67	61	915	879	1,652
O	Knox	68	64	60	873	751	1,862
R	Latrobe	62	61	55	1,100	853	2,596
S	Loddon	69	70	65	725	476	2,744
L	Macedon Ranges	59	61	56	1,064	1,050	2,223
O	Manningham	69	66	61	1,109	1,077	1,459
S	Mansfield	65	66	54	901	761	1,633

CAPITAL EXPENDITURE	RENEWAL	RENEWAL AND MAINTENANCE	DEBTS	OPERATING RESULT	COMMENTS
Capital expenditure per assessment \$	Infrastructure renewal %	Infrastructure renewal and maintenance %	Liabilities per assessment \$	Operating result per assessment \$	Summary of comments provided by councils
431	84%	92%	688	3,965	Major factors contributing to the operating result were a \$29.3 million income from recognition of road formation assets and \$1.1 million expense from the establishment of a provision for landfill rehabilitation
429	32%	65%	577	(150)	No comments
490	70%	77%	791	217	No comments
208	10%	48%	240	(63)	Council is investigating the renewal and upgrade expenditure classification as, whilst the renewal indicator was low, capital expenditure has consistently been high in comparison with others. Council is satisfied with its asset maintenance program and the overall condition of its assets. Remaining debt free has been a goal of council that was possible through the earlier sale on an electricity business as well as good financial management.
418	81%	89%	497	324	No comments
454	119%	110%	908	488	No comments
311	55%	71%	631	(63)	Major factors contributing to the operating result were -\$4.1 million revaluation/recognition of non-current assets, capital grants received of \$1.5 million and developers' contributions received of \$0.6. Excluding these factors the operating result would be -\$12.
329	60%	73%	1,309	(238)	Major factors contributing to the operating result were a provision for \$1.0 million landfill rehabilitation and site aftercare costs and a \$0.4 million decreased in depreciation due to an increase in the expected useful lives of infrastructure assets.
382	83%	89%	540	(37)	No comments
280	45%	71%	741	247	No comments
616	84%	151%	736	(51)	No comments
495	62%	120%	932	826	No comments
746	26%	58%	2,127	2,186	\$14.4 million of liabilities will be repaid using funds generated from joint venture partnerships and a reimbursement from a Victorian Government Agency. After deduction this amount the liabilities per assessment would be \$1,481.
306	43%	61%	376	651	No comments
558	50%	61%	867	(325)	No comments
429	66%	75%	886	(161)	No comments
852	58%	68%	892	(12)	No comments
373	83%	85%	394	262	No comments
220	58%	82%	625	253	No comments
265	28%	44%	304	687	No comments
1,086	66%	77%	740	(494)	No comments
410	90%	92%	273	310	No comments
499	47%	68%	1,007	147	No comments
598	46%	65%	398	262	No comments
531	17%	65%	702	414	No comments
466	14%	20%	700	97	Council's capital expenditure on infrastructure for 2004-2005 was \$22.4 million compared with depreciation of \$14 million. It appears that council's capital expenditure on infrastructure renewal has been allocated to upgrades and new works, which has contributed to the unusually low infrastructure renewal and maintenance percentage.
646	55%	68%	496	147	A major factor contributing to the operating result was assets received from developers.
630	119%	113%	466	180	No comments
229	40%	59%	545	(167)	No comments
541	37%	62%	592	107	No comments
458	61%	80%	648	(149)	No comments
797	38%	55%	769	680	No comments
208	46%	54%	726	236	No comments
352	10%	55%	1,006	(196)	Operating expenditure includes private works expenditure which is offset by income. Private works expenditure in 2005 was approximately \$8.9 million. The infrastructure renewal percentage is low due to a majority of larger renewal projects being delayed until the current year.
131	50%	70%	469	278	A major factor contributing to the operating result was \$12.8 million for non-current assets not previously recognised
257	42%	64%	444	(308)	No comments
396	53%	64%	882	404	No comments
779	56%	72%	578	(242)	Major factors contributing to the operating result were a \$2.3 million provision for tip rehabilitation costs and \$0.4 million income for granted assets. Excluding these factors operating result would be \$13.
722	23%	67%	990	13	No comments
437	74%	82%	312	128	No comments
435	101%	101%	720	224	Major factors contributing to the operating result were \$0.9 million found assets \$916,000 and \$0.6 million capital grants. Excluding these factors the operating result -\$8.

Source data 2005

		OVERALL PERFORMANCE	ADVOCACY	ENGAGEMENT	ALL RATES	RESIDENTIAL RATES	OPERATING COSTS
		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 \$
I	Maribyrnong	*	*	*	1,341	1,022	2,009
I	Maroondah	70	65	58	895	844	1,599
I	Melbourne	74	66	60	2,502	862	4,955
O	Melton	65	64	60	1,149	1,097	1,987
R	Mildura	64	70	61	1,173	1,037	2,253
L	Mitchell	62	66	61	869	844	1,866
L	Moira	57	58	59	1,011	879	2,240
I	Monash	70	65	61	760	732	1,541
I	Moonee Valley	68	67	65	1,075	1,033	1,646
L	Moorabool	58	59	55	998	864	1,943
I	Moreland	65	63	61	910	877	1,536
O	Mornington Peninsula	65	64	61	757	734	1,289
S	Mount Alexander	59	61	56	809	765	2,045
L	Moyne	64	67	58	928	876	2,717
S	Murrindindi	64	64	60	966	832	2,328
O	Nillumbik	*	*	*	1,189	1,118	2,184
S	Northern Grampians	61	63	55	811	775	2,130
I	Port Phillip	68	64	63	1,037	867	1,846
S	Pyrenees	66	67	67	740	536	2,336
S	Queenscliffe	66	60	65	1,202	1,159	2,318
L	South Gippsland	56	59	56	1,015	863	1,944
L	Southern Grampians	68	69	59	885	665	2,847
I	Stonnington	71	65	61	962	944	1,638
S	Strathbogie	59	65	59	1,073	904	2,306
L	Surf Coast	60	61	61	1,093	1,022	1,909
R	Swan Hill	64	64	59	1,239	946	2,822
S	Towong	66	67	64	884	741	2,367
R	Wangaratta	68	67	60	968	862	2,297
R	Warrnambool	69	65	54	1,009	882	2,799
L	Wellington	57	60	55	841	668	1,996
S	West Wimmera	70	71	68	777	362	2,537
I	Whitehorse	71	64	63	740	695	1,676
O	Whittlesea	72	67	63	1,074	878	1,854
R	Wodonga	78	75	68	1,250	1,121	3,193
O	Wyndham	69	67	63	1,145	904	1,940
I	Yarra	66	63	59	1,252	960	2,229
O	Yarra Ranges	65	66	60	1,030	963	1,664
S	Yarriambiack	63	64	61	842	379	2,462
		Indexed mean	Indexed mean	Indexed mean	Median	Median	Median
	Sector results	65	64	60	957	836	2,045
I	Inner metro	69	64	61	962	877	1,676
O	Outer metro	65	64	60	1,008	853	1,787
R	Regional cities	66	65	59	1,014	856	2,372
L	Large shires	61	63	58	957	844	2,223
S	Small shires	63	65	60	863	744	2,332

CAPITAL EXPENDITURE	RENEWAL	RENEWAL AND MAINTENANCE	DEBTS	OPERATING RESULT	COMMENTS
Capital expenditure per assessment \$	Infrastructure renewal %	Infrastructure renewal and maintenance %	Liabilities per assessment \$	Operating result per assessment \$	Summary of comments provided by councils
420	78%	81%	1,349	623	* Community satisfaction results not included as this council did not participate in the statewide survey and consequently their individual results are not comparable
261	42%	56%	414	58	No comments
1,431	207%	195%	1,203	337	The amount shown for all of these indicators are for Council only excluding subsidiaries, joint venture and associated entities.
248	24%	42%	735	901	No comments
471	60%	89%	1,058	167	No comments
531	16%	107%	569	798	No comments
455	60%	74%	1,002	(224)	No comments
238	42%	62%	433	499	A major factor contributing to the operating result was a \$29.0 million increase in the asset revaluation reserve
337	38%	62%	500	204	No comments
358	101%	100%	623	230	No comments
198	39%	50%	298	322	No comments
217	57%	68%	663	53	The operating result has been adjusted for \$9.0 million recognition of previously unrecognised non-current asset and \$30.8 million revaluation adjustments to non-current assets.
246	29%	54%	700	28	2003/04 residential assessments included approximately 500 general farm assessments which were account for separately in 2004/05.
745	49%	64%	542	22	No comments
639	70%	77%	1,035	29	No comments
367	41%	141%	590	(8)	* Community satisfaction results not included as this council did not participate in the statewide survey and consequently their individual results are not comparable
409	91%	95%	632	(77)	No comments
268	104%	109%	407	94	No comments
789	88%	91%	615	(167)	No comments
195	104%	103%	596	(300)	No comments
492	110%	104%	1,036	124	No comments
1,239	60%	78%	1,103	2,473	Capital expenditure has been impacted by \$5.4 million for the construction of the \$9 million Hamilton Indoor Leisure & Aquatic Center. The expected completion date is January 2006 and a further \$3 million will be incurred in 2005/06.
353	120%	113%	564	163	No comments
359	66%	88%	1,189	(242)	Major factors contributing to the operating result were 2004/05 Roads to Recovery funding received in 2003/04 and \$0.6 million provision for landfill remediation expenses.
278	45%	67%	902	1,224	No comments
637	57%	80%	1,162	3,804	Major factors contributing to the operating result were \$39.9 million recognition of non-current assets, \$1.39 million increased in proceeds on sale of assets, \$0.3 million increase in non-cash capital contributions and \$0.9 million decrease in grant income. Excluding these factors the result would have been an 11% variance from budget.
618	129%	114%	402	(162)	The renewal expenditure includes a number of projects that were funded by grants and in all likelihood would not have proceeded (at least not all in the one year) if the funds were not available. Also there was in excess of \$500,000 spent renovating the two Council Offices. This expenditure was a one off and is significantly more than is usually allocated to Council buildings in any other year. If the funded projects and office renovations were taken out of the equation the renewal percentage would fall under 100 percent.
632	29%	60%	1,285	216	A major factor contributing to the operating result was \$0.4 million recognition of non-current assets.
298	45%	65%	889	(39)	No comments
309	37%	56%	704	(405)	Excluding the impact of major adjustments the operating result would be (\$196.75) for 2004/2005 and (\$234.44) for 2003/2004.
775	87%	102%	407	1,633	A major factor contributing to the operating result was \$7.6 million asset revaluations. Excluding this the operating result would be (55)
272	73%	83%	344	5	No comments
501	21%	49%	700	1,047	No comments
297	24%	43%	2,076	177	No comments
665	40%	45%	613	1,214	No comments
384	90%	93%	760	20	No comments
420	24%	61%	552	145	No comments
609	67%	80%	462	(144)	No comments
Median	Median	Median	Median	Median	
429	56%	72%	663	147	
337	73%	81%	469	163	
337	41%	59%	638	242	
531	53%	65%	882	216	
492	58%	75%	902	147	
488	67%	79%	624	(147)	

