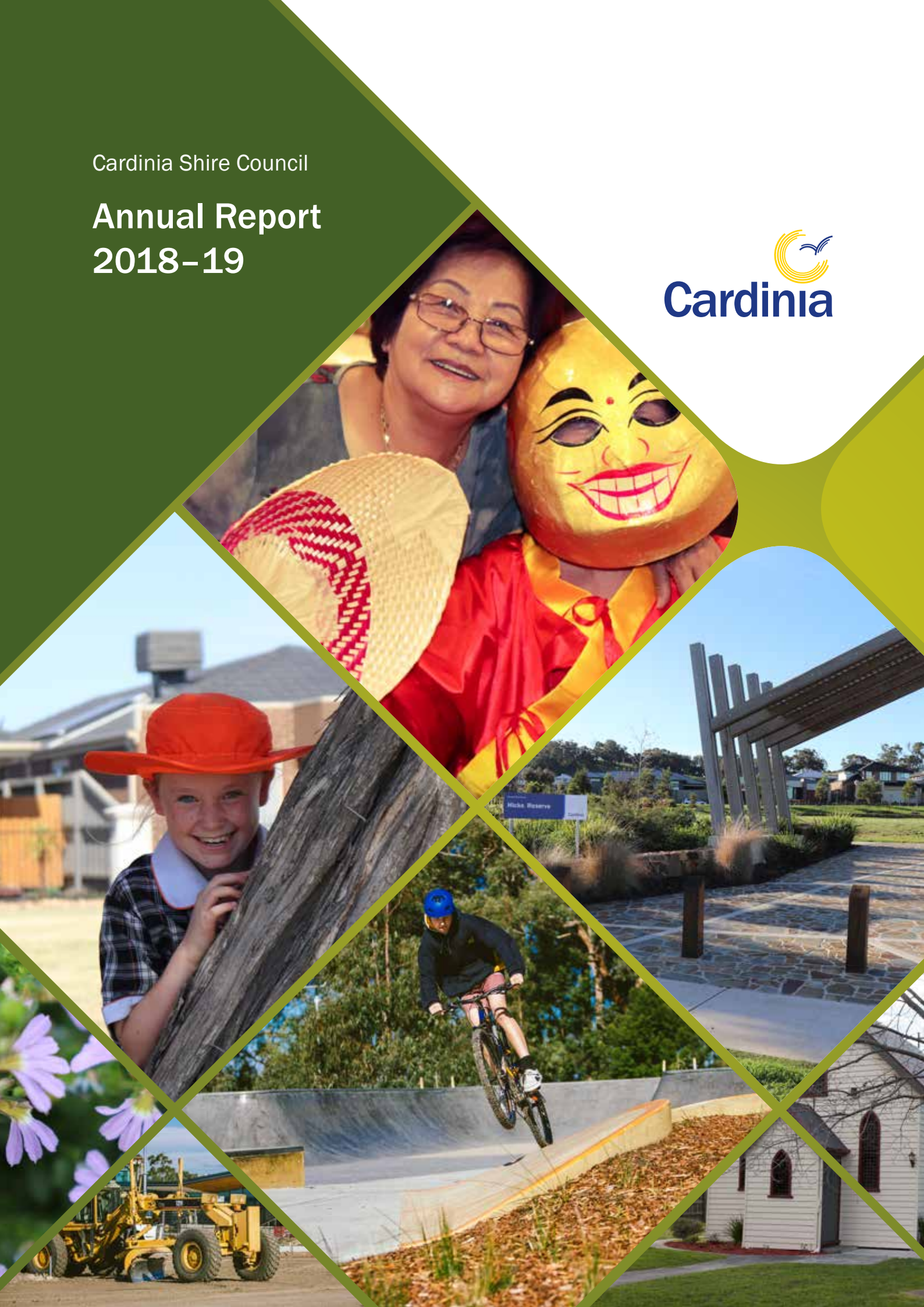


Cardinia Shire Council

Annual Report 2018–19



Prepared by:

Cardinia Shire Council

Acknowledgment

Council wishes to acknowledge all who contributed to this annual report.

Published September 2019

© Cardinia Shire Council 2019
ABN: 32 210 906 807

20 Siding Avenue, Officer
PO Box 7, Pakenham Vic 3810
(DX 81006)

Phone: 1300 787 624
Email: mail@cardinia.vic.gov.au
Web: www.cardinia.vic.gov.au

Contents

Report of operations

INTRODUCTION

| | |
|--------------------|----|
| Mayor's foreword | 5 |
| CEO's report | 6 |
| Fast facts | 8 |
| Your rates at work | 10 |
| Council snapshot | 11 |
| | 12 |

YEAR IN REVIEW

| | |
|--------------------------|----|
| 2018–19 at a glance | 13 |
| Our people | 14 |
| Our community | 16 |
| Our environment | 20 |
| Our economy | 24 |
| Our governance | 26 |
| Description of operation | 28 |
| Financial summary | 30 |
| | 35 |

OUR COUNCIL

| | |
|---------------|----|
| Shire profile | 37 |
| Council wards | 38 |
| Councillors | 41 |
| | 42 |

OUR ORGANISATION

| | |
|------------------------|----|
| Organisation structure | 43 |
| Senior leadership team | 44 |
| Council staff | 45 |
| | 47 |

GOVERNANCE AND MANAGEMENT

| | |
|--|----|
| Governance | 51 |
| Management | 52 |
| Governance and management checklist | 54 |
| Certification of governance and management | 56 |
| Statutory information | 59 |
| Development contribution plans (DCPs) | 60 |
| | 62 |

OUR PERFORMANCE

| | |
|------------------|----|
| Our Council Plan | 69 |
| Our people | |
| Our community | |
| Our environment | |
| Our economy | |
| Our governance | |

Performance statement

| | |
|--|--|
| Service performance indicators | |
| Financial performance indicators | |
| Certification of performance statement | |
| Independent auditor's report | |

Financial statements

| | |
|---------------------------------------|--|
| Comprehensive income statement | |
| Balance sheet | |
| Statement of changes in equity | |
| Statement of cash flows | |
| Statement of capital works | |
| Certification of financial statements | |
| Independent auditor's report | |

Introduction



Mayor's foreword



I'm pleased to present Cardinia Shire Council's Annual Report 2018–19. There have been many highlights and achievements over the past year that are covered in more detail in this report.

My fellow councillors and I remain committed to working together, with Council staff and the community to make our shire a great place to live, work and play and to ensure a bright future for our community.

A liveable and connected community

We want our shire to be a liveable community where residents feel included and connected. We want it to be a place where everyone belongs and where our differences and contributions are valued and celebrated.

Now in its second year, Council's *Liveability Plan 2017–29* has been well recognised in the sector and Council staff have presented their work at a number of forums. The plan is underpinned by a collective impact approach, where 20 partner organisations support its implementation and ongoing monitoring. Council's *Liveability Plan 2017–29* won the LGPro Corporate and Community Planning Award and received a commendation at the Victorian Public Healthcare Awards 2018.

We are also two years in to our four-year *Disability, Access and Inclusion Action Plan 2017–21*, which aims to ensure that all community members have equal access to services, facilities and resources. This plan helps guide our future planning, decision making and resource allocation and I'm pleased to report that to date we have completed 15 of 30 actions.

We took significant steps forward in the development of key strategies – our draft *Cultural Diversity Action Plan 2019–23* strives to further build on our commitment to our culturally and linguistically diverse communities and our draft *Reconciliation Action Plan 2020–21* aims to strengthen ties with our traditional owner groups and the local community. In addition, we became a signatory to the *Racism. It stops with me* campaign to raise awareness of the negative impact of racist behaviour.

Cardinia Shire Council recognises the significant contributions made by our community's local leaders, community groups and volunteers. In February 2019, 17 people graduated from the 2018 Cardinia Community Leadership Program, a partnership between Council and Leadership Victoria that aims to develop the leadership skills of participants. In May, I acknowledged the shire's dedicated volunteers at our annual volunteer reception, where Pakenham resident Wendy Andrews was named the 2019 Stan Henwood Award winner. Council's first-ever Student Leaders Conference was held in September 2018, with more than 100 students from 17 Cardinia Shire primary schools participating.

Supporting our community

Following the devastating Bunyip Complex Fires in March 2019, Council deployed many staff from across the organisation to work in the response, relief and recovery phases. We appointed four full-time recovery officers, funded by the Australian Government's Disaster Recovery Funding Arrangements, for 12 months. We continued to work with and support residents and business operators affected by the fires, as well as advocating to the Victorian and Australian governments for funding and services.

“

We want our shire to be a liveable community where residents feel included and connected.





Focus on families

Cardinia Shire continues to be one of the state's fastest-growing municipalities, with an average of six new households moving into the shire every day. In 2018–19, we continued to provide vital services and programs, including supporting funded four-year-old kindergarten for 1,230 children at 24 kindergartens across the shire and 5,133 contacts with young people at our My Place youth centre. In addition, a new youth activity space and mental health services facility was opened at the newly-renovated 'The Point' precinct in Pakenham.

Key strategies

A number of key strategies were adopted by Council in 2018–19. These strategies provide the strategic direction for our decision making and help us achieve our vision to develop our shire in a planned manner for both present and future generations.

Along with 20 partner organisations, Council launched the *Community Food Strategy 2018–26* in February 2019. The strategy sets out a plan for how we can work together to ensure future generations have access to affordable, nutritious food.

Also in February, Council adopted its first *Social and Affordable Housing Strategy 2018–25*, which cements

Council's commitment to working with key stakeholders to guide local solutions and increase the supply of social and affordable housing in the shire.

Our *Shade Policy* was adopted in March to help guide the provision of shade in Council-owned and managed open spaces and facilities, and our commitment to protecting the environment was further demonstrated with the adoption of two key strategies in June; the *Biodiversity Conservation Strategy* guides long-term strategic direction and efforts to preserve the natural habitats and wide variety of plant and animal life within the shire and the *Weed Management Strategy* aims to reduce weed infestations that threaten agriculture, human health and the environment in bushland areas, roadsides and waterways.

It has been an honour and privilege to serve as your Mayor and Councillor during this term. I look forward to continuing to work with my fellow councillors as we strive to make our great shire an even better place to call home.

Cr Graeme Moore
Mayor 2018–19

CEO's report



Since joining Cardinia Shire Council as Chief Executive Officer in October 2018, I've been proud to lead a dedicated and professional team that is committed to delivering vital services, programs and initiatives to our growing community.

This annual report outlines Council's achievements in fulfilling

the objectives and commitments of our Council Plan and budget. The organisation has worked hard to put in place essential services and projects as well as to develop new strategic plans for the future benefit of our shire and our residents.

Our organisation

We have more than 500 staff who work collaboratively to achieve our shared organisational goals and deliver a range of vital services, initiatives and programs to our community. We are committed to fostering a cohesive, flexible and engaged workforce that delivers excellent outcomes for the community. Council completed a realignment of the organisation structure in April 2019. The realignment creates improved efficiency and effectiveness in terms of the way we work. It also allows us to meet our strategic goals and improves our financial sustainability.

Responsible financial management

Following community consultation, Council adopted its 2019–20 budget and Council Plan in June 2019. The budget reflects our responsible financial management which has enabled more than \$60 million of capital works to be included and all vital community services to be maintained or enhanced. The Council Plan sets our medium to long-term vision about how we will respond to community needs and opportunities and challenges facing Council.

Major projects and facilities

Council remains committed to developing new community facilities and upgrading existing facilities to meet the needs of our community.

Major capital works completed in 2018–19 included the Bridgewood Integrated Children's Centre, Council's Pakenham Depot Administration Centre and the Pakenham Main Street Kindergarten. We have also progressed a number of other projects including:

- **Deep Creek Reserve** – the transformation of the 48-hectare Deep Creek Reserve site into a premier native reserve, education and recreation centre and state-of-the-art play space is nearing completion.
- **Lang Lang Community and Recreation Precinct** – development of this major sport and recreation reserve progressed; stage 2 works commenced with construction of the pavilion underway.
- **James Bathe Recreation Reserve** – development of this district-level sport and recreation reserve is



“

Deep Creek Reserve – the transformation of the 48-hectare Deep Creek Reserve site into a premier native reserve, education and recreation centre and state-of-the-art play space is nearing completion.



moving ahead; civil works complete and construction of the pavilion underway.

- **Hills Hub** – work on this multi-purpose facility is nearing completion. It will provide diverse meeting and activity spaces and will bring together a range of existing community groups, programs and services under one roof.

In addition to new community facilities, Council invested around \$700,000 to improve existing public buildings and spaces, including extensions, upgrades and refurbishments. A number of access and inclusion upgrades have also been undertaken to ensure accessible and inclusive facilities for all.

Together We Can

Cardinia Shire's collective impact initiative Together We Can continued to tackle the complex social problem of family violence. This whole-of-community approach aims to stop, prevent and end family violence in Cardinia Shire and is delivered through a partnership between Family Life, Cardinia Shire Council and the community. It is pleasing to see that the work we are doing in this space is being acknowledged; the campaign was recognised with two awards this year.

Organisational excellence

Council continues to be acknowledged for excellence across a number of areas, receiving the following recognition in 2018–19:

- National Growth Areas Alliance Commendation Award in November 2018 for Building Connections in Growth Areas for Together We Can
- Gold Award 2018 Australian Crime and Violence Prevention Awards in November 2018 (submitted by

Family Life) for Together We Can

- 2019 LGPro Aged and Disability Awards finalist for World Elder Abuse Day fridge magnet partnership with Together We Can
- Cardinia Shire's Supported Playgroups program named a finalist in the Victorian Early Years Awards
- commendation in the Victorian Public Healthcare Awards 2018 for Cardinia Shire's *Liveability Plan*
- winner of the LGPro Corporate and Community Planning Award for our *Liveability Plan*
- FinPro Local Government Finance Award in recognition of our Finance Team's 'Embracing artificial intelligence solutions for a process automation' project.
















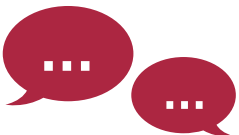





Advocacy

Council continued to advocate to both the Victorian and Australian governments to support much-needed infrastructure and development for our growing community. During 2018–19, Council submitted 44 grant applications valued at more than \$10.6 million. Of these, 26 were successful and Council received \$6,659,173 in funding assistance. In addition, through our advocacy in the lead up to the 2019 Federal Election, commitments of \$592.8 million were made for various projects in the La Trobe electorate, which takes in parts of Cardinia Shire.

We hope this annual report gives you with a comprehensive overview of Council operations and the many services, programs and initiatives that we provide to our growing and diverse community.

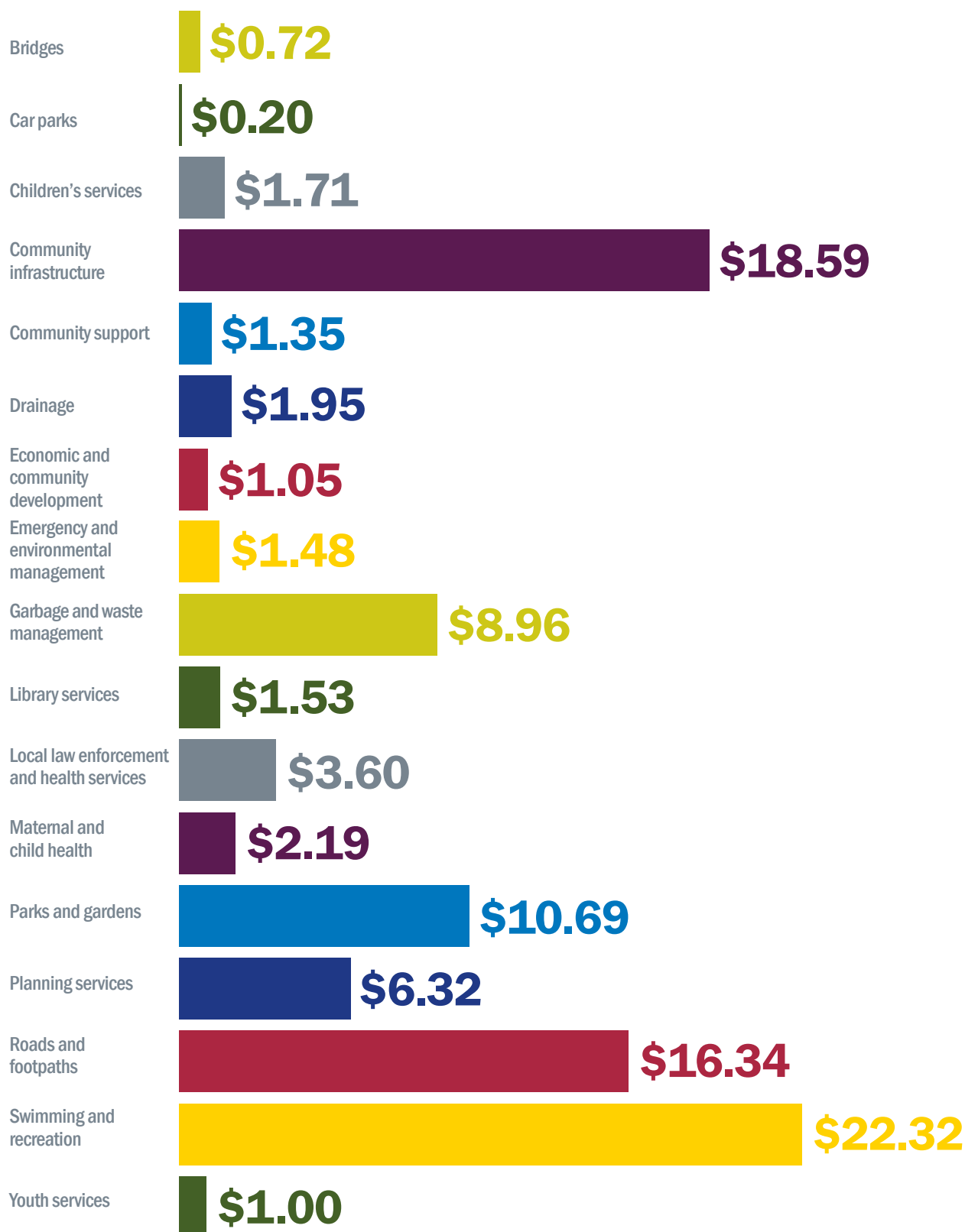
Carol Jeffs
Chief Executive Officer

Fast facts

| | | | |
|--|--|--|--|
| <p>Birth notices</p> <p>1,773</p>  | <p>Bridges and major culverts maintained</p> <p>239</p>  | <p>Building permits lodged</p> <p>2,379</p>  | <p>Council kindergarten enrolments processed</p> <p>1,944</p>  |
| <p>Unsealed roads maintained (km)</p> <p>858</p>  | <p>Sealed roads maintained (km)</p> <p>715</p>  | <p>Immunisations administered</p> <p>5,604</p>  | <p>Planning applications processed</p> <p>835</p>  |
| <p>Increase in number of rateable properties (percentage based on previous year)</p> <p>4.94%</p>  | <p>Maternal and Child Health consultations</p> <p>16,575</p>  | <p>Animal registrations</p> <p>17,318</p>  | <p>Parks and reserves maintained (ha)</p> <p>1,378</p>  |
| <p>Public amenities managed</p> <p>37</p>  | <p>Garbage collected (tonnes)</p> <p>21,662</p>  | <p>Library items borrowed</p> <p>696,767</p>  | |
| <p>Youth contacts with Council</p> <p>11,111</p>  | <p>Recycling collected (tonnes)</p> <p>8,467</p>  | <p>Underground drains maintained (km)</p> <p>820</p>  | |
| <p>Waste diverted from landfill</p> <p>42%</p>  | <p>Footpaths maintained (km)</p> <p>739</p>  | <p>Playgrounds maintained</p> <p>125</p>  | |

Your rates at work

Dollar amounts below represent the break-down of every \$100 of rates used by Council to deliver facilities, programs and services in 2018–19.



Council snapshot

What we do

Cardinia Shire Council provides a broad range of community services, programs and activities, and infrastructure renewal and development to promote, develop and improve the wellbeing and prosperity of our growing community. We work with all residents – from newborn babies and young people, to families and seniors, and across business, industry and non-profit organisations.

Council is committed to building a sustainable shire for present and future generations. We work with the community and continue to balance the demands of meeting our financial responsibilities and addressing identified challenges, such as managing growth while maintaining our diverse rural communities.

The activities and initiatives Council delivers is diverse – with 62 major service categories, each contributing to achieving Council's vision as set out in the Council Plan. The plan identifies five strategic objective areas: Our people, Our community, Our environment, Our economy and Our governance. The outcomes for 2018–19 in each of these areas is reported in the 'Our performance' section of this annual report on page 69.

Council Plan key objectives

Council has five key strategic objectives.

| | |
|--|--|
|  Our people | We support a variety of needs and lifestyles through programs and activities that promote and develop the wellbeing of Cardinia Shire's people. |
|  Our community | We will foster a strong sense of connection between Cardinia Shire's diverse communities. |
|  Our environment | We will continue to plan and manage the natural and built environment for present and future generations. |
|  Our economy | We will create and support local employment and business opportunities for our community and the wider region. |
|  Our governance | We will consult with the community, as appropriate, in an open and accountable way to help in determining the key direction of Council. |

Council Plan key challenges

Council has identified the following major challenges for the coming years:

- managing population growth
- managing the natural and built environment, including climate change
- developing a prosperous local economy and creating employment
- reducing the impact of family violence on our community
- achieving long-term financial sustainability
- supporting and increasing agricultural productivity
- timely delivery of infrastructure, transport options and services
- supporting residents to improve their health and wellbeing
- encouraging community engagement in Council's decision making.

Our vision

Cardinia Shire will be developed in a planned manner to enable present and future generations to live healthy and productive lives and to enjoy the richness of the diverse and distinctive characteristics of the shire.

Our commitment

Council will provide leadership, including community engagement with stakeholders, to ensure the long-term sustainability of our communities and townships. We will be mindful of the social, environmental and economic impacts of our decisions and ensure future generations benefit from our decisions. We will practise good governance and meet recognised standards of excellence. Council will work diligently to achieve excellence in every aspect of our activities.

Feedback

Council offers this annual report to the community as an open record of our activities and achievements in the 2018–19 year. We welcome feedback to support us in effectively reporting to our community in future years. To provide feedback, please contact our Customer Service team on 1300 787 624 or mail@cardinia.vic.gov.au

Year in review



Introduction

Year in review

Our Council

Our organisation

Governance and
management

Our performance

Performance
statement

Financial
statements

2018–19 at a glance



Our people

We support a variety of needs and lifestyles through programs and activities that promote and develop the wellbeing of Cardinia Shire's people.

Achievements

- Council's *Liveability Plan 2017–29* won the LGPro Corporate and Community Planning Award and received a commendation at the Victorian Public Healthcare Awards 2018
- More than 100 students from 17 Cardinia Shire primary schools took part in Council's first-ever Student Leaders Conference
- Together We Can was recognised with two awards – the National Growth Areas Alliance Commendation Award for Building Connections in Growth Areas, and the Gold Award 2018 Australian Crime and Violence Prevention Awards (submitted by Family Life)
- Adopted our first *Social and Affordable Housing Strategy 2018–25*



Our community

We will foster a strong sense of connection between Cardinia Shire's diverse communities.

Achievements

- Completed 15 of 30 actions two years into the four-year *Disability, Access and Inclusion Action Plan 2017–21*
- Developed a draft *Cultural Diversity Action Plan 2019–23* to build on our commitment to our culturally and linguistically diverse communities
- Developed a draft *Reconciliation Action Plan 2020–21* to strengthen ties with our traditional owner groups and the local community
- Provided both active and passive recreational facilities and opportunities for our community



Our environment

We will continue to plan and manage the natural and built environment for present and future generations.

Achievements

- Adopted the *Biodiversity Conservation Strategy* and the *Weed Management Strategy* to guide the protection of our local environment
- Continued to implement actions in our *Aspirational Energy Transition Plan* and *Integrated Water Management Plan*
- Supported a number of community planting days; 5,000 trees planted across the shire
- Hard waste recycling increased by 1 per cent while the overall amount of material collected decreased



Our economy

We will create and support local employment and business opportunities for our community and the wider region.

Achievements

- Networking, training and promotional opportunities delivered through Casey Cardinia Region, a partnership between Cardinia Shire Council and Casey Council
- Supported the Casey Cardinia Business Breakfast series, women's business lunch and Casey Cardinia Business Awards
- Continued to implement actions of the *Casey Cardinia Attracting Employment and Investment Strategy*
- Remained committed to developing employment precincts to help build town centres, facilitate employment opportunities and attract industry and investment to the shire



Our governance

We will consult with the community, as appropriate, in an open and accountable way to help in determining the key direction of Council.

Achievements

- Submitted 44 grant applications valued at just over \$10.6 million, 26 of which were successful and Council received \$6,659,173 in funding assistance
- Advocacy program delivered to local candidates in the lead up to the 2019 Federal Election, with commitments of \$592.8 million made for various projects in the La Trobe electorate
- Adopted our 2019–20 budget and Council Plan, enabling more than \$60 million of capital works to be included and all vital community services to be maintained or enhanced
- Our performance dashboards continued to provide a high-level, transparent snapshot of Council's performance in key service areas and community consultation opportunities ensured we were aware of community priorities and expectations

Challenges

- We continue to be one of the state's fastest-growing municipalities, with an average of six new households moving into the shire every day
- Demand on community infrastructure and services continues to grow with our population, placing greater importance on planning and sustainability
- The number of families from culturally and linguistically-diverse backgrounds and those experiencing vulnerability and hardship is increasing
- Further reducing the impact of family violence and changing community attitudes and behaviours towards gender equality

Looking forward

- Investigate a suitable site to expand and relocate the My Place youth facility
- Community engagement and communication for the development of our new *Ageing Well Strategy 2019–25*
- Support our senior residents to proactively take charge of living safely with the *Embrace Ageing – Living Safely in Cardinia Shire* expo
- Continue to take a stance against racism and hold a number of community workshops to support residents

Challenges

- Meeting the ever-changing needs and expectations of our fast-growing and diverse community
- Providing timely and cost-effective infrastructure and services that meet the needs of our rapidly expanding population
- Meeting the needs of new and emerging communities
- Ensuring that all residents feel valued, included, respected and able to access the range of services, programs and facilities that Council offers

Looking forward

- Continue to foster a sense of belonging for all community members and strive to make our shire a great place to live, work and play
- Continue to develop and deliver inclusive facilities and advocate for the needs of Cardinia Shire to other levels of government to attract funding for the infrastructure and services our community needs
- Continue to facilitate and participate in collective impact partnerships with organisations and community groups to encourage positive social and cultural change

Challenges

- Sustainably managing the diverse urban and rural areas of the shire given the population growth
- Balancing conservation efforts and preservation of the natural environment with the need for further development to meet the needs of our growing community
- Further changes and challenges in the recycling industry present an ongoing challenge for Council in ensuring viability of recycling services

Looking forward

- Council received funding from the Victorian Government to develop a Biolinks Plan to create environmental corridors
- Completion of the 48-hectare Deep Creek Reserve site
- Community awareness and participation opportunities including biodiversity education programs for kindergartens, facilitating the Gardens for Wildlife program and working with volunteer groups
- Introduction of a number of waste programs, events and services

Challenges

- Increase local employment opportunities given that more than 60 per cent of local residents travel outside the shire for work
- Ensuring Cardinia is an attractive location for major businesses to generate more local jobs
- Ensuring the shire's agricultural values are supported and respected while balancing the residential land needs of our growing community
- Continuing to balance competing priorities to ensure that urban growth and economic progress do not come at the expense of the shire's environmental character and liveability

Looking forward

- Continue to support local businesses and encourage investment
- Continue to advocate to the Victorian Government to identify a suitable site in Cardinia Shire for an airport development, which would also boost employment opportunities, investment and visitation to the region
- Apply for funding from, and advocate to, the Victorian and Australian governments to facilitate investment in the region

Challenges

- Much of Council's infrastructure, services and projects are funded through rate revenue, which is limited by the Victorian Government's rate cap
- Maintaining long-term financial stability in light of the challenges presented by the rate cap, increasing utility costs and depreciation expenses
- Ensuring existing community assets are renewed and maintained at a time of significant population growth and increasing demand for services and infrastructure
- Meeting the needs of local communities while ensuring economic prosperity, social wellbeing, environmental sustainability and long-term financial sustainability

Looking forward

- Continue to actively engage with state and federal politicians to seek support for local initiatives
- Continue to work with other groups and councils, such as South East Melbourne and the Interface Group of Councils, to facilitate investment in the broader region
- Lobby for action on important local issues and work hard to influence government priorities that will benefit our local community
- Investigate online engagement platforms to provide further opportunities to engage with the wider community and seek input into Council decision making and policy and project development

Our people

We support a variety of needs and lifestyles through programs and activities that promote and develop the wellbeing of Cardinia Shire's people.



A Liveability Plan for Cardinia Shire

Council's *Liveability Plan 2017–29* is our municipal public health and wellbeing plan, which outlines the health and social priorities for Cardinia Shire residents. Council adopted the plan in 2017, identifying short, medium and long-term outcomes to be achieved over 12 years. The plan is in its second year and has been recognised in the sector, with Council staff presenting their work at a number of forums.

The plan is underpinned by a collective impact approach; 20 partner organisations support the implementation and ongoing monitoring of the plan. The Liveability Partnership Steering Group drives the development, implementation, monitoring and evaluation and the second annual review reporting process is about to commence.

Council's *Liveability Plan 2017–29* won the LGPro Corporate and Community Planning Award and received a commendation at the Victorian Public Healthcare Awards 2018.

Bunyip Complex Fires emergency response

The Bunyip Complex Fires in March 2019 had a devastating impact on Cardinia Shire's community. Council deployed staff from across the organisation to work in the response, relief and recovery phases. Four full-time bushfire recovery officers, funded by the Australian Government's Disaster Recovery Funding Arrangements, have been appointed for 12 months. Council continues to work with and support residents



and business operators affected by the fires and to advocate strongly to all levels of government for funding and services. We have coordinated the bushfire recovery centre in partnership with community groups, brought together agencies and organisations to attend community meetings and ensured ongoing contact with residents to check on their welfare and connect them with services and assistance.

Services for families and young people

More than 100 students from 17 Cardinia Shire primary schools took part in Council's first-ever Student Leaders Conference in September 2018. The conference gave primary school children a platform to be heard, and for Council to listen. Designed and facilitated by children, the conference featured group activities and opportunities for students to talk about what they liked about their community, what they thought would make it better, and what it takes to become a great leader. Sessions conducted by Council staff also gave students insight into how local government works.

Council's Youth Services Team had 5,133 contacts with young people at our My Place youth facility in 2018–19, delivered 54 in-school personal development programs and workshops, 28 after school programs, and provided more than one session of care to 165 young people (an increase of 18% on the previous year). A new youth activity space and mental health services facility was opened at the newly-renovated 'The Point' precinct in Pakenham during National Youth Week in April 2019, giving young people in the shire greater access to mental health support services, programs, groups and activities.

Council provided funded four-year-old kindergarten for 1,230 children at 24 kindergartens across the shire in 2018–19. In addition, we ran a number of programs and initiatives to support families with younger children. This included playgroups for culturally-diverse communities as well as expanding the Smalltalk Supported Playgroups into outlying areas of the shire including Emerald, Garfield and Koo Wee Rup. Smalltalk Supported Playgroups aim to improve the quality of interactions between parents and children and a number of established groups also continue to meet in other areas of the shire, such as Pakenham and Officer.

Facilities for a growing shire

Council continues its work to develop new community facilities and refurbish and upgrade existing facilities to meet the needs of the community.

Our growing population creates demand for new children's and community centres, public amenities and sporting facilities. Major capital works completed in 2018–19 included the Bridgewood Integrated Children's

Centre, Council's Pakenham Depot Administration Centre and the Pakenham Main Street Kindergarten. We have also made great progress on a number of other projects including Deep Creek Reserve, Lang Lang Recreation Reserve, James Bathe Recreation Reserve, the Hill's Hub at Worrell Reserve, Emerald Netball Facility and redeveloping Cardinia Cultural Centre.

In addition to building new community facilities, we invested around \$700,000 to improve existing public buildings and spaces, including building extensions, upgrades and refurbishments. A number of access and inclusion upgrades were also undertaken to ensure accessible and inclusive facilities for the whole community. Works included accessible car parking, access ramps and other amenities.

An inclusive community

Council completed implementing the *Age Friendly Strategy 2015–19*, successfully achieving all 54 actions which aligned with the World Health Organisation's Age Friendly Cities eight key priority areas. Council applied an 'age friendly' lens across a broad range of business units to ensure it delivered services, support, infrastructure, recreation, customer service and events that had been considered from the viewpoint of our ageing population. In addition, Council produced four editions of the *Ageing Well* newsletter, distributing 12,000 copies to more than 30 locations across the shire to help promote programs and activities for seniors.

We continued to support access and inclusion for children with a disability through our early years program. Council received funding from the Department of Education and Training to undertake accessibility upgrades at Emerald Preschool and Homegarth Community Kindergarten at Pakenham to provide safer and more inclusive environments for all children, including those with a disability.

In line with our commitment to reconciliation and forging stronger connections with traditional owner groups, we undertook community engagement as part of the development of our draft *Reconciliation Action Plan 2020–21*. We also worked in partnership with the Cardinia Primary School Network and Department of Education and Training Koorie Education staff to develop 2019 NAIDOC Week activities.

Council became a signatory to the *Racism. It stops with me* campaign to raise awareness of the negative impact of racist behaviour. The campaign was developed by the Australian Human Rights Commission to address racism at an organisational and community level.

Together We Can

Cardinia Shire's collective impact initiative Together We Can continued to gain momentum in 2018–19. This community-led initiative aims to stop, prevent and end family violence in Cardinia Shire and is delivered through a partnership between Family Life, Cardinia Shire Council and the shire's residents, workplaces, community services, other government agencies, clubs, groups, media schools, churches, philanthropists and health services.

Together We Can was recognised with two awards this year – the National Growth Areas Alliance Commendation Award in November 2018 for Building Connections in Growth Areas, and the Gold Award 2018 Australian Crime and Violence Prevention Awards in November 2018 (submitted by Family Life).

Cardinia Shire Council and Star News Group partnered to ensure the community was recognised as the winner of two previous awards (received in April and May 2018) with an eight-page wrap in the *Pakenham Gazette* and *Officer-Pakenham Star News* publications in July 2018. The wrap featured community solutions, profiled influential leaders in the shire, raised awareness of Together We Can, directed readers to where they could seek support, and highlighted gender equality as part of the solution.

Together We Can representatives visited Canberra in December 2018 to discuss the project with national peak

bodies and Australian Government departments, and provided a summary of the work that has contributed to the 33 per cent reduction in serious incidents of family violence reported to police.

Community Food Strategy

The *Community Food Strategy 2018–26* was adopted by Council in December 2018 and aims to establish a healthy, delicious, sustainable and fair food system for all Cardinia Shire residents. The strategy aligns to the Council Plan, *Liveability Plan* and the Municipal Strategic Statement and is the first of its kind for Cardinia Shire. It provides strategic direction and action to guide Council's work in this area and sets out a plan for how Council, its partner organisations and the community can work together to ensure future generations have access to affordable, nutritious food.

Social and Affordable Housing Strategy

Council adopted its first *Social and Affordable Housing Strategy 2018–25* in February 2019. Cardinia Shire is experiencing a severe shortfall in social and affordable housing for people on low incomes, single-parent families or people with special needs. The strategy takes a human rights approach and cements Council's commitment to work collectively with key stakeholders to strategically guide local solutions and increase the supply of social and affordable housing.





Challenges

Cardinia Shire continues to be one of the state's fastest growing municipalities, with an average of six new households moving into the shire every day. The shire's population is expected to increase by approximately 54,100 over the next 10 years (2029) and 81,400 over the next 20 years (2039), to a total of about 196,800.

Council is committed to responding effectively to population growth while continuing to meet community expectations and needs. The demand on our community infrastructure and services continues to grow with our population, placing greater importance on planning and sustainability. Cardinia Shire Council remains committed to providing high quality services and facilities for our community. We also need to attract further services to the shire that address the diverse needs of our community members.

The number of families from culturally and linguistically diverse (CALD) backgrounds and those experiencing vulnerability and hardship is increasing, presenting a greater challenge to Council in trying to address the needs of these communities. We are committed to recruiting staff from a range of multicultural backgrounds to help support our CALD communities and will continue to offer programs, such as our supported playgroups, for disadvantaged and vulnerable families to provide opportunities and support for children and parents.

Research shows that men and boys who maintain the traditional view of masculinity are at greater risk of mental health issues, suicide, traffic accidents, bullying, harassment, family violence and violence in general. Changing community attitudes and behaviours towards gender equality will not only help reduce family violence and violence against women, it will support men in seeking help when needed, including accessing services for their physical and mental health.

Plans looking forward

Council will continue to provide a range of services, initiatives and programs to support all members of the community.

Delivering programs and services to the shire's young people will continue to be a priority. Counselling rooms at Council's My Place youth facility have reached capacity so Council is investigating a suitable site to expand and relocate the youth facility. We will also work with community and organisations to deliver programs and groups to young people at 'The Point' youth activity space and mental health services facility, and will continue to advocate for increased mental health services for young people in the shire.

Community engagement and communication is underway for the development of our new *Ageing Well Strategy 2019–25*. This plan will align with the World Health Organisation's Age Friendly Cities domains and our Liveability Plan 2017–29 to best influence our community's wellbeing. Council received funding to deliver a four-way collaborative partnership with Dementia Australia, Kooweerup Regional Health Service and Monash Health to develop a place-based project in Koo Wee Rup. The Forget-Me-Not dementia-friendly cafe will give people living with dementia and their carers the opportunity to get together in a supportive environment. The *Embrace Ageing – Living Safely in Cardinia Shire* expo will be held in September 2019 to support our senior residents to proactively take charge of living safely.

Council will continue to take a stance against racism and will hold a number of community workshops to support residents to respond safely when they encounter racism, helping to build confidence and resilience in our new and emerging communities.

Together We Can will continue its work to change attitudes and behaviours in order to help prevent family violence in the community.

Our community

We will foster a strong sense of connection between Cardinia Shire's diverse communities.



Ensuring accessibility and inclusion for all

In accordance with Section 38 of the *Disability Act 2006*, Council is required to prepare a disability action plan. In compliance with the *Disability Amendment Act 2012*, we are required to report on the implementation of the action plan in our annual report. Council's *Disability, Access and Inclusion Action Plan 2017–21* aims to ensure that all people in the community have equal access to services, facilities and resources. It provides a strategic framework to guide future planning, decision making and resource allocation for Council, the Cardinia Access and Inclusion Advisory Committee, and the community.

Two years into this four-year plan, Council has completed 15 of 30 actions, including:

- continuing to assist the community's transition to the NDIS by providing resources and information to people with a disability
- working with Red Cross and local disability and support agencies to develop and deliver training for personal emergency planning including an 'emergency evacuation kit'
- emergency evacuation plans developed for Council's three main work places that include specific provision for staff and visitors with mobility limitations
- a dedicated early intervention space to be used by specialist agencies at the Henry Family Children's Centre and Bridgewood Integrated Child and Family Centre
- a wheelchair accessible walking trail in Gembrook along the Eastern Dandenong Ranges Trail

- Council's Customer Service staff achieving Scope Communication Access Accreditation
- universal design principles considered for capital and renewal building projects.

In 2018–19 Council also delivered an Access and Inclusion Upgrade Program to improve the accessibility of a number of Council facilities.

Fostering diversity

We want our shire to be a liveable community where residents feel included and connected, where everyone belongs, where our differences and contributions are valued and celebrated and where our shire is a place that we are all proud to call home.

We are proud of our rich cultural diversity and are committed to ensuring an inclusive and connected community for all and providing support and opportunities for our residents from culturally, linguistically and religiously-diverse backgrounds. Our draft four-year *Cultural Diversity Action Plan 2019–23* will build on our commitment to our culturally and linguistically diverse communities by focussing on four key priority areas – welcoming diversity; building connections; promoting participation; and sharing outcomes.

Council's draft *Reconciliation Action Plan 2020–21* is based on the three pillars of respect, relationships and opportunities and will further strengthen our ties with our traditional owner groups and the local community.



In May 2019, Council hosted a special raising of the pride flag at the Civic Centre to celebrate the International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT). In addition, Council's Youth Services Team delivered a number of events, programs and activities to young people who identify as LGBTI+ and their friends. Council was funded by VicHealth to mentor two other councils to deliver activities that will engage and support young people who identify as LGBTI+ and their communities. The Youth Services Team also delivered the DRUMBEAT (Discovering Relationships Using Music, Beliefs, Emotions, Attitudes and Thought) program to students at Officer Specialist School, helping them learn important social and emotional skills.

Council's Maternal and Child Health service continued to foster connected communities by offering groups for culturally-diverse communities to support language development and social connections. The service also employs family support workers from CALD backgrounds to support engagement of CALD families in the Maternal and Child Health service and has appointed a First Time

Parent Group facilitator who speaks six languages to engage more families from CALD backgrounds in first time parent groups, including groups run specifically for families from Indian and Vietnamese backgrounds.

Connecting the community

Council supported three events in partnership with community organisations to celebrate Neighbour Day in March 2019, including:

- Upper Beaconsfield Community Centre – Neighbour Day event with the theme of emergency management and community resilience
- Toomah Community Centre – Council and Windermere Child and Family Services held an open day and family fun day
- Gembrook Community Group – Neighbour Day morning tea with live music and indoor bowls.

Council also held a number of free community events at Emerald Lake Park, including an outdoor cinema event and the summer music series.

An active community

Council provides both active and passive recreational facilities and opportunities for our community. In 2018–19, we facilitated a number of sporting opportunities, including a local training session with Richmond Football Club as well as Richmond Football Club VFL and interleague matches at Holm Park Reserve in Beaconsfield. We provided sports club training sessions and worked with local, state and national sporting associations to provide diverse participation opportunities.

We upgraded infrastructure at six public open spaces across the shire, redeveloped BMX tracks in Pakenham, Emerald and Bunyip, and upgraded five playgrounds in Pakenham, Maryknoll, Pakenham Heights and Cockatoo. We were successful in advocating for funding from the Victorian and Australian governments towards significant sports infrastructure projects, including \$3.5 million from the Victorian Government's Growing Suburbs Fund for the Comely Banks Community Sport Pavilion.





Communicating with our community

Council's Customer Service team aims to provide a start-to-finish service when responding to customer requests for information, products or services received via telephone, fax, email, mail and in person. We also have an after-hours service, which operates 5pm–8.30am Monday to Friday, as well as on weekends and public holidays.

Customer Service calls 2018–19

| Calls received | Average wait time | Average call length | Requests logged | Completed on time |
|----------------|---------------------|----------------------|-----------------|-------------------|
| 98,858 | 2 minutes 3 seconds | 3 minutes 23 seconds | 50,537 | 85% |

Council continued to produce and deliver its quarterly resident magazine, *Connect*, to all residents and businesses in the shire. The print magazine is delivered to more than 44,000 letterboxes and digital versions are available on our website in standard, large print and audio formats.

Council is committed to ensuring residents can interact with us at times that suit them. Our website makes it easy for our residents to find information and transact with us online. The site's online forms and payment options enable residents to do the vast majority of their business with us online if they choose. Our website is compliant with international WCAG2 AA standards for accessibility and can be used with assistive technologies such as screen readers and read in other languages via Google Translate. Our content is also written in plain English so it is easy for people of all literacy levels to understand.

Website usage 2018–19

| Page views | Sessions | Users | Average time spent on website |
|------------|----------|---------|-------------------------------|
| 1,682,628 | 608,087 | 324,590 | 2 minutes 48 seconds |

Facebook continued to be our most successful digital platform with the highest level of engagement with our community. Private messaging has continued to be an additional Customer Service channel and Facebook advertising remains a cost-effective and high-impact promotional platform. Live webcasting of Council meetings continues through our YouTube channel, CardiniaTV, and is also cross-promoted via our Facebook and Twitter channels and website. At 30 June 2019, Council had 8,385 likes on Facebook, 4,457 followers on Twitter, 2,320 LinkedIn followers and 122 subscribers to our YouTube channel. Our YouTube videos had 11,563 views in the financial year.

Community leaders

Council recognises the significant contributions made by our community's local leaders, mentors, engaged citizens, passionate community groups and committed volunteers. These people play an important role in supporting our community to be diverse, grow, change and be active.

The Cardinia Community Leadership Program is the result of a partnership between Council and Leadership Victoria. The program aims to develop the leadership skills of participants and empower them as community leaders, enabling them to enact positive change in their communities and inspire others to do the same. The program helps participants take collaborative action on local projects, issues and community building initiatives in a way that supports diversity and inclusion. In February 2019, 17 people graduated from the 2018 Cardinia Community Leadership Program.

Recognising our volunteers

Council acknowledged and thanked the shire's many volunteers at our annual volunteer reception held during National Volunteer Week in May 2019. At the event, Pakenham resident Wendy Andrews was announced the 2019 Stan Henwood Award winner. Wendy was recognised for generously giving her time to many community and fundraising events. She has been a member of the Lakeside Residents Group since 2010, tirelessly coordinating community events and fundraisers. In recent years, Wendy and the Lakeside Residents Group have also organised the Australia Day community event at the Cardinia Cultural Centre. Wendy has also been involved in the organising committee of the Art Show Pakenham.

The Stan Henwood Award, now in its 15th year, recognises lifetime achievements in community service and volunteering. It commemorates the lifetime contribution Stan Henwood made to his local community of Tynong, as well as the broader Cardinia Shire.



Challenges

Meeting the ever-changing needs and expectations of our fast-growing and diverse community is an ongoing challenge for Council. As our shire continues to grow and change, Council remains committed to providing timely and cost-effective infrastructure and services that meet the needs of our rapidly expanding population.

With almost one in four Cardinia Shire residents arriving from overseas, 14 per cent of these in the past five years (ABS 2016 Census), meeting the needs of our new and emerging communities continues to be a challenge for Council.

We are committed to ensuring all residents feel valued, included, respected and able to access the range of services, programs and facilities we offer. We support an inclusive community comprising people from diverse backgrounds, including but not limited to, Aboriginal and Torres Strait Islander, people from CALD backgrounds, those identifying as LGBTI+, people of faith, and people of all ages and abilities.

Looking forward

Council will continue to foster a sense of belonging for all community members and will strive to make our shire a liveable community for all.

The draft *Reconciliation Action Plan 2020–21* will strengthen ties with Australia's first people and our local communities. Our new four-year *Cultural Diversity Action Plan 2019–23* will build on our commitment to our culturally and religiously diverse communities.

Council will continue to develop and deliver inclusive facilities and will continue to advocate for the needs of Cardinia Shire to other levels of government to attract funding for the infrastructure and services our community needs.

We will also continue to facilitate and participate in collective impact partnerships with organisations and community groups to encourage positive social and cultural change.

Our environment

We will continue to plan and manage the natural and built environment for present and future generations.



Protecting and enhancing our environment

Council has adopted two new strategies to guide the protection of our local environment.

The *Biodiversity Conservation Strategy* guides long-term strategic direction and efforts to preserve the natural habitats and wide variety of plant and animal life in the shire. It also provides a framework for private and public land managers, and identifies opportunities for Council to work in partnership with the community to protect the natural environment.

The *Weed Management Strategy* aims to reduce weed infestations that threaten agriculture, human health and the environment in bushland areas, roadsides and waterways. It provides direction for delivering community education and engagement, planning controls and enforcement, and on-ground works and monitoring.

Commitment to sustainability

Council also continued to implement actions identified in our *Aspirational Energy Transition Plan* and *Integrated Water Management Plan*. Actions in 2018–19 included upgrades to energy efficient lighting at Pakenham Library, hall and U3A, Council Depot and Cardinia Life pool hall. Solar electricity systems were installed at My Place youth centre and Pakenham Library. Water efficiency upgrades were made at Cardinia Life and Holm Park Recreation

Reserve, and the community participated in a wetland planting day at Cardinia Lakes attended by more than 40 residents.

Works completed at Emerald quarry included the addition of clean fill soil and working with the local community to plant 700 plants. Council also coordinated and delivered the third year of the Peri Urban Weed Partnership Project, a multi-stakeholder project focusing on weed management control along the Cardinia Creek corridor.

In 2018–19, Council also supported a number of community planting days at which 5,000 trees were planted across the shire.

Managing waste and recycling

In 2018–19, Council remained committed to reducing the amount of waste sent to landfill. During the past year:

- increased quantities of material were collected and recycled through the free Detox Your Home and DrumMUSTER programs
- hard waste recycling increased by 1 per cent while the overall amount of material collected decreased
- we expanded our green waste drop-off service to a biannual service
- community uptake of compost rebates significantly increased
- response to reports of dumped rubbish and litter became more efficient, with shorter wait times for collection.

Council has also completed a trial of using CCTV cameras at dumping hot spots in the shire. As part of the trial, which was funded by Sustainability Victoria, CCTV footage was used to record site activities, help identify offenders and help reduce the illegal dumping of rubbish.

In other initiatives, we expanded our waste education program to reach children in early learning centres and kindergartens, initiated community workshops on waste-related topics, supported community groups with waste-related advice, resources, support and tools, and supported community and school clean-up days.

Planning for the future

Council has continued to work with developers in the shire to protect and preserve the environment.

The environmentally significant area on the eastern side of Gum Scrub Creek, Officer, was restored by the developer as part of the Development Contribution Plan (DCP). We have also worked with developers to complete frog corridor works from Cardinia Road to Gum Scrub Creek along the rail corridor to enhance habitat for the endangered growling grass frog, and bandicoot crossing culverts have been introduced in new developments in Bunyip to provide safe passage for endangered southern brown bandicoots. Council has also worked with developers to introduce wetlands to provide stormwater detention and treatment in Langley Park and Summerfields in Lang Lang, and Timbertop in Officer.

Council also continues to assess planning permit applications with regard to environment and vegetation protection policies. We encourage developers to incorporate environmentally-sustainable design measures where appropriate.



As part of the preparation of precinct structure plans, we consider the environment through the delivery of sustainable design in residential and commercial precincts, protection of trees, waterways and surrounding environments.

Challenges

Council faces ongoing challenges in managing the natural and built environments of the shire. One of the greatest challenges facing Council is supporting the community to sustainably manage the diverse urban and rural areas of the shire given the population growth. We must responsibly manage the competing demands of the natural and built environments by balancing our conservation efforts and preservation of the natural environment with the need for further development to meet the needs of our growing community.

Council continued to respond to further changes and challenges in the recycling industry during 2018–19, and remained committed to advocating for, and supporting, waste reduction in the community.

Looking forward

Council received funding from the Victorian Government in 2018–19 to develop a Biolinks Plan. The project aims to create environmental corridors that will allow fauna to move through the landscape to ensure long-term viability of our native species. The first stage of the project, to be completed in 2019–20, is the development of a plan that will map critical biolinks throughout the shire.

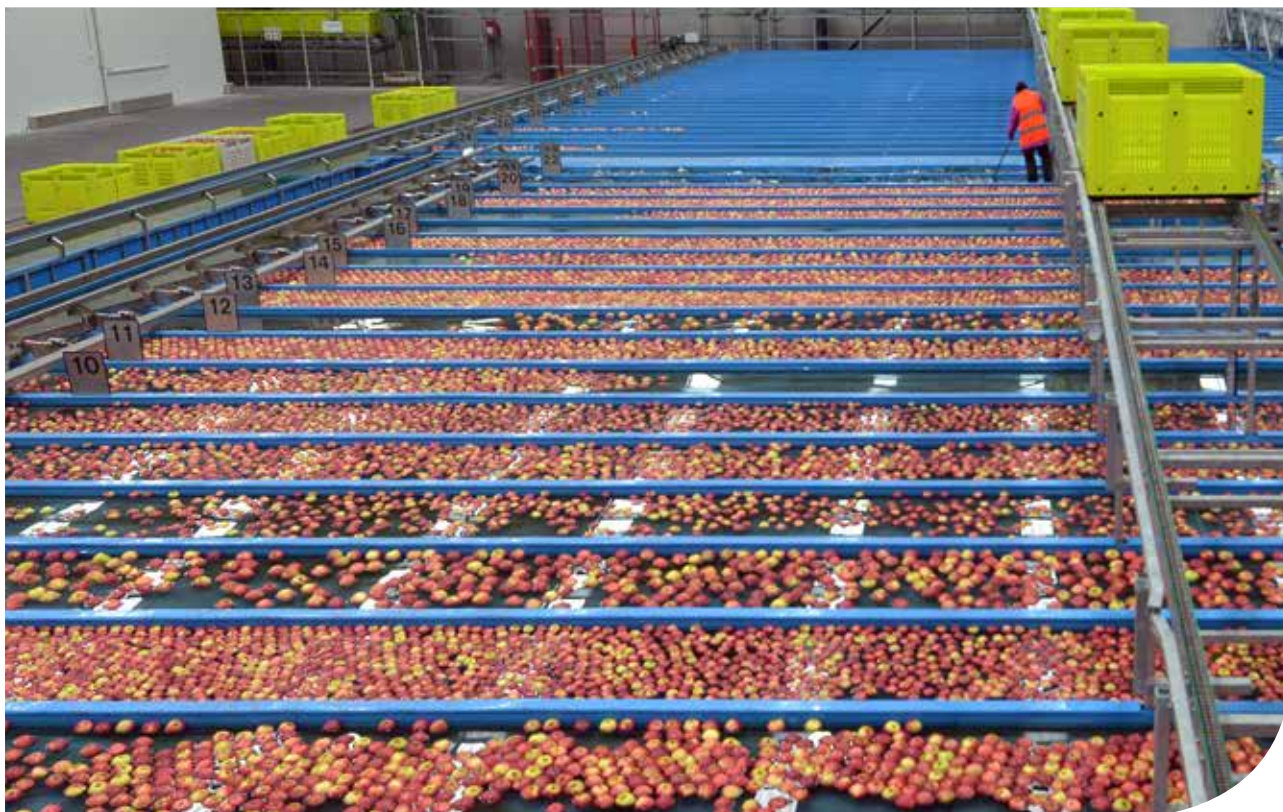
Council is looking forward to completing the 48-hectare Deep Creek Reserve site which includes a premier native reserve, education and recreation centre and play space. Cardinia Environment Coalition has partnered with the Victorian Government to incorporate the science excellence centre, Ecolinc, at the site which will enable schools to visit and learn about the natural environment.

We will continue to provide community awareness and participation opportunities including biodiversity education programs for kindergartens; facilitating the Gardens for Wildlife program to help residents encourage native animals into their gardens, and working with volunteer groups to deliver activities such as National Tree Day and Trees for Weeds Day.

Looking forward, we will implement a litter clean-up program in conjunction with the Department of Justice as well as a bin inspection program. Other future initiatives include the introduction of a nappy rebate program and food waste collection. We will also continue recovery drop-off events for e-waste, green and chemical waste.

Our economy

We will create and support local employment and business opportunities for our community and the wider region.



Supporting our business community

In 2018–19, we continued to deliver a number of networking, training and promotional opportunities through Casey Cardinia Region, a partnership between Cardinia Shire Council and Casey Council. Together with the City of Casey, we delivered three events as part of the Casey Cardinia Business Breakfast series, giving business people in the area the opportunity to network, connect with other local business operators and hear from high-profile guest speakers. The events continued to be well attended, with more than 140 people attending each. The annual women's business lunch was also successful, with 350 people attending. The annual Casey Cardinia Business Awards were held in October 2018 to celebrate the outstanding achievements of local businesses.

Council has also continued to implement the actions of the *Casey Cardinia Attracting Employment and Investment Strategy*, while working with the South Eastern Metropolitan Partnership to attract jobs and investment to the region. We have also continued to work with other providers to facilitate training opportunities for local businesses.

Council is committed to supporting local businesses when engaging suppliers and contractors as part of our organisational operations where possible. Our Procurement Policy and tender and contract management processes support many local businesses across Cardinia Shire. In 2018–19, Council had 305 active local suppliers, representing total expenditure

of \$18 million. This represented 17.3 per cent of Council's total spend. We also provide differential rates for agricultural and cultural or recreational land use properties to help our local businesses. In 2018–19, almost 1,180 properties were recorded as farming and cultural or recreational land use and received a 25 per cent discount on the base general rate.



Tourism

In partnership with the City of Casey, we continued to implement the *Casey Cardinia Visitation Strategy 2017–20* and have established a new tourism board, which will now take the lead to work on the future development of this strategy and branding. The strategy provides a strong plan to help strengthen the region's tourism industry and provide opportunities for tourism operators and businesses. Led by industry and supported by Council and the City of Casey, the strategy's recommendations aim to lay the foundations for increasing regional job and growing visitation, for the benefit of local businesses, the community and both councils.

Planning ahead

Council is committed to developing employment precincts in the shire to help build town centres, facilitate employment opportunities and attract industry and investment in the shire.

In 2018–19, Council:

- developed the *Pakenham South Precinct Structure Plan* to prepare the document for public exhibition and approval in the following financial year
- worked with the Victorian Planning Authority (VPA) to prepare the *Pakenham East Precinct Structure Plan* and Infrastructure Contribution Plan. The *Pakenham East Precinct Structure Plan* has been finalised and considered by Planning Panels Victoria and Council is awaiting a decision from the Minister for Planning
- commenced work with the VPA on the *Officer South Precinct Structure Plan*. A review of the Cardinia Road Employment Precinct will be undertaken in conjunction with *Officer South Precinct Structure Plan*
- worked with the VPA to complete the review of Officer Town Centre as part of the *Officer Precinct Structure Plan*
- facilitated development of key sites in core commercial areas in Officer and Pakenham. Council officers continue to work with land owners in the town centre to support development opportunities.

Challenges

With more than 60 per cent of residents in the shire travelling outside the shire for work, ensuring increased local employment opportunities remains a priority for Council. We are also committed to ensuring that Cardinia Shire is an attractive location for major businesses to generate more local jobs.

Another challenge facing Council is ensuring that the shire's agricultural values are supported and respected while balancing the residential land needs of our growing community. With its valuable agricultural areas, Cardinia Shire plays an important role in providing a significant



food supply. Council is committed to leveraging this to attract investment, employment opportunities and securing fertile land required for food supply. Council must continue to balance these competing priorities to ensure that urban growth and economic progress do not come at the expense of the shire's environmental character and liveability.

Looking forward

Business growth and investment are vital to building sustainable communities and we will continue to support our local businesses and encourage investment. We will continue to deliver a number of networking, training and learning opportunities through a number of initiatives, support new business opportunities and work to encourage and attract investment to the region.

Recognised by the Victorian Government as 'state significant employment land', the 2,400 hectares of land south of the Pakenham Bypass is set to become home to more than 55,000 jobs in the future, providing employment opportunities for residents of Cardinia Shire. We will also continue to advocate to the Victorian Government to identify a suitable site in Cardinia Shire for an airport development, which would also boost employment opportunities, investment and visitation to the region. Council will continue to apply for funding from, and advocate to, the Victorian and Australian governments to facilitate investment in the region.

We remain committed to our Procurement Policy and tender and contract management processes to continue to support local businesses where possible when engaging suppliers and contractors as part of Council's operations.

Our governance

We will consult with the community, as appropriate, in an open and accountable way to help in determining the key direction of Council.



Advocacy

It is imperative that Council continues to advocate to, and work in partnership with, other levels of government and organisations to deliver community services and facilities that meet the needs of our growing community.

During the 2018–19 financial year, Council submitted 44 grant applications valued at just over \$10.6 million. Of these applications, 26 were successful and Council received \$6,659,173 in funding assistance.

In addition, through our advocacy in the lead up to the 2019 Federal Election, commitments of \$592.8 million were made for various projects in the La Trobe electorate, which takes in parts of Cardinia Shire Council, Casey Council and Yarra Ranges Shire Council.

Council is a member of the Interface Group of Councils and has been advocating strongly to other levels of government throughout 2018–19 to increase funding support for services in the interface areas which experience high population growth and geographic distance.

We are also continuing to advocate the Victorian Government to identify a suitable site in Cardinia Shire for an airport and to undertake the pre planning work.

Delivering a responsible budget

Council adopted its 2019–20 budget and Council Plan in June 2019 following community consultation. The budget reflects Council's responsible financial management which has enabled more than \$60 million of capital works to be included in the budget and all vital community services to be maintained or enhanced.

The budget will deliver on important infrastructure works including recreation, leisure and community facilities, as well as roads, drains, footpaths and parks, opens space and streetscapes. Community services are also planned for in the budget, including support for aquatic and recreation facilities, child and family services, community recreation, libraries, maternal and child health, youth services, community development, the environment, and economic development. In response to submissions received as part of the community consultation process, \$316,000 in additional funding was provided to the capital works budget for 2019–20. Also in response to budget submissions, Council has decided to make public event booking and public market space hire fees exempt for non-for-profit and community organisations.

Engaging with our community

Council is committed to engaging with our community and regularly conducts community consultations to assist in decision making. Seeking community input ensures we are aware of our community's priorities and expectations. This feedback is then taken into consideration when Council makes decisions in relation to planning and service delivery.

As part of our commitment to transparency and continuous improvement, Council's performance dashboards continue to provide a high-level, transparent snapshot of Council's performance in key Council service areas. By providing the community with easy access to this information via Council's website, we are demonstrating our commitment to improving the services we deliver. The dashboards display data from various organisational systems in a central online location, allowing our community to access information about Council's performance at any time.

The three performance dashboards are:

- **Growth dashboard** – shows critical growth indicators for the shire. To provide insight into the current and future residential land development, and other growth statistics
- **Performance Report dashboard** – provides information for areas including legislation changes affecting Council, progress on major capital works, and delivery of the Council Plan
- **Your Council Your Community dashboard** – provides a high-level snapshot of residential growth in the shire and some key activities and customer service areas.

Council will continue to increase its use of online platforms to educate, inform and engage the community. This includes the use of our website and social media channels to promote community engagement activities, initiatives and outcomes.

Council continued to webcast its Council Meetings live in 2018–19, providing further opportunities for the community to be informed of Council decisions.

Challenges

Much of Council's infrastructure, services and projects are funded through rate revenue, which is limited by the Victorian Government's rate cap. Maintaining long-term financial stability in light of the challenges presented by the rate cap, increasing utility costs and depreciation expenses is an ongoing consideration for Council. We are also faced with the need to ensure our existing community assets are renewed and maintained at a time of significant population growth and increasing demand for services and infrastructure. Therefore, we will continue to have a strong focus on advocacy and seeking grant support from other levels of government.



Cardinia Shire is a blend of urban growth area, rural community and green wedge zones, which presents a challenge to Council in balancing the varying needs of our diverse communities and areas. Council strives to find a balance by meeting the needs of its local communities while ensuring economic prosperity, social wellbeing, environmental sustainability and long-term financial sustainability.

Looking forward

Council will continue to actively engage with state and federal politicians to seek their support for local initiatives. It is important that we continue to plan, deliver and maintain the infrastructure necessary for our community.

Council will also continue to work with other groups and councils, such as South East Melbourne and the Interface Group of Councils, to facilitate investment in the broader region. We will continue to lobby for action on important local issues and work hard to influence government priorities that will benefit our local community.

Council uses a community engagement platform, our website and a range of social media platforms including Facebook, community newsletters and surveys. Council is investigating online engagement platforms to further opportunities to engage with the wider community and provide opportunities for input into Council decision making and policy and project development.

Description of operation

Capital works can be defined as building construction, engineering and infrastructure services works that create a new asset. A new asset could be a building (for example a sporting pavilion, community centre or public amenities), playground, road or bridge. Capital works projects also include upgrading or extending existing buildings, major road works to upgrade existing roads, and refurbishing playgrounds.

Cardinia Shire Council undertakes capital works to provide new assets and to improve existing assets.

- **New** – an asset is built that did not previously exist.
- **Renew or replace** – the existing asset or component of an asset has reached the end of its useful life. With the exception of land, assets have limited useful lives and decline in value due to wear and tear. For example works may include resealing an existing.

sealed road or replacing a roof on a building, thereby extending the life of the asset.

- **Growth or enhancement** – the capacity of an existing asset is increased beyond its original design capacity or service potential. For example works may include widening a bridge or adding an extension to a building.
- **Disposal or decommission** – an asset that is no longer required is removed from service, or may no longer be fit for purpose.

Major capital works

Council has progressed and delivered many projects throughout the 2018–19 financial year. The following are some of our major projects, having a value of more than \$500,000, which enabled Council to deliver improved services, amenity, ease-of-access, and quality facilities to our diverse community.

Deep Creek Reserve

| | |
|--------------------|---|
| Description | Development of an all-abilities play space, wetlands and a sustainably-designed community and education centre, nursery, passive reserves, car parking and access roads. |
| Update | <p>Tenders have been awarded and works are in progress for the following stages of this development:</p> <ul style="list-style-type: none"> • construction of the building and services – nearing completion • construction of the regional all-abilities play space – complete • civil works package for the car park and associated drainage – complete • construction of new holes at Pakenham Golf Course – complete • landscaping – nearing completion <p>The tender for the nursery building part of this project has been awarded with works commencing on site and due for completion late October 2019.</p> |
| Start | March 2017 |
| End | Due to open late 2019 |
| Cost | \$10.325 million |



Lang Lang Community and Recreation Precinct

| | |
|--------------------|--|
| Description | <p>Development of a major sport and recreation reserve including passive recreation areas. The construction of this major recreation and community precinct is being undertaken in partnership with the Lang Lang Community Bank. It will include sporting facilities, multi-purpose community spaces, parks and other spaces for recreational activities.</p> <p>Lang Lang Community Bank purchased the 36-hectare parcel of land and has committed \$3.2 million (including land purchase) to the project. A further \$1.5 million has been funded from the Australian Government's Building Better Regions Fund and Council and our partners have so far committed \$13.5 million to the design and construction between 2015–16 and 2020–21.</p> |
| Update | <p>Completion of Stage 1 works in 2017–18 made way for construction of the pavilion and establishment of grass on the ovals.</p> <p>In 2018–19, Stage 2 works commenced and the construction of the pavilion is well underway. The main structure comprising pre-cast template concrete panel walls is nearing completion, floor and roof areas are progressing and will be followed by fit-out of internal areas.</p> |
| Start | March 2017 |
| End | Mid-2020 |
| Cost | \$10 million |

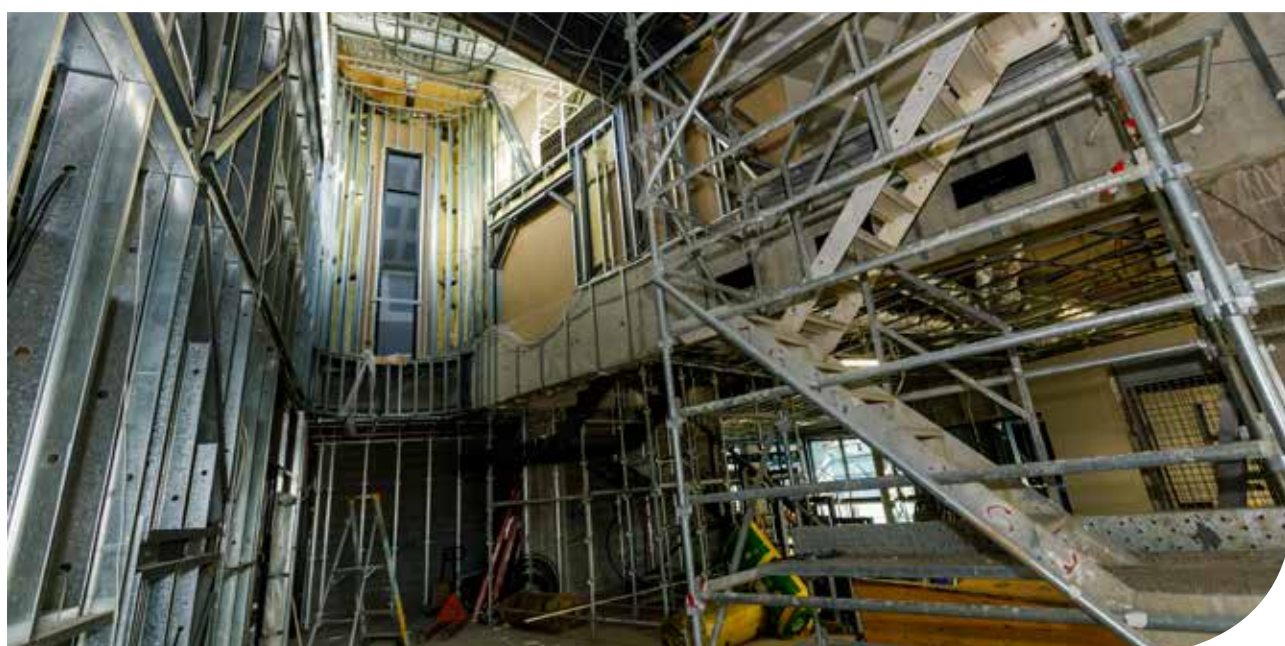
James Bathe Recreation Reserve

| | |
|--------------------|--|
| Description | Development of a district-level sport and recreation reserve adjacent to the Melbourne Water wetlands. |
| Update | <p>The initial civil works package includes the construction of two football ovals, two netball courts, car parking, access roads, a basketball court, cricket nets and a playground area. These works are nearing completion.</p> <p>The pavilion construction works are well underway.</p> |
| Start | September 2016 |
| End | Mid-2022 |
| Cost | \$10.3 million |



Hills Hub

| | |
|--------------------|--|
| Description | Development of a new community hub to enhance existing community activities and emerging local needs, including skill development, training, employment creation, support of youth programs, and support for tourism. It will include a purpose-built community space and an arts display space. The Hills Hub will accommodate stakeholders such as Lions Club, U3A, Men's Shed, Emerald Toy Library, Emerald Playgroup and other community groups. |
| Update | Construction of this 'jewel in the crown' for Emerald is nearing completion and the internal wall and floor finishes are being applied to complement the unique external finishes of the building. |
| Start | March 2018 |
| End | Completion due end of 2019 |
| Cost | \$8.2 million |



Emerald Netball Facility

| | |
|--------------------|--|
| Description | <p>Construction of a new Emerald Netball Facility and the associated infrastructure at Pepi's Land. The works will be undertaken in the following three stages:</p> <ul style="list-style-type: none"> • Stage 1b – internal civil works including car park, retaining walls, site services, stormwater drainage, netball courts, lighting and building platform for future pavilion. • Stage 1a – external works including road widening of Beaconsfield–Emerald Road, adjacent to the site. • Stage 2 – construction of the pavilion. |
| Update | <p>Works for Stage 1b are now complete.</p> <p>VicRoads has approved the design of Stage 1a. The construction contract is being prepared while the service authority approves the proposed detailing.</p> <p>Detailed design of the pavilion is complete and the project is at tender stage. Construction of the pavilion is expected to start in November 2019 once approval has been received from the relevant statutory authority.</p> |
| Start | July 2017 |
| End | June 2020 |
| Cost | \$3.2 million |

Emerald Lake Park dam wall reinstatement

| | |
|--------------------|--|
| Description | Replacement of outfall drainage pipe and reconstruction of Emerald Lake Park Road dam wall. |
| Update | <p>A leak was identified in the Emerald Lake Park outfall drain, and expert dam and hydraulic engineers provided repair advice. Road closure, a response program and an inspection regime were put in place immediately.</p> <p>The outfall drain has been replaced and the dam wall reconstructed. Final road pavement works and batter protection have been completed.</p> |
| Start | March 2018 |
| End | November 2018 |
| Cost | \$650,000 |

Road pavement renewal program

| | |
|--------------------|---|
| Description | The 2018–19 road pavement renewal and rehabilitation program involves the complete rehabilitation of a number of roads across the municipality. |
| Update | <p>Reconstruction works associated with the deterioration of pavements at:</p> <ul style="list-style-type: none"> • Taplins Road, Catani • Garfield North Road, Garfield North • Berglund Road, Upper Beaconsfield • Army Road, Pakenham <p>Works included the removal and/or stabilisation of existing pavement and an improved pavement make-up. All of the removed material was recycled locally. The works addressed the continual maintenance and repair costs associated with these roads, increasing time efficiency for Council's Road Maintenance team and improving the overall safety, 'ride-ability' and appearance of the roads.</p> |
| Start | July 2018 |
| End | June 2019 |
| Cost | \$1.414 million |

Unsealed road re-sheeting program

| | |
|--------------------|---|
| Description | Replenish the crushed rock material on selected unsealed roads across the municipality under the 2018–19 unsealed road re-sheeting program. |
| Update | Approximately 35 kilometres of unsealed roads were replenished; new crushed rock material replaced materials that had diminished due to inclement weather conditions and general wear and tear. |
| Start | October 2018 |
| End | February 2019 |
| Cost | \$673,000 |



Economic factors

During the planning and delivery of the capital works program, a number of budgeted priorities unexpectedly faced higher construction costs due to uncontrollable market conditions. Delayed start for some projects was due to the necessary re-prioritisation of projects to ensure financial sustainability was maintained and community expectations were being met.

Major changes

Council's five-year forward planning and delivery of capital works projects has been reviewed and updated to best match Council's ability to deliver the program in the current market conditions.

Major achievements

Council continued to apply short- and long-term strategies for its capital works program, including 1-year, 5-year and 10-year plans that align to the Council Plan actions and budgets. This approach supports the goal of financial sustainability and provides a framework for monitoring Council's financial performance in project delivery.

Financial summary

Comprehensive Income Statement

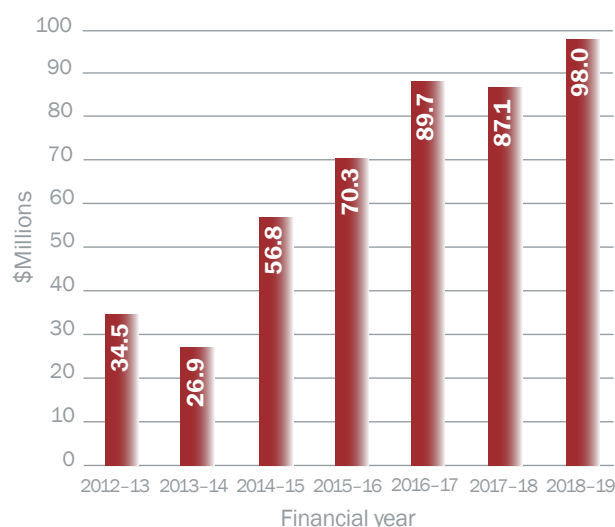
The Comprehensive Income Statement identifies income and expenses for 2018–19. For the year ending 30 June 2019, Council's operating result was a surplus of \$98.0 million (see Figure 1), which was \$93.0 million higher than budgeted.

Revenue exceeded the budget by \$100.0 million. Contributions of non-monetary assets were \$66.3 million favourable due to higher than budgeted non-cash contributions of infrastructure assets, and cash contributions were \$15.5 million higher due to increased development activity within the shire. Operating and capital grants income were a combined \$10.9 million favourable due to the receipt of unbudgeted grants, including funding of \$4.0 million received from the Victorian Government's Growing Suburbs Fund (GSF), and budgeted operating grants being better than budget. Rates and charges income was \$1.6 million better than budget mainly due to higher revenue from rates, including supplementary rates, due to an increase in rateable properties.

Operating expenditure was \$7.0 million higher than the budget. This was mainly due to materials and services expenditure being over budget by \$5.6 million, primarily as a result of the recognition of capital works, priority works and community capital works expenditure which was budgeted in the capital works program, and expenditure on bushfire recovery works following the Bunyip Complex Fires in March 2019.

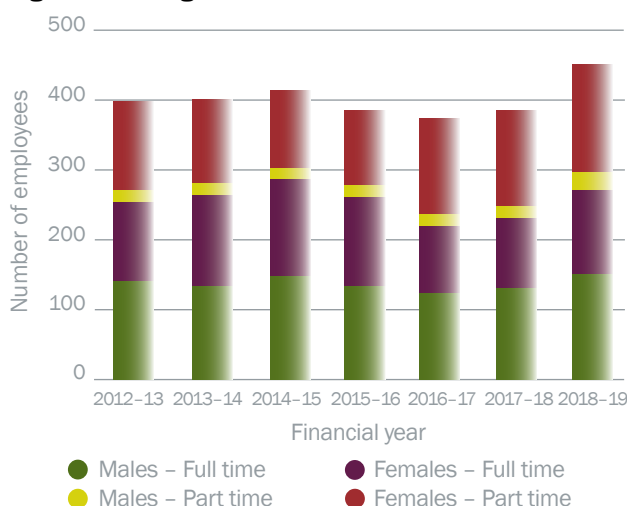
The 2018–19 adjusted underlying result (the result for the year adjusted for non-recurring or one-off items of income or expenditure as per Performance Statement) is a surplus of \$6.0 million. This is below the 2017–18 result of a \$9.2 million surplus, but is better than the budgeted adjusted underlying result for 2018–19 of a \$2.2 million surplus.

Figure 1 Operating result \$ million



Employee costs were \$1.7 million over budget mainly due to new positions approved across the organisation during the year and the financial impact of the implementation of structural changes. Staffing levels have increased over the year across all categories (see Figure 2).

Figure 2 Staffing

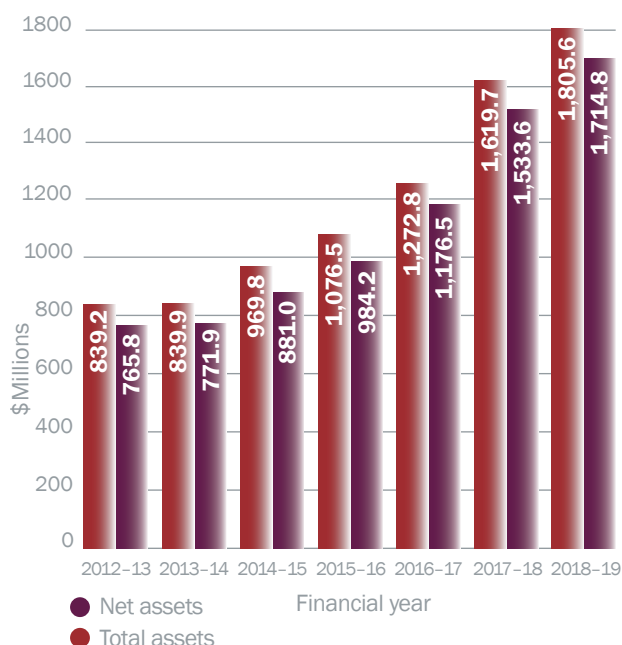


Balance Sheet

The Balance Sheet represents the overall financial worth of Council (net assets). This comprises what Council owns as assets (total assets) less what it owes as liabilities (see Figure 3).

Net Assets as at 30 June 2019 totalled \$1.7 billion; an increase of \$181.2 million from 30 June 2018, mainly due to an increase in the value of property, infrastructure, plant and equipment assets as a result of the addition of new and contributed assets and the revaluation of existing assets, particularly land and land under roads.

Figure 3 Assets \$ million

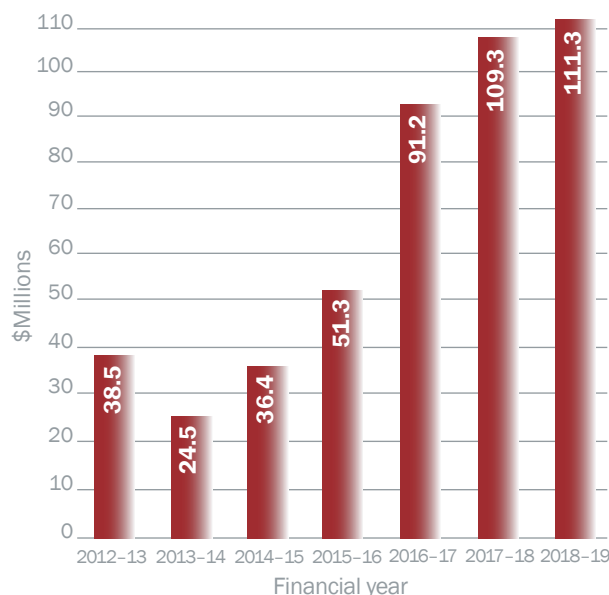


Statement of Cash Flows

The Statement of Cash Flows provides a summary of Council's cash receipts (inflows) and cash payments (outflows) during the year.

The closing cash and cash equivalents balance as at 30 June 2019 was \$49.3 million, an \$8.5 million decrease from 2017–18. The balance of longer term investments is \$62.0 million, an increase of \$10.5 million from the previous year. This results in total cash and investments of \$111.3 million, an overall increase of \$2.0 million (see Figure 4). Net cash provided by operating activities is \$13.8 million higher than 2017–18, mainly due to increases in rates and charges, cash contributions and grants cash inflows.

Figure 4 Cash and Investments \$ million

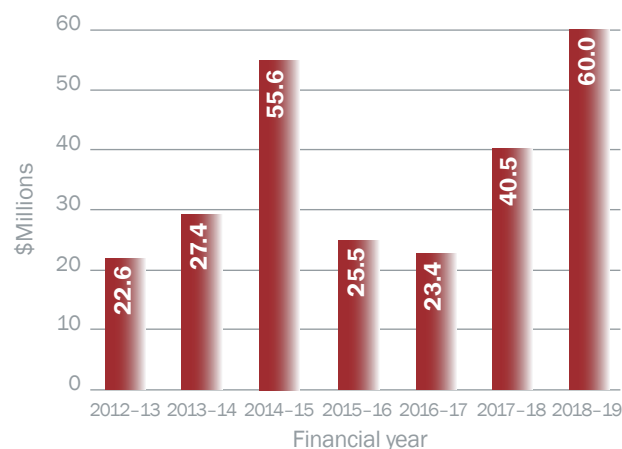


Statement of Capital Works

The Statement of Capital Works identifies costs of constructing or acquiring property, infrastructure and plant.

Council spent \$60.0 million on capital works in 2018–19, which was a \$19.5 million increase from 2017–18 (see Figure 5). This increase is mainly in the property category, which includes land and buildings. (Note: the purchase of the new Civic Centre in Officer is included in the amount for 2014–15 in Figure 5).

Figure 5 Capital Works Program \$ million



Grant funding

During 2018–19, Council received \$27.8 million in Australian and Victorian government funding, an increase of \$3.1 million from 2017–18. The increase primarily relates to the receipt of unbudgeted grants and additional funding for several existing grants.

The full amount of grants received is reported within Note 3.4 of the Financial Report.

Our Council

Introduction

Year in review

Our Council

Our organisation

Governance and
management

Our performance

Performance
statement

Financial
statements

Cardinia Shire profile

Location

Located 55 kilometres south-east of Melbourne's central business district, Cardinia Shire is one of 10 'interface councils' around the perimeter of metropolitan Melbourne, where urban and rural areas meet. The Princes Highway and Gippsland railway corridor run east-west through the centre of Cardinia Shire, providing key road and rail links between Melbourne and West Gippsland. The western end of this corridor comprises about 10 per cent of Cardinia Shire's land area and is the main area of growth, containing Beaconsfield, Officer and Pakenham.

Outside this growth area, Cardinia Shire's large rural population resides in 27 townships; this dispersed population provides unique service provision challenges for Council. The northern part of the shire is set in the foothills of the Dandenong Ranges, and includes Bunyip State Park and Cardinia Reservoir. Koo Wee Rup swamp and Western Port Bay are significant features of the southern part of Cardinia Shire.

History

Cardinia Shire covers an area of 1,280km² and has a rich diversity of both natural and cultural sites, from the waters of Western Port Bay to the foothills of the Dandenong Ranges, comprising places of local and state significance. These heritage places reflect the different periods and people who have shaped the shire's landscape, from Aboriginal Australians, the first people to use the rugged landscape, to the logging and gold mining of the foothills, the draining of the former Koo Wee Rup

Swamp, and pastoral settlement. The landscape is again under a period of change as new development and new people move into the area every week.

Cardinia Shire derives from four main development periods:

- Aboriginal cultural landscape at first contact (c1835–c1860)
- pastoral era and land settlement (c1838–c1870)
- selection era and establishment of service communities (c1860–c1940)
- post-war residential expansion (c1945 to present day).

Local government in the region commenced in 1862 with creation of the Berwick District Roads Board, followed by proclamation of the Shire of Berwick in 1868. In 2018, we celebrate the 150th anniversary of the Shire of Berwick, later the Shire of Pakenham, and now Cardinia Shire.

Population

Cardinia Shire is one of the fastest growing local government areas in Victoria.

- an average of six new households move into Cardinia Shire every day
- as of 2019, Cardinia Shire's estimated population is 115,401
- the shire's population is expected to increase by approximately 54,100 over the next 10 years (2029) and 81,400 over the next 20 years (2039), to a total of approximately 196,800
- the median age of residents is 35, which is two years younger than Greater Melbourne (38)





- the largest percentage of the population are 'parents and homebuilders' aged 35–49 (21%), followed by young people aged 12–24 (17%) and our 'young workforce' aged 25–34 (14.6%)
- growth areas in Cardinia Shire have a much higher proportion of young children aged 14 years and under compared with Greater Melbourne.

The Victorian Government has nominated the Casey–Cardinia region as one of five regions around the fringe of metropolitan Melbourne where new housing and population growth is to be concentrated. As a result, rapid population growth will happen for the next 20 years within the shire's designated growth area.

Estimated 2019 population and projected 2029 and 2039 population, by service age group

| Age group | 2019 | | 2029 | | 2039 | | Change: 2019 to 2039 |
|--|----------------|-------------|----------------|-------------|----------------|-------------|----------------------------|
| | N | % | N | % | N | % | |
| Babies and preschoolers (0 to 4) | 10,498 | 9% | 15,871 | 9% | 16,905 | 9% | +6,407 |
| Primary schoolers (5 to 11) | 12,663 | 11% | 20,327 | 12% | 22,510 | 11% | +9,847 |
| Secondary schoolers (12 to 17) | 9,162 | 8% | 14,093 | 8% | 17,094 | 9% | +7,932 |
| Tertiary education and independence (18 to 24) | 10,565 | 9% | 14,972 | 9% | 17,926 | 9% | +7,361 |
| Young workforce (25 to 34) | 18,183 | 16% | 25,668 | 15% | 26,936 | 14% | +8,753 |
| Parents and homebuilders (35 to 49) | 23,500 | 20% | 34,507 | 20% | 39,396 | 20% | +15,896 |
| Older workers and pre-retirees (50 to 59) | 12,723 | 11% | 17,554 | 10% | 20,996 | 11% | +8,273 |
| Empty nesters and retirees (60 to 69) | 9,331 | 8% | 12,901 | 8% | 16,436 | 8% | +7,105 |
| Seniors (70 to 84) | 7,479 | 6% | 11,428 | 7% | 15,159 | 8% | +7,680 |
| Elderly aged (85 and over) | 1,297 | 1% | 2,192 | 1% | 3,428 | 2% | +2,131 |
| Total people | 115,401 | 100% | 169,513 | 100% | 196,786 | 100% | +81,385 |

Percentage figures may not equate to exactly 100% due to rounding.

Cardinia Shire has a higher proportion of young families than the Melbourne average. In contrast, the proportion within the 60-plus age group is lower when compared with metropolitan Melbourne. These patterns are typical of growth areas on the fringe of large cities where young couples often move out from rental accommodation in inner suburbs in search of more affordable housing and larger family-sized dwellings.

However, an estimated 18,100 residents aged 60 and over live in Cardinia Shire, representing 15.7 per cent of the total population. The number of senior residents (aged 60-plus) living in Cardinia Shire is expected to increase to approximately 35,000 over the next 20 years (2039). This increase in the number of older residents will have a corresponding impact on the demand for community and aged services, health services, public transport and local infrastructure.

At the time of the 2016 census, 50 per cent of Cardinia Shire's population identified as having a Christian faith, and Catholic was the most prominent denomination chosen by residents. Just 6.7 per cent of residents identified with a non-Christian religion, the most common being Buddhism. Over one third of residents (34.7%) said they had no religion, which is a higher proportion compared with Greater Melbourne (31%) and up from 28 per cent in 2011.

While CALD (culturally and linguistically diverse) communities comprise only a small proportion of the overall Cardinia Shire population, in line with current population growth this number is increasing. In the 2016 Census, residents from non-English speaking backgrounds represented 12.8 per cent of the Cardinia Shire population; an increase from 9.6 per cent in 2011. The most common countries of birth for non-Australian born residents are the United Kingdom, India, New Zealand, Sri Lanka, and the Netherlands.

In line with Victorian trends, Cardinia Shire has an Aboriginal population of 780, representing 0.8 per cent of the population. This has increased from 429 in 2011.

Households and housing

The number of households in Cardinia Shire is estimated to be approximately 39,600.

- Around 40 per cent of households are couples with children, which is more than the Melbourne average of 33.5 per cent.
- The shire's remaining households comprise couples without children (approximately 26%), one-parent families (11%) and lone households (18%).
- Of the population, 23 per cent own their dwelling, 47 per cent have a mortgage, and 22 per cent are renting. The proportion of households with a mortgage is higher than the metropolitan Melbourne average of 34 per cent.

Education

In general, Cardinia Shire residents are attaining lower levels of education and training than elsewhere in metropolitan Melbourne. At the time of the 2016 Census, 45 per cent of residents had completed Year 12 or equivalent, compared to the metropolitan Melbourne average of 59 per cent. At present, there is no university campus and limited TAFE courses are available in Cardinia Shire, which limits the availability of post-secondary education opportunities for residents.

Industry and economy

As of 2016, 14,142 residents were employed in jobs within the shire, while over half of Cardinia Shire's working population were travelling outside the area to work (61.9%).

- Ninety-four per cent of the population (those able to work) is employed and six per cent of the population is unemployed, which is similar to metropolitan Melbourne (6.8%).
- Of those who are employed, 62 per cent work full time and 36 per cent work part time.
- The top four industries of employment among Cardinia Shire residents are construction (13.5%), health care and social assistance (11.1%), retail (11%), and manufacturing (10.2%).
- Technician and trade work are the dominant occupations in the shire.



Council wards

Cardinia Shire is divided into three wards, with:

- three councillors representing Ranges Ward, including Beaconsfield, Beaconsfield Upper, Emerald, Cockatoo, Officer, Pakenham Upper and Gembrook.
- two councillors representing Port Ward, including Koo Wee Rup, Bunyip, Nar Nar Goon, Tynong, Garfield, Lang Lang and part of Pakenham
- four councillors representing Central Ward, which covers most of Pakenham.

Council offices

Civic Centre
20 Siding Avenue, Officer

Postal address
PO Box 7
Pakenham Victoria 3810

Phone: 1300 787 624
Email: mail@cardinia.vic.gov.au
Website: www.cardinia.vic.gov.au

Council ward map



Councillors

Nine councillors were elected in October 2016 and will serve for a four-year period until October 2020.

Port Ward



Cr Graeme Moore
(Mayor 2018–19)

First elected 2011.
Mayor 2013–14.
Deputy Mayor 2014–15.



Cr Ray Brown

First elected 2016.

Central Ward



Cr Collin Ross
(Deputy Mayor 2018–19)

First elected 2008.
Mayor 2017–18



Cr Jodie Owen

First elected 2012.
Mayor 2015–16.
Deputy Mayor 2016–17.



Cr Carol Ryan

First elected 2016.



Cr Michael Schilling

First elected 2016.

Ranges Ward



Cr Brett Owen

First elected 2005.
Mayor 2012–13.
Deputy Mayor 2013–14.
Mayor 2016–17.
Deputy Mayor 2017–18



Cr Leticia Wilmot

First elected 2012.
Mayor 2014–15.
Deputy Mayor 2015–16.



Cr Jeff Springfield

First elected 2016.

Our organisation

Introduction

Year in review

Our Council

Our organisation

Governance and
management

Our performance

Performance
statement

Financial
statements



Organisation structure

Cardinia Shire Council organisation structure at 30 June 2019



Senior Leadership Team

Carol Jeffs – Chief Executive Officer

Carol commenced her appointment as Chief Executive Officer of Cardinia Shire Council in October 2018.

Carol brings to Council her extensive experience in local government management and leadership, and a demonstrated commitment to community engagement and participation.

With more than 15 years' experience as a senior local government executive, Carol has led planning, corporate services, economic development and community services at both regional and inner metropolitan councils.

She has held positions of Interim Chief Executive Officer and General Manager Community and Economic Development at the City of Port Phillip, and was previously General Manager Governance and Manager City Planning at Latrobe City Council.

Carol is passionate about making a difference in a community that she knows and loves. She is committed to advocating strongly for what Cardinia Shire needs going forward and engaging with residents, community groups, farmers, businesses and landowners to create a future we can all be proud of.

Carol holds qualifications in business (Bachelor of Business) and economics (Master of Economics), is a Harvard University Executive Program graduate and a member of the Australian Institute of Company Directors.



Tom McQualter – Executive Manager Office of the CEO

Tom brings to Cardinia Shire Council a broad range of experience from the private sector, water industry and local government. His expertise is in the fields of governance, legal, property, planning, development, leadership and culture.

Tom's previous experience includes Westernport Water where he was the Manager Strategy, Performance and Governance, Tom is a solicitor of the Supreme Court of Victoria and a strong governance practitioner.

He has previously held roles as Acting General Manager Organisational Excellence/Corporate Services and Manager Council Operations and Legal Counsel at Latrobe City Council before establishing his own leadership and development consulting firm.

Well known as a trusted advisor who combines strong ethical values with his people leadership skills, Tom is also a director of Gippsland Southern Health Service and was the founder and facilitator of The Leadership Conservatory.

Tom holds a Bachelor of Laws/Bachelor of Arts and a Masters of Organisational Leadership.

Business unit areas

- Economic Development
- Finance
- Governance
- Mayoral and Councillor Support



Jenny Scicluna – General Manager Customer, People and Performance

Jenny has a wealth of experience in local government, having worked in the sector for the past 18 years.

Prior to her appointment as General Manager Customer, People and Performance, Jenny served four years as Council's General Manager Community Wellbeing and six months as Acting General Manager Corporate Services.

Jenny has extensive local government experience and has led a broad range of community services at Maroondah and Banyule city councils.

She is well known for her high level of influencing, organisational and interpersonal leadership skills in the local government sector and consistently builds positive, high performing teams and cultures.

In addition to her vast range of experience in different sectors, Jenny holds a Masters of Human Resources Management, Diploma and Bachelor of Education, and Diploma of Frontline Management.

In her role as General Manager Customer, People and Performance, Jenny is committed to people leadership and building a positive culture. Interacting with and relating to people is what she enjoys most about her role along with building a positive culture where people are supported to do their best.

Business unit areas

- Communications
- Customer and Service Improvement
- Information Services
- People and Culture



Peter Benazic – General Manager Infrastructure and Environment

Peter has more than 20 years' experience in leadership roles in the local government sector in operations, maintenance, parks, waste and project management.

He also has experience in the private sector as well as community and not-for-profit.

Peter's extensive local government experience has included senior roles at Port Phillip, Banyule and Maribyrnong city councils.

He holds three tertiary qualifications, including a Double Masters in Management, Masters in Administrative Management and Masters in Business Administration (MBA) and a Graduate Certificate in Project Management.

In addition to a wealth of experience, Peter is well known for his relentless pursuit of excellence, people leadership and customer focus when leading high performing teams.

As the General Manager Infrastructure and Environment, Peter is committed to building a customer-focussed culture that will serve the Cardinia Shire community well, both now and into the future.

Business unit areas

- Buildings and Facilities
- Development and Compliance Services
- Environment and Heritage
- Infrastructure Services
- Operations



Tracey Parker – General Manager Liveable Communities

Tracey is a committed and dedicated leader, with more than 25 years' experience in local government. She has a strong belief in community engagement and making communities the best they can be.

Tracey has held a number of senior management positions during her 17 years at Cardinia Shire Council and her previous local government experience has included roles at Knox, Glen Eira and Casey city councils.

She holds a Bachelor of Arts with Majors in Town Planning and Urban Studies as well as a Graduate Diploma in Urban and Regional Planning.



As the General Manager Liveable Communities, Tracey is passionate about customer connection and working with local communities.

During her time at Council, Tracey has witnessed significant change and growth in the shire, providing her with an in-depth understanding of where the community has come from. This, together with her knowledge of historical events in the shire, will serve her well as she leads her team to deliver a range of important services to the community.

Business unit areas

- Active Communities
- Community and Family Services
- Community Strengthening
- Policy, Design and Growth Area Planning

Council staff

Staffing

In early 2018, Council conducted an employee engagement survey to measure the level of staff engagement across the organisation. The data from this survey will support business planning and future initiatives to strengthen what we do well and to improve the services we provide to our community. Council is committed to completing the employee engagement survey again in 2019 to build on the strengths and opportunities noted in 2018.

Council completed a realignment of the organisation structure in April 2019. The realignment created improved efficiency and effectiveness in terms of the way we work, allowing us to meet our strategic goals and improve our financial sustainability.

Leading the way

Leadership, values, and innovation will continue to be the focus for staff development. Council is committed to fostering a cohesive, flexible and engaged workforce that delivers excellent outcomes for the community.

With a focus on building leadership capabilities at all levels across the organisation, we continue to enhance our Leadership Capability Framework. This framework delivers clarity around performance expectations and develops our leaders consistently, which contributes to creating a greater leadership density. In early 2018, we introduced Coaching Circles facilitated by senior managers to support leadership development with practical mentoring on day-to-day leadership challenges.

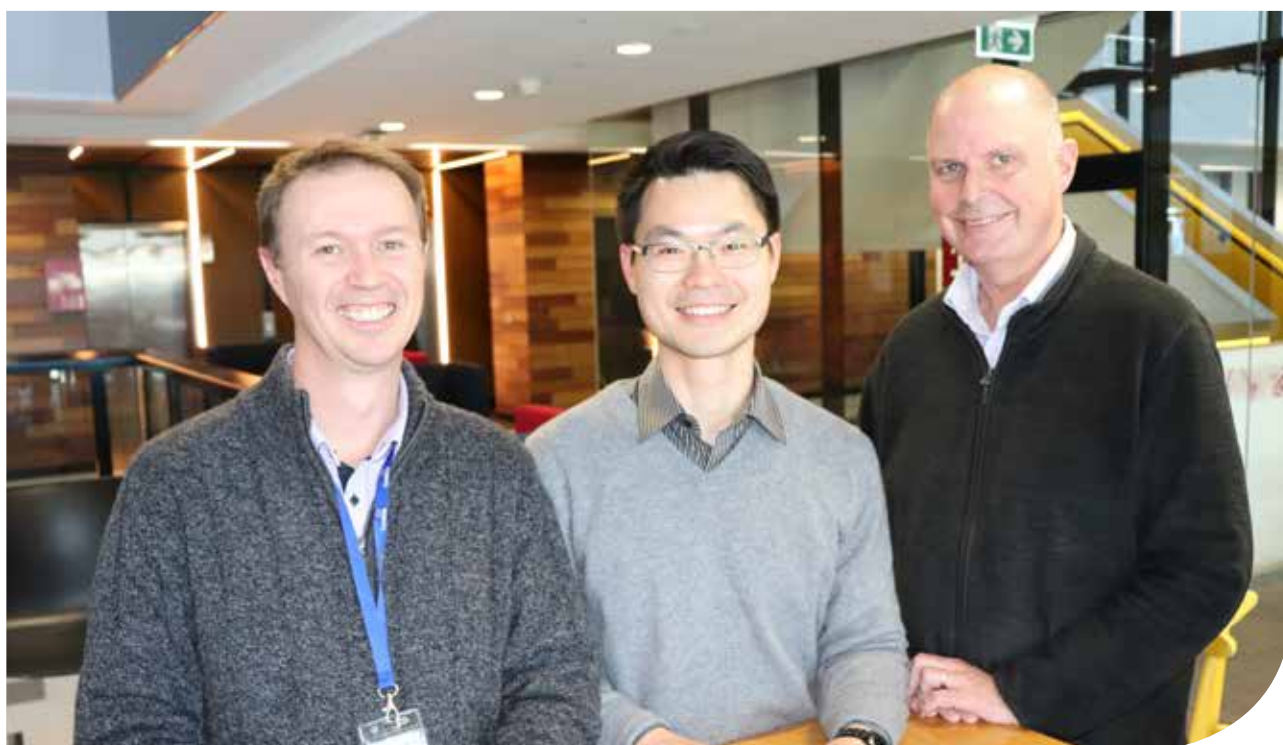
We've also continued the Leadership Fundamentals Program, which is dedicated to building leadership capacity, team effectiveness and a more cohesive organisation culture. Each year, 20 new and emerging leaders complete this program.

Mindfulness at Cardinia

Monthly mindfulness sessions are held at the Depot and the Civic Centre to help staff boost their mental and physical wellbeing, reduce stress, improve sleep, strengthen relationships, build self-awareness and promote high performance.

Proud. Happy. Supported.

As a result of the OurVoice staff survey last year, the Operations Business Unit has worked on a number of initiatives to foster a culture where people are engaged and thrive. One of the team's initiatives focusses on mindset – a way of thinking that determines our behaviour, outlook and mental attitude. The initiative is centred on the science of gratitude and mindfulness; staff ask themselves and others what they are proud of, what makes them happy and how they have received support or have supported others. The Operations team are seeing great shifts in the way they engage with each other and staff have reported feeling more positive overall.



Everyday leadership

As part of the cultural change strategy and action plan in the Operations team, we have developed the Everyday Leadership program for non-titled leaders. This program focuses on leading with awareness, leading from where you are, leading ideas, leading conversations and leading our experience. The Everyday Leadership program will run as a pilot program with the Operations team this year, with the view to making it available more broadly in 2020.

Lifelong learning

Council has continued to expand its corporate training calendar, offering a range of learning and development programs for all staff aligned to the Leadership Capability Framework. Popular topics in 2018–19 included genuine conversations, mindfulness and time management.

A particular focus has been on raising awareness of family violence, providing information and support to all staff, which also contributed to Council's White Ribbon Accreditation. Mandated Child Safety Awareness Training continues as part of Council's commitment to being a child-safe organisation.

Additional development opportunities available to our employees throughout the year included:

- a range of LGPro offerings, staff coaching and mentoring
- support to undertake formal education, from certificate level courses to post-graduate qualifications, under Council's Education Support Program
- the delivery of Council's 18-month traineeship program offering youth placement opportunities for trainees to experience working in various business units across Council.

Staffing information at 30 June 2019

- 63.2 per cent of Council staff were female (including casuals)
- 36.6 per cent of Council staff were male (including casuals)
- 0.2 per cent were indeterminate/intersex/unspecified (including casuals)
- 55.1 per cent of full time positions were held by men
- 87.1 per cent of part time positions were held by women
- 35.5 per cent of Council staff worked part time.





Staffing numbers

| Classification | Males | Females | Indeterminate/ Intersex/Unspecified | TOTAL |
|----------------|------------|------------|--|------------|
| Full time | 150 | 122 | | 272 |
| Part time | 24 | 162 | | 186 |
| Casual | 18 | 47 | 1 | 66 |
| TOTAL | 192 | 331 | 1 | 524 |

Detailed staffing breakdown

| Employee type/ gender | CEO | Customer, People and Performance | Infrastructure and Environment | Liveable Communities | Office of the CEO | TOTALS |
|--|----------|--|--------------------------------------|-------------------------|----------------------|------------|
| Full time Female | 1 | 17 | 42 | 45 | 17 | 122 |
| Full time Male | | 13 | 106 | 17 | 14 | 150 |
| Part time Female | | 26 | 68 | 65 | 3 | 162 |
| Part time Male | | 2 | 19 | 3 | | 24 |
| Casual Female | | 4 | 25 | 18 | | 47 |
| Casual Male | | | 9 | 9 | | 18 |
| Casual indeterminate/ intersex/ unspecified | | | | 1 | | 1 |
| Totals | 1 | 62 | 269 | 158 | 34 | 524 |

Staff demographics by age

| Age | Percentage |
|-------------|------------|
| 15–19 | 0.8 |
| 20–24 | 4.6 |
| 25–34 | 18.5 |
| 35–44 | 25.7 |
| 45–54 | 24.6 |
| 55–64 | 17.4 |
| 65 and over | 8.4 |

Staff by employment classification and gender

| Employment Classification | Female FTE | Male FTE | Indeterminate/ Intersex/ Unspecified FTE | Total FTE |
|---------------------------|------------|----------|--|-----------|
| Band 1 | 30.81 | 10.55 | | 41.36 |
| Band 2 | 2 | 4 | | 6 |
| Band 3 | 4 | 44 | | 48 |
| Band 4 | 44.96 | 16.8 | 1 | 62.76 |
| Band 5 | 60.45 | 26.94 | | 87.39 |
| Band 6 | 52.57 | 29.79 | | 82.36 |
| Band 7 | 15.09 | 15 | | 30.09 |
| Band 8 | 10.18 | 15 | | 25.18 |
| Band not applicable | 32.39 | 13 | | 45.39 |
| TOTALS | 252.45 | 175.08 | 1 | 428.53 |

Note: Council's payroll system provides the above data, which includes staff on extended leave without pay and parental leave. Where this is the case, employee numbers may be exaggerated due to extended position coverage. The data does not include contractors employed by other parties.

Equal employment opportunity statement

Cardinia Shire Council is an equal opportunity employer committed to providing a safe and supportive work environment free from unlawful discrimination, bullying, harassment, sexual harassment, and vilification, and where all individuals associated with the organisation treat each other with respect.

Council is an Equal Opportunity and Child Safe employer that supports inclusiveness and diversity. We welcome applications from people from a diverse background, including but not limited to, those identifying as LGBTIQ+, Aboriginal and Torres Strait Islander, people from culturally and linguistically diverse (CALD) backgrounds, and people with a disability.

All our employees are expected to behave in a professional manner and to treat each other with dignity and respect while at work. Council will take reasonable and proportionate measures to prevent and eliminate unlawful discrimination, bullying, harassment, sexual harassment, and vilification.

Council's Managing Workplace Complaints and Grievances Procedures are in place to ensure reports relating to experiencing or witnessing inappropriate workplace behaviours such as unlawful discrimination, bullying, harassment, sexual harassment, and vilification are treated seriously, and are investigated thoroughly and confidentially.

Victimisation is not tolerated and employees who feel they are being treated poorly or victimised because of reporting a concern or for being involved in the investigation process are encouraged to report this treatment immediately.

Council aims to ensure the most efficient and equitable use and development of the skills and talents of all staff. To achieve this, Council has, in consultation with staff, developed strategies to ensure equality at all stages of employment, including recruitment, selection and appointment, promotion, training and all other terms and conditions of employment.

All new Council staff completed induction training that included workplace behaviours; equal opportunity, sexual harassment and bullying. Refresher training is coordinated for all staff every two years and Councillors also undertake this training.

Governance and management



Introduction

Year in review

Our Council

Our organisation

**Governance and
management**

Our performance

Performance
statement

Financial
statements

Governance

Council is required under the Local Government Act 1989 to provide leadership for the good governance of the shire and the community. Council has a number of roles, including:

- considering the diverse needs of the community in decision making
- establishing strategic objectives and monitoring achievements
- responsible and accountable management of resources
- advocating on behalf of the local community
- fostering community cohesion and active participation.

Council provides opportunities for the community to provide input into Council's decision-making processes through community consultation, public forums and the ability to make submissions to Special Committees of Council.

Council's formal decision-making process occurs during Council meetings.

Council meetings

Council meets on the third Monday of every month and the Town Planning Committee meets on the first Monday. The meetings are open to the public and all agendas and minutes are available on Council's website.

Committees

As at 30 June 2019, the structure and composition of Council's committees was as follows.

Audit Committee

- Council members: Crs Brett Owen and Ray Brown.
- Independent members: Homi Burjorjee (Chairperson), Vincent Philpott and Michael Said.

Town Planning Committee

- Committee of the whole of Council.

Code of conduct

As required by the *Local Government Act 1989* (the Act), Council reviewed the code of conduct and adopted a new code of conduct at a special meeting on 20 February 2017. Copies of the code are available on Council's website or from Council's Civic Centre at 20 Siding Avenue, Officer.

Resources, training and compensation

It is important that Council's elected representatives are empowered to undertake their roles and responsibilities, and are provided with the opportunity to acquire new skills and upgrade their existing capabilities. Council has adopted a Councillor Expenses and Entitlements Policy encompassing matters such as those detailed below.



Councillor allowances

Cardinia Shire Council is ranked as a Group 2 Council in accordance with the Victorian Government's Policy Statement on Local Government Mayoral and Councillor Allowances. As such, the allowances payable are:

- a maximum of \$25,730 per annum for councillors
- a maximum of \$79,612 per annum for the Mayor.

In addition, an amount equivalent to the Superannuation Guarantee Contribution (currently 9.5%) is also payable.

Councillor expense entitlements

The policy provides for payment of travel allowances, child care expenses and communication expenses. Councillors are supplied with a computer and internet connection, mobile phone to be used for Council business.

Councillor professional development

The policy supports councillors to upgrade their skills during their term of office, with an amount of \$3,000 per councillor allocated in the budget. Programs qualifying for expenditure include:

- seminars and conferences
- undergraduate and post-graduate studies
- short courses and study tours.

Programs must relate to the areas of local government activity, leadership, governance in the context of the role of councillor, or enhance the personal skills of the individual to undertake the role.

Councillor expenses 2018–19

| Councillor | Travel/mileage (\$) | Out of pocket (\$) | Conference (\$) | Information and communication technology (\$) |
|-------------------|------------------------|-----------------------|--------------------|--|
| Ray Brown | \$9,385.05 | | \$289.94 | \$900 |
| Graeme Moore | \$7,353.89 | | | \$900 |
| Brett Owen | \$2,740.71 | \$49.49 | | \$900 |
| Jodie Owen | \$101.82 | | | \$900 |
| Collin Ross | \$15,947.22 | \$1,442.32 | \$18.41 | \$900 |
| Carol Ryan | | | | \$900 |
| Michael Schilling | \$210.84 | \$420 | | \$900 |
| Jeff Springfield | \$5,014.46 | \$99.90 | | \$900 |
| Leticia Wilmot | \$5,738.42 | | | \$900 |



Management

Audit committee

The Audit Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.

The Audit Committee consists of two councillors and three independent members: Mr Homi Burjorjee (Chairperson), Mr Michael Said and Mr Peter Philpott. Independent members are appointed for a two-year term, with a maximum of three terms. The chair is elected from among the independent members.

The Audit Committee meets four times a year. The Internal Auditor, Chief Finance Officer, Chief Executive Officer and Executive Manager Office of the CEO attend all Audit Committee meetings. Other management representatives attend as required to present reports. The external auditors attend in May and August each year to present the audit plan and independent audit report.

Recommendations from each Audit Committee meeting are subsequently reported to Council.

Risk management

Council's Risk Management Framework and supporting policy allocates responsibility for risk to appropriate managers. The framework provides a comprehensive approach to better integrate risk management into strategic decision making, and provides Council with a mechanism to develop an overall approach to managing risk while remaining committed to an innovative strategic direction. The policy ensures Council can appropriately deal with risk, protect its assets, including people and property, and create an environment where all employees assume responsibility for managing risk. The Corporate Risk Register is subject to ongoing updates and reviews to ensure that it is current and is reflective of the corporate risk profile.

Insurance and risk audits

Council has been subject to a Compliance Review for the MAV Insurance Liability Mutual Insurance scheme. The review assessed Council's management of roads, footpaths, shared pathways, trees and sporting and non-sporting reserves, to identify common areas of risks against our established internal policies, procedures, plans. Council achieved a score of 89.45 per cent from this review.

Business continuity

The *Business Continuity Plan* has been updated and assists Council in continuing to provide services to the community on the basis of the service's criticality, should Council business be interrupted by an event. Council places a high level of importance on minimising the impact on service delivery to the community in the event of a business interruption.

Occupational health and safety (OHS)

Council has become a member of the MAV WorkCare Self-Insurance Scheme. During June 2019 the OHS Management System was audited against the National Audit Tool by Verus Australia P/L. The report will be provided to the MAV and the results reported to the Senior Leadership Team.

Our OHS Management System is continually reviewed and updated to support the organisation in maintaining a safe work environment for employees, contractors, volunteers and visitors. The three workplace Health and Safety Committees proactively support the ongoing review and update of this system.

Workplace safety

Council has maintained a strong focus in 2018–19 on creating a positive safety culture. This has been implemented through structured education and awareness sessions with management and employees. Council continued to provide a proactive early intervention injury management program to its workforce to assist in effectively managing workplace injuries and WorkCover claims.



Business improvement – Quality Circles

A new business improvement initiative has been piloted at Council to help to achieve efficiency, reduce risk and improve quality of our services. The pilot program was so successful that Council decided to extend the program throughout the organisation.

Launched in February 2018, Quality Circles provides a space for employees to voice their ideas and implement their creative skills to improve processes. Participants identify problems and implement improvements using a structured problem-solving process that aims to address the root causes of problems. Quality Circles teams engage in short weekly meetings to work through improvement opportunities in the service they provide. They also participate in presentation events, where all members of the Quality Circles network present their progress and improvements, many of which are transferable between groups.

The pilot program outcomes were extremely positive. Not only were a number of process improvements identified and implemented, the program increased enthusiasm within the business improvement space. Communication both within and outside the Quality Circles groups increased as participants became more engaged and empowered to make improvements. The program has provided an outlet for participant ideas and creativity and the participants' increased knowledge of problem-solving techniques and processes has been invaluable to the organisation.



Local Government Community Satisfaction Survey

The Department of Environment, Land, Water and Planning (DELWP) coordinates a Local Government Community Satisfaction Survey throughout Victoria each year. The survey's main objectives are to assess the performance of councils across a range of measures and to seek insight into how councils can provide improved or more effective service delivery.

The following table shows Cardinia Shire Council's results for the core survey measures from the 2019 survey.

Snapshot of Council's performance

| | 2015 | 2016 | 2017 | 2018 | 2019 | Trend* |
|----------------------------|------|------|------|------|------|--------|
| Overall performance | 61 | 60 | 57 | 61 | 61 | ↔ |
| Community consultation | 56 | 54 | 49 | 55 | 55 | ↔ |
| Advocacy | 55 | 53 | 51 | 52 | 53 | ↔ |
| Making community decisions | 54 | 54 | 53 | 53 | 54 | ↔ |
| Sealed local roads | 55 | 57 | 54 | 55 | 58 | ↔ |
| Customer service | 73 | 64 | 66 | 65 | 65 | ↔ |
| Overall Council direction | 53 | 51 | 51 | 52 | 51 | ↔ |

* A horizontal two-headed arrow (↔) indicates no statistically significant change from the 2018 result.

Governance and management checklist

| Item | Assessment | Yes/No | Date of operation (where applicable) | Reported date (where applicable) |
|--|--|--------|--------------------------------------|----------------------------------|
| Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest) | Current policy in operation | Yes | 17/06/2019 | |
| Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community) | Current guidelines in operation | Yes | 17/06/2019 | |
| Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years) | Plan adopted in accordance with section 126 of the Act | Yes | 17/06/2019 | |
| Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required) | Budget adopted in accordance with section 130 of the Act | Yes | 17/06/2019 | |
| Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years) | Current plans in operation | Yes | 17/11/2014 | |
| Rating strategy (strategy setting out the rating structure of Council to levy rates and charges) | Current strategy in operation | Yes | 17/06/2019 | |
| Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations) | Current policy in operation | Yes | 12/12/2017 | |
| Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud) | Current policy in operation | Yes | 8/12/2017 | |
| Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery) | Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 | Yes | 11/04/2016 | |
| Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works) | Prepared and approved in accordance with section 186A of the Local Government Act | Yes | 17/09/2018 | |

| Item | Assessment | Yes/No | Date of operation (where applicable) | Reported date (where applicable) |
|---|--|--------|---|--|
| Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster) | Current plan in operation | Yes | 1/07/2017 | |
| Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster) | Current plan in operation | Yes | 1/07/2017 | |
| Risk management framework (framework outlining Council's approach to managing risks to the Council's operations) | Current framework in operation | Yes | 1/04/2016 | |
| Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements) | Committee established in accordance with section 139 of the Act | Yes | 1/07/1997 | |
| Internal audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls) | Internal auditor engaged | Yes | 1/05/2013 | |
| Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act) | Current framework in operation | Yes | 1/07/2014 | |
| Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year) | Current report | Yes | | 20/08/2018 19/11/2018 18/02/2019 20/05/2019 |
| Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure) | Quarterly statements presented to Council in accordance with section 138(1) of the Act | Yes | | 15/10/2018 19/11/2018 18/02/2019 20/05/2019 |

| Item | Assessment | Yes/No | Date of operation (where applicable) | Reported date (where applicable) |
|---|--|--------|---|--|
| Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies) | Reports prepared and presented | Yes | | 22/08/2017 12/12/2017 15/05/2018 07/08/2018 30/10/2018 05/03/2019 21/05/2019 |
| Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act) | Reports prepared and presented | Yes | | 20/08/2018 19/11/2018 18/02/2019 20/05/2019 |
| Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements) | Annual report considered at a meeting of Council in accordance with section 134 of the Act | Yes | 15/10/2018 | |
| Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by councillors) | Code of Conduct reviewed in accordance with section 76C of the Act | Yes | 20/02/2017 | |
| Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff) | Delegations reviewed in accordance with section 98(6) of the Act | Yes | 21/08/2017 | |
| Meeting procedures (a local law governing the conduct of meetings of Council and special committees) | Meeting procedures local law made in accordance with section 91(1) of the Act | Yes | Amended 18/02/2019 | |

Certification of governance and management

We certify that the information in this annual report fairly presents the status of Council's governance and management arrangements.



Carol Jeffs
Chief Executive Officer



Cr Graeme Moore
Mayor 2018–19

Dated: 16 September 2019

Statutory information

Information available for public inspection

Council is committed to open governance. The following information is available for viewing at the Civic Centre, 20 Siding Avenue, Officer during office hours:

- details of overseas or interstate travel by councillors or staff in previous 12 months
- agendas and minutes of Ordinary and Special Meetings of Council, except where such minutes relate to parts of meetings that have been closed in accordance with the provisions of Section 89 (2) of the Act
- minutes of meetings of special committees
- register of delegations under Sections 87, 88 and 98 of the Act
- register of leases
- register of authorised officers appointed under Section 224 of the Act
- list of donations and grants made by Council.

Contracts

During the 2018–19 financial year, Council entered into three contracts valued at over \$150,000 for arborist and tree clearing services without giving public notice of the contract and inviting tenders, as required by Section 186(1) of the Local Government Act. Council retrospectively approved entering into these contracts and resolved that in accordance with the provisions of Section 186 (5)(a) of the Act these contracts were entered into because of the emergency situation that arose due to the Bunyip Complex Fires.

Access and Inclusion Policy and Action Plan

In accordance with section 38 of the *Disability Act 2006*, Council prepared an *Access and Inclusion Action Policy and Action Plan* and is required to report on the implementation of the plan in its annual report.

The action plan includes 30 actions impacting the majority of Council teams. Progress on these actions is monitored and regularly reported to Council.

Domestic animal management plan

In accordance with the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four-yearly intervals. Council adopted its Domestic Animal Management Plan 2012–16 in July 2012. The plan was developed through consultation with Council's Animal Management Team and input from other Council business units.

The *Domestic Animal Management Plan 2017–21* was developed in consultation with local veterinary clinics, domestic animal business permit holders, peak industry bodies and animal interest groups. This revised plan was adopted by on 16 October 2017.

Food Act ministerial directions

In accordance with Section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year. No such Ministerial Directions were received by Council during the 2018–19 financial year.

Freedom of Information (FOI) report

In accordance with the *Freedom of Information Act 1982* reporting requirements, the following information is supplied for the period 1 July 2018 to 30 June 2019:

- twenty-nine (29) FOI requests were made to Cardinia Shire Council
- twenty-nine (29) requests were made for full access to documents for the above period; no requests for part access to documents pursuant were made and no requests were pending as at 30 June 2018
- Manager Governance Doug Evans is the designated officer with authority to make a decision in relation to a request
- no applications for review was made to the Freedom of Information Commissioner
- no application was made to the Victorian Civil and Administrative Tribunal (VCAT) during the above period
- no notices were served on the agency under Section 12 (1)
- no disciplinary action was taken out against any officer in respect of the administration of this Act
- \$45 of charges were levied on the applicants.

Protected disclosure procedures

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website. During 2018–19, no disclosures were notified to Council officers appointed to receive disclosures or to the Independent Broad-based Anti-corruption Commission (IBAC).

Road Management Act ministerial direction

In accordance with Section 22 of the *Road Management Act 2004*, Council is required to publish a copy or a summary of any Ministerial Directions received during the financial year. No such Ministerial Directions were received by Council during the 2018–19 financial year.

National Competition Policy compliance

Cardinia Shire Council has complied with the requirements of the National Competition Policy for the period 1 July 2018 to 30 June 2019.

Current Local Laws

As at 30 June 2019, Council had two principal Local Laws in operation.

Local Law No 16 Meeting procedure local law

This Local Law regulates proceedings at meetings of Council, Special Committees and Advisory Committees, and regulates the use of the common seal.

Local Law No 17 Environment, amenity and asset protection local law

The purpose and general purport of this Local Law is to:

- provide for the peace, order and good government of Cardinia Shire Council
- promote a physical and social environment in the municipal district free from hazards to health and safety, and to prevent and suppress nuisances that may adversely affect persons
- prohibit, regulate and control activities that may be dangerous or unsafe or detrimental to the quality of life, the environment and the amenity of the municipality
- prohibit, regulate, and control access to, and behaviour in, municipal places, buildings, recreation centres and reserves, and to protect public assets vested in Council
- define the standards to which persons engaged in building work should adhere, which aims to minimise the impact of building activities in respect of hazards to health and safety, the presence and disposal of builders' refuse, rubbish and soil, stormwater and other pollution
- provide for the consistent application and enforcement of this Local Law.



Development contribution plans (DCPs)

Urban development generates demand for a range of costly infrastructure. Development contributions and associated requirements enable Council to recover a significant portion of those costs from the beneficiaries of growth.

Development contributions are divided into four groups:

1. major roads and traffic control infrastructure
2. other development infrastructure (preschools, playgrounds and basic sporting open space)

3. community infrastructure (community centres, libraries and indoor sporting facilities)
4. land required to facilitate the delivery of the above.

Although the collected contributions do not meet the full cost of the growth area infrastructure, the contributions are vital to Council's capacity to deliver critical infrastructure to service its new communities as development surges.

Total DCP levies received in 2018–19

| DCP name (Year approved) | Levies received in 2018–19 FY (\$) |
|--------------------------|------------------------------------|
| Pakenham DCP (1997) | \$1,242,014 |
| Cardinia Road DCP (2008) | \$3,934,430 |
| Officer DCP (2011) | \$7,092,173 |
| Total | \$12,268,616 |

DCP land, works, services or facilities accepted in-kind in 2018–19

| DCP reference | Project description and item purpose | Developed by | Project value (approx. \$) |
|---------------------------------|---|--------------------------------------|----------------------------|
| Cardinia Road DCP (2008) | | | |
| DI_OS_12 | Comely Banks Recreation Reserve-Opinion of Probable Cost | Satterley Property Group-Arcadia NH1 | \$12,525 |
| DI_TR_14 (part) | Construction of 400 metres shared path construction from western property boundary to eastern property boundary abuts the Princes Freeway reserve | Satterley Property Group-Arcadia NH1 | \$202,935 |
| DI_OS_04b | Landscaping and environmental works along Gum Scrub Creek Corridor-Railway reserve to Bypass | Satterley Property Group-Arcadia NH1 | \$474,425 |
| DI_OS_02b | Local open space embellishments | The Corcoris Group | \$75,841 |
| DI_TR_09b | Construction of Gum Scrub Creek shared path and landscape works (South East of Princes Highway) | The Corcoris Group | \$211,861 |
| DI_OS_04a | Lower Gum Scrub Creek, Section 04 landscape works | AV Jennings | \$100,822 |
| DI_RO_10 | Construction of Kenneth Road, 285 metres, Grandvue West Stage1 | RCL Grandvue Pty Ltd | \$723,382 |
| DI_LA_06 | Acquisition of land for construction of Kenneth Road, 2,469m ² | RCL Grandvue Pty Ltd | \$247,276 |
| Total | | | \$2,049,067 |

DCP land, works, services or facilities accepted in-kind in 2018–19 (cont.)

| DCP reference | Project description and item purpose | Developed by | Project value (approx. \$) |
|-------------------------------|---|--|----------------------------|
| Officer DCP (2011) | | | |
| DI_CF_LA09 | Acquisition of land for Community Centre site located in Prominence Estate, 4,000m ² | Skerdero Pty Ltd | \$847,200 |
| DI_TM_LA30 (PS 740711 M) | Partial acquisition of land for Rix and Brunt Road intersection, 2,076 m ² | AA Holdings Pty Ltd | \$252,010 |
| DI_RO_LA35a (PS 740711 M R-1) | Acquisition of land for construction of Acacia Street, Banksia Estate Stage 1, 2,318 m ² | AA Holdings Pty Ltd | \$192,003 |
| DI_TM_17 | Construction of Roundabout-Rix Road and Brunt Road, southern leg only | AA Holdings Pty Ltd | \$57,431 |
| DI_RO_15b | Construction of Rix Road footpath, 132 metres | AA Holdings Pty Ltd | \$12,150 |
| DI_TM_LA31 (PS746836 : R3) | Partial acquisition of land for construction of Bridge Road, Rix Road and Officer South Road intersection, 7,112m ² | Satterley Property Group-Arcadia NH2 | \$57,702 |
| DI_RO_LA40 (PS746836 : R1) | Partial acquisition of land for Officer South Road upgrade, 11,800m ² | Satterley Property Group-Arcadia NH2 | \$865,289 |
| DI_TN_06 | Construction of pedestrian bridge over Gum Scrub Creek | Satterley Property Group-Arcadia NH2 | \$318,021 |
| DI_TM_LA27 (PS 746793Y R-1) | Partial acquisition of land for construction of Bridge Road, Rix Road and Officer South Road intersection, 5,510m ² | ID-FLK Bayview Road Pty Ltd | \$438,982 |
| DI_RO_27 | Construction of first carriageway of Officer South Road upgrade from Rix Road to Flanagan Avenue | Satterley Property Group-Arcadia NH2 | \$472,989 |
| DI_TM_19 | Partial Road and Drainage works for Rix Road and Officer South Road Intersection | Satterley Property Group-Arcadia NH2 | \$209,118 |
| DI_RO_03b | Construction of 98.86 m of Timbertop Boulevard | Sweet Property Developments Pty Ltd | \$386,091 |
| DI_RO_LA30a (PS804731C) | Partial acquisition of land for construction of Timbertop Boulevard, 3,243m ² | Sweet Property Developments Pty Ltd | \$357,684 |
| DI_TM_04 | Partial construction of 3m wide shared path within Princes Highway reserve, from eastern property boundary to western property boundary | ID-FLK Bayview Road Pty Ltd | \$41,453 |
| DI_TN_01 | Construction of 3m wide shared path along Princes Highway in front of Heritage Rise and Timbertop West Estates | Wellington Factor Pty Ltd Parklea (Timbertop West) Pty Ltd | \$219,079 |
| DI_TN_08b | Construction of 2.5m wide path along Gum Scrub Creek from Bridge Road to Princes Freeway | Satterley Property Group-Arcadia NH2 | \$158,699 |
| DI_TN_10 | Construction of 648.37 metres path from Gum Scrub Creek to Princes Freeway Service Station adjacent to the Princes Freeway | Satterley Property Group-Arcadia NH2 | \$192,526 |
| Total | | | \$5,078,427 |

DCP land, works, services or facilities accepted in-kind in 2018–19 (cont.)

| DCP reference | Project description and item purpose | Developed by | Project value (approx. \$) |
|--|--|-----------------------------|----------------------------|
| Cardinia Road Employment Precinct DCP (2010) | | | |
| DI_IN_03 OFB | Partial construction of intersection between Centenary Boulevard and Waikerie Promenade | Parklea Pty Ltd-Kaduna Park | \$604,722 |
| DI_RO_06 | Construction of southern carriageway of Centenary Boulevard | Parklea Pty Ltd-Kaduna Park | \$586,559 |
| DI_IN_04 | Partial construction of intersection between Centenary Boulevard and Heytesbury Drive | Parklea Pty Ltd-Kaduna Park | \$1,203,984 |
| DI_RC_01 | Construction of Centenary Boulevard culvert | Parklea Pty Ltd-Kaduna Park | \$1,070,232 |
| DI_RD_07a | Partial construction of Centenary Boulevard | Parklea Pty Ltd-Kaduna Park | \$1,067,110 |
| DI_RD_07 OFB | Partial construction of southern carriageway of Centenary Boulevard between Mortlake Drive and western side of Cardinia Road Open Space Corridor | Parklea Pty Ltd-Kaduna Park | \$121,910 |
| DI_LA_18 (PS807646B) | Acquisition of land for local park on south side of Centenary Boulevard, 1ha | Parklea Pty Ltd-Kaduna Park | \$515,674 |
| DI_LA_06 DI_LA_07 DI_LA_07a DI_LA_01 (PS711373) | Acquisition of land for construction of Centenary Boulevard, 39,000m ² | Parklea Pty Ltd-Kaduna Park | \$1,219,918 |
| DI_LA_08 (PS807646) | Acquisition of land for construction of Centenary Boulevard between Officer South Road and Heytesbury Drive, 1.412ha | Parklea Pty Ltd-Kaduna Park | \$623,428 |
| DI_RD_12 | Partial section of Trawalla Street between Lecky Road to Centenary Boulevard | Parklea Pty Ltd-Kaduna Park | \$47,687 |
| Total | | | \$7,061,223 |

Land, works, services or facilities delivered in 2018–19 from DCP levies collected

| Project description | Project ID | DCP name (Year approved) | DCP fund expended (\$) | Works-in-kind accepted (\$) | Council's contribution (\$) | Other contributions (\$) | Total project expenditure (\$) | Percentage of item delivered |
|--------------------------------|------------|--|------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|------------------------------|
| | | Pakenham DCP (1997) | \$4,500 | | | | \$4,500 | 3% |
| DI_TR_13 | | Pedestrian Bridge over Toomuc Creek half cost | | | | | | |
| | | Cardinia Road DCP (2008) | \$4,500 | | | | \$4,500 | 3% |
| CI_OS_2 DI_OS_11 DI_CF_4 | | District sports reserve Henry Rd -James Bathe Recreation Reserve Community Facility-Youth Services co-located in James Bathe Reserve | \$3,339,379 | | | \$260,000 Grant | \$9,396,519 | 83% |
| DI_OS_12 CI_OS_3 | | Comely Banks (Henry Rd West) Recreation Reserve and Pavilion | \$259,682 | | | \$3,500,000 Grant | \$265,982 | 2% |
| DI_TR_14 (part) | | Partial construction of shared path along Pakenham Bypass, between Gum Scrub Creek and Toomuc Creek | \$41,403 | | | | \$41,403 | 100% |
| DI_CF_5 | | Construction of Community Centre – Maternal Child Health and Kindergarten-Arena Child and Family Centre | \$17,823 | | | \$11,517 Grant | \$2,234,641 | 100% |

Land, works, services or facilities delivered in 2018–19 from DCP levies collected (cont.)

| Project description | Project ID | DCP name (Year approved) | DCP fund expended (\$) | Works-in-kind accepted (\$) | Council's contribution (\$) | Other contributions (\$) | Total project expenditure (\$) | Percentage of item delivered |
|---------------------|---|--------------------------|------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|------------------------------|
| DI_RO_8a | Bridge Rd Duplication (Card Rd to Verdent Ave only) | Cardinia Road DCP (2008) | \$838,836 | | | | \$862,546 | 100% |
| DI_CF_03 | Construction of Bridgewood Integrated Children's Facility (Officer) | Cardinia Road DCP (2008) | \$21,648 | | | | \$2,652,726 | 100% |
| DI_TM_LA31 (part) | Construction of fence for Property 1643501000- OfficerSouth Road | Cardinia Road DCP (2008) | \$8,182 | | | | \$8,182 | 100% |
| DI_RO_15 | Signalised intersection - Princes Highway and North South Collector Road- Arena Parade design | Cardinia Road DCP (2008) | \$1,649 | | | | \$6,805 | 7% |
| DI_RO_17 | Signalised intersection - Princes Highway and Thewlis Road- Thewlis Rd design | Cardinia Road DCP (2008) | \$1,527 | | | | \$6,302 | 7% |
| DI_TR_04 (part) | Construction of path on Princes Hwy-from Worthington Boulevard to Emberling Street in Grandvue Estate | Cardinia Road DCP (2008) | \$69,088 | | | | \$69,088 | 100% |
| DI_OS_LA07a | Land acquisition for Gin Gin Bin Recreation Reserve-280 Princes Highway | Officer DCP (2011) | \$3,600,000 | | | | \$8,211,464 | 100% |

Land, works, services or facilities delivered in 2018–19 from DCP levies collected (cont.)

| Project description | Project ID | DCP name (Year approved) | DCP fund expended (\$) | Works-in-kind accepted (\$) | Council's contribution (\$) | Other contributions (\$) | Total project expenditure (\$) | Percentage of item delivered |
|-------------------------------|--|--------------------------|------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|------------------------------|
| DI_TM_LA31 (part) | Land acquisition for Signalised Intersection at North-South Arterial-Officer South Road, Corner of Rix Road and Officer South Road (PSP Pty 118) | Officer DCP (2011) | \$2,825,455 | | | | \$2,825,455 | 100% |
| DI-TM-LA25 (part-PSP Pty 179) | Land acquisition -250 Princes Highway | Officer DCP (2011) | \$770,000 | | | | \$770,000 | 100% |
| DI-TM-LA25 (part-PSP Pty 145) | Land acquisition- Lot 1, corner of Princes Highway and Whiteside Road | Officer DCP (2011) | \$545,135 | | | | \$545,135 | 100% |
| DI_CF_02 | Construction of Children's facility- Timbertop | Officer DCP (2011) | \$74,280 | | | | \$74,280 | 2% |
| DI_OS_01a DI_OS_01b (part) | Gin Gin Bin Recreation Reserve (Brunt Road Officer)- Master plan design | Officer DCP (2011) | \$4,658 | | | | \$52,129 | 52% |
| DI_TM_02 (design) | Princes Hwy intersections Princes Hwy/ Whiteside Road and Brunt Road- Design | Officer DCP (2011) | \$4,455 | | | \$150,000 Grant | \$25,912 | 8% |
| DI_TM_05 (design) | Princes Hwy intersections Princes Hwy/ Tivendale Road/Station St-Design | Officer DCP (2011) | \$3,124 | | | | \$18,169 | 8% |

Land, works, services or facilities delivered in 2018–19 from DCP levies collected (cont.)

| Project description | Project ID | DCP name (Year approved) | DCP fund expended (\$) | Works-in-kind accepted (\$) | Council's contribution (\$) | Other contributions (\$) | Total project expenditure (\$) | Percentage of item delivered |
|---------------------|---|--------------------------|------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|------------------------------|
| DI_TM_04 (design) | Princes Hwy intersections Princes Hwy Bayview Road/ North South Arterial-Design | Officer DCP (2011) | \$5,097 | | | | \$29,647 | 8% |
| DI_TM_01 (design) | Princes Hwy intersections Old Princes Highway and O'Neil Road-Design | Officer DCP (2011) | \$1,821 | | | | \$10,592 | 8% |
| DI_TM_07 (design) | Princes Hwy intersections Princes Hwy/ Town Centre Loop Road/ McMullen Road-Design | Officer DCP (2011) | \$2,943 | | | | \$17,118 | 8% |
| Total | | | \$12,445,182 | \$0 | \$0 | \$3,921,517 | \$28,133,094 | |

Unless otherwise stated, amounts in the Report of Operations DCPs have been rounded to the nearest dollar. Figures in the report may not equate exactly due to rounding.

Our performance



Introduction

Year in review

Our Council

Our organisation

Governance and
management

Our performance

Performance
statement

Financial
statements

Our Council Plan

Council's performance for the 2018–19 year has been reported against the strategic objectives of our Council Plan. This annual report provides the overall view of Council's activities for the 2018–19 financial year.

Our quarterly performance reports provide detailed progress on actions undertaken to deliver the Council Plan, major projects, improvement activities and key service provision and growth indicators. These reports can be accessed via Council's website as part of the Council meeting agenda documents.

Council's quarterly *Connect* magazine continues to provide all residents with updates on Council's activities in a narrative style, complementing the data provided in the quarterly performance reports.

Council Plan key objectives

In the following pages, our performance is reported against the five key strategic objectives of the Council Plan.

- **Our people**
We support a variety of needs and lifestyles through programs and activities that promote and develop the wellbeing of Cardinia Shire's people.
- **Our community**
We will foster a strong sense of connection between Cardinia shire's diverse communities.
- **Our environment**
We will continue to plan and manage the natural and built environment for present and future generations.
- **Our economy**
We will create and support local employment and business opportunities for our community and the wider region.
- **Our governance**
We will consult with the community, as appropriate, in an open and accountable way to help in determining the key direction of Council.

Performance report

Our people performance

We want to achieve: Access to a variety of services for all.

To achieve this we will: Continually review services to ensure those provided by Council meet community needs.

| Action | Result | Business unit | Completion |
|---|---|-------------------------------|-------------|
| Continue to implement Services for Success service attraction model to ensure appropriate services are being attracted into the shire. | The Services for Success philosophy has been updated and a new brochure has been designed and printed. A collaborative spreadsheet has been designed so officers across the organisation can share information regarding partner organisations and service requests. Council hosted a Services Community Summit on 1 April where approximately 50 service organisations gathered to identify current and future service requirements. A comprehensive evaluation of the workshop will form the basis for further strategic service attraction analysis. | Community Strengthening | Completed |
| Continue to identify and implement an Annual Renewal Program for all existing Council buildings, that ensures set and required building standards and condition are maintained throughout the life of the building. The program includes and is not limited to replacement of roofs, floor coverings, re-painting, replacement of heating and cooling plant, re-stumping, kitchen upgrades, minor additions, etc. | The Annual Renewal Program aims to improve existing conditions and usability of Council's building assets. Planning was finalised, quotes were sought and a program of works for renewal projects was implemented. The Annual Renewal Program was completed by the end of the financial year. | Buildings and Facilities | Completed |
| Assess and report on the utilisation of community facilities for the benefit of community. | New facility booking system Ungerboeck still under development and work progressing in ensuring it can capture this information. | Community and Family Services | In progress |
| Start the design and in part the construction of the Integrated Children's Centre at Timbertop. | This project is in partnership with the Victorian School Building Authority (VSBA). Design documentation was underway but a redesign of the school, which includes the integrated children's centre, was being undertaken due to a VSBA change in brief/scope. A quantity surveyor provided an original cost plan but this will need to be revisited. There appears to be no further cost implications to Council as the overall redesign should deliver improved efficiencies and functionality. Council is seeking external funding opportunities. Land acquisition is still pending. A separate design of the children's centre will be undertaken. Council will continue to work with the VSBA to deliver the project by projected completion date of January 2021. | Buildings and Facilities | In progress |

Our people performance (cont.)

We want to achieve: Access to a variety of services for all.

To achieve this we will: Continually review services to ensure those provided by Council meet community needs.

| Action | Result | Business unit | Completion |
|---|--|--------------------------|------------|
| Finalise the construction, fit-out and opening of the integrated children's centre at Comely Banks. | The Bridgewood Integrated Children's Centre, delivered in partnership with the Victorian School Building Authority, is now complete. | Buildings and Facilities | Completed |

To achieve this we will: Routinely review overall community needs for services and either deliver or advocate for others to provide services to meet those needs.

| Action | Result | Business unit | Completion |
|---|--|-------------------------------|------------|
| Implementation of year one of <i>Child, Youth and Family Strategy</i> with a focus on the development of a joint learning and service support model 'Our Place' for the integrated Gum Scrub Creek Child and Family Centre. | The elements and action plan 2019 in relation to the joint learning and service support model 'Our Place' were agreed upon. The secondary services process and operations manual were drafted, the governance model finalised and early years managers reported on the outcomes. | Community and Family Services | Completed |

Our people performance (cont.)

We want to achieve: Access to a variety of services for all.

To achieve this we will: Deliver Ageing Well initiatives that support older adults to live longer in their own homes and reduce social isolation.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Report on the progress of the Aged and Disability Service Provider Partnership. | <p>The Commonwealth Home Support Program (CHSP) contract has culminated in a series of key actions to support the community in the transition of the aged care reforms.</p> <p>Two key deliverables within this plan are:</p> <ul style="list-style-type: none"> • for Council to support the community by communicating information on the CHSP and aged care reforms • to strengthen the CHSP service infrastructure to deliver quality services, which respond to client needs and which promotes better practice in the delivery of CHSP. <p>Evidence of achieving these deliverables include:</p> <p>During the previous 12 months Council facilitated a community forum with approximately 80 residents in attendance. Five local CHSP partner agencies participated in the presentations and Q&A sessions with consumers. Partner agencies included Koo Wee Rup Regional Health Service, Bolton Clarke, Monash Health, Alfred Carer Health Services and Mecwacare.</p> <p>Content delivered included Navigating My Aged Care, assessments and eligibility, entry level support and home care packages and local CHSP funded service providers. Participants were able to book a 1:1 librarian appointment if they wanted more support with IT navigation of the My Aged Care portal.</p> <p>Smaller focus group My Aged Care information sessions were held at five seniors citizens groups with approximately 300 residents participating in these.</p> <p>250 magnets and My Aged Care brochures were communicated in this timeframe.</p> <p>The 15 members of Council's Age Friendly Alliance reference group were provided with an intensive workshop to provide consistent messaging about My Aged Care.</p> <p>Resources were provided to share with the more than 20 groups each alliance member is connected to in their local community.</p> <p>Localised data and service gaps have been presented to some of the local providers. Data provided included customer feedback received at Council, including barriers to access assessment or services.</p> <p>These themes have been provided to both state and commonwealth for planning purposes.</p> <p>Funding to continue to develop the CHSP work plan has been received until June 2020.</p> | Community Strengthening | Completed |

Our people performance (cont.)

We want to achieve: Access to a variety of services for all.

To achieve this we will: Deliver Ageing Well initiatives that support older adults to live longer in their own homes and reduce social isolation.

| Action | Result | Business unit | Completion |
|---|--|-------------------------|------------|
| In line with the World Health Organisation guidelines, work in partnership with older people on an annual basis to develop and implement key actions from the <i>Age Friendly Strategy 2015-2019</i> for the coming year. | <p>The <i>Age Friendly Strategy 2015-2019</i> has successfully achieved all 54 actions. These actions aligned with the WHO's Age Friendly Cities eight key priority areas:</p> <ul style="list-style-type: none"> • social participation • respect and social inclusion • civic participation and employment • communication and information • community support and health services • outdoor spaces and buildings • transportation • housing. <p>In 2016, Cardinia Shire was accepted by the WHO into the network of Age Friendly Cities, through its demonstrated commitment to creating age friendly initiatives within the community.</p> <p>Utilising the eight priority areas, Council dedicated an 'age-friendly lens' across a broad range of business units. This shared vision resulted in many key achievements in partnerships with buildings and facilities, arts and culture, community strengthening and people and culture. For the community this has ensured that Council is delivering services, support, infrastructure, recreation, customer service and events that have been considered through the viewpoint of our ageing population.</p> <p>Community engagement and communication is well underway for the development of the new <i>Ageing Well Strategy 2019-2024</i>. This plan will align with the WHO Age Friendly Cities domains which have been overlayed with Council's <i>Liveability Plan 2017-29</i> to best influence our community's wellbeing.</p> | Community Strengthening | Completed |

Our people performance (cont.)

We want to achieve: Access to support services and programs for young people.

To achieve this we will: Ensure Council either provides or advocates for others to provide employment, recreation and leisure opportunities for young people.

| Action | Result | Business unit | Completion |
|---|---|-------------------------------|------------|
| Advocate for a range of education, training and development opportunities for young people. | <p>The South East Local Learning and Employment Network (SELLEN) is represented on Council's Youth Strategic Action Group. The chair of Youth Strategic Action Group (Council's Manager Community and Family Services) is represented on the SELLEN board.</p> <p>Council secured \$1.5 million in Federal Government funding to relocate and expand the My Place youth facility. The expansion of My Place will increase opportunity to increase education services such as the Oakwood School in the shire. Skillsplus outreaches from My Place youth facility and assists young people with education, employment and training. Youth Services assists young people with job training search and applications and CV writing from My Place.</p> <p>Youth Council commenced in January 2019. Youth Council is a 12-month program for young people which provides an opportunity to build on their leadership skills to assist with their job readiness.</p> <p>Youth Services assisted SELLEN to deliver the annual Jobs Fair. The Jobs Fair was held at Pakenham Hall and provided the opportunity to link young people with local employment opportunities.</p> | Community and Family Services | Completed |

To achieve this we will: Advocate for an increase in locally based health and wellbeing services to support young people.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Implement priorities within the playground strategy and playground renewal program. Projects nominated include: Robin Crt, Pakenham, Phillip Crt, Pakenham, Gembrook Adventure Playground, Gembrook, Maryknoll Recreation Reserve, Maryknoll. | The renewal of playgrounds in Robin Court, Pakenham, and Phillip Court, Pakenham, have been completed. Maryknoll Recreation Reserve playground has been installed. Gembrook Adventure Playground has received additional funding. Works have been awarded and are underway in accordance with funding conditions. | Infrastructure Services | Completed |

Our people performance (cont.)

We want to achieve: Access to support services and programs for young people.

To achieve this we will: Advocate for an increase in locally based health and wellbeing services to support young people.

| Action | Result | Business unit | Completion |
|---|--|-------------------------------|------------|
| Identify service gaps and utilise the Services for Success model to advocate for additional infrastructure. | <p>New services that have been attracted to the following facilities include:</p> <ul style="list-style-type: none"> • Pakenham Upper Hall: CPAC • Bridgewood Child and Family Centre: <ul style="list-style-type: none"> • Monash Community Health Mother Goose x2 • Living and Learning – Reading For Life/Bestchance • Play To Learn Community Playgroup Bridgewood / Lakeside / Pakenham Springs Child and Family Centres – National Disability Agency (La Trobe Health) • Lakeside Child and Family Centre – At work Australia • Arena Child and Family Centre – Oz Child | Community and Family Services | Completed |

To achieve this we will: Investigate opportunities for allied services to be co-located with Council facilities.

| Action | Result | Business unit | Completion |
|---|--|-------------------------------|------------|
| Explore options for expansion or relocation of My Place to cater for increased services for young people. | The Point was launched during the Victorian Youth Week in April 2019. The old chapel building was renovated by Council to provide additional counselling rooms. The building is managed by EACH and has provided the opportunity for youth mental health services from Monash Health and Headspace to outreach to young people in the local community. The adjoining church building renovation has also provided additional program space to allow youth organisations and community groups to increase programs and groups for young people. Council secured \$1.5 million in funding from the Australian Government for the My Place youth facility relocation/expansion. There will be a co-contribution from Council towards this project, which is expected to be delivered within the next three years. Land is currently being sourced. Council continued to advocate for a Headspace satellite in the shire to address a gap in local mental health services. | Community and Family Services | Completed |

We want to achieve: Learning opportunities for all ages and abilities.

To achieve this we will: Advocate to the Victorian Government to partner with Council during the development of new primary and secondary schools.

| Action | Result | Business unit | Completion |
|--|---|--|------------|
| Identify need for new schools annually and advocate to the Victorian Government and local MPs for the allocation of funding in the state budget. | Ongoing discussions are held internally and with the Education Department on priority sites for acquisition and development. The Timbertop school site was acquired through the compulsory process by the Education Department. | Office of the General Manager – Liveable Communities | Completed |

Our people performance (cont.)

We want to achieve: Learning opportunities for all ages and abilities.

To achieve this we will: Advocate to Australian and Victorian governments for post-compulsory and vocational training that meets the needs of local employers and residents.

| Action | Result | Business unit | Completion |
|---|---|---|------------|
| Work with education providers to enhance opportunities for further education for residents of all ages. | Annual funding allocations provided to the Cardinia Shire Neighbourhood House cluster, Cardinia U3A and Emerald U3A. A range of funding was provided to senior citizens groups. Council will continue to support the important work that these organisations undertake in creating learning opportunities for all. | Office of the General Manager – Liveable Communities | Completed |
| Continue to provide advice and funding support for learning opportunities for all residents through a range of local community activities such as those provided by libraries, U3As, neighbourhood houses, senior citizens centres. | Annual funding allocations have been provided to the Cardinia Shire Neighbourhood House cluster, Cardinia U3A and Emerald U3A. A range of funding was also provided to senior citizens groups. We will continue to support the important work these organisations undertake in creating learning opportunities for all. | Community Strengthening | Completed |

We want to achieve: Improved health and wellbeing for all.

To achieve this we will: Source funding and deliver a range of initiatives that promote health and wellbeing.

| Action | Result | Business unit | Completion |
|--|--|-------------------------|------------|
| Coordinate health and wellbeing initiatives across the shire with a focus on priorities set in the Liveability Plan. | Council continues to facilitate health and wellbeing initiatives across the shire. A key vehicle for this is the Liveability Partnership Group which continues to grow. Approximately 30 organisations are represented at this Council facilitated group. A key Liveability partner, Aligned Leisure, facilitated a breakfast on financial vulnerability for all interested community members and service providers. It was the first in a series of planned gatherings held at Council to share programs and initiatives across the seven priority areas. Mental health and wellbeing will be the focus of the next breakfast in August 2019. | Community Strengthening | Completed |

To achieve this we will: Develop the new Municipal Public Health and Wellbeing Plan and review annually.

| Action | Result | Business Unit | Completed |
|--|---|-------------------------|-----------|
| Implement the 'Action Agenda' by November 2018 of the Liveability Plan and complete an annual progress report. | The 2018 Annual Review of Cardinia Shire's Liveability Plan Action Agenda is now complete. The report has been endorsed by the Liveability Partnership Steering Group. Development of the 2019 Action Agenda is now underway. | Community Strengthening | Completed |

Our people performance (cont.)

We want to achieve: Improved health and wellbeing for all.

To achieve this we will: Routinely investigate community health and wellbeing issues to inform Council's planning and activities.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Undertake social research and disseminate the findings within Council and the local community to inform service provision and community planning. | Council officers are currently preparing a health and wellbeing survey to ascertain baseline data for the Liveability Plan. The community liveability survey is due to be undertaken in July and will be distributed to 600 households across the shire. The findings of this survey will provide baseline health and social data to inform evaluation of the Liveability Plan and progress of our priority outcomes. | Community Strengthening | Completed |

To achieve this we will: Support children, young people, families, older adults and people of all abilities by providing a range of accessible services and facilities.

| Action | Result | Business unit | Completion |
|--|---|-------------------------------|------------|
| Assess the outcomes for children being achieved through the Best Start program's two outcome indicators: a) increased numbers of vulnerable children into Maternal and Child Health service; and b) increased numbers of vulnerable children into kindergarten and ensure that Council services respond to the learnings in order to strengthen the universal systems. | The 2019 Best Start Action Plan was finalised and actions were implemented. | Community and Family Services | Completed |

We want to achieve: Variety of recreation and leisure opportunities.

To achieve this we will: Provide active and passive recreation facilities to meet the needs of residents.

| Action | Result | Business unit | Completion |
|---|---|--------------------------|------------|
| Continue to support committees to protect and maintain existing reserves of high environmental significance including grants to each of the 'friends' groups. | The annual friends group grant was acquitted to nine community volunteer friends groups and three wildlife shelters. The Environment and Heritage Unit has active projects with the Friends of Mt Cannibal to manage the reserve following the Bunyip Complex Fire, and Johns Hill Landcare to revegetate Emerald Quarry Reserve. | Environment and Heritage | Completed |

Our people performance (cont.)

We want to achieve: Variety of recreation and leisure opportunities.

To achieve this we will: Provide active and passive recreation facilities to meet the needs of residents.

| Action | Result | Business unit | Completion |
|---|--|--------------------------|-------------|
| Start the design stage of the Worrell Reserve Sports Pavilion. | The budget for the Worrell Reserve pavilion was re-evaluated in preparation for the design stage. The project scope was formalised and quotes sought from design consultancies. A principal consultant was engaged to develop the schematic stage following consultation with club representatives. The development of design documentation was completed, tenders were returned in February 2019 and site works commenced in May. | Buildings and Facilities | Completed |
| Prepare a master plan for Gin Gin Bin Reserve Officer. | A consultant was appointed and a draft master plan has been prepared. Discussions have been proposed with the Victorian Department of Education and Training in relation to combine master planning for an education precinct and Gin Gin Bin Reserve. The reserve master plan can't be finalised until consultation with the Victorian Department of Education and Training has occurred. | Active Communities | In progress |
| PB Ronald Reserve (Pakenham) – demolish depot buildings and construct car park. | The old depot building has been demolished to make way for the new car park. Construction of the car park is underway and completion prior to end of August will be predominantly weather dependant. | Infrastructure Services | In progress |
| Prepare a master plan for McMullen Recreation Reserve Officer. | Preparation of the McMullen Recreation Reserve master plan is on hold pending negotiations in relation to the purchase of land required to create the new reserve. | Active Communities | In progress |
| Commence the design of the Worrell Reserve sports pavilion. | Cancelled – duplicated action. | Buildings and Facilities | Cancelled |
| Pepi's Land (Emerald) Master Plan – construction of path to Hamilton Road and revegetation planting. | Cancelled – initial investigations have indicated that the dam wall may not be suitable to accommodate a footpath at this location. Additional investigations are being undertaken. It is possible that this path connection may not proceed. The revegetation planting has been undertaken. | Infrastructure Services | Cancelled |
| Work with user groups for the design and construction of the Officer Recreation Reserve social space. | The redevelopment of the western oval is underway. Additional funding for the social space project from both the Australian Government and Council has been secured. The design of the social space now needs to be finalised and tendered before construction can begin. | Active Communities | In progress |

Our people performance (cont.)

We want to achieve: Variety of recreation and leisure opportunities.

To achieve this we will: Provide active and passive recreation facilities to meet the needs of residents.

| Action | Result | Business unit | Completion |
|---|---|--------------------------|-------------|
| Design Bunyip Soccer Stadium. | The draft design was finalised in consultation with the club and reserve committee of management. The location of the pavilion was moved to the western side of the soccer pitches. Design documentation was completed in November 2018. Tenders were returned and evaluated in January 2019. A report went to Council in February 2019 and preliminary work commenced in May. | Buildings and Facilities | Completed |
| Complete construction of netball courts, car parking and pavilion at Pepi's Land Emerald. | Works associated with the internal car park and netball courts are complete. Council is currently finalising designs of the external intersection works and pavilion. | Infrastructure Services | In progress |
| Design redevelopment of Cora Lyn Reserve pavilion. | Council has agreed to provide change rooms, universal design amenities, external accessible amenities and a canteen. The schematic stage is progressing. Council's application for funding through the Victorian Government's Building Better Regions Fund was unsuccessful. Council has applied for a loan through the Victorian Government to construct the pavilion including change rooms, canteen and social space. A concept design for the pavilion has been prepared and initial feedback has been sought from user groups and the committee of management. Further consultation with the user groups and committee will be undertaken on the revised concept design. | Buildings and Facilities | Completed |
| Work with user groups to design and construct Gembrook Reserve pavilion. | Design is complete and funding from the Australian Government and Council has been secured. Construction is expected to begin in October 2019. | Active Communities | In progress |
| Deep Creek Reserve (Pakenham) – complete eco centre/golf club house construction along with all-abilities play space. | The all-abilities play space, car park and golf course works are complete. The building is also nearing completion with the opening scheduled for spring. | Infrastructure Services | In progress |
| Lang Lang Community and Recreation Precinct – finalise stage 1 civil works including the ovals, car parks and roads. | Works (excluding the ovals) have been completed and now included in Council's open space maintenance program. | Infrastructure Services | Completed |

Our people performance (cont.)

We want to achieve: Variety of recreation and leisure opportunities.

To achieve this we will: Provide active and passive recreation facilities to meet the needs of residents.

| Action | Result | Business unit | Completion |
|---|--|--------------------------|-------------|
| Present options to Council for the potential redevelopment and expansion of Cardinia Life. If approved, proceed with detailed design. | Project is on hold until late 2020, while further feasibility work is undertaken. | Active Communities | In progress |
| Construction of Bunyip Soccer Stadium. | Tenders were received and evaluation was undertaken in January 2019. A tender was awarded and site works started in May 2019. Construction is progressing on time and within budget with further consultation to be undertaken with residents. | Buildings and Facilities | In progress |
| Construct redevelopment of Cora Lyn Reserve pavilion. | Concept plans have been developed and updated in accordance with the recently-updated Council's Sports Facility Standards. A meeting with club officials will be held in July 2019 to review the revised documents. | Buildings and Facilities | In progress |
| Resurface and upgrade current recreation sports ovals – Officer (ROC) Oval. | Work on the ovals is progressing well with sand recently placed on the playing surface. Sprigging will be undertaken in spring to ensure effective growth. | Infrastructure Services | In progress |
| James Bathe Recreation Reserve – finalise civil works of ovals and car parks. | Construction is nearing completion. Sand has been placed on the ovals. Final fit-outs to be completed in September as well as final sprigging of the ovals. | Infrastructure Services | In progress |
| PB Ronald Reserve, Pakenham – demolish depot buildings and construct car park. | Cancelled - duplicate action. | Infrastructure Services | Cancelled |
| Complete construction of the civil works and pavilion for the Pepi's Land (Emerald) netball facility. | Cancelled - duplicate action. | Infrastructure Services | Cancelled |

To achieve this we will: Increase opportunities for residents to participate in a range of sport, recreation and leisure activities.

| Action | Result | Business unit | Completion |
|---|---|--------------------|------------|
| Advocate to State Government for funds for development of Comely Banks Reserve. | Council received \$3.5 million in funding through the Victorian Government's Growing Suburbs Fund for the pavilion but was unsuccessful in its application for funding through Sport and Recreation Victoria (SRV) for the sporting fields and car parking. Council will reapply for funding through SRV in the next funding round. | Active Communities | Completed |

Our people performance (cont.)

We want to achieve: Variety of recreation and leisure opportunities.

To achieve this we will: Increase opportunities for residents to participate in a range of sport, recreation and leisure activities.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|-------------|
| Comely Banks Reserve – undertake detailed civil design. | Detailed design works for the civil component of Comely Banks Reserve are nearing completion. | Infrastructure Services | In progress |
| Continue to investigate an appropriate location for a permanent home for the Koo Wee Rup and District Motorcycle Club and the Pakenham Auto Club. | The Motorsport Clubs Steering Committee was formed and continues to meet to progress this matter. Details from the auto club and motorcycle club regarding their requirements for the two sites were received and leases drafted. Council resolved to make land at 335 McGregor Road available for Koo Wee Rup and District Motorcycle Club and Pakenham Auto Club. An alternative site for Koo Wee Rup Motorcycle Club was identified, short-term lease for the McGregor Road site agreed, and lease to the Pakenham Auto Club executed. The details of the requirement for podium one development were discussed with the steering committee. | Governance | Completed |

We want to achieve: Increased awareness of safety.

To achieve this we will: Work with the police, Victorian Government and the community to improve safety in homes, businesses, public places and roads.

| Action | Result | Business unit | Completion |
|---|--|---|------------|
| Incorporate Crime Prevention Through Environmental Design (CPTED) principles into the design of Precinct Structure Plans and planning projects. | Crime Prevention Through Environmental Design (CPTED) is considered as part of all planning permit applications and development of precinct structure plans. | Policy, Design and Growth Area Planning | Completed |

Our people performance (cont.)

We want to achieve: Increased awareness of safety.

To achieve this we will: Work with the police, Victorian Government and the community to improve safety in homes, businesses, public places and roads.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Support continued implementation of family violence projects in the shire at a local, regional and state level including Together We Can initiative and White Ribbon Accreditation. | <ul style="list-style-type: none"> • Together We Can facilitated two more community round table meetings in April and May with about 15 members attending each meeting. From the round table a small working group has been identified to coordinate the next TWC Leadership Summit on 10 October 2019. • A second Here 4 U, a Bystander Action training program, delivered by Family Life's Heartlinks program is being delivered in July to staff from Casey Cardinia Libraries, three members of Council's Family Violence Action Team and two members from Aligned Leisure. This activity was facilitated by the Community Solutions Group 4. • Community Solutions Group 3 has finalised a poster for Pakenham Main Street shop front windows demonstrating their support for TWC and offering passive support by way of phone numbers, websites and apps. Around 500 posters will be available to be distributed across the shire over time. • Two project updates have been submitted to the Victorian Government demonstrating progress of Together We Can's work within Council to introduce the Workplace Equality and Respect Standards, work with businesses and deliver the Healthy Families and Healthy Relationships Program into CALD communities. These updates are a requirement of our funding agreements. • The Healthy Families Healthy Relationships program is underway as partnership with TWC and Women's Health In South East (WHISE). Three sessions were held in May where observations were made by WHISE staff to capture key activities with which to commence development of the Train the Trainer component of the program. • Together We Can continues to raise awareness in the community through participation with events such as Coffee with a Cop, supported playgroups and the Regional Preventing Violence Together strategy communities of practice. TWC also raises awareness through publications and articles with the Australian Local Government Yearbook (released early June 2019), Star News Group articles, and social media. • Family Violence is scheduled for topic at the August Biggest Blokes Lunch. A new document has been developed to ensure that speakers, MCs and entertainers abide by a set of guidelines to ensure that language, attitudes and behaviours are respectful and do not condone violence against women. • A social housing report has been commissioned that addresses connections between the need for more social and affordable housing in Cardinia Shire and the high rates of family violence as one of the main reasons for displacement. • Children from two schools and one kindergarten have participated in a 'voices of children' project that captures their voices on what makes happy families and gender equality. A series of short videos will be produced and presented at the TWC Leadership Summit on 10 October. • Together We Can is continuing the planning with the Casey Cardinia Family Violence Network to deliver the 2019 March Against Violence on 22 November 2019. | Community Strengthening | Completed |

Our people performance (cont.)

We want to achieve: Increased awareness of safety.

To achieve this we will: Work with the police, Victorian Government and the community to improve safety in homes, businesses, public places and roads.

| Action | Result | Business unit | Completion |
|--|--|-------------------------|------------|
| | <ul style="list-style-type: none"> Currently reviewing process for White Ribbon reaccreditation Preventing Violence Together Regional Strategy. Council is a representative of the Leadership Communities of Practice stream which delivered a community forum (for prevention practitioners). The community forum was held in early May 2019 with about 45 regional partners (local government and non-government organisations) represented. The Creating Respect Together Think Tank was held on 26 June with around 60 regional members. The event was opened by keynote speaker Dr Michael Flood and was co-moderated by the TWC facilitator and WHISE CEO. | | |
| To continue to work with the Cardinia Safer Communities Strategic Committee and action groups to address safety issues within the shire. Conduct real-time evaluation of implementation/effectiveness of key actions contained within Safer Communities Framework. | <p>Work on the Cardinia Safer Communities Strategy continued during 2018-19. The associated action groups met regularly with each implementing an action plan.</p> <p>During the September to December quarter, the overarching Safer Communities Committee commenced a review to consider efficiencies and opportunities to deliver key outcomes under the overarching strategy. With the support of Victoria Police, a number of the action groups will be included in the review. Council will also consider this review in line with its <i>Liveability Plan</i> governance structure.</p> <p>Two key community safety highlights included:</p> <ul style="list-style-type: none"> Formation of the Reclink Football Team. This team was supported by the Alcohol and Other Drugs Action Group and is providing residents in our community with an opportunity to connect in an active and social setting. Community Crime Prevention workshops were held in Bunyip and Emerald as part of the Crime Action Group. These sessions were delivered in conjunction with community, Victoria Police and Council. | Community Strengthening | Completed |

Our people performance (cont.)

We want to achieve: Increased awareness of safety.

To achieve this we will: Improve awareness of township safety in local communities.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Promote resilience and community preparations for emergencies by engaging with communities to assist the development of localised plans and actions. Initial focus will be on Upper Beaconsfield community. | <p>The Upper Beaconsfield Pilot Project involved a community survey to gather information from residents about resilience and their experiences with emergencies in their community. We also engaged with the CFA and Upper Beaconsfield Association – Resilience Group regarding potential fuel management strategies for the community based on similar work in Monbulk. Council continued to engage with the Upper Beaconsfield community to increase their resilience and presented the findings from the engagement to the community in February. Preparations were made for the 2019 Community Emergency Resilience Forum at the Cardinia Cultural Centre. Council attended and presented to the Local Victorian Farmers Federation meeting on preparedness and Council's responsibilities.</p> <p>In February 2019 Council staff attended the Village Festival at Upper Beaconsfield. Information on the survey outcomes were delivered face to face and through posters and postcards. The information shared with community outlined three key areas; risks identified, strengths of the community and what the community saw as the key to continue building resilience. From this community feedback, in conjunction with neighbour day in March, residents were offered \$50 to hold their own street barbecue or morning tea. Unfortunately due to heavy rain the event was unsuccessful. The community has been actively involved in this project and a concurrent project for fuel management in Upper Beaconsfield. With the finalisation of the community resilience project in Upper Beaconsfield, the fuel management project continued and was finalised in June 2019 with a launch on 21 June. Work has now commenced at Clematis and Menzies Creek in conjunction with the Shire of Yarra Ranges to identify priorities for these communities and assist community development in building resilience to emergencies.</p> | Community Strengthening | Completed |

Our people performance (cont.)

We want to achieve: Minimised impact of emergencies.

To achieve this we will: Implement plans that support people in times of emergency.

| Action | Result | Business unit | Completion |
|---|--|-------------------------|------------|
| Lead the regular review and exercising of the various elements of Cardinia Shire's Municipal Emergency Management arrangements to ensure their relevance to its risk profile. Review – Municipal Relief and Recovery Plan and Municipal Heat Health Plan. | Council's emergency management arrangements are reviewed quarterly through the Municipal Emergency Management Planning Committee. As part of a review of the shire risk profile, an Emergency Management Plan was developed for the Emerald Lake Park precinct. In the first part of the year a number of small events have required Council to enact the emergency management planning arrangements to provide resources to emergency service organisations. This has included additional water for firefighting and temporary fencing for unsafe structures. During the September to December quarter, Council's Emergency Management Plan and planning arrangements were subject to an external audit. The audit, which was passed successfully, highlights the work undertaken to support the community in times of emergency. The most recent testing of Council's emergency management arrangements has been the activation due to the Bunyip Complex Fires in March 2019. Following this event, a full operational review led to a number of recommendations for Council's Municipal Emergency Management arrangements. This will include updates to the Municipal Relief and Recovery Plan and Animal Management Plan. These recommendations will be implemented prior to December 2019. | Community Strengthening | Completed |

To achieve this we will: Implement effective plans and procedures that minimise the impact of all emergencies in the shire.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Implement the long term plan for burning in Council reserves. Review the Municipal Emergency Management Plan (including CERA – Community Emergency Risk Assessment). Annual review of the Victorian Fire Risk Register (VFRR). Undertake Municipal Emergency Management Plan audit. Conduct annual fire inspection program. | The Municipal Emergency Management Plan Audit was finalised in November 2018 with Council successfully achieving compliance. The Victorian Fire Risk Register review was undertaken by the Municipal Fire Management Planning Committee. Preparations were made for the 2018–19 Fire Hazard Inspection Program, which commenced in November 2018. Preparations were underway for two planned burns on Council land in Autumn 2019 at RJ Chambers and Brennans Reserves. Council in conjunction with the Department of Environment, Land, Water and Planning and the CFA engaged with the community regarding the planned burns. Preparation works were identified and site visits undertaken. Regular weather monitoring informed stakeholders of the potential for planned burns to go ahead. Due to weather conditions and resourcing restrictions resulting from the Bunyip Complex Fires, the planned burns were unable to proceed this financial year. However significant preparation work, including community and agency consultation, was undertaken. Council continues to work with stakeholders to identify and support planned burning for the next financial year. Council's Municipal Emergency Management Plan risk assessment will be updated as part of the Bunyip Complex Fires operational debrief. The 2018–19 Fire Inspection Program was undertaken with approximately 3,300 properties inspected and approximately 90 properties requiring a forced clearance. | Community Strengthening | Completed |

Our people performance (cont.)

We want to achieve: Minimised impact of emergencies.

To achieve this we will: Protect against the impacts of emergencies through effective preparation and community planning and education.

| Action | Result | Business unit | Completion |
|--|---|-------------------------|------------|
| Support community initiatives (i.e. Ready to Go) and assist communities to develop community emergency management plans. Utilise social media and publications to promote awareness of safety measures to support residents in the areas of heat health, thunderstorm asthma, fire preparation activities etc. | Council engaged with the community through media platforms such as Council's <i>Connect</i> magazine, social media and the Council website to promote awareness of risks to the community, with a particular focus on summer. A summer-period communications plan was finalised and implemented. Council continued to work with community groups to support preparedness in the community. Council also worked with community groups regarding the recent Neighbourhood Safer Place changes in Emerald to support their activities in the community. Council continued to support community with social media messaging on awareness to risks. During the Bunyip Complex Fires, social media messaging, including Council's website and Facebook, were used extensively. Council has worked with Outlook Community Centre to establish a community emergency management program to assist clients with disabilities and their carers to undertake community emergency planning. | Community Strengthening | Completed |

Our community performance

We want to achieve: Our diverse community requirements met.

To achieve this we will: Monitor and research emerging community trends to help plan for the needs of residents.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Identify, collate and share demographic data, social and health statistics and emerging trends. Maintain the centralised research database (i.e. fact sheets, population projection updates and social health profile). | The Community Planner continues to provide statistical data on social and health issues such as gaming, housing, food and security. A major piece of work around the Liveability Evaluation Framework has recently been completed. The Cardinia Social and Health Profile has also been updated and is available on the website. A series of posters were designed to illustrate updated social and health data and to inform the Community Services Summit. The Community Liveability Survey will also be distributed to 600 households to gather information around liveability and provide baseline data to use at the evaluation stage. | Community Strengthening | Completed |

To achieve this we will: Promote access to and encourage a mix of housing types to cater for the varying needs of people in the Cardinia community.

| Action | Result | Business unit | Completion |
|--|--|-------------------------|------------|
| Advocate and work with local housing provider to monitor the impact of social housing. | The <i>Social and Affordable Housing Strategy</i> was endorsed at the February 2019 Council Meeting. Officers have commenced implementation of the action plan 2018-2025 and have undertaken an expression of interest process to identify representation from community members and local housing organisations on the councillor-chaired consultative committee. This committee will guide and oversee the implementation of the strategy. Discussions continue with local housing agencies to identify potential opportunities for social and affordable housing development. | Community Strengthening | Completed |

To achieve this we will: Support opportunities for participation in a diverse range of arts, cultural and tourism activities.

| Action | Result | Business unit | Completion |
|--|---|--------------------------|-------------|
| Complete construction of the Cardinia Arts Space at CCC. | The project is progressing on schedule and is expected to be completed in August 2019. Additional Council funding was provided to complete the project. | Buildings and Facilities | In progress |
| In conjunction with the Public Art Coordination team, deliver public art works in Ranges Ward. | An artist has been commissioned, the design has been approved and the installation of the artwork scheduled for completion in early July. | Active Communities | Completed |

To achieve this we will: Plan for the provision of facilities to service and support the changing community.

| Action | Result | Business unit | Completion |
|--|---|-------------------------------|------------|
| Update the Child and Family Centre Build Plan and report on build progress and capacity to meet needs. | This is completed twice a year in January and July. | Community and Family Services | Completed |

Our community performance (cont.)

We want to achieve: Our diverse community requirements met.

| Action | Result | Business unit | Completion |
|--|---|----------------------|------------|
| Complete the economic review of the railway townships and develop a program for land use strategies in priority locations. | A report on the future of the four railway towns and racecourse has been completed and will be presented to a briefing and the relevant township committee. This will help inform strategic planning and advocacy in this area. | Economic Development | Completed |

We want to achieve: Engaged communities.

To achieve this we will: Provide a range of opportunities that encourage community participation in Council policy and strategy development.

| Action | Result | Business unit | Completion |
|--|--|-------------------------|------------|
| Coordinate a range of community engagement activities in the shire that inform development or review of Council strategies and policies. Begin planning and preparation of the new Community Plan. | Community Development has provided strategic advice on a range of projects, policies and initiatives and has developed more than 20 engagement plans including the Cockatoo Neighbourhood House Revitalisation Project, Emerald Lake Park Strategic Plan and the Pakenham Heritage Overlay. Preparations have commenced for the development of a Community Plan including identifying resources required and potential methodologies. We have participated in the facilitation of a range of engagement sessions with the community including the Gembrook skate park, Emerald Neighbourhood Safer Place (NSP) and Festival and Events Grants workshops. | Community Strengthening | Completed |

To achieve this we will: Communicate the activities and decisions of Council to the residents in a variety of ways.

| Action | Result | Business unit | Completion |
|---|---|----------------|-------------|
| Undertake a review of <i>Connect</i> magazine and consider the introduction of ward or township-based newsletters. Continue to utilise website and social media channels. | A review of the existing Communications Plan has commenced. Council is progressing development of a five-year communications strategy to guide communications activities with our community. The new plan and strategy will be delivered in November 2019 incorporating a review of <i>Connect</i> , the public website and social media. | Communications | In progress |
| Development of new Digital Communications Strategy. | A review of the existing Communications Plan has commenced. Council is progressing development of a five-year communications strategy to guide communications activities with our community. The new plan and strategy will be delivered in November 2019. | Communications | In progress |

Our community performance (cont.)

We want to achieve: Engaged communities.

To achieve this we will: Embrace and support community leadership.

| Action | Result | Business unit | Completion |
|--|---|-------------------------|------------|
| Deliver a range of community leadership initiatives in the shire to meet identified local needs by providing targeted training for community groups/leaders. Evaluate and assess the current Community Leadership Program. | Council in partnership with Leadership Victoria delivered a structured program to 20 Cardinia Shire emerging community leaders. The program equipped them with a range of skills and built their capacity to share their learnings in their local organisations. A review of the program has been undertaken and the graduation ceremony completed. | Community Strengthening | Completed |

We want to achieve: Increased levels of community participation.

To achieve this we will: Promote initiatives by the community and Council that connect and strengthen our communities.

| Action | Result | Business unit | Completion |
|---|--|-------------------------|------------|
| Upgrade pathways and walking tracks across the shire in accordance with the footpath program and revised Pedestrian Bicycle Strategy. | Footpath program construction works have been completed and footpath maintenance works were undertaken. | Infrastructure Services | Completed |
| Development of new Cultural Diversity Action Plan. | Planning was undertaken to identify timeframes and resourcing to develop a new Cultural Diversity Action Plan. A multicultural forum in November 2018 provided community feedback to commence community consultation for input into the new plan. Council continued to engage with the community through a variety of activities to feed into the action plan. This included the Multicultural Community Day and Neighbourhood Day. Council's Cultural Diversity Facilitator worked with Culturally and Linguistically Diverse (CALD) partners across government and the community to identify key priorities for the new action plan. The Cardinia Shire Multicultural Advisory Committee played a key role in supporting Council through awareness and advocacy for our CALD community which will inform planning. The <i>Cultural Diversity Action Plan 2019–2023</i> has been developed and will go before Council in July 2019. Further community consultation will occur prior to finalisation and implementation as per the 2019–20 Council action. | Community Strengthening | Completed |

Our community performance (cont.)

We want to achieve: Increased levels of community participation.

To achieve this we will: Promote initiatives by the community and Council that connect and strengthen our communities.

| Action | Result | Business unit | Completion |
|---|--|-------------------------|------------|
| Implement the Disability, Access and Inclusion Action Plan. | Council continued to implement the Disability, Access and Inclusion Action Plan. The progress of the action plan was reported on at the Annual General Meeting of the Access and Inclusion Committee. The action plan is reviewed monthly at the Access and Inclusion Committee meeting. The Access and Inclusion Facilitator worked with areas of Council to review and update the action plan items. Internal meetings to undertake a review of action items in each division were scheduled. As we enter the second year of this four year plan, Council continues to implement the agreed actions. This includes training across Council, providing information to community and advocating for people with disabilities to have access to services across the shire. The delivery of the Access and Inclusion Plans continues in line with incorporating universal design standards into our capital works and working closely with the Access and Inclusion Committee. | Community Strengthening | Completed |
| Development of a new Reconciliation Action Plan. | Council continued to engage with the community through a variety of engagement activities that informed the development of a new Reconciliation Action Plan. This included the Multicultural Community Day and Reconciliation Week. Council's Social Inclusion Officer worked with Aboriginal and Torres Strait Islander partners across government and the community to identify key priorities for the new action plan. Further extensive community consultation was undertaken in line with the associated community engagement action plan. The draft <i>Reconciliation Action Plan 2020–22</i> has been developed in line with the key themes of Reconciliation Australia. The plan will be open for exhibition and feedback during NAIDOC Week 2019 before being finalised and implemented as per the Council Action Plan 2019–20. | Community Strengthening | Completed |
| Participate in programs linked to the Resilient Melbourne Initiative where appropriate. | Council continued to link in with Resilient Melbourne and associated programs where possible. Council staff participated in a local government special interest group and also supported other councils by assisting with training delivery through Resilient Melbourne. Council's Emergency Management staff, in conjunction with Community Development staff, are developing and delivering resilience programs for our communities. | Community Strengthening | Completed |

To achieve this we will: Recognise, support and promote the value of volunteerism in our communities.

| Action | Result | Business unit | Completion |
|---|---|---------------|------------|
| Host annual Mayoral volunteer reception to recognise and value the contribution of volunteers in our shire. | The annual Mayoral Volunteer Reception was held on 23 May 2019. | Governance | Completed |

Our community performance (cont.)

We want to achieve: Increased levels of community participation.

To achieve this we will: Strengthen Council's community engagement through the development, implementation and promotion of effective practices.

| Action | Result | Business unit | Completion |
|--|---|-------------------------|------------|
| Provide training and support to staff across the organisation regarding the Community Engagement Framework and toolkit to enhance the community's participation. | Council's Community Engagement Facilitator works collaboratively across the organisation and has developed approximately 25 engagement strategies this financial year. Community engagement training is scheduled in the 2019 Corporate Training Calendar. An adopted policy and comprehensive toolkit is available as a resource to Council staff to support engagement planning and facilitation. | Community Strengthening | Completed |

We want to achieve: Improved health and wellbeing of our residents.

To achieve this we will: Increase the community's understanding of health issues and options to help them make appropriate decisions.

| Action | Result | Business unit | Completion |
|--|---|-------------------------|------------|
| Plan and deliver a Community Summit in line with the Community Wellbeing Grants. | Originally the Community Summit Day was to be run over two days in February. The first being dedicated to volunteer organisations and members, the second day dedicated to service providers in line with the new Services for Success philosophy. Unfortunately due to the Bunyip Complex Fires, the first day was postponed and the second day was moved to 1 April. A strong service sector representation participated on the day and worked together to identify current provision and future requirements based on social and health data and population projections. The intelligence gathered on the day will inform future strategic planning for service delivery across the shire. | Community Strengthening | Completed |

To achieve this we will: Enhance food literacy and security within the community

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Coordinate and implement the Food Circles Collective Impact project (e.g. develop a local food strategy). | The <i>Cardinia Community Food Strategy</i> was launched with 60 stakeholders attending a workshop to 'activate' the actions. Regular Food Circles Steering Group meetings were undertaken. Food Hub scoping is underway, with a working group formed and visioning workshop planned for July. Four local people received funding to undertake the Farmer Incubator Program. Monash University students undertook Healthy Food Basket data collection. Community Grocer Pakenham had its first birthday. Sustain was successful for another three-year contract as the 'backbone' of the Food Circles Collective Impact Project. Supported local consultation for the Department of Environment, Land, Water and Planning Strategic Agricultural Land Review. Cardinia Food Network supported BlazeAid volunteers following the Bunyip Complex Fires. Funding mobilised through grant applications. | Community Strengthening | Completed |

Our community performance (cont.)

We want to achieve: Improved health and wellbeing of our residents.

To achieve this we will: Help establish partnerships and social infrastructure opportunities that improve health and wellbeing outcomes for residents.

| Action | Result | Business unit | Completion |
|--|---|-------------------------|------------|
| Work with partners to ensure local health and wellbeing priorities are delivered through the Pakenham Health Centre. | Council has been involved in a number of health service reviews which have identified service needs. Council and Monash Health have advocated to the Victorian Government for additional mental health services and an Early Parenting Centre. The Cardinia Mental Health and Wellbeing Strategic Leadership Group (representing 12 organisations) has also been formed and a key role for this group will be to identify and implement key health and wellbeing priorities in this area. A significant piece of work undertaken by this group is the collective preparation of a submission to the Royal Commission into Mental Health which Council has led. Council has also recently been informed of the successful advocacy endeavours with Monash Health for the construction of a new Pakenham Community Hospital. Council will work closely with the Victorian Government to progress this project and participate on the consultative committee currently being formed. | Community Strengthening | Completed |

Our environment performance

We want to achieve: Provision and maintenance of assets on a life-cycle basis.

To achieve this we will: Maintain all Council roads and supporting infrastructure in accordance with the *Roads Management Act 2004*.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Inspections and maintenance of the road network in accordance with the Road Management Plan. | Inspections and maintenance of the road network in accordance with the Road Management Plan are on track. | Operations | Completed |
| Reseal and renewal of identified roads and footpaths in accordance with the Road and Footpath Asset Management Plans. | Road rehabilitation works and renewals works have been completed. Footpath renewal works are well underway. | Infrastructure Services | Completed |

To achieve this we will: Develop new and maintain existing parks, gardens and reserves in a sustainable way.

| Action | Result | Business unit | Completion |
|--|--|---------------|------------|
| Finalise the upgrading program at Emerald Lake Park Arboretum – complete path and road renewal works within Emerald Lake Park including desilting of lake. Complete review of service standards for the open space contract. | The majority of works are complete on the arboretum and in desilting the lake. | Operations | Completed |

To achieve this we will: Provide accessible facilities to meet identified community needs.

| Action | Result | Business unit | Completion |
|---|---|--------------------------|-------------|
| Upgrade of the Gembrook Reserve sports pavilion. | The Committee of Management has been managing this project. Design consultants were appointed to prepare the documentation. Tender documents were prepared and the project is expected to go to tender in July 2019. A Federal funding agreement with the government has been signed, providing the remaining funds for the project development. | Buildings and Facilities | In progress |
| Continue construction of Hills Hub with a view to completing in 2019. Provide regular communication updates to the community, SLT and Council. Work with user groups to develop new management structure. | Construction of the Hills Hub is progressing. Demolition of the previous Emerald Mechanic's Institute has been completed and construction of the new Hills Hub is underway and on track for completion in late 2019. Regular updates are provided to Council, Council's Senior Leadership Team (SLT) and the broader community. Council is continuing to work with key stakeholders through the Hills Hub Advisory Group and is currently exploring options for the management model. | Community Strengthening | Completed |

Our environment performance (cont.)

We want to achieve: Provision and maintenance of assets on a life-cycle basis.

To achieve this we will: Provide accessible facilities to meet identified community needs.

| Action | Result | Business unit | Completion |
|---|---|--------------------------|------------|
| Conduct a program of resurfacing of playing surfaces at recreation reserves – Worrell Reserve (Emerald) – reshaping drainage and irrigation. | Works at Worrell Reserve have been completed. | Infrastructure Services | Completed |
| Conduct a program of resurfacing of playing surfaces at recreation reserves – Officer Reserve oval 2 (complete redevelopment). | The reconstruction of the western oval is well underway. Delays were encountered with service relocation however oval works are on track for completion in August. | Infrastructure Services | Completed |
| Annual prioritised works to existing buildings, which will improve access, use and engagement by our diverse community. Our works will meet enhanced and over and above Disability Discrimination Act requirements. Typically each year anywhere between 4 to 6 or so buildings and associated grounds are prioritised for such improvements, which includes ramps to entry areas of buildings, car parking for the disabled, hand railing, tactile markers, toilets for the disabled, etc. | The annual prioritised program, in consultation with the Access and Inclusion Committee, is complete. This program identifies facilities that require change in access provisions to ensure that broader community inclusion can be achieved. | Buildings and Facilities | Completed |
| Depot Master Plan (Pakenham) – Stage 4 – development of amenities, lunchroom and training/toolbox facilities in former laundry facility. | Completed in 2017–18. | Buildings and Facilities | Completed |

Our environment performance (cont.)

We want to achieve: Provision and maintenance of assets on a life-cycle basis.

To achieve this we will: Manage Council's assets like roads, drainage, footpaths and buildings etc. in a way that ensures they are adequately maintained over their life.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|-------------|
| Review of Open Space Asset Management Plan. | An initial meeting was held with internal stakeholders to outline the expected process and outcomes. Further discussions and review of the current improvement action plan have been undertaken, with the final list of actions to be finalised in the near future. The financial plan section has been updated based on the adopted 2019–20 budget and draft 10 year capital works forecast. An infrastructure risk plan is to be developed as part of this review in the coming months. | Infrastructure Services | In progress |

We want to achieve: Transport linkages connecting towns.

To achieve this we will: Upgrade Council roads to improve safety while considering the traffic demand of the community.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|-------------|
| Commence construction of the Lang Lang Bypass from Westernport Road to McDonalds Track, including Milners Road. | Deferred until July 2019–June 2020. Construction will commence after funding is secured. | Infrastructure Services | In progress |
| Implement recommendations from revised Road Safety Strategy, including cyclist awareness program. | The delivery of Road Safety Strategy actions are continuing through programs provided by Road Safe South East as well as internal programs. | Infrastructure Services | Completed |
| Implementation of the Lang Lang Bypass from Westernport Road to McDonalds Track. | Cancelled – duplicate action. | Infrastructure Services | Cancelled |

To achieve this we will: Continue the use of special charge schemes to finance road, drainage and footpath improvement programs.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Finalise statutory process for the construction of a special charge scheme for O'Sullivan's Road, Hill Street and Peet Street (Pakenham) and commence construction. | The Special Charge Scheme for O'Sullivan's Road, Hill Street and Peet Street has been declared. | Infrastructure Services | Completed |

Our environment performance (cont.)

We want to achieve: Transport linkages connecting towns.

To achieve this we will: Continue the use of special charge schemes to finance road, drainage and footpath improvement programs.

| Action | Result | Business unit | Completion |
|---|---|-------------------------|------------|
| Boronia Crescent, Caroline Avenue, Rouen Road, and Bell Street (Cockatoo) – Road and Drainage Scheme planning phase and preliminary design. Review SCS Program in conjunction with policy update. | Ongoing engagement with the Cockatoo Roads Advocacy Group has been occurring. Initial surveys indicate support for a scheme. Preliminary design plans and cost estimates have been completed for these roads in Cockatoo. | Infrastructure Services | Completed |
| Commence construction of a special charge scheme for O'Sullivan's Road, Hill Street and Peet Street (Pakenham) and finalise statutory process. | The statutory process for the special charge scheme has been completed to enable construction works, which are progressing well. The scheme will be finalised once all works are completed. | Infrastructure Services | Completed |
| Review SCS Program in conjunction with policy update. | A Special Charge Scheme (SCS) policy was reviewed and adopted in 2018. The Peet Street SCS is currently being delivered and Fairbridge Lane will commence construction soon. Investigative works are underway for a scheme in Cockatoo. Although a review of the future schemes program is well established, this will need to be revisited to align with recent Federal funding for the sealing of roads in the hills. | Infrastructure Services | Completed |

To achieve this we will: Develop transport networks that incorporate effective public transport.

| Action | Result | Business unit | Completion |
|--|---|-------------------------|-------------|
| Proposed implementation of Road Development Program to seal rural collector roads. | Works have included the preparation of concept plans, review and finalisation of tender documentation. The project is expected to be carried out over a two to three year period. | Infrastructure Services | In progress |

To achieve this we will: Prioritise multi-use pathways, where practicable, to create networks that connect destinations.

| Action | Result | Business unit | Completion |
|--|--|-------------------------|------------|
| Implementation of the footpaths identified in the Pedestrian Bicycle Strategy. | The footpath outside the Panorama Estate, Beaconsfield, has been completed as part of the Pedestrian Bicycle Strategy. | Infrastructure Services | Completed |

Our environment performance (cont.)

We want to achieve: Transport linkages connecting towns.

To achieve this we will: Advocate for and facilitate improved public transport options and major arterial roads to help link employment, educational, recreational and retail activities between the shire's rural and growth areas.

| Action | Result | Business unit | Completion |
|---|--|-------------------------|------------|
| Provide information when required to the Interface Councils' Group and South Eastern Metro Integrated Transport Group as part of aim to enhance the frequency and coverage of public transport within Cardinia Shire and the south-east region. | Council officers have been attending South Eastern Metro Integrated Transport Group meetings as well as providing information for the regional transport document. | Infrastructure Services | Completed |

We want to achieve: Enhanced natural environment.

To achieve this we will: Adapt to the impacts of climate change by working in partnership with the South East Councils Climate Change Alliance and both Australian and Victorian governments.

| Action | Result | Business unit | Completion |
|---|---|--------------------------|------------|
| Support South East Councils Climate Change Alliance (SECCCA) through membership and participating in relevant projects (e.g. to reduce community energy use). | Continuing to work with the South East Councils Climate Change Alliance (SECCCA) to investigate large scale renewable energy projects in the south east. Energetics have been engaged to provide the project working group with load modelling across the region and generate options. SECCCA delivered two community energy information sessions at Arena and Henry Children's centres. An application for Climate Change Community Adaption Grants in partnership with Federation University and SECCCA has been submitted. Announcements are expected to be made in July 2019. | Environment and Heritage | Completed |

Our environment performance (cont.)

We want to achieve: Enhanced natural environment.

To achieve this we will: Reduce Council's energy consumption and help the community to do likewise.

| Action | Result | Business unit | Completion |
|--|---|--------------------------|------------|
| Continue to implement the Sustainable Design improvements in new and existing Council buildings and review this tool in context of the future direction with Sustainable Design in the Buildings and Facilities department. Prepare the Environmentally Sustainable Development (ESD) strategy (including policy) for all Council buildings, which will help to improve amenity and use of buildings, reduce energy use and associated costs, reduce waste to landfill, and work towards a carbon neutral shire. | <p>The Environmentally Sustainable Development (ESD) improvements list was drafted and project briefs and specifications developed. A project meeting was held to commence the upgrade of the ESD matrix. The upgrade was in partnership with seven other councils through the South East Councils Climate Change Alliance. A revised draft matrix was issued for consideration after a process of review and feedback, with feedback incorporated into the revised matrix to improve the usability and application of the tool and its ability to deliver the expected outcomes. An updated and improved draft ESD matrix was provided by the project consultant, who then finalised the matrix and developed a user guide. Discussions with other councils to inform the Environmentally Sustainable Development Strategy took place. The development of the strategy carried over into 2018–19 following completion of the matrix.</p> <p>Work commenced on the Environmentally Sustainable Design and Operations Policy that will complement the matrix. It is intended that this policy will be fully developed in the 2019 calendar year. A contractor was appointed for the installation of solar electricity systems at My Place and Council's depot. Energy-efficient light fixtures were also installed in the depot workshop. The annual program has been completed with the exception of one Council asset due to unforeseen structural issues.</p> | Buildings and Facilities | Completed |
| Implement the Aspirational Energy Transition plan including phase two of the decorative street lighting retrofit with energy efficient lighting. | <p>The following has been completed this financial year:</p> <ul style="list-style-type: none"> • LED lighting upgrade at the Pakenham library and depot. • Community energy information sessions at Henry and Arena children's centres. • Installation of a 32kW solar system at My Place. • Completion of the decorative street lighting upgrade. • Installation of an 86kW solar system at Pakenham Library. • Installation of a 36kW solar system at Beaconsfield. • Development of a household energy handout and booklet in partnership with Federation University. <p>In addition, Cardinia's first Environmental Upgrade Agreement (EUA) was signed. This EUA is for the installation of a 99kW solar system on a factory in Pakenham. It will result in savings of 152 tonnes of CO2 emission annually.</p> | Environment and Heritage | Completed |

Our environment performance (cont.)

We want to achieve: Enhanced natural environment.

To achieve this we will: Reduce Council's energy consumption and help the community to do likewise.

| Action | Result | Business unit | Completion |
|--|--|--------------------------|-------------|
| 1) Finalise the development of a formal ESD strategy for all new and existing Council buildings and commence implementation. 2) Continue to work in conjunction with Planning and Development division and Environment unit on Sustainable Design Assessment in the Planning Process (SDAPP) to assist them to review planning applications against required sustainability standards to be achieved, including reductions of carbon emissions. | Council developed an Environmentally Sustainable Development (ESD) matrix to inform the development of a formal ESD strategy. The matrix was developed in conjunction with other councils and was tested across various areas. Once the ESD matrix was completed and implemented for use, the development of the strategy, together with policy documentation, commenced. Consultation was undertaken with Council's Heritage and Environment team in relation to the ESD and operation framework. By the end of the financial year, 70 per cent of the framework had been drafted. Consultation is ongoing. | Buildings and Facilities | In progress |

To achieve this we will: Promote practices that result in the reduction per household of the amount of waste going to landfill, particularly food waste.

| Action | Result | Business unit | Completion |
|--|--|-------------------------|------------|
| Provide education material and support to schools and ELC to improve engagement and resource recovery. | Council provides support to eligible schools and Early Learning Centres through the provision of free recycling bins, related educational materials and compost bin rebates. The schools program continues to deliver recycling education programs via incursions and supporting resources for participating schools. A new education program for schools on managing their waste through student-run bin audits, education sessions and Council-provided engagement materials began in Term 2, with 10 schools participating. | Infrastructure Services | Completed |

Our environment performance (cont.)

We want to achieve: Enhanced natural environment.

To achieve this we will: Promote practices that result in the reduction per household of the amount of waste going to landfill, particularly food waste.

| Action | Result | Business unit | Completion |
|---|--|-------------------------|------------|
| <p>Begin review and development of system for diverting food waste from landfill. To include:</p> <ul style="list-style-type: none"> • review best practice of food waste collection system at the kerbside and learn from other examples • identify collection service change requirements and review service specifications • develop behaviour change program and identify support required • identify resources required for two-year implementation. | <p>Council officers have been attending working groups with the Metropolitan Waste and Resource Recovery Group on the development of a food waste service guide. Food waste recovery services are in place at Council's offices to understand more about the service potential for businesses. A specialist waste consultant and Council officers have conducted a Food into Green Waste bin feasibility study to assist in making key decisions around what the residential food and green waste system will look like and what resources are needed for the implementation phase. Accepting food waste into the kerbside green waste bin will be factored into new kerbside collection contracts, for which the tender is currently being written.</p> | Infrastructure Services | Completed |
| <p>Build on success of new resource recovery facilities by advocating for improved resource recovery and reuse options (such as e-waste/detox your home/SV programs/new streams/reuse opportunities/education).</p> | <p>Advocacy in this area has been ongoing through Council's representative on the Technical Advisory Group for the waste forum, as well as preparation for the upcoming e-waste ban. A Detox Your Home day was held in April 2019, with 2.9 tonnes of toxic chemicals recycled. It included DrumMUSTER, with 140 drums recycled. Regular interaction with representatives of resource recovery centres in the shire assists with the recovery of specific items. Four e-waste drop off locations have been established in libraries and community centres across the shire.</p> <p>A green waste drop-off service was held at a local resource recovery centres in November 2018 and May 2019, with a total of 214.76 tonnes of green waste recycled. A feasibility study into the integration of food waste into the green waste bin has been completed, with the service to start in late 2020. Council is working with a metro-wide advisory group on advocating to the Victorian and Australian governments for support to assist with kerbside resource recovery options.</p> | Infrastructure Services | Completed |
| <p>Collaborate on regional project with south east councils and MWRRG to procure landfill and alternative to landfill services, including pre-sort options for commencement post 2021.</p> | <p>This project is underway with regular meetings and workshops attended by Council officers with the south east cluster of councils and the Metropolitan Waste and Resource Recovery Group. The aim is to progress this to provide alternatives to landfill that provide social and environmental benefits and long-term security of service. Council has endorsed joining a collaborative procurement process for Alternative Waste and Resource Recovery Technology (AWRRT). The feasibility of adding food waste to the kerbside green waste collection service has been completed and will be presented to Council. An integrated service is set to start in late 2020. Group procurement options are being explored with MWRRG and councils to improve kerbside recycling options.</p> | Infrastructure Services | Completed |

Our environment performance (cont.)

We want to achieve: Enhanced natural environment.

To achieve this we will: Manage water in an integrated way, including the reduction of potable water consumption by Council and households.

| Action | Result | Business unit | Completion |
|--|--|--------------------------|------------|
| Implement the Integrated Water Management Plan including the continued implementation of water-efficiency measures recommended in the water audits at Cardinia Life and Holm Park Reserve. | <p>The following has been completed this financial year:</p> <ul style="list-style-type: none"> • inefficient shower heads were replaced at Holm Park Reserve and Cardinia Life. • pumps and other parts were replaced to improve the operation and monitoring of the water harvesting system at Cardinia Life. • a pre-rinse spray valve was installed in the kitchen at the Cardinia Cultural Centre. • a feasibility study was undertaken for the installation of a pool blanket at Cardinia Life. Due to limited space and a unique roof line, options for the storage of a pool blanket on the pool deck and from the roof was not feasible. The only remaining option, to install a storage box underground, would require significant investment to cut into the slab and require significant periods of pool shutdown. This was found not to be feasible at this stage. • ran a community wetland planting day. | Environment and Heritage | Completed |

To achieve this we will: Promote water catchment management practices that improve the quality of our waterways.

| Action | Result | Business unit | Completion |
|---|---|-------------------------------------|------------|
| Reduce off-site septic discharges by advocating to water authorities to complete the backlog sewer program. Advocate to South East Water for the timely delivery of the Officer Township backlog program. | Advocated to Yarra Water and South East Water for sewer projects and assess planning permits / septic permits in accordance with the relevant Acts. | Development and Compliance Services | Completed |

To achieve this we will: Protect and improve biodiversity by increasing the area of natural ecosystems across the shire.

| Action | Result | Business unit | Completion |
|---|---|--------------------------|------------|
| Enhance biodiversity across the shire via long term strategic planning and offering community participation opportunities and incentives. | Both the <i>Biodiversity Conservation Strategy</i> and <i>Weed Management Strategy</i> were finalised and adopted by Council on 17 June 2019. Both strategies outline the long-term direction for the protection of biodiversity on private and public land, and reduction of weed presence. Council was recently notified it was successful in receiving funding through the Caring For Our Local Environment (COLE) grant through the Department of Environment, Land, Water and Planning. The grant will be used to support community capacity building projects, including skill building workshops for environmental volunteer groups. Work has commenced on the Biolink Plan which will identify the prioritised development of future wildlife corridors throughout the shire. | Environment and Heritage | Completed |

Our environment performance (cont.)

We want to achieve: Enhanced natural environment.

To achieve this we will: Preserve and improve our bushland and natural environment by implementing weed management strategies and programs and continuing activities on high conservation bushland reserves and roadsides.

| Action | Result | Business unit | Completion |
|---|---|---------------|------------|
| Preserve and improve natural environment by undertaking weed management and indigenous plantings. | Weed control and planting undertaken for year one of the offsets program. Based on activation of the Natural Reserves team, along with support from contractors, we have been able to achieve a greater level of effective weed management and infill indigenous planting compared to previous years. The road side weed management program was successfully implemented along with completion of mapping and planning activities for the 2019–20 financial year. | Operations | Completed |

To achieve this we will: Manage agricultural land use by supporting farmers to utilise sustainable farming practices.

| Action | Result | Business unit | Completion |
|---|--|---|------------|
| Facilitate investment in farm practices and work with State Government to review the regulatory system whilst implementing the Westernport green wedge management plan. | Actions have been implemented and Council's Economic Development team will continue to move forward with this. | Policy, Design and Growth Area Planning | Completed |

We want to achieve: Natural and built environments supporting the improved health and wellbeing of our communities.

To achieve this we will: Plan and develop built environments that support improved health and wellbeing of our communities through implementation of the Healthy by Design guidelines.

| Action | Result | Business unit | Completion |
|--|--|-------------------------|------------|
| Promote the development and implementation of water sensitive urban design elements into infrastructure works. | Council continued to promote and review the types of, and the way in which we deliver, water-sensitive urban design (WSUD) assets. We encouraged the use of regional-based assets in preference to localised assets, unless they are of a temporary nature. Council's dedicated WSUD Officer is undertaking training sessions with Council staff involved in potential WSUD projects to ensure these assets are appropriately constructed to minimise ongoing maintenance costs to Council. Staff training has been completed. | Infrastructure Services | Completed |

To achieve this we will: Raise awareness of our environment's impact on people's health and wellbeing by integrating the concept of liveability across all Council business units and including liveability indicators within the municipal public health and wellbeing plan.

| Action | Result | Business unit | Completion |
|---|---|--------------------------|------------|
| Develop and distribute the Down to Earth environmental eNewsletter promoting Council's environmental and sustainable initiatives. | The number of subscribers to the Down to Earth e-newsletter has continued to increase. The e-newsletter has provided a wide variety of information on biodiversity, energy, waste and water, as well as highlighting Council's programs and initiatives in these areas. | Environment and Heritage | Completed |

Our environment performance (cont.)

We want to achieve: Natural and built environments supporting the improved health and wellbeing of our communities.

To achieve this we will: Advocate for changes in the state planning scheme which support development of local policies which reduce health-detracting environments (gaming, liquor, fast food).

| Action | Result | Business unit | Completion |
|--|---|---|------------|
| Complete review of Council's Municipal Strategic Statement into the Planning Scheme. | Review of the Municipal Strategic Statement has been completed and was adopted by Council in December 2018. | Policy, Design and Growth Area Planning | Completed |

We want to achieve: Balanced needs of development, the community and the environment.

To achieve this we will: Review the Municipal Strategic Statement and the Cardinia Planning Scheme regularly to ensure it continues to meet Council objectives.

| Action | Result | Business unit | Completion |
|---|---|---|------------|
| Undertake consultation as part of the review of Council's Municipal Strategic Statement and the Cardinia Planning Scheme. | Consultation complete. As part of the Planning Scheme Review, consultation was undertaken with internal business units and external agencies and it was placed on public exhibition for a period of four weeks. | Policy, Design and Growth Area Planning | Completed |

To achieve this we will: Plan for the development of the urban growth area with a mix of residential, commercial, employment, recreational and community activities to meet the needs of our growing community in a sustainable way.

| Action | Result | Business unit | Completion |
|--|--|---|-------------|
| Ongoing review of PSPs and DCPs and complete the Pakenham East and Pakenham South PSPs. Commence Officer South PSP with the VPA. | Pakenham East Precinct Structure Plan (PSP) has been finalised and reviewed by Planning Panels Victoria and the panel's decision has been released. Now awaiting a decision by the Minister for Planning and advice from the Victorian Planning Authority regarding the commencement of the Officer South PSP. | Policy, Design and Growth Area Planning | In progress |
| Implement approved structure plans for the growth area including implementing developer contributions in an orderly manner. | Implementation of the relevant precinct structure plans will continue. | Policy, Design and Growth Area Planning | Completed |

To achieve this we will: Provide for the sustainable development of rural townships while taking into account their existing character and community needs.

| Action | Result | Business unit | Completion |
|---|---|---|-------------|
| Review of township strategies in line with the adopted program. | Commenced review of railway towns. The draft background document has been finalised and was exhibited in May 2019. The projected completion date has been amended to 30 March 2020. | Policy, Design and Growth Area Planning | In progress |

Our environment performance (cont.)

We want to achieve: Balanced needs of development, the community and the environment.

To achieve this we will: Provide for the sustainable development of rural townships while taking into account their existing character and community needs.

| Action | Result | Business unit | Completion |
|--|---|---|------------|
| Implement the Westernport Green Wedge Management Plan and continue advocacy for Green Wedge Management Plan for the remainder of Cardinia Shire. | The Westernport Green Wedge Management Plan has been included in the Cardinia Planning Scheme. Advocacy continues for the area. | Policy, Design and Growth Area Planning | Completed |

To achieve this we will: Ensure the planning of rural (green wedge) areas protects and enhances important agricultural, environmental, natural resource, infrastructure and recreational values.

| Action | Result | Business unit | Completion |
|---|--|---|------------|
| Implement the Westernport Green Wedge Management Plan and continue advocacy for Green Wedge Management Plan for the remainder of Cardinia Shire. Implement the ESO for bandicoot corridors. | Amendment C229, which seeks to protect and enhance habitat for the Southern Brown Bandicoot, has been prepared and authorised by the Minister for Planning. The amendment was exhibited in October 2018 and is expected to be considered by Council for endorsement later in 2019 following further public consultation. | Policy, Design and Growth Area Planning | Completed |

Our economy performance

We want to achieve: Increased business diversity in Cardinia Shire.

To achieve this we will: Plan for and support local employment opportunities.

| Action | Result | Business unit | Completion |
|---|---|---|-------------|
| Undertake review of Cardinia Road Employment precinct to encourage investment and employment opportunities and commence the Officer South PSP. Finalise the Pakenham South PSP. | Working with the Victorian Planning Authority to understand the context of the review. The review of the Cardinia Road Employment Precinct will take place in conjunction with Officer South Precinct Structure Plan. | Policy, Design and Growth Area Planning | In progress |

To achieve this we will: Support the development of existing and new businesses within the shire.

| Action | Result | Business unit | Completion |
|--|---|----------------------|------------|
| Facilitate business networking opportunities through Casey Cardinia and individuals. | The final Business Breakfast for 2018–19 was held in May and featured guest speaker Casey May of Redsteps Marketing Agency. | Economic Development | Completed |

To achieve this we will: Plan for a staged development of the Officer–Pakenham employment precinct.

| Action | Result | Business unit | Completion |
|---|--|---|-------------|
| Finalise planning scheme amendment to incorporate Pakenham South Precinct Structure Plan into the Cardinia Planning Scheme. | The timing of this precinct structure plan has been delayed as a result of working through traffic and drainage issues. Projected completion date has been amended to 30 March 2020. | Policy, Design and Growth Area Planning | In progress |
| Work with the VPA in the preparation of Officer South Precinct Structure Plan and Infrastructure Contribution Plan. | Awaiting advice from the Victorian Planning Authority (VPA) that works have commenced on this project. Background investigation works by the VPA have commenced. | Policy, Design and Growth Area Planning | In progress |
| Work with the VPA in the preparation of Pakenham South Employment Precinct Structure Plan and Infrastructure Contribution Plan. | Awaiting advice from the Victorian Planning Authority on the timing of this project. The projected completion date has been amended to 30 March 2020. | Policy, Design and Growth Area Planning | In progress |

Our economy performance (cont.)

We want to achieve: Increased business diversity in Cardinia Shire.

To achieve this we will: Plan the development of Officer and Pakenham town centres.

| Action | Result | Business unit | Completion |
|---|---|---|-------------|
| Facilitate development of key sites in the core commercial areas in Officer and Pakenham. | Council officers continue to work with land owners in the town centre to support development opportunities. | Policy, Design and Growth Area Planning | Completed |
| Work with the VPA in the preparation of Pakenham East Precinct Structure Plan and Infrastructure Contribution Plan. | The Pakenham East Precinct Structure Plan has been finalised and considered by Planning Panels Victoria. Currently awaiting a decision from the Minister for Planning. | Policy, Design and Growth Area Planning | Completed |
| Work with VPA to complete the review of Officer Town Centre as part of the Officer PSP. | Council has sent final comments to the Department of Environment, Land, Water and Planning (DELWP) on the Victorian Planning Authority's draft amendment package. The amendment is now with DELWP to forward to the Minister for Planning for approval. | Policy, Design and Growth Area Planning | In progress |

To achieve this we will: Advocate to Australian and Victorian governments and industry to develop more local employment opportunities.

| Action | Result | Business unit | Completion |
|---|---|----------------------|------------|
| Implement the actions of the Casey Cardinia Attracting Employment and Investment Strategy, whilst working with the South Eastern Metropolitan Partnership to attract jobs and investment to the region. | Continuing to work with Economic Development Victoria and through our partnership with the City of Casey to attract employment to the region. The shire has secured major employer Patties foods. | Economic Development | Completed |
| Advocate to the Victorian Government regarding the development of a suitable site within Cardinia Shire for an airport. | Continuing advocacy with various parties following the Federal election and continuing to advocate to the Victorian Government to identify and undertake the pre-planning work. | Economic Development | Completed |

To achieve this we will: Encourage procurement of local products and services.

| Action | Result | Business unit | Completion |
|--|--|---------------|------------|
| Tender documentation and consideration includes weighting for local products and services. | Cardinia Council applied a 5 per cent weighting for local products and services on all tenders in 2018-19. | Finance | Completed |

Our economy performance (cont.)

We want to achieve: Maintained strong agricultural activities.

To achieve this we will: Support our farmers and growing agricultural industry in adapting to the changing economy and climate.

| Action | Result | Business unit | Completion |
|---|---|---|------------|
| Implement the actions of the Green Wedge Management Plan. | Actions of the Westernport Green Wedge Management Plan continued to be implemented. The policy is considered as part of all planning applications within this area. | Policy, Design and Growth Area Planning | Completed |

To achieve this we will: Identify innovative ways to value-add to the region's primary production and transportation.

| Action | Result | Business unit | Completion |
|---|-----------------------------------|----------------------|------------|
| Advocate for easier access to markets via regional food plan and enabling infrastructure including airports, Bunyip Food Belt and Thompsons Road extension. | Now a priority with SEM advocacy. | Economic Development | Completed |

To achieve this we will: Advocate for the development of roads and infrastructure required for primary production.

| Action | Result | Business unit | Completion |
|--|---|-------------------------|------------|
| Identify a hierarchy of roads directly related to primary production that require advocacy. | The hierarchy of roads directly related to primary production that require advocacy has been established. | Infrastructure Services | Completed |
| Advocate to the relevant authority for the development of the priority roads identified to support primary production. | Council was successful in obtaining funding for Island Road, Koo Wee Rup. However, the project will not continue due to limited interest in residents contributing to the works. Future advocacy to be undertaken based on a newly developed priority list. | Infrastructure Services | Completed |

We want to achieve: Diverse and resilient business community.

To achieve this we will: Support small businesses to remain viable in rural townships.

| Action | Result | Business unit | Completion |
|---|---|----------------------|------------|
| Continue to work with local businesses within the shire to improve viability. | Business development officers continued to work with local businesses through business breakfasts, the small business bus and small business mentoring. | Economic Development | Completed |

Our economy performance (cont.)

We want to achieve: Diverse and resilient business community.

To achieve this we will: Encourage the establishment of tourism and hospitality in appropriate areas of the shire.

| Action | Result | Business unit | Completion |
|---|--|----------------------|------------|
| Implement the <i>Casey Cardinia Tourism Strategy</i> and establish a tourism board to guide future development of the sector. | A new tourism board has been established and is continuing to work on the future development of its strategy and branding. The official launch is expected to be held in the first quarter of next financial year. | Economic Development | Completed |

To achieve this we will: Advocate for the delivery of small and large scale projects that enhance and drive economic activity.

| Action | Result | Business unit | Completion |
|--|--|----------------------|------------|
| Assist businesses to develop in the Casey Cardinia region. | Attended trade shows along with local businesses to highlight growth in the region. Several large investments are ready to submit planning applications. | Economic Development | Completed |

To achieve this we will: Work with others to grow economic activity and attract new enterprises.

| Action | Result | Business unit | Completion |
|---|---|----------------------|------------|
| Work with the Casey Cardinia Business Group and the Department of Economic Development, Jobs, Transport and Resources to attract new enterprises and enhance the economic activity in the region. | Reviewed Casey Cardinia Business Group in line with the adopted regional strategy and continued to support local business groups as needed. | Economic Development | Completed |

To achieve this we will: Support business and organisations to enhance their skills.

| Action | Result | Business unit | Completion |
|---|--|----------------------|------------|
| Council will help facilitate training opportunities for local businesses. | Continued to work with other providers and continued to fund Lynda.com an online training platform via Casey Cardinia libraries. Together with the City of Casey, continued to provide localised training opportunities. | Economic Development | Completed |

We want to achieve: A local economy supporting the improved health and wellbeing of our communities.

To achieve this we will: Support tourism and local businesses that deliver health and wellbeing initiatives.

| Action | Result | Business unit | Completion |
|---|--|----------------------|------------|
| Implement the <i>Casey Cardinia Tourism Strategy</i> and establish a tourism board to guide future development of the sector. | A new tourism board has been established and is continuing to work on the future development of its strategy and branding. The official launch is expected to be held in the first quarter of next financial year. | Economic Development | Completed |

Our economy performance (cont.)

We want to achieve: A local economy supporting the improved health and wellbeing of our communities.

To achieve this we will: Encourage the procurement and consumption of local food.

| Action | Result | Business unit | Completion |
|--|--|---------------|------------|
| Tender documentation and consideration includes weighting for local products and services. | Cardinia Council applied a 5 per cent weighting for local products and services on all tenders in 2018-19. | Finance | Completed |

Our governance performance

We want to achieve: An engaged community.

To achieve this we will: Develop a policy which details how Council will inform and engage consistently with the community on important matters.

| Action | Result | Business unit | Completion |
|---|--|----------------|-------------|
| Commence a review of the Communications Strategy and work with Community Strengthening to develop an Engagement Policy. | The revised Community Engagement Policy was drafted and adopted by Council on 17 June 2019. Council is currently exploring the implementation of a new online community engagement platform. | Communications | In progress |
| Implementation of new five-year communications strategy. | A review of the existing Communications Plan has commenced. Council is progressing development of a five-year communications strategy to guide communications activities with our community. The new plan and strategy will be delivered in November 2019. | Communications | In progress |

To achieve this we will: Enhance the community's confidence in Council's community engagement.

| Action | Result | Business unit | Completion |
|---|--|-------------------------|------------|
| Council will continue to increase its use of online platforms to educate, inform and engage the community. This includes the use of the shire's website and social media channels to promote community engagement activities, initiatives and outcomes. | Council is currently using the 'Our Say' community engagement platform, the shire's website and a range of social media platforms including Facebook, community newsletters and surveys. Council is investigating online engagement platforms to further opportunities to engage with the wider community and provide opportunities for input into Council decision making and policy and project development. | Community Strengthening | Completed |

We want to achieve: Open governance.

To achieve this we will: Embrace and demonstrate effective governance and transparency, notwithstanding that on occasions, matters under consideration will be confidential.

| Action | Result | Business unit | Completion |
|--|---|---------------|------------|
| Monitor compliance with statutory reporting requirements. | The <i>Local Government Act</i> compliance audit found no issues of non-compliance. Compliance with statutory registers is a component of the audit. Statutory registers are being maintained and compliance is monitored. | Governance | Completed |
| Maintain and update the register of information to be available to the public. | The results of an audit on <i>Local Government Act</i> compliance were clear, with no matters of non-compliance identified. Compliance with statutory registers, including information to be available to the public, is a component of the audit. The register is updated as required. | Governance | Completed |

Our governance performance (cont.)

We want to achieve: Open governance.

To achieve this we will: Govern and make decisions in the best interests of the Cardinia Shire community.

| Action | Result | Business unit | Completion |
|---|--|---------------|------------|
| Monitor adherence to commitments contained in Councillor Code of Conduct. | The <i>Local Government Act</i> compliance audit found no matters of non-compliance. Adherence to the commitments contained in Councillor Code of Conduct continues. | Governance | Completed |

We want to achieve: Long-term financial sustainability.

To achieve this we will: Make financial decisions that achieve the objectives of Council and long-term financial sustainability.

| Action | Result | Business unit | Completion |
|--|--|---------------|------------|
| Develop annual budget and five-year financial plan which will deliver on the actions presented in the Council plan and maintain long-term financial goals. | Cardinia Council developed and adopted its annual budget and five-year financial plans in 2018–19. | Finance | Completed |

To achieve this we will: Make financial decisions that are fair and ethical and balance costs and benefits between present and future generations.

| Action | Result | Business unit | Completion |
|---|---|---------------|------------|
| Ensure all contracts and procurement guidelines adhere to a full life cycle cost and are not purely driven on any one factor. | Cardinia Council introduced multiple supplier selection criteria for all tenders and processes several years ago. This is also reflected in our Procurement Policy. | Finance | Completed |

To achieve this we will: Manage the municipality's finances and assets in a responsible way.

| Action | Result | Business unit | Completion |
|--|--|---------------|------------|
| Ensure that asset management and financial management are transparent via the budget and planning process and ensure the long-term viability of Council. | Council's Asset Management Coordinator reviews all renewal of existing assets, while all new assets are reviewed by Council's Senior Leadership Team. The budget and planning process adopted at Cardinia Council ensures that assets and financial management are complete and accurate as per a documented monthly timetable. Each business unit manager meets with our finance accountants and provides a commentary against each item, prior to independent review by the Chief Finance Officer and General Manager of Corporate Services. | Finance | Completed |

To achieve this we will: Identify and implement programs to achieve Council's debt reduction policy.

| Action | Result | Business unit | Completion |
|-------------------------------|---|---------------|------------|
| Adopt Debt Management Policy. | This process forms part of our standard budgetary program, which is prepared, independently reviewed and presented to Council on an annual basis. | Finance | Completed |

Our governance performance (cont.)

To achieve this we will: Identify ways to contain Council's cost base by a focus on innovation and efficiency.

| Action | Result | Business unit | Completion |
|--|--|----------------------------------|------------|
| Develop and maintain 'internal consulting' ability within Service Planning and Improvement Team, and work with internal divisions/teams to facilitate the identification and implementation of cost containment actions. | Council's Service Planning and Improvement Team facilitated Quality Circles activities and produced the first Quality Circle Presentation event. The team also lead ad-hoc consulting and facilitation mini-projects on process improvement as well as internal consulting engagements, planning and delivering with guidance. Facilitation training was completed in addition to on-the-job training. | Customer and Service Improvement | Completed |

We want to achieve: Appropriate funding and support from all levels of government.

To achieve this we will: Advocate on behalf of the community to ensure it receives a fair share of funding and support from the Australian and Victorian governments for infrastructure, facilities and services.

| Action | Result | Business unit | Completion |
|---|--|-------------------|------------|
| Prepare details of Council's priority projects for both the Victorian and Australian governments. In the lead up to both Federal and State elections and budgets, lobby local members and relevant Ministers for funding for the priority projects to gain a fair share of funding for the local community, | Officers have been working closely with South East Melbourne and National Growth Areas Alliance to participate in both National and Regional campaigns. The Mayor and CEO have held regular meetings with sitting MPs and candidates in both the Australian and Victorian governments. In addition to the larger advocacy packs a specific Federal Government package was developed targeting Council priority projects. | Office of the CEO | Completed |

To achieve this we will: Work with both interface and regional Councils to strengthen advocacy campaigns to Australian and Victorian governments aimed at increasing awareness and support for joint issues.

| Action | Result | Business unit | Completion |
|---|--|---|------------|
| Participate in the advocacy campaigns determined by the Interface Councils CEOs group and the Human Services Directors Group and supported through SOCOM. | Participation and advocacy undertaken in the lead-up to the October 2018 State Election and 2019 Federal Election. | Office of the General Manager – Liveable Communities | Completed |

Performance indicators

Aquatic facilities

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018 - 19 | Material variation |
|---|---------|---------|---------|-----------|---|
| Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities] | 3.00 | 2.40 | 2.80 | 2.40 | Inspections of pools were undertaken in accordance with regulations. The pools were open for less hours this summer. |
| Health and safety <i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents] | 0.00 | 1.00 | 0.00 | 1.00 | |
| Service cost <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received/Number of visits to indoor aquatic facilities] | -\$0.45 | -\$0.21 | -\$0.48 | -\$0.47 | |
| Service cost <i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received/Number of visits to outdoor aquatic facilities] | \$11.70 | \$10.49 | \$11.53 | \$13.39 | Compared to the previous year, the seasonal pools were open for 29 days less in 2018-19 which has limited attendance numbers. |
| Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population] | 9.73 | 6.26 | 7.06 | 6.93 | Council requested that all attendance data be supported by an evidence base (e.g. software, door counter, etc.). This change was established three years ago. 2017 data is slightly lower than subsequent years because door counters were not installed at the beginning of that financial year. |

Animal management

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Material variation |
|--|---------|---------|---------|---------|---|
| Timeliness <i>Time taken to action animal management requests</i> [Number of days between receipt and first response for all animal management requests/Number of animal management requests] | 7.28 | 4.02 | 2.57 | 3.28 | Council prides itself on quick response time to animal management requests. This year there has been a slight delay between the time the requests were attended to and the recording in the system. Mobile solutions will improve response times. |
| Service standard <i>Animals reclaimed</i> [Number of animals reclaimed/Number of animals collected] x100 | 34.99% | 49.61% | 46.30% | 43.63% | |
| Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service/Number of registered animals] | \$30.89 | \$28.69 | \$36.33 | \$31.21 | Council used the pound service less in 2018-19 due to reduced holding times of animals. |
| Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions] | 22.00 | 26.00 | 26.00 | 14.00 | Fewer reports of dog attacks during the reporting period. |

Food safety

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Material variation |
|---|---------|---------|---------|---------|--------------------|
| Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response for all food complaints/Number of food complaints] | 1.52 | 2.06 | 1.60 | 1.75 | |

Food safety cont.

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Material variation |
|--|----------|----------|----------|----------|--------------------|
| Service standard <i>Food safety assessments</i> [Number of registered Class 1 food premises and Class 2 food premises that received an annual food safety assessment in accordance with the <i>Food Act 1984</i> /Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100 | 100% | 100% | 100% | 100% | |
| Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service/Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>] | \$331.63 | \$305.19 | \$315.62 | \$311.80 | |
| Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100 | 100% | 100% | 100% | 100% | |

Governance

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Material variation |
|---|-------------|-------------|-------------|-------------|---|
| Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] | 2.06% | 3.14% | 1.37% | 0.47% | Council's commitment to transparency continues as demonstrated by the low percentage of Council decisions made at meetings closed to the public. |
| Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement] | 54 | 49 | 55 | 55 | |
| Attendance <i>Councillor attendance at Council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting/(Number of ordinary and special Council meetings)x(Number of Councillors elected at the last Council general election)] x100 | 90.37% | 91.01% | 92.40% | 76.11% | Councillor absences have increased to due to a range of professional and personal reasons. |
| Service cost <i>Cost of governance</i> [Direct cost of governance service/Number of Councillors elected at the last Council general meeting] | \$43,385.56 | \$40,120.56 | \$41,687.00 | \$47,774.00 | Cost per Councillor has increased from previous years. Additional costs have been incurred through the introduction of webcasting of Council meetings and additional duties undertaken. |

Governance cont.

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Material variation |
|---|---------|---------|---------|---------|--------------------|
| Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community] | 54 | 53 | 53 | 54 | |

Libraries

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Material variation |
|--|---------|---------|---------|---------|---|
| Utilisation <i>Library collection usage</i> [Number of library collection item loans/number of library collection items] | 7.28 | 7.69 | 7.20 | 7.47 | |
| Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last five years/Number of library collection items] x100 | 76.22% | 73.79% | 71.95% | 72.39% | |
| Service cost <i>Cost of library service</i> [Direct cost of library service/Number of visit] | \$3.75 | \$4.55 | \$3.78 | \$5.17 | Staffing costs increased in 2018-19 due to a new library branch opening and extended opening hours across the region. |
| Participation <i>Active library members</i> [Number of active library members/Municipal population] x100 | 13.48% | 12.44% | 11.34% | 10.39% | The downwards trend in active library members is largely due to population growth in this corridor, coupled with a gradual changing trend of service use. Visitors come and use the space, use the Wi-Fi and technology and engage in programs, but may not necessarily borrow from the library collection. |

Maternal and child health (MCH)

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Material variation |
|---|---------|---------|---------|---------|---|
| Satisfaction <i>Participation in first MCH visit</i> [Number of first MCH home visits/Number of birth notifications received] x100 | 101.86% | 99.45% | 99.01% | 99.03% | |
| Service standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received)/Number of birth notifications received] x100 | 100.26% | 100.74% | 98.09% | 100.68% | |
| Service cost <i>Cost of MCH service</i> [Direct cost of MCH service/Hours worked by MCH nurses] | \$65.49 | \$62.97 | \$67.45 | \$67.33 | |
| Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x100 | 75.34% | 74.52% | 76.14% | 76.70% | |
| Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x100 | 69.83% | 71.86% | 69.38% | 79.71% | Council has a specific program that has improved engagement of Aboriginal and Torres Strait Islander children in the MCH service. |

Roads

| Service indicator | 2015–16 | 2016–17 | 2017–18 | 2018-19 | Material variation |
|---|---------|---------|---------|---------|---|
| Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests/Kilometres of sealed local roads] | 44.15 | 55.97 | 80.58 | 70.21 | Council has improved communication via the Council website and through customer service regarding sealed roads. |
| Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council/Kilometres of sealed local roads] x100 | 98.62% | 97.61% | 96.52% | 97.06% | |
| Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed] | \$74.79 | \$31.92 | \$38.83 | \$42.00 | |
| Service cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing/Square metres of sealed local roads resealed] | \$7.26 | \$10.64 | \$14.47 | \$10.26 | The fluctuations each year are a result of the balance of required treatments used. Depending on required works, Council generally selects from two different treatment options. One is a significantly higher \$/m ² compared to the other. This year, there was a higher proportion of the cheaper treatment used compared to previous years, hence reducing the average \$/m ² . |
| Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads] | 57 | 54 | 55 | 58 | |

Statutory planning

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Material variation |
|---|------------|-----------|-----------|-----------|---|
| Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of the planning application and a decision on the application] | 84 | 97 | 88 | 104.00 | Council prides itself in keeping planning timeframes low. There has been a slight increase in the number of complex applications this year resulting more time taken to decide on applications. |
| Service standard <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days/Number of planning application decisions made] x100 | 74% | 66.41% | 82.19% | 78.85% | |
| Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service/Number of planning applications received] | \$1,223.02 | \$1529.84 | \$1673.38 | \$1715.34 | |
| Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/Number of VCAT decisions in relation to planning applications] x100 | 66.67% | 50% | 33.33% | 100% | Robust decisions within the Planning department and successful compulsory hearing outcomes have resulted in VCAT upholding Council's decisions. |

Waste collection

| Service indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Material variation |
|--|----------|----------|----------|----------|---|
| Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests/Number of kerbside bin collection households] x100 | 190.30 | 199.40 | 192.68 | 207.94 | |
| Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed/Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000 | 10.23 | 9.90 | 9.18 | 9.31 | |
| Service cost <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service/Number of kerbside garbage collection bins] | \$119.29 | \$119.34 | \$112.54 | \$127.37 | Cost increased due to larger landfill volumes during recycling contractor facility closure. |
| Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service/Number of kerbside recyclables collection bins] | \$22.02 | 22.47 | \$34.48 | \$42.29 | Cost increased due to larger landfill volumes during recycling contractor facility closure. |
| Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 46.05% | 47% | 47.62% | 42.14% | Lower diversion rate due to larger landfill volumes during recycling contractor facility closure. |

Performance statement



Introduction

Year in review

Our Council

Our organisation

Governance and
management

Our performance

**Performance
statement**

Financial
statements

Description of municipality

Cardinia Shire is one of the fastest growing local government areas in Victoria with an average of six families moving into the area every day. As of 2019, Cardinia Shire's estimated population is 115,401 and is expected to increase by approximately 54,000 over the next 10 years.

Located 55 kilometres south-east of Melbourne's central business district, Cardinia Shire is one of 10 'interface councils' around the perimeter of metropolitan Melbourne, where urban and rural areas meet. The Victorian Government has nominated the Casey-Cardinia Region as one of five regions around the fringe of metropolitan Melbourne where new housing and population growth is to be concentrated. The main areas of growth in Cardinia Shire are Beaconsfield, Officer and Pakenham. Outside this growth area, Cardinia Shire's large rural population resides in 27 townships.

Cardinia Shire covers an area of 1,280km² and has a rich diversity of both natural and cultural sites, from the waters of Western Port Bay to the foothills of the Dandenong Ranges, comprising places of local and state significance. These heritage places reflect the different periods and people who have shaped the shire's landscape, from Aboriginal Australians, the first people to use the rugged landscape, to the logging and gold mining of the foothills, the draining of the former Koo Wee Rup Swamp, and pastoral settlement. The landscape is again under a period of change as new development and new people move into the area every week.

Sustainable capacity indicators

| | Indicator | 2016 | 2017 | 2018 | 2019 | Material variation |
|--------------------|--|------------|------------|------------|------------|--|
| Population | <i>Expenses per head of municipal population</i> [Total expenses/ Municipal population] | \$1,084.60 | \$1,066.38 | \$1,037.72 | \$1,113.36 | Decreasing trend over the 2015-16 to 2017-18 period is due to expenses increasing at a slower rate than municipal population. Expenses increased by 7.9% over the three year period whilst municipal population increased by 12.8%. The increase in 2018-19 is due to expenses, largely infrastructure related, increasing by 12.1%, whereas municipal population only increased by 4.5% |
| | <i>Infrastructure per head of municipal population</i> [Value of infrastructure/ Municipal population] | \$7,213.50 | \$7,754.53 | \$7,933.85 | \$8,614.11 | Increasing trend is due to the value of infrastructure increasing at a higher rate than the municipal population. Value of infrastructure has increased by 40.7% over the four year period, whereas the municipal population has increased by 17.9% over the same period. |
| | <i>Population density per length of road</i> [Municipal population/kilometres of local roads] | 60.11 | 62.62 | 66.05 | 68.10 | Increasing trend is due to the municipal population increasing at a higher rate than the kilometres of local roads. Municipal population has increased by 17.9% over the four year period, whereas the kilometres of local roads has increased by 4.0% over the same period. |
| Own-source revenue | <i>Own-source revenue per head of municipal population</i> [Own-source revenue/Municipal population] | \$1,000.97 | \$1,009.42 | \$959.62 | \$996.32 | |

| | Indicator | 2016 | 2017 | 2018 | 2019 | Material variation |
|-------------------------|--|----------|----------|----------|----------|--|
| Recurrent grants | <i>Recurrent grants per head of municipal population</i> [Recurrent grants/Municipal population] | \$120.82 | \$211.98 | \$163.54 | \$165.49 | Spike in 2016-17 was caused by the timing of payment of the Victoria Grants Commission (VGC) Financial Assistance Grants (FAGs). In 2015-16, only approx. 50% of the 2015-16 grant was received. In 2016-17, the full 2016-17 grant plus approx. 50% of the 2017-18 grant were received. In 2017-18, approx. 50% of the 2017-18 grant plus approx. 50% of the 2018-19 grant were received. In 2018-19, approx. 50% of the 2018-19 grant plus approx. 50% of the 2019-20 grant were received. |
| Disadvantage | <i>Relative socio-economic disadvantage</i> [Index of relative socio-economic disadvantage by decile] | 8.00 | 8.00 | 8.00 | 8.00 | |

Definitions

- “adjusted underlying revenue” means total income other than—
 - a. non-recurrent grants used to fund capital expenditure; and
 - b. non-monetary asset contributions; and
 - c. contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b).
- “infrastructure” means non-current property, plant and equipment excluding land.
- “local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*.
- “municipal population” means the resident population based on data published by the Australian Bureau of Statistics on its website.
- “own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants).
- “relative socio-economic disadvantage”, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile of 1 to 10 for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA.
- “SEIFA” means the Socio-Economic Indexes for Areas published from time-to-time by the Australian Bureau of Statistics on its website.

Service performance indicators

| Service | Indicator | 2016 | 2017 | 2018 | 2019 | Material variation |
|---------------------------|--|------|------|------|------|---|
| Aquatic facilities | Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population] | 9.73 | 6.26 | 7.06 | 6.93 | Council requested that all attendance data be supported by an evidence base (e.g. software, door counter, etc.). This change was established three years ago. 2017 data is slightly lower than subsequent years because door counters were not installed at the beginning of that financial year. |
| Animal management | Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions] | 22 | 26 | 26 | 14 | Fewer reports of dog attacks during the reporting period. |
| Food safety | Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100 | 100% | 100% | 100% | 100% | |

| Service | Indicator | 2016 | 2017 | 2018 | 2019 | Material variation |
|---------------------------------|---|--------|--------|--------|--------|---|
| Governance | Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community] | 54 | 53 | 53 | 54 | |
| Libraries | Participation <i>Active library members</i> [Number of active library members/Municipal population] x100 | 13.48% | 12.44% | 11.34% | 10.39% | The downwards trend in active library members is largely due to population growth in this corridor, coupled with a gradual changing trend of service use. Visitors come and use the space, use the Wi-Fi and technology and engage in programs, but may not necessarily borrow from the library collection. |
| Maternal and Child Health (MCH) | Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x100 | 75.34% | 74.52% | 76.14% | 76.70% | |
| | Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x100 | 69.83% | 71.86% | 69.38% | 79.71% | Council has a specific program that has improved engagement of Aboriginal and Torres Strait Islander children in the MCH service. |

| Service | Indicator | 2016 | 2017 | 2018 | 2019 | Material variation |
|---------------------------|---|--------|--------|--------|--------|---|
| Roads | Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads] | 57 | 54 | 55 | 58 | |
| Statutory planning | Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/Number of VCAT decisions in relation to planning applications] x100 | 66.67% | 50.00% | 33.33% | 100% | Robust decisions within the Planning department and successful compulsory hearing outcomes have resulted in VCAT upholding council's decisions. |
| Waste collection | Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 46.05% | 47.00% | 47.62% | 42.14% | Lower diversion rate due to larger landfill volumes during recycling contractor facility closure. |

Definitions

- “Aboriginal child” means a child who is an Aboriginal person.
- “Aboriginal person” has the same meaning as in the *Aboriginal Heritage Act 2006*.
- “active library member” means a member of a library who has borrowed a book from the library.
- “annual report” means an annual report prepared by a council under sections 131, 132 and 133 of the *Local Government Act 1989*.
- “class 1 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act.
- “class 2 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act.
- “critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health.
- “food premises” has the same meaning as in the *Food Act 1984*.
- “local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*.
- “major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.
- “MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age.
- “municipal population” means the resident population based on data published by the Australian Bureau of Statistics on its website.
- “WorkSafe reportable aquatic facility safety incident” means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Financial performance indicators

| Indicator | Result | | | | Forecasts | | | | Material variation |
|--|------------|------------|------------|------------|------------|------------|------------|------------|--|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Efficiency | | | | | | | | | |
| Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue/Number of residential property assessments] | \$1,789.39 | \$1,800.99 | \$1,835.05 | \$1,785.02 | \$1,854.59 | \$1,879.82 | \$1,898.29 | \$1,918.65 | |
| Expenditure level <i>Expenses per property assessment</i> [Total expenses/Number of property assessments] | \$2,503.48 | \$2,456.66 | \$2,457.96 | \$2,625.62 | \$2,548.11 | \$2,560.71 | \$2,533.90 | \$2,528.20 | |
| Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations/Average number of permanent staff for the financial year] x100 | 10.83% | 10.50% | 13.25% | 10.01% | 11.84% | 12.31% | 12.50% | 12.68% | Resignations/terminations were 12 less than forecast and the average staff numbers increased above forecast. |

| Indicator | Result | | | | Forecasts | | | | Material variation |
|---|---------|---------|---------|---------|-----------|---------|---------|---------|--|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Liquidity | | | | | | | | | |
| Working capital <i>Current assets compared to current liabilities</i> [Current assets/Current liabilities] x100 | 239.28% | 291.58% | 350.97% | 247.49% | 236.11% | 210.81% | 238.59% | 297.42% | Current liabilities have increased at a higher rate (due a higher balance of trade and other payables and interest bearing loans and borrowings) than current assets. |
| Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash/Current liabilities] x100 | 94.59% | 48.04% | -8.79% | -50.41% | 47.82% | 21.74% | 30.77% | 78.01% | Less unrestricted cash (higher negative balance) in 2018-19 due to higher capital carryovers and unspent grants. These amounts aren't included in the forecast years as they are unknown. |
| Obligations | | | | | | | | | |
| Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense/Asset depreciation] x100 | 45.06% | 31.54% | 47.58% | 40.95% | 62.97% | 47.29% | 43.15% | 47.85% | Renewal expenditure is slightly lower in 2018-19 due to the nature of the capital works program, whilst depreciation expense has increased with the inclusion of new and contributed assets. When upgrade expenditure is included, as per VAGO's renewal gap financial sustainability risk indicator, the indicator is 121.60% for 2019. |
| Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings/Rate revenue] x100 | 70.73% | 59.72% | 49.51% | 40.88% | 36.36% | 37.58% | 32.21% | 27.71% | Budgeted loans not drawn down and other loans repaid as due has led to a lower loans balance, which will continue over the forecast period. |

| Indicator | Result | | | | Forecasts | | | | Material variation |
|--|--------|--------|--------|--------|-----------|--------|--------|--------|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings/Rate revenue] x100 | 18.25% | 10.49% | 10.13% | 7.82% | 7.41% | 7.16% | 5.68% | 4.77% | Repayments have reduced due to lower loan balances, which will continue to decline over the forecast period. |
| Indebtedness <i>Non-current liabilities compared to own-source revenue</i> [Non-current liabilities/Own-source revenue] x100 | 61.34% | 58.21% | 49.21% | 32.56% | 40.59% | 42.68% | 38.11% | 34.18% | Non-current liabilities have decreased due to lower loans balances, whilst own source revenue has increased due to higher non-cash contributions. |
| Operating position | | | | | | | | | |
| Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/Adjusted underlying revenue] x100 | 3.88% | 13.09% | 7.94% | 4.76% | 5.72% | 4.55% | 5.92% | 6.62% | The decrease from 2018 to 2019 is mainly attributable to an increase in expenses (12%) at a higher rate than the increase in underlying revenue (8%). The main expense increases are employee costs (12%), materials and services (16%) and depreciation (7%)." |
| Stability | | | | | | | | | |
| Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue/Adjusted underlying revenue] x100 | 72.34% | 67.20% | 72.85% | 72.59% | 76.44% | 78.02% | 78.44% | 78.85% | |

| Indicator | Result | | | | Forecasts | | | | Material variation |
|--|--------|-------|-------|-------|-----------|-------|-------|-------|--|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Rates effort <i>Rates compared to property values</i> [Rate revenue/Capital improved value of rateable properties in the municipality] x100 | 0.44% | 0.42% | 0.43% | 0.35% | 0.36% | 0.36% | 0.36% | 0.37% | The decrease from 2018 to 2019 is due to the Capital Improved Value basis of valuation of all rateable properties in the municipality increasing at a higher rate than rate revenue. Capital Improved Valuation levels increased by 34% whereas total rates and charges revenue increased by 8%. Rising property values do not affect total rates collected, rather apportion the rate burden between properties according to their individual valuations. Total rates and charges is determined by Council's budget and the rate cap as per the State Government's Fair Go Rating System. |

Definitions

- “adjusted underlying revenue” means total income other than:
 - a. non-recurrent grants used to fund capital expenditure; and
 - b. non-monetary asset contributions; and
 - c. contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b).
- “adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure.
- “asset renewal expense” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
- “current assets” has the same meaning as in the Australian Accounting Standard (AAS).
- “current liabilities” has the same meaning as in the AAS.
- “non-current assets” means all assets other than current assets.
- “non-current liabilities” means all liabilities other than current liabilities.
- “non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's strategic resource plan.
- “own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants).
- “municipal population” means the resident population based on data published by the Australian Bureau of Statistics on its website.
- “rate revenue” means revenue from general rates, municipal charges, service rates and service charges.
- “recurrent grant” means a grant other than a non-recurrent grant.
- “residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties.
- “restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.
- “unrestricted cash” means all cash and cash equivalents other than restricted cash.

Other information

For the year ended 30 June 2019.

Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, services performance and financial performance indicators and measures, together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014*.

Where applicable, the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council's information systems or from third parties.

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the Performance Statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the Performance Statement are those adopted by Council in its strategic resource plan on 17 June 2019 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the Annual Financial Report. The strategic resource plan can be obtained by contacting Council on 1300 787 624 or mail@cardinia.vic.gov.au

Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.



Scott Moore
Chief Finance Officer
Dated: 16 September 2019

In our opinion, the accompanying performance statement of the Cardinia Shire Council for the year ended 30 June 2019 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

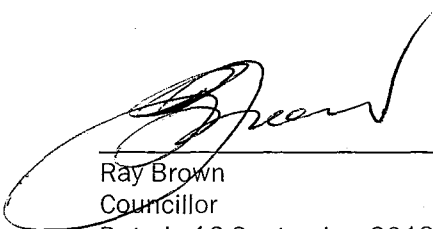
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the Council and the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



Brett Owen
Councillor
Dated: 16 September 2019



Ray Brown
Councillor
Dated: 16 September 2019



Carol Jeffs
Chief Executive Officer
Dated: 16 September 2019

Independent Auditor's Report

To the Councillors of Cardinia Shire Council

| | |
|--|---|
| Opinion | <p>I have audited the accompanying performance statement of Cardinia Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2019• sustainable capacity indicators for the year ended 30 June 2019• service performance indicators for the year ended 30 June 2019• financial performance indicators for the year ended 30 June 2019• other information for the year ended 30 June 2019 (basis of preparation)• certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Councillors' responsibilities for the performance statement | <p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p> |
| Auditor's responsibilities for the audit of the performance statement | <p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p> |


Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether the performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
18 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Financial statements

Introduction

Year in review

Our Council

Our organisation

Governance and
management

Our performance

Performance
statement

**Financial
statements**



Financial Report Table of Contents

| FINANCIAL REPORT | | Page |
|--------------------------------------|---|-------------|
| | Certification of the Financial Statements | 1 |
| | Victorian Auditor-General's Office Report | 2 |
| Financial Statements | | |
| | Comprehensive Income Statement | 4 |
| | Balance Sheet | 5 |
| | Statement of Changes in Equity | 6 |
| | Statement of Cash Flows | 7 |
| | Statement of Capital Works | 8 |
| | Overview | 9 |
| Notes to Financial Statements | | |
| Note 1 | Performance against budget | 10 |
| | 1.1. Income and expenditure | 10 |
| | 1.2. Capital works | 12 |
| Note 2 | Analysis of Council results by program | 14 |
| Note 3 | Funding for the delivery of our services | 16 |
| | 3.1. Rates and charges | 16 |
| | 3.2. Statutory fees and fines | 16 |
| | 3.3. User fees | 16 |
| | 3.4. Funding from other levels of government | 17 |
| | 3.5. Contributions | 19 |
| | 3.6. Net gain / (loss) on disposal of property, infrastructure, plant and equipment | 19 |
| | 3.7. Other income | 19 |
| Note 4 | The cost of delivering services | 20 |
| | 4.1. Employee costs | 20 |
| | 4.2. Materials and services | 20 |
| | 4.3. Depreciation and amortisation | 20 |
| | 4.4. Bad and doubtful debts | 21 |
| | 4.5. Borrowing costs | 21 |
| | 4.6. Other expenses | 21 |
| Note 5 | Our financial position | 22 |
| | 5.1. Financial assets | 22 |
| | 5.2. Non-financial assets | 24 |
| | 5.3. Payables | 25 |
| | 5.4. Interest bearing liabilities | 26 |
| | 5.5. Provisions | 26 |
| | 5.6. Financing arrangements | 27 |
| | 5.7. Commitments | 28 |
| Note 6 | Assets we manage | 29 |
| | 6.1. Non current assets classified as held for sale | 29 |
| | 6.2. Property, infrastructure, plant and equipment | 30 |
| | 6.3. Investments in associates | 37 |
| Note 7 | People and relationships | 38 |
| | 7.1. Council and key management remuneration | 38 |
| | 7.2. Related party disclosures | 40 |
| Note 8 | Managing uncertainties | 41 |
| | 8.1. Contingent assets and liabilities | 41 |
| | 8.2. Changes in accounting standards | 42 |
| | 8.3. Financial instruments | 43 |
| | 8.4. Fair value measurement | 44 |
| | 8.5. Events occurring after balance date | 44 |
| Note 9 | Other matters | 45 |
| | 9.1. Reserves | 45 |
| | 9.2. Reconciliation of cash flows from operating activities to surplus / (deficit) | 47 |
| | 9.3. Superannuation | 48 |

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



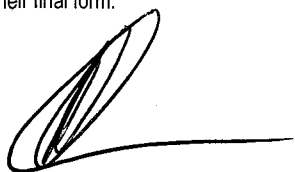
Scott Moore
Chief Finance Officer

Date : 16 September 2019
20 Siding Avenue, Officer

In our opinion the accompanying financial statements present fairly the financial transactions of Cardinia Shire Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

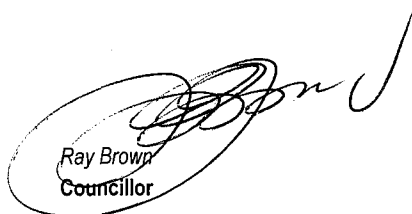
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Brett Owen
Councillor

Date : 16 September 2019
20 Siding Avenue, Officer



Ray Brown
Councillor

Date : 16 September 2019
20 Siding Avenue, Officer



Carol Jeffs
Chief Executive Officer

Date : 16 September 2019
20 Siding Avenue, Officer

Independent Auditor's Report

To the Councillors of Cardinia Shire Council

| | |
|---|--|
| Opinion | <p>I have audited the financial report of Cardinia Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2019• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Councillors' responsibilities for the financial report | <p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p> |

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
18 September 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2019

| | Note | 2019 \$'000 | 2018 \$'000 |
|--|---------|------------------|------------------|
| Income | | | |
| Rates and charges | 3.1 | 90,910 | 84,181 |
| Statutory fees and fines | 3.2 | 5,269 | 4,638 |
| User fees | 3.3 | 3,120 | 3,532 |
| Grants - operating | 3.4 (a) | 15,598 | 13,662 |
| Grants - capital | 3.4 (b) | 12,241 | 11,123 |
| Contributions - monetary | 3.5 (a) | 16,408 | 30,787 |
| Contributions - non monetary | 3.5 (a) | 66,270 | 40,438 |
| Net gain on asset revaluation | 3.6 (b) | 1,330 | 329 |
| Other income | 3.7 | 6,098 | 5,696 |
| Total income | | 217,244 | 194,386 |
| Expenses | | | |
| Employee costs | 4.1 (a) | (37,462) | (33,481) |
| Materials and services | 4.2 | (52,378) | (45,242) |
| Bad and doubtful debts | 4.4 | (319) | (561) |
| Depreciation and amortisation | 4.3 | (22,207) | (20,847) |
| Borrowing costs | 4.5 | (2,595) | (2,937) |
| Contributions - non monetary | 3.5 (b) | - | (860) |
| Net loss on disposal of property, infrastructure, plant and equipment | 3.6 (a) | (1,236) | (1,441) |
| Share of net loss of associates | 6.3 | (203) | (62) |
| Other expenses | 4.6 | (2,865) | (1,812) |
| Total expenses | | (119,265) | (107,243) |
| Surplus for the year | | 97,979 | 87,143 |
| Other comprehensive income | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | |
| Net asset revaluation increment | 9.1 (a) | 82,751 | 133,444 |
| Total comprehensive result | | 180,730 | 220,587 |

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

Balance Sheet As at 30 June 2019

| | Note | 2019 \$'000 | 2018 \$'000 |
|--|---------|------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5.1 (a) | 49,293 | 57,811 |
| Trade and other receivables | 5.1 (c) | 21,247 | 21,047 |
| Other financial assets | 5.1 (b) | 62,000 | 51,500 |
| Inventories | 5.2 (a) | 15 | 26 |
| Non-current assets classified as held for sale | 6.1 | 2,768 | - |
| Other assets | 5.2 (b) | 3,280 | 1,773 |
| Total current assets | | 138,603 | 132,157 |
| Non-current assets | | | |
| Trade and other receivables | 5.1 (c) | 5,549 | 11,483 |
| Investments in associates | 6.3 | 1,331 | 1,534 |
| Property, infrastructure, plant and equipment | 6.2 (a) | 1,659,385 | 1,473,920 |
| Intangible assets | 5.2 (c) | 684 | 587 |
| Total non-current assets | | 1,666,949 | 1,487,524 |
| Total assets | | 1,805,552 | 1,619,681 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 5.3 (a) | 24,124 | 15,264 |
| Trust funds and deposits | 5.3 (b) | 12,178 | 11,060 |
| Provisions | 5.5 (a) | 7,094 | 6,817 |
| Interest bearing liabilities | 5.4 | 12,607 | 4,514 |
| Total current liabilities | | 56,003 | 37,655 |
| Non-current liabilities | | | |
| Trade and other payables | 5.3 (a) | 8,934 | 10,261 |
| Provisions | 5.5 (a) | 1,257 | 990 |
| Interest bearing liabilities | 5.4 | 24,557 | 37,164 |
| Total non-current liabilities | | 34,748 | 48,415 |
| Total liabilities | | 90,751 | 86,070 |
| Net assets | | 1,714,801 | 1,533,611 |
| Equity | | | |
| Accumulated surplus | | 1,018,960 | 921,967 |
| Reserves | 9.1 | 695,841 | 611,644 |
| Total Equity | | 1,714,801 | 1,533,611 |

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2019

| | Note | Total \$'000 | Accumulated Surplus \$'000 | Revaluation Reserve \$'000 | Other Reserves \$'000 |
|---|--------|------------------|----------------------------------|----------------------------------|-----------------------------|
| 2019 | | | | | |
| Balance at beginning of the financial year | | 1,533,611 | 921,967 | 552,374 | 59,270 |
| Other adjustments to opening balances | 9.1(c) | 460 | 460 | - | - |
| Surplus for the year | | 97,979 | 97,979 | - | - |
| Net asset revaluation increment | 9.1(a) | 82,751 | - | 82,751 | - |
| Transfers to other reserves | 9.1(b) | - | (16,692) | - | 16,692 |
| Transfers from other reserves | 9.1(b) | - | 15,246 | - | (15,246) |
| Balance at end of the financial year | | 1,714,801 | 1,018,960 | 635,125 | 60,716 |

| | | Total \$'000 | Accumulated Surplus \$'000 | Revaluation Reserve \$'000 | Other Reserves \$'000 |
|--|--------|------------------|----------------------------------|----------------------------------|-----------------------------|
| 2018 | | | | | |
| Balance at beginning of the financial year | | 1,176,535 | 707,400 | 418,930 | 50,205 |
| Other adjustments to opening balances | 9.1(c) | 1,922 | 1,922 | - | - |
| Recognition of land under roads prior to 1 July 2008 | 9.1(c) | 134,567 | 134,567 | - | - |
| Surplus for the year | | 87,143 | 87,143 | - | - |
| Net asset revaluation increment | 9.1(a) | 133,444 | - | 133,444 | - |
| Transfers to other reserves | 9.1(b) | - | (20,098) | - | 20,098 |
| Transfers from other reserves | 9.1(b) | - | 11,033 | - | (11,033) |
| Balance at end of the financial year | | 1,533,611 | 921,967 | 552,374 | 59,270 |

The above statement of changes in equity should be read with the accompanying notes.

Statement of Cash Flows For the Year Ended 30 June 2019

| | Note | 2019 Inflows/ (Outflows) \$'000 | 2018 Inflows/ (Outflows) \$'000 |
|---|---------|--|--|
| Cash flows from operating activities | | | |
| Rates and charges | | 89,159 | 83,511 |
| Statutory fees and fines | | 6,029 | 5,162 |
| User fees | | 3,423 | 3,648 |
| Grants - operating | | 15,178 | 14,052 |
| Grants - capital | | 12,339 | 9,836 |
| Contributions - monetary | | 21,181 | 17,104 |
| Interest received | | 2,604 | 2,005 |
| Trust funds and deposits taken | | 7,946 | 6,720 |
| Other receipts | | 3,973 | 3,717 |
| Net GST refund | | 8,350 | 6,061 |
| Employee costs | | (37,001) | (33,143) |
| Materials and services | | (54,181) | (53,301) |
| Trust funds and deposits repaid | | (6,827) | (6,993) |
| Net cash provided by operating activities | 9.2 | 72,173 | 58,379 |
| Cash flows from investing activities | | | |
| Payments for property, infrastructure, plant and equipment | | (66,892) | (39,023) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 3,810 | 7,280 |
| Payments for investments | | (12,500) | (23,500) |
| Proceeds from sale of investments | | 2,000 | - |
| Net cash used in investing activities | | (73,582) | (55,243) |
| Cash flows from financing activities | | | |
| Finance costs | | (2,595) | (2,937) |
| Repayment of borrowings | | (4,514) | (5,587) |
| Net cash provided by/(used in) financing activities | | (7,109) | (8,524) |
| Net decrease in cash and cash equivalents | | (8,518) | (5,388) |
| Cash and cash equivalents at the beginning of the financial year | | 57,811 | 63,199 |
| Cash and cash equivalents at the end of the financial year | 5.1 (a) | 49,293 | 57,811 |
| Financing arrangements | 5.6 | | |
| Restrictions on cash assets | 5.1 | | |

The above statement of cash flows should be read with the accompanying notes.

Statement of Capital Works For the Year Ended 30 June 2019

| | Note | 2019 \$'000 | 2018 \$'000 |
|--|------|----------------|----------------|
| Property | | | |
| Land | | 8,265 | 6,445 |
| Total land | | 8,265 | 6,445 |
| Buildings | | 24,146 | 5,726 |
| Heritage Buildings | | 182 | - |
| Building improvements | | 339 | 76 |
| Leasehold improvements | | - | 3,753 |
| Total buildings | | 24,667 | 9,555 |
| Total property | | 32,932 | 16,000 |
| Plant and equipment | | | |
| Plant, machinery and equipment | | 2,230 | 1,752 |
| Computers and telecommunications | | 81 | 245 |
| Intangible assets | | 313 | 161 |
| Total plant and equipment | | 2,624 | 2,158 |
| Infrastructure | | | |
| Roads | | 9,951 | 6,026 |
| Bridges | | 927 | 383 |
| Footpaths and cycleways | | 1,874 | 3,064 |
| Drainage | | 1,041 | 650 |
| Recreational, leisure and community facilities | | 7,757 | 11,927 |
| Off street car parks | | 2,784 | 292 |
| Other infrastructure | | 123 | 11 |
| Total infrastructure | | 24,457 | 22,353 |
| Total capital works expenditure | | 60,013 | 40,511 |
| Represented by: | | | |
| New asset expenditure | | 33,009 | 26,488 |
| Asset renewal expenditure | | 9,094 | 9,919 |
| Asset upgrade expenditure | | 17,910 | 4,104 |
| Total capital works expenditure | | 60,013 | 40,511 |

The above statement of capital works should be read with the accompanying notes.

OVERVIEW

Introduction

The Cardinia Shire Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at 20 Siding Avenue, Officer.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- other areas requiring judgements.

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.

(b) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10% percent or \$500K where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 21 May 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

1.1 Income and expenditure

| | Budget 2019 \$'000 | Actual 2019 \$'000 | Variance 2019 \$'000 | Variance % | Ref |
|---|--------------------------|--------------------------|----------------------------|---------------|-----|
| Income | | | | | |
| Rates and charges | 89,271 | 90,910 | 1,639 | 2% | 1 |
| Statutory fees and fines | 4,466 | 5,269 | 803 | 18% | 2 |
| User fees | 3,197 | 3,120 | (77) | (2%) | |
| Grants - operating | 12,269 | 15,598 | 3,329 | 27% | 3 |
| Grants - capital | 4,621 | 12,241 | 7,620 | 165% | 4 |
| Contributions - monetary | 955 | 16,408 | 15,453 | 1,618% | 5 |
| Contributions - non-monetary | - | 66,270 | 66,270 | - | 6 |
| Net gain on asset revaluation | - | 1,330 | 1,330 | - | 7 |
| Other income | 2,445 | 6,098 | 3,653 | 149% | 8 |
| Total income | 117,224 | 217,244 | 100,020 | 85% | |
| Expenses | | | | | |
| Employee costs | 35,797 | 37,462 | (1,665) | (5%) | 9 |
| Materials and services | 46,763 | 52,378 | (5,615) | (12%) | 10 |
| Bad and doubtful debts | 176 | 319 | (143) | (81%) | 11 |
| Depreciation and amortisation | 22,598 | 22,207 | 391 | 2% | |
| Borrowing costs | 4,447 | 2,595 | 1,852 | 42% | 12 |
| Share of net losses of associates and joint ventures | - | 203 | (203) | - | |
| Net loss on disposal of property, infrastructure, plant and equipment | - | 1,236 | (1,236) | - | 13 |
| Other expenses | 2,502 | 2,865 | (363) | (15%) | 14 |
| Total expenses | 112,283 | 119,265 | (6,982) | (6%) | |
| Surplus for the year | 4,941 | 97,979 | 93,038 | 1,883% | |

Notes to the Financial Report For the Year Ended 30 June 2019

1.1 Income and expenditure (cont'd)

(i) Explanation of material variations

| Ref | Item | Explanation |
|-----|---|---|
| 1 | Rates and charges | Rates, including supplementary rates, are greater than budget due to an increase in the number of rateable properties. Income from the garbage charge is greater than budget due to an increase in the number of new services, but has been partly offset by green waste bin income which is under budget due to a lower number of services than expected. Actual interest on rates on charges is included in this category but is budgeted in Other Income. |
| 2 | Statutory fees and fines | Favourable variance is primarily due to Building Services (lodgement fees) and Development fees (plan checking and supervision fees) which are both greater than budget due to increased development. Local Laws fines (which includes parking fines) are also greater than budget due to increased resourcing in this area. Actual Landscape Development fees (plan checking and surveillance fees) are included in this category but are budgeted in User Fees. |
| 3 | Grants - operating | Operating grants received in excess of budget mainly included the Victoria Grants Commission (VGC) general purpose and local roads operating grants, and the Maternal & Child Health, Supported Parent Groups & Playgroups and School Crossing Supervisor grants. Additionally, unbudgeted grants have been recognised, the major two being for bushfire recovery (for the Bunyip State Park bushfire in March 2019) and the Safer Together program. |
| 4 | Grants - capital | Unbudgeted grants have been recognised, the major ones being for Comely Banks Recreation Reserve and Gembrook Leisure Park Playspace & Skatepark, both from the State Government's Growing Suburbs Fund, and for the My Place youth facility expansion and Bunyip River Road blackspot project. These have been partly offset by budgeted grants which are under budget due to timing of the receipt of the grant for Lang Lang sporting facilities. |
| 5 | Contributions - monetary | Monetary contributions include operating and capital cash contributions as well as development levies. The favourable variance is primarily a result of better than budgeted community infrastructure, developer and public open space levies, due to an increase in development activity. |
| 6 | Contributions - non-monetary | This item was not budgeted. The actual income relates to the value of roads, footpaths, drains, bridges, land and land under roads contributed by developers. |
| 7 | Net gain on asset revaluation | This is an accounting entry to offset changes to the roads revaluation recognised in prior years, and to recognise this year's change in revaluation of off street car parks. |
| 8 | Other income | Interest on investments, including Developer Contribution Plan (DCP) investments, are greater than budget due to higher investment balances and DCP interest income unbudgeted. Cost recovery income, being income received for expenditure incurred, is overall higher due to receipt of unbudgeted income. |
| 9 | Employee costs | The unfavourable variance is primarily due to the impact of new positions approved during the year and the financial effect of other staffing changes. This has been partly offset by an increase in funding from external sources, including grant and fee income and WorkCover recoveries. |
| 10 | Materials and services | Materials and services are over budget due to funded capital works, including community capital works and priority works, being expensed due to not meeting the financial criteria to be recognised as assets, and unbudgeted expenditure on bushfire recovery (Bunyip State Park March 2019 bushfire). These have been partly offset by contract expenditure which is under budget, primarily in recycling processing. |
| 11 | Bad and doubtful debts | Unfavourable variance is due to a one-off increase in the number and value of infringement debts referred to Fines Victoria and recognised as being written off. |
| 12 | Borrowing costs | Interest on loans are under budget due to the 2018-19 budgeted loan not being drawn down and repayment of other loans when due. |
| 13 | Net loss on disposal of property, infrastructure, plant and equipment | Unfavourable variance is mainly attributable to the accounting recognition of old infrastructure assets such as roads, buildings, bridges and footpaths being disposed of due to the capital works undertaken during the year. |
| 14 | Other expenses | Primarily due to an accounting entry to record the reduced value of various assets, including roads and drains which were impaired as a result of the Bunyip bushfire. |

Notes to the Financial Report
For the Year Ended 30 June 2019

1.2 Capital works

| | Budget 2019 \$'000 | Actual 2019 \$'000 | Variance 2019 \$'000 | Variance % | Ref |
|--|--------------------------|--------------------------|----------------------------|-----------------|-----|
| Property | | | | | |
| Land | 1,300 | 8,265 | (6,965) | (536%) | 1 |
| Total Land | 1,300 | 8,265 | (6,965) | (536%) | |
| Buildings | | | | | |
| Buildings | 1,628 | 24,146 | (22,518) | (1,383%) | |
| Heritage buildings | - | 182 | (182) | - | |
| Building improvements | - | 339 | (339) | - | |
| Total Buildings | 1,628 | 24,667 | (23,039) | (1,415%) | 2 |
| Total Property | 2,928 | 32,932 | (30,004) | (1,025%) | |
| Plant and Equipment | | | | | |
| Plant, machinery and equipment | 2,360 | 2,230 | 130 | 6% | 3 |
| Computers and telecommunications | 460 | 81 | 379 | 82% | 4 |
| Intangible assets | - | 313 | (313) | - | 5 |
| Total Plant and Equipment | 2,820 | 2,624 | 196 | 7% | |
| Infrastructure | | | | | |
| Roads | 24,938 | 9,951 | 14,987 | 60% | 6 |
| Bridges | 420 | 927 | (507) | (121%) | 7 |
| Footpaths and cycleways | 2,770 | 1,874 | 896 | 32% | 8 |
| Drainage | 421 | 1,041 | (620) | (147%) | 9 |
| Recreational, leisure and community facilities | 18,031 | 7,757 | 10,274 | 57% | 10 |
| Parks, open space and streetscapes | 2,666 | - | 2,666 | 100% | 11 |
| Off street car parks | 92 | 2,784 | (2,692) | (2,926%) | 12 |
| Other infrastructure | 570 | 123 | 447 | 78% | 13 |
| Total Infrastructure | 49,908 | 24,457 | 25,451 | 51% | |
| Total Capital Works Expenditure | 55,656 | 60,013 | (4,357) | (8%) | |
| Represented by: | | | | | |
| New asset expenditure | 20,993 | 33,009 | (12,016) | (57%) | 14 |
| Asset renewal expenditure | 10,544 | 9,094 | 1,450 | 14% | 15 |
| Asset upgrade expenditure | 24,119 | 17,910 | 6,209 | 26% | 16 |
| Total capital works expenditure | 55,656 | 60,013 | (4,357) | (18%) | |

Notes to the Financial Report For the Year Ended 30 June 2019

1.2 Capital works (cont'd)

(i) Explanation of material variations

| Ref | Item | Explanation |
|-----|--|---|
| 1 | Land | Acquisition of land for Gin Gin Bin Reserve and for a future road reserve. |
| 2 | Buildings | Actual expenditure includes building works at Cardinia Cultural Centre and Emerald Community Hub which were budgeted in previous years, works at Deep Creek reserve budgeted as parks, open space and streetscapes, and works at James Bathe Reserve and Lang Lang Recreation Facility budgeted as recreational, leisure and community facilities. |
| 3 | Plant, machinery and equipment | Mobile Library trailer replacement is behind schedule. |
| 4 | Computers and telecommunications | Major item budgeted in this category has been expended on software and capitalised as intangible assets. |
| 5 | Intangible assets | Software purchases were budgeted in computer and telecommunications. |
| 6 | Roads | Major item budgeted in this category is the Roads Sealing Program. The design phase of \$300k was completed in 2018/19. However, the remaining phases will continue over the coming years; \$1.8m 2019/20, \$10m 2020/21 and \$8m 2021/22. |
| 7 | Bridges | Actual expenditure includes emergency dam works at Emerald Lake Park that was unbudgeted. |
| 8 | Footpaths | Major item budgeted in this category is the Emerald to Gembrook Trail which has been partially expensed on roads and recreational, leisure and community facilities. |
| 9 | Drainage | Actual expenditure includes works at Deep Creek Reserve budgeted as parks, open space and streetscapes, and works at Lang Lang Recreation Facility and Emerald Netball Facility budgeted as recreational, leisure and community facilities. |
| 10 | Recreational, leisure and community facilities | Major items budgeted in this category include: Bunyip Soccer Facility \$1.8m and Timbertop Integrated Children's Centre \$1.8m, which are behind schedule; Lang Lang Recreational Facility \$2.2m, which has been expended against other infrastructure classes including Buildings and Off street car parks; and Bridgewood Integrated Children's Centre \$3.8m that was expended in previous years. |
| 11 | Parks, open space and streetscapes | Major item budgeted in this category is Deep Creek Reserve \$1.9m which has been expended in other areas, including Buildings and Off street car parks. |
| 12 | Off street car parks | Actual expenditure includes works at Lang Lang Recreational Facility \$1.5m which was budgeted under Recreational, leisure and community facilities, and Deep Creek Reserve \$0.9m which was budgeted under parks, open space and streetscapes. |
| 13 | Other infrastructure | Major item budgeted includes Environmental Projects which has been expended in Buildings, and other minor projects not capitalised due to capitalisation thresholds. |
| 14 | New asset expenditure | Actual expenditure includes acquisition of land for Gin Gin Bin Reserve and a future road reserve not budgeted, and Emerald Community Hub which was budgeted in previous years. |
| 15 | Asset renewal expenditure | A number of road reseals have been postponed to next financial year. |
| 16 | Asset upgrade expenditure | Actual expenditure includes works for Cardinia Cultural Centre Exhibition Space and Pakenham industrial area special charge scheme budgeted in previous years. |

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Chief Executive Officer

This division is responsible for leading the organisation and includes Cardinia's corporate management expenses including salaries, corporate memberships and corporate legal and consultancy fees. In 2018-19 the expenditure related to the Bunyip Bushfires were captured within this division to accurately account for the additional out of budget expenses of this emergency event.

Infrastructure and Environment

Infrastructure and Environment is dedicated to making Cardinia Shire a sustainable, safe and enjoyable place to live both now and in the future. We are responsible for the management and construction of new infrastructure including the maintenance of existing assets, buildings and facilities, engineering services, waste and development services areas. The division focuses on the shire's heritage, natural environment, energy and climate change and our development and compliance services supports our planning objectives, building health and compliance regulations. Our operations area ensures a continued management and maintenance focus on the shire's roads, drainage and parks and gardens.

Liveable Communities

The Liveable Communities Division comprises of four business units, these being Policy Design and Growth Area Planning, Community Strengthening, Community and Family Services and Active Communities. We seek to create sustainable and liveable communities for current and future residents of the shire. We work proactively and collaboratively with the community, external agencies and stakeholders to be key change agents, whilst empowering the community and balancing competing objectives of all stakeholders to achieve a common goal.

Office of the Chief Executive Officer

The newly created office of the Chief Executive Officer contains the functions of Governance, Finance, Rates, Economic Development and Mayoral and Councillor Support. The Division is focussed on delivering long term sustainable job growth, financially sustainable services and strong governance for the future of Cardinia. This group is responsible for the collection of rates and its income includes developer contributed assets not funded through the developer / infrastructure contribution plans.

Customer, People and Performance

Customer, People and Performance aspire to support effective and innovative service outcomes to the Cardinia community through several internal intersections. People and Culture support the identification, learning and development of the organisation and people resources. Customer and Service Improvement are the face of interaction with the community, and focus on improving, enhancing and reporting service delivery. Information Services provide the technology tools to meet the functional, security and legislated requirements to deliver these services, whilst Communications focus on effectively informing the community on the important information they need to know.

Notes to the Financial Report
For the Year Ended 30 June 2019

2.1 (b) Summary of revenues, expenses and assets by program

| | Income | Expenses | Surplus/ (Deficit) | Grants included in income | Total assets |
|--------------------------------|---------|----------|-----------------------|---------------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2019 | | | | | |
| Chief Executive Officer | 430 | 6,218 | (5,788) | 430 | - |
| Infrastructure & Environment | 62,081 | 74,404 | (12,323) | 15,070 | 923,934 |
| Liveable Communities | 5,572 | 20,710 | (15,138) | 3,073 | 45,800 |
| Office of the CEO | 149,161 | 9,194 | 139,967 | 9,266 | 835,818 |
| Customer, People & Performance | - | 8,739 | (8,739) | - | - |
| | 217,244 | 119,265 | 97,979 | 27,839 | 1,805,552 |

| | Income | Expenses | Surplus/ (Deficit) | Grants included in income | Total assets |
|--------------------------------|---------|----------|-----------------------|---------------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2018 | | | | | |
| Chief Executive Officer | 107 | 2,783 | (2,676) | 86 | - |
| Infrastructure & Environment | 74,553 | 67,717 | 6,836 | 13,651 | 827,758 |
| Liveable Communities | 4,688 | 18,648 | (13,960) | 2,352 | 35,335 |
| Office of the CEO | 115,010 | 9,896 | 105,114 | 8,696 | 756,588 |
| Customer, People & Performance | 28 | 8,199 | (8,171) | - | - |
| | 194,386 | 107,243 | 87,143 | 24,785 | 1,619,681 |

**Notes to the Financial Report
For the Year Ended 30 June 2019**

| | 2019 | 2018 |
|--|--------|--------|
| | \$'000 | \$'000 |

Note 3 Funding for the delivery of our services

3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the market value as determined by the Municipal Valuer as at 1 January 2018.

The valuation base used to calculate general rates for 2018/19 was \$25,134 million (2017/18 \$19,011 million). The 2018/19 rate in the CIV dollar was 0.002726 (2017/18, 0.003431).

| | | |
|--|---------------|---------------|
| General Rates | 74,602 | 70,824 |
| Waste management charge | 14,005 | 11,689 |
| Supplementary rates and rate adjustments | 1,493 | 1,203 |
| Cultural and recreational | 81 | 101 |
| Interest on rates and charges | 729 | 364 |
| Total rates and charges | 90,910 | 84,181 |

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was first applied in the rating year commencing 1 July 2018.

Annual rates and charges are recognised as revenue when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

| | | |
|---------------------------------------|--------------|--------------|
| Infringements and costs | 1,193 | 1,329 |
| Town planning fees | 1,987 | 1,477 |
| Land information certificates | 132 | 147 |
| Permits | 1,957 | 1,685 |
| Total statutory fees and fines | 5,269 | 4,638 |

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever occurs first.

3.3 User fees

| | | |
|----------------------------------|--------------|--------------|
| Aged and health services | 52 | 48 |
| Leisure centre and recreation | 1,434 | 1,653 |
| Child care / children's programs | 298 | 341 |
| Parking | 98 | 87 |
| Registration and other permits | 658 | 684 |
| Building services | 270 | 264 |
| Other fees and charges | 310 | 455 |
| Total user fees | 3,120 | 3,532 |

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| 3.4 Funding from other levels of government | | |
| Grants were received in respect of the following: | | |
| Summary of grants | | |
| Commonwealth funded grants | 17,345 | 14,307 |
| State funded grants | 10,494 | 10,478 |
| Total grants received | 27,839 | 24,785 |
| (a) Operating Grants | | |
| <i>Recurrent - Commonwealth Government</i> | | |
| Financial Assistance Grant | 11,133 | 10,471 |
| Community health | 188 | 60 |
| Family and children | 2 | 2 |
| <i>Recurrent - State Government</i> | | |
| School crossing supervisors | 405 | 331 |
| Maternal and child health | 1,421 | 1,305 |
| Recreation | 128 | 73 |
| Community safety | 189 | 104 |
| Best Start Program | 117 | 116 |
| Community health | 452 | 174 |
| Disability | 154 | 152 |
| Emergency management | 60 | 30 |
| Environment and heritage | 440 | 320 |
| Family and children | 339 | 406 |
| Local infrastructure | 140 | 118 |
| Total recurrent operating grants | 15,168 | 13,662 |
| <i>Non-recurrent - State Government</i> | | |
| Local infrastructure | 430 | - |
| Total non-recurrent operating grants | 430 | - |
| Total operating grants | 15,598 | 13,662 |

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| 3.4 Funding from other levels of government (cont'd) | | |
| (b) Capital Grants | | |
| <i>Recurrent - Commonwealth Government</i> | | |
| Financial Assistance Grant | 796 | 761 |
| Roads to Recovery | 1,763 | 2,342 |
| Total recurrent capital grants | 2,559 | 3,103 |
| <i>Non-recurrent - Commonwealth Government</i> | | |
| Local infrastructure | 3,100 | 421 |
| Recreation | 363 | 250 |
| <i>Non-recurrent - State Government</i> | | |
| Local infrastructure | 1,384 | 6,192 |
| Recreation | 4,835 | 1,157 |
| Total non-recurrent capital grants | 9,682 | 8,020 |
| Total capital grants | 12,241 | 11,123 |
| Total | 27,839 | 24,785 |
| (c) Unspent grants received on condition that they be spent in a specific manner | | |
| Balance at start of year | 6,549 | 7,228 |
| Received during the financial year and remained unspent at balance date | 7,064 | 4,200 |
| Received in prior years and spent during the financial year | (3,975) | (4,879) |
| Balance at year end | 9,638 | 6,549 |

Grant income is recognised when Council obtains control of the contribution.
Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| 3.5 Contributions | | |
| (a) Contributions income | | |
| Monetary | 16,408 | 30,787 |
| Non-monetary | 66,270 | 40,438 |
| Total contributions | 82,678 | 71,225 |
| <i>Contributions of non-monetary assets were received in relation to the following asset classes.</i> | | |
| Land | 30,466 | 10,784 |
| Building | 11 | 150 |
| Roads | 12,831 | 13,042 |
| Other infrastructure | 26,163 | 14,482 |
| Other | 11 | 10 |
| Total non-monetary contributed assets recognised this year | 69,482 | 38,468 |
| The difference between the value of contributed assets recognised in Property, Plant and Equipment, and non-monetary contributions income recognised in the year is due to differences in the date when Council physically gains control of the non-monetary assets, and when the income is recognised. | | |
| (b) Contributions expenses | | |
| Non-monetary | - | 860 |
| Total contributions | - | 860 |
| Non-monetary contributions expense for 2017/18 is for the Officer Public Open Space equalisation amount. | | |
| Contributions of non-monetary assets were distributed in relation to the following asset classes. | | |
| Land | - | 860 |
| Roads | - | - |
| Total non-monetary contributions expenses | - | 860 |
| Monetary and non-monetary contributions are recognised as revenue when Council obtains control over or the right to receive the contributed asset. | | |
| 3.6 (a) Net gain / (loss) on disposal of property, infrastructure, plant and equipment | | |
| Gross proceeds of sale | 1,707 | 2,032 |
| Written down value of assets disposed | (2,943) | (3,473) |
| Total net gain / (loss) on disposal of property, infrastructure, plant and equipment | (1,236) | (1,441) |
| The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer. | | |
| (b) Net gain on asset revaluation | | |
| Roads | 1,925 | 246 |
| Off street car parks | (595) | 83 |
| Total net gain on asset revaluation | 1,330 | 329 |
| Net gain on asset revaluation recognised in profit and loss to reverse prior year losses, in line with AASB 116. | | |
| 3.7 Other income | | |
| Interest | 2,548 | 2,124 |
| Other recoveries | 2,935 | 2,726 |
| Other | 615 | 846 |
| Total other income | 6,098 | 5,696 |
| Interest is recognised as it is earned. | | |
| Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income. | | |

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Note 4 The cost of delivering services | | |
| 4.1 (a) Employee Costs | | |
| Wages and salaries | 33,155 | 29,432 |
| WorkCover | 387 | 525 |
| Casual staff | 593 | 540 |
| Superannuation | 2,953 | 2,662 |
| Fringe benefits tax | 353 | 302 |
| Other | 21 | 20 |
| Total employee costs | 37,462 | 33,481 |
| (b) Superannuation | | |
| Council made contributions to the following funds: | | |
| Defined benefit fund | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 132 | 135 |
| | 132 | 135 |
| Employer contributions payable at reporting date. | Nil | Nil |
| Accumulation funds | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 2,821 | 2,527 |
| | 2,821 | 2,527 |
| Employer contributions payable at reporting date. | 127 | 115 |
| <i>Refer to note 9.3 for further information relating to Council's superannuation obligations.</i> | | |
| 4.2 Materials and services | | |
| Building maintenance | 350 | 201 |
| General maintenance | 3,446 | 4,602 |
| Office administration | 132 | 191 |
| Information technology | 1,646 | 1,572 |
| Materials and services | 15,970 | 9,568 |
| Contract payments | | |
| - Waste and garbage contracts | 11,297 | 10,416 |
| - Parks and gardens contracts | 4,666 | 4,249 |
| - Library contract | 1,968 | 1,874 |
| - Other contracts | 4,998 | 5,578 |
| Utilities | 3,059 | 2,611 |
| Contractors & temp staff | 2,234 | 1,629 |
| Consultants | 827 | 1,286 |
| Legal | 934 | 698 |
| Insurance | 805 | 767 |
| Cost recoveries | 46 | - |
| Total materials and services | 52,378 | 45,242 |
| 4.3 Depreciation and amortisation | | |
| Property | 5,569 | 5,394 |
| Plant and equipment | 1,706 | 1,667 |
| Infrastructure | 14,716 | 13,574 |
| Total depreciation | 21,991 | 20,635 |
| Intangible assets | 216 | 212 |
| Total depreciation and amortisation | 22,207 | 20,847 |
| <i>Refer to note 5.2(c) and 6.2 for a more detailed breakdown of depreciation and amortisation charges.</i> | | |

**Notes to the Financial Report
For the Year Ended 30 June 2019**

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| 4.4 Bad and doubtful debts | | |
| Local laws | 253 | 138 |
| Other | 66 | 423 |
| Total bad and doubtful debts | 319 | 561 |
| Movement in provisions for doubtful debts | | |
| Balance at the beginning of the year | (448) | (164) |
| New provisions recognised during the year | (90) | (402) |
| Amounts already provided for and written off as uncollectible | 100 | 28 |
| Amounts provided for but recovered during the year | 300 | 90 |
| Balance at end of year | (138) | (448) |
| Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment. | | |
| 4.5 Borrowing costs | | |
| Interest - borrowings | 2,380 | 2,722 |
| Bank charges | 215 | 215 |
| Total borrowing costs | 2,595 | 2,937 |
| Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. | | |
| 4.6 Other expenses | | |
| Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals | 63 | 70 |
| Auditors' remuneration - Internal | 120 | 105 |
| Councillors' allowances | 313 | 304 |
| Operating lease rentals | 466 | 439 |
| Assets written-off / impaired | 555 | - |
| Other expenses | 1,348 | 894 |
| Total other expenses | 2,865 | 1,812 |

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 | 2018 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Note 5 Our financial position | | |
| 5.1 Financial assets | | |
| (a) Cash and cash equivalents | | |
| Cash on hand | 9 | 5 |
| Cash at bank | 15,284 | 9,806 |
| Term deposits - Council | 24,500 | 35,000 |
| Term deposits - developer contribution plans | 9,500 | 13,000 |
| Total cash and cash equivalents | 49,293 | 57,811 |
| (b) Other financial assets | | |
| Term deposits - Council | 35,000 | 24,000 |
| Term deposits - developer contribution plans | 27,000 | 27,500 |
| Total other financial assets | 62,000 | 51,500 |
| Total financial assets | 111,293 | 109,311 |
| Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include: | | |
| - Trust funds and deposits (Note 5.3 (b)) | 12,178 | 11,060 |
| - Developer contribution levy (Note 9.1 (b)) | 46,033 | 46,833 |
| Total restricted funds * | 58,211 | 57,893 |
| Total unrestricted cash, cash equivalents and term deposits | 53,082 | 51,418 |
| Intended allocations | | |
| Although not externally restricted the following amounts have been allocated for specific future purposes by Council: | | |
| - Cash held to fund carried forward capital works | 45,860 | 36,145 |
| - Unspent grants (Note 3.4 (c)) | 9,638 | 6,549 |
| - Other allocations not subject to external restrictions | 19,831 | 7,913 |
| Total funds subject to intended allocations * | 75,329 | 50,607 |

* It is highly unlikely that settlement of all restricted funds and intended allocations will be required within the next twelve months.

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value at balance date. Term deposits are measured at original cost at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either revenue or expense.

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| 5.1 Financial assets (cont'd) | | |
| (c) Trade and other receivables | | |
| Current | | |
| <i>Statutory receivables</i> | | |
| Rates debtors | 10,432 | 8,680 |
| Infringement debtors | 101 | 313 |
| Officer developer contribution plan debtors | 3,200 | 3,523 |
| Cardinia road developer contribution plan debtors | 604 | 1,648 |
| Net GST receivable | 2,272 | 1,284 |
| <i>Non statutory receivables</i> | | |
| South East Business Park | - | 2,314 |
| <i>Other debtors</i> | 4,776 | 3,733 |
| Provision for doubtful debts - other debtors | (138) | (448) |
| Total current trade and other receivables | 21,247 | 21,047 |
| Non-current | | |
| <i>Statutory receivables</i> | | |
| Special rate scheme | 5,459 | 11,479 |
| <i>Non statutory receivables</i> | | |
| Bonds | 90 | 4 |
| Total non-current trade and other receivables | 5,549 | 11,483 |
| Total trade and other receivables | 26,796 | 32,530 |

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

d) Ageing of receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

| | | |
|--|--------------|--------------|
| Current (not yet due) | 3,591 | 5,381 |
| Past due by up to 30 days | 144 | 106 |
| Past due between 31 and 180 days | 941 | 208 |
| Past due between 181 and 365 days | 53 | 356 |
| Past due by more than 1 year | 47 | - |
| Total trade & other receivables | 4,776 | 6,051 |

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$1,146 (2018: \$2,346) were impaired. The amount of the provision raised against these debtors was \$1,262 (2018: \$2,200). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

| | | |
|--|----------|----------|
| Past due by more than 1 year | 1 | 2 |
| Total trade & other receivables | 1 | 2 |

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------------------|
| 5.2 Non-financial assets | | |
| (a) Inventories | | |
| Inventories held for distribution | 15 | 26 |
| Total inventories | 15 | 26 |
| Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition. | | |
| (b) Other assets | | |
| Prepayments | 737 | 548 |
| Accrued income | 351 | 425 |
| Deposits on asset purchases | 2,192 | 800 |
| Total other assets | 3,280 | 1,773 |
| (c) Intangible assets | | |
| Software | 684 | 587 |
| Total intangible assets | 684 | 587 |
| | | Software \$'000 |
| Gross carrying amount | | |
| Balance at 1 July 2018 | | 2,238 |
| Additions from internal developments | | - |
| Other Additions | | 312 |
| Disposals | | - |
| Balance at 30 June 2019 | | 2,550 |
| Accumulated amortisation | | |
| Balance at 1 July 2018 | | 1,683 |
| Amortisation expense | | 216 |
| Disposals | | - |
| Balance at 30 June 2019 | | 1,899 |
| Work in progress at 30 June 2018 | | 32 |
| Work in progress at 30 June 2019 | | 33 |
| Net book value at 30 June 2018 | | 587 |
| Net book value at 30 June 2019 | | 684 |

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 | 2018 |
|---------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| 5.3 Payables | | |
| (a) Trade and other payables | | |
| Current | | |
| Trade payables | 15,898 | 8,595 |
| Accrued expenses | 6,870 | 5,357 |
| Income in Advance | 1,356 | 1,312 |
| | 24,124 | 15,264 |
| Non-Current | | |
| Trade payables | 8,934 | 10,261 |
| | 8,934 | 10,261 |
| Total trade and other payables | 33,058 | 25,525 |
| (b) Trust funds and deposits | | |
| Refundable deposits | 11,765 | 10,653 |
| Fire services levy | 53 | 95 |
| Sustainable Australia Fund | 101 | - |
| Trust Funds | 259 | 312 |
| Total trust funds and deposits | 12,178 | 11,060 |

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services property levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| 5.4 Interest-bearing liabilities | | |
| Current | | |
| Borrowings - secured | 12,607 | 4,514 |
| | 12,607 | 4,514 |
| Non-current | | |
| Borrowings - secured | 24,557 | 37,164 |
| | 24,557 | 37,164 |
| Total | 37,164 | 41,678 |

Borrowings are secured by Deed of Charge over general rates.

(a) The maturity profile for Council's borrowings is:

| | | |
|---|---------------|---------------|
| Not later than one year | 12,607 | 4,514 |
| Later than one year and not later than five years | 12,865 | 23,081 |
| Later than five years | 11,692 | 14,083 |
| | 37,164 | 41,678 |

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 Provisions

| | Annual leave | Long Service Leave | Other | Total |
|---|--------------|--------------------|-----------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2019 | | | | |
| Balance at beginning of the financial year | 2,878 | 4,862 | 67 | 7,807 |
| Additional provisions | 2,725 | 1,399 | 2 | 4,126 |
| Amounts used | (2,571) | (786) | (9) | (3,366) |
| Change in the discounted amount arising because of time and the effect of any change in the discount rate | - | (216) | - | (216) |
| Balance at the end of the financial year | 3,032 | 5,259 | 60 | 8,351 |
| 2018 | | | | |
| Balance at beginning of the financial year | 2,601 | 4,924 | 67 | 7,592 |
| Additional provisions | 2,552 | 926 | 1 | 3,479 |
| Amounts used | (2,275) | (655) | (1) | (2,931) |
| Change in the discounted amount arising because of time and the effect of any change in the discount rate | - | (333) | - | (333) |
| Balance at the end of the financial year | 2,878 | 4,862 | 67 | 7,807 |

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 | 2018 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| 5.5 Provisions (cont'd) | | |
| (a) Employee provisions | | |
| Current provisions expected to be wholly settled within 12 months | | |
| Annual leave | 3,032 | 2,878 |
| Long service leave | 948 | 948 |
| Sick leave bonus/gratuity | 60 | 67 |
| | 4,040 | 3,893 |
| Current provisions expected to be wholly settled after 12 months | | |
| Long service leave | 3,054 | 2,924 |
| Total current employee provision | 7,094 | 6,817 |
| Non-current | | |
| Long service leave | 1,257 | 990 |
| Total non-current provisions | 1,257 | 990 |
| Aggregate carrying amount of employee provisions: | | |
| Current | 7,094 | 6,817 |
| Non-current | 1,257 | 990 |
| Total aggregate carrying amount of employee provisions | 8,351 | 7,807 |

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

Key assumptions:

| | | |
|-------------------|---------------|---------------|
| - discount rate | 1.79% | 2.65% |
| - inflation rate | 3.59% | 3.57% |
| - settlement rate | 11 years | 11 years |
| | 2019 | 2018 |
| | \$'000 | \$'000 |

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2019:

| | | |
|-------------------------|---------------|---------------|
| Bank Overdraft | 2,000 | 2,000 |
| Credit card facilities | 250 | 70 |
| Other facilities | 37,164 | 41,678 |
| Total facilities | 39,414 | 43,748 |
| Used facilities | 37,164 | 41,678 |
| Unused facilities | 2,250 | 2,070 |

5.7 Commitments

Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

| 2019 | Not later than 1 year \$'000 | Later than 1 year and not later than 2 years \$'000 | Later than 2 years and not later than 5 years \$'000 | Later than 5 years \$'000 | Total \$'000 |
|--|------------------------------------|---|--|---------------------------------|-----------------|
| Operating | | | | | |
| Recycling* | 3,770 | 4,225 | 4,206 | 1,626 | 13,827 |
| Garbage collection | 7,308 | 7,229 | 8,401 | - | 22,938 |
| Open space management | 2,370 | 49 | - | - | 2,419 |
| Consultancies | 234 | 161 | 332 | 171 | 898 |
| Cleaning contracts for council buildings | 746 | 747 | 1,539 | 793 | 3,825 |
| Meals for delivery | 1,155 | - | - | - | 1,155 |
| Casey Cardinia Library funding | 2,165 | 2,230 | 2,297 | - | 6,692 |
| Facilities management | 172 | 191 | 214 | - | 577 |
| Maintenance | 1,147 | 1,147 | 2,363 | 1,217 | 5,874 |
| Health | 831 | 202 | 445 | 102 | 1,580 |
| Utility | 1,300 | 1,400 | - | - | 2,700 |
| Other | 1,906 | 264 | 306 | 141 | 2,617 |
| Total | 23,104 | 17,845 | 20,103 | 4,050 | 65,102 |
| Capital | | | | | |
| Buildings ** | 17,915 | - | - | - | 17,915 |
| Roads | 6,702 | - | - | - | 6,702 |
| Drainage | 1,930 | - | - | - | 1,930 |
| Total | 26,547 | - | - | - | 26,547 |

| 2018 | Not later than 1 year \$'000 | Later than 1 year and not later than 2 years \$'000 | Later than 2 years and not later than 5 years \$'000 | Later than 5 years \$'000 | Total \$'000 |
|--|------------------------------------|---|--|---------------------------------|-----------------|
| Operating | | | | | |
| Recycling | 2,918 | 3,210 | 2,151 | - | 8,279 |
| Garbage collection | 9,111 | 9,298 | 12,347 | 1,906 | 32,662 |
| Open space management | 5,015 | 1,699 | - | - | 6,714 |
| Consultancies | 571 | - | - | - | 571 |
| Cleaning contracts for council buildings | 752 | 752 | 1,526 | 798 | 3,828 |
| Meals for delivery | 1,130 | 1,155 | - | - | 2,285 |
| Casey Cardinia Library funding | 1,968 | 2,012 | 4,172 | - | 8,152 |
| Facilities management | 184 | - | - | - | 184 |
| Maintenance | 1,147 | 1,147 | 2,337 | 1,217 | 5,848 |
| Health | 609 | 633 | - | - | 1,242 |
| Other | 3,651 | 1,125 | 495 | 163 | 5,434 |
| Total | 27,056 | 21,031 | 23,028 | 4,084 | 75,199 |
| Capital | | | | | |
| Buildings | 19,229 | 848 | - | - | 20,076 |
| Roads | 5,068 | 2,322 | - | - | 7,390 |
| Drainage | 315 | - | - | - | 315 |
| Land | 4,770 | - | - | - | 4,770 |
| Total | 29,382 | 3,170 | - | - | 32,551 |

* Recycling excludes one contract as the service provider is under administration. Contract with new service provider signed after balance date.

** Includes several major projects for recreation reserves and community facilities

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|------------------------------------|----------------|----------------|
| 5.7 Commitments (cont'd) | | |
| Operating lease commitments | | |

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

| | | |
|---|------------|------------|
| Not later than one year | 125 | 151 |
| Later than one year and not later than five years | 119 | 75 |
| Later than five years | 356 | - |
| | 600 | 226 |

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

| | | |
|---|--------------|----------|
| Cost of acquisition | 2,768 | - |
| Total non current assets classified as held for sale | 2,768 | - |

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

6.2 Property, infrastructure, plant and equipment

(a) Summary of property, infrastructure, plant and equipment

| | At Fair Value 30 June 2018 \$'000 | Additions \$'000 | Contributions \$'000 | Prior year adjustments \$'000 | Revaluation \$'000 | Depreciation \$'000 | Disposal \$'000 | Impairment \$'000 | Transfers to held for sale \$'000 | Transfers \$'000 | At Fair Value 30 June 2019 \$'000 |
|---------------------|---|---------------------|-------------------------|-------------------------------------|-----------------------|------------------------|--------------------|----------------------|---|---------------------|---|
| Property | 837,633 | 8,265 | 30,477 | (1,370) | 49,846 | (5,569) | (1,314) | (111) | (2,768) | 3,861 | 918,950 |
| Plant and equipment | 7,849 | 2,163 | 11 | - | - | (1,706) | (260) | - | - | - | 8,057 |
| Infrastructure | 596,386 | - | 37,483 | 380 | 34,234 | (14,716) | (1,369) | (444) | - | 29,829 | 681,783 |
| Work in progress | 32,052 | 49,272 | 1,511 | 1,450 | - | - | - | - | - | (33,690) | 50,595 |
| | 1,473,920 | 59,700 | 69,482 | 460 | 84,080 | (21,991) | (2,943) | (555) | (2,768) | - | 1,659,385 |

Summary of Work in Progress

| | Opening WIP \$'000 | Additions \$'000 | Contributions \$'000 | Prior year adjustments \$'000 | Transfers \$'000 | Closing WIP \$'000 |
|---------------------|-----------------------|---------------------|-------------------------|-------------------------------------|---------------------|-----------------------|
| Property | 6,675 | 24,667 | - | - | (3,655) | 27,687 |
| Plant and equipment | - | 148 | - | - | - | 148 |
| Infrastructure | 25,377 | 24,457 | 1,511 | 1,450 | (30,035) | 22,760 |
| Total | 32,052 | 49,272 | 1,511 | 1,450 | (33,690) | 50,595 |

Notes to the Financial Report
For the Year Ended 30 June 2019

6.2 Property, infrastructure, plant and equipment (cont'd)

(b) Property

| | Land - specialised \$'000 | Land - non specialised \$'000 | Total Land & Land Improvements \$'000 | Heritage buildings \$'000 | Buildings - specialised \$'000 | Buildings - non specialised \$'000 | Building improvements \$'000 | Leasehold improvements \$'000 | Total Buildings \$'000 | Work In Progress \$'000 | Total Property \$'000 |
|--|---------------------------------|-------------------------------------|--|---------------------------------|--------------------------------------|--|------------------------------------|-------------------------------------|---------------------------|-------------------------------|--------------------------|
| At fair value 1 July 2018 | 444,843 | 215,729 | 660,572 | 6,576 | 234,482 | 13,880 | 24,298 | 3,753 | 282,989 | 6,675 | 950,236 |
| Accumulated depreciation at 1 July 2018 | - | - | - | (5,473) | (87,967) | (7,658) | (4,779) | (52) | (105,929) | - | (105,929) |
| | 444,843 | 215,729 | 660,572 | 1,103 | 146,515 | 6,222 | 19,519 | 3,701 | 177,060 | 6,675 | 844,307 |
| Movements in fair value | | | | | | | | | | | |
| Additions | 4,168 | 4,097 | 8,265 | - | - | - | - | - | - | 24,667 | 32,932 |
| Contributions | 16,051 | 14,415 | 30,466 | 11 | - | - | - | - | 11 | - | 30,477 |
| Prior year adjustments | 4,757 | (6,123) | (1,366) | - | (126) | - | 10 | - | (116) | - | (1,482) |
| Revaluation | 14,144 | 28,413 | 42,557 | 521 | 5,777 | 841 | 767 | (262) | 7,644 | - | 50,201 |
| Disposal | (993) | - | (993) | - | (2,796) | (1,056) | - | - | (3,852) | - | (4,845) |
| Transfers to assets held for sale | (758) | (2,010) | (2,768) | - | - | - | - | - | - | - | (2,768) |
| Transfers | (78,586) | 78,586 | - | 167 | 1,507 | 2,028 | 441 | - | 4,143 | (3,655) | 488 |
| Impairment losses recognised in operating result | (93) | - | (93) | - | (18) | - | - | - | (18) | - | (111) |
| | (41,310) | 117,378 | 76,068 | 699 | 4,344 | 1,813 | 1,218 | (262) | 7,812 | 21,012 | 104,892 |
| Movements in accumulated depreciation | | | | | | | | | | | |
| Depreciation and amortisation | - | - | - | (78) | (3,877) | (241) | (1,285) | (88) | (5,569) | - | (5,569) |
| Prior year adjustments | - | - | - | - | 112 | - | - | - | 112 | - | 112 |
| Revaluation increments/decrements | - | - | - | (182) | 308 | (438) | (108) | 65 | (355) | - | (355) |
| Accumulated depreciation of disposals | - | - | - | - | 2,567 | 964 | - | - | 3,531 | - | 3,531 |
| Transfers | - | - | - | 5 | (118) | (165) | (4) | - | (282) | - | (282) |
| | - | - | - | (255) | (1,008) | 120 | (1,397) | (23) | (2,563) | - | (2,563) |
| At fair value 30 June 2019 | 403,533 | 333,107 | 736,640 | 7,275 | 238,826 | 15,693 | 25,516 | 3,491 | 290,801 | 27,687 | 1,055,128 |
| Accumulated depreciation at 30 June 2019 | - | - | - | (5,728) | (88,975) | (7,538) | (6,176) | (75) | (108,492) | - | (108,492) |
| | 403,533 | 333,107 | 736,640 | 1,547 | 149,851 | 8,155 | 19,340 | 3,416 | 182,309 | 27,687 | 946,636 |

6.2 Property, infrastructure, plant and equipment (cont'd)

(c) Plant and Equipment

| | Plant machinery and equipment | Fixtures fittings and furniture | Computers and telecomms | Work In Progress | Total plant and equipment |
|--|--|---------------------------------------|----------------------------|---------------------|------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2018 | 11,606 | 2,744 | 1,877 | - | 16,227 |
| Accumulated depreciation at 1 July 2018 | (5,872) | (1,641) | (865) | - | (8,378) |
| | 5,734 | 1,103 | 1,012 | - | 7,849 |
| Movements in fair value | | | | | |
| Additions | 2,082 | - | 81 | 148 | 2,311 |
| Contributions | - | - | 11 | - | 11 |
| Disposal | (986) | - | - | - | (986) |
| | 1,096 | - | 92 | 148 | 1,336 |
| Movements in accumulated depreciation | | | | | |
| Depreciation and amortisation | (1,345) | (143) | (218) | - | (1,706) |
| Accumulated depreciation of disposals | 726 | - | - | - | 726 |
| | (619) | (143) | (218) | - | (980) |
| At fair value 30 June 2019 | 12,702 | 2,744 | 1,969 | 148 | 17,563 |
| Accumulated depreciation at 30 June 2019 | (6,491) | (1,784) | (1,083) | - | (9,358) |
| | 6,211 | 960 | 886 | 148 | 8,205 |

6.2 Property, infrastructure, plant and equipment (cont'd)
(d) Infrastructure

| | Roads | Bridges | Footpaths and cycleways | Drainage | Recreational, leisure and community | Off street car parks | Other Infrastructure | Work In Progress | Total Infrastructure |
|--|-----------------|----------------|-------------------------|----------------|-------------------------------------|----------------------|----------------------|------------------|----------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2018 | 338,337 | 77,776 | 87,812 | 229,907 | 34,441 | 9,788 | 540 | 25,377 | 803,978 |
| Accumulated depreciation at 1 July 2018 | (90,276) | (26,506) | (17,210) | (33,267) | (12,131) | (2,617) | (208) | - | (182,215) |
| | 248,061 | 51,270 | 70,602 | 196,640 | 22,310 | 7,171 | 332 | 25,377 | 621,763 |
| Movements in fair value | | | | | | | | | |
| Additions | - | - | - | - | - | - | - | 24,457 | 24,457 |
| Contributions | 12,831 | 3,155 | 4,817 | 13,037 | 3,643 | - | - | 1,511 | 38,994 |
| Prior year adjustments | 44 | (336) | 123 | 421 | 123 | - | - | 1,450 | 1,825 |
| Revaluation | 19,407 | 6,310 | 940 | 12,232 | 11,552 | (508) | - | - | 49,933 |
| Disposal | (1,124) | (698) | (326) | (141) | (372) | (173) | - | - | (2,834) |
| Transfers | 8,509 | 1,137 | 4,795 | 4,837 | 6,013 | 3,211 | 1,045 | (30,035) | (488) |
| Impairment losses recognised in operating result | (365) | - | - | (79) | - | - | - | - | (444) |
| | 39,302 | 9,568 | 10,349 | 30,307 | 20,959 | 2,530 | 1,045 | (2,617) | 111,443 |
| Movements in accumulated depreciation | | | | | | | | | |
| Depreciation and amortisation | (8,132) | (887) | (1,799) | (2,493) | (1,144) | (213) | (48) | - | (14,716) |
| Prior year adjustments | (15) | 151 | (16) | (96) | (19) | - | - | - | 5 |
| Revaluation increments/decrements | (2,592) | (2,597) | (453) | (2,105) | (7,865) | (87) | - | - | (15,699) |
| Accumulated depreciation of disposals | 721 | 416 | 77 | 21 | 198 | 32 | - | - | 1,465 |
| Transfers | - | - | - | - | 382 | - | (100) | - | 282 |
| | (10,018) | (2,917) | (2,191) | (4,673) | (8,448) | (268) | (148) | - | (28,663) |
| At fair value 30 June 2019 | 377,639 | 87,344 | 98,161 | 260,214 | 55,400 | 12,318 | 1,585 | 22,760 | 915,421 |
| Accumulated depreciation at 30 June 2019 | (100,294) | (29,423) | (19,401) | (37,940) | (20,579) | (2,885) | (356) | - | (210,878) |
| | 277,345 | 57,921 | 78,760 | 222,274 | 34,821 | 9,433 | 1,229 | 22,760 | 704,543 |

6.2 Property, infrastructure, plant and equipment (cont'd)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

| | Depreciation Period | Threshold Limit |
|--|---------------------|-----------------|
| <i>Asset recognition thresholds and depreciation periods</i> | | \$'000 |
| Land & land improvements | | |
| land | - | - |
| land improvements | - | 10 |
| Buildings | | |
| buildings | 10 - 200 years | 10 |
| building and leasehold improvements | 10 - 100 years | 10 |
| Plant and Equipment | | |
| plant, machinery and equipment | 5 - 15 years | 5 |
| others | 3 - 15 years | 5 |
| Infrastructure | | |
| roads - pavements, substructure, formation and earthworks | 10 - 70 years | 10 |
| roads - kerb, channel and minor culverts and other | 10 - 70 years | 10 |
| footpaths | 10 - 50 years | 10 |
| bridges - deck and substructure | 20 - 100 years | 10 |
| drainage | 25 - 100 years | 10 |
| others | 5 - 100 years | 10 |
| Intangible assets | 5 years | 5 |

Land under roads

Council recognises land under roads it controls at fair value.

Land under roads prior to 1 July 2008 were recognised in line with AASB 1051 in 2017/18.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council currently has no finance leases.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 70 year period. During the year, this was increased from a 30 year period due to the lease extension options that are available and expected to be taken up. The change has reduced the amortisation charge by \$37K.

6.2 Property, infrastructure, plant and equipment (cont'd)

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Bianca Schewtschenko-Bywater AAPI, Certified Practising Valuer 77946 from Westlink Consulting. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

| | Level 1 | Level 2 | Level 3 | Date of Valuation |
|-----------------------------|---------|---------|---------|-------------------|
| Land - non specialised | - | 333,107 | - | Dec 2018 |
| Land - specialised | - | - | 403,533 | Dec 2018 |
| Heritage Buildings | - | - | 1,547 | Dec 2018 |
| Buildings - non specialised | - | - | 8,155 | Dec 2018 |
| Buildings - specialised | - | - | 149,851 | Dec 2018 |
| Building improvements | - | - | 19,340 | Dec 2018 |
| Leasehold improvements | - | - | 3,416 | Dec 2018 |
| Total | - | 333,107 | 585,842 | |

6.2 Property, infrastructure, plant and equipment (cont'd)

Valuation of infrastructure

Valuation of infrastructure assets has been performed by the Council's asset management coordinator who has approximately twenty years experience in local government asset management, including undertaking condition assessments, managing asset systems, and undertaking valuations/revaluations of non-current assets.

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

| | Level 1 | Level 2 | Level 3 | Date of Valuation |
|--|----------|----------|----------------|-------------------|
| Roads | - | - | 277,345 | April 2019 |
| Bridges | - | - | 57,921 | April 2019 |
| Footpaths and cycleways | - | - | 78,760 | April 2019 |
| Drainage | - | - | 222,274 | April 2019 |
| Recreational, leisure and community facilities | - | - | 34,821 | April 2019 |
| Off street car parks | - | - | 9,433 | April 2019 |
| Other infrastructure * | - | - | 1,229 | - |
| Total | - | - | 681,783 | |

* Other infrastructure is carried at cost.

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 20% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$3,333 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$300 to \$5,035 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 70 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Reconciliation of specialised land | | |
| Land under roads | 185,581 | 174,905 |
| Parks and reserves | 217,952 | 269,939 |
| Total specialised land | 403,533 | 444,844 |

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| 6.3 Investments in associates | | |
| a) Investments in associates | | |
| Investments in associates accounted for by the equity method is: | | |
| Casey Cardinia Library Corporation | 1,331 | 1,534 |
| Fair value of Council's investment in Casey Cardinia Library Corporation | 1,331 | 1,534 |
| Casey Cardinia Library Corporation | | |
| <i>Background</i> | | |
| Library service run by City of Casey and Cardinia Shire Council. Cardinia Shire has equity in the library. The equity for 2018/19 (based on the unaudited library statements) is 25.276% (2017/18 26.5%) | 1,331 | 1,534 |
| Fair value of Council's investment in Casey Cardinia Library Corporation | 1,331 | 1,534 |
| Council's share of accumulated surplus | | |
| Council's share of accumulated surplus at start of year | 997 | 1,059 |
| Reported deficit for year | (132) | (68) |
| Transfers (to) from reserves | - | - |
| Distributions for the year | (71) | 6 |
| Council's share of accumulated surplus at end of year | 794 | 997 |
| Council's share of reserves | | |
| Council's share of reserves at start of year | 537 | 537 |
| Transfers (to) from reserves | - | - |
| Council's share of reserves at end of year | 537 | 537 |
| Movement in carrying value of specific investment | | |
| Carrying value of investment at start of year | 1,534 | 1,596 |
| Share of surplus(deficit) for year | (132) | (68) |
| Share of asset revaluation | - | - |
| Distributions received | (71) | 6 |
| Carrying value of investment at end of year | 1,331 | 1,534 |
| Council's share of expenditure commitments | | |
| Operating commitments | 75 | 83 |
| Capital commitments | - | - |
| Council's share of expenditure commitments | 75 | 83 |

Significant restrictions

The Casey Cardinia Library Corporation (CCLC) operated under a Regional Library Agreement that has been prepared in accordance with s.196 of the *Local Government Act 1989*, approved by the Minister for Local Government, and executed by the Casey and Cardinia Councils. The CCLC exists as an independent Local Government entity, subject to most of the same requirements of a Council under the *Local Government Act 1989*. The CCLC is governed by a Board of Councillors and Officers from the member councils, and is managed by a board appointed Chief Executive Officer.

The Regional Library Agreement does not allow for the payment of dividends to the Member Councils, and only considers the transfers of assets (and liabilities) in the case of the dissolution of the agreement or the exit of one of the parties.

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Cardinia Shire Council

Associates

Interests in associates are detailed in Note 6.3.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

| | |
|----------------------|--|
| Cr Graeme Moore | (Mayor from 13 November 2018) |
| Cr Collin Ross | (Deputy Mayor from 13 November 2018, Mayor until 12 November 2018) |
| Cr Brett Owen | (Deputy Mayor until 12 November 2018) |
| Cr Jodie Owen | |
| Cr Carol Ryan | |
| Cr Graeme Moore | |
| Cr Jeff Springfield | |
| Cr Leticia Wilmot | |
| Cr Michael Schilling | |
| Cr Ray Brown | |

CEO and General Managers

| | |
|-----------------|---|
| Carol Jeffs | (Chief Executive Officer from 08 October 2018) |
| Garry McQuillan | (Chief Executive Officer until 05 October 2018) |
| Derek Madden | (General Manager Corporate Services until 26 October 2018) |
| Andrew Paxton | (General Manager Planning & Development until 29 April 2019) |
| Michael Ellis | (General Manager Assets and Services until 04 February 2019) |
| Jenny Scicluna | (General Manager Community Wellbeing until 14 April 2019, General Manager Customer, People and Performance from 29 April 2019) |
| Waudi Tahche | (General Manager People and Culture until 29 April 2019) |
| Tom McQuallter | (Executive Manager-Office of the CEO from 03 June 2019) |
| Peter Benazic | (General Manager Infrastructure and Environment from 03 June 2019) |
| Tracey Parker | (General Manager Liveable Communities from 11 June 2019) |

Managers acted as General Managers during position vacancy and backfill periods

| | |
|-----------------|---|
| Andrew Barr | (Acting General Manager Infrastructure and Environment 29 April to 31 May 2019) |
| Andrew Pomeroy | (Acting Executive Manager-Office of the CEO 29 April to 31 May 2019) |
| David Jackson | (Acting General Manager Corporate Services from 12 to 23 March 2019 Acting General Manager Customer, People and Performance from 24 March to 26 April 2019) |
| Debbie Tyson | (Acting General Manager Assets and Services from 04 February 2019 to 14 April 2019 Acting General Manager Infrastructure and Environment from 15 to 26 April 2019) |
| Kristen Jackson | (Acting General Manager Community Wellbeing from 29 October 2018 to 05 April 2019) |
| Tracey Parker | (Acting General Manager Liveable Communities from 29 April to 10 June 2019) |
| Stephen Sparrow | (Acting General Manager Community Wellbeing from 08 to 26 April 2019) |

| | 2019 | 2018 |
|--|-----------|-----------|
| | No. | No. |
| Total Number of Councillors | 9 | 9 |
| Chief Executive Officer and other Key Management Personnel | 16 | 6 |
| Total Key Management Personnel | <u>25</u> | <u>15</u> |

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| 7.1 Council and key management remuneration (cont'd) | | |
| (c) Remuneration of Key Management Personnel | | |
| Total remuneration of key management personnel was as follows: | | |
| Short-term benefits | 1,785 | 1,771 |
| Post-employment benefits | 133 | 136 |
| Long-term benefits | 36 | 35 |
| Termination benefits | 251 | - |
| Total | 2,205 | 1,942 |

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

| | 2019 No. | 2018 No. |
|------------------------|-------------|-------------|
| \$10,000 - \$19,999 | 4 | - |
| \$20,000 - \$29,999 | 8 | 7 |
| \$30,000 - \$39,999 | 1 | - |
| \$40,000 - \$49,999 | 1 | 1 |
| \$50,000 - \$59,999 | 1 | - |
| \$60,000 - \$69,999 | 2 | 1 |
| \$80,000 - \$89,999 | 1 | - |
| \$100,000 - \$109,999 | 1 | - |
| \$110,000 - \$119,999 | 1 | - |
| \$170,000 - \$179,999 | 1 | - |
| \$220,000 - \$229,999 | - | 1 |
| \$230,000 - \$239,999* | 1 | 1 |
| \$250,000 - \$259,999 | - | 2 |
| \$260,000 - \$269,999 | 2 | - |
| \$270,000 - \$279,999 | - | 1 |
| \$390,000 - \$399,999 | - | 1 |
| \$400,000 - \$409,999* | 1 | - |
| | 25 | 15 |

* During 2018-19, Key Management Personnel (KMP) remuneration includes one-off redundancy payments to one KMP in range \$230,000 - \$239,999 and one KMP in range \$400,000 - \$409,999.

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000

The number of Senior Officers are shown below in their relevant income bands:

| | 2019 No. | 2018 No. |
|--|------------------------|------------------------|
| Income Range: | | |
| < \$148,000** | 3 | 1 |
| \$148,000 - \$149,999*** | 4 | 6 |
| \$150,000 - \$159,999 | 16 | 13 |
| \$160,000 - \$169,999 | 7 | 6 |
| \$170,000 - \$179,999 | - | 4 |
| \$180,000 - \$189,999 | - | 1 |
| \$220,000 - \$229,999*** | 1 | - |
| | 31 | 31 |
| | 2019 \$'000 | 2018 \$'000 |
| Total Remuneration for the reporting year for Senior Officers included above, amounted to: | 4,831 | 4,884 |

** During 2018-19, several managers acted as General Managers during General Manager position vacancy periods. Therefore, their acting period remuneration is displayed under Key Management Personnel section.

*** During 2018-19, Senior Officer Remuneration includes one-off redundancy payments to one senior officer in range \$148,000 - \$149,999 and one senior officer in range \$220,000 - \$229,999.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| 7.2 Related party disclosures | | |
| (a) Transactions with related parties | | |
| During the period Council entered into the following transactions with related parties. | | |
| Provision of Library Services by the Casey Cardinia Library Corporation, in accordance with the Regional Library Agreement | 1,968 | 1,874 |
| Provision of a Mobile Library bus to the Casey Cardinia Library Corporation | 34 | 33 |
| | 2,002 | 1,907 |
| (b) Commitments to related parties | | |
| Council aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to Casey Cardinia Library Corporation (Note 5.7) | 6,692 | 8,152 |
| | 6,692 | 8,152 |

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Not later than one year | 573 | 441 |
| Later than one year and not later than five years | 1327 | 1022 |
| Later than five years | 3089 | 2741 |
| | <u>4,989</u> | <u>4,204</u> |

Natural Disaster - Bunyip Bushfire

Council was affected by a natural disaster, Bunyip Bushfire, in March 2019. Claims will be submitted to the Department of Treasury and Finance in respect to rectification works undertaken.

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Cardinia Shire Council has not paid unfunded liability payments to Vision Super totalling during the 2018/19. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$132,000.

Landfill

Council carries out site rehabilitation works on an EPA licensed landfill site, the Nar Nar Goon landfill (570 Bald Hill Road, Pakenham VIC 3810), that was closed on 5 July 2001. At balance date Council has assessed that the provision required for ongoing site rehabilitation, monitoring and aftercare costs are not material.

Building cladding

Council is aware of buildings that contain cladding. Assessments have been performed and not considered as high risk. Further review of buildings would occur only as directed by the Victorian Building Authority.

Liability Mutual Insurance (where applicable)

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

Natural Disaster - Bunyip Bushfire

Council was affected by a natural disaster, Bunyip Bushfire, in March 2019. Rectification works have been undertaken. At balance date Council assessed outstanding commitments relating to the Bunyip Bushfire rectification works as not material. Council has assessed approximately \$444K of assets as impaired (refer to note 6.2).

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

8.2 Changes in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Council have assessed AASB 15 will not have a material impact.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$277,844 in lease related assets and an equivalent liability.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

Council has assessed that the standard would have impacted \$1.1m in prepaid rates in 2018/19. The impact of accounting for volunteer services has been completed, however, Council does not have a reliable estimate for the impact as at 30 June 2019.

8.3 Financial Instruments

(a) Objectives and policies

Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) 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 market prices. Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a Investment Policy which targets a maximum and average level of cash and cash equivalents to be maintained with any bank;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments; and
- monitor budget to actual performance on a regular basis.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

8.3 Financial Instruments (cont'd)

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 1.90% - 2.75%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, Land and Building and major Infrastructure assets, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 4 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

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 of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 9 Other matters

| | Balance at beginning of reporting period | Increment (decrement) | Balance at end of reporting period |
|--|--|--------------------------|--|
| | \$'000 | \$'000 | \$'000 |
| 9.1 Reserves | | | |
| (a) Asset revaluation reserves | | | |
| 2019 | | | |
| Property | | | |
| Land | 350,978 | 42,557 | 393,535 |
| Buildings | 70,851 | 7,289 | 78,140 |
| | 421,829 | 49,846 | 471,675 |
| Infrastructure | | | |
| Roads | - | 14,891 | 14,891 |
| Bridges | 25,269 | 3,713 | 28,982 |
| Footpaths and cycleways | 17,731 | 487 | 18,218 |
| Drainage | 87,545 | 10,127 | 97,672 |
| Recreational, leisure and community facilities | - | 3,687 | 3,687 |
| | 130,545 | 32,905 | 163,450 |
| Total asset revaluation reserves | 552,374 | 82,751 | 635,125 |
| 2018 | | | |
| Property | | | |
| Land | 246,390 | 104,588 | 350,978 |
| Buildings | 53,891 | 16,960 | 70,851 |
| | 300,281 | 121,548 | 421,829 |
| Infrastructure | | | |
| Bridges | 20,673 | 4,596 | 25,269 |
| Footpaths and cycleways | 17,030 | 701 | 17,731 |
| Drainage | 80,946 | 6,599 | 87,545 |
| | 118,649 | 11,896 | 130,545 |
| Total asset revaluation reserves | 418,930 | 133,444 | 552,374 |

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

| | Balance at beginning of reporting period | Transfer from accumulated surplus | Transfer to accumulated surplus | Balance at end of reporting period | Ref |
|-----------------------------|--|---|---------------------------------------|---------------------------------------|-----|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| (b) Other reserves | | | | | |
| 2019 | | | | | |
| Developer contribution levy | 46,833 | 11,462 | (12,262) | 46,033 | 1 |
| Community Facilities levy | 3,214 | 1,538 | (1,691) | 3,061 | 2 |
| Public Open Space levy | 7,370 | 3,350 | (871) | 9,849 | 3 |
| Native vegetation | 719 | 26 | (97) | 648 | 4 |
| Decorative Light Poles | 817 | 188 | (141) | 864 | 5 |
| Landscapes | 317 | 128 | (184) | 261 | 6 |
| Total other reserves | 59,270 | 16,692 | (15,246) | 60,716 | |
| Total reserves | | | | 695,841 | |
| 2018 | | | | | |
| Developer contribution levy | 41,533 | 14,143 | (8,843) | 46,833 | |
| Community Facilities levy | 2,270 | 1,266 | (322) | 3,214 | |
| Public Open Space levy | 4,938 | 4,093 | (1,661) | 7,370 | |
| Native vegetation | 710 | 26 | (17) | 719 | |
| Decorative Light Poles | 656 | 245 | (84) | 817 | |
| Landscapes | 98 | 325 | (106) | 317 | |
| Total other reserves | 50,205 | 20,098 | (11,033) | 59,270 | |
| Total reserves | | | | 611,644 | |

Notes to the Financial Report
For the Year Ended 30 June 2019

9.1 Reserves (cont'd)

| Ref | Item | Description |
|-----|---------------------------|--|
| 1 | Developer levy | This reserve is the balance of the cash levies paid to council in and is to be used to cover the cost of any of the Developer Contribution Plans (DCP) infrastructure assets that are to be purchased or constructed by Council. |
| 2 | Community Facilities levy | This reserve is the balance of the cash levies paid to Council and is to be used to cover the cost of the remaining community facilities to be provided under the DCP area. |
| 3 | Public Open Space levy | It is a requirement under the Planning Scheme and Precinct Structure Plans (PSP's) that a minimum percentage of the developed land be provided for public open space. If the minimum amount is unable to be provided, a cash contribution is required. For Officer DCP area, the contributions are to be used to compensate developers who provide more than the minimum 5.5%. For Cardinia Rd DCP area, the contributions are to be used to offset the provision of land for open space on a parcel of land being subdivided where the amount of open space to be provided exceeds the 8% public open space contribution. |
| 4 | Native vegetation | Developers have a statutory responsibility under the planning scheme to provide revegetation to offset the vegetation removed as part of the development. Those who are unable to provide the revegetation required under the planning scheme are required to pay a cash contribution to Council. These contributions are then used to do revegetation in other areas on council land. |
| 5 | Decorative Light Poles | Existing subdivisions where decorative light poles are already installed, are to be offered the option to install the same decorative light poles in future stages. Income raised from the pole fee is to be maintained in a Reserve fund and used to offset future costs of replacing decorative poles and retrofitting energy efficient lamps on existing decorative poles. |
| 6 | Landscape | Developers are required to provide landscaping in new estates which is inspected upon completion and a Practical Completion certificate issued. A landscape maintenance bond is then required to be paid to ensure they are accountable for the maintenance of this landscaping for a two year period. After this time, if rectification works are required and not completed by the developer, Council retains funds from their landscape bond to cover the future cost of these works. |

(c) Adjustments directly to equity

| | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Recognition of land under roads prior to 1 July 2008 | - | 134,567 |
| Prior year adjustments for previously not recognised assets/liabilities | 460 | 1,922 |
| Total adjustments directly to equity | 460 | 136,489 |

Land under roads prior to 1 July 2008 were recognised in line with AASB 1051 in 2017/18.

Notes to the Financial Report
For the Year Ended 30 June 2019

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| 9.2 Reconciliation of cash flows from operating activities to surplus / (deficit) | | |
| Surplus for the year | 97,979 | 87,143 |
| Depreciation/amortisation | 22,207 | 20,847 |
| Proceeds from sale of assets - investing activity, not operating activity | (1,707) | (2,032) |
| Written down book value (WDBV) of assets sold - non-cash | 2,943 | 3,473 |
| Contributions - non-monetary | (66,270) | (39,579) |
| Capital grants - non-monetary | - | (1,200) |
| Interest costs - financing, not operating activity | 2,595 | 2,937 |
| Share of net (gain)/loss of associates - non-cash | 203 | 62 |
| Impairment (gain)/loss - non-cash | 555 | - |
| Net asset revaluation (increment)/decrement | (1,330) | (329) |
| Change in assets and liabilities: | | |
| (Increase) / decrease in trade and other receivables | 2,177 | (13,861) |
| (Increase) / decrease in prepayments | (1,581) | 292 |
| (Increase) / decrease in accrued income | 74 | 5 |
| Increase / (decrease) in trade and other payables | 12,611 | 1,206 |
| Increase / (decrease) in other liabilities | 1,119 | (463) |
| (Increase) / decrease in inventories | 11 | (20) |
| Increase / (decrease) in provisions | 543 | 216 |
| Increase / (decrease) in income in advance | 44 | (318) |
| Net cash provided by operating activities | <u>72,173</u> | <u>58,379</u> |

9.3 Superannuation

Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Cardinia Shire Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Cardinia Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Cardinia Shire Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Cardinia Shire Council is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

Net investment returns 6.0% pa

Salary information 3.5% pa

Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI for 30 June 2019 is 107.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Cardinia Shire Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG contribution rate.

In addition, Cardinia Shire Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Cardinia Shire Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

9.3 Superannuation (cont'd)

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Cardinia Shire Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Cardinia Shire Council is a contributing employer:

- A VBI surplus \$131.9m in 2018, \$69.8m in 2017
- A total service liability surplus \$218.3m in 2018, \$193.5m in 2017
- A discounted accrued benefits surplus \$249.1m in 2018, \$228.8m in 2017

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2018.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2018.

Cardinia Shire Council was notified of the 30 June 2018 VBI during August 2018 (2017: August 2017).

The 2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.

| Scheme | Type of Scheme | Rate | 2019 | 2018 |
|--------------|------------------|-------|--------|--------|
| | | | \$'000 | \$'000 |
| Vision Super | Defined benefits | 9.50% | 132 | 135 |
| Vision Super | Accumulation | 9.50% | 2,821 | 2,527 |

Cardinia Shire Council has no unfunded liability payments to Vision Super during both 2018/19 and 2017/18 year.

There were \$127,000 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$132,000.



Cardinia Shire Council
Civic Centre
20 Siding Avenue, Officer

PO Box 7
Pakenham 3810 (DX 81006 Pakenham)

Phone: 1300 787 624
Email: mail@cardinia.vic.gov.au
Web: www.cardinia.vic.gov.au

National Relay Service (NRS)
TTY: 133 677 (ask for 1300 787 624)
Speak and Listen (speech-to-speech relay):
1300 555 727 (ask for 1300 787 624)

Translator Interpretation Service
131 450 (ask for 1300 787 624)

