



Cardinia Shire Council

# Annual Report 2022–23



Cardinia

### **Our inclusive statement**

Cardinia Shire Council encourages a sense of belonging within our shire. We support an inclusive community comprised of people from diverse backgrounds, including and not limited to Aboriginal and Torres Strait Islander people, people from cultural and linguistically diverse (CALD) backgrounds, those identifying as LGBTIQ+, people of faith, and people of all ages, genders and abilities.

### **Prepared by:**

Cardinia Shire Council

### **Acknowledgment**

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

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## Acknowledgement of Country

Cardinia Shire Council acknowledges the Bunurong and Wurundjeri people as the traditional custodians of the lands of Cardinia Shire. Council pays its respects to elders past and present, recognising their role in continuing traditions, knowledge, language and culture for over 65,000 years.

Cardinia Shire's name is derived from the Kulin word 'Kar-din-yarr', meaning 'look to the rising sun' or 'sunrise'. Council's logo, which includes a motif of the rising sun, reflects this meaning.

Council continually works to strengthen relationships and progress reconciliation through the delivery of actions developed in partnership with our Traditional Owners and First Nations community.



# Introduction





# Welcome to our Report of Operations 2022–23

Cardinia Shire Council is committed to transparent reporting and accountability.

The Report of Operations component of our *Annual Report 2022–23* highlights our key achievements and informs our community of our operations and performance throughout the financial year.

We're proud to present our complete *Annual Report 2022–23* to our community as a record of our operating and financial activities over the past year.

## Council snapshot

### What we do

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

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

Council delivers a broad range of activities and initiatives, each of which contributes to achieving Council's vision as set out in our Council Plan. The plan identifies 5 strategic objective areas: strong communities, liveable places, thriving environments, prosperous economies and responsible leaders. The outcomes for 2022–23 in each of these areas is reported in the 'Our performance' section of this annual report on page 59.

### Council Plan key challenges

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

- Covid-19 pandemic social and economic recovery.
- Tackling climate change and its impact on our environment, economy, and people.
- Meeting the changing needs and expectations of a growing and diverse community.
- Addressing the safety, health and wellbeing challenges facing our community.
- Developing a prosperous local economy that is the right fit for Cardinia Shire.



## Our vision

Council's vision to 2025 is that the unique identity of our urban, hills and rural areas is strengthened, and we will meet the challenges we face together as a community. How we respond will balance the needs of our people, businesses, our productive land and natural environments.

## 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 2022-23. We welcome feedback to support us in effectively reporting to our community in future years. To provide feedback, please contact our customer support team on 1300 787 624 or [mail@cardinia.vic.gov.au](mailto:mail@cardinia.vic.gov.au)

## Council plan key objectives

Council has 5 key strategic objectives.

### Strong communities



We empower our communities to be healthy, connected and resilient

### Liveable places



We support the creation of liveable spaces and places

### Thriving environments



We value our natural assets and support our biodiversity to thrive

### Prosperous economies



We support our productive land and employment land to grow local industries

### Responsible leaders



We practise responsible leadership







**Birth notices**  
**1,818**



**Bridges and major culverts maintained**  
**255**



**Building permits issued**  
**1,417**



**Council kindergarten enrolments processed**  
**2,644**



**Footpaths maintained (km)**  
**859**



**Garbage collected (tonnes)**  
**22,824**



**Immunisations administered**  
**5,923**



**Library items borrowed**  
**455,618**



**Maternal and child health consultations**  
**15,745**



**Increase in number of rateable properties**  
(percentage based on previous year)  
**2.48%**



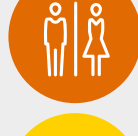
**Current animal registrations**  
**15,757**



**Parks and reserves maintained (ha)**  
**1,575**



**Planning applications lodged**  
**704**



**Public toilets managed**  
**56**



**Recycling collected (tonnes)**  
**10,704**



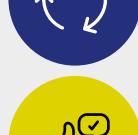
**Sealed roads maintained (km)**  
**800**



**Unsealed roads maintained (km)**  
**832**



**Underground drains maintained (km)**  
**970**



**Waste diverted from landfill**  
**48.2%**

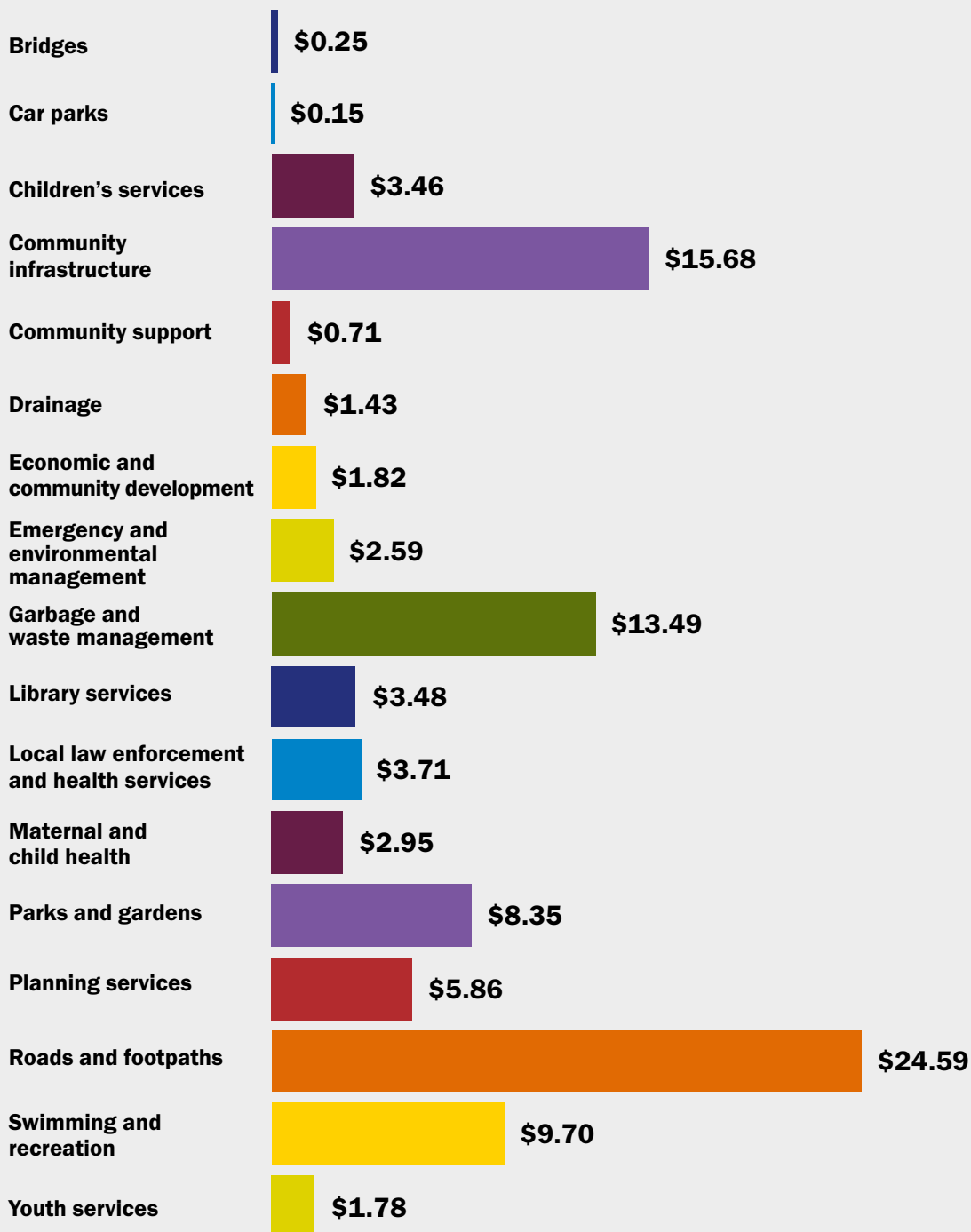


**Youth contacts with Council**  
**22,725**



**Playgrounds maintained**  
**274**

Dollar amounts below represent the breakdown of every \$100 of rates used by Council to deliver facilities, programs and services in 2022–23.



### Strategic objective: **Strong communities**

We empower our communities to be healthy, connected and resilient.



#### **Achievements:**

- We collaborated with local community agencies and government authorities through the Liveability Partnership Steering Group who oversee Cardinia Shire's Liveability Plan 2017-29. Five Action Teams have formed and are working collectively to enhance the health and wellbeing of Cardinia Shire residents via their Action Agendas.
- Extensive advocacy and outreach helped to identify, broaden and establish improved mental health services. Cardinia Shire Council worked with a local housing and family violence agency, a family support agency, local members and the Minister for Regional Development to address community resources. Well-established initiatives now include Berry Street, South East Community Links, CVGT Employment's YConnect program and the Youth Support + Advocacy Service.
- We celebrated our diverse community along with its rich arts and culture by staging weekly and monthly events at Cardinia Cultural Centre, in addition to art exhibitions and school holiday shows. The Hills Hub equally flourished, showcasing regular exhibitions, artist activations, and networking events.
- Council worked with key stakeholders to support multicultural residents in the community, advocating for the construction of a multicultural centre, as well as working to support multicultural agencies in the shire.
- A focus on crime prevention saw more than 10 community pop-ups created to provide residents with an avenue for direct feedback to Victoria Police. A successful joint grant application with Victoria Police also resulted in 2 mobile CCTV cameras deployed in key crime areas as a prevention tool.
- Financial literacy was under the spotlight thanks to Council's Together We Can initiative, which works to decrease family violence. A partnership with Star News Group delivered key prevention messaging in more than 20 publications, including a focus on financial capability.





## Strategic objective: Liveable places

We support the creation of liveable spaces and places.



### Achievements:

- We progressed the Community Infrastructure Plan and completed our analysis. The final plan will undergo further refinements ahead of its presentation to the public in late 2023. Following this, the plan will be presented to Council for adoption in February 2024.
- Council completed several sporting facility projects, including those at the Toomuc Recreation Reserve pavilions, the Gembrook Recreation Reserve pavilion, the IYU Recreation Reserve Regional Athletics Facility running track, Cockatoo Tennis Club southern courts, the Bunyip Recreation Reserve soccer field and Nar Nar Goon oval.
- We completed new playgrounds in consultation with the community, including those at Creekwood Reserve, Parman Avenue Reserve and The Parkway.
- We engaged in advocacy with both the Victorian and Australian Governments to secure increased investment across all transportation modes and public transportation services. Cardinia Shire Council provided feedback to Infrastructure Victoria, contributing valuable insights towards the necessary reforms of state bus services.
- Additionally, we coordinated meetings with Victorian Ministers to gather support for reinstating federal funding towards the Sealing the Hills roads program and further advocacy continues alongside Yarra Ranges Council. A community petition secured nearly 3,000 signatures and lodged with Parliament for consideration.
- Council finalised the Active Cardinia Strategy after conducting extensive engagement. The strategy focuses on inclusiveness to encourage 'Participation', such as women and girls in sport. Developing the ideal 'Places' and infrastructure to be active is the second component of Active Cardinia, as well as 'Promotion' and 'Partnerships' with schools, sporting clubs and community organisations.
- Shared pathways and walking tracks across Cardinia Shire were developed and upgraded including the Eastern Dandenong Ranges Trail, which received Growing Suburbs Funding.
- We worked with the Victorian Government and further stakeholders to encourage sustainable supply of social and affordable housing, tapping into the Victorian Government's Big Housing Build program. Council conducted a review of the Social and Affordable Housing Strategy's Action Plan 2018-25, assessing 8 of 22 actions are now complete while the remaining 14 are on track.
- We delivered infrastructure upgrades to our road network to meet the needs of the current and future population of Cardinia Shire, and secured \$41 million to ensure work can continue for the next 2 years as part of the Sealing the Hills roads program. Road construction on L L and Armytage Roads in Officer, McGregor Road, Solider Road and Hobsons Road in Rythdale are now finished as part of the Strategic Roads program.



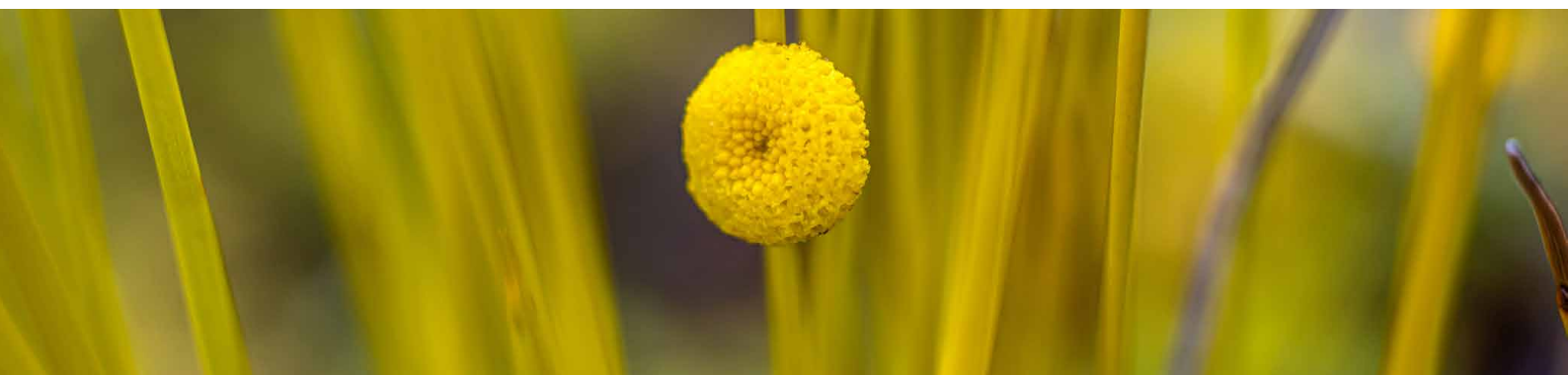
## Strategic objective: Thriving environments

We value our natural assets and support our biodiversity to thrive.



### Achievements:

- Our Aspirational Energy Strategy saw several initiatives implemented including 10kW solar systems installed at Bunyip Hall and Koo Wee Rup Community Complex, a 30kW solar system installed on the Hills Hub and the purchase of 3 energy audit kits with other councils.
- Council developed a new, 5-year action plan for 2022-2026 that aligns with the remaining 5 years of the current Waste and Resource Recovery Strategy 2017-2026. Highlights include the engagement of a Litter Prevention Officer and an increase in education and services to support fire risk mitigation within Cardinia Shire.
- We commenced proceedings to incorporate our approved Environmentally Sustainable Design Policy into the Cardinia Planning Scheme via the Victorian Government's Minister for Planning. The Department of Transport and Planning is currently considering Council's request and we anticipate finalising this within the 2023-2024 financial year.
- A priority during the year was progressing actions within the Biodiversity Conversation Strategy including delivery of the Cardinia Creek Deer Partnership Program. Cardinia Shire Council also coordinated the Peri-urban Weed Management Partnerships Program, delivering on-ground works with the help of multiple project partners.
- Council advocated for best-practise integrated water management, working with City of Casey to commence development of the Water Sensitive Urban Design Guidelines. Additionally, a new water monitoring system was installed at Cardinia Life, and we continue to partner with Melbourne Water and City of Casey to investigate the feasibility of groundwater storage and recharge opportunities.
- Tools to assist in the management of natural threats and emergencies were provided to the community through the Ready Get Go Bag Program, the Launch Bushfire Prepare Program, the Get Ready Get Techy Program and community information engagement sessions. These initiatives are vital to build preparedness for natural threats.



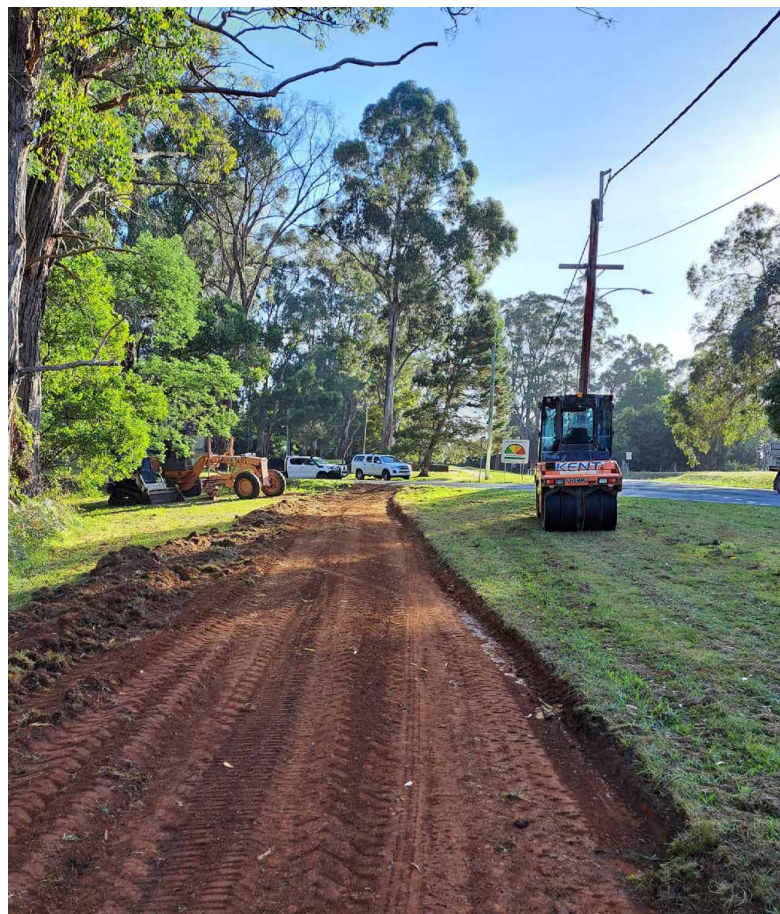
## Strategic objective: Prosperous economies

We support our productive land and employment land to grow local industries.



### Achievements:

- In the spirit of collaboration, we joined forces with other Councils located within the Southern Green Wedge area to advocate the development of Green Wedge Management plans to the State Government. Forming the Southern Ranges Green Wedge Management Plan Inter-Council Working Group, we will continue to lobby for more resources and financial assistance as we move into the new financial year.
- Nutrition and food security remained a priority, and the Community Food Strategy & Action Plan 2018-26 saw several action points implemented. Of the 66 actions in total, 30 are now complete, including Council securing funding towards a 'Future Proofing Farming project' to increase education and employment pathways for young people into the agricultural sector.
- Support for a South East Melbourne Airport progressed as Cardinia Shire Council worked in partnership with the Greater South East Melbourne regional group to actively advocate this regional priority. The group has prepared reports to identify the best next steps and future direction in establishing the airport.
- We incorporated a new Investment Attraction Plan into the Economic Development Strategy, which Council adopted to provide clear direction on how we will respond and thrive in the current economic environment. We continue to work with Invest Victoria to prioritise Cardinia Shire as a destination for new and existing businesses.
- We supported and facilitated investment opportunities within Cardinia Shire's townships and employment precincts. Highlights included undertaking the Hills Economic Impact Assessment to review planning controls and explore opportunities within Ranges Ward, while the Outdoor Dining & Activation program saw the proliferation of alfresco dining spaces.
- With the help of the Victorian Government, Council developed local education opportunities; Kurrun Primary School and the Kurmboon Integrated Child and Family Centre both later opened as a result. Council also progressed discussions with developers and local universities regarding the establishment of a Centre of Excellence, focused on the educational and training needs of local employers.
- Our visitor potential grew through the establishment of the Cardinia Tourism Advisory committee, in addition to the promotion and marketing of local tourism and hospitality businesses through the *What's On Cardinia* website.





## Strategic objective: Responsible leaders

We practise responsible leadership.



### Achievements:

- Council took pride in involving the community in significant projects, consistent with its Community Engagement Policy and in line with the Local Government Act. Projects included the Community Safety Policy, Active Cardinia Strategy, the Emerald Lake Park Masterplan and the Pakenham Beaconsfield BMX Track. We introduced QR codes and face-to-face pop-up initiatives to encourage and increase community participation.
- During the 2022-23 period, Cardinia Shire Council developed a comprehensive financial plan to ensure financial sustainability. The 10-year Long Term Financial Plan, Capital Works Program and Budget involved discussions across Cardinia Shire Council and engagement with the community.
- We worked with strategic partners to progress joint advocacy initiatives throughout the year. The Cardinia Shire Advocacy Plan contains clear direction on priority initiatives, stakeholders and projects, such as the South East Airport, Sealing the Hills, financial wellbeing for residents and Cardinia Life infrastructure.
- To identify new sources of income, we initiated the Alternative Revenue Stream Project. The plan will guide long-term financial planning and takes the current evolving financial climate into consideration to create realistic opportunities that align with Council objectives.
- Council demonstrated transparent decision making through quarterly reports made available to Cardinia Shire citizens throughout the year.



# Challenges and future outlook

## Challenges

- Cardinia Shire is one of the state's most prosperous and fast-growing municipalities, with demand on our community infrastructure and services continuing to grow along with our population. This places greater importance on planning and sustainability. We're committed to responding effectively to population growth while continuing to meet community expectations and needs, as well as attracting further services to the shire – this is our vision.
- One of the key ongoing challenges for Council is managing the natural and built environments of the shire, including balancing our conservation efforts and preservation of the natural environment with the need for further development to meet the needs of our ever-growing community.
- Our culturally diverse communities face a large number of challenges when settling in Cardinia Shire, including language and communication barriers as well as a lack of access to key services and infrastructure. In addition, attracting culturally specific services and programs to the shire that are close to transport and retail hubs is challenging but continues to be important.
- A main focus for Council continues to be attracting services for our Aboriginal and Torres Strait Islander communities, as we recognise that these services are best placed to support our Aboriginal and Torres Strait Islander residents as they are likely to be more effective in designing and delivering culturally appropriate community services, and in gathering interest and uptake.
- While many of the obstacles facing our municipality resemble those of other Victorian councils, Cardinia Shire is one of the state's fastest growing and most prosperous municipalities, so our needs are unique. Demand for functional infrastructure and effective critical services grows along with our population. Providing these services and assets in a timely manner is paramount.
- The COVID-19 pandemic may be considered behind us, but it has left a lasting impact on how we live, work, access important services and connect socially. The resulting social and economic impacts are significant, in particular the impact on mental health. We are committed to learning from the pandemic and understanding the longer-term impacts on our community.
- Tackling climate change and its impact on our environment, economy and citizens is one of the greatest challenges of our time. Australians are already seeing more warm spells, frequent and intense downpours, and longer fire seasons. Climate change impacts our biodiversity, water supplies, energy demand, and our health – particularly that of our more vulnerable community members.
- When it comes to supporting local industry development and creating local jobs, we need a clear direction for leveraging our productive land and employment land to grow local industries, increase jobs in the area, and keep our skilled workforce. These actions will contribute to improving Cardinia Shire's attractiveness as an employment hub.
- Several health, safety and wellbeing risks face our community. Cardinia Shire is reporting high rates of family violence incidents, with 4 incidents reported across the municipality each day. We have higher than average rates of poor mental wellbeing, higher rates of food insecurity and a lower intake of nutritious food. Working collectively across government, with local service providers and community leaders, we will continue to prioritise addressing the social determinants and risk factors of poor health and wellbeing.





## The future

- Council is committed to working towards providing equitable access to important services and facilities. This includes attracting new services to Cardinia Shire to help fill critical gaps, in addition to exploring innovative service models.
- Maintaining an open line of communication with residents is a priority for Council. Community engagement, particularly during decision-making processes, is paramount in increasing connectivity. We will utilise our online engagement platform, meetings, workshops and activities, websites, social media platforms, community newsletters and surveys to consult with our community and seek feedback on important matters.
- We are looking forward to putting the pandemic in the past with new learnings pushing us ahead. Council anticipates the cost of living will be another key consideration next financial year. We endeavour to identify creative solutions to help businesses flourish, manage our financial resources, and continue to support individuals as they get back on their feet.
- As outlined in our Sustainable Environment Policy 2018–28, we recognise that every action our community and Council takes influences our environment; we want to make that influence as positive as possible. How we adapt and mitigate climate change impacts will require a holistic approach, from how we drive sustainable development to how we grow our local industries.
- Through our Liveability Plan 2017–29, Council aims to keep our people healthy and thriving, preventing disease, illness, injury, disability or premature death where possible. We will build our community's capacity to do so, use evidence-based decision-making, and focus on Cardinia Shire's liveability to create environments that enhance our community's wellbeing.
- Council will continue to action key points within the Social and Affordable Housing Strategy 2018–25 and encourage diversity of housing across Cardinia Shire by working with developers and delivering social housing projects with registered housing providers and relevant stakeholders.





# Year in review





### On behalf of my fellow Councillors, I am delighted to present Cardinia Shire Council's Annual Report 2022-23.

As the Council's fourth female Mayor, it has truly been an honour to see our spirited and highly engaged community thrive over the past 12 months.

Having been elected in November 2022, I am proud to lead our Council, which began its term in October 2020. We have made significant strides in recovering from the challenges posed by the COVID-19 pandemic, and as we move into the year 2023-24, our focus remains steadfast on addressing evolving community needs and advocating for meaningful improvements.

I feel incredibly privileged to be a part of this municipality, an inclusive and diverse community filled with passionate and caring people. I was fortunate enough to be reminded of this throughout the entire year.

### Celebrating our people

It was an honour to recognise so many outstanding Cardinia Shire residents playing a unique role in our community through our 2023 Australia Day Awards and nominations. Citizen of the Year winner, Shelley Beardshaw, had generously dedicated her time to local schools and organisations, while Senior Citizen of the Year, Audrey Dodson, had been an integral figure in ensuring the preservation of our history and heritage.

Community Event of the Year, the Cardinia Men's Shed Senior-tivity Day, was celebrated for encouraging older men in the community to stay active and connected to others.

Young Citizen of the Year, Ace Simpson-Braden, earned the award for being an inspirational and selfless cadet at the Australian Air Force 403 Squadron Beaconsfield; he has taught new cadets essential skills, while also contributing to various initiatives such as mental health support.

Ensuring Cardinia Shire remains a fantastic place to live, work and play, these award winners each provide daily inspiration to us all.

Our volunteers are equally valued. The 2023 Stan Henwood Award recognised Jeff Latter this year for his long-term contributions to Cardinia Shire. A courteous, committed and accomplished leader of various community groups, Jeff has served as a key contributor to many environmental, conservation and land-care initiatives.

I was also proud to recognise the Bunurong and Wurundjeri people during Reconciliation Week's flag raising ceremonies. The events brought together so many of us as we strived to strengthen bonds with Indigenous and non-Indigenous residents of the community.

Finally, I must mention the citizenship ceremonies I have been fortunate to participate in.

Meeting new faces who are so pleased to call Cardinia Shire their home was a constant reminder of how remarkable our community is.

## Connecting with our youth

On a personal note, I found significant purpose in my interactions with Cardinia Shire's young people. Through collaboration with the Cardinia Shire Council's Youth Services team and experiencing their wonderful community initiatives, as well as conducting school visits of my own, I have grown extremely fond of such a promising, talented and brilliant sector of our community.

I would like to acknowledge the work of the inspiring Cardinia Shire Council Youth Services team. Some of the initiatives we have admired are January's Skate and Scoot Event at Koo Wee Rup; the Cardinia Pride group which advocates for young people in the LGBTQIA+ community; after-school programs including Hang Out, which caters for teenagers; Chill & Upskill's social opportunities to learn new life skills; the DRUMBEAT program at Officer Specialist School, which focuses on exploring healthy relationships; and the annual Good Choice Awards, celebrating resilience, kindness and strength in young people.

## Advocating for our community

Cardinia Shire Council increased its focus on working with Victorian and Australian governments in 2022-23 to progress important projects. Extensive community consultations during 2020 and 2021 guided advocacy priorities for the 2022-23 financial year.

Our team met with Victorian Government Ministers about various key issues, including the upgrade of 11 roads and to reinstate funding of the shire's 'Sealing the Hills' program, while a community petition of nearly 3,000 signatures was lodged with parliament.

In conjunction with Yarra Ranges Council Mayor Jim Child, our representatives travelled to Canberra to meet with the federal government about a commitment to fund \$300 million for unsealed roads projects. The meeting took place in late 2022 with the office of The Hon. Catherine King, Minister for Infrastructure, Transport, Regional Development and Local Government.

During that meeting, we also took the opportunity to talk about the challenges for food relief and the lack of funding in the shire.

We will continue this advocacy work over the next year to successfully secure additional support and vital funding across mental health services, better access to jobs and better protection for our environment, to name a few.

## Providing community support

We are very pleased to have delivered successful community projects and infrastructure development over the past 12 months.

The bridge over Gum Scrub Creek is a standout as residents had been calling for the structure for some time. The team at Cardinia Shire Council was very excited to deliver this asset to the community, as well as the upgraded Beaconsfield Tennis Courts and upgraded facilities at the Toomuc Recreation Reserve. The refreshed Creekwood Park playground in Pakenham as part of Cardinia Shire's 2023 Playground Renewals project was another highlight.

Work continues on the removal of the level crossing on Main Street in Pakenham, with the project to be fast-tracked in the coming months. Its three boom gates are set to be eliminated entirely by 2024 – 12 months earlier than originally planned.

Finally, I'd like to thank each resident and business within the Cardinia Shire for their openness and contribution to the broader community. I am extremely proud to have served as your Mayor in 2022-23. I am looking towards a bright future working alongside my fellow Councillors to better connect our community and improve the life of all citizens.

### Cr Tammy Radford

Cardinia Shire Mayor 2022-23







**I am proud to present this Annual Report along with the Mayor for the 2022-23 year.**

We have worked hard to deliver essential services, support our residents, progress significant plans and complete projects to help meet the needs of our growing Cardinia Shire community.

We have continued to work with Councillors and community to deliver on our commitments made in four key strategic documents: our Council Plan 2021-25 incorporating the Community Vision 2040; Council Budget 2022-26; Financial Plan 2021-31; and the Revenue and Rating Plan 2021-25.

### **Addressing local issues**

We have continued to support and advocate for our community members while maintaining a high level of commitment to our services.

We saw almost 100 residents attend our annual White Ribbon fundraiser, a key event on our calendar that raises vital awareness and funds for family violence prevention programs. The event effectively showcased Cardinia Shire's essential community services and was well received by the community.

Council sought community input into the proposed redevelopment of Cardinia Life, our indoor leisure and aquatic facility. We were delighted to receive such great ideas and are looking forward to progressing plans that will see improvements right across the stadium, aquatics and health and fitness areas within Cardinia Life. We continue to advocate for government grants to fund this project.

Several Council Plan initiatives have been completed such as the Open Space Strategy and Active Cardinia Strategy, both critically important for the future planning of spaces across Cardinia Shire.

Additionally, we were pleased to complete a new Climate Change Adaption Strategy during the year, which aims to reduce the effects of extreme climate events on our most vulnerable residents over the next decade.

### **Access and inclusion**

Fundamental priorities for Council this past year have included the upgrade and improvement of accessible services and facilities throughout our community, as well as the staging of events that speak directly to people with disability and boosting the spirit of inclusion wherever possible.

We are proud to have partnered with multiple organisations and neighbouring councils to deliver on these priorities and help residents further connect with one another when they may have struggled to in previous years.

In the past financial year, we highlighted Southern Region Disability Inclusion Week and International Day of People with a Disability, while making significant strides



in community inclusion through six capital upgrades, accessible materials, social media guidelines, carer events, and transport advocacy.

Council was also pleased to see the completion of upgrade works on a new accessible carpark in Garfield. The construction reduces barriers and offers increased participation for people with disability.

## Major projects and roads

Despite an early setback when the Australian Government withdrew significant funding towards Cardinia Shire's Sealing the Hills roads program, we continued to prioritise improving our road network with Council's own funded road-sealing program and ongoing advocacy seeking future funding.

While the construction industry continued to suffer from material supply and logistics impacts along with unpredictable global market conditions, Cardinia Shire Council managed to deliver several important facilities and projects this past year.

### Completed works included:

- three sporting pavilions at Toomuc Reserve;
- Gembrook cricket and football pavilion;
- the athletics track at IYU Recreation Reserve in Pakenham (which will reopen to the community once sufficient grass has been established in late 2023);
- the redevelopment of the Upper Beaconsfield BMX Track; and
- the sealing of several roads as part of Cardinia Shire Council's \$25 million Better Local Roads – Strategic Sealed Roads project including the entire length of McGregor Road and Soldiers Road in Rythdale.

Improved Catani Recreation Reserve cricket nets and refreshed courts at Beaconsfield Tennis Club were also delivered.

## Responsible financial management

We welcomed the community's contribution in preparing the 2023-2024 Council Budget and were delighted to receive 286 submissions during the six-month development process. Council invited a second round of community input after the draft document was presented to citizens in May 2023.

The final Budget was successfully adopted and features more than \$284.87 million of capital works set to be completed over the next four years.

## Events that inspired

It was a year filled with plenty of opportunities to get out into the community and strengthen our connections with residents. The festive season brought with it an especially thriving calendar of events including the Pakenham Christmas Carols, which almost 5,000 people enjoyed.

We also stood united with hundreds of passionate citizens to walk against family violence through the streets of Pakenham as part of Together We Can, a joint initiative between Cardinia Shire Council, Family Life, The University of Melbourne and the Australian Government's Department of Social Services. We were incredibly proud of Cardinia Shire's residents for taking a firm position against family violence, violence against women, and violence against children in our community.

Through this annual report we aim to provide you with a comprehensive insight into Council's operations and achievements. We look forward to maintaining transparency, delivering significant projects and broadening our presence in the community as Cardinia Shire prospers.

### Carol Jeffs

Chief Executive Officer



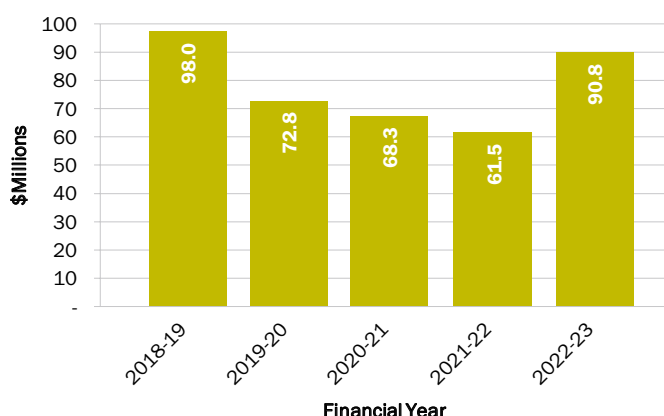
## Comprehensive Income Statement

The Comprehensive Income Statement identifies income and expenses for 2022–23. For the year ending 30 June 2023, Council's operating result was a surplus of \$90.8 million (see Figure 1), which was higher than the budgeted surplus of \$80.8 million.

Revenue exceeded budget by \$10.5 million, largely due to the receipt of higher than anticipated (\$16.1 million) developer contributions, including roads, footpaths, drains, bridges, land, and land under roads. In addition, increases to interest rates as set by the Reserve Bank of Australia during the year increased Council's return on investments by approximately \$4.0 million. The early receipt of the 2023-24 Victorian Local Government Grant Commission payment provided a further favourable result of \$4.3 million against budget. These favourable variances were partly offset by a reduction in capital grants (\$15.0 million) as recognition of budgeted grants were rephased to align with updated project delivery timelines.

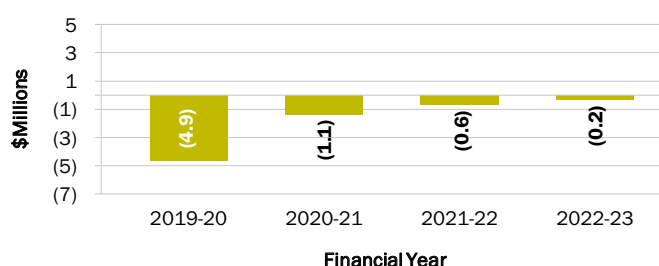
Operating expenditure was \$0.5 million higher than budget. This was mainly due to increased employee costs resulting from newly appointed positions and increased casual staff and overtime. The unbudgeted net loss on disposal of infrastructure assets of \$1.5 million was offset by a reduction in depreciation expense of \$1.5 million in line with updated road project timelines and updated useful lives and depreciation rates following an external revaluation completed on buildings during the year.

**Figure 1. Operating result \$ million**



The 2022–23 adjusted underlying result is a deficit of \$0.2 million, which is an improvement on the 2021–22 result of a \$0.6 million deficit. Council's adjusted underlying result adjusts the operating performance by removing the impact of non-recurring capital-related income used to fund the development of Council assets (see Figure 2). This improvement is largely attributable to the increased interest revenue resulting from a higher interest rate return achieved in 2022-23 compared to 2021-22.

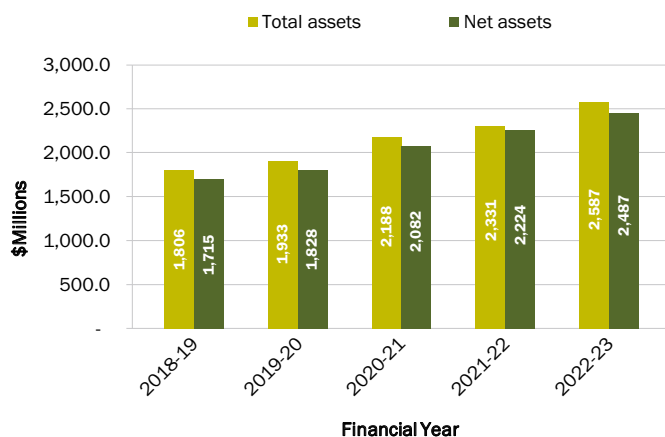
**Figure 2. Adjusted underlying result \$**



## 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 on 30 June 2023 totalled \$2.5 billion; an increase of \$263.2 million from 30 June 2022. This increase is mainly due to the increased value of property, infrastructure, plant and equipment assets following the addition of new and contributed assets of \$101.1 million and the revaluation of existing assets at \$172.3 million.

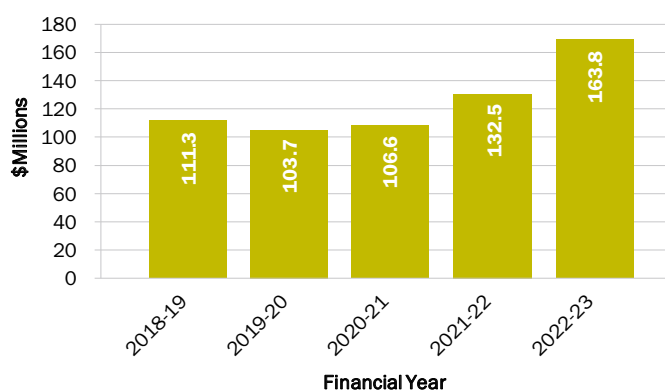
**Figure 3. Assets \$ million**



## Cash Position

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 2023 was \$25.8 million, a \$4.8 million increase from 2021-22. Long-term investments as at 30 June 2023 was \$138.0 million, an increase of \$26.5 million from the previous year. This results in total cash and investments of \$163.8 million, an overall increase of \$31.3 million (see Figure 4). The annual increase in cash and cash equivalents is largely due to an increased value of grants received in advance of associated works. These grants will be utilised as works are completed in the coming years.

**Figure 4. Cash and investments \$ million**

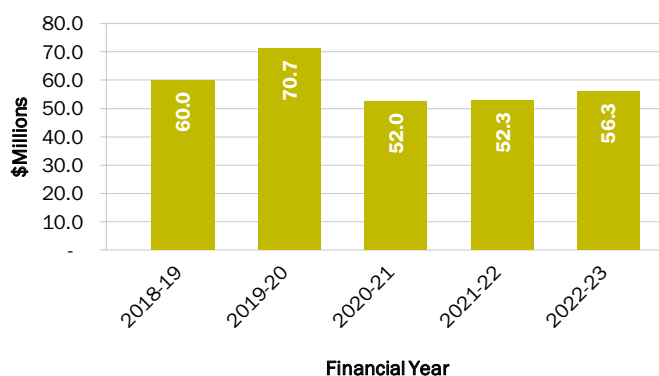


## Statement of Capital Works

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

Council spent \$56.3 million on capital works during 2022-23, which was a \$4.0 million increase from 2021-22 (see Figure 5). Over \$25 million of this was spent on road works including but not limited to works at Bayview Road intersection, Tivendale Road Intersection, and McGregor Road. Buildings across Cardinia had over \$10 million of works completed, which included works at Brunt Road Integrated Children Facility, Timbertop Children's Facility and Cardinia Youth Facility.

**Figure 5. Capital works program \$ million**



## Grant funding

During 2022-23, Council recognised a total of \$42.9 million in Commonwealth and Victorian State Government funding. This includes \$18.8 million in financial assistance grants, \$2.1 million to support Maternal and Child Health services and \$15.5 million for investment in local infrastructure. Total grants recognised has reduced by \$0.8 million compared to the previous year.

The full amount of grants recognised during the year is reported within Note 3.4 of the Financial Statements.

A broad range of services and activities are provided by Cardinia Shire Council each year. These include everything from family and children's services, to maintaining good community infrastructure, such as parks, reserves, open spaces, youth facilities and waste management. Other areas of responsibility include business development, ensuring accountability for Council's Budget and planning for new developments.

Our initiatives are always diverse and contribute to achieving Cardinia Shire Council's vision as outlined in the Council Plan. You can refer to the 'Our Performance' section on page 59 of this report for further information.

### Economic factors

A few budgeted priorities encountered high construction costs during the planning and delivery of the Capital Works Program. These were due to uncontrollable market conditions, while COVID-19 restrictions played a further part, impacting site operations and resulting in delays. Some projects were further delayed due to the necessary reprioritisation of projects to ensure financial sustainability and meet expectations within the wider community.

### Major achievements

Council continued to implement its short and long-term strategies through its Capital Works Program, including one-year, 5-year and 10-year plans aligned to the Council Plan's actions and budgets. As a result, the goal of financial sustainability was supported, and framework was provided to help monitor Council's financial performance while delivering projects.

### Major changes

Cardinia Shire Council's 5-year forward planning and delivery of the Capital Works Program was reviewed and updated to best match Council's ability to deliver the program successfully.

### Major capital works

Cardinia Shire Council undertakes capital works to provide new community assets and improve existing assets. We have developed and delivered many projects throughout the 2022-23 financial year to improve community infrastructure. They will enable Council to deliver better services, amenities, improved access, and quality facilities to the wider community. The following tables outline these projects.





### Better Local Roads Program – *Princes Highway intersection project*

<b>Description</b>	Several priority intersections along the Princes Highway will be upgraded over the next 3 years as part of our Better Local Roads Program. The Princes Highway intersection project will provide safer travel for road users while reducing congestion and catering to future increases in traffic.
<b>Update</b>	Bayview Road and Princes Highway intersection in Officer, and Tivendale Road-Station Street and Princes Highway intersection in Officer are well underway with completion expected late 2023 and early 2024 respectively. Other Princes Highway intersections being considered for upgrade include: Brunt Road/Whiteside Road in Beaconsfield McMullen Road in Officer; Arena Parade in Officer; and Thewlis Road in Pakenham.  The Princes Highway intersections at Beaconsfield – O'Neil Road intersection and Glismann Road/Beaconsfield Avenue intersection – have been completed.
<b>Start</b>	2020
<b>End</b>	2024
<b>Cost</b>	\$36 million funded by Council (\$18.3 million) and the Australian Government's Urban Congestion Fund (\$17.8 million).

### Better Local Roads Program – *Sealing the Hills project*

<b>Description</b>	The Sealing the Hills project will involve sealing 38 roads in the Dandenong Ranges and surrounds over the next 3 years.
<b>Update</b>	Works have been completed on Armstrong Road (Beaconsfield), Station Road, Anzac Street, and Heroes Road (Gembrook), and Beenak East Road (Gembrook) with work nearing completion on Innes Road (Gembrook). Works are underway on Baker Street-Glen Road package (Cockatoo), Caroline Avenue package (Cockatoo) and Russell-Blackwood package (Gembrook). Six road packages are due to commence by end of 2023 or early 2024.
<b>Start</b>	2021
<b>End</b>	2025
<b>Cost</b>	\$48 million, 85% of which is funded by \$41 million in Australian Government funding and the remaining 15% co-funded by Council and landowners via a special charge scheme.

### Better Local Roads Program – *Strategic sealed roads project*

<b>Description</b>	The Strategic sealed roads project will involve sealing 40 kms of unsealed roads in 7 locations across the shire to improve connections to the existing road network and safety. The Strategic sealed roads project is part of our Better Local Roads Program.
<b>Update</b>	This year has seen the delivery of LL and Armytage roads in Officer, and McGregor, Soldiers and Hobson roads in Rythdale. A construction contract has been awarded for Dore Road, Nar Nar Goon. Detailed designs are completed for Mt Lyall Road, with works due to commence later in 2023. Boundary Drain Road (Station Street to Denhams Road) and Main Drain Road (Denhams Road to Ballarto Road), Koo Wee Rup are complete.
<b>Start</b>	2019
<b>End</b>	2025
<b>Cost</b>	\$25 million



### Bunyip Soccer Field Redevelopment, Bunyip

<b>Description</b>	The Bunyip soccer field has received a full reconstruction including an overlaid cricket field, new LED 100 lux lighting, perimeter fencing and supporting infrastructure to connect the field with the pavilion. The work will now accommodate both junior and senior requirements.
<b>Update</b>	The soccer field works have been completed, with the field currently under maintenance while the new grass establishes. It is due to be handed over to the club in January 2024. Pavilion interface works are complete. Lighting towers have been erected, with final electrical works underway.
<b>Start</b>	September 2022
<b>End</b>	August 2023
<b>Cost</b>	\$1.55 million

### Nar Nar Goon Recreation Reserve – oval redevelopment, Nar Nar Goon

<b>Description</b>	Redevelopment of the existing oval surface including improved drainage capacity.  Works included a new playing surface, full subsurface drainage, upgrade of surrounding pipework and retaining of existing irrigation.
<b>Update</b>	The oval works have been completed and the ground was handed over to the club for use in time for the 2023 football season.
<b>Start</b>	November 2022
<b>End</b>	June 2023
<b>Cost</b>	\$1.015 million

### Cockatoo southern tennis court redevelopment, Cockatoo

<b>Description</b>	Removal of existing 2 tennis courts and construction of 2 new courts, LED lighting, perimeter fencing, drainage, connecting pathways and other infrastructure.
<b>Update</b>	The new courts and surrounding infrastructure have been completed and handed over to the tennis club.
<b>Start</b>	November 2022
<b>End</b>	June 2023
<b>Cost</b>	\$600,000

### IYU athletics track, Pakenham

<b>Description</b>	Construction of a new athletics track & field facility including 10-lane synthetic track, 100-metre grass track and grass infield with irrigation.
<b>Update</b>	The athletics track has been completed; the grass infield is in an establishment period. The track is due to open to the public for use in late 2023.
<b>Start</b>	January 2022
<b>End</b>	October 2023
<b>Cost</b>	\$3.5 million



## Cardinia Youth Hub, Pakenham

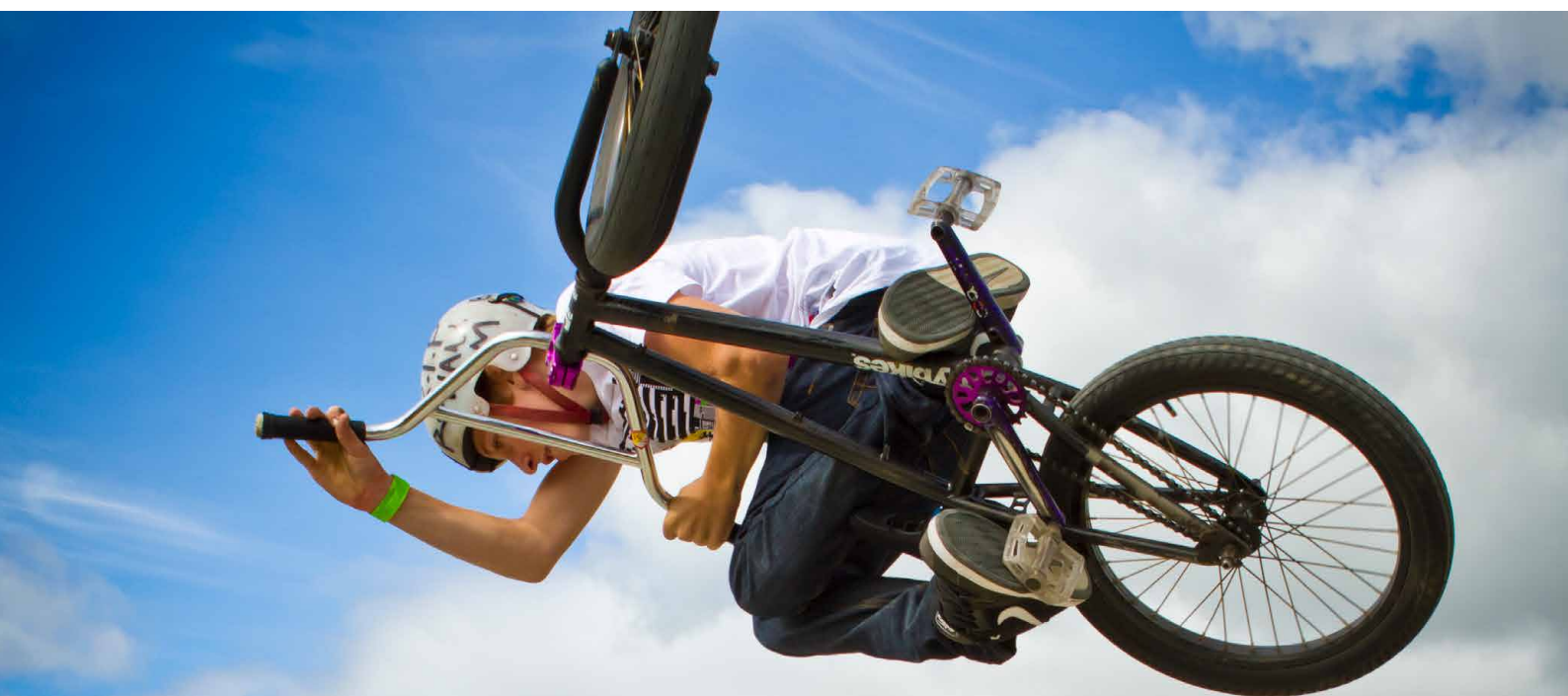
<b>Description</b>	The My Place youth centre is being moved to James Street, Pakenham. The new centre will be called 'Cardinia Youth Hub'. The 3-level, new building will have counselling rooms, a hangout space, internet cafe with 8 computers and access to free Wi-Fi, recording booth, classrooms, and a rooftop recreation space with a basketball hoop.
<b>Update</b>	The project contractor is continuing site construction. There have been delays due to adverse weather conditions and construction implications. Project completion is expected in early 2024.
<b>Start</b>	March 2022
<b>End</b>	2024
<b>Cost</b>	\$6.3 million

## Playground renewal program

<b>Description</b>	<b>The Playground Renewal Program is an annual capital works program aimed at renewing and upgrading Council's existing playgrounds across the Shire. Council undertakes community engagement,</b> design and the delivery of play spaces that cater for children of all ages. Three play spaces were renewed during the 2022-23 financial year including Creekwood Reserve (Pakenham), Parman Avenue Reserve (Pakenham) and The Parkway (Pakenham). Creekwood Reserve play space received a \$90,000 funding contribution from the Victorian Government, and Parman Avenue play space received a \$62,278 funding contribution from the Australian Government.  These play spaces were delivered on time and on budget.
<b>Update</b>	Construction of the play spaces is now complete.
<b>Start</b>	July 2022
<b>End</b>	June 2023
<b>Cost</b>	\$497,150

## Upper Beaconsfield Reserve BMX Track upgrade

<b>Description</b>	As part of Council's BMX renewal program, the Upper Beaconsfield BMX track was renewed with improved features. Following two rounds of community engagement, the project has delivered a bike track that meets the needs of the local community and visitors to the Reserve. The track upgrade was completed using a design developed via consultation with the community. The upgraded track opened for use in December 2022.
<b>Update</b>	Construction completed
<b>Start</b>	July 2022
<b>End</b>	December 2022
<b>Cost</b>	\$125,000





## Road pavement renewal program

<b>Description</b>	The 2022-23 road pavement renewal and rehabilitation program involves the complete restoration of a number of roads across the shire.
<b>Update</b>	Reconstruction works associated with the deterioration of pavements were completed along Toomuc Valley Road (Pakenham), Heads Road (Yannathan) and Tynong-Bayles Road (Cora Lynn). Works included the removal and/or stabilisation of existing pavement and an improved pavement make-up. All 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.
<b>Start</b>	July 2022
<b>End</b>	June 2023
<b>Cost</b>	\$2.3 million funded by Council (\$500,000) and Australian Government's Roads to Recovery program (\$1.7m)

## Timbertop Integrated Children and Family Centre

<b>Description</b>	Construction of the Kurmboon Integrated Children and Family Centre (Timbertop, Officer), including a kindergarten, 3 consulting rooms for professionals such as maternal and child health, a community room, staff room, amenities and associated equipment, furniture, outdoor play areas and car parking.
<b>Update</b>	Construction is complete and the centre is operational.
<b>Start</b>	Design: August 2019 Construction: March 2021
<b>End</b>	June 2023
<b>Cost</b>	\$5.3 million





# Our Council





### Location

An area of 1,280km<sup>2</sup> is known as Cardinia Shire, located 55 kilometres south-east of Melbourne's central business district. As one of 10 'Interface Councils' on the outskirts of metropolitan Melbourne, Cardinia is where urban and rural areas meet.

Key road and rail links between Melbourne and West Gippsland operate via the Princes Highway and Gippsland railway corridor that run east-west through the centre of Cardinia Shire. The western end of this corridor comprises about 10% of Cardinia Shire's land area. It is also the main area of growth, encompassing Beaconsfield, Officer and Pakenham.

The municipality's large rural population resides outside of this growth area in 27 townships, providing unique service provision challenges for Council at times. The northern part of the shire is in the foothills of the Dandenong Ranges, which includes Bunyip State Park and Cardinia Reservoir. The southern part of Cardinia Shire plays home to the Koo Wee Rup swamp and Western Port Bay.

### History

Places of both local and state significance are included in the shire's diverse blend of natural and cultural sites. These heritage spots reflect the Cardinia Shire's evolving periods and the people who have shaped them including Aboriginal Australians – the first people to use the rugged landscape – as well as loggers and gold miners of the foothills who helped to drain the former Koo Wee Rup Swamp and the pastoral settlement. The municipality continues to evolve as new developments and residents move into the area each week.

Four main development periods have formed Cardinia Shire, and they are:

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

Local governing bodies were established in 1862 after the Berwick District Roads Board launched, followed by the establishment of the Shire of Berwick in 1868. This year

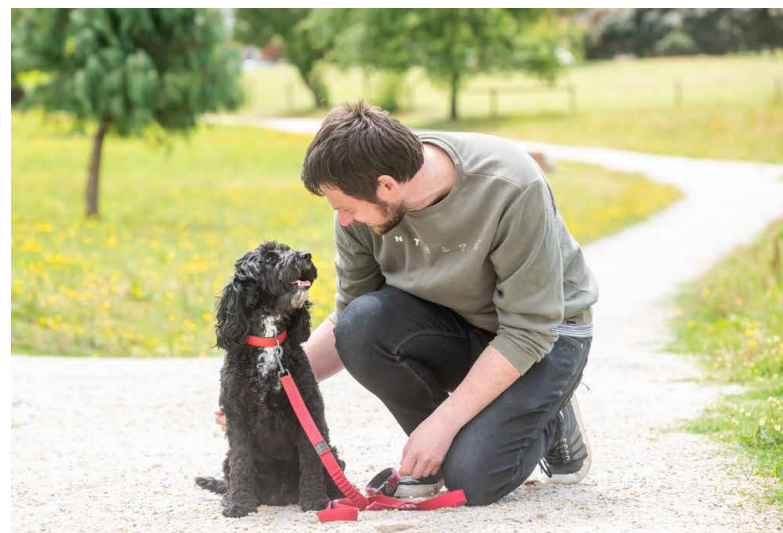
marked the 155th anniversary of the Shire of Berwick, which evolved into the Shire of Pakenham and then Cardinia Shire.

### Population

Cardinia Shire is one of Victoria's fastest-growing local government areas.

- An average of 3 new households move into the Shire every day.
- The estimated population is 129,896 as of 2023.
- Cardinia Shire's population is predicted to rise by approximately 42,361 over the next 10 years until 2033, and 52,937 over the next 18 years until 2041 with a projection of total population to then be approximately 182,833.
- The median age of residents is 34, which is 3 years younger than that of Greater Melbourne.
- The largest percentage of Cardinia Shire's population are parents and homebuilders aged 35-49 (21%), followed by young people aged 12-24 (17%), and finally the young workforce aged 25-34 (16%).
- Cardinia Shire has a higher proportion of young children aged 14 years and under (23%) compared with Greater Melbourne (18%) and a lower proportion of people aged 60+ (17%) than Greater Melbourne (20%).

The Victorian Government nominated the combined Casey-Cardinia area as one of five regions around the fringe of metropolitan Melbourne where new housing and population growth will be concentrated. In light of this, dramatic population growth within Cardinia Shire is expected over the next 20 years.





**Table 1: Estimated 2023 population and projected 2033 and 2041 population by service age group**

	2023		2033		2041		Change: 2023 to 2041
Age group (years)	Number	%	Number	%	Number	%	Number (% change)
Babies and preschoolers (0 to 4)	10,476	8.1%	13,841	8.0%	13,354	7.3%	2,878 (+27.5%)
Primary schoolers (5 to 11)	15,928	12.3%	21,263	12.3%	21,289	11.6%	5,362 (+33.7%)
Secondary schoolers (12 to 17)	10,330	8.0%	13,038	7.6%	14,234	7.8%	3,904 (+37.8%)
Tertiary education and independence (18 to 24)	11,054	8.5%	14,394	8.4%	15,031	8.2%	3,977 (+36.0%)
Young workforce (25 to 34)	20,656	15.9%	25,760	15.0%	25,454	13.9%	4,798 (+23.2%)
Parents and homebuilders (35 to 49)	27,299	21.0%	35,912	20.8%	36,635	20.0%	9,337 (+34.2%)
Older workers and pre-retirees (50 to 59)	13,959	10.7%	17,624	10.2%	20,268	11.1%	6,309 (+45.2%)
Empty nesters and retirees (60 to 69)	10,837	8.3%	14,795	8.6%	16,391	9.0%	5,555 (+51.3%)
Seniors (70 to 84)	9,652	7.4%	15,409	8.9%	18,962	10.4%	9,310 (+96.5%)
Elderly aged (85 and over)	1,743	1.3%	3,038	1.8%	3,923	2.1%	2,180 (+25.0%)
<b>Total people</b>	<b>129,896</b>	<b>100.0</b>	<b>172,257</b>	<b>100.0</b>	<b>182,833</b>	<b>100.0</b>	<b>52,937 (+40.8%)</b>

Percentage figures and totals may not equate exactly due to rounding. Current forecasts extend to 2041.

Cardinia Shire has a higher proportion of young families than the Greater Melbourne average. In contrast, the proportion within the 60+ age group is lower than the Melbourne average. It's important to note this pattern is typical of growth areas located on the fringe of large cities as young couples often relocate from rental accommodation in inner suburbs as they hunt down more affordable housing and larger dwellings in outer suburbs.

An estimated 22,232 residents aged 60 and over continue to reside in the shire and this figure represents 17% of Cardinia's total population. This figure is also predicted to increase to approximately 39,276 over the next 18 years until 2041. With this increase will come a greater demand for community and aged services, health services, local infrastructure upgrades and public transport.

The 2021 Census found that 28.5% of Cardinia Shire's population identified as being of a Christian faith, with Catholic the most dominant denomination chosen by residents. A growing number of residents (44%) indicated they had no religion, which is a higher proportion

compared with Greater Melbourne (37%). The figure is also a 7.3% increase from the 2016 Census.

Only a small proportion of culturally and linguistically diverse (CALD) communities reside within Cardinia Shire, which is in line with current population growth, and this number is increasing. In the 2021 Census, residents who speak a language other than English represented 20% of the Cardinia Shire population, a significant increase from 11% reported in 2016.

The most common birth countries of non-Australian born residents are India, England, Sri Lanka, New Zealand, and the Philippines.

Cardinia Shire has an Aboriginal and Torres Strait Islander population of 1,145 residents representing 1% of the population and remaining in line with Victorian trends. This figure has risen from 780 in 2016.

## Households and housing

As of the 2021 Census, there were approximately 41,834 households in Cardinia Shire.

- Around 39% of households comprise couples with children, a figure greater than the Melbourne average of 33%.
- Other households are comprised of couples without children (approximately 26%), one-parent families (11%) and single residents (19%).
- Of Cardinia Shire households, 22% own their home, 48% have a mortgage, and 22% rent. The proportion of households with a mortgage is higher than the metropolitan Melbourne average of 36%.

## Education

Cardinia Shire residents are generally attaining lower levels of education and training than other areas in metropolitan Melbourne. The 2021 Census found that 52% of residents had completed Year 12 or equivalent, in comparison to the metropolitan Melbourne average of 64%.

At present, the lack of a university campus and limited TAFE courses available within Cardinia Shire puts a ceiling on the availability of post-secondary education opportunities locally for residents.

## Industry and economy

The 2021 Census results found that 18,840 residents were employed in jobs within Cardinia Shire, while more than half of the working population travelled outside the area to work (62%).

- 95% of those able to work are employed and 4.3% of the population is unemployed, a figure that is slightly lower than metropolitan Melbourne (5.3%).
- Of those employed, 61% work full time and 32% work part time.
- Construction (14%), health care and social assistance (13%), retail (10%), and manufacturing (9%) are the top four industries of employment among Cardinia Shire residents.
- The most dominant occupations within Cardinia Shire are technicians and trade workers (17%).

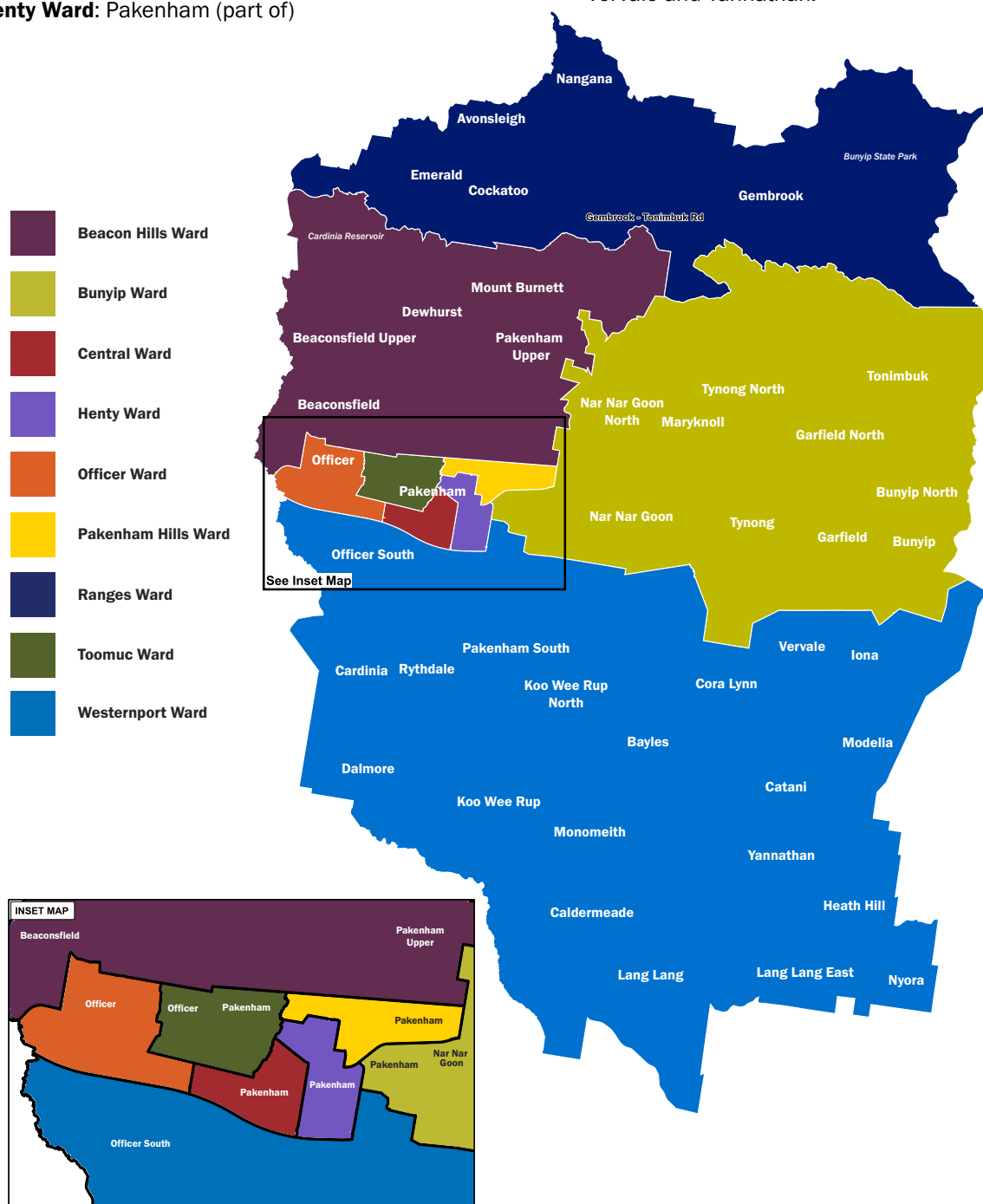
The 2021 Census also indicated that the average median weekly incomes are higher in Cardinia Shire than wider Victoria (see Income and Work in Cardinia – 2021, all persons, QuickStats).



## 2020–24 Council term

For the election held on 24 October 2020, the shire was subdivided into 9 single-member wards (each represented by 1 councillor).

- **Beacon Hills Ward:** Beaconsfield (part of), Beaconsfield Upper, Dewhurst, Guys Hill, Mount Burnett and Pakenham Upper
- **Bunyip Ward:** Bunyip, Bunyip North, Garfield, Garfield North, Nar Nar Goon, Nar Nar Goon North, Pakenham (part of), Tynong and Tynong North
- **Central Ward:** Pakenham (part of)
- **Henty Ward:** Pakenham (part of)
- **Officer Ward:** Beaconsfield (part of) and Officer (part of)
- **Pakenham Hills Ward:** Pakenham (part of)
- **Ranges Ward:** Avonsleigh, Clematis, Cockatoo, Emerald, Gembrook, Menzies Creek and Nangana
- **Toomuc Ward:** Officer (part of) and Pakenham (part of)
- **Westernport Ward:** Bayles, Caldermeade, Cardinia, Catani, Cora Lynn, Dalmore, Heath Hill, Iona, Koo Wee Rup, Koo Wee Rup North, Lang Lang, Lang Lang East, Longwarry, Maryknoll, Modella, Monomeith, Nyora (part of), Officer South, Pakenham South, Rythdale, Tooradin, Vervale and Yannathan.





## Councillors

Nine councillors were elected in October 2020 to serve for a 4-year period until October 2024.

### Beacon Hills Ward



**Cr Brett Owen**

First elected 2005  
Mayor 2012–13  
Deputy Mayor 2013–14  
Mayor 2016–17  
Deputy Mayor 2017–18  
Mayor 2020–21

### Pakenham Hills Ward



**Cr Jack Kowarzik**

First elected 2020  
Deputy Mayor 2022–23

### Bunyip Ward



**Cr Graeme Moore**

First elected 2011  
Mayor 2013–14  
Deputy Mayor 2014–15  
Mayor 2018–19  
Deputy Mayor 2019–20

### Ranges Ward



**Cr Jeff Springfield**

First elected 2016  
Mayor 2019–20  
Deputy Mayor 2020–21  
Mayor 2021–22

### Central Ward



**Cr Collin Ross**

First elected 2008  
Mayor 2017–18  
Deputy Mayor 2018–19

### Toomuc Ward



**Cr Stephanie Davies**

First elected 2020

### Henty Ward



**Cr Carol Ryan**

First elected 2016

### Westernport Ward



**Cr Kaye Cameron**

First elected 2021

### Officer Ward



**Cr Tammy Radford**

First elected 2020  
Deputy Mayor 2021–22  
Mayor 2022–23

### 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](mailto:mail@cardinia.vic.gov.au)

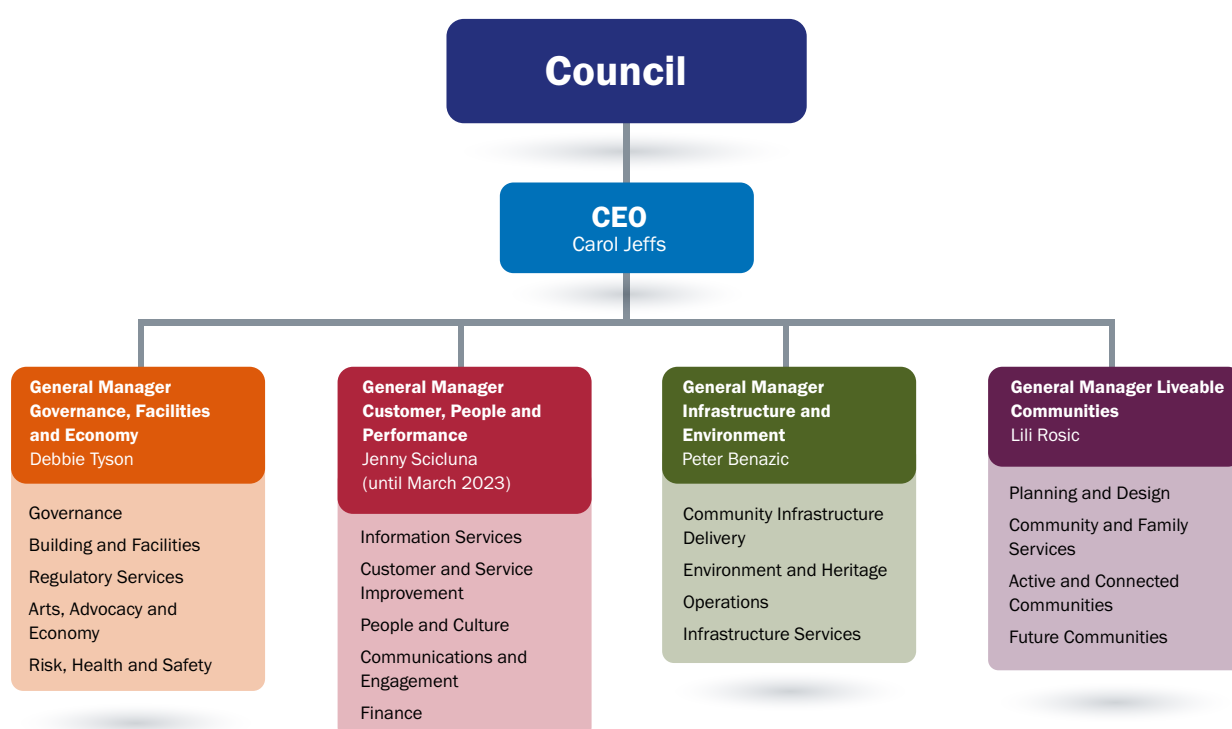
Web: [www.cardinia.vic.gov.au](http://www.cardinia.vic.gov.au)

# Our people



Cardinia Shire Council is the governing body that appoints the Chief Executive Officer (CEO) to be responsible for the organisation's day-to-day operations in accordance with the strategic directions of the Council Plan. Our Senior Leadership Team consists of the CEO and 4 General Managers who lead the organisation.

Below is the Cardinia Shire Council organisation structure in 2022-23.





## Meet our Senior Leadership Team

### **Carol Jeffs** **Chief Executive Officer**

Carol was appointed Chief Executive Officer of Cardinia Shire Council in October 2018. She has almost 20 years' experience as a senior local government executive and has led planning, corporate services, economic development, and community services at both regional and inner metropolitan councils.

She held the 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 has extensive experience in local government management and leadership, and a demonstrated commitment to community engagement and participation.

She is passionate about making a difference by working closely with the local community, Councillors, and employees to continue delivering high-quality services and infrastructure across the shire.

Advocating for the needs of Cardinia Shire is another key priority. Carol is committed to engaging with residents, community groups, farmers, businesses and landowners to work towards shared goals for the benefit of the community.

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.



### **Jenny Scicluna** **General Manager** **Customer, People** **and Performance** **(until March 2023)**

Jenny has more than 20 years' experience in the local government sector, leading a broad range of high-performing teams.

A dedicated leader who is well known for her high level of influencing, organisational and interpersonal leadership skills, Jenny consistently builds positive teams and cultures and is committed to supporting staff to reach their full potential.

Prior to her appointment as General Manager Customer, People and Performance, Jenny served 4 years as Cardinia Shire Council's General Manager Community Wellbeing and 6 months as Acting General Manager Corporate Services. She has also led a broad range of community services at Maroondah and Banyule City councils.

Jenny is committed to people leadership and building a positive, customer-focused culture of service to others. Interacting with and relating to people is what she enjoys most about her role, along with building positive and strong teams and supporting staff to do their best.

Jenny holds a Master of Human Resources Management, Diploma and Bachelor of Education, and Diploma of Frontline Management.

#### **Business unit areas**

- Information services
- Customer and Service Improvement
- People and Culture
- Communications and Engagement
- Finance



### **Peter Benazic** **General Manager** **Infrastructure** **and Environment**

Peter is a dedicated leader who is recognised for his relentless pursuit of excellence, people leadership skills and customer focus.

Peter has over 20 years' experience in local government leadership roles across operations, maintenance, parks,



waste, and project management. He also has experience in the private, community and not-for-profit sectors.

Peter's focus at Cardinia Shire Council includes the delivery of new infrastructure and major capital works programs, the shire's heritage, natural environment, energy and climate change, and the continued maintenance of the shire's roads, drainage, parks and gardens. Maintaining and renewing existing assets is another key priority to ensure long-term sustainability, and that the municipality's services and infrastructure continue to meet the needs of the growing community.

Peter's wealth of experience in local government has included senior roles at Port Phillip, Banyule and Maribyrnong City councils. As Cardinia Shire Council's General Manager Infrastructure and Environment, Peter is committed to building a customer-focussed culture and achieving positive outcomes for the community.

Peter holds 3 tertiary qualifications, including a Double Master of Management, Master of Administrative Management and Master of Business Administration (MBA), as well as a Graduate Certificate in Project Management.

#### **Business unit areas**

- Community Infrastructure Delivery
- Environment and Heritage
- Operations
- Infrastructure Services
- Major Projects



#### **Debbie Tyson** **General Manager Governance,** **Facilities and Economy**

Debbie is a skilled and accomplished local government manager with 19 years' experience in leading skilled teams across a range of portfolios.

Politically astute, Debbie is a results-oriented leader with a proven ability in policy development, project management and building cross-government relationships to deliver on strategic outcomes.

Prior to her appointment as Cardinia Shire Council's General Manager Governance, Facilities and Economy, Debbie was the Executive Manager of the CEO Office for 6 months, Manager Community and Family Services for one year and Manager Development and Compliance Services for 4 years.

She has also held a number of leadership roles in the statutory planning field at South Gippsland and Baw Baw Shire councils and was the Manager Statutory Planning, Building and Environment Sustainability at Latrobe City Council for 3 years.

Debbie has a Graduate Diploma in Planning & Environment from RMIT University and is a graduate of the LGPro Emerging Leaders Program, Gippsland Community Leadership Program and LGPro Executive Managers Program.

#### **Business unit areas**

- Governance
- Building and Facilities
- Regulatory Services
- Arts, Advocacy and Economy
- Risk, Health and Safety



#### **Lili Rosic** **General Manager** **Liveable Communities**

Lili joined Cardinia Shire Council in August 2021, bringing more than 20 years of leadership experience in diverse portfolios including Transport, City Amenity, Sustainable Development, Safety, and a range of Community Services.

As an accomplished senior executive, Lili has a proven track record in engaging and partnering with key stakeholders to solve complex problems and transition ideas into reality.

As a former manager of family and children's/youth services for Glein Eira, Bayside and Kingston City councils, Lili is passionate about enhancing liveability and wellbeing, alongside future planning.

In her role as General Manager Liveable Cities, Lili values building trust and a positive, unified culture. She takes a strategic approach to delivering and inspiring high achievement in her teams by being a values-driven, supportive and collaborative leader.

Lili holds formal qualifications in Health and Community Nursing, midwifery, a Master of Business Administration from Monash University, and is a Graduate of the Australian Institute of Company Directors.

#### **Business unit areas**

- Planning and Design
- Community and Family Services
- Active and Connected Communities
- Future Communities

## Employee overview

This financial year, Council has continued to create improved efficiencies and effectiveness in the way it works, both with employees and as an organisation. Council met its strategic goals and also improved its financial sustainability.

Whilst transitioning out of the effects of the COVID-19 pandemic and lockdowns into a 'new normal', it was more important than ever for Cardinia Shire Council to enhance wellbeing and connection among employees.

With a focus on wellbeing, Council has created many new resources and opportunities for employees to strengthen their personal wellbeing, including partnering with Converge International and various other external organisations to deliver a series of seminars. These seminars were very well attended and included topics such as Nutrition for Life, Work-Life Integration, Dealing with Uncertainty, and Engaging Emotional Intelligence.

Creating a workplace where employees feel safe, confident and are able to thrive is a priority for Cardinia Shire Council.

## Organisational culture

Working together, doing things differently and preparing for the future are the three cornerstones of Cardinia Shire's culture, helping Council to deliver on strategy. It's not just what employees do, but how they do it that's important.

Cardinia Shire Council culture is embedded throughout the organisation's varied processes, procedures, leadership and day-to-day employee experiences. Council's employees have these values at the heart of everything they do.

## Inspired leadership

Employee development was centred on three core pillars during the reporting period: leadership, values and innovation. Council is committed to fostering a cohesive, flexible and motivated workforce that delivers outstanding outcomes for the greater community.

The COVID-19 pandemic pushed Council to review the way in which training and development was conducted within the organisation, so the existing Leadership Fundamentals Program and Everyday Leadership Program were put under the microscope.

As a result, a new leadership program, delivered virtually and titled 'Leading People for Connection, Wellbeing and Performance', focused on leading in a new environment.

Centred around workplace culture, the program strives to help employees stay connected and supported as Cardinia Shire Council continues to achieve its targets.

## Employee engagement

In October 2021, we undertook the OurVoice@Cardinia employee engagement survey, which found the majority of employees feel a true sense of job satisfaction working at Cardinia Shire Council, and employees feel that they achieve a good work-life balance.

The results from the survey were communicated across the organisation at all levels and the data used to initiate vital conversations about employee culture at Cardinia Shire Council. The results informed action planning to ensure Council continues to be a wonderful place to work.

The next OurVoice@Cardinia employee engagement survey is due to be undertaken at the beginning of the 2023-24 Financial Year.

## Wellbeing

The Wellbeing Framework informed Cardinia Shire Council's focus over the past year, with five key elements leading this work: physical, emotional, intellectual, social and financial wellbeing. Resources, tools, events and support services were provided to employees, aligning to those specific five areas. Council remains committed to its people now and into the future.

## Continuing to learn

A range of learning and development programs are on offer to all employees from Council, as aligned to the Leadership Capability Framework and Council's organisational needs.

These programs include:

- the Cardinia Leadership Academy, in partnership with DeakinCo., where staff are able to undertake professional development to become stronger leaders.
- a range of LGPro offerings, staff coaching and mentoring.
- support to undertake formal education – from certificate level courses to postgraduate qualifications – as part of Council's Education Support Program.
- the delivery of Council's 18-month traineeship program, which offers youth placement opportunities for trainees to experience working in various business units across Council.



## Staffing information at 30 June 2023

- 63.03% of Council employees were female, including casuals
- 36.97% of Council employees were male, including casuals
- 0% of Council employees were non-binary/intersex/unspecified, including casuals
- 48.86% of full-time positions were held by women
- 15.32% of part time positions were held by men
- 34.63% of Council staff worked part-time

**Table 2. Staffing numbers**

Classification	Males	Females	Indeterminate/ intersex/unspecified	TOTAL
Full time	188	172	0	352
Part time	34	188	0	222
Casual	23	44	0	67
<b>Total</b>	<b>237</b>	<b>404</b>	<b>0</b>	<b>641</b>

**Table 3. Detailed staff breakdown**

Employee type/ gender	CEO	Customer, People and Performance	Infrastructure and Environment	Liveable Communities	Governance, Facilities and Economy	TOTALS
Full time female	1	41	28	67	35	172
Full time male		24	114	15	27	180
Part time female		32	15	76	65	188
Part time male		4	3	6	21	34
Casual female		1	0	12	31	44
Casual male		1	1	4	17	23
Casual indeterminate/ intersex/ unspecified		0	0	0	0	0
<b>Totals</b>	<b>1</b>	<b>103</b>	<b>161</b>	<b>180</b>	<b>196</b>	<b>641</b>

**Table 4. Staff demographics by age**

Age	Percentage
15-19	0.63
20-24	4.37
25-34	18.25
35-44	28.71
45-54	21.37
55-64	20.12
65 and over	6.55

**Table 5. Staff by employment classification and gender**

Employment classification	Female FTE	Male FTE	Indeterminate/ intersex/ unspecified FTE	Total FTE
Band 1	7.65	3	0	10.65
Band 2	0	0	0	0
Band 3	1	42	0	43
Band 4	39.23	20.86	0	60.09
Band 5	74.4	31.60	0	106
Band 6	62.97	39.21	0	102.18
Band 7	24.56	24.53	0	49.09
Band 8	26.49	17	0	43.49
Band not applicable	35.61	13.64	0	49.25
<b>Totals</b>	<b>237.74</b>	<b>191.84</b>	<b>0</b>	<b>463.75</b>

**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 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, including equal opportunity, sexual harassment and bullying. Refresher training is coordinated for all staff every 2 years and Councillors also undertake this training.





# Governance, management and other information





Under the provisions of Section 8 of the Local Government Act 2020, the role of council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

Council's key roles include:

- considering diverse community needs when making decisions.
- managing strategic objectives and monitoring achievements.
- being held accountable for management of resources.
- advocating on behalf of the local community.
- nurturing community cohesion and encouraging active participation.

On an ongoing basis, the community is invited to provide input into Council's decision-making via consultation, public forums, and submissions to Special Committees of Council. A formal decision-making process takes place during Council meetings.

### Council meetings

Council meets on the third Monday of every month and the Town Planning Committee meets on the first Monday.

These meetings are conducted in the Council Chamber commencing at 7pm; any members of the public are welcome to attend. The meetings are also streamed live for any interested residents to view.

### Committees

As at 30 June 2023, Council's committees were as follows:

#### Audit Committee

- Council members: Cr Jack Kowarzik and Cr Stephanie Davies
- independent members: Michael Said (Chairperson), Vincent Philpott and Leanna La Combre

#### Town Planning Committee

- consisting of the whole of Council

### Code of conduct

As required by the Local Government Act 2020, Council reviewed the Code of Conduct and adopted a new Code of Conduct at the Council Meeting on 15 February 2021. This Code will be further considered before the Council Election in October 2024.

### Conflict of interest

Councillors are elected by community members to act in the best interests of their community. When a council delegates its powers to a council officer or a committee, the committee or officer also needs to act in the public interest. A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest.

Cardinia Shire Council has in place comprehensive details included in its Governance Rules regarding the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings at Cardinia Shire. Council maintains a register of all disclosed conflict of interests.



## 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 Policy which was amended and updated on 20 September 2021.

### Councillor allowances

Council received advice in March 2022 that the Victorian Independent Remuneration Tribunal had made a decision on the payment of Mayoral, Deputy Mayoral and Councillor allowances.

The determination saw an increase to Mayoral and Councillor allowances, to be phased in over 5 years and 3 years respectively.

Allowances from July 2022 were as follows:

- Mayor \$119,316
- Deputy Mayor \$59,658
- Councillors \$35,972

From 18 December 2022, the allowances increased to:

- Mayoral \$124,469
- Deputy Mayor \$62,235
- Councillors \$37,565

### Councillor expense entitlements

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

The Policy also provides that where the Mayor uses their private vehicle during their term of Office, they received a vehicle allowance of \$15,000 per annum.

### Councillor professional development

The policy supports Councillors to upgrade their skills during their term of office with an amount of \$3,000 per Councillor per annum, or \$12,000 over their 4-year term. Programs qualifying for expenditure include:

- seminars and conferences.
- undergraduate and postgraduate studies.
- short courses and study tours.

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

**Table 6a. Councillor expenses 2022-23**

Councillor	Travel expenses	General expenses (includes childcare)	Professional development
Graeme Moore	\$4835.34	\$0	\$0
Brett Owen	\$0	\$0	\$0
Stephanie Davies	\$0	\$0	\$0
Collin Ross	\$4962.34	\$0	\$1352.50
Carol Ryan	\$0	\$0	\$0
Jack Kowarzik	\$0	\$0	\$6328.90
Jeff Springfield	\$810.83	\$0	\$0
Tammy Radford	\$0	\$0	\$0
Kaye Cameron	\$463.33	\$0	\$50

**Table 6b. Councillor attendance at meetings 2022-23**

Councillor	Briefings (43 meetings)		Council meetings (11 meetings)		Town planning attended (8 meetings)	
	Attended	Apologised	Attended	Apologised	Attended	Apologised
Cr Brett Owen	42	1	10	1	8	0
Cr Carol Ryan	40	3	11	0	6	2
Cr Collin Ross	39	4	11	0	6	2
Cr Graeme Moore	42	1	11	0	8	0
Cr Jack Kowarzik	43	0	11	0	8	0
Cr Jeff Springfield	40	3	11	0	7	1
Cr Kaye Cameron	41	2	11	0	8	0
Cr Stephanie Davies	28	15	11	0	4	4
Parental leave taken during this time						
Cr Tammy Radford	40	3	11	0	8	0



### Audit and Risk Committee

The role of the Audit and Risk Committee 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 and inclusive environment.

This Committee consists of 2 councillors and 3 independent members: Michael Said (Chairperson), Vincent Philpott and Leanna La Combre. Independent members are appointed for a 2-year term, with a maximum of 3 terms. The Chair is elected from the independent members.

The Committee meets regularly throughout the year. The Internal Auditor, Chief Finance Officer, Chief Executive Officer and Executive Manager Office of the CEO attend all Audit and Risk Committee meetings. Other management representatives attend to present reports as required, while external auditors attend twice per year. Recommendations from each Audit and Risk Committee meeting are subsequently reported to Council.

### Internal audit

This function provides independent and objective assurance that the appropriate processes are in place across Council. This area is jointly resourced by an Internal Auditor and an external provider.

A risk-based 3-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework; Council Plan; the impact of any change on operations, systems or the business environment; prior audit coverage and outcomes; as well as management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit and Risk Committee meeting to report on the status of the SIAP, provide an update on the implementation of audit

recommendations and present findings. The responsible general manager and manager for each area reviewed are required to attend the Audit and Risk Committee meeting to respond to any questions. All audit issues identified are risk rated. Recommendations are assigned to the responsible manager and tracked in Council's performance management system. Managers provide quarterly status updates reviewed by the Internal Auditor and reported to the Senior Leadership Team and the Audit and Risk Committee.

The SIAP for 2022–23 was completed with the following reviews conducted:

- Child Safe Standards
- Customer Requests
- Privacy Third-party Management
- Payroll (including data analytics)
- Cyber – Internal Vulnerability Assessment
- Cyber – M365 Health Check
- Project management – started in 2022-23 but will be finalised with management comments in 2023-24
- Maternal & Child Health – started in 2022-23 but will be finalised in 2023-24

### External audit

The Victorian Auditor-General is the external auditor for Council. For the 2022-23 financial year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. They attend the May and August Audit and Risk Committee meetings to present the Annual Audit Plan and Independent Audit Report. The external auditor's final management letter and responses are also provided to the Audit and Risk Committee.

## Risk management

Responsibility for risk is allocated to the appropriate managers through Council's Risk Management framework. It provides a comprehensive approach to better integrate risk management into strategic decision-making, while also allowing Council to develop an overall approach to managing risk, 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 it is current and reflective of the corporate risk profile.

## Business continuity

The Business Continuity Plan was updated in 2022-23 and assists Council in providing services to the community based on the service's criticality, should Council business be interrupted by an event. Council places much importance on minimising the impact on service delivery to the community in the event of a business interruption.

## Workplace safety

Council has maintained a strong focus on continuing its positive safety culture in 2022-23. Through structured education and awareness sessions with management and employees, safety has remained a priority. Council provides a proactive, early-intervention injury-management program to its workforce to assist in effectively managing workplace injuries and WorkCover claims.

## Business improvement – Quality Circles

Launched in February 2018, Quality Circles provides a space for employees to voice their ideas and utilise 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.

The program outcomes are extremely positive. Not only are process improvements identified and implemented, the program increases enthusiasm within the business improvement space. Communication both within and outside the Quality Circles groups increases as participants became more engaged and empowered to make improvements. The program provides an outlet for participant ideas and creativity. With increases in the participants' knowledge of problem-solving techniques and processes, it is invaluable to the organisation.



## Local Government Community Satisfaction Survey

As with the previous year, the 2023 Local Government Community Satisfaction Survey was completed in-person by door knock via an independent agency. Council uses the survey results to better understand the needs, wants and expectations of the community. This helps Council shape numerous strategic decisions, directions, and the delivery of services.

The following table shows Cardinia Shire Council's results for the core survey measures from the 2023 Survey and the previous 4 years.

Table 7. Snapshot of Council's performance

	2019	2020	2021	2022	2023	Trend *
<b>Overall performance</b>	61	57	61	68	66	↓
<b>Community consultation</b>	55	52	54	68	67	↓
<b>Advocacy</b>	53	48	49	66	66	↔
<b>Making community decisions</b>	54	51	55	65	64	↓
<b>Sealed local roads</b>	58	52	56	64	61	↓
<b>Customer service</b>	65	63	65	69	70	↑

\* A horizontal two-headed arrow (↔) indicates no statistically significant change from the result of previous year.





## Governance and management checklist

Item	Assessment	Yes /no	Date of operation (where applicable)	Reported date (where applicable)
<b>Community engagement policy</b> (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act	Yes	15/02/2021	
<b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	Yes	15/02/2021	
<b>Financial Plan</b> (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act	Yes	21/06/2021	
<b>Asset Plan</b> (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act	Yes	20/6/2022	
<b>Revenue and Rating Plan</b> (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act	Yes	21/06/2021	
<b>Annual budget</b> (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act	Yes	27/6/2022	
<b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	Yes	28/10/2020	
<b>Fraud policy</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	Yes	9/11/2022	

Item	Assessment	Yes/no	Date of operation (where applicable)	Reported date (where applicable)
<b>Municipal emergency management plan</b> (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i>	Yes	10/10/2022	
<b>Procurement policy</b> (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act	Yes	18/10/2021	
<b>Business continuity plan</b> (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	14/12/2019	
<b>Disaster recovery plan</b> (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	9/5/2022	
<b>Risk management framework</b> (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	Yes	28/10/2020	
<b>Audit and Risk Committee</b> (advisory committee of Council under section 53 of the Act whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide advice on risk management, and provide oversight on internal and external audit functions)	Established in accordance with section 53 of the Act	Yes	17/8/2020	
<b>Internal audit</b> (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	1/06/2020	
<b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the 1989 Act)	Current framework in operation	Yes		15/08/2022, 21/11/2022, 20/02/2023, 15/05/2023

Item	Assessment	Yes/no	Date of operation (where applicable)	Reported date (where applicable)
<b>Council Plan report</b> (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first 6 months of the financial year)	Current report	Yes		15/08/2022, 21/11/2022, 20/02/2023, 15/05/2023
<b>Financial reporting</b> (quarterly statements to Council under section 138(1) of the 1989 Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly reports presented to Council in accordance with section 97(1) of the Act	Yes		26/09/2022, 21/11/2022, 20/02/2023, 15/05/2023
<b>Risk reporting</b> (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reports prepared and presented	Yes		15/08/2022, 21/11/2022, 20/02/2023, 15/05/2023
<b>Performance reporting</b> (6-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the 1989 Act)	Performance reports prepared	Yes		15/08/2022, 21/11/2022, 20/02/2023, 15/05/2023
<b>Annual report</b> (annual report under sections 131, 132 and 133 of the 1989 Act to the community containing a report of operations and audited financial performance statements)	Considered at the meeting of Council in accordance with section 134 of the 1989 Act	Yes	17/10/2022	
<b>Councillor Code of Conduct</b> (code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act	Yes	15/02/2021	
<b>Delegations</b> (document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act	Yes	26/10/2022	
<b>Meeting procedures</b> (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees.)	Governance Rules adopted in accordance with section 60 of the Act	Yes	17/08/2020	



**Certification of governance and management checklist**

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



**Carol Jeffs**  
Chief Executive Officer



**Cr Tammy Radford**  
Mayor 2022-23

Dated: 18 September 2023

### Information available for the public

In accordance with section 57 and 58 of the Local Government Act 2020, documents and information available to the public will be managed as set out in Council's Public Transparency Policy.

The policy supports Council in its ongoing drive for good governance and the importance of open and accountable conduct, and how Council information is to be made publicly available. The policy gives effect to the Public Transparency Principles outlined in the Local Government Act.

A list of documents available for inspection under the various Acts that Council is subject to can be found in Council's Part II Statement in accordance with section 7 of the Freedom of Information Act 1982.

### Contracts

During the 2022-23 financial year, no contracts were entered into over the tender threshold without giving public notice of the contract and inviting tenders.

Council adopted its Procurement Policy on 18 October 2021; the Policy is consistent with section 108 of the Local Government Act 2020 (the Act).

This Policy has a contract value of \$300,000 (incl. GST) for Invitation to Tender or Expression of Interest.

Below is a list of contracts entered into with a value above Council's Procurement Policy:

- Cardinia Shire library service
- Engineering professional services
- Cardinia Shire arboricultural works contractors panel
- Annual supply and install concrete footpath and associated works – new and maintenance
- Purchase of 2 x new motor graders with rollers
- Pound services
- Mercury vapour street lighting replacement
- Electronic access control system and master key system for Council properties
- Reconstruction of Nar Nar Goon Oval

- Reconstruction of Bunyip Soccer Fields
- Construction works at Timbertop and Pink Hill Boulevards intersection, Officer
- Cockatoo Tennis Court reconstruction
- Construction of Christians Ave and Andrew Ct, Emerald
- Immunisation services
- Pavement renewal works 2022-23
- 2 x new prime movers
- Construction of Brunt Road Early Learning Centre
- Construction of Russell-Blackwood Catchment, Gembrook
- First-Grenville package phase 1 road reconstruction works, Cockatoo
- Naughton St and Carawa St reconstruction works, Cockatoo
- Station Road, Garden St, Glen Road and Baker St reconstruction works, Cockatoo
- Construction of Caroline Ave, Boronia Cres & Rouen Road, Cockatoo
- Construction of Garfield Netball Pavilion
- Construction of Pakenham Regional Tennis Centre
- Principal consultant for the design of Thewlis Road Child & Family Centre
- PB Ronald Reserve & Alma Treloar Reserve Public Toilets
- Construction of Alma Treloar Amphitheatre and Stage
- Construction of Brunt Road and Pioneer Way, Officer
- Bald Hill Road Blackspot – McDonalds Drain to Five Mile Road, Pakenham
- Microsoft Licensing
- Boomi Pro Plus Edition Bundle
- End user computer equipment lease.

One contract was entered into where Council did not invite a tender or seek an expression of interest. This contract was for emergency works following a land slip and was:

- Salisbury Road landslip rectification works.

## Best Value Report 2022-23

Cardinia Shire Council continues to embrace Best Value principles. Council primarily applies these through its business and service-delivery planning processes by monitoring the change in demand for services and by identifying the appropriate resources to meet that demand in a fair manner for all the community. In addition, we continue to work with existing partnerships while exploring new opportunities to deliver services.

## Access and Inclusion Policy and Action Plan

Council, in conjunction with the Cardinia Access and Inclusion Advisory Committee, continued to monitor and implement the Disability, Access and Inclusion Action Plan. Council's Access and Inclusion Disability Strategy and Action Plan 2021-2026 is underway, such as the development and implementation of the new Disability Action Plan. Extensive community engagement was undertaken to develop this new plan, which sets out what Council will do to make our workplaces, services, programs and community more accessible to people with disability.

## Domestic Animal Management Plan

In accordance with the Domestic Animals Act 1994, Council is required to prepare a Domestic Animal Management Plan at 4-year intervals.

The Domestic Animal Management Plan 2022-25 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 Council on 20 June 2022.

## 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 2022-23 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 2022 to 30 June 2023:

- a. 37 FOI requests were made to Cardinia Shire Council.
- b. Manager Governance, Doug Evans, is the designated officer with authority to make a decision in relation to a request.
- c. no applications for review were made to the Freedom of Information Commissioner.
- d. no application was made to the Victorian Civil and Administrative Tribunal (VCAT) during the above period.
- e. No notices were served on the agency under Section 12 (1).
- f. no disciplinary action was taken out against any officer in respect of the administration of the Act.
- g. \$1,101.60 charges were levied on the applicants.

## Public Interest Disclosure Act

The Public Interest 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 2022-23, 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 2022-23 financial year.



## National Competition Policy Compliance

Cardinia Shire Council has complied with the requirements of the National Competition Policy for the period 1 July 2022 to 30 June 2023.

## Current Local Laws

As at 30 June 2023, Council had 2 Local Laws in operation.

### 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 governance 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.

### Local Law No 20 Open Air Fires Local Law

The main objectives of this Local Law are to:

- provide for the peace order and good governance of Cardinia Shire Council;
- promote a physical and social environment free from hazards to health, in which the residents of the municipal district can enjoy a quality of life that meets the general expectations of the community;
- protect the amenity of the municipal district;
- prevent and suppress nuisances connected with open-air fires and smoke in the environment, which may adversely affect the enjoyment of life or the health, safety and welfare of persons;
- prohibit, regulate and control open-air fires (and related behaviours) which may be dangerous or unsafe or detrimental to the quality of life and the environment; and
- 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 4 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 Cardinia Shire Council's capacity to deliver critical infrastructure to service its new communities as development surges.

**Table 8. Total DCP levies received in 2022-23 financial year**

DCP name (Year approved)	Levies received in 2022-23 FY (\$)
Pakenham DCP (1997)	\$2,745,864
Cardinia Road DCP (2008)	\$5,705,728
Officer DCP (2011)	\$10,183,294
<b>Total</b>	<b>\$18,634,886</b>





## DCP land, works, services or facilities accepted as works-in-kind in 2022-23 financial year

Table 9.

DCP reference	Project description and item purpose	Developed by	Project value (approx. \$)
<b>Officer DCP (2011)</b>			
DI_RO_09a	Construction of McMullen Road Upgrade to Connector Street - Constrained Type 1 (Section 4a)	BJR McMullen Pty Ltd	\$284,557
DI_RO_09b	Construction of McMullen Road Upgrade to an Access Street - Level 1 Rural Style Road (Section 6a)	BJR McMullen Pty Ltd	\$2,443,143
DI_RO_LA35b	Purchase of Land for Rix Road Upgrade to a Connector Street Boulevard Standard (Section 3)	Rix Road Development Pty Ltd	\$2,257,340
DI_RO_23	Construction of Station Street Safety Upgrade of at-grade Rail Crossing	Galileo Mulcahy Road Nominee Pty Limited	\$1,528,789
DI_CF_LA06	Purchase of Land for the Central Integrated Community Infrastructure Site. - to accommodate a Youth Facility, Library and Aquatic Centre.	Development Victoria	\$2,510,011
DI_TM_21	Construction of Signalised Intersections at North-South Arterial (Officer South Road)/Princes Freeway (interchange).	Satterley Property Group Pty Ltd	\$5,779,963
DI_RO_27	Construction of Officer South Road upgrade to an Arterial Road: Future VicRoads Declared Road (4 lanes) (Section 1a).	Satterley Property Group Pty Ltd	\$1,044,300
DI_TN_10	Construction of trail network adjacent to the Princes Freeway from Gum Scrub Creek to the Freeway Service Centre (no access to the Freeway Service Centre).	Satterley Property Group Pty Ltd	\$247,417
DI_RO_LA38	Purchase of land for Stephens Road / Princes Freeway Overpass.	Satterley Property Group Pty Ltd	\$515,000
DI_RO_LA37	Purchase of land for Stephens Road upgrade to a Connector Street Boulevard standard (Section 3).	Satterley Property Group Pty Ltd	\$115,000
DI_RO_LA34	Purchase of land for East-West Road C to a Access Street - Level 2 standard (Section 5).	Winland Holdings Pty Ltd	\$657,213
DI_RO_14	Construction of East-West Road C to a Access Street - Level 2 (Section 5).	Winland Holdings Pty Ltd	\$615,028
DI_OS_06c	Construction of Local Park Improvements (Stage 3)	BJR McMullen Pty Ltd	\$63,099
DI_RO_16a	Construction of Rix Road upgrade to a Connector Street Boulevard standard (Section 3).	ARECON Management Pty Ltd	\$50,960
DI_RO_LA31b	Purchase of land for Brunt Road upgrade to a Connector Street Boulevard standard (Section 3).	Epic Group Investments Pty Ltd	\$310,799
DI_RO_LA32	Purchase of land for Grade Separated Rail Crossing at Brunt Road.	Epic Group Investments Pty Ltd	\$160,998
DI_TM_LA31	Purchase of land for Signalised Intersection at North-South Arterial/Rix Road/Officer South Road.	Smorgon Property Pty Ltd	\$74,340
<b>Sub Total</b>			<b>\$18,657,958</b>



**Table 10. Land, works, services or facilities delivered in 2022-23 financial year from DCP levies collected**

Project ID	Project description	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contributions (\$)	Other contributions (Grants) (\$)	Total LTD project expenditure (\$)	% of item delivered
<b>Cardinia Road DCP (2008)</b>							
DI-OS-12	Comely Banks (Henry Rd West) Recreation Reserve	\$675			\$80,000	\$14,827,355	100%
DI_RO_15 (design)	Signalised intersection - Princes Highway and North South Collector Road-Arena Pde Design	\$630				\$43,050	100%
DI_RO_15 (construction)	Signalised intersection - Princes Highway and North South Collector Road-Arena Pde Construction	\$6,507				\$6,507	10%
DI_LA_19	Land Acquisition - Library Facility - Officer Town Centre	\$1,164,000				\$1,164,000	100%
<b>Sub-Total</b>		<b>\$1,171,813</b>	<b>-</b>	<b>-</b>	<b>\$80,000</b>	<b>\$16,040,912</b>	
<b>Officer DCP (2011)</b>							
DI_CF_02	Construction of Integrated Childrens Facility -Timbertop	\$1,479,975			\$792,000	\$5,641,307	95%
DI_CF_04	Brunt Road Integrated Childrens Facility - Officer precinct	\$456,663			\$2,945,093	\$3,509,652	55%
DI_CF_05	Integrated Childrens Facility - Officer Rix Road DCP	\$128,677			\$68,549	\$6,548,961	100%
DI_TN_02 (part)	South side of the Princes Hwy (3m wide shared path) between Denton Dr and service road	\$308,394				\$457,423	100%
DI_TM_05 (design)	Princes Hwy intersections Princes Hwy/Tivendale Road/Station St-Design	\$76,097				\$152,703	100%
DI_TM_05 (construct)	Princes Hwy intersections Princes Hwy/Tivendale Road/Station St-Construction	\$790,719				\$2,083,442	25%
DI_TM_01 (design)	Princes Hwy intersections Old Princes Highway and O'Neill Road-Design	\$1,586				\$78,970	100%
DI_TM_01 (construct)	Princes Hwy intersections Old Princes Highway and O'Neill Road-Construction	\$18,050				\$4,325,660	100%
DI_TM_04 (design)	Princes Hwy intersections Princes Hwy Bayview Road/North South Arterial-Design				\$490,797	\$532,966	100%
DI_TM_04 (construct)	Princes Hwy intersections Princes Hwy Bayview Road/North South Arterial-Construction	\$3,732,992			\$1,171,787	\$4,904,779	50%
DI_TM_02 (design)	Princes Hwy intersections Princes Hwy/Whiteside Road and Brunt Road-Design	\$17,005				\$66,634	100%
DI_TM_02 (construct)	Princes Hwy intersections Princes Hwy/Whiteside Road and Brunt Road-Construction	\$174,451				\$174,451	10%
DI_TM_07 (design)	Princes Hwy intersections Princes Hwy/Town Centre Loop Road/McMullen Road-Design	\$636				\$49,878	100%
DI_TM_07 (construct)	Princes Hwy intersections Princes Hwy/Town Centre Loop Road/McMullen Road-Construction	\$6,364				\$6,364	10%
DI_RO_14	Pioneer Way Construction	\$325,117				\$325,117	14%
DI_CF_LA06	Purchase of Land for the Central Integrated Community Infrastructure Site. - to accommodate a Youth Facility, Library and Aquatic Centre.	\$1,125,989				\$1,125,989	100%
<b>Sub-Total</b>		<b>\$8,642,715</b>	<b>-</b>	<b>-</b>	<b>\$5,468,226</b>	<b>\$29,984,297</b>	
<b>Total</b>		<b>\$9,814,528</b>	<b>-</b>	<b>-</b>	<b>\$5,468,226</b>	<b>\$46,025,210</b>	

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



The *Local Government Act 2020* requires that councils develop an integrated and transparent approach to planning, organised around a 10-year community vision.

Councils must apply the strategic planning principles listed in section 89 of the Act to develop the following documents.

- Community Vision (10 years)
- Council Plan (4 years)
- Financial Plan (10 years)
- Asset Plan (10 years)
- Revenue and Rating Plan (4 years)

When applying the strategic planning principles, councils should also consider the other principles within the Act. For example, strategic planning documents are developed through community engagement and with regard to financial management, public transparency and service delivery.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government.

Time horizon	Planning		Reporting
<b>Long term (10 years)</b>	<b>Community Vision</b> <ul style="list-style-type: none"> <li>• Needs</li> </ul>	<b>Financial Plan</b> <ul style="list-style-type: none"> <li>• Assumptions</li> <li>• Resources</li> <li>• Financial Statements</li> </ul> <b>Asset Plan</b> <ul style="list-style-type: none"> <li>• Maintenance</li> <li>• Renewal</li> </ul>	
<b>Medium term (4 years)</b>	<b>Council Plan</b> <ul style="list-style-type: none"> <li>• Direction</li> <li>• Objectives</li> <li>• Strategies</li> <li>• Indicators</li> <li>• Initiatives</li> </ul>	<b>Workforce Plan</b> <ul style="list-style-type: none"> <li>• Structure</li> <li>• Staffing</li> </ul> <b>Rating Plan</b> <ul style="list-style-type: none"> <li>• Principals</li> <li>• Structure</li> </ul>	
<b>Short term (1 year)</b>		<b>Budget</b> <ul style="list-style-type: none"> <li>• Services</li> <li>• Infrastructure</li> <li>• Initiatives</li> <li>• Rates</li> <li>• Financial statements</li> </ul>	<b>Quarterly Budget Report</b> <ul style="list-style-type: none"> <li>• Financial statements</li> </ul> <b>Annual Report</b> <ul style="list-style-type: none"> <li>• Report of operations</li> <li>• Performance statements</li> <li>• Financial statements</li> </ul>



Cardinia Shire Council's performance for the past 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 2022–23 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 – [www.cardinia.vic.gov.au](http://www.cardinia.vic.gov.au).

Our 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. Examples of articles published in *Connect* magazine this year have included; updates on major works, announcements relating grant programs, and sharing information on upcoming projects.

### Council Plan key objectives

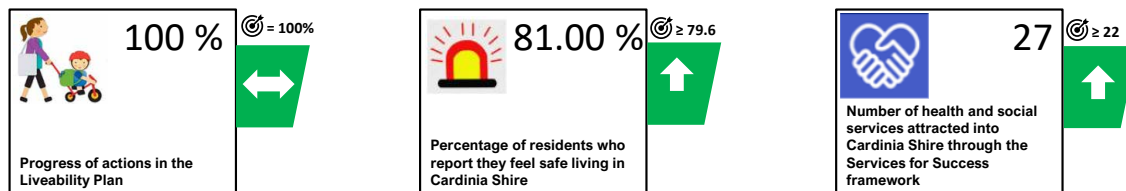
In the following pages, our performance is reported against the 5 key strategic objectives of the Council Plan. Performance is measured as follows:

- results achieved in relation to the strategic indicators in the Council Plan.
- progress in relation to the initiatives identified in the budget and Council Plan.
- services funded in the budget and the persons or sections of the community provided with those services.
- results against the prescribed service performance indicators and measures.



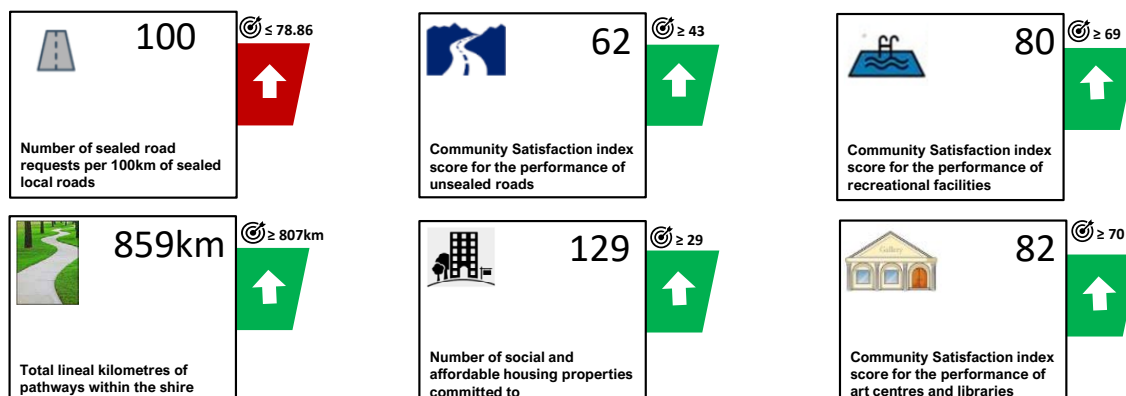
### Strong communities

We empower our communities to be healthy, connected and resilient. We work together to support everyone to be healthy, active and connected. Individuals feel included, safe and are valued for who they are. We have zero tolerance for all forms of discrimination. Our community services and facilities meet the diverse needs of our communities.



### Liveable places

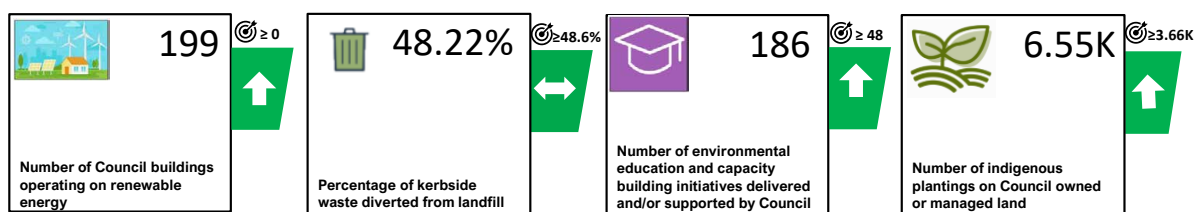
We support the creation of liveable spaces and places. Cardinia Shire is a great place to live, work and play. How we plan and grow creates places that enhance our community's health and wellbeing and protects what we love.





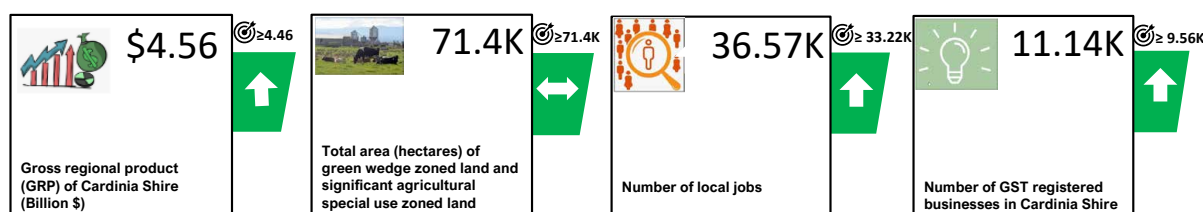
## Thriving environments

We value our natural assets and support our biodiversity to thrive. We place a high value on our natural assets and biodiversity. We take action to help our natural assets and biodiversity thrive and build their resilience to climate change and natural hazards. We enhance green spaces and habitat links, support our communities to live sustainably, and champion sustainable development and waste management practices.



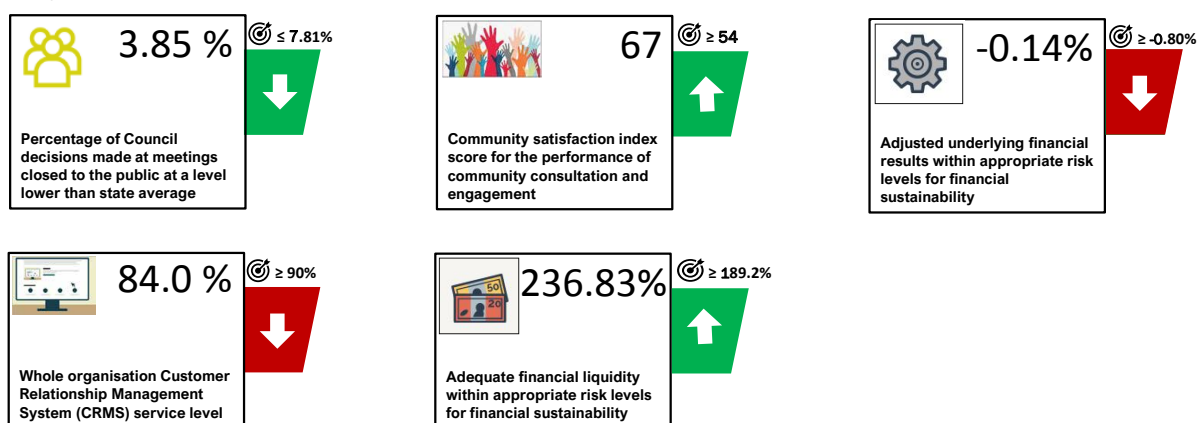
## Prosperous economies

We support our productive land and employment land to grow local industries. Our rich supply of productive land, employment land, distance to markets, and education opportunities enhance Cardinia Shire as south east Melbourne's jobs capital. We work closely with farmers, businesses and industry to enhance our municipality as a place to invest in the long-term, attract new industries, innovations, skill development and local job creation.



## Responsible leaders

We practise responsible leadership and good governance, meeting recognised standards of excellence and ensuring future generations benefit from our decisions. We are accountable and make informed and responsive decisions that balance our current and future community's needs.



Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
1.1.2.2 CPI - Support the delivery of an annual calendar of events and programs that celebrate our diverse community, its arts and culture	James Fischer - Coordinator Arts and Creative Industries	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: 2023 programming at Cardinia Cultural Centre is continuing well with monthly evening feature shows for the general public; monthly weekday Sip 'n' See shows for Seniors; weekly arts workshops and school holiday shows and films for children and families; as well as arts exhibitions in the main gallery space. Council recently released both its Winterfest school holiday program information as well as its June-December 2023 program information which are now on sale. At Hills Hub, programming is continuing in the arts space with regular exhibitions, as well as artist activations and networking. Highlights from this year include a very successful Reconciliation exhibition and launch event at Hills Hub as well as Pakenham Art Show and Firestorm at CCC Gallery.						
Last Updated - 30/06/2023						



**1.1.3 Lead by example in creating an inclusive and welcoming community for all by facilitating community education, capacity building, connection and celebration of our diversity.**

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
1.1.3.1 CPI - Advocate for funding to construct a multicultural centre in Cardinia Shire	Michael Casey - Manager Future Communities	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: Following a feasibility study, extensive advocacy was undertaken for the construction of a multicultural centre in the shire. Funding was not secured from the Victorian Government or Australian Government. Council continues to work with key stakeholders to support multicultural agencies in the shire.						
Last Updated - 03/07/2023						

#### 1.1.4 Facilitate a partnership approach to create safer communities.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
1.1.4.2 CPI - Implement and monitor the Safer Communities Strategy	Mark Carter - Coordinator Community Safety & Inclusion	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: The Community Safety Action Agenda 2022, which includes 36 actions to address community safety, is progressing and on track. Key outcomes over the last 12 months include more than 10 Community pop ups created to provide the opportunity for residents to provide direct feedback to Victoria Police and key partners regarding crime prevention. A successful joint grant application with Police has resulted in the operation of 2 mobile CCTV camera units that will be deployed in key crime hot spots within the community as a monitoring and crime prevention tool. Council officers have commenced development of a Safety Policy, incorporating key stakeholder engagement, and the draft policy will be presented for Community Consultation in 2023-24.						
Last Updated - 03/07/2023						

### 1.1.5 Work closely with the community to deliver programs that build community resilience, relating to a pandemic or other disasters.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
1.1.5.3 CPI - Develop the next phase of the Together We Can initiative, with an increased focus on gender equality and financial literacy	Mark Carter - Coordinator Community Safety & Inclusion	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
<p>Progress Comments: The Family Violence Action Agenda has been developed in consultation with internal departments and external stakeholders to reduce family violence. Some key outcomes within the Together We Can initiative include the partnership with Star News Group to deliver more than 20 publications sharing prevention messaging and resources for residents, including a focus on financial capability. The successful Walk Against Family Violence event had more than 200 local participants, including business and community groups. The implementation of Mothers' Legal Help co-located with Maternal and Child Health nurses one morning per week was another initiative designed to enable disadvantaged mothers needing legal support to access advice and services. Work is underway to strengthen Council's ability to undertake gender impact assessments in line with recent changes in legislation. Key partners are progressing on the endorsed actions for 2023 with some actions identified for 2024 and beyond.</p>						
Last Updated - 03/07/2023						

## 2 Liveable Places

### 2.1 We support the creation of liveable spaces and places.


#### 2.1.1 Advocate, plan for and deliver accessible community infrastructure and services that address community needs.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
<p>2.1.1.3 CPI - Develop a municipal-wide community infrastructure plan, and include relevant projects in the 10-year capital program</p> <p>Progress Comments: The community infrastructure plan progressed in 2022-23 with data inputted and the community facilities audit and analysis finalised. Presentation of information for the plan is underway, and development of the recommended outputs is commencing. The draft plan will be finalised in the coming months, ready for public exhibition and community engagement in September-October 2023. The final plan will be presented to Council for adoption in February 2024.</p> <p>Last Updated - 18/07/2023</p>	Michael Casey - Manager Future Communities	01-07-2022	30-06-2023	In Progress	60	 RED
<p>2.1.1.7 CPI - Plan and deliver accessible and inclusive recreation and community facilities</p> <p>Progress Comments: The 2022-23 financial year has seen the completion of a number of significant sporting facility projects including the Toomuc Recreation Reserve pavilions, Gembrook Recreation Reserve pavilion, IYU Recreation Reserve Regional Athletics Facility running track, Cockatoo Tennis Club southern courts redevelopment, Bunyip Recreation Reserve soccer field redevelopment, and Nar Nar Goon oval redevelopment. The sporting assets condition audit has been completed and will assist Council to deliver accessible and inclusive recreation facilities. New playgrounds delivered include those at Creekwood Reserve, Parman Avenue Reserve and The Parkway that were designed in consultation with the community. The Alma Treloar Reserve amphitheater project and new dog off leash areas are underway and anticipated to be completed by in the 23/24FY. The extension of the Eastern Dandenong Ranges Trail in Clematis was completed and officially opened. The preparation of Council's revised Draft Equestrian Strategy will be presented to the community for feedback during 2023-24.</p> <p>Last Updated - 17/07/2023</p>	Kristen Jackson - Manager Active and Connected Communities	01-07-2022	30-06-2023	Completed	100	 GREEN
<p>2.1.1.10 CPI - Advocate to the State and Federal Governments for increased investment for all transport modes, including road safety treatments</p> <p>Progress Comments: A shire-wide advocacy pack was adopted by Council to promote investment within Cardinia. This includes advocacy for 'Better, Safer roads' and 'Better Public Transport', and includes a request for a bus network service review, investment in the Thompsons Road upgrade project, as well as other major road safety upgrades including the M1 Princes Highway project, Lang Lang truck bypass project, Racecourse Road Duplication and further Princes Highway intersection upgrades. Meetings have been held with Victorian Ministers to gather support with seeking the reinstatement of Federal funding to the shire's 'Sealing the Hills' roads program, and further advocacy continues to be undertaken. A community petition has also secured nearly 3000 signatures, which has been lodged with parliament for consideration. \$25.6m in funding has also been requested from the Victorian State Government for the upgrade of 11 roads within the northern regions of the shire that will improve bushfire escape routes and emergency services access, as well as improve resilience to extreme weather events such as flooding and heavy rainfall.</p> <p>Last Updated - 03/07/2023</p>	David Fice - Manager Community Infrastructure Delivery	01-07-2022	30-06-2023	Completed	100	 GREEN

### 2.1.2 Plan and maintain safe, inclusive and connected open spaces, places and active travel routes.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
2.1.2.1 CPI - Develop an Open Space Strategy and Recreation / Sports Plan for Cardinia.	Kristen Jackson - Manager Active and Connected Communities	01-07-2021	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: The Cardinia Shire's Active Cardinia Strategy and Open Space Strategy have been completed. Extensive engagement was undertaken during the development of both draft strategies and feedback helped to form the recommendations. The revised draft strategies will be presented to the July 2023 Council meeting.						
Last Updated - 17/07/2023						
2.1.2.2 CPI - Develop and upgrade shared pathways and walking tracks across the shire	Roland Rozario - Coordinator Community Infrastructure	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: The Eastern Dandenong Ranges Trail (EDRT) was successful for Growing Suburbs Funding (GSF) with the works now complete in June 2023.						
Last Updated - 03/07/2023						

### 2.1.3 Plan for housing diversity that meets community need, is affordable and delivers environmental sustainability, safety and healthy living outcomes.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
2.1.3.1 CPI - Work with the Victorian Government and relevant stakeholders to encourage sustainable supply of social and affordable housing across the shire	Pieta Bucello - Coordinator Health and Social Planning	01-07-2022	30-06-2023	Completed	100	 GREEN
<p>Progress Comments: Council continues to advocate for an increased supply of social and affordable housing and housing support services via the Victorian Government. Work is underway to explore opportunities for investment in Cardinia Shire through the Victorian Government's 'Big Housing Build' program, philanthropy, and community housing organisations. A review of the Social and Affordable Housing Strategy's Action Plan 2018-25 has been completed and shows that of 22 actions, 8 are complete and 14 are on track/in progress.</p> <p>Council also remains an active member of the Regional Local Government Homelessness and Social Housing Charter led by City of Monash and is involved in a working group focused on 'changing the narrative: shifting community acceptance for social housing', and the Municipal Associations of Victoria's Inter-council Affordable Housing Forum.</p>						
Last Updated - 03/07/2023						



#### 2.1.4 Advocate for increased and more connected public transport options.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
2.1.4.1 CPI – Advocate for increased public transport services, frequency and multi-modal connectivity within the shire and greater south east region	David Fice - Manager Community Infrastructure Delivery	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
<p>Progress Comments: A shire-wide advocacy pack was adopted by Council to promote investment within Cardinia. This includes advocacy for 'Better, safer roads' and 'Better public transport', and includes a request for a bus network service review. Cardinia also attended and provided feedback to Infrastructure Victoria in January 2023 about what is needed for bus reform in Victoria. Cardinia has met and advocated with Victorian Government departments (Department of Transport and Planning, Victorian Planning Authority) as well as local MPs to highlight the need for the upgrade and provision of additional bus services within the municipality.</p>						
Last Updated - 03/07/2023						

### 2.1.5 Upgrade Council's road network to improve safety and connectivity while considering traffic demand and freight transport needs.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
2.1.5.2 CPI - Commence Pakenham town centre streetscape upgrades	Narelle Bulleid - Program Manager Major Projects	01-07-2022	30-06-2023	Not Started	0	<div><div></div><div></div><div></div></div> RED
Progress Comments: Delivery of these upgrades has been recalibrated to match the timeframes of the Department of Jobs, Precincts and Regions, with commencement moved to the beginning of 2024 to align with funding availability.						
Last Updated - 03/07/2023						
2.1.5.3 CPI - Plan and deliver infrastructure upgrades to our road network to meet the needs of the current and future population	David Fice - Manager Community Infrastructure Delivery	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: Under the umbrella of the Better Local Roads Program, all major road infrastructure is planned for and delivered through 3 major roads programs: Sealing the Hills, Strategic Roads, and Princes Highway Intersection Upgrades. For the Sealing the Hills program, advocacy work continues as Federal funding has been withdrawn, with Cardinia Shire later securing \$41m to ensure construction works can still continue for the next 2 years. For the Strategic Roads program, road construction has now been completed for LL and Armytage roads in Officer, as well as for McGregor Rd, Solider Rd and Hobsons Rd in Rythdale. Regarding the Princes Highway Intersection Upgrade program, works continue on both the Princes Highway, Bayview Rd and Tivendale Rd intersections.						
Last Updated - 03/07/2023						

### 3.1 We value our natural assets and support our biodiversity to thrive.

### 3.1.1 Partner with community, business and industry to take action on, and adapt to, climate change.

Last Updated - 11/07/2023

### 3.1.2 Actively move towards zero waste through increasing waste recovery and reuse.

Last Updated - 03/07/2023

### 3.1.3 Work with community to improve and manage our natural assets, biodiversity and cultural heritage.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
3.1.3.2 CPI - Incorporate the Environmentally Sustainable Design Policy into the planning scheme	Luke Connell - Manager Planning and Design	01-07-2022	30-06-2023	In Progress	85	<div><div></div><div></div><div></div></div> RED
Progress Comments: The Environmentally Sustainable Design (ESD) Policy was approved by Council in March. Authorisation from the Victorian Government's Minister for Planning has been sought to commence the planning scheme amendment to incorporate the policy into the Cardinia Planning Scheme.						
The Department of Transport and Planning advised they would consider Council's request for authorisation after the Planning Scheme has been translated into the Planning Policy Framework format.						
Incorporation into the planning scheme is anticipated to be completed in the 2023-24 financial year.						
Last Updated - 03/07/2023						

Progress Comments: 11/7/23


Throughout the year, Council worked towards progressing the actions within the Biodiversity Conservation Strategy. The organisation facilitated delivery of the Cardinia Creek Deer Partnership Program, including arranging stakeholder meetings, conducting community engagement and education activities, and undertaking drone surveys. Project partners Parks Victoria and the Cardinia Environment Coalition coordinated on-ground works. Cardinia Shire also coordinated the Peri-urban Weed Management Partnerships Program with on-ground works delivered by project partners. Council provided funding to support 5 wildlife shelters and 8 environmental volunteer groups through Council's Community Grants Program. Additionally, Council completed vegetation assessments on both private and public lands to establish a baseline of biodiversity health across the shire.

Last Updated - 11/07/2023

### 3.1.4 Plan and advocate for better water cycle planning and management to reduce environmental impacts.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
3.1.4.2 CPI - Implement initiatives in the Integrated Water Management Plan	Desiree Lovell - Manager Environment & Heritage	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div><div></div><div></div></div> GREEN
Progress Comments: 11/7/23						
Council officers continued to advocate best-practice, integrated water management in the future Officer South employment precinct. Council, alongside City of Casey Council, have commenced development of Water Sensitive Urban Design (WSUD) Guidelines, which will provide clear guidance and standards for all future WSUD design and development in Cardinia Shire. Highlights of this financial year also included a new water monitoring system which was installed at Cardinia Life. Council continued to partner with Melbourne Water and City of Casey Council to investigate the feasibility of aquifer (ground water) storage and recharge opportunities.						
Last Updated - 11/07/2023						





Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
3.1.5.5 CPI - Provide the community with tools to assist in the management of natural threats and emergencies	Owen Hardidge - GM Governance Facilities and Economy	01-07-2022	30-06-2023	Completed	100	 GREEN
<p>Progress Comments: Council officers have been working with the community to ensure they have an understanding of how to respond in the event of an emergency. Tools to support this work include the Ready Get Go Bag Program, Launch Bushfire Prepare Program online modules, Get Ready Get Techy Program session and 3 Community Information Engagement sessions.</p>						
Last Updated - 03/07/2023						

## 4 Prosperous Economies

4.1 We support our productive land and employment land to grow local industries.

4.1.1 Facilitate better planning for our agricultural land to support industry, innovation, local food economy and local job growth.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
<p>4.1.1.1 CPI - Advocate for the development of green wedge management plans</p> <p>Progress Comments: Cardinia's Strategic Planning team together with the 4 other Councils located within the Southern Green Wedge (Knox, Casey, Greater Dandenong and Yarra Ranges) are advocating to the State Government to assist in developing the Green Wedge Management Plan as part of the Southern Ranges Green Wedge Management Plan Inter-Council Working Group, through resources or financial assistance.</p> <p>Council officers will continue to advocate this outcome in 2023-24.</p> <p>Last Updated - 06/07/2023</p>	Luke Connell - Manager Planning and Design	01-07-2022	30-06-2023	Completed	100	 GREEN
<p>4.1.1.2 CPI - Implement the Cardinia Community Food Strategy and Action Plan</p> <p>Progress Comments: Implementation of the Community Food Strategy &amp; Action Plan 2018-26 continues. Of the 66 actions, 30 are complete, 32 are in progress and 4 have not yet commenced. Council successfully applied for two grants in 2022-23 via the VicHealth Local Government Partnership, under the 'Building better food systems' Module. Council secured funding towards 'supporting social enterprises for food growing, knowledge and food security' and the 'youth-friendly workplaces in agriculture' to work with the local agricultural sector to increase their confidence and skills with attracting, supporting and retaining young people as workers and students. Council continued to facilitate bi-monthly meetings with the Cardinia Food Movement, as well as Southeast Food Movements Network, which included key representatives from Yarra Ranges Shire, Mornington Peninsula Shire, Frankston City Council and Latrobe City Council. Council attended Deakin University's Nourish Network, supporting the Farm-to-School project and in June, a co-design workshop was held with schools, the agricultural sector and community gardens to co-design a Farm-to-School model for testing in late 2023.</p> <p>Last Updated - 17/07/2023</p>	Michael Casey - Manager Future Communities	01-07-2022	30-06-2023	Completed	100	 GREEN

#### 4.1.2 Plan for sustainable employment precincts to entice new industries to the region and support new business.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
4.1.2.5 CPI - Advocate for a South East Melbourne Airport	Tim Cooper - Manager Arts, Advocacy, and Economy	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: Cardinia Shire Council is working in partnership with the Greater South East Melbourne (GSEM) regional group on this project to actively advocate this regional priority. A draft terms of reference document has been developed for the group and reports have been prepared to inform the next steps in strategic direction.						
Last Updated - 30/06/2023						
4.1.2.6 CPI - Develop an Investment Attraction Plan for Cardinia Shire employment precincts	Tim Cooper - Manager Arts, Advocacy, and Economy	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: Council officers have incorporated the Investment Attraction Plan into the Economic Development strategy under the pillar of 'Creating the new economy'. The Economic Development strategy was adopted at Council 17 April 2023. It provides a clear direction on how Council will respond, recover and thrive in the current economic environment. Council staff are working with Invest Victoria to prioritise Cardinia Shire as a destination for new and existing businesses looking to establish or relocate, and are developing material to promote investment opportunities and economic benefits in the municipality.						
Last Updated - 30/06/2023						
4.1.2.7 CPI - Facilitate investment in our townships to support businesses and vibrant communities	Tim Cooper - Manager Arts, Advocacy, and Economy	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: Council continues to support and facilitate investment opportunities in the shire's townships and employment precincts. This includes scheduling pre-application meetings and advocating for business establishment and expansion. Council undertook a 'Hills Economic Impact Assessment' to review planning controls and explore opportunities for new business establishment and business diversification opportunities within Ranges Ward. Council works in partnership with the Eastern Dandenong Ranges Association and West Gippsland Progress Association to support the growth of existing businesses and the delivery of innovative projects. These initiatives include the Regenerative Agriculture project, What's On Cardinia Festival, Winterfest and Unwrap Cardinia (Christmas) campaigns to stimulate awareness and trading opportunities at the local township level. Council is working closely with Invest Victoria to identify appropriate industrial land for large business establishment to drive growth in local jobs. The Outdoor Dining & Activation program enabled the development of new and enhanced outdoor dining spaces including but not limited to Emerald, Bunyip, Cockatoo and Beaconsfield.						
Last Updated - 30/06/2023						







#### 4.1.5 Strengthen and promote our shire's unique identity and visitor attractions.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
4.1.5.2 CPI - Actively protect key heritage sites within the shire	Desiree Lovell - Manager Environment & Heritage	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: A full review of Council's Heritage Grants program has been completed including updated guidelines, application form and web content Conservation Management Plans developed for two Council owned heritage assets to guide future management and maintenance.						
Last Updated - 11/07/2023						
4.1.5.2 CPI - Develop and deliver initiatives within the Economic Development Strategy, including the visitor economy and tourism	Tim Cooper - Manager Arts, Advocacy, and Economy	01-07-2022	30-06-2023	Completed	100	<div><div></div><div></div><div></div></div> GREEN
Progress Comments: Council is delivering a wide range of initiatives within the Economic Development strategy. These include the establishment of the Cardinia Tourism Advisory committee and the continued promotion and marketing of local tourism and hospitality businesses through the What's On Cardinia website. Council has entered into a Memorandum of Understanding with relevant partners to explore the establishment of a Business/Education 'Centre of Excellence' within the Officer South Precinct Structure Plan. Council continues to advocate the delivery of Thompsons Road to accelerate the activation of the State Significant Industrial Precinct (SSIP). Economic development continues to deliver a range of networking events with a focus on sustainability and future economic trends.						
Last Updated - 30/06/2023						


Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
5.1.3.2 CPI - Publicly report the organisation's performance on a quarterly basis, including customer service outcomes	Peter Philp - Manager Business Transformation and Customer	01-07-2022	30-06-2023	Completed	100	 GREEN
Progress Comments: Quarterly Performance and Growth Report preparation and presentation has been completed across all four quarters of the financial year.						
Last Updated - 19/06/2023						



#### 5.1.4 Maximise value for our community through efficient service delivery, innovation, strategic partnerships and advocacy.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
5.1.4.4 CPI - Implement the Cardinia Shire Advocacy Plan and work with strategic partners on shared advocacy initiatives	Tim Cooper - Manager Arts, Advocacy, and Economy	01-07-2022	30-06-2023	Completed	100	 GREEN
Progress Comments: Council officers have a clear set of priority projects, initiatives and stakeholders identified within the Advocacy Plan. Council is working in partnership with GSEM, the community and internal stakeholders on a range of projects including Thompsons Road, the South East Airport, Sealing the Hills, financial well-being for residents and major infrastructure projects such as Cardinia Life.						
Last Updated - 30/06/2023						
5.1.4.5 CPI - Develop a strategy aimed at alternative revenue streams	Debbie Tyson - General Manager Governance Facilities & Economy	01-07-2022	30-06-2023	Completed	100	 GREEN
Progress Comments: The Alternative Revenue Stream Project, which was initiated with the objective of identifying new and sustainable sources of income for the next financial year and beyond, has been successfully completed. The comprehensive plan was presented to Councillors in May and will now guide Long-Term Financial Planning and help generate alternative revenue for the organisation. The plan takes into account the current financial landscape, emerging trends, and potential opportunities that align with Council Plan objectives.						
Last Updated - 30/06/2023						

#### 5.1.5 Champion the collective values of the community through the councillors' governance of the shire.

Initiative	Responsible Officer	Start Date	End Date	Status	% Complete	Performance
5.1.5.14 CPI - Publicly report on Council decisions made and their implementation to demonstrate transparent decision making	Doug Evans - Manager Governance	01-07-2022	30-06-2023	Completed	100	 GREEN
Progress Comments: Quarterly reports continued to be tabled and presented at Council Meetings throughout the year. The most recent report was considered at the 17 April 2023 Council Meeting, while the next report is due July 2023.						
Last Updated - 30/06/2023						



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# Performance indicators

## Aquatic facilities

Service indicator	2019-20	2020-21	2021-22	2022-23	Material variation
<b>Service standard</b> <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities]	2.40	1.40	2.20	2.20	
<b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population]	4.78	2.46	3.29	5.50	In 2022-23, visitation rates are greater than pre Covid-19. Cardinia's aquatic facilities were closed or operating in a very reduced capacity July – October 2021 due to a COVID-19 environment.
<b>Service cost</b> <i>Cost of aquatic facilities</i> [Direct cost of aquatic facilities less income received/Number of visits to aquatic facilities]	\$0.92	\$3.42	-\$0.87	\$0.64	With greater patronage following the impacts of COVID, the aquatic facilities financial performance has improved.

## Animal management

Service indicator	2019-20	2020-21	2021-22	2022-23	Material variation
<b>Timeliness</b> <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]	3.22	3.45	4.53	4.90	
<b>Service standard</b> <i>Animals reclaimed</i> [Number of animals reclaimed/Number of animals collected] x100	37.63%	35.97%	46.63%	38.20%	This year our pound contract fees increased which resulted in the release fees increasing for owners collecting their pets. This has seen a decrease in the amount of animals being reclaimed.
<b>Service standard</b> <i>Animals rehomed</i> [Number of animals rehomed/Number of animals collected] x100	7.42%	11.51%	11.06%	15.57%	Cats and dogs can both be adopted directly from the Cranbourne Shelter now instead of having to travel to Lost Dogs Home in North Melbourne. This has caused an increase in adoptions.
<b>Service cost</b> <i>Cost of animal management service</i> [Direct cost of the animal management service/Municipal population	\$4.07	\$3.38	\$4.04	\$4.45	Increases in the Council pound contract resulted in an increase to the overall cost of the animal management service.
<b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/ Number of animal management prosecutions]	100%	100%	100%	100%	



## Food safety

Service indicator	2019-20	2020-21	2021-22	2022-23	Material variation
<b>Timeliness</b> <i>Time taken to action food complaints</i> [Number of days between receipt and first response for all food complaints/Number of food complaints]	1.37	1.37	1.52	1.58	
<b>Service standard</b> <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 Food Act 1984/Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100%	100%	100%	100%	
<b>Service cost</b> <i>Cost of food safety service</i> [Direct cost of the food safety service/Number of food premises registered of notified in accordance with the Food Act 1984]	\$366.46	\$368.74	\$310.78	\$359.05	The overall costs of the food safety service have remained steady. The 'per-premises' service cost has returned to levels that are comparable to 2020-21 and 2019-20.
<b>Health and safety</b> <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises] x100	100%	100%	100%	100%	

## Governance

Service indicator	2019-20	2020-21	2021-22	2022-23	Material variation
<b>Transparency</b> <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]	4.55%	2.92%	3.54%	3.85%	
<b>Consultation and engagement</b> <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	52	54	68	67	
<b>Attendance</b> <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	84.92%	82.22%	91.11%	92.86%	
<b>Service cost</b> <i>Cost of governance</i> [Direct cost of governance service/Number of Councillors elected at the last Council general meeting]	\$46,356.22	\$46,079.89	\$56,036.33	\$60,879.00	
<b>Satisfaction</b> <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]	51	55	65	64	

## Libraries

Service indicator	2019-20	2020-21	2021-22	2022-23	Material variation
<b>Utilisation</b> <i>Physical library collection usage</i> [Number of physical library collection item loans/number of physical library collection items]	5.51	4.35	4.46	5.66	Library collection was increased resulting in increased usage.
<b>Resource standard</b> <i>Recently purchased library collection</i> [Number of library collection items purchased in the last five years/Number of library collection items] x100	72.62%	72.24%	74.93%	86.98%	Strong investment in library collections was made in 2022-23.
<b>Participation</b> <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years/The sum of the municipal population for the last three years] x100	10.14%	8.67%	7.48%	7.96%	
<b>Service cost</b> <i>Cost of library service per population</i> [Direct cost of library service/ Municipal population]	\$16.07	\$15.12	\$15.19	\$14.63	



## Maternal and child health (MCH)

Service indicator	2019-20	2020-21	2021-22	2022-23	Material variation
<b>Service standard</b> <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	101.68%	101.06%	101.16%	101.17%	
<b>Service cost</b> <i>Cost of MCH service</i> [Direct cost of MCH service/Hours worked by MCH nurses]	\$69.78	\$70.97	\$75.07	\$70.34	
<b>Participation</b> <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	76.80%	68.73%	67.41%	71.97%	
<b>Participation</b> <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	84.98%	73.26%	67.62%	75.43%	The Cardinia MCH service has recovered well from COVID workforce shortages and state directions around altered services in relation to the pandemic, resulting in an increase in available MCH appointments for all families across the shire in 2023.
<b>Satisfaction</b> <i>Participation in four-week Key Age and Stage visit</i> [Number four-week Key Age and Stage visits/Number of birth notifications received] x100	98.44%	97.27%	96.53%	95.83%	

## Roads

Service indicator	2019-20	2020-21	2021-22	2022-23	Material variation
<b>Satisfaction of use</b> <i>Sealed local road requests</i> [Number of sealed local road requests/Kilometres of sealed local roads]	93.32	78.86	82.05	100.38	Variance due to unfavourable seasonal conditions and demand.
<b>Condition</b> <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	97.82%	98.67%	98.83%	99.13%	
<b>Service cost</b> <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed]	\$40.71	\$41.17	\$33.23	\$32.48	
<b>Service cost</b> <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing/Square metres of sealed local roads resealed]	\$9.33	\$8.07	\$12.97	\$11.22	Road resealing includes both Asphalt and Spray Seal surfaces. A 13% decrease in the network level Unit Rate is primarily due to obtaining better prices from contractors by grouping projects for resurfacing to get bulk purchasing discounts.
<b>Satisfaction</b> <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]	52	56	64	61	

## Statutory planning

Service indicator	2019-20	2020-21	2021-22	2022-23	Material variation
<b>Timeliness</b> <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]	89	100	112	169	This result has been impacted by the ongoing backlog of applications and difficulty recruiting new planners.
<b>Service standard</b> <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	82.76%	69.18%	41.62%	31.31%	This result has been impacted by the ongoing backlog of applications and difficulty recruiting new planners.
<b>Service cost</b> <i>Cost of statutory planning service</i> [Direct cost of statutory planning service/Number of planning applications received]	\$1,863.74	\$1,506.82	\$1,559.89	\$3,126.13	This cost of planning has increased as a result of increased legal costs and increased staff resources required to address the backlog of planning permits and to improve the customer experience.
<b>Decision making</b> <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	0%	40%	57.14%	50.00%	Out of the four decisions go to VCAT, two are set aside.



## Waste collection

Service indicator	2019-20	2020-21	2021-22	2022-23	Material variation
<b>Satisfaction</b> <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests/Number of kerbside bin collection households] x100	224.88	247.53	234.41	191.57	Greater oversight and better reporting mechanisms contributing to less missed bins and related service requests.
<b>Service standard</b> <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	9.54	10.32	8.06	6.99	Greater oversight and better reporting mechanisms contributing to less missed bins.
<b>Service cost</b> <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service/Number of kerbside garbage collection bins]	\$127.55	\$122.08	\$118.67	\$156.47	The cost per bin increase is due to increasing landfill costs and to a lesser extent, increased collection costs. The majority of the increase comes from an increase in the landfill levy. Minor increases also due to increased tonnages and the addition of other levies on the service such as a fuel excise levy on waste collection.
<b>Service cost</b> <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service/Number of kerbside recyclables collection bins]	\$70.15	\$81.23	\$76.53	\$69.58	
<b>Waste diversion</b> <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	43.55%	48.67%	48.08%	48.22%	

# Performance statement



Cardinia Shire is one of the fastest growing local government areas in Victoria with an average of three families moving into the area every day. As of 2023, Cardinia Shire's estimated population is 129,896 and is expected to increase by approximately 42,361 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 1,280km<sup>2</sup> 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

For the year ended 30 June 2023

	Indicator	2020	2021	2022	2023	Material variation
Population	Expenses per head of municipal population	\$1,174.00	\$1,166.37	\$1,242.63	\$1,254.45	
	[Total expenses / Municipal population]					
	Infrastructure per head of municipal population	\$8,927.64	\$9,153.18	\$9,987.48	\$11,434.66	Major asset revaluations undertaken primarily in buildings and infrastructure in 2022/23 have impacted this measure.
	[Value of infrastructure / Municipal population]					
Own-source revenue	Population density per length of road	70.63	72.48	73.44	75.39	
	[Municipal population / kilometres of local roads]					
	Own-source revenue per head of municipal population	\$973.28	\$950.86	\$996.49	\$1,040.87	
Recurrent grants	[Own-source revenue / Municipal population]					
	Recurrent grants per head of municipal population	\$146.51	\$155.65	\$178.58	\$185.99	
	[Recurrent grants / Municipal population]					

	Indicator	2020	2021	2022	2023	Material variation
<b>Disadvantage</b>	Relative socio-economic disadvantage  [Index of relative socio-economic disadvantage by decile]	8.00	8.00	8.00	7.00	Although Cardinia has moved down the ranking for relative socio-economic disadvantage, our SEIFA score has remained at the 2016 level.
<b>Workforce turnover</b>	Percentage of staff turnover  [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.75%	13.38%	14.92%	16.94%	An increase in turnover can be seen across the broader industry. We have implemented a workforce plan and developing an employee value proposition to help with attraction and retention.

## 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

For the year ended 30 June 2023

Service	Indicator	2020	2021	2022	2023	Material variation
Aquatic facilities	<b>Utilisation</b> <i>Utilisation of aquatic facilities</i>	4.78	2.46	3.29	5.50	In 2022-23, visitation rates are greater than pre Covid-19. Cardinia's aquatic facilities were closed or operating in a very reduced capacity July – October 2021 due to a COVID-19 environment.
	[Number of visits to aquatic facilities / Municipal population]					
Animal management	<b>Health and safety</b> <i>Animal management prosecutions</i>	100%	100%	100%	100%	
	[Number of successful animal management prosecutions / Total number of animal management prosecutions] x100					



Service	Indicator	2020	2021	2022	2023	Material variation
Food safety	<p><b>Health and safety</b>  <i>Critical and major non-compliance outcome notifications</i></p> <p>[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises] x100</p>	100%	100%	100%	100%	
Governance	<p><b>Satisfaction</b>  <i>Satisfaction with Council decisions</i></p> <p>[Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]</p>	51	55	65	64	

Service	Indicator	2020	2021	2022	2023	Material variation
Libraries	<p><b>Participation</b> <i>Active library borrowers in the municipality</i></p> <p>[The sum of the number of active library borrowers in the last 3 financial years / The sum of the municipal population in the last 3 financial years] x100</p>	10.14%	8.67%	7.48%	7.96%	
Maternal and Child Health (MCH)	<p><b>Participation</b> <i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in a year) / Number of children enrolled in the MCH service] x100</p>	76.80%	68.73%	67.41%	71.97%	
Maternal and Child Health (MCH)	<p><b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i></p> <p>[Number of Aboriginal children who attend the MCH service at least once (in a year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	84.98%	73.26%	67.62%	75.43%	The Cardinia MCH service has recovered well from COVID workforce shortages and state directions around altered services in relation to the pandemic, resulting in an increase in available MCH appointments for all families across the shire in 2023.

Service	Indicator	2020	2021	2022	2023	Material variation
Roads	<p><b>Satisfaction</b>  <i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]</p>	52	56	64	61	
Statutory planning	<p><b>Decision making</b>  <i>Council planning decisions upheld at VCAT</i></p> <p>[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</p>	0%	40%	57%	50%	Out of the four decisions go to VCAT, two are set aside.
Waste collection	<p><b>Waste diversion</b>  <i>Kerbside collection waste diverted from landfill</i></p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	43.55%	48.67%	48.08%	48.22%	



## 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 borrower” 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 section 98 of the Act
- “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.

# Financial performance indicators

For the year ended 30 June 2023

Indicator	Result		Forecasts				Material variation	
	2020	2021	2022	2023	2024	2025	2026	2027
Efficiency								
<b>Expenditure level</b> <i>Expenses per property assessment</i>	\$2,800.87	\$2,793.73	\$2,970.11	\$3,032.76	\$3,120.86	\$3,225.10	\$3,246.64	\$3,348.07
[Total expenses / Number of property assessments]								
<b>Revenue level</b> <i>Average rate per property assessment</i>	\$1,710.92	\$1,734.05	\$1,763.25	\$1,784.44	\$1,836.71	\$1,895.44	\$1,946.86	\$1,990.39
[General rates and Municipal charges / Number of property assessments]								
Liquidity								
<b>Working capital</b> <i>Current assets compared to current liabilities</i>	215.85%	189.21%	221.08%	236.83%	205.15%	227.91%	274.78%	291.80%
[Current assets / Current liabilities] x100								

Indicator	Result		Forecasts					Material variation	
	2020	2021	2022	2023	2024	2025	2026	2027	
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-23.22%	-86.00%	-102.19%	-143.71%	-25.11%	-53.75%	-49.50%	-22.14%	The increase in 2022-23 is due to a higher value of grants received in advance of the delivery of associated works. These funds are treated as a liability until associated works are completed. When calculating unrestricted cash, this indicator excludes the value of term deposits with maturities over 90 days, in which Council currently invests the majority of its funds to maximise returns. If all Council term deposits were included in this measure, it would show a positive result and provide a more relevant measure.
<b>Obligations</b>									
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	33.95%	28.15%	15.94%	12.76%	36.94%	31.59%	27.69%	22.87%	The decrease in 2022-23 reflects the annual servicing and decrease in loan balances as a result of ongoing responsible cash and investment management.



Indicator	Result		Forecasts					Material variation	
	2020	2021	2022	2023	2024	2025	2026	2027	
<b>Loans and borrowings</b> <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	6.71%	14.03%	12.09%	3.62%	2.92%	5.02%	4.75%	4.06%	This indicator is lower in 2022-23 as a large loan settlement was fulfilled during the 2021-22 year.
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	39.44%	31.11%	25.03%	16.11%	42.97%	35.85%	31.46%	26.51%	The decrease in 2022-23 is due to the receipt of higher interest revenue due to higher interest rate levels compared to 2021-22. In addition, a reduction in non-current liabilities is a result of timing in recognition of developer transactions coupled with ongoing reductions in loan balances.
<b>Asset renewal and upgrade</b> <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	79.55%	106.09%	71.56%	128.02%	207.51%	117.56%	72.49%	78.35%	The removal of Covid restrictions in 2022-23 allowed increased delivery of budgeted infrastructure renewal and upgrade projects compared to 2021-22.

Indicator	Result		Forecasts					Material variation	
	2020	2021	2022	2023	2024	2025	2026	2027	
<b>Operating position</b>									
<b>Adjusted underlying result</b> Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-2.54%	-0.80%	-0.39%	-0.14%	-6.35%	-7.71%	-5.56%	-3.67%	The 2022-23 adjusted underlying deficit is lower than in previous years. Contributing to the result was increased interest revenue resulting from higher interest rates compared to 2021-22. In addition, higher operating grants were received primarily as a result of the advanced receipt of the full 2023-24 Financial Assistance Grant. These have been partly offset by higher employee costs in line with additional resource requirements and fulfilment of Enterprise Agreement obligations.
<b>Stability</b>									
<b>Rates concentration</b> Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	74.69%	74.61%	72.15%	71.63%	77.07%	78.09%	78.67%	79.11%	
<b>Rates effort</b> Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.35%	0.36%	0.35%	0.29%	0.27%	0.27%	0.26%	0.27%	Large property valuation increases have materially impacted this measure.

## 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 financial 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 2023.

### *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 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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 financial plan. The *Local Government (Planning and Reporting) Regulations 2020* 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 financial plan on 26 June 2023. The financial 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 financial plan can be obtained by contacting Council on 1300 787 624 or [mail@cardinia.vic.gov.au](mailto: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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.



---

Scott Moore  
Chief Finance Officer  
Dated: 18 September 2023

In our opinion, the accompanying performance statement of the Cardinia Shire Council for the year ended 30 June 2023 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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 2020* to certify this performance statement in its final form.



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Cr Jack Kowarzik  
Councillor  
Dated: 18 September 2023



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Cr Stephanie Davies  
Councillor  
Dated: 18 September 2023



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Carol Jeffs  
Chief Executive Officer  
Dated: 18 September 2023

# Independent Auditor's Report

## To the Councillors of Cardinia Shire Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Cardinia Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2023</li> <li>• sustainable capacity indicators for the year ended 30 June 2023</li> <li>• service performance indicators for the year ended 30 June 2023</li> <li>• financial performance indicators for the year ended 30 June 2023</li> <li>• other information and</li> <li>• certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement of Cardinia Shire Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020</i>.</p>
<b>Basis for Opinion</b>	<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>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors 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 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

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**Auditor's  
responsibilities for the  
audit of the  
performance  
statement**

As required by the *Audit Act 1994*, 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 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 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.

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# Financial statements





# CARDINIA SHIRE COUNCIL

## Financial Report

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## **Certification of the Financial Statements**

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Scott Moore  
**Principal Accounting Officer**  
**Dated : 18 September 2023**  
20 Siding Avenue, Officer

In our opinion, the accompanying financial statements present fairly the financial transactions of the Cardinia Shire Council for the year ended 30 June 2023 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances that 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 2020* to certify the financial statements in their final form.



Cr Jack Kowarzik  
**Councillor**  
**Dated : 18 September 2023**  
20 Siding Avenue, Officer



Cr Stephanie Davies  
**Councillor**  
**Dated : 18 September 2023**  
20 Siding Avenue, Officer



Carol Jeff  
**Chief Executive Officer**  
**Dated : 18 September 2023**  
20 Siding Avenue, Officer

# Independent Auditor's Report

## To the Councillors of Cardinia Shire Council

<b>Opinion</b>	<p>I have audited the financial report of Cardinia Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2023</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<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>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</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>

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**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.

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## Comprehensive Income Statement For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Income / Revenue</b>			
Rates and charges	3.1	110,382	105,983
Statutory fees and fines	3.2	5,876	5,030
User fees	3.3	2,910	2,379
Grants - operating	3.4 (a)	24,029	25,634
Grants - capital	3.4 (b)	18,901	18,143
Contributions - monetary	3.5	22,598	20,068
Contributions - non monetary	3.5	51,576	26,856
Share of net profits of associates	6.3	49	-
Other income	3.7	8,831	4,866
<b>Total income / revenue</b>		<b>245,152</b>	<b>208,959</b>
<b>Expenses</b>			
Employee costs	4.1 (a)	49,465	44,671
Materials and services	4.2	70,173	70,371
Depreciation	4.3	28,838	28,239
Amortisation - intangible assets	4.4	89	84
Amortisation - right of use assets	4.5	604	588
Bad and doubtful debts - allowance for impairment losses	4.6	358	282
Borrowing costs	4.7	1,186	1,464
Finance costs - leases	4.8	144	160
Net loss on disposal of property, infrastructure, plant and equipment	3.6	1,465	201
Share of net loss of associates	6.3	-	34
Other expenses	4.9	2,000	1,374
<b>Total expenses</b>		<b>154,322</b>	<b>147,468</b>
<b>Surplus for the year</b>		<b>90,830</b>	<b>61,491</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment	9.1(a)	172,339	80,306
<b>Total other comprehensive income</b>		<b>172,339</b>	<b>80,306</b>
<b>Total comprehensive result</b>		<b>263,169</b>	<b>141,797</b>

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

## Balance Sheet As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1(a)	25,784	20,957
Trade and other receivables	5.1 (c)	19,632	29,032
Other financial assets	5.1 (b)	138,000	111,500
Inventories	5.2 (a)	17	38
Non-current assets classified as held for sale	6.1	-	283
Other assets	5.2 (b)	5,477	10,117
<b>Total current assets</b>		<b>188,910</b>	<b>171,927</b>
<b>Non-current assets</b>			
Trade and other receivables	5.1 (c)	1,465	1,904
Investments in associates	6.3	-	1,446
Property, infrastructure, plant and equipment	6.2	2,391,298	2,150,561
Right-of-use assets	5.8	4,321	4,925
Intangible assets	5.2 (c)	1,255	285
<b>Total non-current assets</b>		<b>2,398,340</b>	<b>2,159,121</b>
<b>Total assets</b>		<b>2,587,250</b>	<b>2,331,048</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3 (a)	6,916	13,331
Trust funds and deposits	5.3 (b)	12,777	10,466
Unearned income/revenue	5.3 (c)	46,858	40,847
Provisions	5.5	10,249	9,758
Interest-bearing liabilities	5.4	2,391	2,808
Lease liabilities	5.8	575	558
<b>Total current liabilities</b>		<b>79,766</b>	<b>77,768</b>
<b>Non-current liabilities</b>			
Trade and other payables	5.3 (a)	3,679	9,657
Provisions	5.5	1,324	1,347
Interest-bearing liabilities	5.4	11,690	14,081
Lease liabilities	5.8	3,936	4,509
<b>Total non-current liabilities</b>		<b>20,629</b>	<b>29,594</b>
<b>Total liabilities</b>		<b>100,395</b>	<b>107,362</b>
<b>Net assets</b>		<b>2,486,855</b>	<b>2,223,686</b>
<b>Equity</b>			
Accumulated surplus		1,296,852	1,221,202
Reserves	9.1	1,190,003	1,002,484
<b>Total Equity</b>		<b>2,486,855</b>	<b>2,223,686</b>

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

## Statement of Changes in Equity For the Year Ended 30 June 2023

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2023</b>					
Balance at beginning of the financial year		2,223,686	1,221,202	933,964	68,520
Surplus for the year		90,830	90,830	-	-
Net asset revaluation increment	9.1 (a)	172,339	-	172,339	-
Transfers to other reserves	9.1 (b)	-	(25,217)	-	25,217
Transfers from other reserves	9.1 (b)	-	10,037	-	(10,037)
<b>Balance at end of the financial year</b>		<b>2,486,855</b>	<b>1,296,852</b>	<b>1,106,303</b>	<b>83,700</b>

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2022</b>					
Balance at beginning of the financial year		2,081,889	1,157,224	853,658	71,007
Surplus for the year		61,491	61,491	-	-
Net asset revaluation increment	9.1 (a)	80,306	-	80,306	-
Transfers to other reserves	9.1 (b)	-	(21,646)	-	21,646
Transfers from other reserves	9.1 (b)	-	24,133	-	(24,133)
<b>Balance at end of the financial year</b>		<b>2,223,686</b>	<b>1,221,202</b>	<b>933,964</b>	<b>68,520</b>

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

## Statement of Cash Flows For the Year Ended 30 June 2023

		2023 Inflows/ (Outflows) \$'000	2022 Inflows/ (Outflows) \$'000
	Note		
<b>Cash flows from operating activities</b>			
Rates and charges		108,415	107,145
Statutory fees and fines		6,483	5,472
User fees		3,079	2,495
Grants - operating		23,198	27,204
Grants - capital		33,961	40,461
Contributions - monetary		25,455	34,938
Interest received		5,494	288
Trust funds and deposits taken		7,347	5,142
Other receipts		10,615	(1,242)
Net GST refund		11,077	12,202
Employee costs		(49,452)	(43,340)
Materials and services		(92,992)	(87,173)
Short-term, low value and variable lease payments		(212)	(36)
Trust funds and deposits repaid		(4,807)	(4,811)
<b>Net cash provided by operating activities</b>	9.2	<u>87,661</u>	<u>98,745</u>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(52,172)	(60,045)
Proceeds from sale of property, infrastructure, plant and equipment		531	683
Net payments to investments		<u>(26,500)</u>	<u>(38,500)</u>
<b>Net cash used in investing activities</b>		<u>(78,141)</u>	<u>(97,862)</u>
<b>Cash flows from financing activities</b>			
Finance costs		(1,186)	(1,464)
Repayment of borrowings		(2,809)	(11,350)
Interest paid - lease liability		(145)	(160)
Repayment of lease liabilities		<u>(553)</u>	<u>(524)</u>
<b>Net cash used in financing activities</b>		<u>(4,693)</u>	<u>(13,498)</u>
Net increase (decrease) in cash and cash equivalents		4,827	(12,615)
Cash and cash equivalents at the beginning of the financial year		20,957	33,572
<b>Cash and cash equivalents at the end of the financial year</b>	5.1 (a)	<u>25,784</u>	<u>20,957</u>
Financing arrangements	5.6		

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



## Statement of Capital Works For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Property</b>			
Land	6.2 (a)	2,721	6,549
<b>Total land</b>		<b>2,721</b>	<b>6,549</b>
 Buildings		10,144	14,676
Heritage buildings	6.2 (a)	48	30
Building improvements	6.2 (a)	47	192
<b>Total buildings</b>		<b>10,239</b>	<b>14,898</b>
<b>Total property</b>	6.2 (a)	<b>12,960</b>	<b>21,447</b>
 <b>Plant and equipment</b>			
Plant, machinery and equipment	6.2 (b)	3,246	383
Fixtures, fittings and furniture		526	177
Computers and telecommunications	6.2 (b)	5	405
Intangible assets	5.2 (c)	1,067	72
<b>Total plant and equipment</b>		<b>4,844</b>	<b>1,037</b>
 <b>Infrastructure</b>			
Roads		25,804	17,306
Bridges		200	472
Footpaths and cycleways		2,262	2,757
Drainage		2,013	1,477
Recreational, leisure and community facilities		7,750	6,822
Parks, open space and streetscapes		194	-
Off street car parks		218	983
Other infrastructure		17	29
<b>Total infrastructure</b>	6.2 (c)	<b>38,458</b>	<b>29,846</b>
 <b>Total capital works expenditure</b>		<b>56,262</b>	<b>52,330</b>
 <b>Represented by:</b>			
New asset expenditure		4,619	20,615
Asset renewal expenditure		19,316	11,741
Asset expansion expenditure		14,725	8,467
Asset upgrade expenditure		17,602	11,507
<b>Total capital works expenditure</b>		<b>56,262</b>	<b>52,330</b>

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

## Notes to the Financial Report For the Year Ended 30 June 2023

### Note 1 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 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

#### Significant accounting policies

##### 1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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)
- the determination of landfill provisions
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* (refer to Note 3.4 (c)). Application of these two standards has been updated to better represent the nature and timing of the Development Contribution Plan related assets and liabilities in the financial statements. This impacts notes 5.1(c), 5.3(a), 5.3 (c) and 5.2(b).
- the determination, in accordance with AASB 16 *Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 *Service Concession Arrangements: Grantors* is applicable
- 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.

#### Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

## Notes to the Financial Report For the Year Ended 30 June 2023

### Note 2 ANALYSIS OF OUR RESULTS

#### 2.1 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 2020* 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 27 June 2022. The Budget was based on assumptions that were relevant at the time of Budget adoption. 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

#### 2.1.1 Income / Revenue and expenditure

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
<b>Income / Revenue</b>					
Rates and charges	111,477	110,382	(1,095)	-1%	1
Statutory fees and fines	5,921	5,876	(45)	-1%	
User fees	2,810	2,910	100	4%	
Grants - operating	19,731	24,029	4,298	22%	2
Grants - capital	33,860	18,901	(14,959)	-44%	3
Contributions - monetary	314	289	(25)	-8%	
Capital contributions - monetary	3	70	67	2233%	4
Development levies - monetary	17,681	22,239	4,558	26%	5
Contributions - non-monetary	40,000	51,576	11,576	29%	6
Share of net profit associates	-	49	49	100%	7
Other income	2,819	8,831	6,012	213%	8
<b>Total income / revenue</b>	<b>234,616</b>	<b>245,152</b>	<b>10,536</b>	<b>4%</b>	
<b>Expenses</b>					
Employee costs	48,177	49,465	(1,288)	-3%	9
Materials and services	70,575	70,173	402	1%	
Depreciation	30,380	28,838	1,542	5%	10
Amortisation - intangible assets	255	89	166	65%	11
Amortisation - right of use assets	581	604	(23)	-4%	
Bad and doubtful debts - allowance for impairment losses	189	358	(169)	-89%	12
Borrowing costs	1,697	1,186	511	30%	13
Net loss on disposal of property, infrastructure, plant and equipment	-	1,465	(1,465)	0%	
Finance costs - leases	143	144	(1)	-1%	
Other expenses	1,802	2,000	(198)	-11%	14
<b>Total expenses</b>	<b>153,799</b>	<b>154,322</b>	<b>(523)</b>	<b>0%</b>	
<b>Surplus for the year</b>	<b>80,817</b>	<b>90,830</b>	<b>10,014</b>	<b>0</b>	
Less: Capital income and other abnormals	(91,544)	(92,786)	(1,242)	1%	
Add: Recurrent capital grants	2,569	1,735	(834)	-32%	
<b>Adjusted underlying result</b>	<b>(8,158)</b>	<b>(221)</b>	<b>7,938</b>	<b>(0)</b>	

## Notes to the Financial Report For the Year Ended 30 June 2023

### 2.1.1 Income and expenditure (Cont'd)

#### (i) Explanation of material variations

1	Rates and charges	Rates revenue is lower than budget due to raising lower supplementary rates (\$0.2m) than expected. Additionally, the residential garbage charge and Green waste recycling charge are lower due to a reduced number of services than initially anticipated (\$1.2m). This is partially offset by higher-than-expected interest on rates income (\$0.2m).
2	Grants - operating	Favourable variance is largely due to the early receipt of the 2023-24 VLGGC grant allocation (\$4.0m). In addition, the recognition of various unbudgeted grants including the Local Partnerships Project, June 2021 rain event, COVID-Safe Outdoor Activation Funding and South East Victorian Fires Recovery Support.
3	Grants - capital	The unfavourable variance is mainly due to the timing of recognition of budgeted grants relating to Sealing the Hills (\$2.6m), Princes Hwy Intersections (\$10.6m), and the Garfield North Reserve Building (\$1.3m) in line with updated project delivery timelines.
4	Capital contributions - monetary	Capital monetary contributions are favourable due to receipt of unbudgeted contributions for Special Charge Scheme Contributions.
5	Development levies - monetary	Favourable variance is largely due to higher than budget levies raised during the year for Officer DCP due to increased development activity.
6	Contributions - non-monetary	This favourable variance includes higher than anticipated developer contributions of roads, footpaths, drains, bridges, land and land under roads, and open public spaces. Timing of developer contributions can vary from year to year.
7	Share of net profit associates	Share of profit and distribution received from Casey Cardinia Library Corporation, which was unbudgeted.
8	Other income	The favourable variance is mainly a result of increased interest rates as set by RBA during the year, which increased Council's return on investments by \$4.0m. A further \$1.5m in unbudgeted cost recoveries were received, including bank guarantee reimbursements for Gembrook Recreation Reserve Pavilion, Victorian Energy Efficiency Certificates, Mercury light replacement rebate payouts for vandalism-related insurance, rebates and event revenue from Cardinia cultural centre.
9	Employee costs	The unfavourable variance is influenced by newly approved positions during the year coupled with increased casual staff and overtime. This has been partially offset by underspend due to staff vacancies.
10	Depreciation	This favourable variance is primarily driven by the roads category, where asset balances are lower due to the discontinuation of the Sealing the Hills initiative and receipt of fewer than predicted gifted assets. In addition, results of the buildings revaluation applied in April reduced depreciation due to application of new useful lives and componentised depreciation rates. These favourable variances are partially offset by a higher depreciation expense for Drains, Parks, and Open spaces.
11	Amortisation - intangible assets	Lower amortisation expense in 2022-23 is due to the timing of when works were completed on new systems during the year.
12	Bad and doubtful debts - allowance for impairment losses	Unfavourable variance is due to the unbudgeted write off of uncollectable Development Levies (\$0.1m) and utility reimbursements (\$0.08m).
13	Borrowing costs	The favourable variance on loan interest is due to the budgeted loan for 2022-23 not being drawn down in line with updated project delivery timelines.
14	Other expenses	Unfavourable variance is due to the unbudgeted loss as a result of withdrawing from the Casey Cardinia Library Corporation agreement (\$0.5m).



## Notes to the Financial Report For the Year Ended 30 June 2023

### 2.1.2 Capital works

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
<b>Property</b>					
Land	7,773	2,721	(5,052)	-65%	1
<b>Total land</b>	<b>7,773</b>	<b>2,721</b>	<b>(5,052)</b>	<b>-65%</b>	
Buildings	19,254	10,144	(9,110)	(0)	2
Heritage buildings	-	48	48	-	3
Building improvements	-	47	47	-	4
<b>Total buildings</b>	<b>19,254</b>	<b>10,239</b>	<b>(9,015)</b>	<b>(0)</b>	
<b>Total property</b>	<b>27,027</b>	<b>12,960</b>	<b>(14,067)</b>	<b>(1)</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	3,831	3,246	(585)	-15%	5
Fixtures, fittings and furniture	146	526	380	260%	6
Computers and telecommunications	1,838	5	(1,833)	-100%	7
Intangible assets	-	1,067	1,067	-	8
<b>Total plant and equipment</b>	<b>5,815</b>	<b>4,844</b>	<b>(971)</b>	<b>-17%</b>	
<b>Infrastructure</b>					
Roads	46,562	25,804	(20,758)	-45%	9
Bridges	670	200	(470)	-70%	10
Footpaths and cycleways	1,870	2,262	392	21%	11
Drainage	813	2,013	1,200	148%	12
Recreational, leisure and community facilities	9,967	7,750	(2,217)	-22%	13
Parks, open space and streetscapes	5,535	194	(5,341)	-96%	14
Off street car parks	777	218	(559)	-72%	15
Other infrastructure	456	17	(439)	-96%	16
<b>Total infrastructure</b>	<b>66,650</b>	<b>38,458</b>	<b>(28,192)</b>	<b>-42%</b>	
<b>Total capital works expenditure</b>	<b>99,492</b>	<b>56,262</b>	<b>(43,230)</b>	<b>-43%</b>	
<b>Represented by:</b>					
New asset expenditure	1,015	4,619	3,604	355%	17
Asset renewal expenditure	25,480	19,316	(6,164)	-24%	18
Asset expansion expenditure	32,297	14,725	(17,572)	-54%	19
Asset upgrade expenditure	40,700	17,602	(23,098)	-57%	20
<b>Total capital works expenditure</b>	<b>99,492</b>	<b>56,262</b>	<b>(43,230)</b>	<b>-43%</b>	<b>21</b>

Budget amount includes capital budget for the year and any carried forward capital works that were deferred to 2022-23.

## Notes to the Financial Report For the Year Ended 30 June 2023

### 2.1.2 Capital works (Cont'd)

#### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Settlement of \$4.1m for a land purchase at 26 Enterprise Road was initially budgeted in the 2022-23 financial year as part of a scheduled payment plan. Settlement is now expected to occur in the 2023-24 financial year, resulting in a favourable variance in 2022-23.
2	Buildings	Underspend is mainly due to delays in works at Koo Wee Rup Bowling Club Pavilion \$2.1m, Garfield Netball Pavilion \$2.1m, various building maintenance projects \$2.1m and expansion works at My Place Youth Facility \$3.7m. Works for these are expected to continue during 2023-24.
3	Heritage buildings	Variance is due to works completed on projects originally budget in the Buildings asset category.
4	Building improvements	Variance is due to works completed on projects originally budget in the Buildings asset category.
5	Plant, machinery and equipment	Council continue to experience significant delays in renewing vehicles as global shortages in stock was experienced during 2022-23.
6	Fixtures, fittings and furniture	This variance is largely due to works completed on the IT Strategy of \$0.2m which were originally budget in the Computers and Telecommunications asset class. In addition, unbudgeted works were completed during the year at the Integrated Childrens Facility Timbertop of \$0.1m.
7	Computers and telecommunications	The favourable variance is largely due to the implementation of a new system which was budgeted in this category is now to be attributed to the Intangibles asset class. In addition, unforeseen delays in the delivery of hardware was experienced during the year.
8	Intangible assets	Higher than budget due to the expenditure for a new system that was originally budgeted in the computer and telecommunications asset class.
9	Roads	Underspend due to reduced funding issued by the Federal Government for the Sealing The Hills initiative, resulting in a reduction in associated works of \$4.0m in 2022-23. Delays in the delivery of works on Officer intersections \$9.0m, Sealing the Hills program \$2.3m, construction on Pioneer Way \$1.1m, Brunt Road roundabout works will all be continued in 2023-24. Savings in the road sealing program of \$3.0m coupled with delayed works of \$3.0m have contributed to this variance. In addition, completed works originally budgeted in the road category were reclassified to drainage during the year. These are partly offset by unbudgeted works required at McGregor Road of \$1.8m, and Soldiers Road of \$1.1m during the year.
10	Bridges	Underspend against budget is due to being unable to secure contractors to complete works for the Bridges replacement and upgrade program. These works are expected to be re-tendered during 2023-24.
11	Footpaths	A component of the project delivered for the Toomuc Reserve South Ovals was capitalised to the Footpaths asset class during the year, however was originally budgeted in the buildings asset class. This has resulted in a higher spend in the footpaths asset class compared to budget.
12	Drainage	Drainage components of the works completed as part of the Sealing the Hills initiative of \$1.3m have been capitalised to drainage as part of asset capitalisation process, however they were originally budget in the roads category.
13	Recreational, leisure and community facilities	This variance is largely due to the delay in budgeted works for Officer District Park Masterplan of \$3.2M which are now expected to progress in 2023-24. This is partly offset by \$1.0m of works completed for Bunyip Soccer Field which was originally budget in 2022-23.
14	Parks, open space and streetscapes	Lower than budget spend in this asset class is due to delays in delivery of projects, including Street Light Upgrades of \$2.3m, Beaconsfield streetscape upgrades \$0.9m, Alma Treloar Masterplan \$0.4m and Emerald Lake Park Strategic Plan \$0.4m.
15	Off street car parks	This underspend is largely due to delays in works at Cardinia Youth Facility Carpark of \$0.5m. Works are expected to continue in 2023-24.
16	Other infrastructure	Majority of the expenditure budgeted in the asset class was transferred to other asset classes upon completion.
17	New asset expenditure	Unbudgeted works required at McGregor Road of \$1.8m, and works on Soldiers Road of \$1.1m are included in this asset class but not included in the 2022-23 budget.
18	Asset renewal expenditure	Lower expenditure due to delays in works at Garfield Netball Pavilion \$0.8m and various building maintenance projects \$2.1m which are expected to continue in 2023-24. In addition, delays in purchasing vehicles \$0.8m due to global shortages in stock and underspend in the bridges replacement program by \$0.7m.
19	Asset expansion expenditure	This variance is largely due to delays of works on Officer intersections \$9.0m and delayed works on the Officer District Park Masterplan \$3.2M which are both expected to progress during 2023-24. In addition, later than anticipated settlement of land purchases \$5.1m further contributed to this variance.
20	Asset upgrade expenditure	Underspend due to reduced funding issued by the Federal Government for the Sealing The Hills initiative \$4.0m compounded with \$2.3m being carried over to 2023-24 for continued works. Savings and delays in budgeted works for the Road Sealing program have contributed \$6.0m to this variance. Furthermore, works in Garfield at both Cannibal Creek and the Netball Pavilion which were budgeted in 2022-23 are now expected to continue in 2023-24 \$3.2m. Delayed expenditure and savings found in Street Light upgrades \$2.3m and various other upgrade projects will continue in 2023-24.
21	Total capital works expenditure	This variance is largely due to supply chain delays driven by geopolitical, economic and environmental conditions not within Council's control. In addition, reduced funding issued by the federal government has further impacted this result.

## Notes to the Financial Report For the Year Ended 30 June 2023

### 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

#### 2.2.1 Programs

##### Chief Executive Officer

This group is responsible for leading the organisation and includes Cardinia's corporate management expenses including salaries, corporate memberships and corporate legal and consultancy fees.

##### Infrastructure and Environment

The Infrastructure and Environment Group is dedicated to making Cardinia Shire a sustainable, safe and enjoyable place to live both now and in the future. The group is responsible for the management and construction of new infrastructure and the maintenance of existing assets, engineering services, waste and development services areas. It focuses on the shire's heritage, natural environment, energy and climate change, sustainable waste services, and development. The Operations Service Team within the Group ensures a continued management and maintenance focus on the shire's extensive roads, drainage, trees and parks and gardens assets.

##### Liveable Communities

The Liveable Communities Group comprises the four business units of Planning & Design, Community & Family Services, Active & Connected Communities and Future Communities. The group seeks to create sustainable and liveable communities for current and future residents of the shire. It works 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.

##### Governance, Facilities and Economy

The Governance, Economy and Facilities Group contains the functions of Governance, Arts, Economy & Advocacy, Buildings & Facilities, Regulatory Services & Emergency Management and Risk & Safety. The group is focussed on delivering strong governance throughout our organisation, delivering prosperous economies, sustainable job growth and a vibrant arts culture. It focuses on building community resilience, ensuring a safe environment for our staff and our community and the creation of high quality liveable spaces and places for the community of

##### Customer, People & Performance

The Customer, People and Performance Group aspires to support effective and innovative service outcomes to the Cardinia community through several internal operational support and service functions. People and Culture supports the culture, learning and development of the organisation and people resources. Customer and Service Improvement is the face of interaction with the community, and focus on improving, enhancing and reporting service delivery. Finance supports the long term financial sustainability of Council through the development of financial and rating plans, ensures adherence to procurement policies and legislative financial reporting requirements, and is responsible for the administration of Council Rates. Information Services provides the technology and knowledge management tools to meet the functional, security and legislated requirements to deliver these services, whilst Communications focuses on effectively informing, celebrating and promoting the work of Council so that our community is able to access the information it needs.

### 2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2023</b>					
Chief Executive Officer	-	595	(595)	-	-
Infrastructure & Environment	77,121	76,085	1,036	22,205	1,061,045
Liveable Communities	8,454	29,520	(21,066)	4,822	80,457
Governance, Facilities and Economy	5,191	29,519	(24,328)	1,041	1,304,658
Customer, People & Performance	154,386	18,603	135,783	14,862	141,090
	<b>245,152</b>	<b>154,322</b>	<b>90,830</b>	<b>42,930</b>	<b>2,587,250</b>
	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>					
Chief Executive Officer	-	535	(535)	-	-
Infrastructure & Environment	47,951	79,084	(31,133)	26,475	917,197
Liveable Communities	32,962	23,614	9,348	4,119	57,511
Governance, Facilities and Economy	4,775	27,083	(22,308)	787	1,229,467
Customer, People & Performance	123,271	17,152	106,119	12,396	126,873
	<b>208,959</b>	<b>147,468</b>	<b>61,491</b>	<b>43,777</b>	<b>2,331,048</b>

## Notes to the Financial Report For the Year Ended 30 June 2023

**Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES****3.1 Rates and charges**

	2023	2022
	\$'000	\$'000

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 2022.

The valuation base used to calculate general rates for 2022/23 was \$37,003 million (2021/22 was \$29,664 million). The 2022/23 rate in the CIV dollar was 0.002264 (2021/22 was 0.002704).

General rates	89,515	86,154
Waste management charge	18,704	17,422
Supplementary rates and rate adjustments	1,286	1,393
Interest on rates and charges	803	929
Cultural and recreational	74	85
<b>Total rates and charges</b>	<b>110,382</b>	<b>105,983</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2022, and the valuation will be first applied in the rating year commencing 1 July 2022.

Annual rates and charges are recognised as revenues 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	464	491
Statutory registration fees	1,280	1,210
Court recoveries	32	203
Town planning fees	1,890	1,222
Land information certificates	100	157
Permits	2,110	1,747
<b>Total statutory fees and fines</b>	<b>5,876</b>	<b>5,030</b>

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 first occurs.

**3.3 User fees**

Leisure centre and recreation	1,929	1,151
Child care/children's programs	151	153
Parking	120	46
Registration and other permits	549	664
Building services	64	300
Other fees and charges	97	65
<b>Total user fees</b>	<b>2,910</b>	<b>2,379</b>

**User fees by timing of revenue recognition**

User fees recognised at a point in time	2,910	2,379
<b>Total user fees</b>	<b>2,910</b>	<b>2,379</b>

User fees are recognised as revenue at a point in time.



## Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
<b>3.4 Funding from other levels of government</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	30,311	35,098
State funded grants	12,619	8,679
<b>Total grants received</b>	<b>42,930</b>	<b>43,777</b>
<b>(a) Operating Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Financial Assistance Grants	17,082	14,981
Community health	-	50
<b><i>Recurrent - State Government</i></b>		
School crossing supervisors	584	463
Maternal and child health	2,080	2,143
Recreation	139	83
Community safety	7	4
Best start	97	73
Community health	280	76
Emergency Management	240	-
Environment and heritage	52	71
Family and children	584	427
<b>Total recurrent operating grants</b>	<b>21,145</b>	<b>18,371</b>
<b><i>Non-recurrent - Commonwealth Government</i></b>		
Local infrastructure	-	4,512
<b><i>Non-recurrent - State Government</i></b>		
Local infrastructure	1,781	2,324
Community Health	286	290
Environment & Heritage	77	9
Community Safety	8	11
Families and Children	-	105
Library	732	-
Working for Victoria	-	12
<b>Total non-recurrent operating grants</b>	<b>2,884</b>	<b>7,263</b>
<b>Total operating grants</b>	<b>24,029</b>	<b>25,634</b>
<b>(b) Capital Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Financial Assistance Grant	1,735	1,130
Roads to recovery	-	1,691
<b>Total recurrent capital grants</b>	<b>1,735</b>	<b>2,821</b>
<b><i>Non-recurrent - Commonwealth Government</i></b>		
Local infrastructure	8,971	9,175
Recreation	2,523	3,559
<b><i>Non-recurrent - State Government</i></b>		
Local infrastructure	4,778	2,179
Recreation	894	409
<b>Total non-recurrent capital grants</b>	<b>17,166</b>	<b>15,322</b>
<b>Total capital grants</b>	<b>18,901</b>	<b>18,143</b>
<b>Total operating and capital grants</b>	<b>42,930</b>	<b>43,777</b>

## Notes to the Financial Report For the Year Ended 30 June 2023

### 3.4 Funding from other levels of government (Cont'd)

#### (c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income of Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

	2023	2022
	\$'000	\$'000
<b>Income recognised under AASB 1058 Income of Not-for-Profit Entities</b>		
General purpose	17,082	14,981
Specific purpose grants to acquire non-financial assets	18,901	18,143
Other specific purpose grants	6,947	10,653
<b>Revenue recognised under AASB 15 Revenue from Contracts with Customers</b>		
Specific purpose grants	-	-
	<b>42,930</b>	<b>43,777</b>

#### (d) Unspent grants received on condition that they be spent in a specific manner

##### *Operating*

Balance at start of year	2,775	1,205
Received during the financial year and remained unspent at balance date	4,790	2,775
Received in prior years and spent during the financial year	(2,337)	(1,205)
Balance at year end	<b>5,228</b>	<b>2,775</b>

##### *Capital*

Balance at start of year	27,500	5,182
Received during the financial year and remained unspent at balance date	25,807	26,023
Received in prior years and spent during the financial year	(10,747)	(3,705)
Balance at year end	<b>42,560</b>	<b>27,500</b>
<b>Total Unspent grants at year end</b>	<b>47,788</b>	<b>30,275</b>

## Notes to the Financial Report For the Year Ended 30 June 2023

	2023	2022
	\$'000	\$'000
<b>3.5 Contributions</b>		
Monetary	22,598	20,068
Non-monetary	51,576	26,856
<b>Total contributions</b>	<b>74,174</b>	<b>46,924</b>

Contributions of non monetary assets were received in relation to the following asset classes.

Land	16,306	5,166
Buildings	308	22
Roads	12,706	6,362
Other infrastructure	16,625	14,849
Other	-	6
<b>Total non-monetary contributions</b>	<b>45,945</b>	<b>26,405</b>

Monetary and non monetary contributions are recognised as revenue at their fair value when Council obtains control over the contributed asset.

### 3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

#### (a) Assets held for sale

Proceeds from sale of assets held for sale	-	270
Written down value of assets held for sale	-	(217)
<b>Total net profit on disposal of assets held for sale</b>	<b>-</b>	<b>53</b>

#### (b) Property, infrastructure and plant and equipment

Proceeds of sale	531	413
Written down value of assets disposed	(1,996)	(667)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(1,465)</b>	<b>(254)</b>

#### **Total net loss on disposal of assets held for sale and property, infrastructure, plant and equipment**

	<b>(1,465)</b>	<b>(201)</b>
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The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

### 3.7 Other income

Interest	5,236	546
Cost recoveries	2,179	3,230
Rent income	576	520
Other	840	570
<b>Total other income</b>	<b>8,831</b>	<b>4,866</b>

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 2023

	2023	2022
	\$'000	\$'000
<b>Note 4 THE COST OF DELIVERING SERVICES</b>		
<b>4.1 (a) Employee costs</b>		
Wages and salaries	43,672	39,349
WorkCover	804	925
Superannuation	4,600	3,999
Fringe benefits tax	324	351
Other	65	47
<b>Total employee costs</b>	<b>49,465</b>	<b>44,671</b>

### (b) Superannuation

Council made contributions to the following funds:

#### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	147	147
	<b>147</b>	<b>147</b>
Employer contributions payable at reporting date.	-	-

#### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	4,453	3,852
	<b>4,453</b>	<b>3,852</b>
Employer contributions payable at reporting date.	-	-

Refer to note 9.3 for further information relating to Council's superannuation obligations.

### 4.2 Materials and services

Contract payments		
- Waste and garbage contracts	17,039	15,952
- Parks and gardens contracts	5,400	4,772
- Library contract	2,282	2,277
- Other contracts	7,709	6,695
Building maintenance	213	170
General maintenance	3,282	3,612
Utilities	2,795	2,717
Office administration	104	121
Information technology	2,300	2,103
Insurance	1,183	1,103
Consultants	1,821	1,765
Materials and services	24,334	27,480
Contractors & temp staff	643	772
Legal	1,068	762
Cost recoveries	-	70
<b>Total materials and services</b>	<b>70,173</b>	<b>70,371</b>

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

### 4.3 Depreciation

Property	6,627	6,822
Plant and equipment	1,941	1,942
Infrastructure	20,270	19,475
<b>Total depreciation</b>	<b>28,838</b>	<b>28,239</b>



## Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
<b>4.4 Amortisation - Intangible assets</b>		
Software	89	84
<b>Total Amortisation - Intangible assets</b>	<b>89</b>	<b>84</b>

### 4.5 Amortisation - Right of use assets

Property	604	588
<b>Total Amortisation - Right of use assets</b>	<b>604</b>	<b>588</b>

Refer to note 5.2( c ), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

### 4.6 Bad and doubtful debts - allowance for impairment losses

Local law debtors	61	114
Other debtors	297	168
<b>Total bad and doubtful debts - allowance for impairment losses</b>	<b>358</b>	<b>282</b>

#### Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	(323)	(211)
New provisions recognised during the year	(54)	(191)
Amounts already provided for and written off as uncollectible	21	46
Amounts provided for but recovered during the year	23	33
Balance at end of year	<b>(333)</b>	<b>(323)</b>

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

### 4.7 Borrowing costs

Interest - Borrowings	963	1,236
Bank Charges	223	228
<b>Total borrowing costs</b>	<b>1,186</b>	<b>1,464</b>

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.

### 4.8 Finance Costs - Leases

Interest - Lease Liabilities	144	160
<b>Total finance costs</b>	<b>144</b>	<b>160</b>

### 4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	82	70
Auditors' remuneration - Internal Audit	68	71
Councillors' allowances	449	407
Assets written-off / impaired	226	26
Others	730	800
Loss on withdrawing from Casey Cardinia Library Corporation agreement (refer note 6.3)	445	-
<b>Total other expenses</b>	<b>2,000</b>	<b>1,374</b>

## Notes to the Financial Report For the Year Ended 30 June 2023

**Note 5 OUR FINANCIAL POSITION**

	2023	2022
	\$'000	\$'000
<b>5.1 Financial assets</b>		
<b>(a) Cash and cash equivalents</b>		
Cash on hand	1	1
Cash at bank	25,783	20,956
<b>Total cash and cash equivalents</b>	<b>25,784</b>	<b>20,957</b>
 <b>(b) Other financial assets</b>		
<b>Current</b>		
Term deposits - Council	93,000	79,000
Term deposits - Developer contribution plans	45,000	32,500
<b>Total other financial assets</b>	<b>138,000</b>	<b>111,500</b>
<b>Total financial assets</b>	<b>163,784</b>	<b>132,457</b>

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months 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. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

These cash balances include restricted cash related to developer contributions, grants received in advance, committed capital works and refundable deposits.

## Notes to the Financial Report For the Year Ended 30 June 2023

5.1 Financial assets (Cont'd)	2023	2022
(c) Trade and other receivables	\$'000	\$'000
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	15,214	13,248
Infringement debtors	208	226
Net GST receivable	1,982	1,820
Provision for doubtful debts - infringements	(94)	(114)
Developer contribution plan debtors	-	11,492
<i>Non statutory receivables</i>		
Other debtors	2,561	2,569
Provision for doubtful debts - other debtors	(239)	(209)
Total current trade and other receivables	<b>19,632</b>	<b>29,032</b>
<b>Non-current</b>		
<i>Statutory receivables</i>		
Special rate scheme	956	984
Developer contribution plan debtors	-	358
<i>Non statutory receivables</i>		
Bonds	89	103
Other debtors	420	459
Total non-current trade and other receivables	<b>1,465</b>	<b>1,904</b>
<b>Total trade and other receivables</b>	<b>21,097</b>	<b>30,936</b>

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 and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	1,223	1,523
Past due by up to 30 days	256	285
Past due between 31 and 180 days	304	159
Past due between 181 and 365 days	50	124
Past due by more than 1 year	729	478
Total trade and other receivables	<b>2,561</b>	<b>2,569</b>

### (e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$333k (2022: \$322k) were impaired. The amount of the provision raised against these debtors was \$333k (2022: \$322k). 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 up to 30 days	-	57
Past due between 31 and 180 days	112	21
Past due between 181 and 365 days	56	47
Past due by more than 1 year	165	197
<b>Total trade &amp; other receivables</b>	<b>333</b>	<b>322</b>

## Notes to the Financial Report For the Year Ended 30 June 2023

### 5.2 Non-financial assets

#### (a) Inventories

	2023	2022
	\$'000	\$'000
Inventories held for distribution	17	38
<b>Total inventories</b>	<b>17</b>	<b>38</b>

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	970	1,094
Accrued income	3,551	8,050
Other	956	973
<b>Total other assets</b>	<b>5,477</b>	<b>10,117</b>

#### (c) Intangible assets

Software	1,255	285
<b>Total intangible assets</b>	<b>1,255</b>	<b>285</b>

	Software
	\$'000
<b>Gross carrying amount</b>	
Balance at 1 July 2022	2,395
Impairment	(39)
Disposals	(501)
Transfers	-
Balance at 30 June 2023	<b>1,855</b>
<b>Accumulated amortisation and impairment</b>	
Balance at 1 July 2022	2,110
Amortisation expense	89
Impairment	(31)
Disposals	(501)
Balance at 30 June 2023	<b>1,667</b>
Work in progress at 30 June 2022	-
Work in progress at 30 June 2023	1,067
Net book value at 30 June 2022	285
Net book value at 30 June 2023	<b>1,255</b>

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 2023

	2023 \$'000	2022 \$'000
<b>5.3 Payables, trust funds and deposits and unearned income/revenue</b>		
<b>(a) Trade and other payables</b>		
<b>Current</b>		
<i>Non-statutory payables</i>		
Trade payables	261	7,108
Accrued expenses	6,021	5,723
Other payables - purchase of land	634	500
<b>Total current trade and other payables</b>	<b>6,916</b>	<b>13,331</b>
<b>Non-Current</b>		
Trade payables *	3,679	9,103
Other payables - purchase of land	-	554
<b>Total non-current trade and other payables</b>	<b>3,679</b>	<b>9,657</b>
<b>Total trade and other payables</b>	<b>10,595</b>	<b>22,988</b>
* Developer contributed assets (as of 30 June 2022 only) and lease incentives received in advance which are expected to be settled after 12 months.		
<b>(b) Trust funds and deposits</b>		
<b>Current</b>		
Refundable deposits	12,410	10,068
Fire services levy	81	90
Retention	11	11
Sustainable Australia Fund	16	37
Other refundable deposits	259	259
<b>Total current trust funds and deposits</b>	<b>12,777</b>	<b>10,466</b>
<b>(c) Unearned income/revenue</b>		
<b>Current</b>		
Grants received in advance - operating	1,945	2,775
Grants received in advance - capital	42,560	27,500
Developer levies raised in advance	-	8,674
Other	2,353	1,898
<b>Total current unearned income/revenue</b>	<b>46,858</b>	<b>40,847</b>

Unearned income represents contract liabilities and reflect consideration received in advance from customers in respect of projects and developments. Unearned income are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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.

Unclaimed deposits are forwarded to the State Revenue Office as unclaimed monies when Council cannot identify or make contact with the owner.

### **Purpose and nature of items**

Refundable deposits and other 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 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.

Sustainable Australia Fund - Council collects funds on behalf of Sustainable Australia from businesses that participate in the Environmental Upgrade Financing (EUF) program. Amounts disclosed here will be remitted to the Sustainable Australia Fund in line with that process.

## Notes to the Financial Report For the Year Ended 30 June 2023

**5.4 Interest-bearing liabilities**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Borrowings - secured	2,391	2,808
Total current interest-bearing liabilities	<b>2,391</b>	<b>2,808</b>
<b>Non-current</b>		
Borrowings - secured	11,690	14,081
Total non-current interest-bearing liabilities	<b>11,690</b>	<b>14,081</b>
<b>Total</b>	<b>14,081</b>	<b>16,889</b>

Borrowings are secured by Deed of Charge over general rates.

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

Not later than one year	2,391	2,808
Later than one year and not later than five years	9,264	9,841
Later than five years	2,426	4,240
	<b>14,081</b>	<b>16,889</b>

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**

	<b>Employee provisions</b>	
	2023	2022
	\$'000	\$'000
<b>2023</b>		
Balance at beginning of the financial year	11,105	9,810
Additional provisions	4,903	4,782
Amounts used	(4,187)	(3,325)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(248)	(162)
Balance at the end of the financial year	<b>11,573</b>	<b>11,105</b>
<i>Provisions - current</i>	10,249	9,758
<i>Provisions - non-current</i>	1,324	1,347

## Notes to the Financial Report For the Year Ended 30 June 2023

5.5 Provisions (Cont'd)	2023	2022
(a) Employee provisions	\$'000	\$'000
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	4,649	4,278
Long service leave	1,137	1,210
Sick leave bonus/gratuity	44	41
	<b>5,830</b>	<b>5,529</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Long service leave	4,419	4,229
	<b>4,419</b>	<b>4,229</b>
Total current employee provisions	<b>10,249</b>	<b>9,758</b>
<b>Non-current</b>		
Long service leave	1,324	1,347
Total non-current employee provisions	<b>1,324</b>	<b>1,347</b>
Aggregate carrying amount of employee provisions:		
Current	10,249	9,758
Non-current	1,324	1,347
Total aggregate carrying amount of employee provisions	<b>11,573</b>	<b>11,105</b>

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

### Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

### Key assumptions:

- discount rate	4.06%	3.69%
- index rate	4.35%	3.85%

## Notes to the Financial Report For the Year Ended 30 June 2023

### 5.6 Financing arrangements

	2023	2022
	\$'000	\$'000
The Council has the following funding arrangements in place as at 30 June 2023.		
Bank overdraft	2,000	2,000
Transaction negotiation authority	1,000	1,000
Credit card facilities	400	400
Lease facilities	4,511	5,067
Bank loan facilities	14,081	16,889
Total facilities	<b>21,992</b>	<b>25,356</b>
Used facilities	18,669	22,027
Unused facilities	<b>3,323</b>	<b>3,329</b>

### 5.7 Commitments

The 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.

#### (a) Commitments for expenditure

	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
<b>2023</b>					
<b>Operating</b>					
Recycling	3,250	3,380	1,731	1,800	10,161
Garbage collection	14,575	15,158	15,552	1,930	47,215
Open space management	2,959	-	-	-	2,959
Consultancies	1,695	179	-	-	1,874
Cleaning contracts for council buildings	1,115	-	-	-	1,115
Information Technology	1,806	1,830	2,367	-	6,003
Library	2,573	2,637	5,474	2,840	13,524
Facilities management	2,575	685	-	-	3,260
Maintenance	85	-	-	-	85
Health	1,676	173	-	-	1,849
Other	209	213	440	265	1,127
<b>Total</b>	<b>32,518</b>	<b>24,255</b>	<b>25,564</b>	<b>6,835</b>	<b>89,172</b>
<b>Capital</b>					
Buildings	14,038	-	-	-	14,038
Roads	3,516	-	-	-	3,516
Land	3,375	-	-	-	3,375
<b>Total</b>	<b>20,929</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,929</b>



## Notes to the Financial Report For the Year Ended 30 June 2023

## 5.7 Commitments (Cont'd)

## (a) Commitments for expenditure

2022	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Recycling	3,150	3,276	4,807	1,462	12,695
Garbage collection	14,330	14,903	26,623	7,663	63,519
Open space management	8,329	4,835	-	-	13,164
Consultancies	1,903	30	-	-	1,933
Home care services	-	-	-	-	-
Cleaning contracts for council buildings	1,004	-	-	-	1,004
Fleet	295	-	-	-	295
Casey Cardinia Library funding	2,543	-	-	-	2,543
Facilities management	648	830	1,070	-	2,548
Maintenance	1,147	-	-	-	1,147
Health	1,746	1,494	-	-	3,240
Other	2,196	668	1,303	373	4,540
<b>Total</b>	<b>37,291</b>	<b>26,036</b>	<b>33,803</b>	<b>9,498</b>	<b>106,628</b>
<b>Capital</b>					
Buildings	7,807	-	-	-	7,807
Roads	22,289	-	-	-	22,289
Drainage	100	-	-	-	100
Land	2,073	-	-	-	2,073
<b>Total</b>	<b>32,269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,269</b>

## Notes to the Financial Report For the Year Ended 30 June 2023

### 5.7 Commitments (Cont'd)

#### (b) Operating lease receivables

##### *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.

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

	2023	2022
	\$'000	\$'000
Not later than one year	367	379
Later than one year and not later than five years	636	585
Later than five years	2,302	2,691
	<b>3,305</b>	<b>3,655</b>

### 5.8 Leases

At inception of a contract, Council assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Under AASB 16 *Leases*, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

## Notes to the Financial Report For the Year Ended 30 June 2023

### 5.8 Leases (Cont'd)

#### Right-of-Use Assets

	Property	Vehicles	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2022	115	4,810	4,925
Amortisation charge	(38)	(566)	(604)
Balance at 30 June 2023	<b>77</b>	<b>4,244</b>	<b>4,321</b>
Balance at 1 July 2021	47	5,375	5,422
Additions	91	-	91
Amortisation charge	(23)	(565)	(588)
Balance at 30 June 2022	<b>115</b>	<b>4,810</b>	<b>4,925</b>

#### Lease Liabilities

	2023	2022
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	701	700
One to five years	2,628	2,687
More than five years	1,718	2,360
Total undiscounted lease liabilities as at 30 June:	<b>5,047</b>	<b>5,747</b>
Lease liabilities included in the Balance Sheet at 30 June:		
Current	575	558
Non-current	3,936	4,509
Total lease liabilities	<b>4,511</b>	<b>5,067</b>

#### Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2023	2022
	\$'000	\$'000
Expenses relating to:		
Short-term leases	-	36
Leases of low value assets	212	221
<b>Total</b>	<b>212</b>	<b>257</b>

There are not variable lease payments (not included in measurement of lease liabilities) as of 30 June 2023.

#### Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:		
Within one year	69	239
Later than one year but not later than five years	53	109
Total lease commitments	<b>122</b>	<b>348</b>

### Note 6 ASSETS WE MANAGE

#### 6.1 Non current assets classified as held for sale

	2023	2022
	\$'000	\$'000
Land held at fair value	283	283
Change in classification of land previously held for Sale	(283)	
<b>Total non current assets classified as held for sale</b>	<b>-</b>	<b>283</b>

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.

In the financial year ended 30 June 2020, the Council classified a plot of land (the "Asset") as held for sale, anticipating a sale within the next twelve months. Due to circumstances outside of Council's control, the sale is no longer highly probable. As a result the Asset was declassified from held for sale and reclassified as Property, Plant, and Equipment on 30 June 2023.

## Notes to the Financial Report For the Year Ended 30 June 2023

### 6.2 Property, infrastructure, plant and equipment

#### Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2022								Transfers from held for sale	Write-off	Disposal	Transfers	Impairment losses recognised in operating result	Carrying amount 30 June 2023
	\$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,207,157	4,539	16,614	54,324	(6,627)	(451)	-	283	-	-	(451)	9,256	-	1,285,095
Plant and equipment	7,308	3,777	-	-	(1,941)	(99)	-	-	-	-	(99)	793	-	9,838
Infrastructure	886,788	13,466	29,331	118,014	(20,270)	(1,446)	(2)	-	(2)	-	(1,446)	16,717	(218)	1,042,380
Work in progress	49,308	33,413	-	-	-	-	(1,970)	-	(1,970)	-	-	(26,766)	-	53,985
	<b>2,150,561</b>	<b>55,195</b>	<b>45,945</b>	<b>172,338</b>	<b>(28,838)</b>	<b>(1,996)</b>	<b>(1,972)</b>	<b>283</b>	<b>(1,972)</b>	<b>(1,972)</b>	<b>(1,996)</b>	<b>-</b>	<b>(218)</b>	<b>2,391,298</b>

#### Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	15,904	8,421	(417)	(9,830)	14,078
Plant and equipment	-	-	-	-	-
Infrastructure	33,404	24,992	(1,553)	(16,936)	39,907
Total	<b>49,308</b>	<b>33,413</b>	<b>(1,970)</b>	<b>(26,766)</b>	<b>53,985</b>

## Notes to the Financial Report For the Year Ended 30 June 2023

### 6.2 Property, infrastructure, plant and equipment (Cont'd)

#### (a) Property

	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Leasehold improvements	Total Buildings	Work in Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	886,783	78,514	-	965,297	7,759	307,098	24,016	28,622	4,018	371,513	15,904	1,352,714
Accumulated depreciation at 1 July 2022	-	-	-	-	(5,786)	(102,586)	(11,130)	(9,959)	(192)	(129,653)	-	(129,653)
	886,783	78,514	-	965,297	1,973	204,512	12,886	18,663	3,826	241,860	15,904	1,223,061
<b>Movements in fair value</b>												
Additions	2,721	-	-	2,721	48	1,343	380	47	-	1,818	8,421	12,960
Contributions	16,306	-	-	16,306	-	308	-	-	-	308	-	16,614
Revaluation	-	-	-	-	870	29,032	2,065	(351)	648	32,264	-	32,264
Disposal	-	-	-	-	-	(2,343)	(56)	-	-	(2,399)	-	(2,399)
Write-off	-	-	-	-	-	-	-	-	-	-	(417)	(417)
Transfers from assets held for sale	-	283	-	283	-	-	-	-	-	-	-	283
Transfers	-	-	-	-	180	37,002	(47)	(28,282)	-	8,853	(9,830)	(977)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
	19,027	283	-	19,310	1,098	65,342	2,342	(28,586)	648	40,844	(1,826)	58,328
<b>Movements in accumulated depreciation</b>												
Depreciation and amortisation	-	-	-	-	(92)	(5,122)	(410)	(943)	(60)	(6,627)	-	(6,627)
Revaluation increments/(decrements)	-	-	-	-	(692)	21,928	794	67	(37)	22,060	-	22,060
Accumulated depreciation of disposals	-	-	-	-	-	1,937	11	-	-	1,948	-	1,948
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(44)	(10,784)	402	10,829	-	403	-	403
	-	-	-	-	(828)	7,959	797	9,953	(97)	17,784	-	17,784
At fair value 30 June 2023	905,810	78,797	-	984,607	8,857	372,440	26,358	36	4,666	412,357	14,078	1,411,042
Accumulated depreciation at 30 June 2023	-	-	-	-	(6,614)	(94,627)	(10,333)	(6)	(289)	(111,869)	-	(111,869)
Carrying amount	905,810	78,797	-	984,607	2,243	277,813	16,025	30	4,377	300,488	14,078	1,299,173



Notes to the Financial Report  
For the Year Ended 30 June 2023

6.2 Property, infrastructure, plant and equipment (Cont'd)  
(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures and furniture \$'000	Computers and telecomms \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2022	14,169	3,290	2,512	-	19,971
Accumulated depreciation at 1 July 2022	(8,721)	(2,222)	(1,720)	-	(12,663)
	5,448	1,068	792	-	7,308
<b>Movements in fair value</b>					
Additions	3,246	526	5	-	3,777
Contributions	-	-	-	-	-
Revaluation	-	-	-	-	-
Disposal	(1,181)	-	-	-	(1,181)
Write-off	-	-	-	-	-
Transfers	1,118	78	-	-	1,196
Impairment losses recognised in operating result	-	-	-	-	-
	3,183	604	5	-	3,792
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(1,510)	(195)	(236)	-	(1,941)
Accumulated depreciation of disposals	1,082	-	-	-	1,082
Impairment losses recognised in operating result	-	-	-	-	-
Transfers	(403)	-	-	-	(403)
	(831)	(195)	(236)	-	(1,262)
At fair value 30 June 2023	17,352	3,894	2,517	-	23,763
Accumulated depreciation at 30 June 2023	(9,552)	(2,417)	(1,956)	-	(13,925)
Carrying amount	7,800	1,477	561	-	9,838

## Notes to the Financial Report For the Year Ended 30 June 2023

### 6.2 Property, infrastructure, plant and equipment (Cont'd) (c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Waste Management	Parks open space and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	450,646	105,583	117,737	411,512	54,518	-	20,399	-	16,625	2,094	33,404	1,212,518
Accumulated depreciation at 1 July 2022	(133,342)	(37,047)	(26,454)	(65,585)	(18,665)	-	(6,733)	-	(3,975)	(525)	-	(292,326)
	317,304	68,536	91,283	345,927	35,853	-	13,666	-	12,650	1,569	33,404	920,192
<b>Movements in fair value</b>												
Additions	9,984	11	962	1,879	397	-	194	-	33	6	24,992	38,458
Contributions	12,706	-	4,661	11,587	-	-	360	-	17	-	-	29,331
Revaluation	37,531	14,732	10,902	-	24,135	-	6,769	-	808	-	-	94,877
Disposal	(1,015)	-	(267)	(167)	(353)	-	(235)	-	(15)	-	-	(2,052)
Write-off	-	-	-	-	-	-	(2)	-	-	-	(1,553)	(1,555)
Transfers	8,243	78	2,198	3,732	1,439	-	882	-	85	60	(16,936)	(219)
Impairment losses recognised in operating result	(218)	-	-	-	-	-	-	-	-	-	-	(218)
	67,231	14,821	18,456	17,031	25,618	-	7,968	-	928	66	6,503	158,622
<b>Movements in accumulated depreciation</b>												
Revaluation increments/(decrements)	35,417	(3,879)	3,243	-	(8,169)	-	(3,075)	-	(400)	-	-	23,137
Depreciation and amortisation	(9,828)	(1,188)	(2,336)	(4,227)	(1,466)	-	(843)	-	(319)	(61)	-	(20,270)
Accumulated depreciation of disposals	260	-	81	13	81	-	159	-	12	-	-	606
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	25,849	(5,067)	988	(4,214)	(9,556)	-	(3,759)	-	(707)	(61)	-	3,473
At fair value 30 June 2023	517,877	120,404	136,193	428,543	80,136	-	28,367	-	17,553	2,160	39,907	1,371,140
Accumulated depreciation at 30 June 2023	(107,493)	(42,114)	(25,466)	(69,799)	(28,221)	-	(10,492)	-	(4,682)	(586)	-	(288,853)
Carrying amount	410,384	78,290	110,727	358,744	51,915	-	17,875	-	12,871	1,574	39,907	1,082,287

## Notes to the Financial Report For the Year Ended 30 June 2023

### 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	Major Depreciation Period	Threshold Limit
	in years	in years	\$'000
<i>Asset recognition thresholds and depreciation periods</i>			
Land & land improvements			
land	-	-	-
land improvements	-	-	10
Buildings (Component level recognition adopted in 2022-2023)			
Non Componentised Buildings	35 - 151	35 - 71	10
Component: Substructure	75 - 161	75 - 100	10
Component: Superstructure - Columns	92	92	10
Component: Superstructure - Upper Floors	92	92	10
Component: Superstructure - Stairs	92	92	10
Component: Superstructure - Roof	70 - 147	70 - 92	10
Component: Superstructure - External Walls & Windows	70 - 147	70 - 92	10
Component: Superstructure - External Doors	70 - 147	70 - 92	10
Component: Superstructure - Internal Walls	33 - 147	33 - 92	10
Component: Superstructure - Internal Screens	70 - 147	70 - 92	10
Component: Superstructure - Internal Doors	70 - 147	70 - 92	10
Component: Finishes - Walls	30 - 78	30 - 36	10
Component: Finishes - Floor	34 - 78	34 - 40	10
Component: Finishes - Ceiling	48 - 90	48 - 60	10
Component: Fittings - Fitments	50 - 93	50 - 62	10
Component: Fittings - Special Equipment	60	60	10
Component: Services - Plumbing	62 - 127	62 - 81	10
Component: Services - Mechanical	62 - 127	62 - 81	10
Component: Services - Fire	36 - 78	36	10
Component: Services - Electrical	64 - 133	64 - 84	10
Component: Services - Transportation	20	20	10
Component: Services - Special Services	60	60	10
Component: External Services	62 - 127	62 - 81	10
Leasehold improvements	71	71	10
Plant and Equipment			
Plant, Machinery and Equipment	5 - 15	5 - 15	5
Others	3 - 15	3 - 15	5
Infrastructure			
Roads - Asphalt Road Surface	25	25	10
Roads - Spray Seal	12	12	10
Sealed Roads - Pavement: Local Access, Property Access and Limited Access			
Roads	Not Depreciated		10
Sealed Roads - Pavement: Arterial and Collector Roads	18 - 139	18 - 139	10
Unsealed Roads - Pavement	30-75	30-75	10
Sealed Footpaths and Cycleways	12 - 100	12 - 100	10
Unsealed Footpaths and Cycleways	12 - 15	12 - 15	10
Sealed Off Street Car Parks	70 - 93	70 - 93	10
Unsealed Off Street Car Parks	55	55	10
Bridges	27 - 100	27 - 100	10
Drainage	25 - 100	25 - 100	10
Parks open			
spaces and streetscapes	7 - 100	7 - 100	5

#### Land under roads

Council recognises land under roads it controls at fair value.

#### 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. The major depreciation period represents the depreciation period of the majority of council assets.

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 above and are consistent with the prior year unless otherwise stated.

#### 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 71 year period.

## Notes to the Financial Report For the Year Ended 30 June 2023

### 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 Jesse Andrewartha (Certified Practising Valuer AAPI 108176) and Brian Robinson (Certified Practising Valuer AAPI 62215) from Westlink Consulting respectively. 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 2023 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation	Basis for index	Next comprehensive revaluation date
Land - specialised	-	-	905,810	Feb-22	Comprehensive	Not Applicable	Feb-24
Land - non specialised	-	78,797	-	Feb-22	Comprehensive	Not Applicable	Feb-24
Heritage buildings	-	-	2,243	Feb-23	Comprehensive	Not Applicable	Feb-26
Buildings - non specialised	-	-	16,025	Feb-23	Comprehensive	Not Applicable	Feb-26
Buildings - specialised	-	-	277,813	Feb-23	Comprehensive	Not Applicable	Feb-26
Building improvements	-	-	30	Feb-23	Comprehensive	Not Applicable	Feb-26
Leasehold improvements	-	-	4,377	Feb-23	Comprehensive	Not Applicable	Feb-26
Total	-	78,797	1,206,298				

#### Valuation of infrastructure

Valuation of infrastructure assets (excluding Parks, open spaces, streetscapes, recreational, leisure and community facilities) has been performed by Council's Asset Management Coordinator who is a qualified Civil Engineer (Pr. Eng) and qualified Accountant (CPA) with more than 20 years of combined experience in infrastructure construction, estimating, engineering designs, tendering, contract management, asset valuations and financial and management reporting. Valuation of Parks, open spaces, streetscapes, recreational, leisure and community facilities were undertaken by a qualified independent valuer Brian Robinson (Certified Practising Valuer AAPI 62215) from Westlink Consulting.

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on current 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 2023 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation	Basis for index	Next comprehensive revaluation date
Roads	-	-	410,384	Apr-23	Interim Desktop	ABS PPI Index 3101, Mar 23	30/04/2024
Bridges	-	-	78,290	Apr-23	Interim Desktop	ABS PPI Index 3101, Mar 23	30/04/2025
Footpaths and cycleways	-	-	110,727	Apr-23	Interim Desktop	ABS PPI Index 3101, Mar 23	30/04/2024
Drainage	-	-	358,744	Apr-22	Comprehensive	Not Applicable	30/04/2026
Recreational, leisure and community facilities	-	-	17,875	Apr-23	Comprehensive	Not Applicable	30/04/2027
Parks, open spaces and streetscapes	-	-	51,915	Apr-23	Comprehensive	Not Applicable	30/04/2027
Off street car parks	-	-	12,871	Apr-23	Interim Desktop	ABS PPI Index 3101, Mar 23	30/04/2024
Total	-	-	1,040,806				

## Notes to the Financial Report For the Year Ended 30 June 2023

### 6.2 Property, infrastructure, plant and equipment (Cont'd)

#### 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 \$3,394 per square metre.

**Specialised buildings** are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$297 to \$7,588 per square metre. The remaining useful lives of buildings and building components are determined on the basis of the current condition of buildings 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 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 current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of depreciable infrastructure assets and components 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.

	2023	2022
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	212,086	209,590
Parks and reserves	693,724	677,193
<b>Total specialised land</b>	<b>905,810</b>	<b>886,783</b>



## Notes to the Financial Report For the Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
<b>6.3 Investments in associates, joint arrangements and subsidiaries</b>		
<b>(a) Investments in associates</b>		
<b>Casey Cardinia Library Corporation</b>		
Library service run by City of Casey and Cardinia Shire Council. Cardinia Shire has equity in the library. The equity as of 30 June 2023 is 0% (30 June 2022 was 25.95%).	-	1,446
<b>Fair value of Council's investment in Casey Cardinia Library Corporation</b>	<b>-</b>	<b>1,446</b>
<b>Council's share of accumulated surplus</b>		
Council's share of accumulated surplus at start of year	909	943
Reported surplus(deficit) for year	22	(44)
Transfers (to) from reserves	-	-
Distributions for the year	27	10
Council's share of accumulated surplus at end of year	<b>958</b>	<b>909</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	537	537
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	<b>537</b>	<b>537</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	1,446	1,480
Share of surplus(deficit) for year	22	(44)
Share of asset revaluation	-	-
Distributions received	27	10
Assets transferred to Cardinia as per the withdrawal agreement	(1,050)	
Gain or (loss) on withdrawing from CCL agreement	(445)	
Carrying value of investment at end of year	<b>-</b>	<b>1,446</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	-	34
Capital commitments	-	-
Council's share of expenditure commitments	<b>-</b>	<b>34</b>

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.

Implementation of the new Local Government Act 2020 required Library Corporations and their Member Councils to find an alternative legal entity governance model. Library Corporations were given 10 years to make the transition from 1 July 2021. In October 2022, the CCL Board endorsed Cardinia Shire Council's decision to withdraw from the CCL Regional Library Agreement, effective 30th November 2022 under Clause 12 of the Regional Library Agreement. CCL will continue to exist beyond 2022 to provide library services for the City of Casey. As a result, Cardinia Shire Council withdrew from the CCL Regional Library Agreement with effect from 30 November 2022 and joined My Community Library Ltd (Myli), a Not-for Profit and charity that already provides library services to the Shire's of Baw Baw, Bass Coast and South Gippsland. Cardinia does not hold any ownership of Myli.

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.

### (b) Community Asset Committee

All entities controlled by Council that have material income, expenses, assets or liabilities, such as community asset committees, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

## Notes to the Financial Report For the Year Ended 30 June 2023

### Note 7 PEOPLE AND RELATIONSHIPS

#### 7.1 Council and key management remuneration

##### (a) Related Parties

###### Parent entity

Cardinia Shire Council

###### Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

##### (b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Cardinia Shire Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

Details of KMP at any time during the year are:

##### Councillors

Cr Tammy Radford (Mayor from 7 November 2022, Deputy Mayor until 6 November 2022)  
Cr Jack Kowarzik (Deputy Mayor from 7 November 2022)  
Cr Jeff Springfield (Mayor until 6 November 2022)  
Cr Brett Owen  
Cr Carol Ryan  
Cr Collin Ross  
Cr Graeme Moore  
Cr Kaye Cameron  
Cr Stephanie Davies

##### Chief Executive Officer and General Managers

Carol Jeffs (Chief Executive Officer)  
Debbie Tyson (General Manager - Governance, Facilities and Economy until 16 March 2023)  
Jenny Scicluna (General Manager - Customer, People and Performance until 16 March 2023)  
Lili Rosic (General Manager - Liveable Communities)  
Peter Benazic (General Manager - Infrastructure and Environment)

##### Managers acted as General Managers during position vacancy and backfill periods

Debbie Tyson (Acting General Manager - Customer, People and Performance from 16 March 2023 to 30 June 2023)  
Andrew Pomeroy (Acting General Manager - Governance, Facilities and Economy from 16 March 2023 to 31 March 2023)  
Owen Hardidge (Acting General Manager - Governance, Facilities and Economy from 3 April 2023 to 30 June 2023)

	2023 No.	2022 No.
Total Number of Councillors	9	9
Total of Chief Executive Officer and other Key Management Personnel	7	6
<b>Total Number of Key Management Personnel</b>	<b>16</b>	<b>15</b>

Total number of Key Management Personnel include all personnel in the roles during the financial year.

## Notes to the Financial Report

### For the Year Ended 30 June 2023

#### 7.1 Council and key management remuneration (Cont'd)

##### (c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Other long-term employee benefits** include long service leave, other long service benefits or deferred compensation.

**Post-employment benefits** include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Termination benefits** include termination of employment payments, such as severance packages.

	2023 \$'000	2022 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,843	1,737
Other long-term employee benefits	32	32
Post-employment benefits	135	125
Total	<u>2,010</u>	<u>1,894</u>

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2023 No.	2022 No.
\$0 - \$9,999	1	-
\$20,000 - \$29,000	-	1
\$30,000 - \$39,999	2	6
\$40,000 - \$49,999	4	1
\$50,000 - \$59,999	2	-
\$60,000 - \$69,999	1	1
\$80,000 - \$89,999	-	1
\$110,000 - \$119,999	1	-
\$210,000 - \$219,999	-	1
\$230,000 - \$239,999	1	-
\$260,000 - \$269,999	1	1
\$280,000 - \$289,999	1	2
\$290,000 - \$299,999	1	-
\$400,000 - \$409,999	1	1
	<u>16</u>	<u>15</u>

## Notes to the Financial Report For the Year Ended 30 June 2023

### 7.1 Council and key management remuneration (Cont'd)

#### (d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP. \*

	2023 \$'000	2022 \$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	4,054	3,068
Other long-term employee benefits	219	116
Post-employment benefits	337	277
Termination benefits	63	14
Total	<u>4,673</u>	<u>3,475</u>

The number of other senior staff are shown below in their relevant income bands:

Income Range:	2023 No.	2022 No.
\$160,000 - \$169,999	7	5
\$170,000 - \$179,999	5	2
\$180,000 - \$189,999	3	5
\$190,000 - \$199,999	4	3
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
\$240,000 - \$249,999	1	-
\$310,000 - \$319,999	1	-
\$320,000 - \$329,999	1	-
	<u>24</u>	<u>17</u>

	2023 \$'000	2022 \$'000
Total remuneration for the reporting year for other senior staff included above, amounted to:	4,673	3,475

During 2022-23, several managers acted as General Managers when General Manager positions were vacant. Therefore, their acting period remuneration is displayed under Key Management Personnel section.

\* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 1989*.

### 7.2 Related party disclosure

#### (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 (only up to 30 November 2022)

	2023 \$'000	2022 \$'000
	1,268	2,277
	<u>1,268</u>	<u>2,277</u>

#### (d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

Casey Cardinia Library Corporation (Refer to Note 5.7)	-	2,543
	<u>-</u>	<u>2,543</u>

## Notes to the Financial Report For the Year Ended 30 June 2023

### Note 8 MANAGING UNCERTAINTIES

#### 8.1 Contingent assets and liabilities

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.

##### (a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

At balance date the Council are not aware of any contingent assets.

##### (b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

#### 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 during 2022/23. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023. At this point in time it is not known if additional contributions will be required, their timing or potential amount. Details of the circumstances which may result in the need to make additional contributions are explained in Note 9.3.

#### 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

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.

#### MAV WorkCare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

#### Guarantees for loans to other entities

Council has not provided any guarantees for loans to other entities as at 30 June 2023.



## Notes to the Financial Report For the Year Ended 30 June 2023

### 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 that are expected to impact Council.

### 8.3 Financial instruments

#### (a) Objectives and policies

The 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 council financial instruments will fluctuate because of changes in market prices. The Council's exposure 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 / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure 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 rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. 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 have a policy for establishing credit limits for the entities council deal with;
- 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.

## Notes to the Financial Report For the Year Ended 30 June 2023

### (d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or 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 liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- 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;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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.

### (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 + 1.5% and -0.5% in market interest rates (AUD) from year-end rates of 4.1%.

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.

## Notes to the Financial Report For the Year Ended 30 June 2023

### 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.

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, non-current physical assets, other than plant and equipment, 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. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). 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 as shown in the table below. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

<b>Asset class</b>	<b>Frequency of comprehensive revaluation</b>
Land	Every 2 years
Buildings	Every 3 years
Roads	Every 4 years
Bridges	Every 4 years
Footpaths and cycleways	Every 4 years
Drainage	Every 4 years
Recreational, leisure and community facilities	Every 4 years
Parks, open space and streetscapes	Every 4 years

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 2023

### Note 9 OTHER MATTERS

#### 9.1 Reserves

##### (a) Asset revaluation reserves

#### 2023

##### Property

Land and land improvements

Buildings

##### Infrastructure

Roads

Bridges

Drainage

Footpaths and cycleways

Off street car parks

Parks, open space, streetscapes, recreational,  
leisure and community facilities

##### Total asset revaluation reserves

#### 2022

##### Property

Land and land improvements

Buildings

##### Infrastructure

Roads

Bridges

Drainage

Footpaths and cycleways

Recreational, leisure and community facilities

##### Total asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation of by an associate \$'000	Balance at end of reporting period \$'000
<b>2023</b>				
<b>Property</b>				
Land and land improvements	564,285	-	-	564,285
Buildings	93,954	54,325	-	148,279
	658,239	54,325	-	712,564
<b>Infrastructure</b>				
Roads	26,491	72,948	-	99,439
Bridges	34,846	10,853	-	45,699
Drainage	190,192	-	-	190,192
Footpaths and cycleways	20,509	14,145	-	34,654
Off street car parks	-	408	-	408
Parks, open space, streetscapes, recreational, leisure and community facilities	3,687	19,660	-	23,347
	275,725	118,014	-	393,739
<b>Total asset revaluation reserves</b>	<b>933,964</b>	<b>172,339</b>	<b>-</b>	<b>1,106,303</b>
<b>2022</b>				
<b>Property</b>				
Land and land improvements	576,500	(12,215)	-	564,285
Buildings	93,954	-	-	93,954
	670,454	(12,215)	-	658,239
<b>Infrastructure</b>				
Roads	26,491	-	-	26,491
Bridges	34,846	-	-	34,846
Drainage	97,671	92,521	-	190,192
Footpaths and cycleways	20,509	-	-	20,509
Recreational, leisure and community facilities	3,687	-	-	3,687
	183,204	92,521	-	275,725
<b>Total asset revaluation reserves</b>	<b>853,658</b>	<b>80,306</b>	<b>-</b>	<b>933,964</b>

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

## Notes to the Financial Report For the Year Ended 30 June 2023

### 9.1 Reserves (Cont'd)

		Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>					
	<b>Ref</b>				
<b>2023</b>					
Developer contribution levy	1	44,910	17,402	(9,815)	52,497
Community Facilities levy	2	1,861	1,098	-	2,959
Public Open Space levy	3	17,126	4,946	(5)	22,067
Native vegetation	4	667	-	(16)	651
Decorative Light Poles	5	646	128	(173)	601
Landscapes	6	306	130	(28)	408
Replacement Planting Scheme	7	4	13	-	17
Future Emergency Recovery Reserve	8	1,000	500	-	1,500
Future Environment Sustainability Reserve	8	1,000	500	-	1,500
Future Defined Benefit Super Shortfall Reserve	8	1,000	500	-	1,500
<b>Total Other reserves</b>		<b>68,520</b>	<b>25,217</b>	<b>(10,037)</b>	<b>83,700</b>
<b>2022</b>					
Developer contribution levy		50,812	17,384	(23,286)	44,910
Community Facilities levy		942	919	-	1,861
Public Open Space levy		15,931	1,741	(546)	17,126
Native vegetation		705	-	(38)	667
Decorative Light Poles		902	-	(256)	646
Landscapes		206	100	-	306
Replacement Planting Scheme		9	2	(7)	4
Future Emergency Recovery Reserve		500	500	-	1,000
Future Environment Sustainability Reserve		500	500	-	1,000
Future Defined Benefit Super Shortfall Reserve		500	500	-	1,000
<b>Total Other reserves</b>		<b>71,007</b>	<b>21,646</b>	<b>(24,133)</b>	<b>68,520</b>
				<b>2023</b>	<b>2022</b>
				<b>\$'000</b>	<b>\$'000</b>
Asset revaluation reserves				1,106,303	933,964
Other reserves				83,700	68,520
<b>Total reserves</b>				<b>1,190,003</b>	<b>1,002,484</b>



## Notes to the Financial Report For the Year Ended 30 June 2023

### 9.1 Reserves (Cont'd)

Ref	Item	Description
1	Developer contribution levy	This reserve is the balance of the cash levies paid to Council 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. These funds are restricted and required to be held in a separate bank account.
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. There is no legal requirement to restrict these funds or hold them in a separate bank account.
3	Public Open Space levy	It is a requirement under the Planning Scheme and Precinct Structure Plans (PSPs) 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 the Officer DCP area, the contributions are to be used to compensate developers who provide more than the minimum 5.5%. For the Cardinia Rd DCP area, 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. There is no legal requirement to restrict these funds or hold them in a separate bank account.
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. There is no legal requirement to restrict these funds or hold them in a separate bank account.
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. There is no legal requirement to restrict these funds or hold them in a separate bank account.
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. There is no legal requirement to restrict these funds or hold them in a separate bank account.
7	Replacement Planting Scheme	Funds received by council to meet conditions of an approved planning permit, Revegetation is undertaken at selected councils reserves to compensate for the loss of vegetation through development. There is no legal requirement to restrict these funds or hold them in a separate bank account.
8	Future Reserves	These reserves are to be used for any emergency recovery, environment sustainability or super shortfall that may arise in the future. There is no legal requirement to restrict these funds or hold them in a separate bank account.

## Notes to the Financial Report For the Year Ended 30 June 2023

		2023	2022
		\$'000	\$'000
<b>9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>			
Surplus for the year		90,830	61,491
Depreciation/amortisation		29,531	28,911
Proceeds from sale of assets - investing activity, not operating activity	3.6	(531)	(683)
Written down book value (WDBV) of assets sold - non-cash	3.6	1,996	884
Opening work in progress write off	6.2	1,972	8,823
Contributions - non-monetary	3.5	(51,576)	(26,856)
Volunteer services		365	315
Interest costs - financing, not operating activity		1,330	1,624
Share of net (gain)/loss of associates - non-cash		(49)	34
Impairment loss - non-cash	4.9	226	26
<i>Change in assets and liabilities:</i>			
(Increase)/decrease in trade and other receivables		(5,986)	15,977
decrease in prepayments		141	690
(Increase)/decrease in accrued income		4,548	(5,921)
decrease in other assets		1,284	-
(decrease) in other liabilities		(1,142)	(11,669)
(Increase) in inventories		(21)	(30)
Increase in provisions		59	1,028
Increase in income in advance		14,685	24,101
Net cash provided by/(used in) operating activities		<b>87,661</b>	<b>98,745</b>

### 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 the Comprehensive Income Statement when they are made or due.

#### Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10.0%)).

#### Defined Benefit

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 *Employee benefit*.

#### Funding arrangements

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. A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns	5.7% pa
Salary information	3.5% pa
Price inflation (CPI)	2.8% pa

## Notes to the Financial Report For the Year Ended 30 June 2023

### 9.3 Superannuation (Cont'd)

#### Funding arrangements (Cont'd)

As at 30 June 2022, 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 Council is a contributing employer was 102.2%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.5% pa
Salary information	2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI)	3.0% pa

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the estimated VBI at 30 June 2023 was 104.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 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

##### (a) Regular contributions

On the basis of the results of the 2022 interim actuarial investigation conducted by the Fund Actuary, 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 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2022 interim valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

##### (b) 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 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.

#### The 2022 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2022 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2022 (Interim) \$m	2021 (Interim) \$m
- A VBI Surplus	44.6	214.7
- A total service liability surplus	105.8	270.3
- A discounted accrued benefits surplus	111.9	285.2

## Notes to the Financial Report For the Year Ended 30 June 2023

### 9.3 Superannuation (Cont'd)

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 2022.

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 2022.

The discounted accrued benefits 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 2022.

#### The 2023 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.50 %pa	2.50 %pa for the first two years and 2.75%pa thereafter
Price inflation	2.8% pa	2.0% pa

#### Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2023 are detailed below:

Scheme	Type of Scheme	Rate	2023 \$'000	2022 \$'000
Vision super	Defined benefits	10.5% (2022:10.0%)	147	147
Vision super	Accumulation Fund	10.5% (2022:10.0%)	4,453	3,852

Cardinia Shire Council has no unfunded liability payments to Vision Super during both the 2022/23 and 2021/22 years.

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$150 thousand.

### Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2022/23 year.

There are no pending accounting standards that are likely to have a material impact on council.







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