

6 Ordinary Business

6.2 General Reports

6.2.1 Annual Report 2019-20

Responsible GM: Tom McQualter
Author: Scott Moore

Recommendation(s)

That Council:

1. Endorse the Annual Report 2019-20.
2. Note that the Annual Report 2019-20 fairly represents Council's operations, financial position and Council's performance for the 2019-20 financial year.
3. Note that the Annual Report 2019-20 will be submitted to the Minister for Local Government within the required timeframe announced for 2020-21.
4. Note that the Annual Report 2019-20 meets the requirements of the Local Government Act 1989.
5. Note that the Annual Report 2020-21 will be prepared in accordance with the Local Government Act 2020.

Attachments

1. Cardinia Shire Council - Annual Report 2019-20 [6.2.1.1 - 214 pages]

Executive Summary

Council has prepared an Annual Report for the financial year 1 July 2019 to 30 June 2020 to meet our obligations under Section 131 of the Local Government Act 1989.

The Annual Report 2019-20 is the third progress report against our Council Plan 2017-21. It comprises three sections; Report of operations, Performance statement and Financial statements. It reflects and considers the impact of COVID-19 from March to the end of June in 2020.

On 21 September 2020, Council approved in principle the Performance statement and Financial statements. These statements were also considered by Council's Audit Committee at a meeting on 28 August 2020.

As required by the Act, Council must hold an open meeting to consider the report, with 14 days public notice given.

The Annual Report 2019-20 will be delivered to the Minister for Local Government in accordance with the extended deadline of 30 November 2020.

Background

Under Section 131 of the Local Government Act 1989 (the Act) and Local Government Planning and Reporting Regulations 2014, councils are required to prepare an Annual

Report in respect of each financial year consisting of three parts:

- Report of operations: Information about the operations of the Council including service performance indicator results, achievement of major initiatives and a governance and management checklist.
- Performance statement: Audited results achieved against the prescribed performance indicators and measures.
- Financial statements: Audited financial statements prepared in accordance with the Australian Accounting Standards.
- On 21 September 2020, Council approved in principle the Performance statement and Financial statements for the year ended 30 June 2020 (s132). These statements were also considered by Council's Audit Committee at a meeting on 28 August 2020.

The Act also stipulates that:

- The Annual Report must be submitted to the Minister for Local Government within three months of the end of each financial year (s133).
- Council must hold an open meeting to consider the report, with 14 days public notice given (s134 and Regulation 22 of the Local Government (Planning and Reporting) Regulations 2014).
- Statutory advertising of the meeting; undertaken in the 'Pakenham Gazette' on Wednesday 4 November October 2020 (s133).

The Minister for Local Government announced an extended deadline for annual reporting to 30 November 2020 due to the impacts of COVID-19.

Provisions in the Act relating to the preparations of Annual Reports are scheduled to be superseded by relevant sections of the Local Government Act 2020 on 24 October 2020 and will apply to the Annual Report 2020-21.

Policy Implications

Nil.

Relevance to Council Plan

5.3 Our Governance - Long-term financial sustainability

5.3.1 Make financial decisions that achieve the objectives of Council and long-term financial sustainability.

5.3.2 Make financial decisions that are fair and ethical and balance costs and benefits between present and future generations.

5.3.3 Manage the municipality's finances and assets in a responsible way.

5.3.4 Identify and implement programs to achieve Council's debt reduction policy.

5.3.5 Identify ways to contain Council's cost base by a focus on innovation and efficiency.

Climate Emergency Consideration

Nil.

Consultation/Communication

Senior management have contributed to the details contained in the report of operations and highlighting Council's major achievements for the financial year.

Public notification that the Annual report is available for inspection at the Shire offices and online has been given as required by Section 134 of the Local Government Act.

Financial and Resource Implications

The Annual Report provides the opportunity for Cardinia Shire to communicate to the community its achievements and challenges of the past financial year. The structure of the Annual Report is aligned to the Council Plan 2017–21.

All legislative requirements have been met, with the financial statements prepared as required by the Act, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.

The financial position of Council remains sound, with the financial statements considered by the Audit Committee on 28 August 2020 and Council on 21 September 2020. The Victorian Auditor General's Office undertook an independent audit of the financial and performance statements for the financial year 2019–20.

The Annual Report 2019–20 fairly represents Council's operations, financial position and performance for the financial year in the context of the Council Plan 2017–21.

The Annual Report 2019-20 appropriately reflects the impact of COVID-19 on Council's operations, financial position and performance for the financial year.

The preparation of Council's Annual Report 2019–20 meets all requirements of the Act.

Conclusion

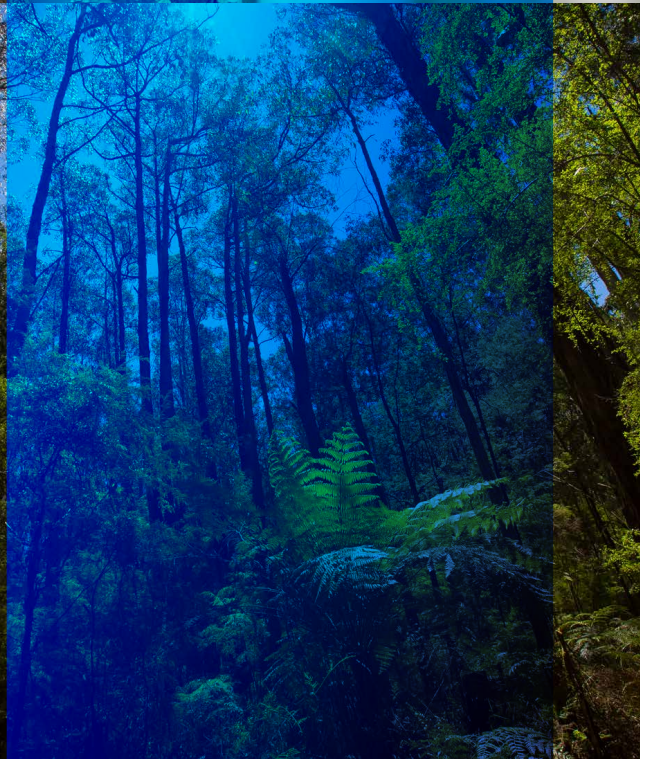
The Shire of Cardinia's Annual Report for the 2019–20 financial year is presented to Council.

Council's financial position remains sound, with the Victorian Auditor General's Office providing an unqualified audit opinion on the financial and performance statements. The Annual Report fairly represents Council's operations, financial position and Council's performance for the 2019–20 financial year and the impact of COVID-19 during the reporting period.

The Annual Report was submitted to the Minister for Local Government on 22 October 2020 in accordance with the extended deadline of 30 November. The preparation of Council's Annual Report 2019–20 meets all requirements of the Act.



Cardinia Shire Council
**Annual Report
2019–20**



www.cardinia.vic.gov.au



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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Introduction



Mayor's foreword

Section 1 Introduction



I'm proud to present Cardinia Shire Council's Annual Report 2019–20. My fellow councillors and I have had great pleasure continuing to serve our community over the past year and working with Council employees for the benefit of our community.

Supporting our community

The COVID-19 pandemic has certainly presented many challenges and tested our resilience. But it has also brought the community together in ways that we couldn't have imagined and has shown us the strength of the human spirit when faced with adversity.

Our priority has always been our community, delivering essential services and providing our assistance and support in any way we can. We launched an online help hub to connect community members with information and resources, delivered a COVID-19 Community and Business Support Package that provides practical and tangible support, and offered a range of grants to assist eligible service providers and community groups to support the community.

A vibrant and connected community

I'm proud to live in and serve such a vibrant and connected community. As a council, we want our shire to be a liveable place where everyone feels valued and accepted.

Council adopted its *Cultural Diversity Plan 2019–23*, building on our commitment to culturally, linguistically and religiously diverse communities and helping to guide our work over the next four years. The plan focuses on maintaining and strengthening networks, supporting our newest communities, building connections and promoting participation.

In the past year we also progressed the development of our draft *Reconciliation Action Plan 2021–22*, seeking vital input from each of the three Traditional Owner groups. We also met with community organisations, groups, residents and government organisations in developing the draft plan prior to seeking community feedback. We now await feedback from Reconciliation Australia and look forward to further progress of this plan.

Our *Liveability Plan 2017–29*, now in its third year, outlines the health and social priorities for Cardinia Shire residents. The plan's annual review process took place from June to August 2019 and will inform the actions in our 2019–20 action agenda. We also conducted a community liveability survey to help us gain a greater understanding of the health and wellbeing needs of our community, and to inform planning across the organisation.

We are also three years into our four-year *Disability, Access and Inclusion Action Plan 2017–21* that aims to ensure all community members have equal access to services, facilities and resources. I'm pleased to report that we have now completed 26 of 30 actions and we look forward to continuing to work with the Cardinia Access and Inclusion Advisory Committee in monitoring and implementing the action plan.

Together We Can

In 2019–20 we continued to support projects that raise awareness and help prevent the incidence of family violence in our shire. Family violence is a complex issue and unfortunately there is no simple solution or quick fix. Together We Can is a whole-of-community approach committed to taking action to reduce rates of family violence in Cardinia Shire to create safer and more peaceful communities. This initiative is delivered through a round table partnership involving Council and other key stakeholders, and we look forward to continuing our important work in this space.

Services for families

With a rapidly growing population and more than 30% of our residents aged under 17 years, we recognise the importance of making sure that children’s voices are heard and that we are providing programs and services that enhance their health and wellbeing. In 2019–20 we continued to provide vital services and programs, manage registrations for community kindergartens and ensure the needs of children and young people with additional needs are represented as part of the review of our Child, Youth and Family Strategy. Plans also progressed for a new youth facility to meet the needs of our growing youth population.

Support for seniors

Our *Ageing Well Strategy 2019–25* builds on our commitment to our growing and highly valued ageing community. The strategy sets our priorities over the next five years to support older residents to be healthy, active, stay socially connected and participate fully in the community. It provides a clear road map for Council to continue its work in fostering an accessible community that promotes health and wellbeing and provides opportunities for senior residents to connect.

I’ve been honoured to serve as your Mayor in 2019–20. It has been an eventful and, at times, challenging year but I am proud of the resilience and community spirit I have witnessed across the shire. Thank you for your continued support and for helping to make our shire a great place to



Cr Jeff Springfield

Mayor 2019–20



CEO's report

Section 1 **Introduction**



The 2019–20 year has been an eventful one in Cardinia Shire. We have celebrated many milestones and achievements and faced a number of challenges, but our focus has remained the same; to support our community, deliver essential services and continue to achieve results across all five key areas of our Council Plan.

This annual report outlines Council's achievements in fulfilling the objectives and commitments of our Council Plan and budget. We have continued to work hard over the past year to deliver essential services and projects and develop new strategic plans for the future of our community.

Working for our community

I'm proud of our team of more than 500 dedicated employees who work collaboratively to achieve our shared organisational goals. Together, we provide a range of essential services, initiatives and programs and strive to deliver excellent outcomes for our community.

Responding to the COVID-19 pandemic

The world-wide COVID-19 pandemic has had a significant impact on our community, local businesses and Council. Like other local councils – and all levels of government in fact – we had to do our best to respond to this rapidly changing situation. We have worked closely with government health agencies, followed their direction and guidelines and have rolled out a number of support initiatives to help our community during this time.

We have had to modify some of our services and programs in keeping the health and safety of our community and staff at the forefront of everything we do. However, we have continued to work hard to deliver essential services to our community while adapting to these challenging and ever-evolving circumstances.

Responsible financial management

Council adopted its 2020–21 budget and Council Plan in June 2020 following community consultation. This budget reflects our responsible financial management, with careful and responsible consideration given to the existing and possible future impacts of the COVID-19 pandemic. The budget will fund the delivery of community services across more than 70 service areas, a \$1.6 million COVID-19 community support package, and an \$86 million capital works stimulus program to boost the local economy. The Council Plan sets our medium- to long-term vision about how we will respond to community needs and challenges facing Council.

Advocacy

Council continued to advocate for the needs of our shire. We actively sought grant funds from a variety of Victorian and Australian government funding programs and, as a result of our advocacy efforts in 2019–20, we attracted \$10.4 million in government grants. I'm proud that Cardinia Shire Council is among the most successful councils in Victoria when it comes to securing external grants, ensuring that our rate dollars stretch further and that our community benefits from the projects and initiatives we are able to deliver.

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

Facilities and infrastructure for a growing shire

We continue to work hard to develop new community facilities and refurbish and upgrade existing facilities to meet the needs of the community, now and into the future.

Major projects completed in 2019–20 include Deep Creek Reserve, the Hills Hub, James Bathe Recreation Reserve, Lang Lang Community Recreation Reserve, the new soccer pavilion at Bunyip Recreation Reserve, new pavilion at Worrell Reserve and the redevelopment of Cardinia Cultural Centre. Progress was also made on a number of other key projects across the shire, such

as the new community and sports pavilion at Comely Banks Recreation Reserve, Officer, and the design of new facilities at Koo Wee Rup Reserve.

Council progressed its Better Local Roads program, including the Strategic Sealed Road project to improve 40 kilometres of unsealed roads across seven locations. The Australian Government committed \$150 million in funding to be provided in stages over nine years starting in late 2019 for the Sealing the Hills project to improve an additional 111 kilometres of unsealed roads in the hills. A project to upgrade key intersections along the Princes Highway from Beaconsfield to Pakenham is also moving ahead and will help to reduce congestion and travel time along this busy stretch of road.

As a rapidly growing shire, demand on our community infrastructure and services continues to grow with our population. This places greater importance on planning and sustainability to ensure we are able to provide high quality services and facilities for our growing community.

This annual report offers a comprehensive overview of the past 12 months and the many services, programs and initiatives that we have delivered for the benefit of our community. I am proud to bring you more about our achievements on the following pages.



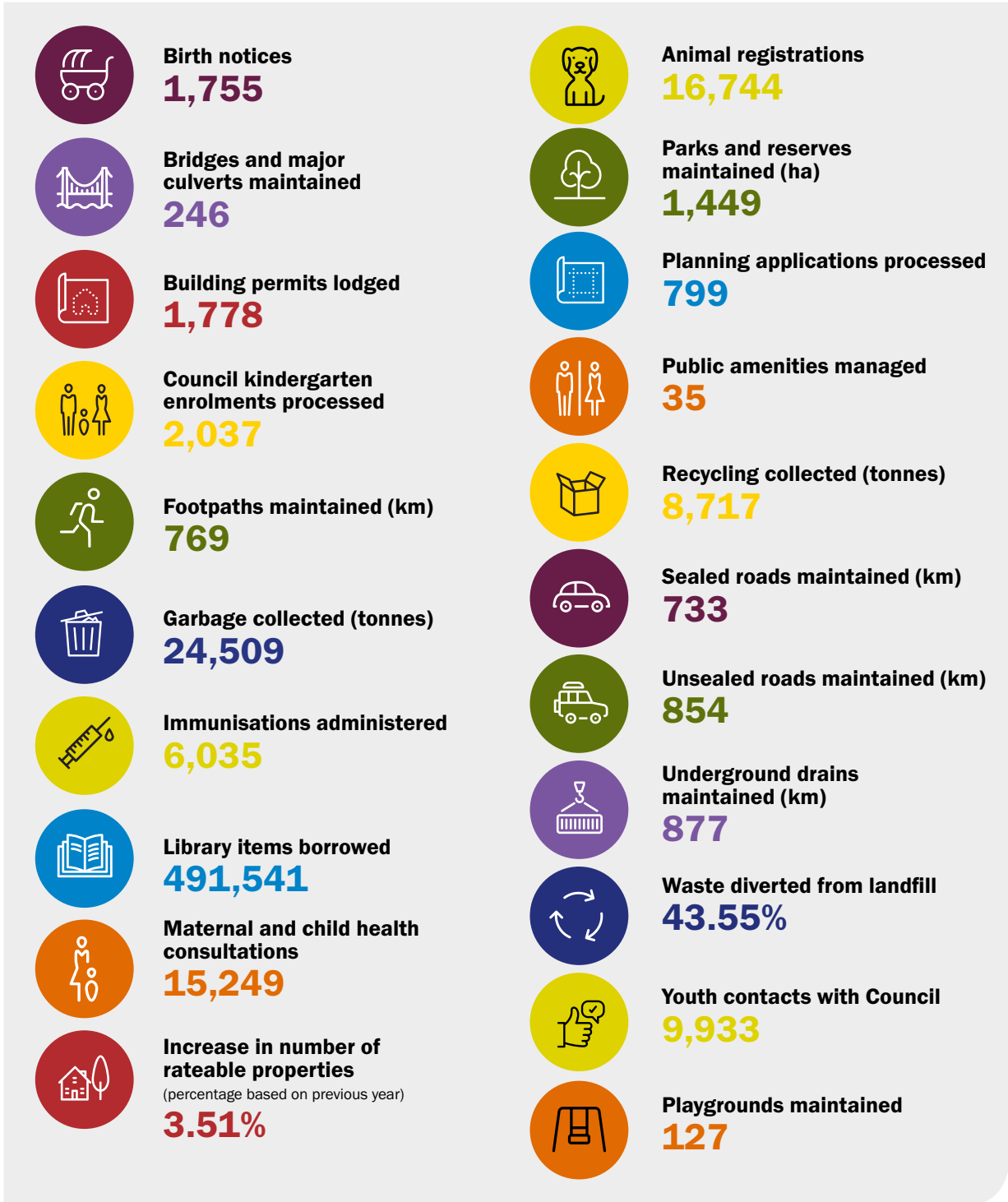
Carol Jeffs
Chief Executive Officer

“ I’m proud of our team of more than 500 dedicated employees who work collaboratively to achieve our shared organisational goals. ”



Fast facts

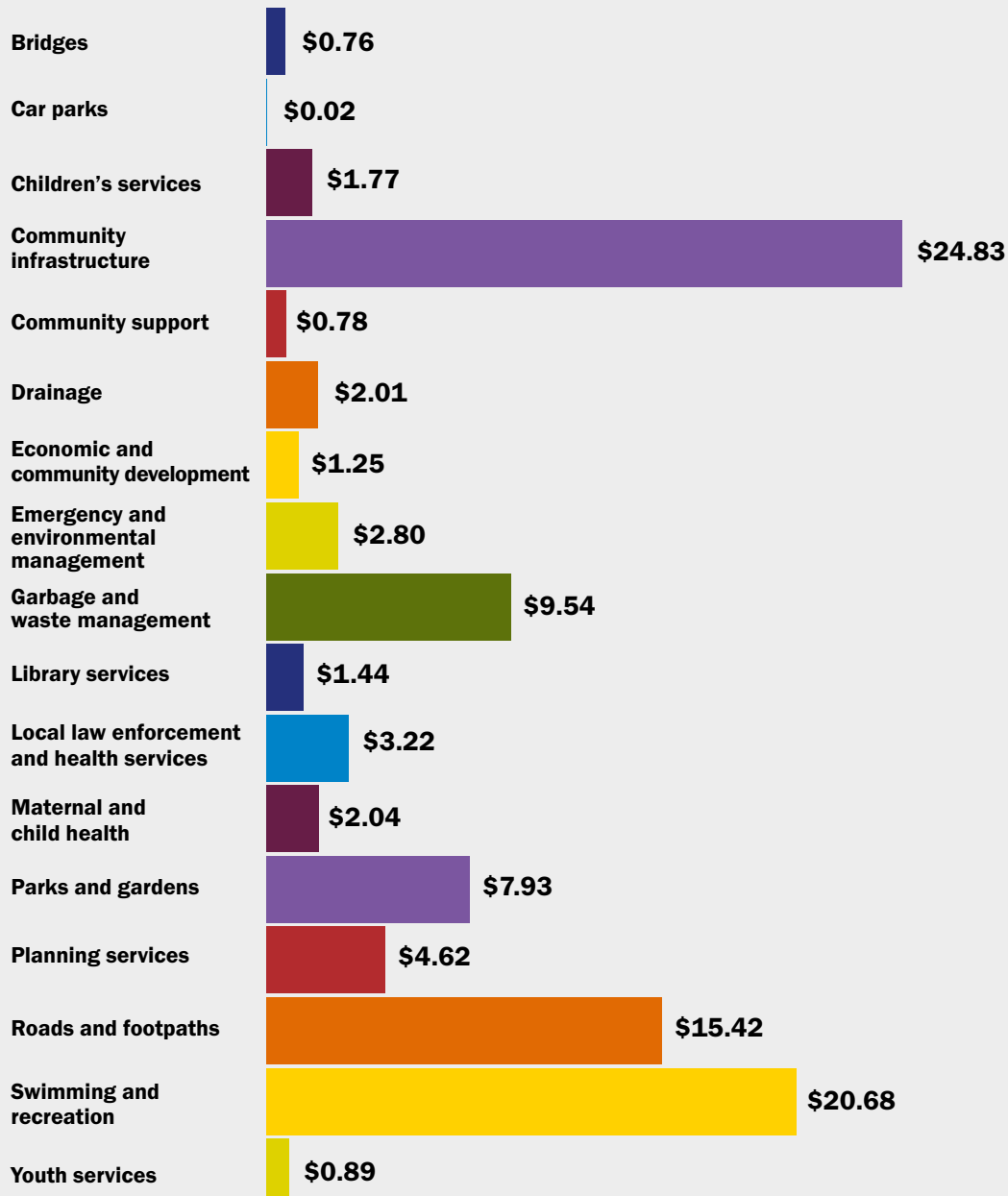
Section 1 **Introduction**



Your rates at work

Section 1 **Introduction**

Dollar amounts below represent the breakdown of every \$100 of rates used by Council to deliver facilities, programs and services in 2019–20.



Council snapshot

Section 1 Introduction

What we do

Cardinia Shire Council provides a broad 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 community members – from newborn babies and young people to families and seniors – and across business, industry, and non-profit organisations.

We are committed to building a 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 identified challenges, such as managing growth while maintaining our diverse rural communities.

Council delivers a diverse range of activities and initiatives with 66 major service categories, each of which contributes to achieving Council's vision as set out in our Council Plan. The plan identifies five strategic objective areas: Our people, Our community, Our environment, Our economy and Our governance. The outcomes for 2019–20 in each of these areas is reported in the 'Our performance' section of this annual report on page 69.

Council Plan key challenges

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

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

Our vision

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

Our commitment

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

Feedback

Council offers this annual report to the community as an open record of our activities and achievements in 2019–20. We welcome feedback to support us in effectively reporting to our community in future years. To provide feedback, please contact our Customer Service team on 1300 787 624 or mail@cardinia.vic.gov.au

Council Plan key objectives

Council has five key strategic objectives.

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

Year in review



Our people

Section 2 Year in review

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

A Liveability Plan for Cardinia Shire

Our *Liveability Plan 2017–29* is our municipal public health and wellbeing plan which outlines health and social priorities for Cardinia Shire residents. Council adopted the plan in 2017, identifying short-, medium- and long-term outcomes to be achieved over 12 years.

The plan, in its third year in 2019–20, is underpinned by a collective impact approach; 20 partner organisations support the implementation and ongoing monitoring of the plan. The Liveability Partnership Steering Group drives the development, implementation, monitoring and evaluation of the plan.

The plan's annual review process took place from June to August 2019. The Annual Review Report was endorsed by the Liveability Partnership Steering Group and councillors in October and sent to the Department of Health and Human Services, as per our responsibility under the *Public Health Act 2008*. The 2018–19 action agenda resulted in 237 actions; 142 actions (60%) were led by Council and 95 actions (40%) were led by our partner organisations. Data collected during the annual review process has informed the actions in the 2019–20 action agenda.

Council also conducted a community liveability survey to help us gain a greater understanding of the health and wellbeing needs of our community. The information from this survey is being used to plan across the organisation and has formed a baseline for monitoring and evaluation of the *Liveability Plan 2017–29*.

A case study of Cardinia Shire's Liveability Plan, titled *Indicators Supporting Public Health Partnerships, Liveability and Integrated Planning Practice: The Case Study of the Cardinia Shire Growth Area in Melbourne Australia*, was published in the book *Community Quality-of-Life Indicators Best Cases VIII*, Springer 2020. Council's Healthy Communities Coordinator and Team Leader Social and Community Planning at the time co-authored the chapter with the Co-director Healthy Liveable Cities Group, RMIT.

COVID-19 pandemic response

The COVID-19 pandemic has had a significant impact on local residents and businesses across Cardinia Shire.

As a council, we've had to respond to this rapidly changing situation and adapt the way we do things in order to continue providing essential services to our community. We've worked closely with government health agencies, followed their direction and guidelines and have rolled out a number of support initiatives to help our community get through this time.

In response to the challenges presented by the pandemic, we modified some of our services and programs, keeping the health and safety of our community and staff at the forefront of everything we do. We worked hard to continue delivering essential services to our community as we adapted to the challenging and ever-evolving circumstances.

Supporting our community and businesses remained our priority. We developed a virtual relief centre, our COVID-19 online help hub, to help connect community members with information, resources and advice. We implemented a dedicated 'call back' team to help people find the right support and information. We launched our COVID-19 Community and Business Support Package to provide practical support initiatives to help community and businesses cope with the effects of the pandemic. Our COVID-19 support grants programs provided assistance to eligible service providers, agencies and groups to provide relief services and support to our community and we continued to advocate strongly for additional support for our local businesses.

Services for families and young people

We are committed to providing programs and services that enhance the health and wellbeing of children and youth in Cardinia Shire, and to making sure that children's voices are heard when it comes to our decision making.

With almost 30% of the shire's population aged under 17 years, we know it's important to involve children in our activities and decision making. As a proud Child Friendly City, we strive to ensure that our shire is inclusive of children. One hundred grade 6 students took part in our 2019 Student Leaders Conference in September 2019. The conference was planned and run by students and gave participants the opportunity to have a voice in Council's work. As part of another Child Friendly City initiative, one grade 6 student was given the opportunity to be Cardinia Shire Council's CEO for the day in August 2019.

Council continued to manage registrations for community kindergartens in Cardinia Shire and we ran a number of programs and initiatives to support families with younger children. Our Maternal and Child Health Services team supported families with health and development check-ups as well as health, wellbeing and parenting advice, and group programs.

We're also working hard to ensure the needs of children and young people with additional needs are represented as part of the review of the *Child, Youth and Family Strategy*. Council is working in partnership with other agencies and service providers to ensure that local services are inclusive of all children and young people, including those with a disability, those from culturally and linguistically diverse and Aboriginal and Torres Strait Islander communities, and those who identify as LGBTIQ+. This work is ongoing and underpins the work of Council's Children and Family Services Team.

Plans progressed for a new youth facility to meet the needs of the shire's growing youth population. It is anticipated that the facility will attract more services for young people to the shire by providing affordable office accommodation, counselling rooms and training rooms. Detailed design plans for the new youth centre have been finalised, funding from both the Victorian and Australian governments secured and the planning process underway. The centre is being planned as a multi-purpose space for young people to access a range of support services, social activities, life skill and job readiness programs, along with increased training and education opportunities.

During 2019–20, My Place youth centre and The Point precinct in Pakenham continued to attract services to the shire for young people. The Point program space provided a base for a range of programs and activities for young people. The number of contacts made with young people at My Place youth centre continued to increase over the year, with growing numbers of young people accessing external specialist support services, along with Council-delivered programs such as holiday programs, after-school programs and one-on-one support. Eleven youth organisations and education providers are either based at, or provide outreach services from, the existing My Place youth centre.

Supporting our seniors

Our *Ageing Well Strategy 2019–25* sets Council's priorities over the next five years to support older residents to be healthy, active, stay socially connected and participate fully in the community.

The strategy was informed and developed through extensive consultation with older residents and the broader community along with community groups, service providers and Victorian and Australian government agencies. It was finalised in the 2019–20 year and was expected to be adopted by Council at the July 2020 Council meeting.

The *Ageing Well Strategy 2019–25* builds on Council's commitment to our growing and highly valued ageing community. It provides a clear road map for Council to continue its work in fostering an accessible community that promotes health and wellbeing and provides opportunities for senior residents to connect.

Cardinia Shire is proud to be an Age Friendly City as recognised by the World Health Organisation. This means we encourage active ageing by giving people opportunities to enjoy good health, participate in their community and feel secure and safe as they age. We do this by adapting our programs and services to ensure they are accessible to and inclusive of older people with varying needs and capacities.

Facilities for a growing shire

Council continues to work hard to develop new community facilities and refurbish and upgrade existing facilities to meet the needs of the community, now and into the future.

Our growing population creates demand for new children's and community centres, sporting facilities and public amenities. Major capital works projects completed in 2019–20 included Deep Creek Reserve, the Hills Hub, James Bathe Recreation Reserve, Lang Lang Community Recreation Reserve, the new soccer pavilion at Bunyip Recreation Reserve, new football and cricket pavilion at Worrell Reserve in Emerald, and redevelopment of Cardinia Cultural Centre.

Progress was also made on a number of other projects including the new community and sports pavilion at Comely Banks Recreation Reserve in Officer, a new netball pavilion for Pepi's Land at Emerald, design of new football and cricket change rooms and a separate netball pavilion at Koo Wee Rup Reserve, and redevelopment of the sporting pavilion at Gembrook Recreation Reserve.

In addition to building new community facilities, we completed our 2019–20 annual renewal program to improve and upgrade existing Council buildings and facilities. Improvement works included replacing roofs, floor coverings, heating and cooling equipment as well as repainting, restumping, kitchen upgrades and minor additions. We also undertook access and inclusion upgrades such as accessible car parking, access ramps and other amenities to ensure accessible and inclusive facilities for all.

Ongoing programmed maintenance was also undertaken at all existing facilities to ensure they operate at peak efficiency. This work included gutter cleaning, mechanical plant servicing and pest control, as well as essential safety maintenance of items such as emergency lights and fire systems. Reactive maintenance and repairs were also undertaken as required.

A new electronic access system has been installed in Council buildings, improving security and enabling Council and facility users to manage access remotely. It also avoids the need to reissue lost keys.

In response to the COVID-19 pandemic, we also increased cleaning of our highly used facilities to a daily schedule and installed soap dispensers in all public toilets. We also installed feedback signs with QR codes in public amenities so community members can easily provide feedback and report cleaning or maintenance issues to Council via their mobile phone or Council's website.

Our outdoor spaces

Cardinia Shire Council provides both active and passive recreational facilities and opportunities for our community.

In 2019–20, we held our first ever Spring Reserve Roadshow across a number of our parks, reserves and open spaces. The roadshow was held from September until November 2019 and featured a range of fun, free activities and events for the whole community.

Playground upgrade and construction projects have been undertaken across the shire, including Gembrook Leisure Park, Nar Nar Goon Recreation Reserve, Dick Jones Park at Lang Lang, Tantallon Boulevard Detention Basin Reserve in Beaconsfield, and Devine Drive, Pakenham. The new BMX pump track and upgraded skate park at Alma Treloar Reserve in Cockatoo has also been completed.

We've taken the first steps in developing an Open Space Strategy for the shire. We asked community members to provide their ideas to improve open spaces in the shire through an extensive community consultation process during October and November 2019.

In October 2019, Council's Manager Active Communities was awarded the Frank Stewart Distinguish Service Award by Parks and Leisure Australia. This is the highest individual honour and is awarded to someone who has made a significant contribution to the development, promotion and advocacy of the parks and leisure industry through their personal and professional endeavours.



Community safety and support

In 2019–20 Council continued to work with and support our bushfire-affected communities and businesses impacted by the Bunyip Complex Fires in March 2019. We have coordinated the bushfire recovery centre in partnership with community groups, brought together agencies and organisations to attend community meetings and connected residents and businesses with services and assistance.

We undertook a review of our emergency management plans and arrangements. Council staff participated in an emergency relief centre exercise and significant training was delivered during an internal emergency management action month held in October 2019. During the COVID-19 pandemic, Council has also implemented and reviewed a number of key emergency management plans.

We continue to work with key agencies and community partners to maintain our classification as an International Safe Community as designated by the World Health Organisation (WHO), and to address community safety issues to achieve a safe and inclusive community. Formerly the Crime Action Group, the newly renamed Cardinia Safer Communities Partnership Committee meets monthly and meetings continued remotely during the COVID-19 pandemic. Despite the annual Community Resilience Forum being cancelled due to the pandemic, Council continued to engage with the community through community education and emergency preparedness sessions, as well as ongoing community safety communications and messaging via our social media channels and website.



An inclusive community

We're working hard to ensure our services, programs and facilities are accessible, equitable and inclusive for all.

We are committed to supporting and being inclusive of people who identify as LGBTIQ+. Our LGBTIQ+ Internal Action Group has an annual action plan that includes seeking Council endorsement for an inclusive statement for Council's website and publications, partnering with Casey Cardinia Libraries to feature inclusive literature, and continuing to host LGBTIQ+ inclusive events. Despite the challenges presented by the COVID-19 pandemic, 2020 IDAHOBIT day events were successfully held via online platforms.

We provide welcome and inclusive sporting facilities; new sporting facilities incorporate universal design amenities which include gender-neutral accessible change rooms with amenities.

As a signatory to the Racism. It stops with me campaign, Cardinia Shire Council remains committed to raising awareness of the negative impact of racist behaviour. We also host the Victorian Human Rights and Equal Opportunity Commission's Community Reporting Tool on our website.

Together We Can

Council has continued to support projects that raise awareness, respond to, and prevent the incidence of family violence in our shire. The Together We Can collective impact initiative aims to stop, prevent and end family violence in Cardinia Shire and is delivered through a round table partnership with members from Cardinia Shire Council (as the lead organisation) and leaders representing residents, workplaces, community services, Victoria Police, family violence services, sport and recreation, local media, schools, health services, and people with a lived experience.

The Together We Can round table meets bi-monthly throughout the year to address any emerging issues and opportunities. This increased to fortnightly meetings during the COVID-19 pandemic. Council also attends and supports the Preventing Violence Together Regional Strategy, including ongoing participation in the working groups established. Council's Respect and Equity Committee (formerly the Family Violence Action Team) is progressing work to meet the Workplace Equality and Respect Standards, *Gender Equality Act 2020* requirements, White Ribbon accreditation and organisational business improvements to address gender equality, as well as participating in family violence prevention activities and events such as the annual March Against Violence.

In 2019–20, we also conducted an equality and respect community survey to help identify opportunities to improve gender equality and reduce family violence.

Challenges

Council and the Cardinia Shire community faced significant challenges as a result of the COVID-19 pandemic, like so many communities around the world. We are acutely aware of the uncertain and difficult times facing our community as a result of COVID-19 restrictions, financial hardship and the impact on local businesses and the economy. As a local council, focussed on working at the local level, we've worked hard to continue delivering essential services while supporting our community and providing some relief to our residents, businesses and the local economy.

As one of the state's fastest growing municipalities, Council is committed to responding effectively to population growth while continuing to meet community expectations and needs. The demand on our community infrastructure and services continues to grow with our population, placing greater importance on planning and sustainability. We are committed to providing high quality services and facilities for our community and attracting further services to the shire that address the diverse needs of our community.

The growing population of young people in Cardinia Shire, along with local service gaps and the increasing needs of young people, continue to present a challenge. A workshop was held in August 2019 with a range of youth and community organisations, government departments and education providers to discuss these challenges and seek submissions from agencies interested in co-locating at the new youth centre. The COVID-19 pandemic resulted in some challenges to service and program delivery, but Council's Youth Services team worked with the youth sector to maintain connections between professionals and vulnerable young people during this time. This included online tools to host local youth network meetings, the development of a local youth service directory and engagement with young people via social media channels and other online tools and apps.

During the COVID-19 restrictions, Council's Maternal and Child Health (MCH) centres adapted their services to ensure community needs continued to be met. With many consult rooms closed for a period of time and then operating at a reduced capacity, our MCH team continued to provide face-to-face consultations for new babies and our most vulnerable children, as well as a phone consultation service during this time.

Changing community attitudes and behaviours towards gender equality is an ongoing challenge. But Council is working to change these attitudes to help reduce family violence and violence against women, and support men in seeking help when needed, including accessing services for their physical and mental health. The COVID-19 pandemic has created additional challenges for service

providers when supporting individuals and families in a virtual environment. As the need for isolation increased, it became more difficult for people experiencing family violence to report and seek support when feeling unsafe in their own home. COVID-19 also presents housing issues; a deterrent for people to escape family violence can be the lack of sustainable and medium- to long-term affordable housing. Council acknowledges that this will be a challenge for some time to come and has committed to working with community agencies to reduce this impact and advocate for support for all people during isolation.

Looking forward

Cardinia Shire Council will continue to provide a wide range of services, programs and initiatives to support our diverse and growing community.

In light of the COVID-19 pandemic, we will continue to work closely with health authorities and advocate for state and federal support for our community. A survey was created to help us better understand local needs throughout the pandemic so we could continue to support our residents and businesses during the pandemic and beyond. Survey results will help guide our response and recovery efforts, assisting us to plan services and programs for both immediate support and recovery.

We look forward to the progress of the new youth centre project to cater to the immediate and future needs of the shire's young people. Our Youth Services team is working closely with a range of organisations and education providers to co-locate or outreach from the new youth centre from early 2022.

Council will begin implementing the actions of our *Ageing Well Strategy 2019–25* to support our senior residents to be healthy, active, stay connected and participate in community life.

We will continue to take a stance against racism and ensure an inclusive and connected community for all. Council is committed to ensuring our services and programs are accessible to and inclusive of all community members now and into the future. This includes people from diverse cultural and religious backgrounds as well as those who identify as LGBTIQ+.

Together We Can will continue its important work to change attitudes and behaviours in order to help prevent family violence in the community. The Together We Can round table will focus its work as the COVID-19 Pandemic's Family Violence Recovery Action Team. Together with Council's Pandemic Response and Emergency Management Team, it will develop an action plan to address the increases in family violence incidents and support the community to build more equitable and respectful relationships.

Our community

Section 2 Year in review

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

An accessible and inclusive community

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

Council, in conjunction with the Cardinia Access and Inclusion Advisory Committee, continues to monitor and implement the action plan. Three years into this four-year plan, Council has completed 26 of 30 (or 89% of) actions, including:

- expanding disability awareness training 'YouMeUs' to Aligned Leisure leaders and staff
- Cardinia Life (Aligned Leisure) achieving accreditation from Scope Australia
- Council's customer service team successfully completing its 12-month Scope accreditation review
- engaging universal design consultants to undertake access assessments for new major capital works and refurbishment projects, including the Rix Road Early Learning Centre, Officer Football Club and Koo Wee Rup Football Netball Club.

In 2019–20 Council also delivered an Access and Inclusion Upgrade Program to improve the accessibility of a number of Council facilities, including the Cockatoo Bowling Club, Pakenham Library and Bunyip Hall.

Celebrating our diversity

We support an inclusive community comprising people from diverse backgrounds, including but not limited to Aboriginal and Torres Strait Islander communities, people from multicultural backgrounds, those identifying as LGBTIQ+, people of faith, and people of all ages and abilities. Meeting the needs of our new and emerging communities continues to be a priority for Council and we continue to work hard to ensure all residents feel valued, included, respected and able to access the range of services, programs and facilities we offer.



Our Aboriginal and Torres Strait Islander communities

Council progressed the development of its draft *Reconciliation Action Plan 2021–22*, seeking input from each of the three Traditional Owner groups – the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Council, the Bunurong Land Council Aboriginal Corporation and the Boon Wurrung Foundation – about what they'd like included in the plan. We also met with community organisations, groups, residents and government organisations in developing the draft plan prior to seeking community feedback. The draft plan is now awaiting feedback from Reconciliation Australia.

Focusing on local partnerships has been a key reconciliation activity this year; representatives from Council's leadership team joined the local Regional Aboriginal Justice Committee for the first time and actively participated in the Southern Area Aboriginal Governance Committee.

Council conducted a number of local activities, including a Christmas barbecue for families and consulting with young people about what they'd like for their local community, as well as their dreams and aspirations. We also delivered nature play activities at the Dandenong and Districts 2020 World No Tobacco Day Fun Run. A highlight of the year was NAIDOC 2019. In July, Council partnered with the Cardinia Primary Schools Network's Marrung Steering Committee and the Department of Education to host one of the largest gatherings of Aboriginal and Torres Strait Islander children in Cardinia Shire for many years; more than 140 local primary school children participated in a cultural day featuring storytelling, traditional sports, music and art under the leadership of elders and educators, Uncle Ron Murray and Auntie Marg Worn.

With Aboriginal and Torres Strait Islander people recognised as being at significant risk of COVID-19, First People's Health and Wellbeing approached Council to offer a mobile flu vaccine clinic. Flu vaccinations and COVID-19 testing was made available to local Aboriginal and Torres Strait Islander residents and people with kinship care arrangements from a drive-through clinic in Pakenham in May. We look forward to being involved in more local partnerships in future and continuing to attract appropriate services and programs.

Our CALD communities

Council adopted its *Cultural Diversity Plan 2019–23* in December 2019. This plan builds on our commitment to culturally, linguistically and religiously diverse (CALD) communities and will guide our work in this area over the next four years. The plan focuses on maintaining and strengthening networks, supporting our newest communities, building connections and promoting participation. In October 2019, we welcomed the South Sudanese project, funded by the Victorian Government's MUSTER grant, to Cardinia Shire. This 12-month project supports our South Sudanese community to mobilise existing resources and share information to better connect with support services and secure employment.

Sustainable food for all

Our *Community Food Strategy 2018–26* aims to establish a healthy, delicious, sustainable and fair food system for all Cardinia Shire residents. The strategy aligns to the Council Plan, *Liveability Plan 2017–29* and the Municipal Strategic Statement and is the first of its kind for Cardinia Shire.

The *Community Food Strategy 2018–26* provides a collective vision and action plan for the Cardinia Food Circles project over eight years. The strategy's action plan consists of 67 actions that are led or supported by more than 20 organisations.

The Cardinia Food Circles project was recognised for its outstanding efforts to make positive change to community health across Victoria at the 2019 VicHealth Awards, winning the 'Promoting Healthy Eating' project category.

Social and affordable housing

We continued to deliver the key actions of our *Social and Affordable Housing Strategy 2018–25*. Our shire is experiencing a shortfall in social and affordable housing for people on low incomes, single parent families, seniors and people with individual complex needs. The *Social and Affordable Housing Strategy 2018–25* identifies housing needs and provides a framework to increase affordable housing.

The Social and Affordable Housing Partnership Group, which includes members of the community, housing sector and councillors, continued to meet bi-monthly to guide the implementation of the strategy and local actions.

As a result of a five-way partnership between Council and key stakeholders, a safe home opened in Pakenham for women and children seeking to rebuild their lives. The official launch was held in November 2019 and 10 women and their children now have a safe place to call home.

Community engagement

Council remains committed to undertaking meaningful engagement with our local community.

We introduced a new online community engagement website Creating Cardinia in late 2019. This engagement platform is a new way for community members to submit feedback and ideas to Council. It replaces the 'have your say' page on our website and features a range of online engagement tools including surveys, polls and idea forums as well as interactive maps, forms, photo and video uploads, stories, conversation threads, and question and answer tools.

We have also updated our community engagement framework and toolkit in line with recommendations from the Victorian Auditor General's Office (VAGO) audit. This will be further enhanced by an updated community engagement policy that is expected to be considered for adoption in early 2021.

Communicating with our community

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

Customer Service calls 2019–20

Calls received	Average wait time	Average call length	Requests logged	Completed on time
93,205	1 minute 24 seconds	2 minutes 51 seconds	52,503	84%

Council continued to produce and deliver its quarterly resident magazine *Connect* to all residents and businesses in the shire. This print magazine is delivered to more than 46,000 letterboxes and digital versions are available on our website in standard, large print and audio formats.

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

Website usage 2019–20

Page views	Sessions	Estimated users	Average time spent on website
1,882,483	750,889	445,877	2 minutes and 34 seconds

Facebook continued to be our most successful digital platform having the highest level of engagement with our community. Private messaging has continued to be an additional customer service channel and Facebook advertising remains a cost-effective and high-impact promotional platform. Live webcasting of Council meetings continues through our YouTube channel CardiniaTV and is cross-promoted via our Facebook and Twitter channels and website.

At 30 June 2020, Council had 9,683 likes on Facebook, 4,522 on Twitter, 4,071 LinkedIn followers and 156 subscribers to our YouTube channel. Our YouTube videos had 11,104 views in the financial year. We also introduced Instagram in January 2020 as a way to celebrate our people, places, community and our shire. The account had 689 followers as at 30 June 2020.

Arts for everyone

Cardinia Shire Council is committed to encouraging arts and cultural opportunities that are available to everyone and that connect the community.

Cardinia Cultural Centre has been a place of social and artistic significance in Cardinia Shire since it opened in 2003. The centre has undergone a major redevelopment and was officially relaunched in November 2019. The project included a new contemporary art gallery, artists' studios, and workshop; new entrance and foyer space; car parking and amenities. The redevelopment has further enhanced what is already a highly valued and much-loved arts and cultural space in the shire.

Council introduced the Cardinia Arts Response Grants to support professional artists working with the community, as well as community artists, local festivals and events, and new creative industry initiatives. The 2020 grants program closed in June 2020, with 11 recipients sharing in \$25,000 in grants.

As part of our Public Art Program, planning is underway for a new Port Ward public art piece in Lang Lang. Engagement has been undertaken with local community groups and the site and overall approach has been agreed to. Artist Dean Colls has been selected to prepare several possible designs for consideration. Public art has been also been installed as part of the building projects at James Bathe Recreation Reserve, Hills Hub and Deep Creek Reserve.

Community leaders

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

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

The 2019–20 program had 19 participants who were expected to graduate in early June 2020 but, due to the COVID-19 pandemic, the graduation was postponed and an online graduation planned for later in 2020.

Volunteer recognition

Pakenham resident Ken Rook was named the 2020 Stan Henwood Award winner. Ken has held a range of positions across various community groups and organisations, including the Rotary Club of Pakenham, Toomuc Fire Brigade, Pakenham Scouts, Australian and Victorian branches of the Suffolk Sheep Breeders Association and the Presbyterian Tennis Club. Ken has also played vital roles in establishing the Cardinia Primary Schools Public Speaking Competition, as well as the Rotary Club of Pakenham Annual Charity Golf Day.

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

Due to the COVID-19 pandemic, Council was unable to hold its annual Stan Henwood Award presentation and volunteer reception in May 2020, where the Stan Henwood Award is presented. Instead the announcement was made online on Council's website and social media channels.

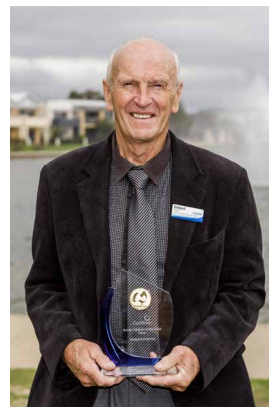
We thank all volunteers for their valuable contribution to our shire. Their amazing and selfless work is an incredible community resource and does not go unnoticed. We look forward to celebrating our volunteers at future volunteer reception events.

Australia Day honours

Winners of Cardinia Shire Council's Australia Day 2020 awards were:

- **Citizen of the Year** – Luke Williams
- **Senior Citizen of the Year** – Robert Porter
- **Young Citizen of the Year** – Jayden Kruzicevic-King
- **Community Event of the Year** – Cardinia Australia Day Event 2019

The winners were announced at our Australia Day awards and citizenship ceremony at Cardinia Cultural Centre on 26 January, where we also welcomed the newest citizens to the shire.



Challenges

Continuing to meet the changing needs and expectations of our growing and diverse community is an important challenge for Council. We will only create impactful change and improvements through strong and effective community partnerships.

Attracting services for our Aboriginal and Torres Strait Islander communities to the shire is a key focus for Council. We recognise these services are best placed to support Aboriginal and Torres Strait Islander residents, appreciating they are likely to be more effective in designing and delivering culturally appropriate community programs. There will be many challenges ahead in delivering the next Reconciliation Action Plan, and we look forward to seeing an increase in local opportunities aimed at enhancing community connectedness, cultural expression, knowledge and pride, and for all residents to feel valued, included and respected.

Results of the 2016 census reported Cardinia Shire as being one of three Melbourne metropolitan municipalities to have the highest percentage increases in overseas-born residents between 2011 and 2016. Our multicultural communities face a number of challenges when settling in Cardinia Shire, including language and communication barriers, as well as lack of access to key services and infrastructure. Attracting culturally specific services and programs to the shire that are close to transport and retail hubs is important. The COVID-19 pandemic also posed significant challenges for our multicultural communities; loss of employment, little or no access to financial support and insecure housing options have impacted people's wellbeing. The restrictions imposed as a result of the pandemic have impacted our ability to deliver community events but we have continued to provide timely communications and updates to our multicultural communities during this time through online platforms.

We also remain committed to providing timely and cost-effective infrastructure and services that meet the needs of our growing population. The COVID-19 pandemic has presented a number of challenges in terms of service and program delivery, but we have adapted the way we do things in order to continue providing essential services to our community, as well as additional support, during this challenging time.

Looking forward

We will continue to foster a sense of belonging and work hard to ensure our shire is a liveable and welcoming community for all.

The draft *Reconciliation Action Plan 2021–22* is being reviewed by Reconciliation Australia and we await their second round of feedback. We will continue to collaborate with Traditional Owner groups and community members to increase Aboriginal and Torres Strait Islander voice and representation, services, celebrations, as well as community and economic development opportunities.

The *Cultural Diversity Plan 2019–23* will be reviewed and refreshed with new learnings from the COVID-19 pandemic, and this will be used to plan the journey to recovery. This will ensure the plan remains proactive and responsive to the needs of our multicultural residents.

Council will work hard to develop and deliver inclusive facilities and will continue to advocate for the needs of Cardinia Shire to other levels of government to attract funding for the infrastructure and services our community needs. We will also continue to facilitate and participate in collective impact partnerships with organisations and community groups to encourage positive social and cultural change.

We will continue to deliver key actions of our *Social and Affordable Housing Strategy 2018–25* and encourage diversity of housing across the shire by working with developers and delivering social housing projects with registered housing providers and relevant stakeholders. Cardinia Shire Council is one 13 councils working together to develop a Regional Local Government Homelessness and Social Housing Charter that aims to increase partnership opportunities, identify land for social and affordable housing and advocate for inclusionary zoning for social and affordable housing in new developments.

Consulting and engaging with our community will remain a priority for Council. We will continue to review and improve our community engagement framework and toolkit to ensure that it's up to date with current engagement practices and to ensure we are reflecting the needs of our community. This will include an updated community engagement policy that is expected to be considered for adoption in early 2021.

Our environment

Section 2 Year in review

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

Protecting and enhancing our environment

As a member of the South East Councils Climate Change Alliance (SECCCA), Council continues to work in partnership with other member councils and the Victorian and Australian governments to adapt to the impacts of climate change. We're participating in the SECCCA asset vulnerability assessment project to help identify community assets at risk of being impacted by climate-related impacts such as high temperatures, fire, extreme rainfall, flooding, rising sea levels and erosion.

We have also joined 800 other local governments to declare a climate change emergency, calling for action on global warming and climate change. Other steps we have taken towards the adopted zero carbon operational target include purchasing accredited carbon offsets to offset 545 tonnes of Council vehicle fleet emissions.

In October 2019, Cardinia Shire's premier environment education and recreation destination at Deep Creek Reserve opened to the community. The 48-hectare reserve in Pakenham is home to a community and education centre which also houses the Cardinia Environment Coalition and golf club, indigenous plant nursery, an all-abilities playground, kick-about area, indigenous flora display area, six hectares of wetlands (including a demonstration wetland), and kilometres of shared paths. In partnership with the Cardinia Environment Coalition, Council welcomed Ecolinc to the site. Ecolinc is one of the Victorian Government's six science and maths specialist centres across the state and will deliver curriculum-based sessions to schools at Deep Creek Reserve.

Every second year, in conjunction with International Women's Day, the Cardinia Environment Coalition hosts an event celebrating and focusing on Women in Conservation. The 2020 event was held at Deep Creek Reserve in March. Council's Biodiversity Planner received an award at this event from the Cardinia Environment Coalition for the key role she played in establishing the Deep Creek nursery.

In 2019–20, we continued work on our Biolinks Plan which aims to create environmental corridors that will allow fauna to move through the landscape to ensure long-term viability of our native species. Our focus over the past year has been to ensure the plan is in line with fire regulations.

The Peri Urban Weed Partnership Project now in its fourth year is coming to an end. The pest plant work undertaken by partner agencies has achieved significant biodiversity outcomes in the Cardinia Creek Catchment.

Focus on sustainability

Our *Enhanced Standard – Sustainable Buildings* has been adopted by Council and helps ensure that Council buildings continue to be built, upgraded and operated in an environmentally sustainable manner. The enhanced standards mean that we incorporate environmentally sustainable design into new buildings, undertake environmental upgrades of existing buildings and use environmentally friendly measures in day-to-day building management and maintenance. Measures include energy and water efficiency, renewable energy and rainwater harvesting.

We continued to implement actions identified in our Aspirational Energy Transition Plan, including energy-saving upgrades and solar power for Council buildings. A National Australian Built Environment Rating System (NABERS) assessment of our civic centre at Officer was carried out for both water and energy efficiency. The building received a 4-star rating for energy efficiency, having achieved reductions in energy consumption compared to the 2018 period. The reduction was achieved through minor adjustments including changes to the programming of the building's lighting. We will continue to monitor civic centre energy use to identify opportunities to improve efficiency and reduce emissions.

We also continued to implement our Integrated Water Management Plan and the civic centre achieved a 6-star NABERS water rating – the highest available. We have also undertaken water efficiency upgrades to Council facilities and repurposed a water tank by relocating it to the Emerald Library to capture rainwater for toilet flushing. We also continued to be actively involved in the Westernport Integrated Water Management forum.

Managing waste and recycling

Council remains committed to reducing the amount of waste sent to landfill and creating greater awareness through our waste education programs and initiatives.

Council has awarded the tender for our new kerbside garbage, recycling and organics waste collection services, including food waste collection. Work with the collection contractor has started, including purchasing waste trucks and developing education materials, and the new service is expected to start in October 2020. The education program started in early 2020 and will be ongoing into 2021. We also commenced a bin inspection and community engagement program in September 2019 to reward great recyclers and provide feedback to residents who may need a little extra help with recycling effectively.

Work was undertaken to move to new bookable hard waste collection service across the shire. The improved service, to come into effect July 2020, replaces the previous twice-yearly, shire-wide collection and gives residents greater flexibility to book waste collections at a time of year that suits them. As part of the new service every household in Cardinia Shire can book up to two free hard waste collections per year.

DrumMuster and Detox Your Home programs were held in October 2019, but those planned for April were cancelled due to COVID-19 restrictions and will be rescheduled at a later date.

Cardinia Shire Council and 15 other councils from south-east Melbourne began the first collective tender for advanced waste processing solutions. The initiative is being driven by the South East Melbourne Advanced Waste Processing Group and will give us the ability to process household rubbish that would otherwise have gone to landfill. It's the biggest tender for new waste management infrastructure ever undertaken by councils in Melbourne. The tender has started with an expression of interest to identify businesses with the right experience and capability to design, build and operate a facility.



Residents who have a green waste bin will receive a free 'food in green waste bin' kit including a benchtop kitchen caddy for food scraps.

Planning for the future

During 2019–20 Council progressed a number of key strategic plans for the shire. Work continues on our precinct structure plans for Pakenham East, Pakenham South and Officer South. As part of the preparation of these plans, we consider the environment through the delivery of sustainable design in residential and commercial precincts, protection of trees, waterways and surrounding environments.

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

Roads

As one of our major strategic priorities, a number of key roads projects were underway across the shire in 2019–20.

We progressed our Better Local Roads program, including the Strategic Sealed Road project to improve 40 kilometres of unsealed roads across seven locations. The Australian Government committed \$150 million in funding to be provided in stages over nine years with project planning commencing in late 2019 for the Sealing the Hills Project to improve an additional 111 kilometres of unsealed roads in the hills. Council has developed a list of almost 150 priority roads and begun consultation with landowners.

Work is also progressing on a project to upgrade key intersections along the Princes Highway from Beaconsfield to Pakenham. The detailed design for two intersections in Beaconsfield is underway as part of Stage 1.

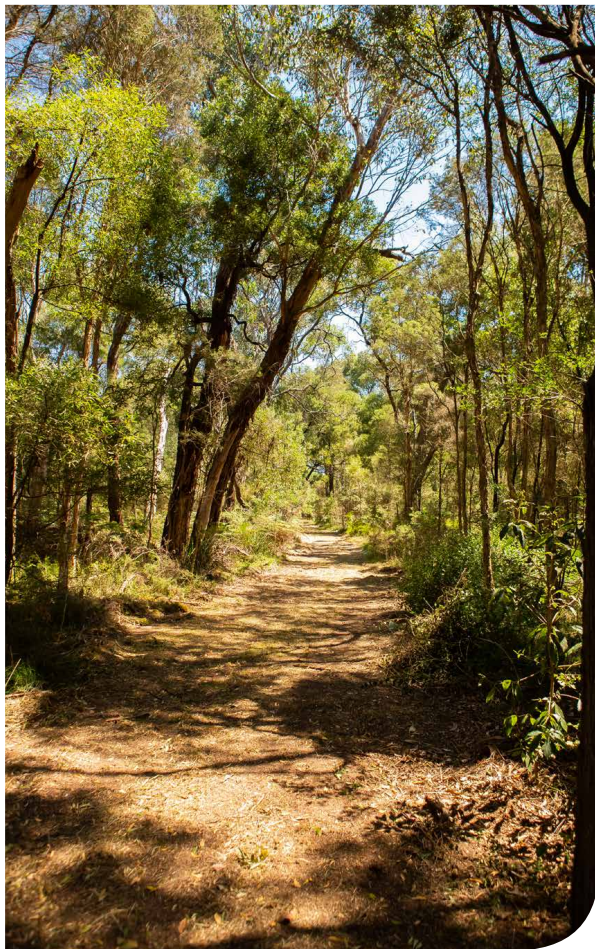
We are also continuing inspections and maintenance of the shire's road network in line with our Road Management Plan and renewal of identified roads and footpaths as part of our road and footpath asset management plans. Increased resources and changed work practices have delivered significant improvements to the performance of the shire's unsealed road network.

Challenges

Managing the natural and built environments of the shire continues to be an ongoing challenge for Council.

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

Council continued to respond to further changes and challenges in the recycling industry during 2019–20 and remained committed to advocating for and supporting waste reduction in the community. Our face-to-face waste education engagement programs were impacted by COVID-19 restrictions and school closures, so we developed a range of digital resources for engaging with schools, early learning centres and the community.



Looking forward

Council will continue to incorporate sustainable features into new and existing Council buildings to ensure they are built, upgraded and operated in an environmentally sustainable manner.

We will continue to work in partnership with other SECCCA, member councils and the Victorian and Australian governments to adapt to the impacts of climate change. Beginning in 2020–21, we will embark on a two-year project to develop a climate change adaptation plan. The focus of the first year will be to gather data to identify and analyse possible climate change impacts in the shire on the community, Council services and the environment. We also look forward to progressing work on our Biolinks Plan.

The collective tender process for advanced waste processing solutions in the south-east of Melbourne will continue into 2020–21 and beyond. It will take another two years before a preferred bid is selected and five to six years before a facility is operating. No decisions have been made yet regarding the type and location of any facilities.

Cardinia Shire Council is also actively involved in two other group procurement projects underway to shape the future of waste services. New contracts for recycling processing and landfill disposal for councils in metropolitan Melbourne are expected to start in 2021.

In response to the recent volatility in the recycling industry, the Victorian Government released the Recycling Victoria: A New Economy Policy and action plan in February 2020. This policy will shape the way councils in Victoria manage our waste over the next 10 years. Cardinia Shire Council looks forward to working with other councils across the state to ensure waste services remain as efficient as possible, with resource recovery a top priority.

We also look forward to the progress of the Better Local Roads program; works on the first road upgrades as part of the Sealing the Hills Project are expected to start in late 2020. The project to upgrade key intersections along the Princes Highway from Beaconsfield to Pakenham will help reduce congestion and travel time and accommodate increased traffic and development into the future.

Our economy

Section 2 Year in review

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

Supporting local businesses

Council continued to deliver a number of networking, training and promotional opportunities through Casey Cardinia Region, a partnership between Cardinia Shire Council and Casey Council. Due to the COVID-19 pandemic, a number of alternative platforms were explored to support and connect business networks during restrictions. The first networking event delivered during the pandemic through the Casey Cardinia partnership was 'Thrive Together' and further networking events are planned.

Other initiatives delivered through the Casey Cardinia Region partnership in 2019–20 included a local jobs portal, free online training seminars via LinkedIn learning in partnership with Casey Cardinia Libraries, a fortnightly business newsletter, Try a Trade Day to encourage skills development in young people, and providing small business mentoring via the small business mentoring service. We continued to work with local businesses to improve viability; online training, webinars and networking events have been held to provide opportunities for businesses to connect and explore sustainable models of operation.

The outstanding achievements of local business in the Casey Cardinia region were celebrated at the annual Casey Cardinia Business Awards held in October 2019. Winners were announced in 11 award categories and more than 350 people attended the awards, which are a partnership between Cardinia Shire Council and Casey Council.

Council is committed to supporting local businesses when engaging suppliers and contractors as part of our organisational operations where possible. Our procurement policy and tender and contract management processes support many local businesses across the shire. In 2019–20, Council had 334 active local suppliers, representing a total expenditure of \$19.6 million. This represented 19% of Council's total spend. We also apply 5% favourable weighting advantage to tenders received from suppliers registered in Cardinia Shire.

We provide differential rates for agricultural and cultural or recreational land use properties to help our local businesses. In 2019–20, some 1,135 properties were

recorded as farming and cultural or recreational land use and received a 25% discount on the base general rate. A further 41 properties classified as urban agricultural land and received a 15% discount on the base general rate.

Council provided a range of support initiatives to help businesses cope with the unprecedented effects of the pandemic, as part of our COVID-19 Community and Business Support Package. Support initiatives included our business concierge service, rent relief options for commercial tenants in Council properties, faster payments for suppliers and contractors, and rebates for some business fees and charges. Our COVID-19 online help hub featured information and advice on local business support, as well as Council and government assistance packages.

Tourism

Strengthening the region's tourism industry and providing opportunities for tourism operators and businesses remains a priority for Council. In partnership with Casey Council, we continued to implement the *Casey Cardinia Visitation Strategy 2017–20* which aims to lay the foundations for increasing regional jobs and growing visitation for the benefit of local businesses, the community and both councils.

The new Casey Cardinia Tourism board was elected in April 2020 and will take the lead to work on the future development of the strategy and branding. The board's priorities include completing the development of the Casey Cardinia Tourism website, engagement with local and regional tourism businesses, and facilitating and supporting a broad awareness campaign of the region as a local visitor destination.

Investing in our future

During the past year, we have continued to implement the actions of the Casey Cardinia Economic Development Strategy and worked with the South Eastern Metropolitan (SEM) partnership to attract jobs and investment to the region. We have seen an unprecedented demand for

industrial land with new subdivisions in the South East Business Park, Greenhills estate and the Bald Hill Road industrial precinct. We continue to work with SEM to explore all opportunities to activate our employment and industrial corridor through the City Deal platform, South East Economic Corridor review and Officer South Precinct Structure Plan development. We also continue to work with and advocate to the Victorian and Australian governments to bring investment to the region.

Council continues to advocate to the Victorian Government to identify a suitable site in Cardinia Shire for an international airport for the south-east of Melbourne. This continues to be a top priority for the SEM group.

Planning for the future

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

During the past year:

- Council officers drafted a project brief to initiate the review of the Cardinia Road Employment Precinct Structure Plan (PSP). The review will be undertaken in conjunction with the development of the Officer South PSP, with strong links and sharing of infrastructure between the two precincts.
- Council continued to work with the Victorian Planning Authority (VPA) to develop the Officer South PSP and infrastructure contribution plan.
- Approval to seek authorisation from the Minister for Planning regarding Amendment C265 – Pakenham South Precinct Structure Plan was granted by Council on 16 March 2020. Council continues to work with the VPA to work through both the precinct structure plan and infrastructure contributions plan.
- Council continued to work with the VPA to complete the review of Officer town centre as part of the Officer PSP. The amendment has been approved by the Minister for Planning.
- Advocacy continued with relevant landowners to facilitate the development of key sites in Officer and Pakenham.

Challenges

Many local businesses had to adapt and change the way they operated during COVID-19 restrictions. To help support local businesses, the Casey Cardinia Region offered tailored services and information sessions, including fortnightly essential webinars, free mentoring sessions (via phone), monthly industry innovation masterclass, webinars, and the #ImStillOpen social campaign.

Local businesses that were impacted were also invited to participate in the South East Melbourne Regional Business Survey to help inform local recovery and support programs that best respond to businesses' needs and assist Council in advocating to the Victorian and Australia governments.

With many residents travelling outside the shire for work, ensuring increased local employment opportunities remains a priority for Council. We are also committed to ensuring that Cardinia Shire is an attractive location for residents to start their businesses and for major businesses to generate more local jobs.

Another challenge facing Council is ensuring that the shire's agricultural values are supported and respected while balancing the residential and commercial land needs of our growing community. We must continue to balance these competing priorities to ensure urban growth and economic progress do not come at the expense of the shire's environmental character and liveability.

Looking forward

Council recognises that business growth and investment are vital to building sustainable communities, so we will continue to support local businesses and encourage investment in the region. We'll also continue to support local businesses through networking, training and learning opportunities and will work to encourage and attract investment to the region.

Council will continue to advocate to the Victorian Government to identify a suitable site in Cardinia Shire for an airport development, which would also boost employment opportunities, investment and visitation to the region. We'll also continue to apply for funding from and advocate to the Victorian and Australian governments to facilitate investment in the region.

Council remains committed to our procurement policy and tender and contract management processes to continue to support local businesses where possible when engaging suppliers and contractors as part of Council's operations.

Our governance

Section 2 Year in review

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

Advocacy

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

We actively seek grant funds from a variety of Victorian and Australian government funding programs. As a result of our advocacy efforts in 2019–20, we attracted \$10.4 million in grants; 15 of our 34 grant applications were successful.

Cardinia Shire Council is among the most successful councils in Victoria when it comes to securing external grants, enabling our rate dollars to stretch further. The funding we receive through various Victorian and Australian government grant programs, such as the Growing Suburbs Fund, Community Sports Infrastructure Stimulus Program, Melbourne Water Living Rivers Program and Native Vegetation Improvement Program, is used for a range of projects and initiatives that benefit our community.

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

Delivering a responsible budget

Council adopted its 2020–21 budget in June 2020 following a 4-week community consultation period where residents were invited to view and have their say on the draft budget and draft Council Plan. The budget reflects our responsible financial management and will fund the delivery of community services across more than 70 service areas, a \$1.6 million community support package, and an \$86 million capital works stimulus program to boost the local economy.

Council gave careful and responsible consideration to the budget in light of the existing and future potential impacts of the COVID-19 pandemic. The \$1.6 million COVID-19 Community and Business Support Package provides ongoing community support, including practical and tangible support and immediate assistance such as rate relief initiatives, rent relief options for commercial tenants in Council properties, rebates for some business fees and charges, community support grants, and financial support for sporting clubs and community groups.

Council assessed its capital program for 2020–21, ensuring funding for essential works was retained and reducing expenditure by almost \$10 million for non-essential works where possible. The \$86 million capital works stimulus program will boost local jobs and economy while providing for the needs of our fast-growing shire now and into the future. Council's ongoing commitment to its capital works program is an important part of helping the community respond to the economic impact of COVID-19.

The budget also funds the continued delivery of essential services such as roads, footpaths and drains, child, youth and family services, rubbish and recycling, seniors' support services, and services for people with a disability.



Engaging with our community

Council regularly consults with our community to help us make decisions. Seeking community input ensures we are aware of our community's priorities and expectations and that these are reflected in Council's decision-making process. The feedback and ideas collected through consultations are taken into consideration when finalising projects, undertaking planning and delivering services. We regularly review our engagement practices and in late 2019 we introduced a new community engagement website Creating Cardinia; a new way for community members to submit feedback and ideas to Council online.

As part of our commitment to transparency and continuous improvement, Council's performance dashboards continue to provide a high-level, transparent snapshot of Council's performance in key Council service areas. By providing the community with easy access to this information via our website, we are demonstrating our commitment to improving the services we deliver.

The dashboards display data from various organisational systems in a central, online location allowing our community to access information about Council's performance at any time. The three performance dashboards are:

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

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

Council continued to webcast its Council Meetings live in 2019–20, providing further opportunities for the community to be informed of Council decisions.

Challenges

Despite incurring loss of revenue and increased costs as a result of the COVID-19 pandemic, Council delivered a responsible 2020–21 budget within the Victorian Government's 2% rate cap. At the local level, Council continues to proactively support the most vulnerable people in our community, deliver essential community services, and invest in our community and economy for the future.

Much of our infrastructure, services and projects are funded through rate revenue, which is limited by the Victorian Government's rate cap. Maintaining long-term financial stability in light of the challenges presented by the rate cap, increasing utility costs and depreciation expenses is an ongoing consideration for Council. In 2019–20, we have also had additional pressure placed on our resources due to the COVID-19 pandemic.

We also need to ensure our existing community assets are renewed and maintained at a time of significant population growth and increasing demand for services and infrastructure.

Looking forward

Council will continue to advocate to and seek grant support from other levels of government to help meet the needs of our community now and into the future. We will continue to actively engage with state and federal politicians to seek their support for local initiatives and continue to plan, deliver and maintain the infrastructure our community needs.

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

Community engagement remains a priority. We will continue to use our online community engagement platform, face-to-face meetings, workshops and activities, websites, social media platforms, community newsletters and surveys to engage with our community and seek their feedback on important issues.

Description of operation

Section 2 **Year in review**

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

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

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

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

Major capital works

Council has progressed and delivered many projects throughout the 2019–20 financial year. The following are some of our major projects, having a value of more than \$500,000, which enabled Council to deliver improved services, amenity, ease-of-access, and quality facilities to our diverse community.

Bunyip Recreation Reserve soccer pavilion

Description	Construct a new pavilion to accommodate soccer and cricket activities.
Update	Construction of the pavilion is complete.
Start	March 2019
End	May 2020
Cost	\$2.565 million

Comely Banks Recreation Reserve

Description	Construct a new community and sports pavilion to accommodate sports such as rugby, football, cricket and bowls. The pavilion will also feature multipurpose social space, kitchen/kiosk and accessible amenities.
Update	The pavilion project is at lock-up stage; 75% of fit-out works and 60% of external works completed.
Start	October 2019
End	January 2021
Cost	\$7.588 million

Deep Creek Reserve

Description	Develop an all-abilities play space, wetlands and a sustainably designed community and education centre, nursery, passive reserves, car parking and access roads.
Update	The reserve was officially opened in October 2019. The nursery was completed and opened shortly after.
Start	March 2017
End	October 2019
Cost	\$12.34 million

Emerald netball facility

Description	Construct a new Emerald netball facility and the associated infrastructure at Pepi's Land. The works will be undertaken in the following three stages: <ul style="list-style-type: none"> • Stage 1a – external works including road widening of Beaconsfield–Emerald Road, adjacent to the site. • Stage 1b – internal civil works including car park, retaining walls, site services, stormwater drainage, netball courts, lighting and building platform for future pavilion. • Stage 2 – construction of the pavilion.
Update	Construction of the netball pavilion is progressing well and is scheduled to be completed in September 2020. Stage 1a works designs are currently being reviewed by external service authorities; construction to commence once approval of the designs has been received.
Start	July 2017
End	June 2021. The pavilion is expected to be complete September 2020.
Cost	\$4.1 million

Gembrook Leisure Park – skate park and landscape construction

Description	Construct a new recreation reserve including a new skate park, playground, half-court basketball/netball court, shelters, barbecues and open space. The public toilets will also be upgraded.
Update	Construction is complete.
Start	June 2019
End	December 2019
Cost	\$1.245 million

Gembrook Recreation Reserve pavilion

Description	Redevelop and extend the existing football/cricket pavilion to provide unisex and universally accessible change rooms for players and umpires, accessible amenities, a first aid room, gym, storage, minor upgrade to the spectator viewing lounge and timekeeper's room, and lift access to the first floor.
Update	North and south slabs complete. Building permit for Stage 3 obtained.
Start	February 2020
End	July 2021
Cost	\$2.45 million

Gembrook Recreation Reserve netball court construction

Description	Two new netball courts featuring professional, competition-level acrylic surfacing as well as new lighting, shelters and fencing.
Update	Construction is complete.
Start	December 2019
End	June 2020
Cost	\$505,000

Hills Hub

Description	Develop new community hub to enhance existing community activities and emerging local needs, including skill development, training, employment creation, support of youth programs, and support for tourism. It will include a purpose-built community space and an arts and performance space. The Hills Hub will accommodate stakeholders such as U3A Emerald, Emerald Men's Shed, Hills She Shed, Puffing Billy Toy Library, Emerald Village Association, and many other community groups such as the Emerald and District Lions Club.
Update	Construction is complete.
Start	March 2018
End	January 2020
Cost	\$9.3 million

James Bathe Recreation Reserve

Description	Develop a district-level sport and recreation reserve adjacent to the Melbourne Water wetlands.
Update	Pavilion works were completed in October 2019 and the reserve was officially launched at an event in November 2019.
Start	The project commenced in September 2016, and work on the pavilion started in November 2018.
End	The pavilion was completed in October 2019. The sports ovals are expected to be ready for use in the 2020–21 summer season.
Cost	\$10.3 million

Kenilworth Avenue, Beaconsfield road sealing – Stage 2

Description	Construct the unsealed Kenilworth Avenue in accordance with the Officer Structure Plan. The project is being delivered in two stages: <ul style="list-style-type: none"> • Stage 1 – the section from Brunt Road to the freeway overpass is being delivered by the adjacent developer. • Stage 2 – the section from the freeway overpass to Station Street is being delivered by Council.
Update	Construction of Stage 1 is complete. Stage 2 construction works have been awarded and are underway. Completion is expected September 2020.
Start	January 2020
End	September 2020
Cost	\$1 million

Koo Wee Rup primary and secondary school oval upgrades

Description	Reconstruct the Koo Wee Rup Primary School oval and the adjacent Koo Wee Rup Secondary School oval. The primary school oval upgrade includes new sub-surface drainage, two new cricket nets and some portable barrier netting to protect school infrastructure. The secondary school oval upgrade includes new sub-surface drainage, irrigation, and flood lighting, installation of a bore. A small modular pavilion will be constructed on the secondary school site.
Update	Construction works are complete and the ovals are now in the establishment phase.
Start	April 2019
End	April 2020
Cost	\$1.47 million

Lang Lang Community and Recreation Reserve

Description	Develop a major sport and recreation reserve including passive recreation areas. The construction of this major recreation and community precinct is being undertaken in partnership with Our Community Company, the franchiser of Lang Lang Community Bank. It will include sporting facilities, multipurpose community spaces, parks and other spaces for recreational activities. Lang Lang Community Bank purchased the 36-hectare parcel of land and has committed \$3.2 million (including land purchase) to the project. A further \$1.5 million has been funded from the Australian Government's Building Better Regions Fund. Council and our partners have committed \$13.5 million to the design and construction of this project between 2015–16 and 2020–21.
Update	Pavilion works were completed in February 2020.
Start	Project commenced March 2017. Work on the pavilion started in January 2019.
End	The pavilion was completed in February 2020.
Cost	\$13.5 million

Main Drain South Road, Bunyip – blackspot treatment

Description	A 2.3 kilometre section of Main Drain South Road, Bunyip from Bunyip Modella Road to 13 Mile Road was identified for blackspot works. The work included installing guardrail along both sides of the road.
Update	Construction is complete.
Start	November 2019
End	May 2020
Cost	\$500,000

Officer Recreation Reserve

Description	Reconstruction of the western oval at the Officer Recreation Reserve in Starling Road, Officer. The works include re-orientation, reshaping and resurfacing of the oval and the installation of subsurface drainage, irrigation and perimeter fence.
Update	Construction is complete.
Start	October 2018
End	December 2019
Cost	\$930,000

PB Ronald Reserve car park construction and upgrade

Description	The removal of the fuel tanks from the old depot site, the demolition of the old depot building and the construction of a car park and upgrade of the existing car park.
Update	Construction works are now complete.
Start	April 2019
End	September 2019
Cost	\$588,000

Peet Street special charge scheme construction

Description	Delivery of a Special Charge Scheme to develop the industrial area of Peet Street, O'Sullivan Street and Hill Street, Pakenham.
Update	Construction works are now substantially complete, with only minor works to be completed.
Start	August 2018
End	December 2019
Cost	\$6.75 million

Road pavement renewal program

Description	The 2019–20 road pavement renewal and rehabilitation program involves the complete rehabilitation of a number of roads across the shire.
Update	Reconstruction works associated with the deterioration of pavements at: <ul style="list-style-type: none"> • O'Neil Road, Beaconsfield – two roundabouts • Tynong Bayles Road, Bayles • Seven Mile Road, Nar Nar Goon • Caldermeade Road, Caldermeade • Redwood Road and Redwood Road service road, Gembrook Works included the removal and/or stabilisation of existing pavement and an improved pavement make-up. All of the removed material was recycled locally. The works addressed the continual maintenance and repair costs associated with these roads, increasing time efficiency for Council's Road Maintenance team and improving the overall safety, 'ride-ability' and appearance of the roads.
Start	July 2019
End	October 2020
Cost	\$1.69 million

Toomuc Creek pedestrian bridges – north and south

Description	Toomuc Creek pedestrian bridges are a design and construct project involving removal and replacement of the existing pedestrian bridge near Toomuc Reserve, and design and installation of a new pedestrian bridge over Toomuc Creek south of the train line.
Update	Construction nearing completion.
Start	April 2019
End	July 2020
Cost	\$459,000

Unsealed road re-sheeting program

Description	The 2019–20 unsealed road re-sheeting program involved refurbishing unsealed roads using crushed rock materials found on site as well as new materials to replenish surfaces affected by wear, tear and storm events. Improvements to the drainage system were made through maintenance works and installing new drains. The unsealed road re-sheeting program aims to strengthen the pavement, ensure its longevity and improve road users' experience.
Update	Approximately 103 kilometres of unsealed roads were refurbished using crushed rock material found on site and/or new crushed rock material. Approximately 41 kilometres of surface drains were de-silted and reshaped, and 51 metres of new drainage pipe were installed, including nine new headwalls.
Start	August 2019
End	June 2020
Cost	\$1.245 million

Worrell Reserve pavilion

Description	Construct a new pavilion for football and cricket, including a ground-level gym for community use.
Update	Pavilion construction complete.
Start	April 2019
End	April 2020
Cost	\$3.124 million



Economic factors

During the planning and delivery of the capital works program, a number of budgeted priorities unexpectedly faced higher construction costs due to uncontrollable market conditions. Delayed start for some projects was due to the necessary reprioritisation of projects to ensure financial sustainability was maintained and community expectations were being met. Furthermore, restrictions due to the COVID-19 pandemic have impacted site operations and resulted in some projects experiencing delays.



Major achievements

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



Major changes

Council’s 5-year forward planning and delivery of capital works projects has been reviewed and updated to best match Council’s ability to deliver the program in the current market conditions.



Financial summary

Section 2 Year in review

Comprehensive Income Statement

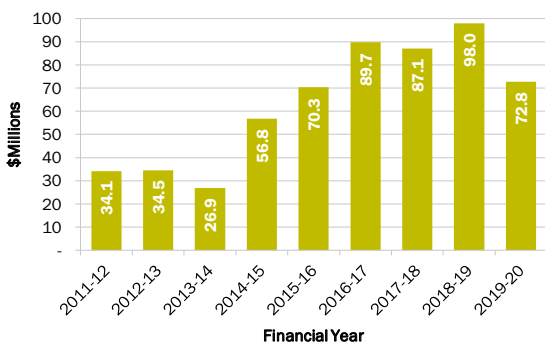
The Comprehensive Income Statement identifies income and expenses for 2019–20. For the year ending 30 June 2020, Council’s operating result was a surplus of \$72.8 million (see Figure 1), which was \$14.8 million lower than budgeted.

Revenue was under budget by \$3.2 million. Contributions of non-monetary assets were \$4.9 million under budget due to lower than budgeted non-cash contributions of infrastructure assets. Rates and charges income was \$1.4 million less than budget mainly due to lower supplementary rates, user fees were \$1.1 million under budget partly due to the COVID-19 pandemic forcing closure of a number of Council facilities, and statutory fees and fines were \$1.0 million unfavourable, partly due to the impact of COVID-19 and also the downturn in development activity. Operating and capital grants income were a combined \$2.9 million above budget due to the receipt of unbudgeted grants and budgeted operating grants being better than budget, with the major item being funding in reimbursement for some of the expenditure relating to the Bunyip Complex Fire in March 2019.

Operating expenditure was \$11.7 million higher than the budget. This was mainly due to materials and services expenditure being over budget by \$10.5 million, primarily as a result of the recognition of capital works, priority works and community capital works expenditure budgeted in the capital works program that could not be capitalised. It also included the adverse impact of COVID-19 on operations in unbudgeted contract expenditure.

The 2019–20 adjusted underlying result (the result for the year adjusted for non-recurring or one-off items of income or expenditure as per Performance Statement) is a deficit of \$4.9 million. This is below the 2018–19 result of a \$6.0 million surplus and is also below the budgeted adjusted underlying result for 2019–20 of a \$4.1 million surplus.

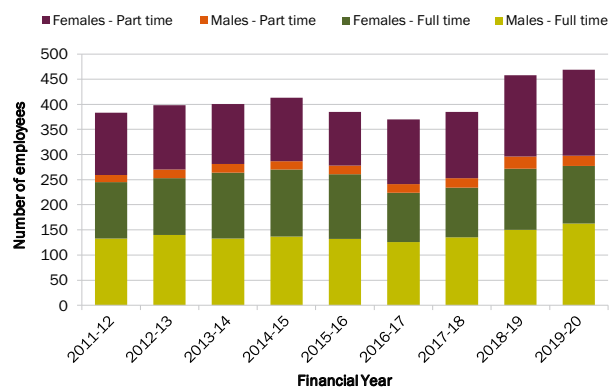
Figure 1. Operating result \$ million



Employee benefits expenditure was \$1.5 million unfavourable, due to the impact of new positions approved during the year and the financial effect of other staffing changes. This was partly offset by an increase in funding from external sources and underspending due to staff vacancies.

Staffing levels have slightly increased overall at the end of the year (see Figure 2).

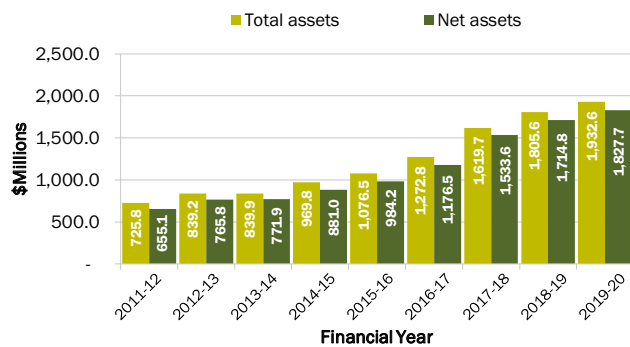
Figure 2. Staffing



Balance Sheet

The Balance Sheet represents the overall financial worth of Council (net assets). This comprises what Council owns as assets (total assets) less what it owes as liabilities (see Figure 3). Net Assets as at 30 June 2020 totalled \$1.8 billion; an increase of \$112.9 million from 30 June 2019, mainly due to an increase in the value of property, infrastructure, plant and equipment assets as a result of the addition of new and contributed assets and the revaluation of existing assets, particularly land and roads.

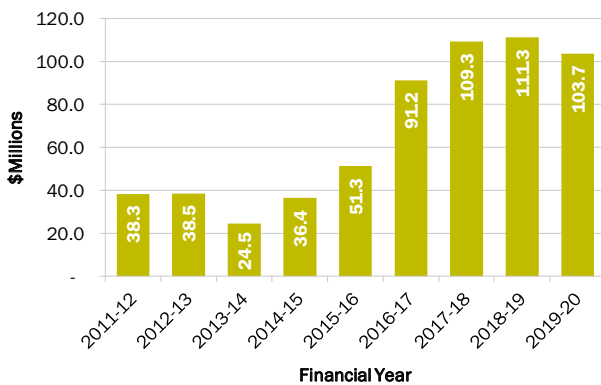
Figure 3. Assets \$ million



Statement of Cash Flows

The Statement of Cash Flows provides a summary of Council’s cash receipts (inflows) and cash payments (outflows) during the year. The closing cash and cash equivalents balance as at 30 June 2020 was \$91.7 million, a \$42.5 million increase from 2018–19 primarily due to the draw down on longer term investments to support expected adverse cashflow impact of COVID-19. The balance of longer-term investments is \$12.0 million, a decrease of \$50.0 million from the previous year. This results in total cash and investments of \$103.7 million, an overall decrease of \$7.5 million (see Figure 4). Net cash provided by operating activities is \$9.1 million lower than 2018–19, mainly due to decreases in cash contributions cash inflows and increases in materials and services cash outflows, partly offset by an increase in operating and capital grants cash inflow.

Figure 4. Cash and investments \$ million

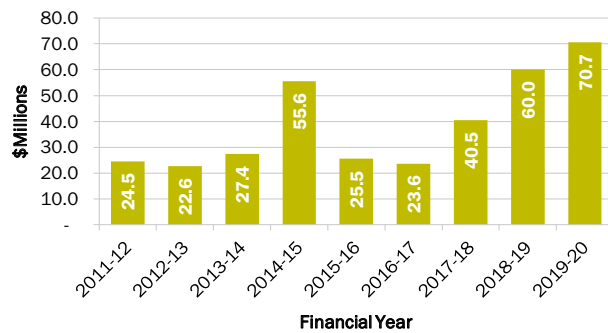


Statement of Capital Works

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

Council spent \$70.7 million on capital works in 2019–20, which was a \$10.7 million increase from 2018–19 (see Figure 5), mainly in the land category. (Note: the purchase of the new civic centre in Officer is included in the amount for 2014–15 in Figure 5).

Figure 5. Capital works program \$ million



Grant funding

During 2019–20, Council recognised \$36.8 million in Australian and Victorian government funding, an increase of \$9.0 million from 2018–19. The increase primarily relates to the receipt of unbudgeted grants and additional funding for several existing grants. The full amount of grants recognised is reported within Note 3.4 of the Financial Report.

Our Council



Cardinia Shire profile

Section 3 Our Council

Location

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

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

History

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

Cardinia Shire derives from four main development periods:

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

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

Population

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

- an average of five new households move into Cardinia Shire every day
- as of 2020, Cardinia Shire's estimated population is 120,559
- the shire's population is expected to increase by approximately 54,700 over the next 10 years (2030) and 79,140 over the next 20 years (2040), to a total of approximately 199,700
- the median age of residents is 33.9, which is two years younger than Greater Melbourne (35.6)
- the largest percentage of the population are 'parents and homebuilders' aged 35-49 (20.6%), followed by young people aged 12-24 (16.8%) and our 'young workforce' aged 25-34 (15.8%)
- growth areas in Cardinia Shire have a much higher proportion of young children aged 14 years and under (23%) compared with Greater Melbourne (18.3%).

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



Table 1. Estimated 2020 population and projected 2030 and 2040 population, by service age group

Age group (years)	2020		2030		2040		Change: 2020 to 2040
	Number	%	Number	%	Number	%	Number
Babies and preschoolers (0 to 4)	10,694	8.9%	15,210	8.7%	15,963	8%	+5,269
Primary schoolers (5 to 11)	13,961	11.6%	21,410	12.2%	23,346	11.7%	+9,385
Secondary schoolers (12 to 17)	9,595	8%	15,359	8.8%	17,934	9%	+8,339
Tertiary education and independence (18 to 24)	10,552	8.8%	14,921	8.5%	17,676	8.9%	+7,125
Young workforce (25 to 34)	19,089	15.8%	26,131	14.9%	26,943	13.5%	+7,855
Parents and homebuilders (35 to 49)	24,870	20.6%	38,106	21.7%	43,078	21.6%	+18,208
Older workers and pre-retirees (50 to 59)	12,962	10.8%	17,369	9.9%	21,482	10.8%	+8,520
Empty nesters and retirees (60 to 69)	9,548	7.9%	12,669	7.2%	15,308	7.7%	+5,760
Seniors (70 to 84)	7,826	6.5%	11,561	6.6%	14,475	7.2%	+6,649
Elderly aged (85 and over)	1,462	1.2%	2,557	1.5%	3,527	1.8%	+2,064
Total people	120,559	100%	175,293	100%	199,732	100%	+79,173

Percentage figures and totals may not equate exactly due to rounding.

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

However, an estimated 18,800 residents aged 60 and over live in Cardinia Shire, representing 15.6% of the total population. The number of senior residents (aged 60-plus) living in Cardinia Shire is expected to increase to approximately 33,310 over the next 20 years (2040). This increase in the number of older residents will have a corresponding impact on the demand for community and aged services, health services, public transport and local infrastructure.

At the time of the 2016 census, 49.6% of Cardinia Shire's population identified as having a Christian faith, and Catholic was the most prominent denomination chosen by residents. Just 4.9% of residents identified with a non-Christian religion, the most common being Buddhism. Over one third of residents (36.5%) said they had no religion, which is a higher proportion compared with Greater Melbourne (31.3%) and up from 29.8% in 2011.

While culturally and linguistically diverse (CALD) communities comprise only a small proportion of the overall Cardinia Shire population, in line with current population growth this number is increasing. In the 2016 Census, residents who speak a language other than English represented 11.2% of the Cardinia Shire population; an increase from 7% in 2011. The most common countries of birth for non-Australian born residents are the United Kingdom, India, New Zealand, Sri Lanka, and the Netherlands.

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

Households and housing

The number of households in Cardinia Shire is estimated to be approximately 41,100.

- Around 40% of households are couples with children, which is more than the Melbourne average of 33.5%.
- The shire's remaining households comprise couples without children (approximately 27%), one-parent families (11%) and lone households (17%).
- Of the population, 23% own their dwelling, 47% have a mortgage, and 22% are renting. The proportion of households with a mortgage is higher than the metropolitan Melbourne average of 34%.

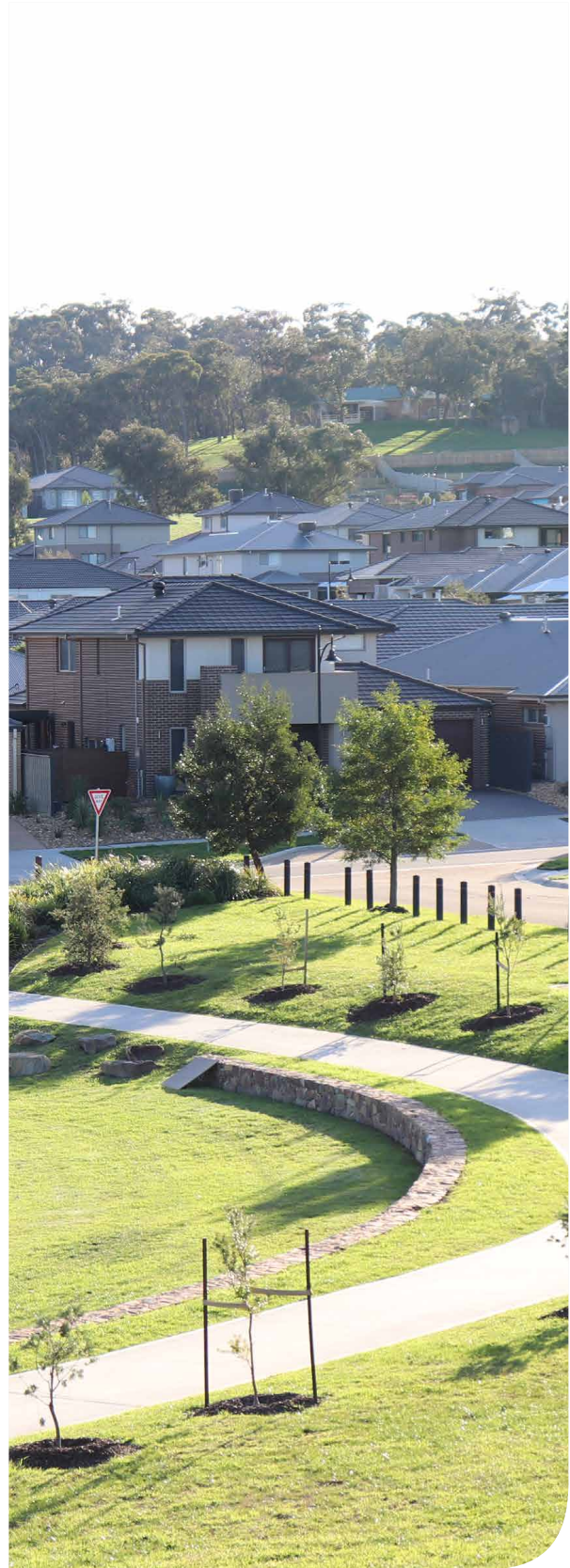
Education

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

Industry and economy

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

- 94% of the population (those able to work) is employed and 5.5% of the population is unemployed, which is similar to metropolitan Melbourne (6.8%).
- Of those who are employed, 62% work full time and 36% work part time.
- The top four industries of employment among Cardinia Shire residents are construction (13.5%), health care and social assistance (11.1%), retail (11%), and manufacturing (10.2%).
- Technician and trade work are the dominant occupations in the shire.



Council wards

In 2019–20, Cardinia Shire was divided into three wards with:

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

For the election to be held on 24 October 2020, the shire has been subdivided into nine single-member wards.

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

Web: www.cardinia.vic.gov.au



Councillors

Nine councillors were elected in October 2016 to serve for a 4-year period until October 2020.

Central ward



Cr Jodie Owen
First elected 2012
Mayor 2015–16
Deputy Mayor 2016–17



Cr Collin Ross
First elected 2008
Mayor 2017–18
Deputy Mayor 2018–19



Cr Carol Ryan
First elected 2016



Cr Michael Schilling
First elected 2016

Port ward



Cr Ray Brown
First elected 2016



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

Ranges ward



Cr Brett Owen
First elected 2005
Mayor 2012–13
Deputy Mayor 2013–14
Mayor 2016–17
Deputy Mayor 2017–18



Cr Jeff Springfield
First elected 2016
Mayor 2019–20



Cr Leticia Wilmot
First elected 2012
Mayor 2014–15
Deputy Mayor 2015–16

Our organisation

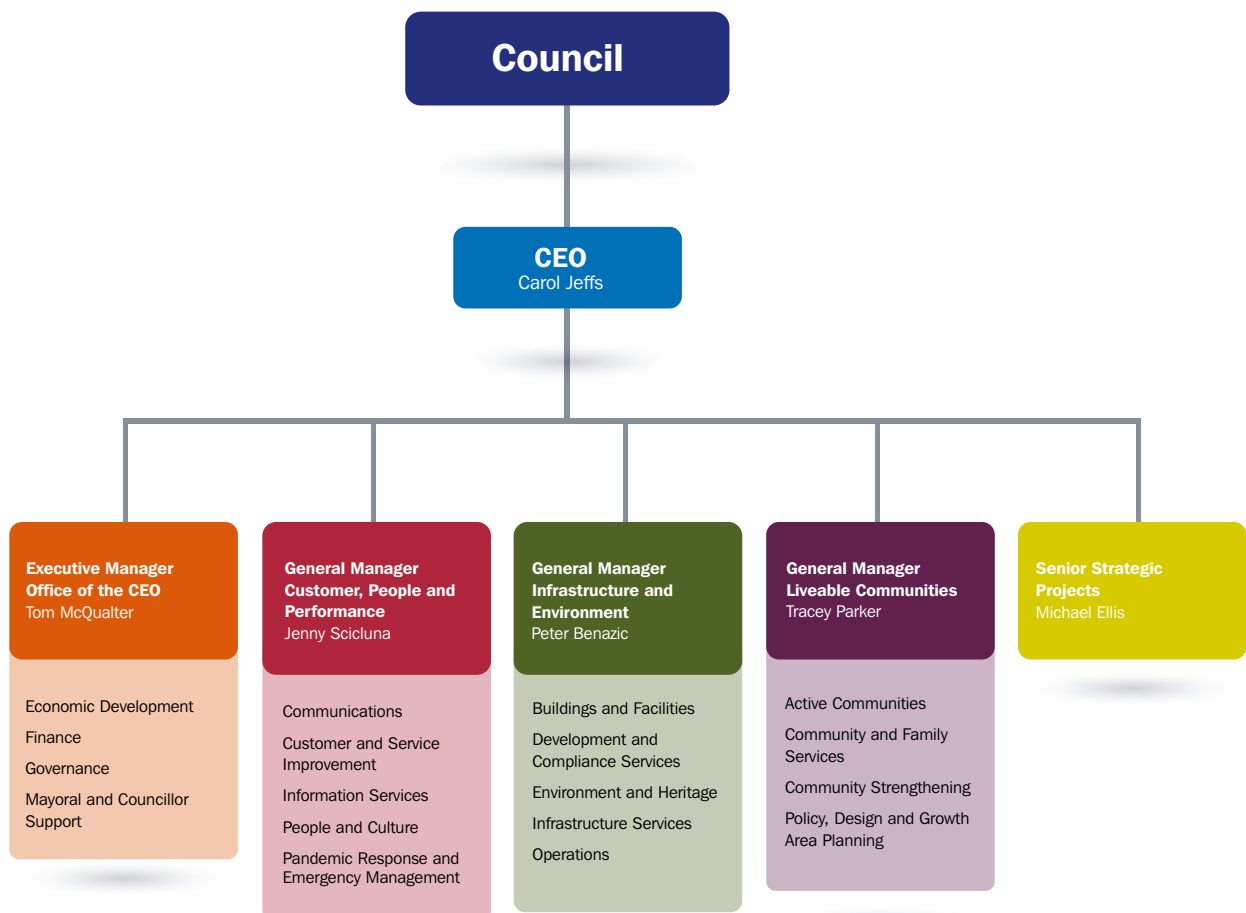


Organisation structure

Section 4 **Our Organisation**

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, three general managers and an executive manager who lead the organisation.

Below is the Cardinia Shire Council organisation structure at 30 June 2020.



Senior Leadership Team

Carol Jeffs Chief Executive Officer

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



Carol was appointed Chief Executive Officer of Cardinia Shire Council in October 2018. She has more than 16 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 is passionate about making a difference in the local community by working closely with the community, councillors and employees to continue delivering high quality services and infrastructure across the shire.

She is committed to advocating strongly for what Cardinia Shire needs moving forward and engaging with residents, community groups, farmers, businesses and landowners to create a future of which we can all be proud.

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

Jenny is a dedicated leader committed to building a positive culture and supporting staff to reach their full potential.



Jenny has extensive local government experience, having worked in the sector for 20 years.

Prior to her appointment as General Manager Customer, People and Performance, Jenny served four years as Cardinia Shire Council's General Manager Community Wellbeing and six 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 well known for her high level of influencing, organisational and interpersonal leadership skills in the local government sector and consistently builds positive, high performing teams and cultures.

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

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.

Business unit areas

- Communications
- Customer and Service Improvement
- Information Services
- People and Culture
- Pandemic Response and Emergency Management

Peter Benazic
General Manager
Infrastructure and Environment

Peter has a wealth of experience in local government and is well known for his relentless pursuit of excellence, people leadership and customer focus when leading high performing teams.

Peter has more than 20 years' experience in leadership roles in local government in operations, maintenance, parks, waste and project management. He also has experience in the private, community and not-for-profit sectors.

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

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

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

Business unit areas

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

Tracey Parker
General Manager
Liveable Communities

Tracey is a committed and dedicated leader with a strong belief in community engagement and supporting communities to be the best they can be.

With more than 26 years' experience in local government, Tracey has held a number of senior management positions at Cardinia Shire Council as well as roles at Knox, Glen Eira and Casey city councils.

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



Tracey is passionate about customer connection and working with local communities to help make Cardinia Shire an even greater place to live and work.

During her 18 years at Cardinia Shire Council, Tracey has witnessed significant change and growth in the shire, providing her with an in-depth understanding of where the community has come from. This, together with her knowledge of historical events in the shire, serve her well as she leads her team to deliver a range of important services to the community.

Business unit areas

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

Tom McQualter
Executive Manager
Office of the CEO

Tom has extensive experience across a number of sectors and is well known as a trusted advisor who combines strong ethical values with his people leadership skills.

Tom has worked in the private sector, water industry and local government and has expertise in governance, legal, property, planning, development, leadership and culture development.

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

Previous local government roles include Acting General Manager Organisational Excellence/Corporate Services and Manager Council Operations and Legal Counsel at Latrobe City Council.

Tom also established his own leadership and development consulting firm and was the founder and facilitator of The Leadership Conservatory.

He holds a Bachelor of Law/Bachelor of Arts and a Master of Organisational Leadership.

Business unit areas

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



Council employees

Section 4 Our Organisation

Employee overview

In November 2019, we conducted our second employee engagement survey to measure the level of staff engagement across the organisation. The data from this survey will support business planning and future initiatives to strengthen what we do well and to improve the services we provide to our community.

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

Leading the way

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

We've also continued the Leadership Fundamentals Program, which is dedicated to building leadership capacity, team effectiveness and a more cohesive organisation culture for 18 existing and emerging people leaders across a 5-month period. In 2019, we launched the Everyday Leadership program to develop leadership capability and confidence in those without formal leadership roles and people responsibilities. This acknowledges our belief that everyone is a leader and influences our culture and outcomes for the community.

In 2020, in light of the COVID-19 global pandemic and changes to the way we work, we developed a new leadership program Leading People for Connection, Wellbeing and Performance that is focused on leading in our new environment. The program is delivered virtually and centres around workplace culture, staying connected, supporting the wellbeing of our people, and continuing to deliver great services to our community.

Employee engagement

In 2019 we undertook the OurVoice@Cardinia employee engagement survey (18 months after our last survey in 2018). We saw improvement in overall employee engagement as well as improvements across each of the categories. The results from the survey had been communicated at the organisational, business unit

and team level. This data is used to initiate important conversations about what it's like to work at Cardinia Shire Council. It also informs action planning so we can continue to be a truly great place to work.

Wellbeing

In 2020, we developed a Wellbeing Framework with a focus on five elements of wellbeing: physical, emotional, social, intellectual, and financial. Resources, tools, events and support services are aligned to these elements and provided to employees throughout the year. Keeping our people well now and into the future is important to us.

Organisational culture

Our culture is based on working together, doing things differently, and preparing us for the future. Our culture is what delivers our strategy. It's not just what we do but how we do it that's important. The focus of our organisational culture and how we work is centred around together, different, future. Our culture exists in everything we do, and we have focused on embedding it throughout our processes, procedures, the way we lead, and the day-to-day employee experience.

Lifelong learning

Council continues to offer a range of learning and development programs for all employees aligned to the Leadership Capability Framework and organisational needs.

Development opportunities available to our employees throughout the year included:

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

Staffing information at 30 June 2020

- 61.8% of Council staff were female (including casuals)
- 38% of Council staff were male (including casuals)
- 0.2% were indeterminate/intersex/unspecified (including casuals)
- 58.8% of full-time positions were held by men
- 90.7% of part time positions were held by women
- 37% of Council staff worked part time.

Table 2. Staffing numbers

Classification	Males	Females	Indeterminate/ Intersex/Unspecified	TOTAL
Full time	163	114	0	277
Part time	21	171	1	193
Casual	16	40	0	56
Total	200	325	1	526

Table 3. Detailed staff breakdown

Employee type/ gender	CEO	Customer, People and Performance	Infrastructure and Environment	Liveable Communities	Office of the CEO	TOTALS
Full time female	1	22	33	39	19	114
Full time male		17	115	15	16	163
Part time female		29	67	68	7	171
Part time male		1	17	2	1	21
Casual female		2	21	17	0	40
Casual male		0	10	6	0	16
Casual indeterminate/ intersex/ unspecified		0	0	1	0	1
Totals	1	71	263	148	43	526

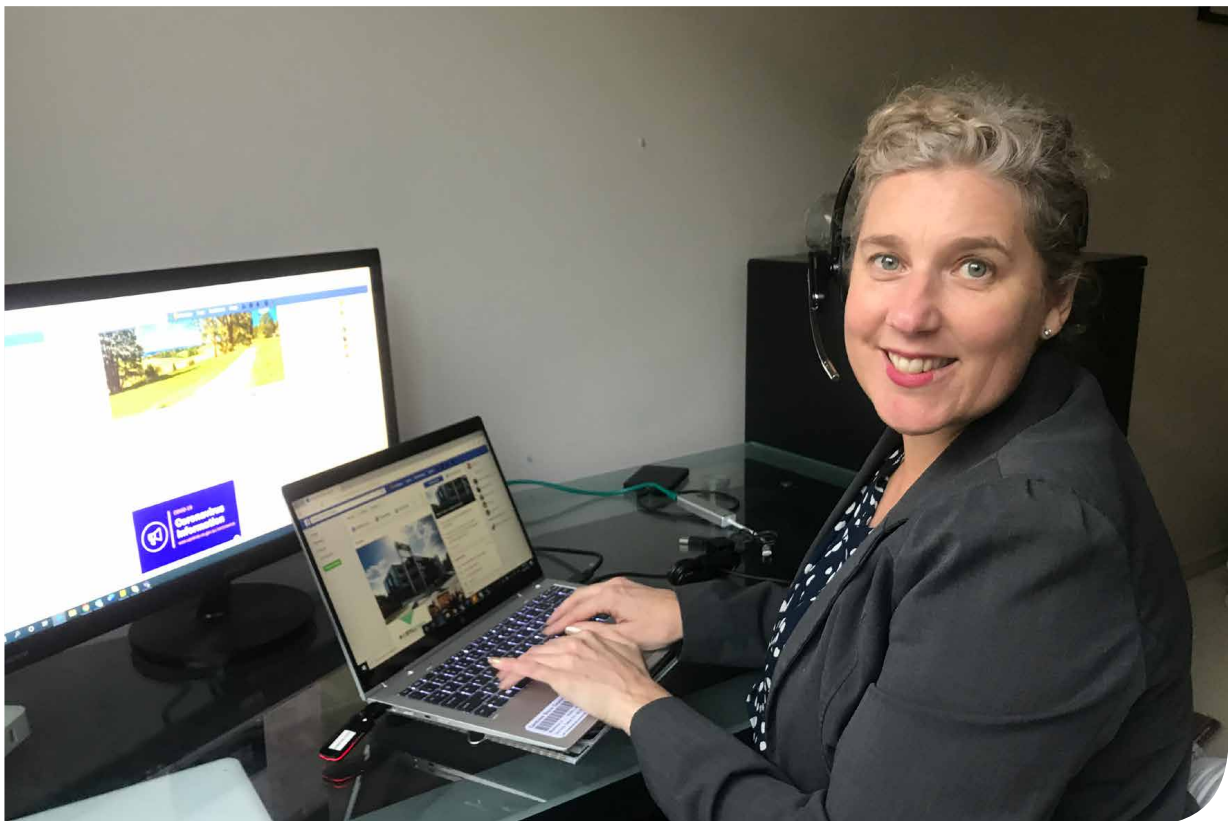
Table 4. Staff demographics by age

Age	Percentage
15-19	0.4
20-24	3.6
25-34	19.6
35-44	24.7
45-54	24.3
55-64	20.2
65 and over	7.2

Table 5. Staff by employment classification and gender

Employment Classification	Female FTE	Male FTE	Indeterminate/ Intersex/ Unspecified FTE	Total FTE
Band 1	7.05	2.25		9.3
Band 2				0
Band 3	1	41		42
Band 4	39.23	12.16	0.08	51.47
Band 5	51.46	27.7		79.16
Band 6	51.84	36.79		88.63
Band 7	14.37	21		35.37
Band 8	16.96	11		27.96
Band not applicable	27.21	17.45		44.66
Totals	209.12	169.35	0.08	378.55

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



Equal employment opportunity statement

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

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

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

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

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

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

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



Governance and management

Governance

Section 5 Governance and Management

Council is required under the *Local Government Act 1989* to provide leadership for the good governance of the shire and the community.

Council has a number of roles, including:

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

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

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

Council meetings

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

As a result of the COVID-19 pandemic, a number of changes were made to the Council and Town Planning Committee meetings to reduce the risk to the community, staff and Councillors.

- Town Planning Committee meetings were integrated with General Council meetings.
- Meetings were held online and Councillors were not required to physically be in the Council Chamber (in accordance with recent changes made to the *Local Government Act 1989* to allow for virtual meetings of local councils).
- Members of the community were unable to attend meetings in person but could watch meetings live-to-air on Council's website.

Committees

As at 30 June 2020, the structure and composition of Council's committees was as follows.

Audit Committee

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

Town Planning Committee

- Committee of the whole of Council.

Code of conduct

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

Conflict of interest

Councillors are elected by community members to act in the best interests of the 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 a comprehensive procedure to enable the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings. Council maintains a register of all disclosed conflict of interests. During 2019–20, no conflicts of interest were declared at Council and committee meetings.

Resources, training and compensation

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

Councillor allowances

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

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

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

Councillor expense entitlements

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

Councillor professional development

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

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

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

Table 6. Councillor expenses 2019–20

Councillor	Travel/mileage (\$)	Out of pocket (\$)	Professional expenses (\$)	Information and communication technology (\$)
Ray Brown	\$2,373.46	\$28.2	\$110	\$75
Graeme Moore	\$2,729.38	\$0	\$968	\$75
Brett Owen	\$2,835.92	\$0	\$385	\$75
Jodie Owen	\$0	\$0	\$0	\$75
Colin Ross	\$12,514.83	\$1,033.56	\$0	\$75
Carol Ryan	\$0	\$0	\$55	\$75
Michael Schilling	\$616.90	\$0	\$0	\$75
Jeff Springfield	\$2065.38	\$0	\$1,718*	\$75
Leticia Wilmot	\$5,195.69	\$0	\$0	\$75

*Refund of \$1,223 being sought

Management

Section 5 Governance and Management

Audit committee

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

The Audit Committee consists of two councillors and three independent members: Mr Homi Burjorjee (Chairperson), Mr Michael Said and Mr Vincent Philpott. Independent members are appointed for a 2-year term, with a maximum of three terms. The chair is elected from among the independent members.

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

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

Internal audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. This area is jointly resourced by our 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, the Council Plan, the impact of any change on operations, systems or the business environment, as well as prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit Committee meeting to report on the status of the SIAP, providing an update on the implementation of audit recommendations and presenting findings of completed reviews. The responsible general manager and manager for each area

reviewed are required to attend the Audit 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 that are reviewed by the Internal Auditor and reported to the Senior Leadership Team and the Audit Committee.

The SIAP for 2019–20 was completed with the following reviews conducted:

- IT strategy and infrastructure
- Building maintenance
- Lease and licenses management
- Financial compliance – rates management
- Contract management
- Facilities management

External audit

Council is externally audited by the Victorian Auditor-General. For the 2019–20 financial year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the May and August Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

Risk management

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

Insurance and risk audits

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

Business continuity

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

Council had to enact its BCP in March 2020 as a result of the COVID-19 pandemic. Council's priority was to continue delivering essential services to the community, in line with the restrictions in place at the time and ensuring the health and safety of Council employees and the community.

Occupational health and safety (OHS)

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

Our OHS Management System is continually reviewed and updated to support the organisation in maintaining a safe work environment for employees, contractors, volunteers and visitors. The three workplace Health and Safety

Committees proactively support the ongoing review and update of this system.

Workplace safety

Council has maintained a strong focus in 2019–20 on creating a positive safety culture. This has been implemented through structured education and awareness sessions with management and employees. Council continued to provide a proactive early intervention injury management program to its workforce to assist in effectively managing workplace injuries and WorkCover claims.

Business improvement – Quality Circles

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

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

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

Due to the COVID-19 restrictions, the Quality Circles program has been paused temporarily. Council is investigating ways in which the program can be facilitated successfully online to enable teams to continue to implement their business improvements.

Local Government Community Satisfaction Survey

The Department of Environment, Land, Water and Planning (DELWP) coordinates a Local Government Community Satisfaction Survey throughout Victoria each year. The survey's main objectives are to assess the

performance of councils across a range of measures and to seek insight into how councils can provide improved or more effective service delivery.

The following table shows Cardinia Shire Council's results for the core survey measures from the 2020 survey.

Table 7. Snapshot of Council's performance

	2016	2017	2018	2019	2020	Trend *
Overall performance	60	57	61	61	57	↓
Community consultation	54	49	55	55	52	↔
Advocacy	53	51	52	53	48	↓
Making community decisions	54	53	53	54	51	↔
Sealed local roads	57	54	55	58	52	↓
Customer service	64	66	65	65	63	↔
Overall Council direction	51	51	52	51	49	↔

* A horizontal two-headed arrow (↔) indicates no statistically significant change from the 2019 result.



Governance and management checklist

Item	Assessment	Yes/No	Date of operation (where applicable)	Reported date (where applicable)
Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation	Yes	17/06/2019	
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	Yes	17/06/2019	
Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Plan adopted in accordance with section 126 of the Act	Yes	15/06/2020	
Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required)	Budget adopted in accordance with section 130 of the Act	Yes	15/06/2020	
Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plans in operation	Yes	21/01/2018	
Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation	Yes	15/06/2020	
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	Yes	12/12/2017	
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	Yes	8/12/2017	
Municipal emergency management plan (plan under section 20 of the <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	22/10/2018	

Item	Assessment	Yes/No	Date of operation (where applicable)	Reported date (where applicable)
Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act</i>	Yes	18/11/2019	
Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation	Yes	1/07/2017	
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation	Yes	1/07/2017	
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	Yes	1/04/2016	
Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Act	Yes	1/07/1997	
Internal audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	Yes	1/05/2013	
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation	Yes	1/07/2014	
Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report	Yes		19/08/2019 18/11/2019 17/02/2020 18/05/2020
Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act	Yes		16/09/2019 18/11/2019 17/02/2020 18/05/2020

Item	Assessment	Yes/No	Date of operation (where applicable)	Reported date (where applicable)
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	Yes		31/08/2019 13/12/2019 24/04/2020 12/06/2020
Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports prepared and presented	Yes		19/08/2019 18/11/2019 17/02/2020 18/05/2020
Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act	Yes	21/10/2019	
Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by councillors)	Code of Conduct reviewed in accordance with section 76C of the Act	Yes	20/02/2017	
Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act	Yes	18/05/2020	
Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act	Yes	18/02/2019	



Certification of governance and management

Certification of governance and management

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



Carol Jeffs
Chief Executive Officer



Cr Jeff Springfield
Mayor 2019–20

Dated: 21 September 2020

Statutory information

Section 5 Governance and Management

Information available for public inspection

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

- details of overseas or interstate travel by councillors or staff in previous 12 months
- agendas and minutes of Ordinary and Special Meetings of Council, except where such minutes relate to parts of meetings that have been closed in accordance with the provisions of Section 89 (2) of the Local Government Act 1989
- minutes of meetings of special committees
- register of delegations under Sections 87, 88 and 98 of the Local Government Act 1989
- register of leases
- register of authorised officers appointed under Section 224 of the Act
- list of donations and grants made by Council.

Best value report 2019–20

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.

Contracts

During the 2019–20 financial year, no contracts were entered into over the tender threshold without giving public notice of the contract and inviting tenders, as required by Section 186(1) of the *Local Government Act*.

Access and Inclusion Policy and Action Plan

Council, in conjunction with the Cardinia Access and Inclusion Advisory Committee, continues to monitor and implement the *Disability, Access and Inclusion Action Plan 2017–21*. Overall, the action plan progress towards completion is 89%, due for completion June 2021, ahead of schedule.

In 2019–20, Council expanded disability awareness training 'YouMeUs' to Aligned Leisure leaders and staff. Aligned Leisure has also achieved Scope accreditation and the Council's Civic Centre customer service desk has successfully completed its 12-month scope accreditation review.

Universal design consultants have been engaged to undertake access assessments for new major capital works and refurbishment projects, including the Rix Road Early Learning Centre, Officer Football Club and Koo Wee Rup Football Netball Club. Finalising the Access and Upgrade program of works 2019–20 has improved accessibility in a number of key Council buildings. Some of these include Cockatoo Bowling Club, Pakenham Library and Bunyip Hall.

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

Food Act ministerial directions

In accordance with Section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year. No such Ministerial Directions were received by Council during the 2019–20 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 2019 to 30 June 2020:

- a. nineteen (19) FOI requests were made to Cardinia Shire Council
- b. eighteen (18) requests were made for full access to documents for the above period; one (1) request for part access to documents pursuant were made and three (3) requests were pending as at 30 June 2020
- c. Manager Governance Doug Evans is the designated officer with authority to make a decision in relation to a request
- d. no applications for review was made to the Freedom of Information Commissioner
- e. no application was made to the Victorian Civil and Administrative Tribunal (VCAT) during the above period
- f. no notices were served on the agency under Section 12 (1)
- g. no disciplinary action was taken out against any officer in respect of the administration of this Act
- h. \$125 of charges were levied on the applicants.

Protected disclosure procedures

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website. During 2019–20, 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 2019–20 financial year.

National Competition Policy compliance

Cardinia Shire Council has complied with the requirements of the National Competition Policy for the period 1 July 2019 to 30 June 2020.

Current Local Laws

As at 30 June 2020, Council had two principal Local Laws in operation.

Local Law No 16 Meeting procedure local law

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

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

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

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

Development contribution plans (DCPs)

Section 5 Governance and Management

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

Development contributions are divided into four groups:

1. Major roads and traffic control infrastructure
2. Other development infrastructure (preschools, playgrounds and basic sporting open space)
3. Community infrastructure (community centres, libraries and indoor sporting facilities)
4. Land required to facilitate the delivery of the above.

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



Table 8. Total DCP levies received in 2019–20

DCP name (Year approved)	Levies received in 2019–20 FY (\$)
Pakenham DCP (1997)	\$246,995
Cardinia Road DCP (2008)	\$8,463,669
Officer DCP (2011)	\$5,802,609
Total	\$14,513,273



DCP land, works, services or facilities accepted in-kind in 2019–20**Table 9. Cardinia Road DCP (2008)**

DCP reference	Project description and item purpose	Developed by	Project value (approx. \$)
DI_TR_7	Construction of 2.5m shared path within Toomuc Creek Reserve	Galileo Mt Pleasant Nominees Pty Ltd	\$163,934
DI_TR_5	Pedestrian bridge over Toomuc Creek network (north of Princes Highway)	Galileo Mt Pleasant Nominees Pty Ltd	\$202,699
Total			\$366,633

Table 10. Officer DCP (2011)

DCP reference	Project description and item purpose	Developed by	Project value (approx. \$)
DI_RO_9a	Construction of McMullen Road upgrade to connector street – Constrained Type 1 (Section 4a).	Aviva Communities Pty Ltd	\$1,480,275
DI_TM_07	The road and drainage work required to construct McMullen Road.	Aviva Communities Pty Ltd	\$113,182
DI_RO_16a	First carriageway from intersection of intersection of Stephens Road/Rix Road to intersection of Officer South Road/Rix Road.	McDonald Properties	\$7,334
DI_RO_03b	Construction of east–west road B to a connector street boulevard standard (Section 3).	Sweet Property Group	\$478,386
DI_RO_LA30a	Purchase of land for east–west road B to a connector street boulevard standard (Section 3).	Sweet Property Group	\$392,316
DI_RO_21	Construction of 8m wide laneway – commercial access at the rear of peripheral commercial. Portion of the project delivered from eastern property boundary to western property boundary.	Bayview Road Development	\$202,887
DI_RO_LA35b	Purchase of one of the land parcels for Rix Road upgrade to a connector street boulevard standard (Section 3) – 2000 sq m.	Satterley Property Group Pty Ltd	\$360,000
DI_RO_LA30b	63–65 McMullen Road – Purchase of land for east–west road B to a connector street boulevard standard (Section 3)	Anwar Nan	\$737,585
Total			\$3,771,965

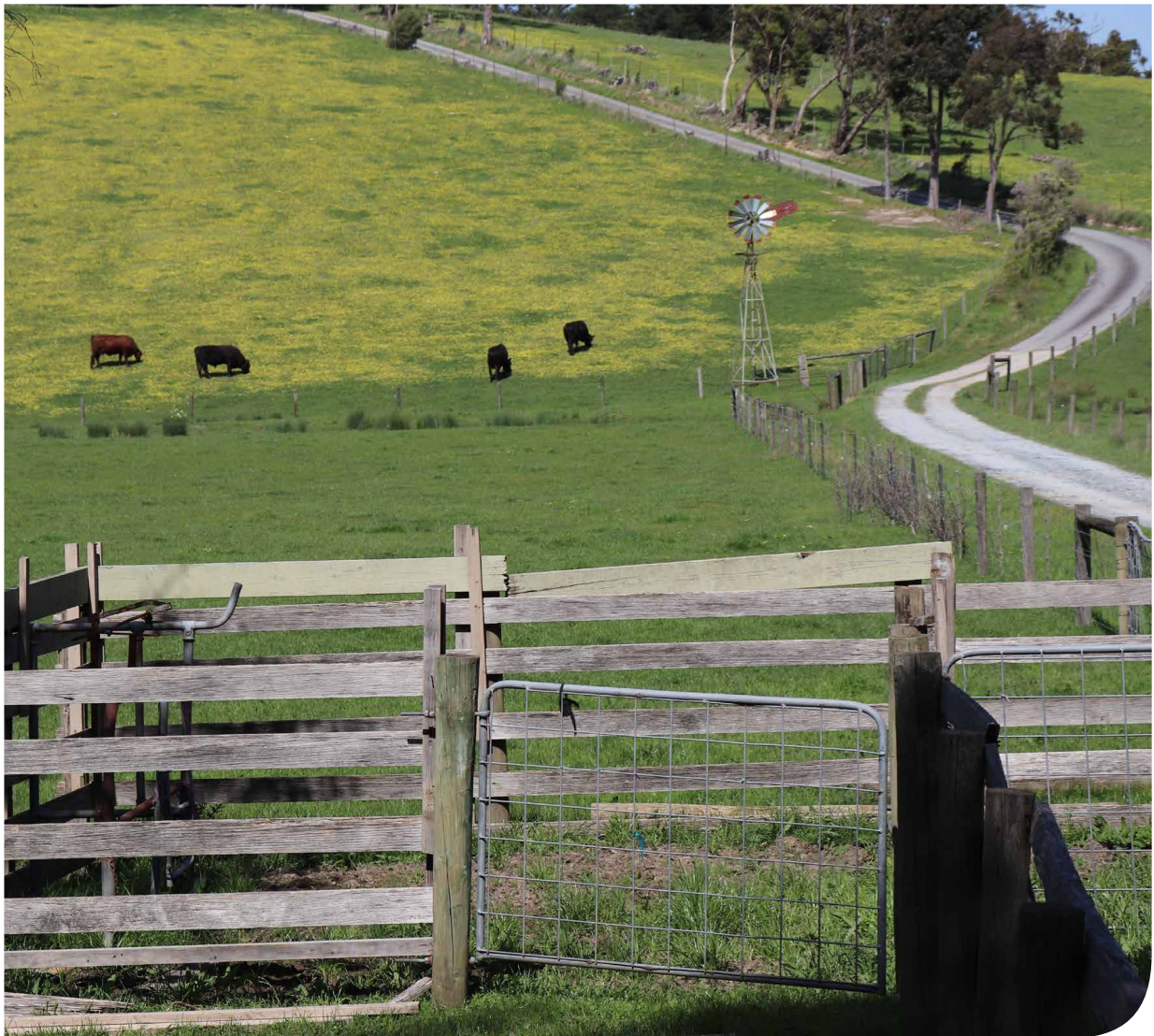
Table 11. Cardinia Road Employment Precinct DCP (2010)

DCP reference	Project description and item purpose	Developed by	Project value (approx. \$)
DI_OS_12	Partial construction of intersection between Centenary Boulevard and Waikerie Promenade	Parklea Pty Ltd – Kaduna Park	\$891,141
Total			\$891,141

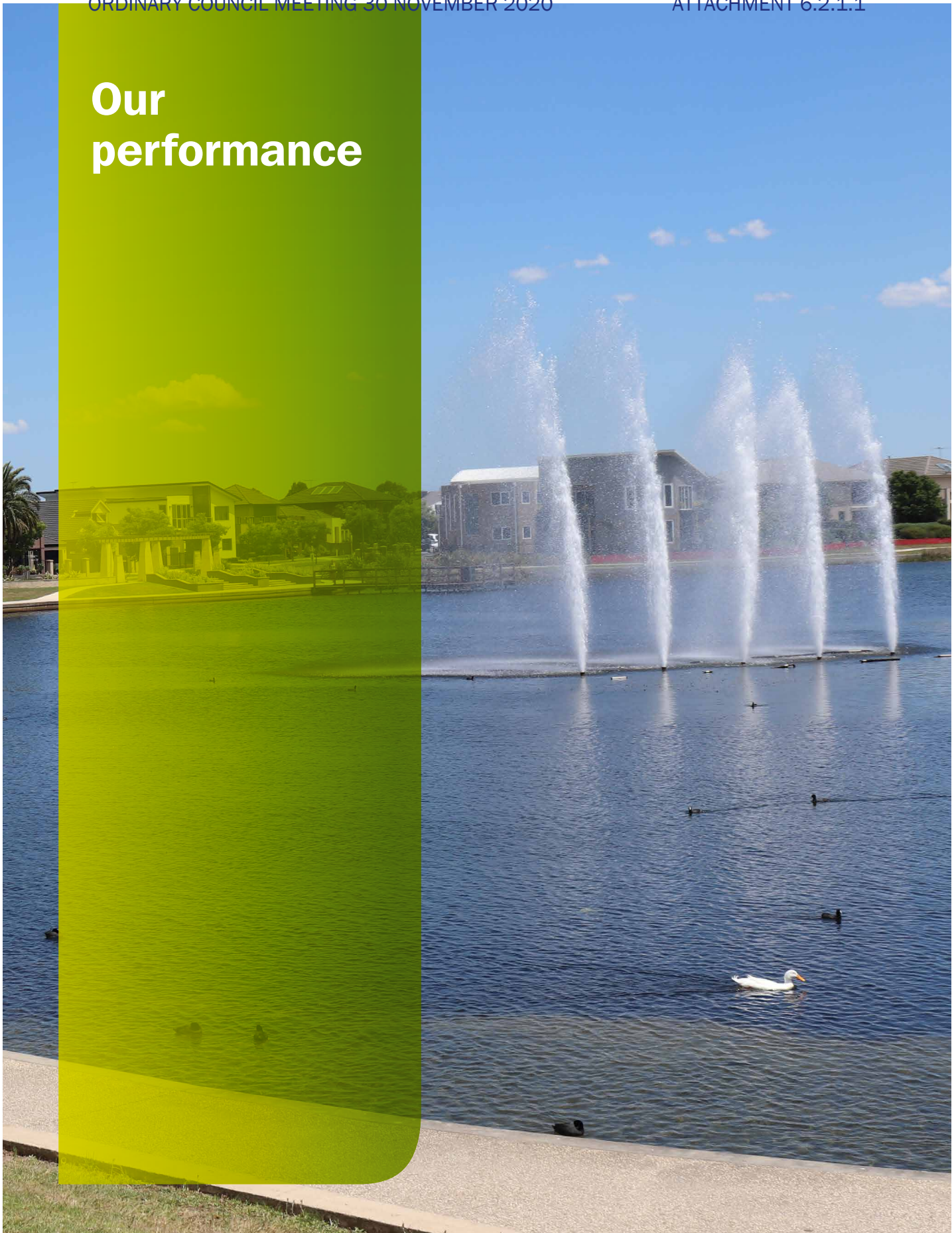
Table 12. Land, works, services or facilities delivered in 2019–20 from DCP levies collected

Project description	Project ID	DCP name (year approved)	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
CI_OS_2 DI_OS_11 DI_CF_4	District sports reserve Henry Road – James Bathe Recreation Reserve Community Facility – Youth Services co-located in James Bathe Reserve	Cardinia Road DCP (2008)	\$1,700,229				\$11,096,748	100%
DI_OS_12 CI_OS_3	Comely Banks (Henry Road West) Recreation Reserve and Pavilion	Cardinia Road DCP (2008)	\$3,500,000				\$3,765,982	20%
DI_LA_9 part	795 Princes Highway Pakenham (corner Thewlis Road and Princes Highway) – Thewlis Road widening	Cardinia Road DCP (2008)	\$304,459				\$304,459	86%
DI_RO_15	Signalised intersection – Princes Highway and north south collector road – Arena Parade design	Cardinia Road DCP (2008)	\$7,320				\$14,125	14%
DI_RO_17	Signalised intersection – Princes Highway and Thewlis Road – Thewlis Road design	Cardinia Road DCP (2008)	\$6,778				\$13,080	14%
DI_RO_LA30b	63–65 McMullen Road – purchase of land for east-west road B to a connector street boulevard standard (Section 3)	Officer DCP (2011)	\$641,815				\$641,815	100%
DI-OS-LA09 (part)	10 McMullen Recreation Reserve land	Officer DCP (2011)	\$3,308,103				\$3,308,103	20%
DI_RO_LA39 (part)	Purchase of land for a new north-south arterial road as an arterial road	Officer DCP (2011)	\$471,263				\$471,263	11%
DI_CF_02	Construction of children's facility – Timbertop	Officer DCP (2011)	\$357,606				\$431,886	11%
DI-CF-05	Integrated children's facility – Officer Rix Road DCP	Officer DCP (2011)	\$258,298			\$1,700,000 Grant	\$258,298	4%
DI_OS_02a	Officer Recreation Reserve (existing) oval upgrade	Officer DCP (2011)	\$663,456				\$663,456	100%
DI_TM_02 (design)	Princes Highway intersections Princes Highway/Whiteside Road and Brunt Road – design	Officer DCP (2011)	\$23,718				\$49,630	15%
DI_TM_05 (design)	Princes Highway intersections Princes Highway/Tivendale Road/ Station Street – design	Officer DCP (2011)	\$18,367				\$36,537	16%
DI_TM_04 (design)	Princes Highway intersections Princes Highway Bayview Road/ north south arterial – design	Officer DCP (2011)	\$12,522				\$42,168	11%
DI_TM_01 (design)	Princes Highway intersections Old Princes Highway and O'Neil Road – design	Officer DCP (2011)	\$44,531				\$55,123	41%
DI_TM_07 (design)	Princes Highway intersections Princes Highway/town centre loop road/McMullen Road – design	Officer DCP (2011)	\$32,124				\$49,242	23%
DI_RO_11b	Kenilworth Avenue, 900m– design works	Officer DCP (2011)	\$312,672				\$312,672	14%
Total			\$11,663,262	\$0	\$0	\$1,700,000	\$21,514,588	

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



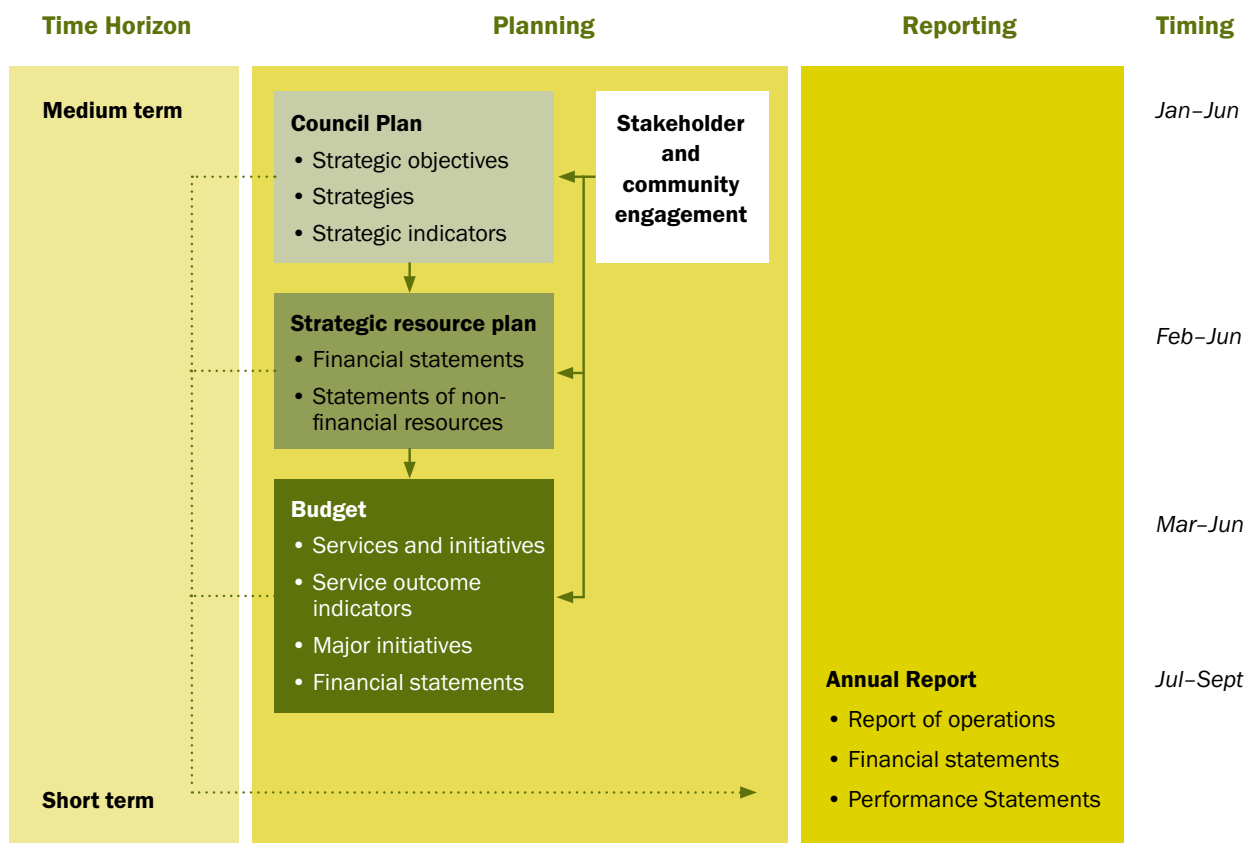
Planning and accountability framework

Section 6 **Our performance**

The *Local Government Act 1989* requires councils to prepare the following planning and reporting documents:

- A Council Plan within the six months after each general election or by 30 June, whichever is later.
- A strategic resource plan for a period of at least four years. This is to be included in the Council Plan.
- A budget for each financial year.
- An annual report for each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Our Council Plan

Section 6 **Our performance**

Council's performance for the 2019–20 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 2019–20 financial year.

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

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

Council Plan key objectives

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



Our people

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



Our community

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



Our environment

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



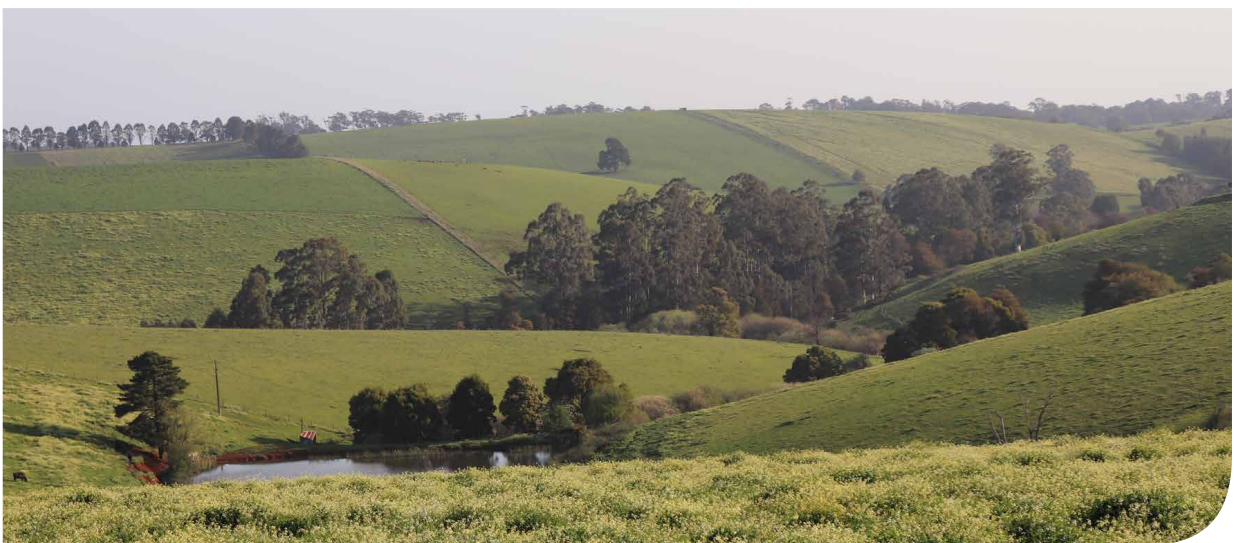
Our economy

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



Our governance

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



Our people performance

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

We want to achieve:	Access to a variety of services for all.		
To achieve this we will:	Continually review services to ensure those provided by Council meet community needs.		
Action	Result	Business unit	Completion
Assess and report on the utilisation of community facilities for the benefit of community	Facility booking system Ungerboeck has now been implemented across Council facilities. This program assists in the booking and utilisation of community facilities in the shire.	Community and Family Services	Completed
Consult with fathers connected to the universal services around their needs and the accessibility of services for them. Implement improvements to service delivery where possible within budget.	Consultation has occurred, with a Dads Support Officer role approved to be recruited into the Maternal and Child Health Services team.	Community and Family Services	Completed
Continue to implement Services for Success service attraction model to ensure appropriate services are being attracted into the shire.	The Services for Success brochure outlines Cardinia Shire's service attraction model and has been updated to align to the Liveability Plan. A Community Services Summit was held, bringing together service providers and Council staff, to identify a best practice approach to service attraction. A report on the outcomes from the summit has been produced and an internal cross-functional team within Council was developed to oversee the creation, implementation and monitoring of a service attraction protocol. In the last 12 months, more than 20 services have been attracted into the shire.	Community Strengthening	Completed

To achieve this we will:	Continually review services to ensure those provided by Council meet community needs.		
Action	Result	Business unit	Completion
Start the design and in part the construction of the Integrated Children's Centre at Timbertop.	Documentation for this project is complete. However, Council is unable to progress construction until the land is transferred from the developer. It is expected that the land will be transferred from the developer to Council in the new financial year.	Buildings and Facilities	In progress
Continue to identify and implement an Annual Renewal Program for all existing Council buildings, that ensures set and required building standards and condition are maintained throughout the life of the building. The program includes and is not limited to replacement of roofs, floor coverings, re-painting, replacement of heating and cooling plant, re-stumping, kitchen upgrades, minor additions, etc.	The annual renewal program, which has various identified priorities for buildings, was completed by the end of this financial year.	Buildings and Facilities	Completed
Start the design stage of the Integrated Children's Centre at Brunt Road.	The Brunt Road Integrated Children's Centre project is part of the Council's commitments, in the long-term Financial Plan, to deliver children's facilities across the shire. This Centre will be a collaborative project with the Victorian School Building Authority (VSBA) and is currently scheduled to commence with design in the 2024-25 financial year.	Buildings and Facilities	Not started
Progress the construction and fit-out of the Integrated Children's Centre at Timbertop.	Documentation for this project is complete. However, construction is unable to progress until the land is transferred from the developer. It is expected that the land will be transferred from the developer to Council in the new financial year. The estimated new end date for this project is December 2021.	Buildings and Facilities	Not started

Our people performance (cont.)

We want to achieve:	Access to a variety of services for all (cont.).		
To achieve this we will:	Routinely review overall community needs for services and either deliver or advocate for others to provide services to meet those needs.		
Action	Result	Business unit	Completion
Report on the outcomes being achieved through the joint learning and service support model 'Our Place' for Bridgewood and identify where the learning can be applied to the development of the next Integrated Child and Family Centre.	Actions and opportunities have been recognised with the documentation being shared with key stakeholders. Delivery of key learnings to commence in 2020.	Community and Family Services	Completed
Implement year two of the Child, Youth and Family strategy taking the learning from year one to inform future development and to set key priorities.	A full review of the 2019–20 strategic actions against the Children and Family Services, Maternal and Child Health and Youth Service teams' outcomes has been undertaken which will inform the 2022–26 Child, Youth and Family Strategy.	Community and Family Services	Completed
To achieve this we will:	Deliver Ageing Well initiatives that support older adults to live longer in their own homes and reduce social isolation.		
Action	Result	Business unit	Completion
Develop, adopt and launch the <i>Ageing Well Strategy 2019–24</i> by working with older adults to establish priorities in line with World Health Organisation guidelines in working towards an Age Friendly Community.	The draft <i>Ageing Well Strategy 2019-2025</i> is complete. Public consultation was open for four weeks. Feedback has been collated to reflect community input before final adoption at the July Council meeting.	Community Strengthening	Completed

We want to achieve:	Access to support services and programs for young people.		
To achieve this we will:	Ensure Council either provides or advocates for others to provide employment, recreation and leisure opportunities for young people.		
Action	Result	Business unit	Completion
Review the advocacy efforts for a range of education, training and development opportunities and report on gaps.	<p>Concept plans for the new My Place development have been completed. This new facility will increase education and training opportunities for young people. A workshop was held with key stakeholders in August 2019, to discuss local service gaps and encourage further outreach of services within the shire.</p> <p>Youth Services advocating for ICT infrastructure to support the delivery of education, training and development opportunities for young people from The Point.</p> <p>Council officers continue advocate for additional education and training opportunities with the shire.</p>	Community and Family Services	Completed
To achieve this we will:	Advocate for an increase in locally based health and wellbeing services to support young people.		
Action	Result	Business unit	Completion
Implement priorities within the playground renewal program. Projects nominated include: Nar Nar Goon Recreation Reserve, Nar Nar Goon, James St, Lang Lang, Dick Jones Reserve, Lang Lang and Tantallon Bvd Detention Basin, Beaconsfield.	Works completed.	Infrastructure Services	Completed

Our people performance (cont.)

We want to achieve:	Access to support services and programs for young people (cont.).		
To achieve this we will:	Advocate for an increase in locally based health and wellbeing services to support young people (cont.).		
Action	Result	Business unit	Completion
Measure and report on effectiveness of current integrated service provision for young people in the shire.	My Place and The Point continue to attract services to the shire for young people, with the number of contacts made with young people at My Place continuing to increase on a quarterly basis. Young people are increasingly accessing external specialist support services, along with Council-delivered programs such as holiday programs, after-school programs and one-on-one support. Evaluations collected throughout 2019 from young people have demonstrated that program and service outcomes are being achieved. The Youth Services team is working collaboratively with the youth sector to maintain connection between professionals and vulnerable young people during the COVID-19 pandemic. This includes utilising online tools to host local youth network meetings and development of a local service directory.	Community and Family Services	Completed
To achieve this we will:	Investigate opportunities for allied services to be co-located with Council facilities.		
Action	Result	Business unit	Completion
Continue to support agencies from across the region to locate in Cardinia with consideration to My Place capacity.	A workshop was held in August 2019 with a range of youth and community organisations, government departments and education providers to discuss: the increasing youth population growth in the shire; local service gaps and needs of young people; and to seek submissions from agencies regarding in-principle requirements to co-locate within the	Community and Family Services	Completed

	<p>new My Place building (due for completion in February 2022). Eleven youth organisations and education providers are based at, or currently outreach from, the existing youth facility and participate in joint secondary consultation meetings to ensure a holistic model of care is provided to young people from the facility. Youth Services to partner with the Youth Support and Advocacy Service (YSAS) to strengthen advocacy for increased drug and alcohol services in Cardinia Shire for young people. The Point program space has provided a base for a range of programs and activities to take place for young people.</p>		
We want to achieve:	Learning opportunities for all ages and abilities.		
To achieve this we will:	Advocate to the Victorian Government to partner with Council during the development of new primary and secondary schools.		
Action	Result	Business unit	Completion
<p>Identify the need for new schools annually and advocate to the Victorian Government and local MPs for the allocation of funding in the state budget.</p>	<p>Annual pipeline meeting was held in September with the Department of Education and Training and Victorian School Building Authority to identify future school priorities based on local development and community knowledge. Continuing ongoing discussion occurring regarding school funding. Timbertop school is scheduled to be opened in 2021.</p>	<p>Office of the General Manager - Liveable Communities</p>	<p>Completed</p>

Our people performance (cont.)

We want to achieve:	Learning opportunities for all ages and abilities (cont.).		
To achieve this we will:	Advocate to Australian and Victorian governments for post-compulsory and vocational training that meets the needs of local employers and residents.		
Action	Result	Business unit	Completion
Work with education providers to enhance opportunities for further education for residents of all ages.	Annual funding allocations provided to the Cardinia Shire neighbourhood house cluster, Cardinia U3A and Emerald U3A. Range of funding provided to senior citizens groups. Council continues to support the important work these organisations undertake in creating learning opportunities for all.	Office of the General Manager – Liveable Communities	Completed
To achieve this we will:	Support the provision of learning opportunities for all ages and abilities.		
Action	Result	Business unit	Completion
Continue to provide advice and funding support for learning opportunities for all residents through a range of local community activities such as those provided by libraries, U3As, neighbourhood houses and senior citizen centres.	Annual funding and support was provided to the Cardinia Shire neighbourhood house cluster and U3As. Funding is also provided through the Volunteer Subsidised Training Program.	Community Strengthening	Completed

We want to achieve:	Improved health and wellbeing for all.		
To achieve this we will:	Source funding and deliver a range of initiatives that promote health and wellbeing.		
Action	Result	Business unit	Completion
Facilitate the delivery of an annual action plan to support inclusion for the LGBTIQ+ community in Cardinia Shire.	Annual Action Plan was confirmed at LGBTIQ+ Internal Action Group meeting on 22 August 2019. IDAHOBIT day events were successfully undertaken via online platforms.	Office of the General Manager – Liveable Communities	Completed
Coordinate health and wellbeing initiatives across the shire in line with the priorities set in Cardinia Shire's <i>Liveability Plan 2017–29</i> .	Cardinia's Liveability Partnership Steering Group and associated networks coordinate the Liveability Action Agenda each year. The 2018–19 Action Agenda resulted in a total of 237 actions; 142 actions (60%) were led by Council and 95 actions (40%) were led by partner organisations. The Annual Review Report was endorsed in October 2019 and data collected during the Annual Review process has informed the actions in the 2019–20 Action Agenda.	Community Strengthening	Completed
To achieve this we will:	Develop the new Municipal Public Health and Wellbeing Plan and review annually.		
Action	Result	Business unit	Completion
Implement the Liveability Plan 'Action Agenda' by November 2019 and complete an annual progress report.	The Liveability Plan Annual Review process took place from June–August 2019. The Annual Review Report was endorsed by the Liveability Partnership Steering Group and Councillors in October and sent to the Department of Health and Human Services, as per our responsibility under the <i>Public Health Act 2008</i> . The 2018–19 Action Agenda resulted in a total of 237 actions; 142 actions (60%) were led by Council and 95 actions (40%) were led by our partner organisations. Data collected during the Annual Review process has informed the actions in the 2019–20 Action Agenda.	Community Strengthening	Completed

Our people performance (cont.)

We want to achieve:	Improved health and wellbeing for all (cont.).		
To achieve this we will:	Routinely investigate community health and wellbeing issues to inform Council’s planning and activities.		
Action	Result	Business unit	Completion
Undertake social research and disseminate the findings within Council and the local community to inform service provision and community planning.	This year we conducted a Community Liveability survey to help fill the gaps in our understanding of the health and wellbeing needs of the community. The information from this survey is being used to inform planning across the organisation and has formed a baseline for monitoring and evaluation of the Liveability Plan. We have also conducted an Equality and Respect survey with the community to help us identify opportunities to improve gender equality and reduce family violence. In the last few months, in response to the COVID-19 pandemic, we have been running a community survey to assist in identifying community needs to inform pandemic response and recovery planning.	Community Strengthening	Completed

To achieve this we will:		Support children, young people, families, older adults and people of all abilities by providing a range of accessible services and facilities.	
Action	Result	Business unit	Completion
Ensure that the needs of children and young people with additional needs are clearly represented within the review of the <i>Child, Youth and Family Strategy</i> and work in partnership with others to ensure that local service delivery is inclusive of their needs – in particular children and young people from CALD communities and those with a disability.	This work is ongoing and underpins the work of the Children and Family Services Team, including kindergarten central registrations, the Best Start program, My Place youth centre and accessible build projects. Through implementation of both the <i>Child, Youth and Family Strategy</i> and key State Government policies, children and young people with a disability, from culturally and linguistically diverse and Aboriginal and Torres Strait Islander communities, and those who identify as LGBTIQ+ are strongly represented in local service planning and delivery. Collaboration with health and social service agencies is resulting in the improvement of early identification, referral and the development of accessible and inclusive support systems.	Community and Family Services	Completed
We want to achieve:		Variety of recreation and leisure opportunities.	
To achieve this we will:		Provide active and passive recreation facilities to meet the needs of residents.	
Action	Result	Business unit	Completion
PB Ronald Reserve (Pakenham) – demolish depot buildings and construct car park.	The demolition of the old depot building to make way for the new car park has been completed. Construction of the new car park and sealing of the existing car park have been completed.	Infrastructure Services	Completed

Our people performance (cont.)

We want to achieve:	Variety of recreation and leisure opportunities (cont.).		
To achieve this we will:	Provide active and passive recreation facilities to meet the needs of residents (cont.).		
Action	Result	Business unit	Completion
Prepare a master plan for Gin Gin Bin Reserve Officer.	The project has been delayed due to awaiting direction from the Victorian Department of Education and Training and Victorian School Building Authority. A consultant was appointed and a draft master plan has been prepared. Discussions have been proposed with the Victorian Department of Education and Training in relation to combined master planning for an education precinct and Gin Gin Bin Reserve.	Active Communities	In progress
Continue to support committees to protect and maintain existing reserves of high environmental significance including grants to each of the 'friends' groups.	Council officers have worked with the bushland reserve friends groups for several months to develop strategic action plans. Council continues to support the Cannibal Creek Catchment Biodiversity Project, with pest plant and animal works underway and due to be completed in September 2020.	Environment and Heritage	Completed
Prepare a master plan for McMullen Recreation Reserve Officer.	Project delayed due to budget re-prioritisation. Council secured the land for the site in May 2020. Preparation of the McMullen Recreation Reserve master plan is on hold pending settlement of the purchase of land required to create the new reserve.	Active Communities	In progress

To achieve this we will:	Provide active and passive recreation facilities to meet the needs of residents (cont.).		
Action	Result	Business unit	Completion
Complete construction of netball courts, car parking and pavilion at Pepi's Land Emerald.	Project delayed due to Council finalising designs of the external intersection works and awaiting external authority approvals. Works associated with the internal car park and netball courts are complete. The pavilion construction is underway.	Infrastructure Services	In progress
Work with user groups for the design and construct of the Officer Recreation Reserve Social Space.	Council officers are working with the reserve user groups regarding the governance and documentation required for Council's contribution to this project and approvals as owner of the land. Design is scheduled to be finalised by August 2020. Construction is expected to start in August 2020 and be completed by March 2021.	Active Communities	Completed
Deep Creek Reserve (Pakenham) – Complete Eco Centre/Golf Club House construction along with all abilities play space.	The all-abilities play space, car park, building and golf course works are complete. The opening was held in October 2019.	Infrastructure Services	Completed
Work with user groups to design and construct Gembrook Reserve Pavilion.	Action 3.1.3.1 superseded this action. Council endeavoured to work with user groups to deliver the project. Council will now deliver the project itself.	Active Communities	Completed
Construction Bunyip Soccer Stadium.	The construction of the Bunyip Soccer Stadium is complete.	Buildings and Facilities	Completed
Present options to Council for the potential redevelopment and expansion of Cardinia Life. If approved, proceed with detailed design.	Project delayed due to budget re-prioritisation. Funding has been allocated in the 2020–21 budget for design works.	Active Communities	In progress

Our people performance (cont.)

We want to achieve:	Variety of recreation and leisure opportunities (cont.).		
To achieve this we will:	Provide active and passive recreation facilities to meet the needs of residents (cont.).		
Action	Result	Business unit	Completion
Complete design for Bunyip Indoor Stadium.	Project delayed due to agreement not having yet been reached with the committee of management and reserve user groups. The draft concept plan has been discussed with the committee of management and reserve user groups. The committee of management has developed an alternative concept for the Bunyip Indoor Stadium. Council officers are working with the committee of management in relation to the finalised design.	Active Communities	In progress
Construct redevelopment of Cora Lyn Reserve Pavilion.	This project has been delayed due to the approval of modified loan arrangements by the Minister for Jobs, Precincts and Regions. Council received Ministerial approval for changes to the scope in June 2020. The estimated new end date is March 2022.	Buildings and Facilities	In progress
Resurface and upgrade current Recreation Sports Ovals – Officer (ROC) Oval.	Works have been completed and the oval sown before winter. Sprigging was completed in December 2019.	Infrastructure Services	Completed
Complete the construction and fit-out of the KWR Bowls Club. This project is dependent on external funding confirmation.	Council applied for a Growing Suburbs Fund grant for this project but has been notified that this application was unsuccessful. Council officers will continue to seek alternative funding sources.	Active Communities	In progress
James Bathe Recreation Reserve – finalise civil works of ovals and car parks.	Civil works have been completed.	Infrastructure Services	Completed

To achieve this we will:	Provide active and passive recreation facilities to meet the needs of residents (cont.).		
Lang Lang Community and Recreation Precinct – commence building the pavilion.	This project has been completed.	Buildings and Facilities	Completed
Commence the construction and fit-out of the extension of the Bunyip Basketball Stadium. The timing of this project is subject to external funding confirmation.	Once the finalised design of the project has been approved, the project will go to tender.	Active Communities	In progress
James Bathe Reserve (Pakenham) – commence construction of the pavilion.	This project has been completed.	Buildings and Facilities	Completed
Commence the construction of the Worrell Reserve Sports Pavilion.	This project has been completed.	Buildings and Facilities	Completed
Implement recommendations of Recreation Reserves management and maintenance review.	Detailed information gathering and data analysis has been undertaken. Council officers continue to work with Section 86 Committees.	Active Communities	Completed
Commence preparation of <i>Open Space Strategy</i> .	An extensive and successful community engagement and consultation process for the preparation of the open space strategy took place during October–November 2019. A consultant is now being engaged to progress the project. Development of the <i>Open Space Strategy</i> has commenced.	Active Communities	Completed
Complete the construction and fit-out of the Emerald Netball Pavilion.	This project has been delayed due to re-scoping to meet sports facility standards. Site works have commenced and the project is now progressing well. The concrete slab is completed and steel framing is in progress. In-ground services are connected.	Buildings and Facilities	In progress

Our people performance (cont.)

We want to achieve:	Variety of recreation and leisure opportunities (cont.)		
To achieve this we will:	Provide active and passive recreation facilities to meet the needs of residents (cont.).		
Action	Result	Business unit	Completion
Deep Creek Reserve (Pakenham) – commence construction of indigenous plant nursery.	Works on the nursery commenced in August 2019 and have been completed.	Infrastructure Services	Completed
Progress the construction and fit-out of the KWR Football/Cricket Pavilion.	The project has been delayed due to extensive consultation with user groups and the resulting redesign. The tender for this project closed 16 June 2020. The project is on target to be delivered by June 2021.	Buildings and Facilities	In progress
Progress the construction of the Cora Lynn Reserve Pavilion.	Duplicate action.	Buildings and Facilities	Not started
To achieve this we will:	Increase opportunities for residents to participate in a range of sport, recreation and leisure activities.		
Action	Result	Business unit	Completion
Comely Banks Reserve – undertake detailed civil design.	Detailed design works are now complete.	Infrastructure Services	Completed
Commence construction of Comely Banks Reserve Pavilion.	This project is progressing well with brickwork and internal framing almost complete. The roof framing is in progress. The project is on track to be completed by October 2020.	Buildings and Facilities	Completed

To achieve this we will:		Increase opportunities for residents to participate in a range of sport, recreation and leisure activities (cont.).	
Comely Banks Reserve – commence construction of playing fields and associated works.	Construction of the pavilion has commenced and is well underway. Tender for construction of the playing fields and civil works was put out to tender on 28 March 2020.	Active Communities	Completed
We want to achieve:		Increased awareness of safety.	
To achieve this we will:		Work with the Police, Victorian Government and the community to improve safety in homes, businesses, public places and roads.	
Action	Result	Business unit	Completion
Continue to work with key agencies and partners to maintain our designation as an International Safe Community and address safety issues within Cardinia Shire.	The newly established Safer Communities Partnership Committee meets monthly to identify and address safety issues with Cardinia Shire Council. Key priority areas have been identified by the committee, with a focus on a specific key area at each meeting. During COVID-19 a number of key stakeholders of the committee have continued to connect remotely to identify and address community safety issues.	Pandemic Response and Emergency Management	Completed
Incorporate Crime Prevention Through Environmental Design (CPTED) principles into the design of Precinct Structure Plans and planning projects.	Incorporated in new and existing Precinct Structure Plans, Structure Plans and other planning legislation in the Cardinia Planning Scheme. Implemented through permit applications.	Policy, Design and Growth Area Planning	Completed

Our people performance (cont.)

We want to achieve:	Increased awareness of safety (cont.).		
To achieve this we will:	Work with the Police, Victorian Government and the community to improve safety in homes, businesses, public places and roads (cont.).		
Action	Result	Business unit	Completion
Support the implementation of family violence projects in the shire at a local, regional and state level including the Together We Can initiative.	Council continues to support family violence projects with initiatives such as Together We Can, which has been meeting fortnightly through the 'Together We Can round table' partnership to address any emerging issues and opportunities during the COVID-19 pandemic. Council also attends and supports the Preventing Violence Together Regional Strategy, including ongoing participation in the working groups established. Council's Family Violence Action Team is progressing work to meet the Workplace Equality and Respect Standards and organisational business improvements to address gender equity and family violence activities/events.	Community Strengthening	Completed
To achieve this we will:	Improve awareness of township safety in local communities.		
Action	Result	Business unit	Completion
Engage with communities to help them better understand their known risks through the delivery of the annual Community Emergency Resilience Forum and through alignment with Resilient Melbourne.	Though the annual Community Resilience Forum had to be cancelled due to Covid-19, Council continues to engage with communities across the shire through the delivery of community education sessions, emergency preparedness sessions and ongoing communication and information sharing through Council's social media channels and website.	Pandemic Response and Emergency Management	Completed

We want to achieve:	Minimised impact of emergencies.		
To achieve this we will:	Implement plans that support people in times of emergency.		
Action	Result	Business unit	Completion
Lead the regular review and exercising of the various elements of Cardinia Shire's Municipal Emergency Management arrangements to ensure their effectiveness in relation to the shire's risk profile. Review the Municipal Emergency Management Plan and sub plans in line with their review cycle.	Following the Bunyip Complex Fires, a review of Council's Emergency Management plans and arrangements was undertaken. Additionally, Council staff participated in an emergency relief centre exercise in October 2019 and significant training was delivered during an internal Emergency Management Action Month held in October 2019. The COVID-19 pandemic also saw Council implement and review a number of key emergency management plans.	Pandemic Response and Emergency Management	Completed
To achieve this we will:	Implement effective plans and procedures that minimise the impact of all emergencies in the shire.		
Action	Result	Business unit	Completion
Continue to implement the long term plan for burning on Council land. Conduct annual fire inspection program.	Council, in conjunction with the Country Fire Authority, completed successful fuel reduction planned burns at Brennan Avenue, Upper Beaconsfield and the Emerald Quarry site in Emerald. The hazard inspection program operated from November 2019 until March 2020 with approximately 1,500 properties inspected.	Pandemic Response and Emergency Management	Completed

Our people performance (cont.)

We want to achieve:	Minimised impact of emergencies (cont.).		
To achieve this we will:	Protect against the impacts of emergencies through effective preparation and community planning and education.		
Action	Result	Business unit	Completion
Support community preparedness initiatives and assist communities to develop community emergency management plans with a particular focus on high risk communities. Utilise social media and publications to promote awareness of safety measures to support residents in the areas of heat health, thunderstorm asthma, fire preparation activities etc.	Council has actively supported high risk communities and building the capacity of residents to develop emergency management plans. This is evidenced through the community resilience project for Menzies Creek and Clematis, the ongoing work with the Upper Beaconsfield community and the development of Emergency Preparedness Kits shared across various groups in the shire.	Pandemic Response and Emergency Management	Completed

Our community performance

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

We want to achieve:	Our diverse community requirements met.		
To achieve this we will:	Monitor and research emerging community trends to help plan for the needs of residents.		
Action	Result	Business unit	Completion
Identify, collate and share demographic data, social and health statistics and emerging trends. Maintain the centralised research database (i.e. fact sheets, population projection updates and social health profile).	A range of demographic data snapshots and insights have been collated and shared throughout the organisation. These include provision of data profiles and snapshots using publicly available data to help officers and managers across the organisation with planning. Topic areas covered include culturally diverse communities, locality insights, transport, employment, youth and safety. We have also introduced a new online surveying tool that allows us to conduct better quality surveys.	Community Strengthening	Completed
To achieve this we will:	Promote access to and encourage a mix of housing types to cater for the varying needs of people in the Cardinia community.		
Action	Result	Business unit	Completion
Deliver the actions in the <i>Social and Affordable Housing Strategy</i> .	Our Social and Affordable Housing Partnership continues to meet bi-monthly, with the objective of guiding the implementation of the <i>Social and Affordable Housing Strategy</i> and Action Plan. Council continues to encourage the diversity of housing through voluntary negotiations with developers, and delivering social housing projects with registered housing providers and relevant stakeholders.	Community Strengthening	Completed

Our community performance (cont.)

We want to achieve:	Our diverse community requirements met (cont.).		
To achieve this we will:	Support opportunities for participation in a diverse range of arts, cultural and tourism activities.		
Action	Result	Business unit	Completion
Complete construction of the Cardinia Arts Space at CCC.	This project has been completed.	Buildings and Facilities	Completed
Plan and implement a shire-wide Public Art Program which includes both permanent and ephemeral public art outcomes, including the planning for a new public art commission for Port Ward.	An artwork installation has been commissioned for Port Ward. Engagement has been undertaken with local community groups in Lang Lang regarding this project. Community groups agreed with the site and nature of artwork. Expressions of interest will be undertaken for the production of the artwork. Public art has been installed as part of the building works at the Cardinia Cultural Centre, James Bathe Recreation Reserve, Hills Hub and Deep Creek Reserve. Public art is being planned for the new Lang Lang community recreation reserve pavilion.	Active Communities	Completed
Curate and activate the shire's new arts facilities including Hills Hub Artspace, CCC Artspace, CCC Dance/Rehearsal studios, and Officer Community Hub; as well as beginning to activate outdoor sites with arts initiatives such as Emerald Lake Park, Lakeside Pakenham and other suitable sites.	The Cardinia Cultural Centre (CCC) redevelopment is complete and the centre was relaunched in November 2019. The first exhibitions in the new foyer and gallery have been held, and the next exhibition for CCC is on hold due to COVID-19. The provision of the arts space in the new Hills Hub development is being finalised.	Active Communities	Completed
Create and implement an overarching Arts Grants Program including support for professional arts residencies (working with the community); community artists, organisations and festivals; and new creative industry initiatives.	The Arts Grant Program was completed in May 2020. Successful applicants were notified of grants received.	Active Communities	Completed

To achieve this we will:	Plan for the provision of facilities to service and support the changing community.		
Action	Result	Business unit	Completion
Update the Child and Family Centre Build Plan and report on build progress and capacity to meet needs.	Stakeholder involvement, together with data on forecasted demand, growth and future proofing of Council community infrastructure, has been reviewed with the Build Plan updated as required.	Community and Family Services	Completed
To achieve this we will:	Work with local communities to review and implement township strategies that contribute to meeting the needs of those communities.		
Action	Result	Business unit	Completion
Incorporate planning strategies and controls into the planning scheme from studies.	Regular planning scheme amendments are prepared to incorporate actions of strategies into the Cardinia Planning Scheme.	Policy, Design and Growth Area Planning	Completed
We want to achieve:	Engaged communities.		
To achieve this we will:	Provide a range of opportunities that encourage community participation in Council policy and strategy development.		
Action	Result	Business unit	Completion
Commence development of the first Community Vision for Cardinia Shire in accordance with <i>Local Government Act</i> .	The delivery of a Community Vision and Plan is now required with the passing of the new <i>Local Government Bill and Act</i> . This has been placed on hold due to the COVID-19 pandemic, however significant background work has already been undertaken.	Community Strengthening	Completed

Our community performance (cont.)

We want to achieve:	Engaged communities (cont.).		
To achieve this we will:	Communicate the activities and decisions of Council to the residents in a variety of ways.		
Action	Result	Business unit	Completion
Increase Council’s ability to engage through online channels by implementing a centralised online community engagement platform.	The online community engagement platform <i>Creating Cardinia</i> has been launched and implemented.	Community Strengthening	Completed
Undertake a review of <i>Connect</i> magazine and consider the introduction of ward or township-based newsletters. Continue to utilise website and social media channels.	<i>Connect</i> review completed as part of the development of the Communications Strategy that was completed in December 2019.	Communications	Completed
Development of new Digital Communications Strategy.	The new digital communications strategy was incorporated into the new overall Communications Strategy which was completed in December 2019.	Communications	Completed
Identify opportunities to expand online and social media interactions with the community.	Expansion plans for the use of online and social media have been incorporated into the new overall Communications Strategy which was completed in December 2019.	Communications	Completed
To achieve this we will:	Embrace and support community leadership.		
Action	Result	Business unit	Completion
Deliver the community leadership program in the shire by providing targeted training for community groups/leaders with the focus of strengthening governance in Section 86 Committees.	The Community Leadership program commenced for 2019–20 in partnership with Leadership Victoria. We have been working with Leadership Victoria to continue the program remotely during the COVID-19 pandemic. The graduation for this round of the program has been postponed until further notice due to COVID-19.	Community Strengthening	Completed

We want to achieve:	Increased levels of community participation.		
To achieve this we will:	Promote initiatives by the community and Council that connect and strengthen our communities.		
Action	Result	Business unit	Completion
Finalise and implement the <i>Cultural Diversity Action Plan</i> .	The new <i>Cultural Diversity Action Plan 2019–23</i> builds on our commitment to our culturally and linguistically diverse communities. The four-year plan focuses on inclusion, partnership building, strengthening community participation, and promoting and celebrating diversity. This new Cultural Diversity Action Plan has undergone extensive community consultation and was endorsed by Council on 9 December. Council has commenced implementing the actions outlined in the plan.	Community Strengthening	Completed
Finalise consultation with key stakeholders for the development of the new Reconciliation Action Plan.	The initial draft Reconciliation Action Plan has been open for community input since August 2019. Engagement opportunities included 'our say' on Council's website and one-on-one meetings with key stakeholder groups. Consultation was extended until December 2019 to allow for the traditional owners to have a voice in the development of the draft plan. The subsequent draft developed following the first round of consultation has now received feedback from Reconciliation Australia, traditional owner groups and the wider community. This will now be finalised and final approval sought from Reconciliation Australia before being presented to Council's Senior Leadership Team and Council for approval and endorsement later in the year.	Community Strengthening	Completed

Our community performance (cont.)

We want to achieve:	Increased levels of community participation (cont.).		
To achieve this we will:	Recognise, support and promote the value of volunteerism in our communities.		
Action	Result	Business unit	Completion
Host annual Mayoral Volunteer Reception to recognise and value the contribution of volunteers in our shire.	Reception was cancelled due to Covid-19 restrictions.	Governance	Completed
To achieve this we will:	Strengthen Council's community engagement through the development, implementation and promotion of effective practices.		
Action	Result	Business unit	Completion
Review and update Community Engagement Framework and Toolkit.	The community engagement framework and toolkit has been updated in line with recommendations from the Victorian Auditor-General's Office (VAGO) audit, and the new online engagement platform Creating Cardinia was implemented in October 2019 to improve Council's online engagement capability. The toolkit will be continually assessed and improved to keep it up-to-date with current engagement practices.	Community Strengthening	Completed

We want to achieve:	Improved health and wellbeing of our residents.		
To achieve this we will:	Enhance food literacy and security within the community.		
Action	Result	Business unit	Completion
Implement the <i>Cardinia Community Food Strategy</i> .	The <i>Cardinia Community Food Strategy</i> provides a collective vision and action plan for the Food Circles Project over the next eight years. The strategy's action plan consists of 67 actions that are led or supported by over 20 organisations. All actions are on-track and the steering group has been working to re-prioritise and focus efforts towards COVID-19 recovery for the next 12 months.	Community Strengthening	Completed
To achieve this we will:	Help establish partnerships and social infrastructure opportunities that improve health and wellbeing outcomes for residents.		
Action	Result	Business unit	Completion
Work with partners to ensure local health and wellbeing priorities are being addressed.	Cardinia's Liveability Partnership Steering Group consists of 17 local partner organisations who work together under a collective impact framework to oversee the shared vision and priorities of Cardinia Shire Council's <i>Liveability Plan 2017-29</i> . Over the past year the group has met quarterly to coordinate action on the local health and wellbeing priority areas. The group produced an Annual Review report against their 2019-20 Action Agenda, which highlights the progress of their work.	Community Strengthening	Completed

Our community performance (cont.)

We want to achieve:	Improved health and wellbeing of our residents (cont.).		
To achieve this we will:	Support the provision of services by Council or others for people of all abilities.		
Action	Result	Business unit	Completion
Implement the <i>Disability, Access and Inclusion Action Plan</i> .	Council, in conjunction with the Cardinia Access and Inclusion Advisory Committee, continues to monitor and implement the <i>Disability, Access and Inclusion Action Plan 2017–21</i> . Overall the action plan progress towards completion is 89%, due for completion June 2021. In 2019–20 Council expanded disability awareness training 'YouMeUs' to Aligned Leisure leaders and staff. Aligned Leisure has also achieved scope accreditation and the Council's Civic Centre customer service desk has successfully completed its 12-month scope accreditation review. Universal design consultants have been engaged to undertake access assessments for new major capital works and refurbishment projects, including the Rix Road Early Learning Centre, Officer Football Club and Koo Wee Rup Football Netball Club. The finalisation of the Access and Upgrade program of works 2019–20 has seen a number of key Council buildings improved with accessible features. Some of these include Cockatoo Bowling Club, Pakenham Library and Bunyip Hall.	Community Strengthening	Completed

Our environment performance

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

We want to achieve:	Provision and maintenance of assets on a life-cycle basis.		
To achieve this we will:	Maintain all Council roads and supporting infrastructure in accordance with the <i>Roads Management Act 2004</i>.		
Action	Result	Business unit	Completion
Inspections and maintenance of the road network in accordance with the Road Management Plan.	Inspection of roads has been undertaken in accordance with the plan.	Operations	Completed
Reseal and renewal of identified roads and footpaths in accordance with the Road and Footpath Asset Management Plans.	Works are complete.	Infrastructure Services	Completed
To achieve this we will:	Develop new and maintain existing parks, gardens and reserves in a sustainable way.		
Action	Result	Business unit	Completion
Progressively implement the recommended actions from the adopted <i>Shade Structures Strategy</i> .	The first year of priority projects as part of the <i>Shade Structures Strategy</i> program are complete.	Buildings and Facilities	Completed
Commence the new Parks and Gardens Maintenance Contract.	The new parks and gardens maintenance contract has commenced.	Operations	Completed
To achieve this we will:	Provide accessible facilities to meet identified community needs.		
Action	Result	Business unit	Completion
Formally open the new Hills Hub and commence operations with stakeholders.	The Hills Hub has opened with stakeholders actively using the facility.	Community and Family Services	Completed

Our environment performance (cont.)

We want to achieve:	Provision and maintenance of assets on a life-cycle basis (cont.).		
To achieve this we will:	Provide accessible facilities to meet identified community needs (cont.).		
Action	Result	Business unit	Completion
Upgrade of the Gembrook Reserve Sports Pavilion.	This project has been delayed due to budget reconsideration and project management arrangements. Demolition works have been completed. Connection to in-ground services and concrete slab works are progressing. The project is expected to be completed by March 2021.	Buildings and Facilities	In progress
Conduct a program of resurfacing of playing surfaces at recreation reserves in accordance with program.	Works at Officer Recreation Reserve are complete, with sprigging undertaken and grass now being established. Worrell Recreation Reserve works are complete. Though not included in the program, Koo Wee Rup school ovals are complete and grass is being established.	Infrastructure Services	Completed
Annual prioritised works to existing buildings, which will improve access, use and engagement by our diverse community. Works will meet enhanced and over and above Disability Discrimination Act requirements where feasible.	The majority of the identified annual priorities for this program will be completed by the end of financial year. Two projects are expected to take longer to finalise and will run concurrently with next year's program of priorities.	Buildings and Facilities	In progress
To achieve this we will:	Manage Council's assets like roads, drainage, footpaths and buildings etc. in a way that ensures they are adequately maintained over their life.		
Action	Result	Business unit	Completion
Continue to support the conservation of sites of heritage significance throughout the shire.	Applications for the 2020-21 annual Heritage Grant Program have now closed. Applications will be assessed under the funding criteria.	Environment and Heritage	Completed

To achieve this we will:	Manage Council's assets like roads, drainage, footpaths and buildings etc. in a way that ensures they are adequately maintained over their life (cont.).		
Action	Result	Business unit	Completion
Review of Open Space Asset Management Plan.	Collating the relevant condition data to support the review of the plans has been delayed, in turn delaying the completion of works. The plan is now being completed along with the review of the footpath and bridges asset management plans. Draft versions of these three plans are expected to be completed late 2020.	Infrastructure Services	In progress
Review of Road Asset Management Plan and Buildings Asset Management Plan.	These plans have been delayed due to the collection of the relevant condition data. Development of long-term modelling for building assets has commenced based on the 2019 condition assessments.	Infrastructure Services	In progress
We want to achieve:	Transport linkages connecting towns.		
To achieve this we will:	Upgrade Council roads to improve safety while considering the traffic demand of the community.		
Action	Result	Business unit	Completion
Commence construction of the Lang Lang Bypass from Westernport Road to McDonalds Track, including Milner's Road.	The project has been delayed due to ongoing negotiations with quarry operators. Construction will commence after funding is secured.	Infrastructure Services	In progress

Our environment performance (cont.)

We want to achieve:	Transport linkages connecting towns (cont.).		
To achieve this we will:	Upgrade Council roads to improve safety while considering the traffic demand of the community (cont.).		
Implement recommendations from revised Road Safety Strategy, including cyclist awareness program.	<p>A number of initiatives have been successful in receiving funding or, through advocacy, are running through third parties. These include:</p> <ul style="list-style-type: none"> • Looking After Our Mates (LAOM) program • Wiser Driver Program • L2P learner driver mentor program. <p>In addition, funding has been received for a number of infrastructure initiatives, including:</p> <ul style="list-style-type: none"> • upgrades at Officer, Beaconsfield and Pakenham stations • McGregor Road easterly-bound ramps • Cardinia Road level crossing removal • Pakenham level crossing removals at Racecourse Road, Main Street and McGregor Road • Sealing the Dandenong Ranges and Surrounds Program 	Infrastructure Services	Completed
Lang Lang Bypass – finalise contractual funding arrangements with sand extraction operators ready to commence operations.	Funding arrangements with available quarry operators have now been completed.	Infrastructure Services	Completed
To achieve this we will:	Continue the use of special charge schemes to finance road, drainage and footpath improvement programs.		
Action	Result	Business unit	Completion
Begin construction of O'Sullivan's Road, Hill Street and Peet Street (Pakenham) including associated works.	Construction works commenced ahead of time in early 2019.	Infrastructure Services	Completed

To achieve this we will:		Continue the use of special charge schemes to finance road, drainage and footpath improvement programs (cont).	
Action	Result	Business unit	Completion
Commence a Road and Drainage Scheme in Cockatoo pending adequate landowner support.	Project delayed due to the impact of COVID-19. A community meeting was held in Cockatoo in September 2019. Initial community feedback suggested support for the scheme. A scheme in Cockatoo will form part of the sealing the Dandenong Ranges and surrounds as funded by the Federal Government. A priority list of roads was endorsed at the March 2020 Council meeting. An engagement plan is being reviewed based on the impacts of the Coronavirus and how best to interact with the community. This will now have an impact on the ability to initiate schemes prior to Council elections.	Infrastructure Services	In progress
To achieve this we will:		Develop transport networks that incorporate effective public transport.	
Action	Result	Business unit	Completion
Proposed implementation of Road Development Program to seal rural collector roads.	Final list of roads to be included in Connect Cardinia has been presented to Council. The preparation of concept plans, review and finalisation of tender documentation is underway and it is planned that the tender will be let early November. The project is expected to be carried out over a two to three year period.	Infrastructure Services	Completed
Implementation of Road Development Program to seal rural collector roads.	The approved list of roads for the development program has been endorsed. Detailed design is well progressed and nearing completion in relation to the initial priority roads, in preparation for site works to commence in spring. A panel of construction contractors has been prepared and endorsed to enable delivery of the program.	Infrastructure Services	Completed

Our environment performance (cont.)

We want to achieve:	Transport linkages connecting towns (cont.).		
To achieve this we will:	Prioritise multi-use pathways, where practicable, to create networks that connect destinations.		
Action	Result	Business unit	Completion
Upgrade pathways and walking tracks across the shire in accordance with the footpath program and revised Pedestrian Bicycle Strategy.	Council's annual footpath program is complete.	Infrastructure Services	Completed
To achieve this we will:	Advocate for and facilitate improved public transport options and major arterial roads to help link employment, educational, recreational and retail activities between the shire's rural and growth areas.		
Action	Result	Business unit	Completion
Provide information when required to the Interface Councils' Group and South Eastern Metro Integrated Transport Group to support advocacy campaigns regarding the frequency and coverage of public transport within Cardinia Shire and the South East region.	Information and supporting data relating to public transport issues has been provided to support a regional paper being prepared on this topic for the region.	Infrastructure Services	Completed
We want to achieve:	Enhanced natural environment.		
To achieve this we will:	Adapt to the impacts of climate change by working in partnership with the South East Councils Climate Change Alliance and both Australian and Victorian governments.		
Action	Result	Business unit	Completion
Support South East Councils Climate Change Alliance (SECCA) through membership and	Council continues to participate in the Asset Vulnerability Assessment, including participating in a webinar between	Environment and Heritage	Completed

participating in relevant projects (e.g. to reduce council and community energy use).	member councils of the South East Councils Climate Change Alliance. Once complete the project will assist member councils to identify assets at risk against climate variables and impacts such as high temperatures, fire, extreme rainfall, flooding, sea level rise and erosion.		
To achieve this we will:	Reduce Council's energy consumption and help the community to do likewise.		
Action	Result	Business unit	Completion
1) Finalise the development of a formal ESD strategy for all new and existing Council buildings and commence implementation. 2) Continue to work in conjunction with Planning & Development Division and Environment unit on Sustainable Design Assessment in the Planning Process (SDAPP), to assist them to review planning applications against required sustainability standards to be achieved, including reductions of carbon emissions.	The <i>Enhanced Standard - Sustainable Buildings</i> has been adopted by Council and the standards are now being applied to new and existing facilities. Work is continuing in partnership with the Planning and Development and Environment teams on a local policy to formalise the Sustainable Design Assessment in the Planning Process (SDAPP).	Buildings and Facilities	Completed
Implement the Aspirational Energy Transition Plan including energy saving retrofits and solar power for Council buildings.	A NABERS assessment (National Australian Built Environment Rating System) for Cardinia Shire Council's Civic Centre was carried out for both water and energy efficiency. The building received a 4 star rating for energy efficiency. Energy efficiency improvements have been achieved through adjustments and changes to the programming of building lighting. Civic Centre energy use will continually be monitored to identify opportunities to improve efficiency and reduce emissions.	Environment and Heritage	Completed

Our environment performance (cont.)

We want to achieve:	Enhanced natural environment (cont.).		
To achieve this we will:	Reduce Council’s energy consumption and help the community to do likewise (cont.).		
Action	Result	Business unit	Completion
1) Continue to implement ESD strategy for all new and existing Council buildings 2) Continue to work in conjunction with Planning & Development Division and Environment unit to develop a local policy to formalise Sustainable Design Assessment in the Planning Process (SDAPP) through the undertaking of a planning scheme amendment.	Environmentally sustainable design (ESD) requirements are being implemented into existing and new facilities as part of our annual program, resulting in environmental and financial benefits. The <i>Enhanced Standard – Sustainable Buildings</i> has been adopted by Council and is reinforcing ESD requirements. Work in continuing in partnership with the Planning and Development and Environment teams on a local policy to formalise the Sustainable Design Assessment in the Planning Process (SDAPP).	Buildings and Facilities	Completed
To achieve this we will:	Promote practices that result in the reduction per household of the amount of waste going to landfill, particularly food waste.		
Action	Result	Business unit	Completion
Provide waste and resource recovery education, material, and support to schools and early learning centres to improve engagement, knowledge and resource recovery capacity.	Face-to-face engagement with schools and early learning centres was impacted by COVID-19 restrictions and closures of schools in Victoria. A range of digital resources for engaging with schools, early learning centres and the community were developed in light of the restrictions. Updated education and engagement materials for new and emerging waste programs are being developed.	Infrastructure Services	Completed

To achieve this we will:		Promote practices that result in the reduction per household of the amount of waste going to landfill, particularly food waste (cont.).	
Action	Result	Business unit	Completion
Undertake tender process for kerbside garbage/recycling/organics waste collection services and recycling processing, considering outcomes of food diversion review. Design and commence delivery of behaviour change program.	The collections tender process is complete and the tender was adopted at the December Council Meeting. Pre-service work has begun with the collections contractor to be ready for 1 October 2020 (e.g. purchase of waste trucks, design of truck livery, education material development). Food waste collection has been built into the contract. Service to start 1 October 2020. Pre-service education programs started early 2020 and will be ongoing into 2021. A bin inspection and community engagement program started in September 2019, with adjustments made to the program in line with physical distancing and essential services requirements during the COVID-19 pandemic.	Infrastructure Services	Completed
Ensure ongoing benefit of resource recovery facilities by advocating for improved resource recovery and reuse options (such as e-waste/detox your home/SV programs/new streams/reuse opportunities/education).	E-waste recovery systems are in place across the shire. Collections have been impacted by community site closures during the COVID-19 pandemic, but collection sites will resume once restrictions are lifted. DrumMuster and Detox Your Home programs were held in October. Those planned for April were cancelled due to COVID-19 restrictions and will be rescheduled at a later date. Council has been actively involved in collaborative procurement (facilitated by the State Government) for improved recycling management. Research and development opportunities and options are being investigated for ongoing source separation of recycling. The highly successful community rebate program to encourage composting, reusable nappies etc to reduce waste to landfill is complete for 2019–20.	Infrastructure Services	Completed

Our environment performance (cont.)

We want to achieve:	Enhanced natural environment (cont.).		
To achieve this we will:	Promote practices that result in the reduction per household of the amount of waste going to landfill, particularly food waste (cont.).		
Action	Result	Business unit	Completion
Collaborate on regional project with South East councils and MWRRG to procure landfill and alternative to landfill services, focusing on maximum resource recovery for commencement post 2021.	Council has signed a memorandum of understanding to be part of the joint procurement for an alternative waste facility in the south east of Melbourne. The expression of interest for an alternative waste processing facility was sent out in March 2020, and the tenderers were assessed and shortlisted in June 2020. The next phase of 'solution development' will occur between July–October 2020. Officers have been working with the Metro Group around Cardinia Shire Council's involvement in the upcoming joint procurement for landfill services. Council endorsed at its October 2019 meeting to join this joint procurement. The process will be ongoing into 2020–21, but all the requirements for 2019–20 are complete.	Infrastructure Services	Completed
To achieve this we will:	Manage water in an integrated way, including the reduction of potable water consumption by Council and households.		
Action	Result	Business unit	Completion
Implement the Integrated Water Management Plan including the installation of information boards at chosen WSUD sites and water efficiency upgrades to Council facilities.	Council continues to be an active member of the Westernport Integrated Water Management forum. Council officers participated in a data input group to establish a consistent set of assumptions for reference years 2030 and 2050. This information will form part of the baseline data for the catchment scale Integrated Water Management	Environment and Heritage	Completed

	Plan. Work continues on projects to find ways to reduce urban water runoff to waterways in Pakenham East.		
To achieve this we will:	Promote water catchment management practices that improve the quality of our waterways.		
Action	Result	Business unit	Completion
Reduce off-site septic discharges by advocating to water authorities to complete the backlog sewer program. Advocate to South East Water for the timely delivery of the Officer Township backlog program.	Council's Environmental Health team continues to advocate to South East Water. Council's Domestic Wastewater Management Plan has been adopted and will drive further advocacy in this area.	Development and Compliance Services	Completed
To achieve this we will:	Protect and improve biodiversity by increasing the area of natural ecosystems across the shire.		
Action	Result	Business unit	Completion
Enhance biodiversity across the shire via long term strategic planning and offering community participation opportunities and incentives.	Work continues on the Biolinks Plan, with the focus on ensuring the plan is consistent with fire regulations. The Peri Urban Weed Partnership Project (Year 4) is coming to an end. The pest plant work of partner agencies in this project has achieved significant biodiversity outcomes in the Cardinia Creek Catchment. Council awaits an announcement from the Department of Environment, Land, Water and Planning (DELWP) in the coming months regarding possible further funding for this project.	Environment and Heritage	Completed

Our environment performance (cont.)

We want to achieve:	Enhanced natural environment (cont.).		
To achieve this we will:	Preserve and improve our bushland and natural environment by implementing weed management strategies and programs and continuing activities on high conservation bushland reserves and roadsides.		
Action	Result	Business unit	Completion
Preserve and improve natural environment by undertaking weed management and indigenous plantings.	Weed management activities completed as part of the annual program.	Operations	Completed
To achieve this we will:	Manage agricultural land use by supporting farmers to utilise sustainable farming practices.		
Action	Result	Business unit	Completion
Facilitate investment in farm practices and work with State Government to review regulatory system whilst implementing the Green Wedge Management Plan.	Advocacy for this will continue with the State Government to secure funding.	Policy, Design and Growth Area Planning	Completed

We want to achieve:	Natural and built environments supporting the improved health and wellbeing of our communities.		
To achieve this we will:	Plan and develop built environments that support improved health and wellbeing of our communities through implementation of the Healthy by Design guidelines.		
Action	Result	Business unit	Completion
Implementation of environmental sustainable design elements into infrastructure works and new buildings.	Council has adopted the <i>Enhanced Standard – Sustainable Buildings</i> . The standards are now being applied to all new and existing facilities.	Buildings and Facilities	Completed
To achieve this we will:	Raise awareness of our environment’s impact on people’s health and wellbeing by integrating the concept of liveability across all Council business units and including liveability indicators within the municipal public health and wellbeing plan.		
Action	Result	Business unit	Completion
Develop and distribute the <i>Down to Earth</i> environmental eNewsletter promoting Council's environmental initiatives.	Five editions of the <i>Down to Earth</i> environmental newsletter were produced in 2019–20. The April edition (covering the months of May and June) highlighted activities that could be done at home, such as birding from home, energy efficiency tips, green waste drop-off days and where residents could find information about COVID-19 changes.	Environment and Heritage	Completed
To achieve this we will:	Advocate for changes in the state planning scheme which support development of local policies which reduce health-detracting environments (gaming, liquor, fast food).		
Action	Result	Business unit	Completion
Commence developing planning policies coming out of the Municipal Strategic Statement review.	New policy work is incorporated into the Municipal Strategic Statement Review, which is currently being undertaken.	Policy, Design and Growth Area Planning	Completed

Our environment performance (cont.)

We want to achieve:	Balanced needs of development, the community and the environment.		
To achieve this we will:	Review the Municipal Strategic Statement and the Cardinia Planning Scheme regularly to ensure it continues to meet Council objectives.		
Action	Result	Business unit	Completion
Complete review of Council’s Municipal Strategic Statement into the Planning scheme.	The planning scheme amendment in relation to the Municipal Strategic Statement has been to an independent planning panel and Council is now preparing the documentation for the approval of the planning scheme amendment.	Policy, Design and Growth Area Planning	Completed
To achieve this we will:	Plan for the development of the urban growth area with a mix of residential, commercial, employment, recreational and community activities to meet the needs of our growing community in a sustainable way.		
Action	Result	Business unit	Completion
Ongoing review of PSPs and DCPs and complete the Pakenham East and Pakenham South PSPs. Commence Officer South PSP with the VPA.	Pakenham East Precinct Structure Plan: this has been referred to an independent planning panel by the Minister for Planning with an undetermined time frame with regards to approval. Officer South Precinct Structure Plan: preliminary work has commenced by the Victorian Planning Authority. Council officers continue to work with the Victorian Planning Authority. Pakenham South Precinct Structure Plan: Council has sought authorisation from the Minister for Planning to exhibit the planning scheme amendment. Precinct Structure Plans and Development Contribution Plans are reviewed on a five-year basis.	Policy, Design and Growth Area Planning	Completed

To achieve this we will:	Plan for the development of the urban growth area with a mix of residential, commercial, employment, recreational and community activities to meet the needs of our growing community in a sustainable way (cont.).		
Action	Result	Business unit	Completion
Ongoing review of Precinct Structure Plans and Development Contribution Plans in conjunction with the Victorian Planning Authority.	Review will continue throughout the life of this action.	Policy, Design and Growth Area Planning	Completed
Implement approved structure plans for the growth area including implementation of developer contributions in an orderly manner.	Implementation in progress for all approved structure plans and developer contributions plans.	Policy, Design and Growth Area Planning	Completed
To achieve this we will:	Provide for the sustainable development of rural townships while taking into account their existing character and community needs.		
Action	Result	Business unit	Completion
Review of township strategies in line with the adopted program.	Project delayed due to challenges gathering technical information from service authorities. Commenced review of railway towns. Draft background document has been finalised. Exhibition was held in May 2019. Technical reports in relation to servicing and bushfire control being undertaken.	Policy, Design and Growth Area Planning	In progress
Review of township strategies in line with the adopted program.	Duplicate action.	Policy, Design and Growth Area Planning	Completed

Our environment performance (cont.)

To achieve this we will:	Ensure the planning of rural (green wedge) areas protects and enhances important agricultural, environmental, natural resource, infrastructure and recreational values.		
Action	Result	Business unit	Completion
Implement the Westernport Green Wedge Management Plan and continue to advocate for a Green Wedge Management Plan for the remainder of Cardinia Shire.	Westernport Green Wedge Management Plan is implemented through the assessment of planning applications within this region.	Policy, Design and Growth Area Planning	Completed

Our economy performance

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

We want to achieve:	Increased business diversity in Cardinia Shire.		
To achieve this we will:	Plan for and support local employment opportunities.		
Action	Result	Business unit	Completion
Undertake review of Cardinia Road Employment precinct to encourage investment and employment opportunities and commence the Officer South PSP. Finalise the Pakenham South PSP.	<p>Cardinia Road Employment Precinct Structure Plan: Council officers have drafted a project brief to initiate the review. Review will take place in conjunction with the development of the Officer South PSP which has strong links and sharing of infrastructure between the two precincts.</p> <p>The Victorian Planning Authority (VPA) has recently commenced the background report for Officer South PSP. Officers will work with the VPA to progress the development of this PSP.</p> <p>Pakenham South Precinct Structure Plan is being prepared for an authorisation request, subject to engineering technical reports being finalised.</p>	Policy, Design and Growth Area Planning	In progress
Commence the review of Cardinia Road Employment precinct to encourage investment and employment opportunities.	Work has commenced on the review with an audit undertaken as part of the first steps of the review. A project brief has been drafted to initiate technical reports.	Policy, Design and Growth Area Planning	Completed

Our economy performance (cont.)

We want to achieve:	Increased business diversity in Cardinia Shire (cont.).		
To achieve this we will:	Support the development of existing and new businesses within the shire.		
Action	Result	Business unit	Completion
Facilitate business networking opportunities through the Casey Cardinia Business Network and relevant stakeholders and individuals.	A number of networking events are planned to be delivered as part of the Casey Cardinia business partnership for 2020. Alternative platforms are being explored to support and connect our business networks during the COVID-19 pandemic. The first networking event, 'Thrive Together', was delivered through the regional Casey Cardinia partnership. Further networking events are planned during Covid-19.	Economic Development	Completed
To achieve this we will:	Plan for a staged development of the Officer-Pakenham employment precinct.		
Action	Result	Business unit	Completion
Finalise planning scheme amendment to incorporate Pakenham South Precinct Structure Plan into the Cardinia Planning Scheme.	The timing of this Precinct Structure Plan has been delayed while working through traffic and drainage issues. Council has recommended that authorisation be sought, however this is still on hold while traffic issues are being worked through.	Policy, Design and Growth Area Planning	In progress
Work with the VPA in the preparation of Officer South Precinct Structure Plan and Infrastructure Contribution Plan.	Council officers are working with the Victorian Planning Authority on the preparation of Officer South Precinct Structure Plan and Infrastructure Contribution Plan.	Policy, Design and Growth Area Planning	Completed
Work with the VPA in the preparation of Pakenham South Employment Precinct Structure Plan and Infrastructure Contribution Plan.	Council is working with the Victorian Planning Authority in the preparation of the Pakenham South Precinct Structure Plan. Council has prepared a draft PSP for exhibition and the Infrastructure Contribution Plan is being developed.	Policy, Design and Growth Area Planning	Completed

To achieve this we will:		Plan for a staged development of the Officer-Pakenham employment precinct (cont.).	
Action	Result	Business unit	Completion
In partnership with the Victorian Planning Authority, commence development of the Officer South Precinct Structure Plan.	Pitches by landowners, government and Council have all been presented to the Victorian Planning Authority for consideration in relation to the Officer South Precinct Structure Plan. The PSP has commenced.	Policy, Design and Growth Area Planning	Completed
Work with the Victorian Planning Authority to complete the Pakenham South Employment Precinct Structure Plan and Infrastructure Contribution Plan.	Approval to seek authorisation from the Minister for Planning regarding Amendment C265 – Pakenham South Employment Precinct Structure Plan was approved by Council on 16 March 2020.	Policy, Design and Growth Area Planning	Completed
To achieve this we will:		Plan the development of Officer and Pakenham town centres.	
Action	Result	Business unit	Completion
Work with VPA to complete the review of Officer Town Centre as part of the Officer PSP.	Council has sent final comments to the Department of Environment, Land, Water and Planning (DELWP) on the Victorian Planning Authority’s draft amendment package. The amendment is now with DELWP to forward to the Minister for Planning for approval.	Policy, Design and Growth Area Planning	Completed
Facilitate development of key sites in the core commercial areas in Officer and Pakenham.	Advocacy continues with relevant landowners to facilitate the key development sites in Officer and Pakenham.	Policy, Design and Growth Area Planning	Completed
Work with the Victorian Planning Authority to complete the Pakenham East Precinct Structure Plan.	Duplicate action.	Policy, Design and Growth Area Planning	Completed
Complete the review of the Pakenham South Structure Plan and Infrastructure Contribution Plan.	Duplicate action.	Policy, Design and Growth Area Planning	Completed

Our economy performance (cont.)

We want to achieve:	Increased business diversity in Cardinia Shire (cont.).		
To achieve this we will:	Advocate to Australian and Victorian governments and industry to develop more local employment opportunities.		
Action	Result	Business unit	Completion
Implement the actions of the Casey Cardinia Attracting Employment and Investment Strategy, whilst working with the South Eastern Metropolitan Partnership to attract jobs and investment to the region.	Actions from the strategy are resulting in an increase in local jobs. Investment has been confirmed from an international company into Pakenham, as well as new subdivisions in the South East Business Park and the final subdivision stage in Greenhills estate. We are working with South East Melbourne (SEM) to explore all opportunities to activate our employment and industrial corridor through the City Deal platform, South East Economic Corridor review and Officer South PSP development.	Economic Development	Completed
Advocate to State Government regarding the development of a suitable site within Cardinia Shire for an airport.	Continuing to advocate for the State Government to identify a suitable site in Cardinia Shire for an international airport for the south east of Melbourne. The state has identified this need as a medium-term action in the Infrastructure Victoria report (2016) to be started by 2021. We are continuing to advocate for this as a top priority through the South East Melbourne (SEM) group.	Economic Development	Completed
To achieve this we will:	Encourage procurement of local products and services.		
Action	Result	Business unit	Completion
Ensure that tender documentation and consideration includes weighting for local products and services.	Tender documentation and consideration continues to include weighting for local products and services.	Finance	Completed

We want to achieve:	Maintained strong agricultural activities.		
To achieve this we will:	Support our farmers and growing agricultural industry in adapting to the changing economy and climate.		
Action	Result	Business unit	Completion
Implement the actions of the Green Wedge Management Plan.	Duplicate action.	Policy, Design and Growth Area Planning	Completed
To achieve this we will:	Identify innovative ways to value-add to the region's primary production and transportation.		
Action	Result	Business unit	Completion
Advocate for easier access to markets via regional food plan and enabling infrastructure including airports, Bunyip Food Belt and Thompsons Road extension.	Continuing to work with the City of Casey and other neighbouring councils to highlight the need for better infrastructure. The Federal Government has invited the South East Councils to participate in City Deal negotiations to ensure that a long-term approach to much-needed infrastructure is delivered regardless of political persuasions.	Economic Development	Completed
To achieve this we will:	Advocate for the development of roads and infrastructure required for primary production.		
Action	Result	Business unit	Completion
Advocate to the relevant authority for the development of the priority roads identified to support primary production.	A list of potential projects has been identified and Council continues to advocate to relevant authorities for the selected roads where possible.	Infrastructure Services	Completed

Our economy performance (cont.)

We want to achieve:	Diverse and resilient business community.		
To achieve this we will:	Support small businesses to remain viable in rural townships.		
Action	Result	Business unit	Completion
Continue to work with local businesses within the shire to improve viability.	We are continuing to work with local businesses. Additional staff have been employed to increase capacity to provide support and advice regarding viability. Online training and multiple webinars and networking events have been delivered to increase opportunities for businesses to connect and explore sustainable models of operation.	Economic Development	Completed
To achieve this we will:	Advocate for the delivery of small and large scale projects that enhance and drive economic activity.		
Action	Result	Business unit	Completion
Assist businesses to develop in the Casey-Cardinia region.	Continuing to offer a broad range of services to businesses through the Casey Cardinia partnership, including a local jobs portal, free online training seminars via LinkedIn learning in partnership with Casey Cardinia Libraries, a fortnightly business newsletter, Try a Trade Day to encourage skills development in youth and providing small business mentoring via the small business mentoring service.	Economic Development	Completed

To achieve this we will:	Work with others to grow economic activity and attract new enterprises.		
Action	Result	Business unit	Completion
Work with the Casey Cardinia Business Group and the Department of Economic Development, Jobs, Transport and Resources to attract new enterprises and enhance the economic activity in the region.	We are continuing to liaise with Invest Assist and other departments to bring investment into the region. We are also working with Development Victoria to facilitate investment into the Officer town centre. Initial concept planning has commenced. Council has provided its economic priorities during the Covid-19 pandemic to Invest Victoria through the South East Planning Working Group (SEWGP).	Economic Development	Completed
To achieve this we will:	Support business and organisations to enhance their skills.		
Action	Result	Business unit	Completion
Council will help facilitate training opportunities for local businesses.	Council has delivered training opportunities including online education, business mentoring, webinars, networking events and Try A Trade Day through the regional Casey Cardinia business partnership. The Covid-19 pandemic has increased our focus on facilitating an agile and informative range of platforms and tools for businesses to access during this time.	Economic Development	Completed

Our economy performance (cont.)

We want to achieve:	A local economy supporting the improved health and wellbeing of our communities.		
To achieve this we will:	Lead by example as a health promoting workplace.		
Action	Result	Business unit	Completion
Deliver a range of health and wellbeing initiatives across the organisation.	<p>We have implemented annual flu vaccination and skin check schemes for our employees, as well as a wellbeing calendar that features cultural, health and wellbeing initiatives.</p> <p>In response to the COVID 19 pandemic, we have introduced Wellbeing Support Officers who will contact all employees as additional support to the day-to-day contact from their manager and team. We have also implemented an online health and wellbeing training calendar and online mindfulness sessions, and will be launching an online leadership development program in the second half of 2020.</p> <p>We have also undertaken an organisational engagement survey and have recently implemented a COVID-19 Pulse Check initiative to collect feedback from our employees on the impact of COVID-19 on their professional and personal lives. This will continue to guide our initiatives and programs.</p>	People and Culture	Completed

To achieve this we will:	Support tourism and local businesses that deliver health and wellbeing initiatives.		
Action	Result	Business unit	Completion
Implement the <i>Casey Cardinia Tourism Strategy</i> and support a tourism board to guide future development of the sector.	The new Casey Cardinia Tourism board was elected in April 2020. Priorities include the final stage of completion of the Casey Cardinia Tourism website, engagement with local and regional tourism businesses and facilitating and supporting a broad awareness campaign of the tourism sector as a local visitor destination.	Economic Development	Completed
To achieve this we will:	Encourage the procurement and consumption of local food.		
Action	Result	Business unit	Completion
Tender documentation and consideration includes weighting for local products and services.	Tender documentation and consideration continue to include weighting for local products and services. Local suppliers benefit from a 5% positive weighting that is applied after all other tender specific criteria has been independently assessed and agreed at a panel meeting.	Finance	Completed

Our governance performance

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

We want to achieve:	An engaged community.		
To achieve this we will:	Develop a policy which details how Council will inform and engage consistently with the community on important matters.		
Action	Result	Business unit	Completion
Commence a review of the Communications Strategy and work with Community Strengthening to develop an Engagement Policy.	The new Communications Strategy was completed in December 2019 and the Engagement Policy was updated in mid-2019 by the Community Strengthening business unit. Further work will continue on the Engagement Policy throughout 2020-21 in order to meet new community engagement requirements as detailed in the <i>Local Government Act 2020</i> .	Communications	Completed
Implementation of new 5-year communications strategy.	Communications Strategy completed in December 2019.	Communications	Completed
Implement key outcomes and actions of the Communications Strategy.	The Communications Strategy was finalised and presented to the Senior Leadership Team for endorsement in December 2019. The outcomes and actions from the strategy are due to be implemented from July 2020 subject to budget approval.	Communications	Completed

To achieve this we will:	Enhance the community's confidence in Council's community engagement.		
Action	Result	Business unit	Completion
Council will continue to increase its use of online platforms to educate, inform and engage the community. This includes the use of the shire's website and social media channels to promote community engagement activities, initiatives and outcomes.	Council continues to utilise a range of digital platforms to promote opportunities for the community to provide input into Council's decision making, policy, strategy and project development. Our new online engagement platform is complete. Ongoing training for staff will be provided as required. The platform is being used more extensively by internal teams to connect and deliver virtual workshops during the COVID-19 pandemic. Additional community engagements will be undertaken specifically to promote community connection during the pandemic. The Creating Cardinia digital engagement platform has hosted 38 consultations, with a total of 12,495 views and 802 contributions since it began in October 2019.	Community Strengthening	Completed
We want to achieve:	Open governance.		
To achieve this we will:	Embrace and demonstrate effective governance and transparency, notwithstanding that on occasions, matters under consideration will be confidential.		
Action	Result	Business unit	Completion
Monitor compliance with statutory reporting requirements.	Legislative compliance schedule in place and being monitored.	Governance	Completed
Maintain and update the register of information to be available to the public.	Register being monitored and updated as required.	Governance	Completed

Our governance performance (cont.)

We want to achieve:	Open governance (cont.).		
To achieve this we will:	Govern and make decisions in the best interests of the Cardinia Shire community.		
Action	Result	Business unit	Completion
Monitor adherence to commitments contained in Councillor Code of Conduct.	Code of Conduct compliance regularly monitored	Governance	Completed
We want to achieve:	Long-term financial sustainability.		
To achieve this we will:	Make financial decisions that achieve the objectives of Council and long-term financial sustainability.		
Action	Result	Business unit	Completion
Develop Annual Budget and Five-year Financial Plan which will deliver on the actions presented in the Council Plan and maintain long-term financial goals.	The 2020–21 Budget and Strategic Resource Plan, developed to deliver the Council Plan actions and maintain Council’s long-term financial goals, were adopted by Council on 15 June 2020.	Finance	Completed
To achieve this we will:	Make financial decisions that are fair and ethical and balance costs and benefits between present and future generations.		
Action	Result	Business unit	Completion
Ensure all contracts and procurement guidelines adhere to a full life cycle cost and are not purely driven on any one factor.	Finance continues to monitor new contracts development and develop procurement guidelines to ensure consideration of a full life cycle cost and not purely driven on any one factor. Tender assessment criteria and weighting are always set prior to opening received tenders to ensure the evaluations are based on multi-dimensional factors, including critical attributes such as fit for purpose, quality and innovation.	Finance	Completed

To achieve this we will:		Manage the municipality's finances and assets in a responsible way.	
Action	Result	Business unit	Completion
Ensure that asset management and financial management are transparent via the budget and planning process and ensure the long-term viability of Council.	<p>The 2020–21 Budget and Strategic Resource Plan adopted by Council on 15 June 2020 incorporates transparent asset and financial management practices, including:</p> <ul style="list-style-type: none"> • Capital Works Program based on asset renewal modelling and Asset Management Plans. • Long Term Financial Plan based on Senior Leadership Team approved budget principles and assumptions, prepared in accordance with approved Australian Accounting Standards, the <i>Local Government Act</i> and Planning and Reporting Regulations, and benchmarked against Victorian Auditor-General's Office (VAGO) financial sustainability measures. 	Finance	Completed
To achieve this we will:		Identify and implement programs to achieve Council's debt reduction policy.	
Action	Result	Business unit	Completion
Adopt Debt Management Policy.	The current Debt Management strategy included in the 2019–20 budget is under review as part of the 2020–21 budget process. The updated Debt Management Policy is included in the 2020–21 budget adopted by Council on 15 June 2020.	Finance	Completed

Our governance performance (cont.)

We want to achieve:	Long-term financial sustainability (cont.).		
To achieve this we will:	Identify ways to contain Council's cost base by a focus on innovation and efficiency.		
Action	Result	Business unit	Completion
Develop and maintain 'internal consulting' ability, and work with internal divisions/teams to facilitate the identification and implementation of cost containment actions.	The Performance and Improvement team continues to build on their skills in facilitation and process improvement. Quality Circles activities, facilitated by the Performance and Improvement Team, began this year and will continue indefinitely. Furthermore, the team has significantly expanded their process documentation skills and performance metrics presentation skills through work to support Customer Service improvement initiatives. This work will provide leaders in the Customer Service team with the ability to better control and improve service levels within Customer Service without increasing operational costs.	Customer and Service Improvement	Completed
We want to achieve:	Appropriate funding and support from all levels of government.		
To achieve this we will:	Advocate on behalf of the community to ensure it receives a fair share of funding and support from the Australian and Victorian governments for infrastructure, facilities and services.		
Action	Result	Business unit	Completion
Prepare details of Council's priority projects for both State and Federal Governments. In the lead up to both Federal and State elections and budgets, lobby local members and relevant Ministers for funding for the priority projects to gain a fair share of funding for the local community.	Completed prior to State and Federal elections.	Office of the Executive Manager – Office of the CEO	Completed

To achieve this we will:	Work with both interface and regional Councils to strengthen advocacy campaigns to Australian and Victorian governments aimed at increasing awareness and support for joint issues.		
Action	Result	Business unit	Completion
Participate in the advocacy campaigns determined by the Interface Councils CEOs group and the Human Services Directors Group and supported through SOCOM.	Council officers continue to attend interface group meetings and participate in advocacy projects for the shire. Council regularly sends project updates and progress to the interface group.	Office of the General Manager – Liveable Communities	Completed

Performance indicators

Aquatic facilities

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities]	2.40	2.80	2.40	2.40	
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population]	6.26	7.06	6.93	4.78	Visits have significantly decreased as the centre was closed for over 2 months due to COVID-19. The centre briefly re-opened but was restricted in attendances and no gym or stadium competitions were run.
Service cost <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received/Number of visits to indoor aquatic facilities]	-\$0.21	-\$0.48	-\$0.47	Retired indicator	Indicator was retired in 2020. Refer to replacement indicator below.
Service cost <i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received/Number of visits to outdoor aquatic facilities]	\$10.49	\$11.53	\$13.39	Retired indicator	Indicator was retired in 2020. Refer to replacement indicator below.
Service cost <i>Cost of aquatic facilities</i> [Direct cost of aquatic facilities less income received/Number of visits to aquatic facilities]	New in 2020	New in 2020	New in 2020	\$0.92	

Animal management

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Timeliness <i>Time taken to action animal management requests</i> [Number of days between receipt and first response for all animal management requests/Number of animal management requests]	4.02	2.57	3.28	3.22	
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed/Number of animals collected] x100	49.61%	46.30%	43.63%	37.63%	We believe that a number of factors may have contributed to a smaller percentage of reclaimed animals during the 2019-20 year. In particular, the impacts on COVID-19 (especially the financial impacts) appear to have impacted the capacity for some residents to reclaim their animals.
Service standard <i>Animals rehomed</i> [Number of animals rehomed/Number of animals collected] x100	New in 2020	New in 2020	New in 2020	7.42%	This is a new measure. Further analysis will be completed during the following years.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service/Number of registered animals]	\$28.69	\$36.33	\$31.21	Retired indicator	Indicator was retired in 2020. Refer to replacement indicator below.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service/Municipal population]	New in 2020	New in 2020	New in 2020	\$4.07	The decrease in cost reflected by this measure is in partly the result of changes in our data collection. While the actual decrease in cost is less than this measure suggests, our costs remain low per population.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	26.00	26.00	14.00	Retired indicator	Indicator was retired in 2020. Refer to replacement indicator below.

Animal management (cont.)

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/ Number of animal management prosecutions]	New in 2020	New in 2020	New in 2020	100%	

Food safety

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response for all food complaints/Number of food complaints]	2.06	1.60	1.75	1.37	This improvement has occurred because the team is recording the first responses to food complaints in a more consistent manner.
Service standard <i>Food safety assessments</i> [Number of registered Class 1 food premises and Class 2 food premises that received an annual food safety assessment in accordance with the <i>Food Act 1984</i> /Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	100%	100%	100%	100%	
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service/Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]	\$305.19	\$315.62	\$311.80	\$366.46	Cost of service is relatively stable. The number of premises included in the measure has been significantly reduced due to COVID-19 restrictions.

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100%	100%	100%	100%	

Governance

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors]	3.14%	1.37%	0.47%	4.55%	Significant increase due to a special Council meeting held on 30 March, which was closed to members of the public due to COVID-19. The 4 decisions of this meeting were made publicly available.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	49	55	55	52	

Governance (cont.)

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Attendance <i>Councillor attendance at Council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting/(Number of ordinary and special Council meetings)x(Number of Councillors elected at the last Council general election)] x100	91.01%	92.40%	76.11%	84.92%	Attendance was within the expected range. Councillor attendances last year were lower due to a range of personal and professional reasons.
Service cost <i>Cost of governance</i> [Direct cost of governance service/Number of Councillors elected at the last Council general meeting]	\$40,120.56	\$41,687.00	\$47,774.00	\$46,356.22	
Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	53	53	54	51	

Libraries

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Utilisation <i>Physical library collection usage</i> [Number of physical library collection item loans/number of physical library collection items]	7.69	7.20	7.47	5.51	March to June loans have been affected by COVID-19 restrictions. Libraries have been closed to public, limiting access to collections. Home Deliveries enabled some lending to continue.
Resource standard <i>Recently purchased library collection</i> [Number of library collection items purchased in the last five years/Number of library collection items] x100	73.79%	71.95%	72.39%	72.62%	

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Participation <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	12.44%	11.34%	10.39%	10.14%	Municipal population continues to grow. Casey Cardinia Libraries has increased the hours of library operations in Cardinia to try and meet community needs. However, the number of service points (Pakenham and Emerald libraries plus the Mobile Library) have not changed in a decade. While physical collection usage remains stable, there has been an increase in use of digital collections, library programs and other services, which is not reflected in the Active Borrower measurement.
Service cost <i>Cost of library service</i> [Direct cost of library service/Number of visit]	\$4.55	\$3.78	\$5.17	Retired indicator	Indicator was retired in 2020. Refer to replacement indicator below.
Service cost <i>Cost of library service per population</i> [Direct cost of library service/Municipal population]	New in 2020	New in 2020	New in 2020	\$16.07	Increased running cost as a result of the cost sharing agreement, including a new library service within the City of Casey. Increased cost can also be attributed to additional works required at the Pakenham Library due to the flood damage.

Maternal and child health (MCH)

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Service standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received)/Number of birth notifications received] x100	100.74%	98.09%	100.68%	101.68%	
Service cost <i>Cost of MCH service</i> [Direct cost of MCH service/Hours worked by MCH nurses]	\$62.97	\$67.45	\$67.33	\$69.78	

Maternal and child health (MCH) (cont.)

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x100	74.52%	76.14%	76.70%	76.80%	
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x100	71.86%	69.38%	79.71%	84.98%	Over time we have had several staff attend education regarding the challenges faced by Aboriginal families and how to engage them more successfully in our service and make our service more culturally inclusive. This knowledge has then been shared across the team. There has been a focus on ensuring Aboriginal families are up to date with their key ages and stages, including attempts made by nurses to make contact and arrange appointments when missed or overdue. With around 180 children identified in the service aged 0-6 years and data kept on participation at the 10 key ages and stages, which finish at 3.5 years, not all clients will be eligible for a consultation in each calendar year (eg between the 2 and 3.5 KAS or after the 3.5 KAS). This is a small cohort, meaning that small changes in raw figures easily skew the percentages. For that reason, the drop from 2017 to 2018 of 2.48% is not statistically significant, as a change in raw figures of approximately 4 children would result in this change in the percentages.

					The rise in participation 2019 and 2020 is possibly related to the education provided to staff, as mentioned above.
Satisfaction <i>Participation in first MCH visit</i> [Number of first MCH home visits/Number of birth notifications received] x100	99.45%	99.01%	99.03%	Retired Indicator	Indicator was retired in 2020. Refer to replacement indicator below.
Satisfaction <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	New in 2020	New in 2020	New in 2020	98.44%	

Roads

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests/Kilometres of sealed local roads]	55.97	80.58	70.21	93.32	The increase in number of requests is reflective of wetter conditions experienced in Cardinia Shire during 2019-20 compared to the dry conditions of 2018-19. Wet weather will generally lead to a higher instance of issues such as potholes therefore resulting to higher requests.
Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council/Kilometres of sealed local roads] x100	97.61%	96.52%	97.06%	97.82%	Whilst there has been a higher rate of requests, defects have been resolved within the requirements of the road management plan through the allocation of additional budget to respond to the challenges in the sealed road network.
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed]	\$31.92	\$38.83	\$42.00	\$40.71	Less challenging topography has influenced the cost of construction resulting in a minor decreased for this period.

Roads (cont.)

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Service cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing/Square metres of sealed local roads resealed]	\$10.64	\$14.47	\$10.26	\$9.33	Economies of scale and efficiency in procurement approach have resulted in a decrease in unit cost of road resealing in the current period.
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	54	55	58	52	The decrease in satisfaction aligns with the increase in sealed local road requests. In addition, we have observed overall dissatisfaction with condition of state managed roads. The overall condition of Council's sealed road network is managed to provide the best outcome for users over the long term.

Statutory planning

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of the planning application and a decision on the application]	97	88	104	89	The improvement of processing times is a result of system improvements and improved communications, particularly with internal referrals.
Service standard <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	66.41%	82.19%	78.85%	82.76%	

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service/Number of planning applications received]	\$1529.84	\$1673.38	\$1715.34	\$1863.74	
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/Number of VCAT decisions in relation to planning applications] x100	50%	33.33%	100%	0%	VCAT was not required to make any decisions during this year, as all filed review applications were resolved by consent, or withdrawn prior to determination. The trends for this indicator vary significantly, but the total number of decisions in any given year is a very small sample size (single figures). The circumstances of each instance, and the VCAT decision are highly fact-specific and variable.

Waste collection

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests/Number of kerbside bin collection households] x100	199.40	192.68	207.94	224.88	Noticeable increase in number of requests in the last quarter due to people being at home and having time to engage with council about waste services.
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed/Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	9.90	9.18	9.31	9.54	

Waste collection (cont.)

Service indicator	2016-17	2017-18	2018-19	2019-20	Material variation
Service cost <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service/Number of kerbside garbage collection bins]	\$119.34	\$112.54	\$127.37	\$127.55	
Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service/Number of kerbside recyclables collection bins]	22.47	\$34.48	\$42.29	\$70.15	Prior to this year there was an error in the data collation where recycling processing costs were not being captured in this measure. Data collection for 2019-20 has been updated to include recycling collection and processing costs and this has had an impact on the % variance between 2018-19 and 2019-20. Due to market pressures the cost of processing recycling in Victoria has also increased by 325% since 2018 and this is reflected in the reported figures.
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100	47%	47.62%	42.14%	43.55%	As a result of additional community education and promotion this has led to a positive increase in green waste diverted from landfill. The volatility in the recycling sector and Council having sent a large portion of our recyclable material at times to landfill over the last 2-3 years.

Performance statement



Description of municipality

Cardinia Shire is one of the fastest growing local government areas in Victoria with an average of five families moving into the area every day. As of 2020, Cardinia Shire's estimated population is 120,559 and is expected to increase by approximately 54,733 over the next 10 years.

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

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

Impact of COVID-19 on municipality

The outbreak of coronavirus disease 2019 (COVID-19) has created a global health crisis that has had a significant impact on Cardinia Shire's local community groups and businesses. Since the first stage of restrictions for Victoria were announced on 22 March 2020, all non-essential activities at the Shire's local recreation reserves, aquatic facilities, libraries, community centres, neighbourhood houses, senior citizen centres, U3As, community halls and integrated facilities were forced to cease, with community recreation and social activities deemed non-essential.

While some facilities have been permitted to reopen under specific conditions, in line with the State Government's staged approach since 20 April 2020, the widespread closures have already had, and will continue to have, a significant impact on the financial viability of many of the community groups who use and manage these facilities.

Facilities which had reopened were then forced to close again with the re-introduction of stage 3 'stay at home' restrictions for metropolitan Melbourne and Mitchell Shire for a six week period from Thursday 9 July 2020. This was further extended to stage 4 restrictions from Sunday 2 August 2020, Victoria's State of Disaster is in place until 13 September 2020.

In a time when the physical and mental health of residents, and social and community cohesion, has never been more important, it is crucial that Council continues to support the operational viability of these groups. Financial assistance during this time will support the Shire's clubs, committees of management, community groups and commercial tenants through the COVID-19 state of emergency period and beyond, to ensure they are equipped to recommence the delivery of their activities to the community following the lifting of restrictions.

Local businesses within the Shire have suffered significant financial losses as a result of the enforced COVID-19 restrictions. The full impact of the COVID-19 pandemic on local businesses, ratepayers and residents has not yet been realised, and it is critical that Council continues to support the community through targeted relief measures.

Sustainable capacity indicators

	Indicator	2017	2018	2019	2020	Material variation
Population	<i>Expenses per head of municipal population</i> [Total expenses/ Municipal population]	\$1,066.38	\$1,037.72	\$1,113.36	\$1,174.00	
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure/ Municipal population]	\$7,754.53	\$7,933.85	\$8,614.11	\$8,927.64	
	<i>Population density per length of road</i> [Municipal population/kilometres of local roads]	62.62	66.05	68.10	70.63	
Own-source revenue	<i>Own-source revenue per head of municipal population</i> [Own-source revenue/Municipal population]	\$1,009.42	\$959.62	\$996.32	\$973.28	

	Indicator	2017	2018	2019	2020	Material variation
Recurrent grants	<i>Recurrent grants per head of municipal population</i> [Recurrent grants/Municipal population]	\$211.98	\$163.54	\$165.49	\$146.51	<p>Recurrent grants have decreased by 7.3% from 2018-19, mainly in operating grants, whereas municipal population has increased by 4.7%, resulting in an overall decrease.</p> <p>The 2016-17 figure is inflated due to the timing of the Victoria Grants Commission (VGC) grant. In 2016-17, 100% of the 2016-17 VGC grant plus approximately 50% of the 2017-18 VGC grant was received in advance. Since that time, only approximately 50% of the current year's VGC grant plus approximately 50% of the following year's VGC grant has been received each year. The 2019-20 figure is lower due to the new accounting standard requiring the unspent portion of grants to be moved to the balance sheet. These two factors combined, coupled with existing funding agreements ceasing and new funding agreements starting, have resulted in the decreasing trend over the last four years.</p>
Disadvantage	<i>Relative socio-economic disadvantage</i> [Index of relative socio-economic disadvantage by decile]	8.00	8.00	8.00	8.00	

	Indicator	2017	2018	2019	2020	Material variation
Workforce turnover	<i>Percentage of staff turnover [Number of permanent staff resignations and terminations/Average number of permanent staff for the financial year] x100</i>	10.50%	13.25%	10.01%	12.75%	<p>Council is committed to efficiency and high levels of customer service and is therefore in a process of constant analysis and review to increase productivity and sustainability. Organisational and departmental realignments, retirements and pursuit of career progression opportunities have resulted in a slightly higher turnover than the previous year. A number of new positions, designed to respond to service priorities and demand, were created during the reporting period.</p> <p>This indicator was relocated from the Financial Performance Indicator section in 2020.</p>

Definitions

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

Service performance indicators

Service	Indicator	2017	2018	2019	2020	Material variation
Aquatic facilities	Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population]	6.26	7.06	6.93	4.78	Visits have significantly decreased as the centre was closed for over 2 months due to COVID-19. The centre briefly re-opened but was restricted in attendances and no gym or stadium competitions were run.
Animal management	Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	26	26	14	Retired Indicator	Indicator was retired in 2020. Refer to replacement indicator below.
Animal management	Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/Total number of animal management prosecutions] x100	New in 2020	New in 2020	New in 2020	100%	

Service	Indicator	2017	2018	2019	2020	Material variation
Food safety	Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance 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	100%	100%	100%	100%	
Governance	Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]	53	53	54	51	

Service	Indicator	2017	2018	2019	2020	Material variation
Libraries	Participation <i>Active library borrowers in the municipality</i> [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	12.44%	11.34%	10.39%	10.14%	Municipal population continues to grow. Casey Cardinia Libraries has increased the hours of library operations in Cardinia to try and meet community needs. However, the number of service points (Pakenham and Emerald libraries plus the Mobile Library) have not changed in a decade. While physical collection usage remains stable, there has been an increase in use of digital collections, library programs and other services, which is not reflected in the Active Borrower measurement.
Maternal and Child Health (MCH)	Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in a year)/Number of children enrolled in the MCH service] x100	74.52%	76.14%	76.70%	76.80%	

Service	Indicator	2017	2018	2019	2020	Material variation
Maternal and Child Health (MCH)	<p>Participation <i>Participation in the MCH service by Aboriginal children</i> [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>	71.86%	69.38%	79.71%	84.98%	<p>Over time we have had several staff attend education regarding the challenges faced by aboriginal families and how to engage them more successfully in our service and make our service more culturally inclusive. This knowledge has then been shared across the team. There has been a focus on ensuring Aboriginal families are up to date with their key ages and stages, including attempts made by nurses to make contact and arrange appointments when missed or overdue</p> <p>With around 180 children identified in the service aged 0-6 years and data kept on participation at the 10 key ages and stages, which finish at 3.5 years, not all clients will be eligible for a consultation in each calendar year (eg between the 2 and 3.5 KAS or after the 3.5 KAS). This is a small cohort, meaning that small changes in raw figures easily skew the percentages. For that reason, the drop from 2017 to 2018 of 2.48% is not statistically significant, as a change in raw figures of approximately 4 children would result in this change in the percentages.</p> <p>The rise in participation 2019 and 2020 is possibly related to the education provided to staff, as mentioned above.</p>

Service	Indicator	2017	2018	2019	2020	Material variation
Roads	Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	54	55	58	52	The decrease in satisfaction aligns with the increase in sealed local road requests. In addition, we have observed overall dissatisfaction with condition of state managed roads. The overall condition of council's sealed road network is managed to provide the best outcome for users over the long term.
Statutory planning	Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/Number of VCAT decisions in relation to planning applications] x100	50.00%	33.33%	100%	0%	VCAT was not required to make any decisions during this year, as all filed review applications were resolved by consent, or withdrawn prior to determination. The trends for this indicator vary significantly, but the total number of decisions in any given year is a very small sample size (single figures). The circumstances of each instance, and the VCAT decision are highly fact-specific and variable.
Waste collection	Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100	47.00%	47.62%	42.14%	43.55%	As a result of additional community education and promotion this has led to a positive increase in green waste diverted from landfill. The volatility in the recycling sector and Council having sent a large portion of our recyclable material at times to landfill over the last 2-3 years.

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

Financial performance indicators

Indicator	Result				Forecasts				Material variation
	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency									
Expenditure level <i>Expenses per property assessment</i> [Total expenses/Number of property assessments]	\$2,456.66	\$2,457.96	\$2,625.62	\$2,800.87	\$2,614.38	\$2,588.48	\$2,593.17	\$2,596.06	Small trending decrease over the forecast period is due to total expenses increasing at a slower rate than total assessments.
Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue/Number of residential property assessments]	\$1,800.99	\$1,835.05	\$1,785.02	Retired indicator	Retired indicator	Retired indicator	Retired indicator	Retired indicator	Indicator was retired in 2020. Refer to replacement indicator below.
Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges /Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,710.92	\$1,702.89	\$1,728.91	\$1,741.51	\$1,758.91	New indicator this year - forecast figures differ from those in 2020-21 budget document due to differing calculation methodologies. Methodology per LGPRF is (General Rates plus Supplementary Rates) divided by Total Assessments, whereas methodology per Budget document is General Rates divided by Total Assessments. Increase in forecast period is due to general and supplementary rate income increasing at a faster rate than total assessments.

Indicator	Result				Forecasts				Material variation
	2017	2018	2019	2020	2021	2022	2023	2024	
Liquidity									
Working capital <i>Current assets compared to current liabilities</i> [Current assets/Current liabilities] x100	291.58%	350.97%	247.49%	215.85%	231.99%	201.09%	220.95%	188.35%	Reduction in 2019-20 is due to a 3.6% decrease in current assets, mainly due to a lower total lower cash, cash equivalents and other financial assets balance, combined with a 10.5% increase in current liabilities, primarily due to inclusion of other current liabilities such grant and other income recognised in advance. Decrease over the forecast period is due to current assets trending lower over the four years, mainly in trade and other receivables.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash/Current liabilities] x100	48.04%	-8.79%	-50.41%	-23.22%	-35.86%	-64.28%	-72.08%	-62.44%	The improvement in 2019-20 was due to lower capital carried forward and maintaining higher cash and cash equivalents balance by drawing down investment funds to mitigate COVID19 cashflow impacts. The forecast results are primarily due to reducing cash and cash equivalents balance, as long-term investments are maximised, and reducing current liabilities.

Indicator	Result				Forecasts				Material variation
	2017	2018	2019	2020	2021	2022	2023	2024	
Obligations									
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings/Rate revenue] x100	59.72%	49.51%	40.88%	33.95%	39.67%	33.98%	29.47%	25.57%	Loan balances reduced in 2019-20 from 2018-19 due to repayment of existing loans when due and no new loan drawn down, combined with higher total rate revenue. Increase in first year of forecast period reflects new loan to be drawn down, then reducing due to no further new loans forecast.
Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings/Rate revenue] x100	10.49%	10.13%	7.82%	6.71%	6.72%	5.47%	4.58%	3.89%	Repayment of loans and associated finance costs have increased by 2% from 2018-19 due to repayment of loans as and when due, whereas rate revenue has increased by 5.5% from 2018-19, resulting in an overall decrease. Increase in first year of forecast period reflects repayments of new loan forecast to be drawn down, then reducing due to no further new loans forecast.

Indicator	Result				Forecasts				Material variation
	2017	2018	2019	2020	2021	2022	2023	2024	
Indebtedness <i>Non-current liabilities compared to own-source revenue</i> [Non-current liabilities/Own-source revenue] x100	58.21%	49.21%	32.56%	39.44%	41.70%	36.48%	32.63%	22.45%	Non-current liabilities balance has increased by 23.9% from 2018-19 due to higher other non-current liabilities (creditors and lease incentives), whilst own source revenue has remained relatively stable, only increasing by 2.3%. The decrease in the forecast period from 2021-22 is due to total non-current liabilities decreasing each year, mainly in interest bearing loans and borrowings, whilst own source revenue increases each year as total revenue increases.
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense/Asset depreciation] x100	31.54%	47.58%	40.95%	Retired indicator	Retired indicator	Retired indicator	Retired indicator	Retired indicator	Indicator was retired in 2020. Refer to replacement indicator below.

Indicator	Result				Forecasts				Material variation
	2017	2018	2019	2020	2021	2022	2023	2024	
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense/Asset depreciation] x100	New in 2020	New in 2020	New in 2020	79.55%	96.52%	131.87%	154.31%	169.52%	New indicator this year - forecast figures differ from those in 2020-21 budget document due to differing calculation methodologies. Methodology per LGPRF is (Renewal plus Upgrade) divided by Depreciation, whereas methodology per Budget document is (Renewal including carryovers plus Upgrade including carryovers) divided by Depreciation & Amortisation. Increase over the forecast period is due to both total renewal and upgrade expenditure and depreciation expense increasing each year.

Indicator	Result				Forecasts				Material variation
	2017	2018	2019	2020	2021	2022	2023	2024	
Operating position									
Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/Adjusted underlying revenue] x100	13.09%	7.94%	4.76%	-2.54%	-0.46%	1.95%	1.70%	1.78%	An underlying deficit of \$3.3m in 2019-20 compares unfavourably to a \$6.0m underlying surplus in 2018-19, being a \$9.3m or 155% difference, whereas underlying revenue has remained relatively stable with a \$3.2m or 2.5% increase. The actual underlying deficit in 2019-20 of \$3.3m is mainly due to the impact of new AASB15 reducing grant revenue recognised and to higher materials and services expenditure for capital works that could not be capitalised. The increasing trend in the forecast years is due to a forecast underlying deficit in the first year followed by consecutive surpluses, together with underlying revenue increasing each year.

Indicator	Result				Forecasts				Material variation
	2017	2018	2019	2020	2021	2022	2023	2024	
Stability									
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue/Adjusted underlying revenue] x100	67.20%	72.85%	72.59%	74.69%	78.61%	78.38%	78.71%	79.06%	Total rates revenue increased in 2019-20 from 2018-19 due to increased revenue from general rates and waste management charges, partly offset by decreased revenue from supplementary rates and interest on rates and charges. For the same period, underlying revenue has increased at a lower rate than rates revenue due to the sources of underlying revenue being more stable than rates revenue. Increases in total rates revenue over the forecast period is mainly a result of an increase in general rates due to growth.
Rates effort <i>Rates compared to property values</i> [Rate revenue/Capital improved value of rateable properties in the municipality] x100	0.42%	0.43%	0.35%	0.35%	0.35%	0.36%	0.36%	0.36%	

Definitions

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

Other information

For the year ended 30 June 2020.

Basis of preparation

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

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

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

The forecast figures included in the Performance Statement are those adopted by Council in its strategic resource plan on 15 June 2020 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the Annual Financial Report. The strategic resource plan can be obtained by contacting Council on 1300 787 624 or mail@cardinia.vic.gov.au

Certification of the performance statement

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



Scott Moore
Chief Finance Officer
Dated: 21 September 2020

In our opinion, the accompanying performance statement of the Cardinia Shire Council for the year ended 30 June 2020 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



Brett Owen
Councillor
Dated: 21 September 2020



Ray Brown
Councillor
Dated: 21 September 2020



Carol Jeffs
Chief Executive Officer
Dated: 21 September 2020



Independent Auditor's Report

To the Councillors of Cardinia Shire Council

Opinion	<p>I have audited the accompanying performance statement of Cardinia Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • notes to the performance statement and • the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff 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 and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>

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

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

- identify and assess the risks of material misstatement of 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.

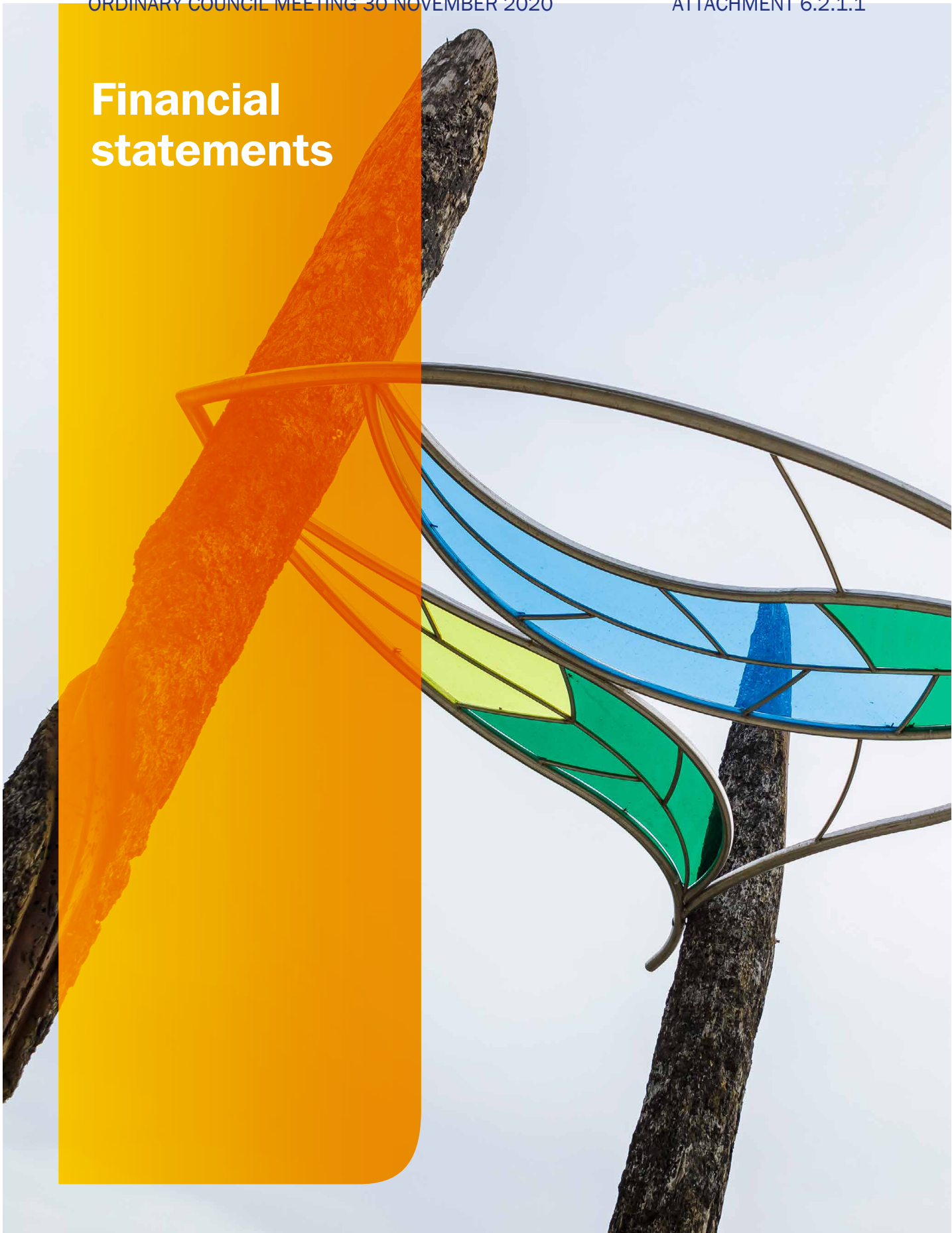
MELBOURNE
28 September 2020



Saichu Chummar

as delegate for the Auditor-General of Victoria

Financial statements



CARDINIA SHIRE COUNCIL
Financial Report
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CARDINIA SHIRE COUNCIL
2019/20 Financial Report

Certification of the Financial Statements

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



Scott Moore
Chief Finance Officer

Date : 21 September 2020
20 Siding Avenue, Officer

In our opinion the accompanying financial statements present fairly the financial transactions of Cardinia Shire Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

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

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



Ray Brown
Councillor
Date : 21 September 2020
20 Siding Avenue, Officer



Brett Owen
Councillor
Date : 21 September 2020
20 Siding Avenue, Officer



Carol Jeffs
Chief Executive Officer
Date : 21 September 2020
20 Siding Avenue, Officer



Independent Auditor's Report

To the Councillors of Cardinia Shire Council

Opinion	<p>I have audited the financial report of Cardinia Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors's responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
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MELBOURNE
28 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

CARDINIA SHIRE COUNCIL
2019/20 Financial Report

Comprehensive Income Statement
For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	95,907	90,910
Statutory fees and fines	3.2	4,064	5,307
User fees	3.3	2,506	2,614
Grants - operating	3.4 (a)	16,579	15,598
Grants - capital	3.4 (b)	20,225	12,241
Contributions - monetary	3.5	18,346	16,408
Contributions - non-monetary	3.5	40,133	66,270
Net gain on asset revaluation	3.7	782	1,330
Share of net profits of associates	6.3	35	-
Other income	3.8	5,868	6,566
Total income		204,445	217,244
Expenses			
Employee costs	4.1 (a)	41,013	37,462
Materials and services	4.2	60,971	52,378
Depreciation	4.3	24,680	21,991
Amortisation - intangible assets	4.4	205	216
Amortisation - right of use assets	4.5	71	-
Bad and doubtful debts	4.6	333	319
Borrowing costs	4.7	2,135	2,595
Finance costs - leases	4.8	23	-
Net loss on disposal of property, infrastructure, plant and equipment	3.6	898	1,236
Share of net loss of associates	6.3	-	203
Other expenses	4.9	1,345	2,865
Total expenses		131,674	119,265
Surplus for the year		72,771	97,979
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1 (a)	37,257	82,751
Total comprehensive result		110,028	180,730

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

CARDINIA SHIRE COUNCIL
2019/20 Financial Report

Balance Sheet
As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	91,748	49,293
Trade and other receivables	5.1 (c)	23,951	21,247
Other financial assets	5.1 (b)	12,000	62,000
Inventories	5.2 (a)	11	15
Non-current assets classified as held for sale	6.1	3,019	2,768
Other assets	5.2 (b)	2,875	3,280
Total current assets		133,604	138,603
Non-current assets			
Trade and other receivables	5.1 (c)	12,658	5,549
Investments in associates	6.3	1,366	1,331
Property, infrastructure, plant and equipment	6.2	1,782,661	1,659,385
Right-of-use assets	5.8	1,967	59
Intangible assets	5.2 (c)	377	684
Total non-current assets		1,799,029	1,667,008
Total assets		1,932,633	1,805,611
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	20,941	22,768
Trust funds and deposits	5.3 (b)	11,175	12,178
Provisions	5.5	8,376	7,094
Interest-bearing liabilities	5.4	12,317	12,607
Lease liabilities	5.8	154	7
Unearned Income	5.3 (c)	8,933	1,356
Total current liabilities		61,896	56,010
Non-current liabilities			
Trade and other payables	5.3 (a)	19,812	8,934
Provisions	5.5	1,179	1,257
Interest-bearing liabilities	5.4	20,242	24,557
Lease liabilities	5.8	1,824	52
Total non-current liabilities		43,057	34,800
Total liabilities		104,953	90,810
Net assets		1,827,680	1,714,801
Equity			
Accumulated surplus		1,086,072	1,018,960
Reserves	9.1	741,608	695,841
Total Equity		1,827,680	1,714,801

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

CARDINIA SHIRE COUNCIL
2019/20 Financial Report

Statement of Changes in Equity
For the Year Ended 30 June 2020

2020	Note	Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		1,714,801	1,018,960	635,125	60,716
Other adjustments to opening balances	9.1 (c)	2,851	2,851	-	-
Surplus for the year		72,771	72,771	-	-
Net asset revaluation increment	9.1 (a)	37,257	-	37,257	-
Transfers to other reserves	9.1 (b)	-	(17,230)	-	17,230
Transfers from other reserves	9.1 (b)	-	8,720	-	(8,720)
Balance at end of the financial year		1,827,680	1,086,072	672,382	69,226

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

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

CARDINIA SHIRE COUNCIL
2019/20 Financial Report

Statement of Cash Flows
For the Year Ended 30 June 2020

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		92,057	89,159
Statutory fees and fines		4,427	6,029
User fees		2,635	3,423
Grants - operating		18,347	15,178
Grants - capital		20,974	12,339
Contributions - monetary		8,471	21,181
Interest received		1,605	2,604
Trust funds and deposits taken		25,057	7,946
Other receipts		4,676	3,973
Net GST refund/(payment)		10,852	8,350
Employee costs		(39,591)	(37,001)
Materials and services		(60,000)	(54,181)
Short-term, low value and variable lease payments		(304)	-
Trust funds and deposits repaid		(26,162)	(6,827)
Net cash provided by operating activities	9.2	63,044	72,173
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(64,186)	(66,892)
Proceeds from sale of property, infrastructure, plant and equipment		360	3,810
Payments for investments		-	(12,500)
Proceeds from sale of investments		50,000	2,000
Net cash provided by/(used in) investing activities		(13,826)	(73,582)
Cash flows from financing activities			
Finance costs		(1,831)	(2,595)
Proceeds from borrowings		8,925	-
Repayment of borrowings		(13,530)	(4,514)
Interest paid - lease liability		(23)	-
Repayment of lease liabilities		(304)	-
Net cash provided by/(used in) financing activities		(6,763)	(7,109)
Net increase (decrease) in cash and cash equivalents		42,455	(8,518)
Cash and cash equivalents at the beginning of the financial year		49,293	57,811
Cash and cash equivalents at the end of the financial year	5.1 (a)	91,748	49,293
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

CARDINIA SHIRE COUNCIL
2019/20 Financial Report

Statement of Capital Works
For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Property			
Land		22,121	8,265
Total land		22,121	8,265
Buildings		21,810	24,146
Heritage buildings		-	182
Building improvements		388	339
Leasehold improvements		26	-
Total buildings		22,224	24,667
Total property	6.2 (a)	44,345	32,932
Plant and equipment			
Plant, machinery and equipment	6.2 (b)	1,253	2,230
Fixtures, fittings and furniture	6.2 (b)	168	-
Computers and telecommunications	6.2 (b)	16	81
Intangible assets	5.2 (c)	124	313
Total plant and equipment		1,561	2,624
Infrastructure			
Roads		9,488	9,951
Bridges		908	927
Footpaths and cycleways		1,685	1,874
Drainage		3,095	1,041
Recreational, leisure and community facilities		7,533	7,757
Off street car parks		1,002	2,784
Other infrastructure		1,127	123
Total infrastructure	6.2 (c)	24,838	24,457
Total capital works expenditure		70,744	60,013
Represented by:			
New asset expenditure		40,110	33,009
Asset renewal expenditure		17,250	9,094
Asset expansion expenditure		11,001	-
Asset upgrade expenditure		2,383	17,910
Total capital works expenditure		70,744	60,013

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

OVERVIEW**Introduction**

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

Statement of compliance

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

Significant accounting policies**(a) Basis of accounting**

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- 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)
- 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)
- 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 (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

(b) Rounding

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

CARDINIA SHIRE COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2020

Note 1 Performance against budget

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

The budget figures detailed below are those adopted by Council on 17 June 2019. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	97,299	95,907	(1,392)	(1%)	1
Statutory fees and fines	5,022	4,064	(958)	(19%)	2
User fees	3,625	2,506	(1,119)	(31%)	3
Grants - operating	14,338	16,579	2,241	16%	4
Grants - capital	19,562	20,225	663	3%	5
Contributions - monetary	350	163	(187)	(53%)	6
Capital contributions - monetary	625	609	(16)	(3%)	
Development levies - monetary	17,265	17,574	309	2%	
Contributions - non-monetary	45,000	40,133	(4,867)	(11%)	7
Net asset revaluation increment	-	782	782	100%	8
Share of net profit of associates	-	35	35	100%	9
Net gain on disposal of property, infrastructure, plant and equipment	986	-	(986)	(100%)	10
Other income	3,526	5,868	2,342	66%	11
Total income	207,599	204,445	(3,154)	(2%)	
Expenses					
Employee costs	39,523	41,013	(1,490)	(4%)	12
Materials and services	50,444	60,971	(10,527)	(21%)	13
Depreciation	24,840	24,680	160	1%	
Amortisation - intangible assets	214	205	9	4%	
Amortisation - right of use assets	-	71	(71)	(100%)	14
Bad and doubtful debts	176	333	(157)	(89%)	15
Borrowing costs	2,420	2,135	285	12%	16
Net loss on disposal of property, infrastructure, plant and equipment	-	898	(898)	(100%)	10
Finance costs - leases	-	23	(23)	(100%)	17
Other expenses	2,399	1,345	1,054	44%	18
Total expenses	120,016	131,674	(11,658)	(10%)	
Surplus for the year	87,583	72,771	(14,812)	(17%)	
Less Capital income and other abnormals	(83,439)	(77,643)	5,796	(7%)	
Adjusted underlying result	4,144	(4,872)	(9,016)	(218%)	

CARDINIA SHIRE COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2020

1.1 Income and expenditure (Cont'd)
(i) Explanation of material variations

1	Rates and charges	Rates revenue is lower than budget due to lower supplementary rates. Garbage charge revenue, including commercial garbage and green waste bin income is under budget due to a lower number of services than expected. Interest on rates and charges is under budget due to waiving of interest in the last quarter due to COVID-19.
2	Statutory fees and fines	Development fees (plan checking and supervision), Landscape Development and Planning fees are all under budget due to a slowdown in development activity, and have also been unfavourably impacted by COVID-19. COVID-19 has also impacted statutory fees and fines income through reduced enforcement and issuing of fines in Compliance Services (local laws, animal control and planning enforcement). These have been partly offset by unbudgeted Pool Registration and Building Services fees which are better than budget.
3	User fees	Cardinia Cultural Centre event and room hire revenue is under budget due to lower bookings as a result of the recent redevelopment works and COVID-19. COVID-19 has also forced other Council facilities to temporarily close, resulting in reduced user fee income. Passive Reserves user fees are unfavourable due to changes to the fees schedule and Emerald Lake Park fees have also been affected unfavourably by development works.
4	Grants - operating	Grants received in excess of budget in relation to Bunyip State Park bushfire in March 2019, School Crossing Supervisors, Maternal & Child Health universal program, and Victoria Grants Commission (VGC) general purpose and local roads operating grants. Additionally, unbudgeted grants have been recognised, the major two being for recycling processing and Cannibal Creek biodiversity project. The amount of operating grant income recognised has been reduced due to grants received in advance. (Please refer note 5.3 (c)).
5	Grants - capital	Capital grants received in excess of budget in relation to Sealing the Hills, Officer District Park and Rix Road Integrated Children's Facility. This has been offset by budgeted capital grants not be recognised which mainly include McGregor Road and Pakenham Bypass interchange upgrade, Roads Sealing Program and Timbertop Integrated Children's facility. The amount of capital grant income recognised has been reduced due to grants received in advance. (Please refer note 5.3 (c)).
6	Contributions - monetary	Monetary contributions are under budget mainly due to lower demand for decorative light poles in new developments.
7	Contributions - non monetary	This item includes developer contributions of roads, footpaths, drains, bridges, land and land under roads, as well as developer levies, and is under budget due to the downturn in development activity. Also included is the value of volunteer services, which was not budgeted, but is fully offset in materials and services expenditure.
8	Net asset revaluation increment	Off street car parks revaluation unbudgeted.
9	Share of net profit of associates	Share of net profit from associates unbudgeted.
10	Net gain/loss on disposal of property, infrastructure, plant and equipment	This item was budgeted as a gain (income) but actuals are a loss (expenditure). Unfavourable variance is mainly attributable to the accounting recognition of old infrastructure assets such as roads, buildings, bridges and footpaths being disposed of due to the capital works undertaken during the year. Additionally, net proceeds from the sale of land and plant were unfavourable.
11	Other income	Cost recovery income, being income received for expenditure incurred, is overall higher due to receipt of unbudgeted income including Insurance claims and capital projects. This has been partly offset by interest on investments, including Developer Contribution Plan (DCP) investments, which are under budget due to lower interest rates.
12	Employee costs	The unfavourable variance is primarily due to the impact of new positions approved during the year including Bushfire 2019 and COVID-19 and the financial effect of other staffing changes. This has been partly offset by an increase in funding from external sources, including grant and fee income and WorkCover recoveries, and underspending in several areas due to staff vacancies.
13	Materials and services	Materials and services are over budget due to funded capital works, including community capital works and priority works, being expensed due to not meeting the financial criteria to be recognised as assets. Contracts are over budget mainly due to unbudgeted funding for the COVID-19 impact on operations at Council's leisure facilities. The value of volunteer services, which was not budgeted, has been recognised, but is fully offset in non-monetary contributions income.
14	Amortisation - Right of use assets	Due to a requirement of the change in accounting standards it is disclosed separately.
15	Bad and doubtful debts	Unfavourable variance is due to a review of outstanding debtors resulting in an increase to the provision for bad and doubtful debts.
16	Borrowing costs	Interest on loans are under budget due to the 2019-20 budgeted loan not being drawn down and repayment of other loans when due.
17	Finance costs - Leases	This was budgeted in borrowing costs. As a requirement of the change in accounting standards it's disclosed separately.
18	Other expenses	Favourable variance is due to some programs being postponed due to COVID-19 restrictions including the waste education program for residents and the upgrade of Council laptops and less animals being taken to the pound.

CARDINIA SHIRE COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2020

1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	6,236	22,121	(15,885)	(255%)	1
Total land	6,236	22,121	(15,885)	(255%)	
Buildings	35,738	21,810	13,928	39%	
Building improvements	-	388	(388)	(100%)	
Leasehold improvements	-	26	(26)	(100%)	
Total buildings	35,738	22,224	13,514	38%	2
Total property	41,974	44,345	(2,371)	(6%)	
Plant and equipment					
Plant, machinery and equipment	2,115	1,253	862	41%	3
Fixtures, fittings and furniture	210	168	42	20%	4
Computers and telecommunications	610	16	594	97%	5
Intangible assets	-	124	(124)	(100%)	6
Total plant and equipment	2,935	1,561	1,374	47%	
Infrastructure					
Roads	19,178	9,488	9,690	51%	7
Bridges	702	908	(206)	(29%)	8
Footpaths and cycleways	1,764	1,685	79	4%	
Drainage	450	3,095	(2,645)	(588%)	9
Recreational, leisure and community facilities	8,089	7,533	556	7%	10
Parks, open space and streetscapes	4,332	-	4,332	100%	11
Off street car parks	616	1,002	(386)	(63%)	12
Other infrastructure	2,725	1,127	1,598	59%	13
Total infrastructure	37,856	24,838	13,018	34%	
Total capital works expenditure	82,766	70,744	12,021	15%	
Represented by:					
New asset expenditure	37,629	40,110	(2,481)	(7%)	14
Asset renewal expenditure	18,973	17,250	1,723	9%	15
Asset expansion expenditure	16,927	11,001	5,926	35%	16
Asset upgrade expenditure	9,237	2,383	6,854	74%	17
Total capital works expenditure	82,766	70,744	12,021	15%	

Budget amount includes capital budget for the year and any carried forward capital works that were deferred to 2019-20.

1.2 Capital works (Cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Although council settled the property at 10 McMullen Road and received the title in May 2020, payment of \$13.2 million is due over the next two financial years. This resulted in significant variance for 2019-20 as the asset costs were recognised in the current financial year. (Please refer note 5.3 (a)).
2	Buildings	Building projects such as Toomuc Reserve, Female Friendly facilities, Gembrook Reserve and Koo Wee Rup football/cricket pavilion upgrades have been delayed and Council is expected to carryover remaining funds into 2020-21.
3	Plant, machinery and equipment	Delivery was delayed on specialise heavy fleet that was ordered as part of the plant renewal replacement. The budget has been carried over to 2020-21 to fund the delayed purchases.
4	Fixtures, fittings and furniture	Part of the funds budgeted as a part of the Furniture renewal program were realised as savings.
5	Computers and telecommunications	Major item budgeted in this category did not meet the capitalisation criteria and has been expensed in the Income Statement. Some of the expenditure was re-classified to be capitalised under an appropriate area, such as Intangibles.
6	Intangible assets	Software purchases budgeted in computer and telecommunications.
7	Roads	Council budgeted Mcgregor Road works of \$3m for 2019-20, fully funded through external grants. This project is now being delivered by VicRoads and related funding will not be received by council. Works were delayed on the construction of Kenilworth Avenue to connector road upgrade due to a delay in authority approvals. Sealing the Hills Program will continue to be carried forward into future year due to the scope and extent of the program.
8	Bridges	Actual expenditure includes Toomuc Creek Pedestrian bridge and other bridge upgrades as per the Asset management plan.
9	Drainage	Actual expenditure includes works as part of Peet Street Special Charge Scheme that was budgeted as Roads.
10	Recreational, leisure and community facilities	Council completed major projects such as James Bathe Recreation Reserve, works in Gembrook Playground and Skate park and Deep Creek Reserve. Part of the project costs were budgeted under Parks, Open Space category.
11	Parks, open space and streetscapes	Major item budgeted in this category is Gembrook Playground and Skatepark which has been expended in other areas, including Recreational, leisure and community facilities, Footpaths and Drainage. Playground Renewals expended in Recreational, leisure and community facilities.
12	Off street car parks	Actual expenditure includes car park works at Lang Lang Recreational Facility which was budgeted under Recreational, leisure and community facilities, and Cardinia Cultural Centre which was budgeted in prior years.
13	Other infrastructure	Major item budgeted includes Koo Wee Rup High School sports facilities upgrade not yet expended, and other minor projects not capitalised due to capitalisation thresholds.
14	New asset expenditure	Acquisition of land at McMullen Rd, Officer for \$16.5m, the asset was recognised in 2019-20 in line with the transfer of title. Though the payment is over the two financial years, the project is fully funded from Officer DCP funds.
15	Asset renewal expenditure	Fleet renewal replacement program was delayed due to the delivery of specialised fleet and funds will be carried over to 2020-21.
16	Asset expansion expenditure	Some of the major projects budgeted in 2019-20 including Toomuc reserve and Koo Wee Rup pavilion will be carried over due to delay in project completion. In addition Peet Street development was classified as expansion while the actuals are in new asset expenditure category.
17	Asset upgrade expenditure	Roads Sealing Program delivery of \$3.7m to be carried over into next year as a result of delays in authority approvals.

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Chief Executive Officer

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

Infrastructure and Environment

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

Liveable Communities

The Liveable Communities Division comprises of four business units, these being Policy Design and Growth Area Planning, Community Strengthening, Community and Family Services and Active Communities.

The division 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.

Office of the Chief Executive Officer

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

Customer, People and Performance

Customer, People and Performance 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. Information Services provides the technology 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.

CARDINIA SHIRE COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2020

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
2020	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	2,545	3,575	(1,030)	2,544	-
Infrastructure & Environment	67,828	84,968	(17,140)	23,452	1,002,278
Liveable Communities	4,958	22,235	(17,277)	1,624	50,561
Office of the CEO	128,867	10,552	118,315	9,120	879,794
Customer, People & Performance	247	10,344	(10,097)	64	-
	204,445	131,674	72,771	36,804	1,932,633

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

CARDINIA SHIRE COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2020

Note 3 Funding for the delivery of our services	2020	2019
3.1 Rates and charges	\$'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 2019.

The valuation base used to calculate general rates for 2019/20 was \$26,430 million (2018/19 - \$25,134 million). The 2019/20 rate in the CIV dollar was 0.002777 (2018/19 - 0.002726).

General rates	79,743	74,602
Waste management charge	15,040	14,005
Supplementary rates and rate adjustments	613	1,493
Interest on rates and charges	433	729
Cultural and recreational	78	81
Total rates and charges	95,907	90,910

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation was first applied in the rating year commencing 1 July 2019.

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	435	446
Statutory registration fees	1,204	1,013
Court recoveries	55	38
Town planning fees	895	1,996
Land information certificates	145	132
Permits	1,330	1,682
Total statutory fees and fines	4,064	5,307

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

Aged and health services	-	2
Leisure centre and recreation	1,001	1,225
Child care/children's programs	561	298
Parking	29	98
Registration and other permits	639	658
Building services	221	270
Other fees and charges	55	63
Total user fees	2,506	2,614
User fees by timing of revenue recognition		
User fees recognised at a point in time	2,506	2,614
Total user fees	2,506	2,614

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

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	18,783	17,345
State funded grants	18,021	10,494
Total grants received	36,804	27,839

	2020	2019
	\$'000	\$'000
3.4 Funding from other levels of government (Cont'd)		
(a) Operating Grants		
 <i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	11,017	11,133
Community health	38	188
Family and children	-	2
 <i>Recurrent - State Government</i>		
School crossing supervisors	432	405
Maternal and child health	1,181	1,421
Recreation	54	128
Community safety	-	189
Best start	69	117
Community health	71	452
Disability	61	154
Emergency management	60	60
Environment and heritage	749	440
Family and children	195	339
Local infrastructure	-	140
Total recurrent operating grants	13,927	15,168
 <i>Non-recurrent - State Government</i>		
Local infrastructure	2,652	430
Total non-recurrent operating grants	2,652	430
Total operating grants	16,579	15,598
(b) Capital Grants		
 <i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grant	814	796
Roads to recovery	1,691	1,763
Total recurrent capital grants	2,505	2,559
 <i>Non-recurrent - Commonwealth Government</i>		
Local infrastructure	2,983	3,100
Recreation	2,240	363
 <i>Non-recurrent - State Government</i>		
Local infrastructure	10,202	1,384
Recreation	2,295	4,835
Total non-recurrent capital grants	17,720	9,682
Total capital grants	20,225	12,241
Total operating and capital grants	36,804	27,839
(c) Unspent grants received on condition that they be spent in a specific manner		
 <i>Operating</i>		
Balance at start of year	2,114	1,303
Received during the financial year and remained unspent at balance date	5,752	1,498
Received in prior years and spent during the financial year	(2,114)	(687)
Balance at year end	5,752	2,114
 <i>Capital</i>		
Balance at start of year	7,524	5,246
Received during the financial year and remained unspent at balance date	12,064	5,566
Received in prior years and spent during the financial year	(7,524)	(3,288)
Balance at year end	12,064	7,524
Total Unspent grants at year end	17,816	9,638

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

CARDINIA SHIRE COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
3.5 Contributions		
Monetary	18,346	16,408
Non-monetary	40,133	66,270
Total contributions	58,479	82,678

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

Land	7,596	30,466
Buildings	3,376	11
Roads	9,551	12,831
Other infrastructure	18,404	26,163
Other	8	11
Total non-monetary contributions	38,935	69,482

Monetary and non-monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

3.6 Net loss on disposal of property, infrastructure, plant and equipment

Proceeds of sale	360	1,707
Written down value of assets disposed	(1,258)	(2,943)
Total net loss on disposal of property, infrastructure, plant and equipment	(898)	(1,236)

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Net gain on asset revaluation

Roads	-	1,925
Off street car parks	782	(595)
Total net gain on asset revaluation	782	1,330

Net gain on asset revaluation recognised in profit and loss to reverse prior year losses, in line with AASB 116.

3.8 Other income

Interest	1,387	2,548
Cost recoveries	3,507	2,898
Other Rent	529	505
Net Assets impairment reversal	55	-
Other	390	615
Total other income	5,868	6,566

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.

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	36,604	33,748
WorkCover	716	387
Superannuation	3,273	2,953
Fringe benefits tax	380	353
Other	40	21
Total employee costs	41,013	37,462

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	146	132
	146	132
Employer contributions payable at reporting date.	-	-

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Notes to the Financial Report
For the Year Ended 30 June 2020

	2020	2019
	\$'000	\$'000
4.1 (b) Superannuation (Cont'd)		
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,127	2,821
	<u>3,127</u>	<u>2,821</u>
Employer contributions payable at reporting date.	165	127
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	13,811	11,297
- Parks and gardens contracts	4,750	4,666
- Library contract	2,165	1,968
- Other contracts	6,426	4,998
Building maintenance	216	350
General maintenance	4,083	3,446
Utilities	2,681	3,059
Office administration	122	132
Information technology	1,941	1,646
Insurance	942	805
Consultants	1,361	827
Materials and services	18,612	15,970
Contractors & temp staff	2,307	2,234
Volunteer services	910	-
Legal	642	934
Cost recoveries	2	46
Total materials and services	<u>60,971</u>	<u>52,378</u>
4.3 Depreciation		
Property	5,863	5,569
Plant and equipment	1,811	1,706
Infrastructure	17,006	14,716
Total depreciation	<u>24,680</u>	<u>21,991</u>
4.4 Amortisation - Intangible assets		
Software	205	216
Total Amortisation - Intangible assets	<u>205</u>	<u>216</u>
4.5 Amortisation - Right of use assets		
Property	71	-
Total Amortisation - Right of use assets	<u>71</u>	<u>-</u>

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

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	2020	2019
	\$'000	\$'000
4.6 Bad and doubtful debts		
Local law debtors	192	253
Other debtors	141	66
Total bad and doubtful debts	333	319
Movement in provisions for doubtful debts		
Balance at the beginning of the year	(138)	(448)
New provisions recognised during the year	(163)	(90)
Amounts already provided for and written off as uncollectible	2	100
Amounts provided for but recovered during the year	27	300
Balance at end of year	(272)	(138)

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.7 Borrowing costs

Interest - Borrowings	1,933	2,380
Bank charges	202	215
Total borrowing costs	2,135	2,595

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	23	-
Total finance costs	23	-

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	72	63
Auditors' remuneration - Internal	119	120
Councillors' allowances	318	313
Assets written-off / impaired	-	555
Other	836	1,814
Total other expenses	1,345	2,865

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	1	9
Cash at bank	15,247	15,284
Term deposits - Council	43,500	24,500
Term deposits - Developer contribution plans	33,000	9,500
Total cash and cash equivalents	91,748	49,293

(b) Other financial assets

Term deposits - Council	2,000	35,000
Term deposits - Developer contribution plans	10,000	27,000
Total other financial assets	12,000	62,000
Total financial assets	103,748	111,293

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5.1 Financial assets (Cont'd)	2020 \$'000	2019 \$'000
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 5.3 (b))	11,175	12,178
- Developer contribution levy (Note 9.1 (b))	52,105	46,033
Total restricted funds *	<u>63,280</u>	<u>58,211</u>
Total unrestricted cash and cash equivalents	<u>28,468</u>	<u>(8,918)</u>

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward capital works	25,025	45,860
- Unspent grants (Note 3.4 (c))	17,816	9,638
- Other allocations not subject to external restrictions	964	897
Total funds subject to intended allocations *	<u>43,805</u>	<u>56,395</u>

* It is highly unlikely that settlement of all restricted funds and intended allocations will be required within the next twelve months. In an event there is a shortfall, it would be funded by financial assets and borrowings.

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

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

(c) Trade and other receivables

Current

Rates debtors	14,284	10,432
Infringement debtors	140	101
Developer contribution plan debtors	3,495	3,804
Net GST receivable	1,739	2,272
Other debtors	4,565	4,776
Provision for doubtful debts - other debtors	(272)	(138)
Total current trade and other receivables	<u>23,951</u>	<u>21,247</u>

Non-current

Statutory receivables

Special rate scheme	4,771	5,459
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Non statutory receivables

Developer contribution plan debtors	7,796	-
Bonds	91	90

Total non-current trade and other receivables

	<u>12,658</u>	<u>5,549</u>
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Total trade and other receivables

	<u>36,609</u>	<u>26,796</u>
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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)	2,705	3,591
Past due by up to 30 days	206	144
Past due between 31 and 180 days	1,207	941
Past due between 181 and 365 days	381	53
Past due by more than 1 year	66	47
Total trade and other receivables	<u>4,565</u>	<u>4,776</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$272,291 (2019: \$137,777) were impaired. The amount of the provision raised against these debtors was \$272,291 (2019: \$137,777). 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	7	-
Past due between 31 and 180 days	19	38
Past due between 181 and 365 days	180	53
Past due by more than 1 year	66	47
Total trade & other receivables	<u>272</u>	<u>138</u>

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5.2 Non-financial assets	2020	2019
(a) Inventories	\$'000	\$'000
Inventories held for distribution	11	15
Total inventories	11	15
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	1,184	737
Accrued income	310	351
Deposits on asset purchases	1,381	2,192
Total other assets	2,875	3,280
(c) Intangible assets		
Software	377	684
Total intangible assets	377	684
Software		
\$'000		
Gross carrying amount		
Balance at 1 July 2019		2,550
Additions from internal developments		-
Other additions		44
Disposals		(406)
Balance at 30 June 2020		2,188
Accumulated amortisation and impairment		
Balance at 1 July 2019		1,899
Amortisation expense		205
Disposals		(213)
Balance at 30 June 2020		1,891
Work in progress at 30 June 2019		33
Work in progress at 30 June 2020		80
Net book value at 30 June 2019		684
Net book value at 30 June 2020		377

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.

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Notes to the Financial Report
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	2020	2019
	\$'000	\$'000
5.3 Payables		
(a) Trade and other payables		
Trade payables	6,359	15,898
Accrued expenses	6,024	6,870
Other payables - purchase of land	8,558	-
Total current trade and other payables	20,941	22,768
Non-Current		
Trade payables	11,254	8,934
Other payables - purchase of land	8,558	-
Total non-current trade and other payables	19,812	8,934
Total trade and other payables	40,753	31,702
(b) Trust funds and deposits		
Refundable deposits	10,314	11,765
Fire services levy	504	53
Retention	18	-
Sustainable Australia Fund	80	101
Other refundable deposits	259	259
Total trust funds and deposits	11,175	12,178
(c) Unearned income		
Grants received in advance - operating	1,332	-
Grants received in advance - capital	878	-
Developer levies raised in advance	5,365	-
Other	1,358	1,356
Total unearned income	8,933	1,356

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 bonds 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 - 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.

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

5.4 Interest-bearing liabilities

Current

Borrowings - secured	12,317	12,607
	12,317	12,607

Non-current

Borrowings - secured	20,242	24,557
	20,242	24,557

Total

	32,559	37,164
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Borrowings are secured by Deed of Charge over general rates.

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

Not later than one year	12,317	12,607
Later than one year and not later than five years	11,098	12,865
Later than five years	9,144	11,692
	32,559	37,164

5.4 Interest-bearing liabilities (Cont'd)

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.

	2020 \$ '000	2019 \$ '000
5.5 Provisions		
Balance at beginning of the financial year	8,351	7,807
Additional provisions	4,286	4,126
Amounts used	(3,377)	(3,366)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	295	(216)
Balance at the end of the financial year	9,555	8,351
Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	3,501	3,032
Long service leave	1,027	948
Sick leave bonus/gratuity	49	60
	4,577	4,040
Current provisions expected to be wholly settled after 12 months		
Long service leave	3,799	3,054
	3,799	3,054
Total current employee provisions	8,376	7,094
Non-current		
Long service leave	1,179	1,257
Total non-current employee provisions	1,179	1,257
Aggregate carrying amount of employee provisions:		
Current	8,376	7,094
Non-current	1,179	1,257
Total aggregate carrying amount of employee	9,555	8,351

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

Wages and salaries and annual leave

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

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

Long service leave

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

Key assumptions:

- discount rate *	0.87%	1.79%
- wage inflation rate*	4.25%	3.59%

* 2019-20 - Source: Department of Treasury and Finance (issued 1 July 2020). EBA estimates were used for the wage inflation rate in 2018-19.

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	2020	2019
	\$'000	\$'000
5.6 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June 2020.		
Bank overdraft	2,000	2,000
Credit card facilities	400	250
Lease facilities	1,978	59
Other facilities	32,556	37,164
Total facilities	<u>36,934</u>	<u>39,473</u>
Used facilities	34,554	37,239
Unused facilities	<u>2,380</u>	<u>2,234</u>

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.

2020	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	6,815	4,221	9,311	13,149	33,496
Garbage collection	9,132	8,411	10,445	14,272	42,260
Open space management	7,243	7,767	17,109	-	32,119
Consultancies	1,975	549	1,131	583	4,238
Cleaning contracts for council buildings	901	910	1,847	937	4,595
Meals for delivery	1,155	1,178	1,201	-	3,534
Casey Cardinia Library funding	2,414	-	-	-	2,414
Facilities management	429	423	874	-	1,726
Maintenance	3,407	2,882	3,610	1,653	11,552
Health	768	787	937	-	2,492
Utility	1,400	-	-	-	1,400
Other	3,259	935	1,577	141	5,912
Total	<u>38,898</u>	<u>28,063</u>	<u>48,042</u>	<u>30,734</u>	<u>145,738</u>
Capital					
Buildings	8,385	-	-	-	8,385
Roads	3,453	-	-	-	3,453
Drainage	1,603	6,005	-	-	7,608
Land	239	-	-	-	239
Total	<u>13,680</u>	<u>6,005</u>	<u>-</u>	<u>-</u>	<u>19,685</u>

5.7 Commitments (Cont'd)

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

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

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

5.8 Leases

Policy applicable before 1 July 2019

As a lessee, Council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

5.8 Leases (Cont'd)**Policy applicable after 1 July 2019**

Council has applied *AASB 16 Leases* using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to *AASB 16 Leases*, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied *AASB 16 Leases* only to contracts that were previously identified as leases.

At inception of a contract, all entities would assess 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;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer 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
- 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.

Council has elected to apply the temporary option available under *AASB 16 Leases* which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-Use Assets	Property	Vehicles	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2019	59	-	59
Additions	22	1,957	1,979
Amortisation charge	(17)	(54)	(71)
Balance at 30 June 2020	64	1,903	1,967

Lease Liabilities	2020
	\$'000
Maturity analysis - contractual undiscounted cash	213
Less than one year	825
One to five years	1,306
More than five years	2,344
Total undiscounted lease liabilities as at 30 June:	2,344
Lease liabilities included in the Balance Sheet at 30 June:	
Current	154
Non-current	1,824
Total lease liabilities	1,978

5.8 Leases (Cont'd)

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.

	2020
	\$'000
Expenses relating to:	
Short-term leases	116
Leases of low value assets	189
Total	305
Variable lease payments (not included in measurement of lease liabilities)	-

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	286
Later than one year but not later than five years	434
Total lease commitments	720

i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying AASB 16 Leases to leases previously classified as operating leases under AASB 117 Leases .

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117 Leases , the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 Leases immediately

Council is not required to make any adjustments on transition to AASB 16 Leases for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with AASB 16 Leases from the date of initial application.

Impact on financial statements

On transition to AASB 16 Leases , Council recognised an additional \$59k of right-of-use assets and \$59k of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 2.99%.

	2019
	\$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	600
Discounted using the incremental borrowing rate at 1 July 2019	(19)
Finance lease liability recognised as at 30 June 2019	581
- Recognition exemption for:	
short-term leases	(3)
leases of low-value assets	(75)
- Lease liability for non-council assets	(503)
- GST excluded on finance lease recognised	(9)
- Operating lease identified 30 June 2019 not disclosed in Council's financial statements	68
	(522)
- Lease liabilities recognised as at 1 July 2019	59

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Note 6 Assets we manage	2020	2019
6.1 Non current assets classified as held for sale	\$'000	\$'000
Held at carrying value	3,019	2,768
Total non current assets classified as held for sale	3,019	2,768

Non-current assets classified as held for sale 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.

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6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019 \$'000	Additions \$'000	Contributions \$'000	Prior year adjustments \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Impairment \$'001	Write-off \$'000	Transfers to held for sale \$'000	Transfers \$'000	At Fair Value 30 June 2020 \$'000
Property	918,949	36,105	10,950	(300)	23,366	(5,863)	(283)	(162)	-	(501)	25,893	1,008,154
Plant and equipment	8,057	1,437	8	-	-	(1,811)	(178)	-	-	-	172	7,685
Infrastructure	681,783	8,450	24,705	3,151	14,673	(17,006)	(604)	467	-	-	18,636	734,255
Work in progress	50,595	24,628	3,273	-	-	-	-	-	(1,228)	-	(44,701)	32,567
	1,659,384	70,620	38,936	2,851	38,039	(24,680)	(1,065)	305	(1,228)	(501)	-	1,782,661

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Contributions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	27,687	8,240	21	(381)	(26,002)	9,565
Plant and equipment	148	-	-	-	(148)	-
Infrastructure	22,760	16,388	3,252	(847)	(18,551)	23,002
Total	50,595	24,628	3,273	(1,228)	(44,701)	32,567

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Notes to the Financial Report
For the Year Ended 30 June 2020

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

(a) Property

	Land - specialised	Land - non specialised	Total Land and 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
At fair value 1 July 2019	403,533	333,107	736,640	7,275	238,826	15,693	25,516	3,491	290,801	27,687	1,055,128
Accumulated depreciation at 1 July 2019	-	-	-	(5,728)	(88,975)	(7,538)	(6,176)	(75)	(108,492)	-	(108,492)
	403,533	333,107	736,640	1,547	149,851	8,155	19,340	3,416	182,309	27,687	946,636
Movements in fair value											
Additions	22,081	-	22,081	-	13,341	269	388	26	14,024	8,240	44,345
Prior year adjustments	(300)	-	(300)	-	-	-	-	-	-	-	(300)
Contributions	7,537	38	7,575	-	42	3,280	53	-	3,375	21	10,971
Revaluation	17,963	(1,950)	16,013	244	7,917	1,321	1,103	416	11,001	-	27,014
Disposal	-	-	-	-	(2,281)	(158)	-	-	(2,439)	-	(2,439)
Write-off	-	-	-	-	-	-	-	-	-	(381)	(381)
Transfers to assets held for sale	(22)	(479)	(501)	-	-	-	-	-	-	-	(501)
Transfers	(758)	758	-	-	25,702	69	122	-	25,893	(26,002)	(109)
Impairment losses recognised in operating result	-	(162)	(162)	-	-	-	-	-	-	-	(162)
	46,501	(1,795)	44,706	244	44,721	4,781	1,666	442	51,854	(18,122)	78,438
Movements in accumulated depreciation											
Depreciation and amortisation	-	-	-	(80)	(4,078)	(336)	(1,320)	(49)	(5,863)	-	(5,863)
Revaluation	-	-	-	(5)	(3,424)	(619)	356	44	(3,648)	-	(3,648)
Accumulated depreciation of disposals	-	-	-	-	1,998	158	-	-	2,156	-	2,156
	-	-	-	(85)	(5,504)	(797)	(964)	(5)	(7,355)	-	(7,355)
At fair value 30 June 2020	450,034	331,312	781,346	7,519	283,547	20,474	27,182	3,933	342,655	9,565	1,133,566
Accumulated depreciation at 30 June 2020	-	-	-	(5,813)	(94,479)	(8,335)	(7,140)	(80)	(115,847)	-	(115,847)
	450,034	331,312	781,346	1,706	189,068	12,139	20,042	3,853	226,808	9,565	1,017,719

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

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	12,702	2,744	1,969	148	17,563
Accumulated depreciation at 1 July 2019	(6,491)	(1,784)	(1,083)	-	(9,358)
	6,211	960	886	148	8,205
Movements in fair value					
Additions	1,253	168	16	-	1,437
Contributions	8	-	-	-	8
Disposal	(1,154)	(10)	-	-	(1,164)
Transfers	149	24	(1)	(148)	24
	256	182	15	(148)	305
Movements in accumulated depreciation					
Depreciation and amortisation	(1,458)	(137)	(216)	-	(1,811)
Accumulated depreciation of disposals	980	6	-	-	986
	(478)	(131)	(216)	-	(825)
At fair value 30 June 2020	12,958	2,926	1,984	-	17,868
Accumulated depreciation at 30 June 2020	(6,969)	(1,915)	(1,299)	-	(10,183)
	5,989	1,011	685	-	7,685

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	377,639	87,344	98,161	260,214	55,400	12,318	1,585	22,760	915,421
Accumulated depreciation at 1 July 2019	(100,294)	(29,423)	(19,401)	(37,940)	(20,579)	(2,885)	(356)	-	(210,878)
	277,345	57,921	78,760	222,274	34,821	9,433	1,229	22,760	704,543
Movements in fair value									
Additions	3,385	237	745	1,473	1,731	799	80	16,388	24,838
Prior year adjustment	-	4,246	-	-	-	-	-	-	4,246
Contributions	9,551	718	3,330	9,624	1,482	-	-	3,252	27,957
Revaluation	18,426	-	2,824	-	-	994	-	-	22,244
Disposal	(193)	(199)	(174)	(108)	(805)	(19)	-	-	(1,498)
Write-off	-	-	-	-	-	-	-	(847)	(847)
Transfers	4,982	1,286	1,312	4,287	6,204	524	41	(18,551)	85
Impairment losses recognised in operating result	365	-	-	79	23	-	-	-	467
	36,516	6,288	8,037	15,355	8,635	2,298	121	242	77,492
Movements in accumulated depreciation									
Depreciation and amortisation	(8,915)	(1,077)	(1,994)	(2,933)	(1,773)	(260)	(54)	-	(17,006)
Prior year adjustment	(6)	(778)	(283)	(16)	-	(12)	-	-	(1,095)
Revaluation	(6,826)	-	(533)	-	-	(212)	-	-	(7,571)
Accumulated depreciation of disposals	83	113	51	20	616	11	-	-	894
Transfers	35	(185)	185	-	(35)	-	-	-	-
	(15,629)	(1,927)	(2,574)	(2,929)	(1,192)	(473)	(54)	-	(24,778)
At fair value 30 June 2020	414,155	93,632	106,198	275,569	64,035	14,616	1,706	23,002	992,913
Accumulated depreciation at 30 June 2020	(115,923)	(31,350)	(21,975)	(40,869)	(21,771)	(3,358)	(410)	-	(235,656)
	298,232	62,282	84,223	234,700	42,264	11,258	1,296	23,002	757,257

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

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

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

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

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed 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 30 year period.

6.2 Property, infrastructure, plant and equipment (Cont'd)**Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified independent valuer Bianca Schewtschenko-Bywater AAPI, Certified Practising Valuer 77946 from Westlink Consulting. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land - specialised	-	-	450,034	Dec 2019
Land - non specialised	-	331,312	-	Dec 2019
Heritage buildings	-	-	1,706	Dec 2019
Buildings - non specialised	-	-	12,139	Dec 2019
Buildings - specialised	-	-	189,068	Dec 2019
Building improvements	-	-	20,042	Dec 2019
Leasehold improvements	-	-	3,853	Dec 2019
Total	-	331,312	676,842	

Valuation of infrastructure

Valuation of infrastructure assets has been performed by the Council's asset management coordinator who has approximately twenty years experience in local government asset management, including undertaking condition assessments, managing asset systems, and undertaking valuations/revaluations of non-current assets.

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

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	298,232	April 2020
Bridges	-	-	62,282	April 2019
Footpaths and cycleways	-	-	84,223	April 2020
Drainage	-	-	234,700	April 2019
Recreational, leisure and community facilities	-	-	42,264	April 2019
Off street car parks	-	-	11,258	April 2020
Total	-	-	732,959	

Impact of COVID 19 on property, infrastructure, plant and equipment valuations

The impacts of COVID-19 increases uncertainties and might have a potential impact on current values which cannot be quantified at this point in time.

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 \$10,800 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$536 to \$5,773 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2020	2019
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	204,344	185,581
Parks and reserves	245,690	217,952
Total specialised land	450,034	403,533

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	2020 \$'000	2019 \$'000
6.3 Investments in associates, joint arrangements and subsidiaries		
(a) Investments in associates		
Casey Cardinia Library Corporation	1,366	1,331
	<u>1,366</u>	<u>1,331</u>
Casey Cardinia Library Corporation		
<i>Background</i>		
Library service run by City of Casey and Cardinia Shire Council. Cardinia Shire has equity in the library. The equity for 2019/20 (based on the unaudited library statements) is 25.88% (2018/19 - 25.276%).	1,366	1,331
Fair value of Council's investment in Casey Cardinia Library Corporation	<u>1,366</u>	<u>1,331</u>
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	794	997
Reported surplus(deficit) for year	51	(132)
Distributions for the year	(16)	(71)
Council's share of accumulated surplus at end of year	<u>829</u>	<u>794</u>
Council's share of reserves		
Council's share of reserves at start of year	537	537
Council's share of reserves at end of year	<u>537</u>	<u>537</u>
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,331	1,534
Share of surplus(deficit) for year	51	(132)
Distributions received	(16)	(71)
Carrying value of investment at end of year	<u>1,366</u>	<u>1,331</u>
Council's share of expenditure commitments		
Operating commitments	49	75
Council's share of expenditure commitments	<u>49</u>	<u>75</u>

Significant restrictions

The Casey Cardinia Library Corporation (CCLC) operated under a Regional Library Agreement that has been prepared in accordance with s.196 of the *Local Government Act 1989*, approved by the Minister for Local Government, and executed by the Casey and Cardinia Councils. The CCLC exists as an independent Local Government entity, subject to most of the same requirements of a Council under the *Local Government Act 1989*. The CCLC is governed by a Board of Councillors and Officers from the member councils, and is managed by a board appointed Chief Executive Officer.

The Regional Library Agreement does not allow for the payment of dividends to the Member Councils, and only considers the transfers of assets (and liabilities) in the case of the dissolution of the agreement or the exit of one of the parties.

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

Committees of management

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

Note 7 People and relationships**7.1 Council and key management remuneration****(a) Related Parties***Parent entity*

Cardinia Shire Council

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Cr Jeff Springfield	(Mayor from 11 November 2019)
Cr Graeme Moore	(Deputy Mayor from 11 November 2019, Mayor until 10 November 2019)
Cr Ray Brown	
Cr Brett Owen	
Cr Leticia Wilmot	
Cr Carol Ryan	
Cr Collin Ross	
Cr Jodie Owen	
Cr Michael Schilling	

Chief Executive Officer and General Managers

Carol Jeffs	(Chief Executive Officer)
Tom McQualter	(Executive Manager - Office of the CEO)
Jenny Scicluna	(General Manager - Customer, People and Performance)
Peter Benazic	(General Manager - Infrastructure and Environment)
Tracey Parker	(General Manager - Liveable Communities)

	2020	2019
	No.	No.
Total Number of Councillors	9	9
Total of Chief Executive Officer and other Key Management Personnel	5	16
Total Number of Key Management Personnel	14	25

(c) Remuneration of Key Management Personnel

	2020	2019
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,640	1,785
Long-term benefits	31	36
Post employment benefits	116	133
Termination benefits	-	251
Total	1,787	2,205

The numbers of key management personnel whose total remuneration from Council and any related

	2020	2019
	No.	No.
\$10,000 - \$19,999	-	4
\$20,000 - \$29,999	7	8
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	1	2
\$80,000 - \$89,999	-	1
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	-	1
\$170,000 - \$179,999	-	1
\$210,000 - \$219,999	1	-
\$230,000 - \$239,999	-	1
\$260,000 - \$269,999	-	2
\$270,000 - \$279,999	2	-
\$320,000 - \$329,999	1	-
\$370,000 - \$379,999	1	1
	14	25

Note 7 People and relationships (Cont'd)

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
b) whose total annual remuneration exceeds \$151,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	2020 No.	2019 No.
< \$151,000	-	7
\$151,000 - \$159,999	2	16
\$160,000 - \$169,999	11	7
\$170,000 - \$179,999	3	-
\$180,000 - \$189,999	5	-
\$190,000 - \$199,999	6	-
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999*	1	1
	<u>30</u>	<u>31</u>

	2020 \$'000	2019 \$'000
Total Remuneration for the reporting year for Senior	5,389	4,831

* During 2018-19, Senior Officer Remuneration includes one-off redundancy payments to one senior officer in range \$148,000 - \$149,999 and one senior officer in range \$220,000 - \$229,999.

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	2,165	1,968
Provision of a Mobile Library bus to the Casey Cardinia Library Corporation	35	34
	<u>2,200</u>	<u>2,002</u>

(b) Commitments to/from related parties

Council aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to Casey Cardinia Library Corporation (Note 5.7)

	2,414	6,692
	<u>2,414</u>	<u>6,692</u>

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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

Operating lease receivables

The Council has entered into commercial property leases on its 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:

	2020	2019
	\$'000	\$'000
Not later than one year	524	573
Later than one year and not later than five years	1,065	1,327
Later than five years	2,596	3,089
	<u>4,185</u>	<u>4,989</u>

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Cardinia Shire Council has not paid unfunded liability payments to Vision Super during the 2019/20. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. 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 is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare 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.

CARDINIA SHIRE COUNCIL
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Note 8 Managing uncertainties (Cont'd)

8.2 Impact of COVID 19 pandemic on Cardinia Shire Council's operations and 2019-20 financial report:

On 30 January 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted Cardinia Shire Council's operations in the following areas for the financial year ended 30 June 2020:

- The financial impact from deferral of rates revenue/ interest free period is \$197k. This has also resulted in the debtor balance as at 30 June 2020 to increase by \$3.88 million compared to last year. The of rates revenue/ interest free period has been extended to March 2021 and will have an impact on interest income in 2020/21. the amounts are not quantified.
- In response to the restrictions during the COVID-19 lockdown, Council leisure facilities were closed, which are run by an external provider. These closures resulted in loss of income for the service provider, which resulted in council to pay an amount of \$552k to our contractor as a part of organisation's minimum guaranteed income. Council will have to make further minimum payments due to the continued closure of facilities which can not be quantified at this point in time.
- Restrictions affected the loss of income due to the closure of several council facilities. The loss of hire income from these facilities, which include the Cardinia Culture Centre, Emerald lake facilities hire and associated parking income is estimated to be \$80k.
- As a part of business relief package, council offered a 3-month rebate (25%) on fees for Health registrations and street trading permits, which has costed \$10k so far for 2019/20 with applications continuing post 30 June.
- Eligible commercial tenants were provided with rental deferrals from April to June, with some business being provided with rental waivers that costed the organisation \$30k.
- As a part of commitment to its workforce Council offered staff upto 10 days of COVID leave, which costed the organisation \$125k in 2019/20.
- As a part of business support during COVID-19, Council is making payments on a weekly basis and ensuring there are no delays in the payment process to suppliers and contractors. This is partly visible with council payables for 2019/20 being \$1.83 million lower than prior financial year.
- Council is expecting approximately \$3 million from the *Working for Victoria scheme* announced by the Victorian Government. The final submission hasn't been lodged yet. However this would be spent by providing approximately 61 jobs.
- Council is offering rate rebates of \$50 per property for eligible Health Care Card holders in 2020-21 post balance date, the total amount which is unknown at this time. The interest free period is expected to continue for 2020-21 at a cost of \$195k for the first quarter.
- Community grants of \$5k each has been announced and the estimated cost to the council is approximately \$72k.
- Reduction in local laws, animal control and enforcement related statutory fees and fines is estimated to be \$70k.
- Increases in various materials and services expenditure is estimated to be \$117k.
- Reduction in development and planning related statutory fees and fines of approximately \$500k.
- A dedicated team has been established from various departments in the council as a part of Business Continuity Planning. This has resulted in additional staff costs due to acting arrangements. Council has identified this as a priority to ensure fulfilment of regulation and requirements.
- If the current situation continues to prevail Council may incur further costs which cannot be estimated or quantified at this point in time.

8.3 Change in accounting standards (AAS's)

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

Note 8.3 Change in accounting standards (Cont'd)

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

8.4 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's 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. 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 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council may require collateral where appropriate; and
 - council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.
- Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

8.4 Financial instruments (Cont'd)**(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 an investment 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

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 +0.75% and -0.75% in market interest rates (AUD) from year-end rates of 0.5% and 1.92%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.5 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, Land and Building and major Infrastructure assets, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 4 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

8.5 Fair value measurement (Cont'd)*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.

8.6 Events occurring after balance date

State of Emergency was declared on 16 March 2020 and has been extended until 13 September 2020 with a possibility of further extension. Victoria's State of Disaster was declared on 2 August 2020. Impact of these restriction post balance sheet date are disclosed in note 8.2 above. The overall impact can not be estimated due to uncertainty and ongoing nature of COVID 19.

No other matters have occurred after balance date that require disclosure in the financial report.

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2020			
Property			
Land and land improvements	393,535	16,014	409,549
Buildings	78,140	7,353	85,493
	<u>471,675</u>	<u>23,367</u>	<u>495,042</u>
Infrastructure			
Roads	14,891	11,600	26,491
Bridges	28,982	-	28,982
Drainage	97,672	(1)	97,671
Footpaths and cycleways	18,218	2,291	20,509
Recreational, leisure and community facilities	3,687	-	3,687
	<u>163,450</u>	<u>13,890</u>	<u>177,340</u>
Total asset revaluation reserves	635,125	37,257	672,382
2019			
Property			
Land and land improvements	350,978	42,557	393,535
Buildings	70,851	7,289	78,140
	<u>421,829</u>	<u>49,846</u>	<u>471,675</u>
Infrastructure			
Roads	-	14,891	14,891
Bridges	25,269	3,713	28,982
Drainage	87,545	10,127	97,672
Footpaths and cycleways	17,731	487	18,218
Recreational, leisure and community facilities	-	3,687	3,687
	<u>130,545</u>	<u>32,905</u>	<u>163,450</u>
Total asset revaluation reserves	552,374	82,751	635,125

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

CARDINIA SHIRE COUNCIL
2019/20 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

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	Ref
(b) Other reserves					
2020					
Developer contribution levy	46,033	14,027	(7,955)	52,105	1
Community Facilities levy	3,061	110	-	3,171	2
Public Open Space levy	9,849	2,960	(500)	12,309	3
Native vegetation	648	17	(68)	597	4
Decorative Light Poles	864	18	(94)	788	5
Landscapes	261	94	(103)	252	6
Replacement Planting Scheme	-	4	-	4	
Total Other reserves	60,716	17,230	(8,720)	69,226	
2019					
Developer contribution levy	46,833	11,462	(12,262)	46,033	
Community Facilities levy	3,214	1,538	(1,691)	3,061	
Public Open Space levy	7,370	3,350	(871)	9,849	
Native vegetation	719	26	(97)	648	
Decorative Light Poles	817	188	(141)	864	
Landscapes	317	128	(184)	261	
Total Other reserves	59,270	16,692	(15,246)	60,716	

Ref	Item	Description
1	Developer 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 accounts.
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 in a separate bank account.
3	Public Open Space levy	It is a requirement under the Planning Scheme and Precinct Structure Plans (PSP's) that a minimum percentage of the developed land be provided for public open space. If the minimum amount is unable to be provided, a cash contribution is required. For Officer DCP area, the contributions are to be used to compensate developers who provide more than the minimum 5.5%. For Cardinia Rd DCP area, the contributions are to be used to offset the provision of land for open space on a parcel of land being subdivided where the amount of open space to be provided exceeds the 8% public open space contribution
4	Native vegetation	Developers have a statutory responsibility under the planning scheme to provide revegetation to offset the vegetation removed as part of the development. Those who are unable to provide the revegetation required under the planning scheme are required to pay a cash contribution to council. These contributions are then used to do revegetation in other areas on council land.
5	Decorative Light Poles	Existing subdivisions where decorative light poles are already installed, are to be offered the option to install the same decorative light poles in future stages. Income raised from the pole fee is to be maintained in a Reserve fund and used to offset future costs of replacing decorative poles and retrofitting energy efficient lamps on existing decorative poles.
6	Landscape	Developers are required to provide landscaping in new estates which is inspected upon completion and a Practical Completion certificate issued. A landscape maintenance bond is then required to be paid to ensure they are accountable for the maintenance of this landscaping for a two year period. After this time, if rectification works are required and not completed by the developer, council retains funds from their landscape bond to cover the future cost of these works.

	2020 \$'000	2019 \$'000
(c) Adjustments directly to equity		
Correction of prior year error in Property, infrastructure, plant and equipment *	2,851	460
Total adjustments directly to equity	2,851	460

* A detailed breakdown is provided in note 6.2

CARDINIA SHIRE COUNCIL
2019/20 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

		2020	2019
	Note	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)			
Surplus for the year		72,771	97,979
Depreciation/amortisation		24,956	22,207
Proceeds from sale of assets - investing activity, not operating activity	3.6	(360)	(1,707)
Written down book value (WDBV) of assets sold - non-cash	3.6	1,258	2,943
Opening work in progress write off	6.2	1,228	-
Contributions - non-monetary	3.5	(40,133)	(66,270)
Volunteer services	4.2	910	
Interest costs - financing, not operating activity		2,158	2,595
Share of net (gain)/loss of associates - non-cash		(35)	203
Impairment (gain)/loss - non-cash	3.8	(55)	555
Net asset revaluation (increment)/decrement	3.7	(782)	(1,330)
<i>Change in assets and liabilities:</i>			
(Increase)/decrease in trade and other receivables		(9,934)	2,177
(Increase)/decrease in prepayments		(447)	(1,581)
(Increase)/decrease in accrued income		41	74
Increase/(decrease) in trade and other payables		9,051	12,611
Increase/(decrease) in other liabilities		(1,003)	1,119
(Increase)/decrease in inventories		4	11
Increase/(decrease) in provisions		1,204	543
Increase/(decrease) in income in advance		2,212	44
Net cash provided by operating activities		63,044	72,173

9.3 Superannuation

Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories, 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 2020, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

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.

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 review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Cardinia Shire Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2017 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 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial 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.

9.3 Superannuation (Cont'd)**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 2019 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 2019 and a full actuarial investigation was conducted as at 30 June 2017.

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

	2019	2017
	\$m	\$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

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 2019.

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 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.5% pa for the first two years and 2.75% pa thereafter	3.5% pa 3.5% pa
Price inflation	2.0% pa	2.5% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$,000	2019 \$,000
Vision super	Defined benefit	9.50%	146	132
Vision super	Accumulation fund	9.50%	3,127	2,821

Cardinia Shire Council has no unfunded liability payments to Vision Super during both 2019/20 and 2018/19 year.

10 Change in accounting policy

Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted AASB 15 Revenue from Contracts with Customers using the modified (cumulative catch up) method. Revenue for 2019 as reported under AASB 118 Revenue is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

During the year, \$2.2 million in grants have been recognised in the balance sheet as income in advance as Council has not met the performance obligations under the contract by 30 June 2020.

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted AASB 1058 Income of Not-for-Profit Entities using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

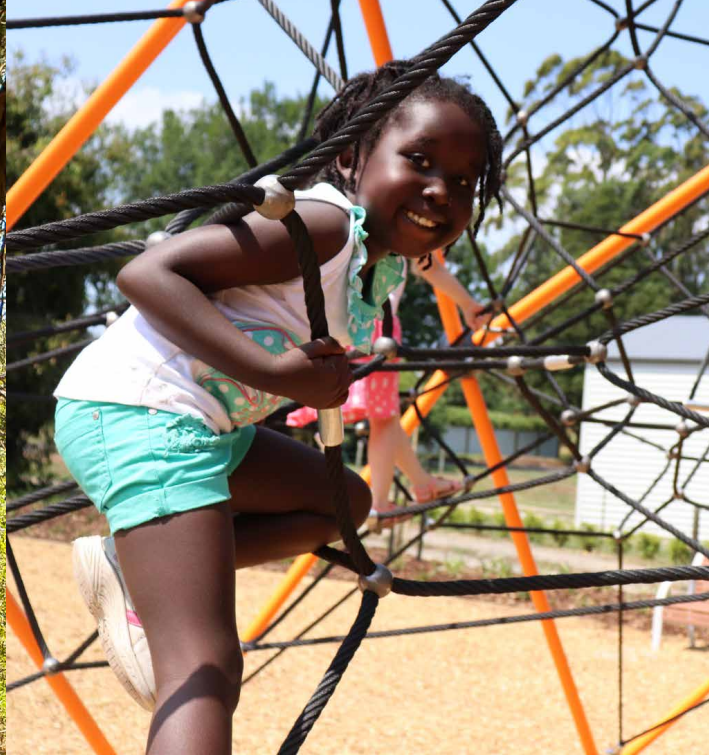
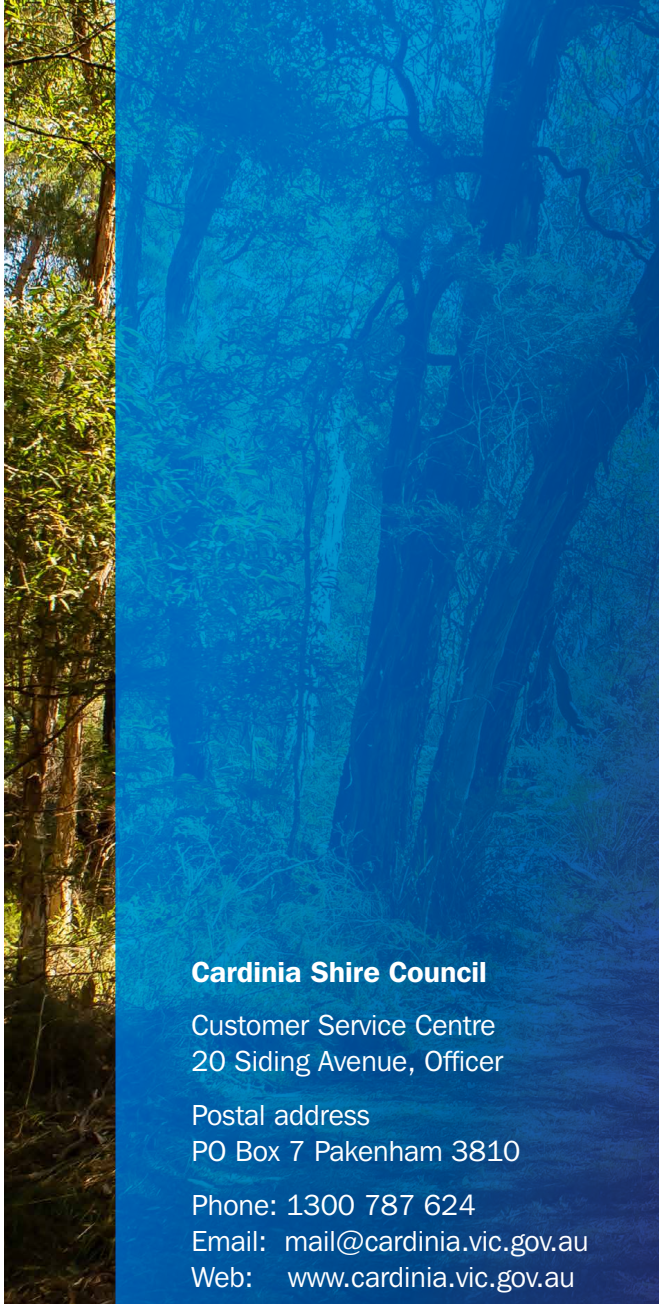
Non-monetary contributions include volunteer service income of \$910k which has been offset by volunteer service expenditure included in materials and services.

d) Transition impacts

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

	As reported 30 June 2019	Adjustments	Post adoption
	\$'000	\$'000	\$'000
Assets			
Right of use assets	-	59	59
	-	59	59
Liabilities			
Lease liability - current	-	(7)	(7)
Lease liability - non-current	-	(52)	(52)
	-	(59)	(59)



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