

6.2 General Reports

6.2.1 Annual Report 2021/22

Responsible GM: Jenny Scicluna
Author: Scott Moore

Recommendation(s)

That Council:

1. Endorses the Annual Report 2021/22.
2. Notes that the Annual Report 2021/22 fairly represents Council's operations, financial position and Council's performance for the 2021/22 financial year.
3. Notes that the Annual Report 2021/22 meets the requirements of the *Local Government Act 2020*.

Attachments

1. 2021-22 Annual Report [6.2.1.1 - 161 pages]

Executive Summary

Council has prepared an Annual Report for the financial year 1 July 2021 to 30 June 2022 to meet its obligations under Section 98 of the *Local Government Act 2020*.

The Annual Report 2021/22 is the first progress report against our Council Plan 2021-25. It comprises three sections: Report of operations; Performance statement; and Financial statements.

On 26 September 2022, Council approved in principle the Financial and Performance statements. These statements were also considered by Council's Audit and Risk Committee at a meeting on 26 August 2022.

As required by the *Act*, Council must hold an open meeting to consider the report by 31 October.

Background

Under Section 98 of the *Local Government Act 2020* (the *Act*) and *Local Government Planning and Reporting Regulations 2020*, 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 26 September 2022, Council approved in principle the Financial and Performance statements for the year ended 30 June 2022 (s99). These statements were also considered by Council's Audit Committee at a meeting on 26 August 2022.
- Section 100 of the *Act* also requires Council to hold an open meeting to consider the report by 31 October.

Policy Implications

Nil.

Relevance to Council Plan

5.1 We practise responsible leadership

5.1.1 Build trust through meaningful community engagement and transparent decision-making.

5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.

Climate Emergency Consideration

Nil.

Consultation/Communication

Senior management has 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.

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 2021-25.

All legislative requirements have been met, with the financial statements prepared as required by the *Act*, the *Local Government (Planning and Reporting) Regulations 2020*, 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 27 August 2022 and Council on 26 September 2022. The Victorian Auditor General's Office undertook an independent audit of the financial and performance statements for the financial year 2021/22.

The Annual Report 2021/22 presents fairly, in all material respects, the financial position of Council as at 30 June 2022 and its financial performance, cashflows and operations for the financial year 2021/22.

The preparation of Council's Annual Report 2021/22 meets all requirements of the *Act*.

Conclusion

The Shire of Cardinia's Annual Report for the 2021/22 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 2021/22 financial year.

Preparation of Council's Annual Report 2021/22 meets all requirements of the *Act*.



Cardinia Shire Council

Annual Report 2021-22



Cardinia

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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Performance statement

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Financial statements

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Statement of capital works
Certification of financial statements
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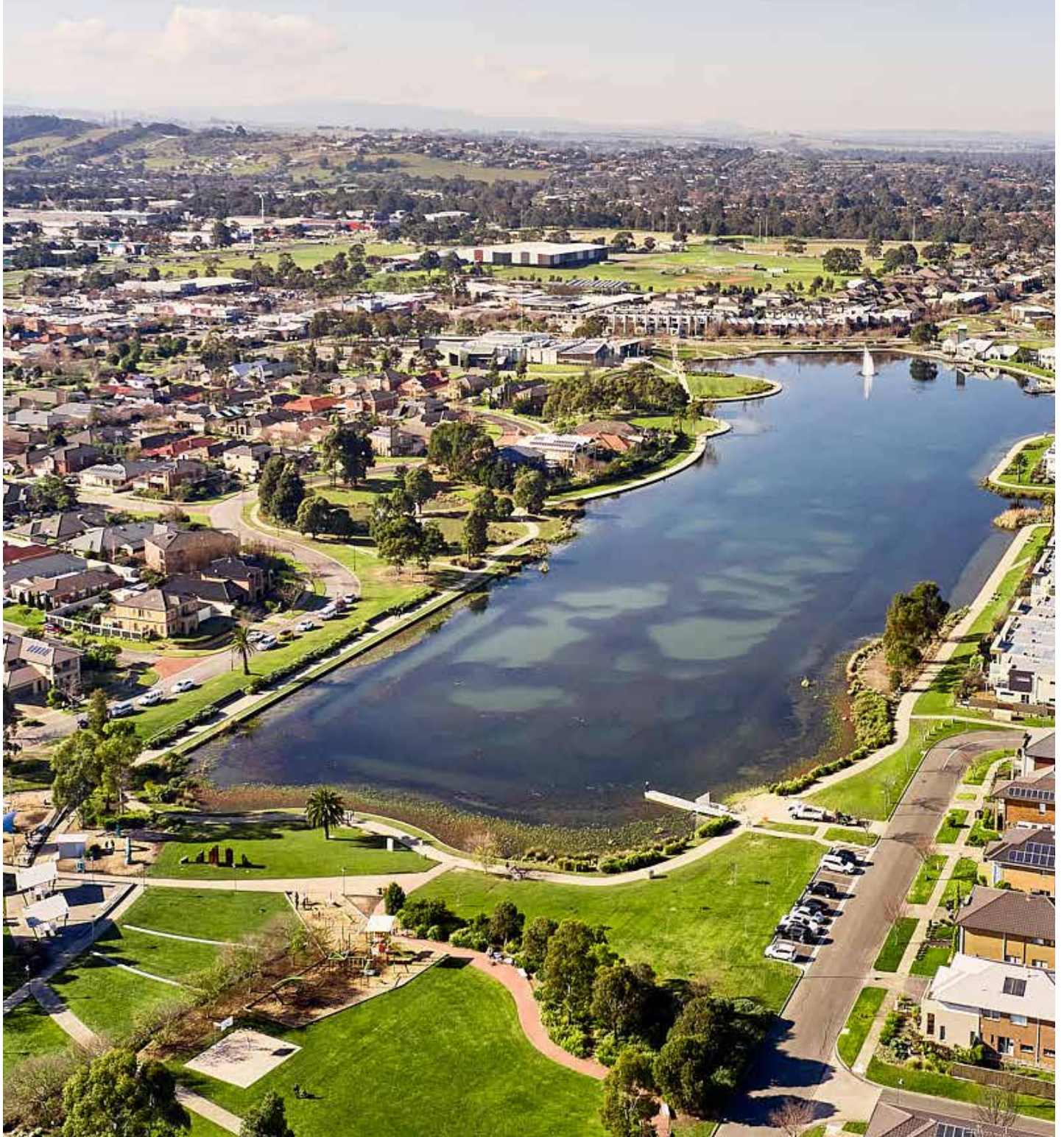
Acknowledgement of Country

Cardinia Shire Council recognises and values the Boonwurrung, Bunurong and Wurundjeri tribes as the original inhabitants of the land that makes up Cardinia Shire. Cardinia Shire's name is derived from the Boonwurrung or Wadawurrung word 'Kard-in-yarr', meaning 'look to the rising sun' or 'close to the sunrise'. Council's logo, which includes a motif of the rising sun, reflects this meaning. Cardinia Shire Council acknowledges the right of Aboriginal, and indeed all Australians, to live according to their values and customs, subject to the law. Council is committed to developing and strengthening relationships through reconciliation. Council supports the reconciliation process, which promotes mutual respect and understanding of the Aboriginal peoples and of all ethnic groups and their history and culture in our community.

*There are a number of acknowledged spellings for Boonwurrung and these include Bunurong, Bunwurrung, Boonwerung, Bunurwung, Boonoorong and Bururong. Cardinia Shire Council uses the spelling proposed by N'arweet Carolyn Briggs.



Introduction



Welcome to our Report of Operations 2021–22

Section 1 Introduction

Cardinia Shire Council is committed to transparent reporting and accountability.

Our Report of Operations component of our *Annual Report 2021–22* highlights our key achievements and informs our community of our operations and performance throughout the financial year.

We're proud to present our complete *Annual Report 2021–22* to our community as a record of our operating and financial activities over the past year.

Council snapshot

What we do

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

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

Council delivers a broad range of activities and initiatives, each of which contributes to achieving Council's vision as set out in our Council Plan. The plan identifies 5 strategic objective areas: strong communities, liveable places, thriving environments, prosperous economies and responsible leaders. The outcomes for 2021–22 in each of these areas is reported in the 'Our performance' section of this annual report on page 61.

Council Plan key challenges

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

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

Our vision

Council’s vision for the next 4 years is that the unique identity of our urban, hills and rural areas is strengthened, and we will endeavour to meet the challenges we face together as a community. We will also ensure that how we respond balances the needs of our people, businesses, our productive land and natural environments.

Our commitment

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

Feedback

Council offers this annual report to the community as an open record of our activities and achievements in 2021-22. We welcome feedback to support us in effectively reporting to our community in future years. To provide feedback, please contact our customer support team on 1300 787 624 or mail@cardinia.vic.gov.au

Council plan key objectives

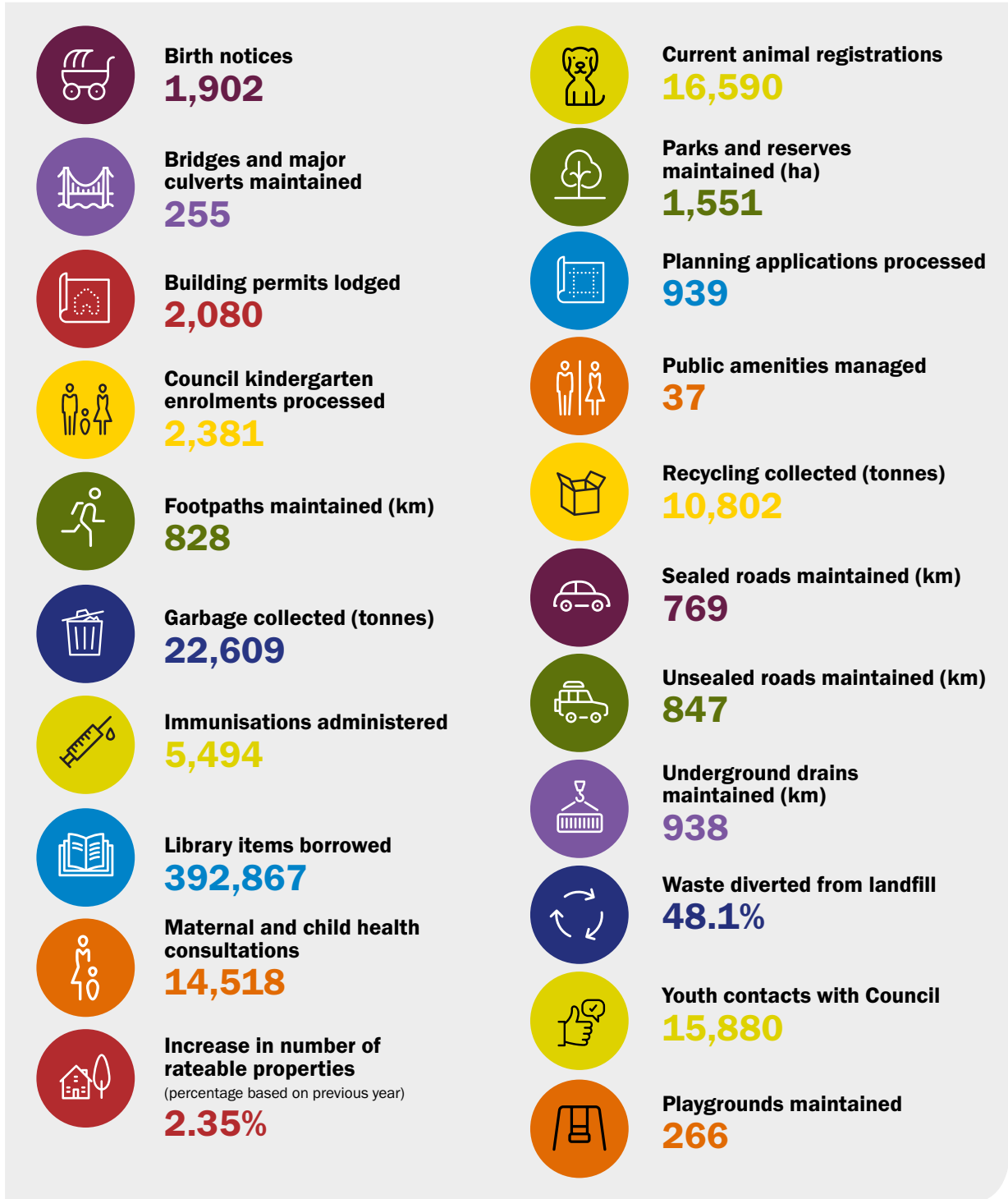
Council has 5 key strategic objectives.

<p>Strong communities</p> 	<p>We empower our communities to be healthy, connected and resilient</p>
<p>Liveable places</p> 	<p>We support the creation of liveable spaces and places</p>
<p>Thriving environments</p> 	<p>We value our natural assets and support our biodiversity to thrive</p>
<p>Prosperous economies</p> 	<p>We support our productive land and employment land to grow local industries</p>
<p>Responsible leaders</p> 	<p>We practice responsible leadership</p>



Fast facts 2021–22

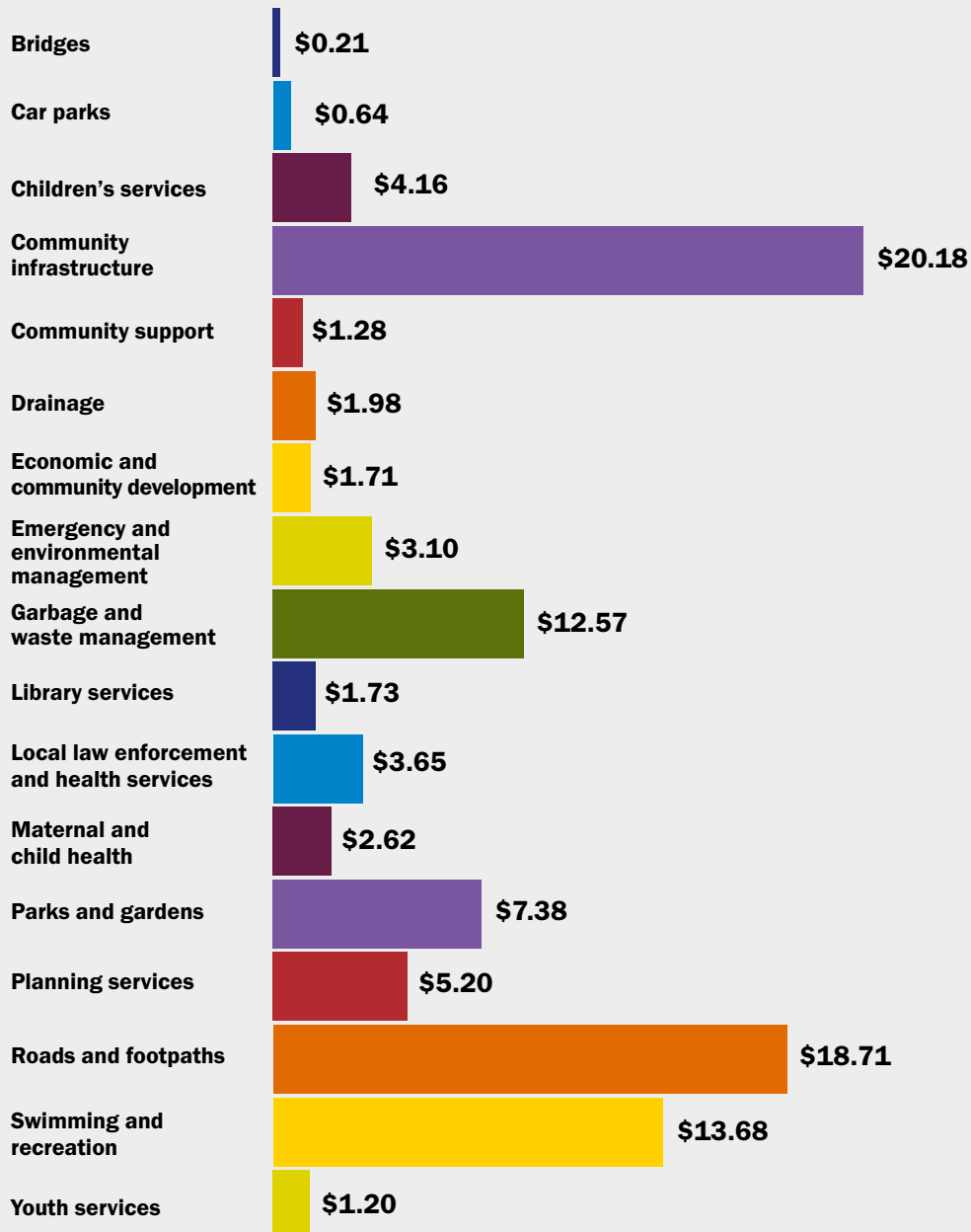
Section 1 **Introduction**



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 2021-22.



Highlights of the year

Section 1 Introduction

Strategic objective: Strong communities

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



Achievements:

- We continued to provide programs, services and facilities to enhance the health and wellbeing of children and youth in the shire. Planning was completed and construction has now begun on the new youth centre, 'Cardinia Youth Hub', in Pakenham. We continued to manage registrations for community kindergartens and our Maternal and Child Health Services team supported families.
- Council adopted the Gender Equality Leadership Commitment Statement, taking a strong stance towards promoting gender equality within our community and council. The statement outlines the vision that council wants everyone who lives, works and spends time in Cardinia Shire – regardless of their gender identity – to be treated with respect and fairness, to feel and be safe, and to have equal access to opportunities to reach their potential and pursue their dreams.
- We continued to develop new community facilities and upgrade existing facilities. A number of projects were completed, including new facility upgrades at the Cockatoo Tennis Club, construction upgrades at the Koo Wee Rup bowling club, and multiple upgrades to playgrounds all across the shire. Council also endorsed the PB Ronald Reserve Masterplan.
- As part of Council's COVID-19 relief efforts, over 600 care packs were packed and delivered to local community partners working directly with vulnerable community members.
- In 2021–22, the Together We Can round table partnership continued to work hard with the community and its leaders, Victoria Police and University of Melbourne to stop, prevent and end family violence in Cardinia Shire.



Strategic objective: Liveable places

We support the creation of liveable spaces and places.



Achievements:

- We continued to deliver the key actions of our Social and Affordable Housing Strategy and Action Plan 2018–25. With the Big Housing Build coming online from the State government, our 22 actions increased to 27 over the year. Of these 27 Actions, 17 are completed or completed/ on-going, 9 are on track, and 1 is deemed obsolete due to the Housing Policy being superseded by the Social and Affordable Housing Strategy and Action Plan. Cardinia's Social and Affordable Housing Network group continued to meet online throughout 2022 to provide networking opportunities and updates, and Council also continued to attend Regional Local Government Homelessness and Social Housing Charter meetings, as well as the Inter-Council Affordable Housing Forum convened by Municipal Association of Victoria.
- Our Cultural Diversity Plan 2019–23 still continues to guide our work over the past financial year, focusing on maintaining and strengthening networks, supporting our newest communities, building connections and promoting participation. The Culturally and Linguistically Diverse (CALD) Advisory Group continues to meet and work closely with Council to progress projects that align to the Cultural Diversity Plan 2019–23, discuss challenges and opportunities for residents from CALD backgrounds and provide advice to Council. In addition to this, our new Disability Action Plan in conjunction with the Cardinia Access and Inclusion Advisory Committee has been adopted.
- Our Reconciliation Action Plan 2021–23, was endorsed by Council in December 2021. The plan outlines council's commitment to reconciliation and forging stronger connections with Traditional Owner groups, Aboriginal controlled organisations and the local Aboriginal and Torres Strait Islander community. Work also continues to attract further Aboriginal-focused, community led services to the shire.
- This financial year, Cardinia Shire Council has welcomed the announcement of \$2.5 million from the Victorian Government's 2021-22 Growing Suburbs Fund for three important community infrastructure projects. The funding will go towards the following projects:
 - \$1.3 million for Garfield North Community Centre at Cannibal Creek Reserve
 - \$1 million for Main Street Pakenham Revitalisation
 - \$200,000 for Eastern Dandenong Ranges Trail Connection
- Continued to implement the Cardinia Community Food Strategy 2018–26 to help establish a healthy, delicious, sustainable and fair food system for all. The strategy provides a collective vision and action plan for the Cardinia Food Circles project over 8 years. The action plan consists of 67 actions that are led or supported by more than 20 organisations.



Strategic objective: Thriving environments

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



Achievements:

- Council has been working hard on a Climate Change Adaption Strategy, which will provide the guiding pathways to reduce the community's vulnerability to adverse climate events and promote the resilience of social, ecological and economic systems. This strategy was due to be presented to Council for adoption in August 2022.
- This financial year, Council was thrilled that Cardinia Shire's Deep Creek Reserve won the Premier's Sustainability Award 2021 in the category of Industry Leader - Sustainable Places. Thanks to a partnership between Council, the CEC, Ecolinc and PrimeSci, the reserve also features the first specialist STEM-based centre in the east of Victoria that gives thousands of school students the opportunity to participate in environmental education excursions. The development of the reserve has been a large-scale collaborative effort between Council, various Victorian Government departments, and organisations including the Deep Creek Golf Club, Cardinia Environment Coalition and the Andrews Foundation and the Cardinia Shire community. Deep Creek Reserve is now a place of environmental significance and offers people of all ages and abilities many ways to experience, connect and protect.
- We continue to implement actions of our Aspirational Energy Transition Plan, including energy-saving upgrades and solar power for Council buildings. A 75kw solar energy system has been installed at Council's civic centre in Officer, and Council has signed on to the Victorian Energy Collaboration (VECO) who have assisted in our transition to 100% renewable energy across Council sites. Council has also commenced with street light upgrades across Cardinia Shire to install brand new LEDs, which will save an estimated \$143,000 per year on energy and maintenance costs.
- In December 2021, Cardinia Shire Council was able to formally endorse the Biolink Plan to increase vegetation for wildlife habitat, improve waterways and help set environmental priorities for the shire. Council used the latest technology in wildlife species computer modelling and aerial vegetation mapping to identify key wildlife areas and potential 'biolinks' across Cardinia Shire before opening the draft plan to community consultation, and we are thrilled to be able to officially endorse this.
- Residents were invited to help us 'green' Cardinia Shire this financial year with an offer of free plants for residents beginning May 2021, which was a part of celebration for the opening of the Cardinia Environment Coalition's (CEC) nursery at Deep Creek Reserve. Council gave away two free indigenous plants to thousands of Cardinia Shire residents.



Strategic objective: Prosperous economies

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



Achievements:

- Round one of stakeholder engagement concluded in May 2021 for the draft Economic Development Strategy, with a focus on assisting local businesses through the impacts of the COVID-19 pandemic. The feedback received is now being considered and will inform the final strategy.
- We continued to facilitate business networking opportunities through the Casey Cardinia Region partnership, delivering webinars, training and information sessions. Events such as the Cardinia Business Breakfasts and the Cardinia Farmer's Evening were well attended and enjoyed by all.
- This financial year, Council further progressed a number of key Precinct Structure Plans to encourage investment and employment opportunities in key areas across the shire.
- We continued to work with local businesses and the tourism industry to further develop and implement the West Gippsland Food and Tourism Strategy, which was successfully launched in early 2022. The strategy was developed in partnership with Council in our economic bushfire recovery efforts for the community, and through this strategy, we will put West Gippsland on the Melbourne visitor's map.
- This May, as part of 'What's on Cardinia', Council launched a brand new online 'Find it' Business Hub to help residents and visitors navigate their way around the shire. Designed as a one-stop site for all types of businesses and services, such as travel and tourism, providing information on attractions, meals out, places to stay, shopping hotspots, this site aims to attract more business to the shire.



Strategic objective: Responsible leaders

We practice responsible leadership.



Achievements:

- Council has continued to advocate to, and work with, other levels of government to advocate for action on important local issues for the benefit of our community. Council continued to actively seek grant funds from a variety of Victorian and Australian Government funding programs. In 2021–22 Council recognised \$37.0 million in Australian and Victorian Government funding.
- This financial year, Council continued to follow and align with the Council Plan 2021–25, which was officially launched in December 2021 and was developed to guide the future of our shire. The Council Plan includes our Community Vision 2040, which highlights the long-term aspirations of the community and was developed by the Imagine Cardinia People's Panel of community members. At the time of adoption, more than 1,600 contributions were received as part of the community engagement activities for the Council Plan, as part of an extensive, 7-month community consultation process known as Imagine Cardinia.
- Council adopted its Council Budget 2022–26 following a final round of community consultation on the draft document in April and May this year. The Financial Plan and the Revenue and Rating Plan were also informed by extensive community consultation. These key financial documents will enable us to deliver on the Council Plan while continuing to meet community needs, allowing for more than \$319 million to be earmarked for potential future capital works before 2025.
- We continued to use online platforms to inform and engage our community, including our website and social media channels to promote community engagement activities, initiatives and outcomes. Our online engagement platform Creating Cardinia has been further expanded and has been instrumental in our community engagement activities, including the community consultation process for the development

of our Council Plan, Community Vision and key financial documents.

- A new Complaints Policy was adopted by Council at the November Council meeting this financial year. Cardinia Shire Council has developed the new Complaints Policy in line with the requirements of the *Local Government Act 2020* and formal recommendations made by the Victorian Ombudsman. The policy is a formal expression of Council's commitment to providing a fair, transparent, and consistent process for our customers when they wish to make a complaint. The policy aims to ensure that our customers understand how to make a complaint to Council, and how their complaint will be handled.

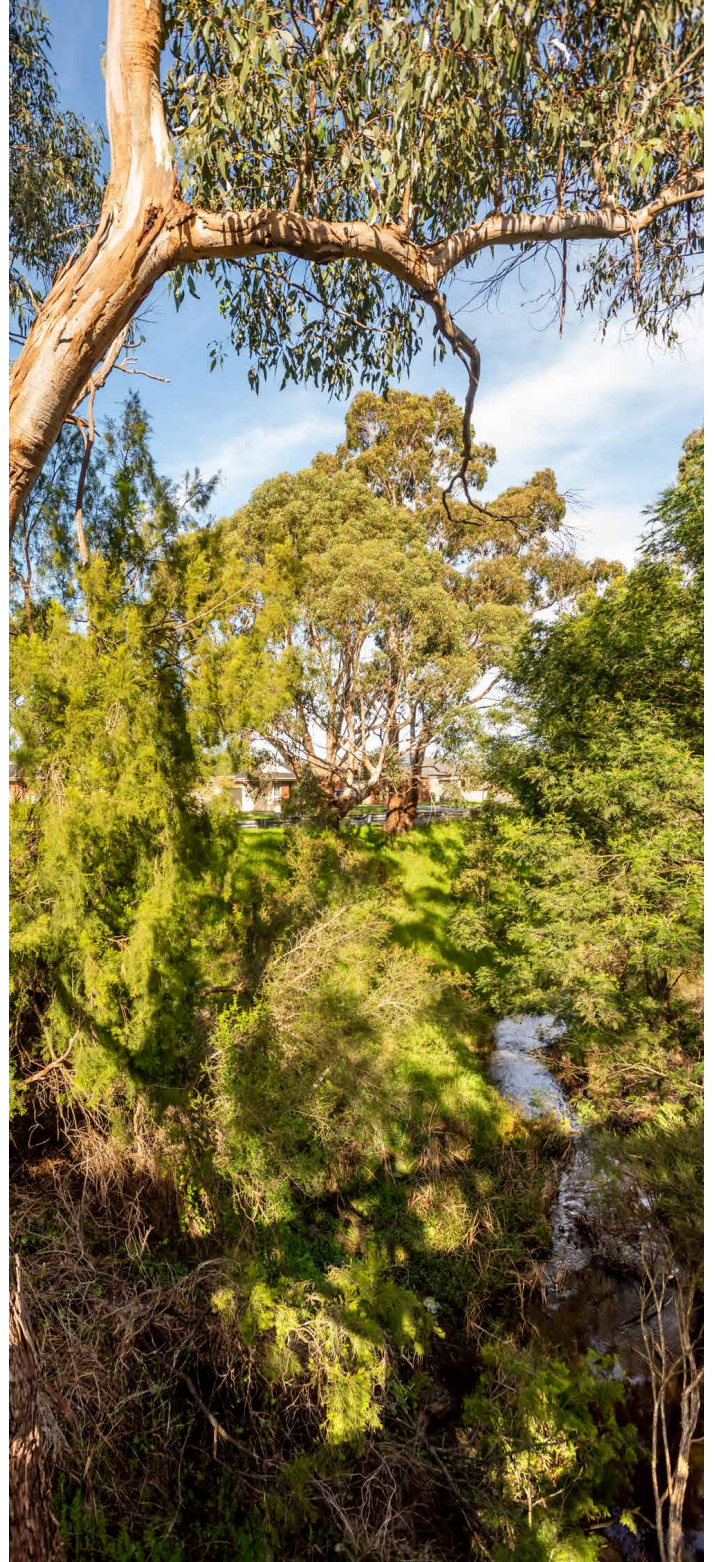


Challenges and future outlook

Section 1 Introduction

Challenges

- Cardinia Shire is one of the state's most prosperous and fast-growing municipalities, with demand on our community infrastructure and services continuing to grow along with our population. This places greater importance on planning and sustainability. We're committed to responding effectively to population growth while continuing to meet community expectations and needs, as well as attracting further services to the shire – this is our vision.
- One of the key ongoing challenges for Council is managing the natural and built environments of the shire, including balancing our conservation efforts and preservation of the natural environment with the need for further development to meet the needs of our ever-growing community.
- Our culturally diverse communities face a large number of challenges when settling in Cardinia Shire, including language and communication barriers as well as a lack of access to key services and infrastructure. In addition, attracting culturally specific services and programs to the shire that are close to transport and retail hubs is challenging but continues to be important.
- A main focus for Council continues to be attracting services for our Aboriginal and Torres Strait Islander communities, as we recognise that these services are best paced to support our Aboriginal and Torres Strait Islander residents as they are likely to be more effective in designing and delivering culturally appropriate community services, and in gathering interest and uptake.
- The pandemic continues to be a major challenge for Council, particularly with the lasting impact as we begin to transition towards our new normal. Many local businesses have been greatly impacted by the COVID-19 restrictions and have had to continue to adapt and change the way they operate, and Council has been dedicated to continuing to support local businesses.



The future

- Community engagement and including the community in decision making remains a top priority for Council. We will continue to use our online engagement platform, meetings, workshops and activities, websites, social media platforms, community newsletters and surveys to engage and consult with our community and seek their feedback on important matters.
- Council will continue to advocate to the Victorian Government to identify a suitable site in the south east for an international airport development, which would also boost employment opportunities, investment and visitation to the region. We'll also continue to apply for funding and advocate to the Victorian and Australian governments to facilitate further investment in the region.
- Council will continue to support projects that raise awareness, respond to, and prevent the incidence of family violence in our shire. Together We Can will continue its important work to change attitudes and behaviours to help prevent family violence – we will continue our policy of zero tolerance for all forms of discrimination.
- We will continue to plan for, and support the delivery of, accessible health and social services that address critical gaps in provision. This aligns to our commitment to working together to support everyone to be healthy, active and connected.
- We will continue to deliver key actions of the 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.
- Council will continue in its journey towards a more ecofriendly and sustainable future, such as further implementing sustainable features into new and existing Council buildings to ensure they are built, upgraded and operated in an environmentally sustainable manner.
- Completion of 'Cardinia Youth Hub', the new youth centre in James Street, Pakenham, is expected to be completed this financial year. We will continue to be committed to create a safe, fun and engaging space for children and young people in the shire.



Year in review



Mayor's message

Section 2 **Year in review**



I'm pleased to present Cardinia Shire Council's Annual Report 2021-22 on behalf of my fellow councillors.

While the year presented some challenges, we have seen great achievements and an inspired sense of community right across our shire.

Our Council, elected for the 2020-24 term in October 2020, recognised 2021-22 as an important year for our residents as we recovered from the impacts of the COVID-19 pandemic. We saw so much social and economic disruption and we needed to support our community as their leaders. I thank our ongoing councillors for their valuable contribution to the shire.

More than two years since the arrival of COVID-19, we have continued to follow the state's health guidelines, with the safety of our community put first and foremost as we deliver essential services.

I'm so honoured to be part of our community – a diverse municipality with so many enthusiastic and dedicated people who give time so generously to better the lives of others.

Acknowledging our people

I was pleased to recognise our 2022 Australia Day award winners and nominees: Citizen of the Year joint winners, Philip Anning, President of the Pakenham Cricket Club, and Carol Thompson from the Cockatoo RSL; Senior Citizen of the Year, Ian Wake; Young Citizen of the Year, Arshu Maskey; and Community Event of the Year, the Cockatoo Country Market. All of the award recipients have achieved amazing things and I thank them for their fantastic contributions.

We continued to work with our diverse and multicultural communities, particularly on delivering new projects and infrastructure to help strengthen our community, including the COVID-19 Multicultural Community Connection Grants Program, which ensured that those affected were provided with financial assistance as they recovered.

May's National Reconciliation Week events, which included a wonderful flag-raising ceremony, provided an opportunity to bring local residents together to build stronger relationships between Indigenous and non-Indigenous community members.

Supporting our community

The 2021 storms were devastating for so many residents in Cardinia Shire and we are still on our long journey to recovery.

But from those terrible weeks of hardship, a more resilient community grew - one not afraid to put others before themselves, particularly when helping with the long clean-up operation. It is with you, our residents, that our greatest strength lies.

Our Recovery Team has been working tirelessly on minimising the effects of COVID-19 and have also served courageously following the Bunyip Complex bushfire.

Community projects have included an art group, barbecue dinners, and the installation of nesting boxes for native fauna at Mt Cannibal Reserve.

We officially launched our Council Plan 2021–25 incorporating the Community Vision 2040, Council Budget 2021–25, Financial Plan 2021–31 and the Revenue and Rating Plan 2021–25 in December, and we celebrated with community and school members who helped develop these plans.

Together, and with so much of our shire's support, we will continue to deliver vital community services and infrastructure while remaining committed to responsible financial management and sticking to the Victorian Government's rate cap of 1.5%.

Completing major works

We are very proud of the progress made on Cardinia Shire's key infrastructure projects.

The Sealing the Hills program is seeing Council delivering on major roads projects in our region to ensure better transport outcomes are considered.

Further work on our Better Local Roads program continued, as did our Strategic Sealed Roads project. We upgraded the Worrell Reserve car park and reconstruction is planned for the Toomuc Recreation Reserve Netball Courts. This financial year, the construction of McGregor Road, Soldiers Road and Hobson Roads in Pakenham and Rythdale have been given the green light to begin shortly, so residents can expect many exciting improvements in the months to come.

Support for youth

It is an exciting time for young people in Cardinia Shire, with Council's Youth Services Team pulling out all the stops to ensure the fun flowed this past year and well into next. Our young residents have enjoyed multiple skateboarding competitions, including one after the completion of significant upgrades to Koo Wee Rup's Cochrane Park Skatepark. The team at Grind Projects joined forces with one of Australia's best-known skate park designers, Baseplate, to design and construct the site.

There were also school holiday programs jam-packed with events, but what I am most proud of is the development of our new youth centre, which we officially named Cardinia Youth Hub via a competition that garnered many fun and creative suggestions from local schools, social programs, community groups and the community. Cardinia Youth Hub, under construction on James Street in Pakenham, is coming by the end of 2022 and will provide a safe place for young people.

Finally, I'd like to take the opportunity to commend Cardinia's residents and businesses for their unwavering strength, patience, and resilience in supporting the community and those around you. I'm extremely humbled to have served as your Mayor in 2021-22. I look forward to continuing to work with my fellow councillors and Council employees to serve our great community.

Cr Jeff Springfield

Cardinia Shire Mayor 2021–22




CEO's report

Section 2 **Year in review**



The 2021-2022 year provided a new set of challenges but also some of our most exciting opportunities yet.

The significant impacts of the COVID-19 pandemic were still felt by all during the early stages of the financial year, but we worked hard to deliver essential services while supporting our community.

The year quickly became very busy and eventful as our four key strategic documents - our Council Plan 2021-25 incorporating the Community Vision 2040, Council Budget 2021-25, Financial Plan 2021-31 and the Revenue and Rating Plan 2021-25 – guided us towards a brighter future.

Our advocacy

We worked with all levels of government for action on important local issues. We maintained a strong commitment to services such as libraries, maternal and child health, safe and inclusive communities, and youth services.

We also worked with other groups of Councils to facilitate investment into the broader region. We actively sought grant support from the Victoria State and Australian governments, lodging 19 successful funding applications and securing a total of \$10.7 million.

In addition, we successfully obtained \$2.5 million dollars through the Growing Suburbs Fund, allowing us to complete extensive upgrades across the shire.

It was also wonderful for Cardinia Shire Council to be recognised for our commitment to preventing and responding to gendered violence in the community, with White Ribbon Australia awarding us workplace accreditation for a further three years.

And the Local Partnerships program continued to support our multicultural community, providing translated written and verbal COVID-19 information, culturally appropriate food relief and community connection projects.

Overcoming challenges

Residents were impacted by both the June 2021 and October 2021 storm events and Council acted swiftly throughout the emergencies. Our Recovery Team sought ideas from the community to identify priorities and plan initiatives.

COVID-19 continued to create issues and we worked with the Victorian Government to follow advice and direction provided by health authorities. We were pleased to announce the launch of the COVID-19 Multicultural Community Connection Grants Program which provided COVID-19 recovery support including access to one-off payments for local multicultural communities.

Cardinia Shire Council focussed on encouraging the community to better connect with us and launched a free interpreting service for non-English speaking residents.

Inspiring initiatives

We remained engaged throughout the year through initiatives including the Ageing Well Seniors Festival moving online for the first time, the launch of our 'Unwrap Cardinia' campaign and the 'What's On Cardinia' festival that aimed to support local business.

Our Access and Inclusion Disability Strategy and Action Plan was also officially launched at Cardinia Life and featured a wheelchair AFL game between Hawthorn and Richmond clubs.

Thrillingly, Deep Creek Reserve, our premier environment, education, and recreation destination, won the Premier's Sustainability Award 2021 in the category of Industry Leader – Sustainable Places.

Responsible financial management

We encouraged the community to provide feedback ahead of Council's formal consideration of the 2021-25 Council Budget, which was successfully adopted and features more than \$318 million of capital works set to be completed over the next four years.

On that note, we welcomed residents having their say on Council's first Asset Plan, the Domestic Animal Management Plan, the new Open Air Fires law and the Climate Change Adaption Strategy, and we will continue to embrace community input as we move into the new year.

Delivering on infrastructure

Our Better Local Roads Program gained momentum, with works commencing at Princess Avenue and Crichton Road in Emerald, and Beenak East Road in Gembrook as part of the Sealing the Hills project.

Works including road pavement construction, kerb and channel construction, drainage and signage, and guardrails and line markings within Rythdale, Cockatoo and Emerald continued as part of the Strategic Sealed Roads project which will seal 109 kilometres of roads in the shire.

Underground crossings were also installed, which allowed for rare photograph opportunities of the Southern Brown Bandicoot. Council had previously installed several bandicoot crossings in Koo Wee Rup as part of the Strategic Sealed Roads project.

Major projects

Community safety remained a paramount concern for Council and we strived to ensure a safer Cardinia through programs such as the Heavy Vehicle Alcohol and Other Drug Policy Grant Program, addressing the health and safety risks of alcohol and drug related issues in heavy vehicle industry workplaces.

We also launched Cardinia Shire Council's Leadership Commitment Statement for Gender Equality at a series of Together We Can 2022 Community Leadership Summits, with more than 200 people in attendance to help 'stop, prevent and end family violence in Cardinia Shire'.

We are extremely proud of the Orange Door Access Point, a free service for people experiencing or perpetrating family violence, which opened in Pakenham. Council successfully advocated for this service to be in Cardinia Shire and worked in partnership with Family Safety Victoria to implement it.

The new and improved Cockatoo Community Complex, home of the Maternal and Child Health service in Cockatoo, opened in March with high-quality facilitation of Maternal and Child Health Nurse appointments now servicing the community.

The Cardinia Youth Hub, of which Council awarded a tender for its construction, will also soon open its doors. Council also awarded tenders to the design and build of Koo Wee Rup skate park and a new IYU athletics track.

Contracts were awarded for the reconstruction of Toomuc Recreation Reserve Netball Courts, the upgrade of the Worrell Reserve Carpark, and the construction of McGregor Road, Soldiers Road and Hobson Roads in Pakenham and Rythdale.

We aim to provide a comprehensive look at Council's operations and achievements through this annual report and look forward to sharing more as we enhance the presence of our growing shire.

Carol Jeffs

Chief Executive Officer



Financial summary

Section 2 Year in review

Comprehensive Income Statement

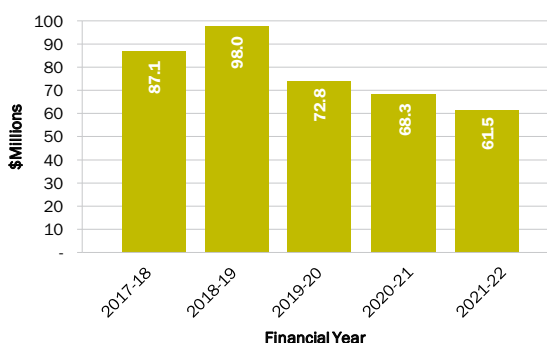
The Comprehensive Income Statement identifies income and expenses for 2021–22. For the year ending 30 June 2022 Council’s operating result was a surplus of \$61.5 million (see Figure 1), which was lower than budgeted.

Revenue was under budget by \$15.5 million. The major areas unfavourable to the budget were capital grants and non-cash contributions, partly offset by operating grants and development levies which were both favourable. Capital grants were \$11 million under budget primarily due to the timing of the recognition of budgeted grants, and non-cash contributions were \$18.1 million under budget due to lower than expected contributions from developers for roads and footpaths. Operating grants recognised were \$10.7 million better than budget mainly due to unbudgeted grants and recognition of grants budgeted in capital works grants due to the nature of the income. Development levies are \$2.2 million better than budget due to higher public open space and community infrastructure levies. Other income was \$2m better than budget mainly due to the recognition of cost recovery income for rain and storm events.

Operating expenditure was \$12.3 million higher than the budget. This was mainly due to materials and services expenditure being over budget by \$13.16 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 includes the net loss on disposal of infrastructure assets of \$0.2 million, which was budgeted to break even.

The 2021–22 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 \$0.57 million. This is better than the 2020–21 result of a \$1.08 million deficit.

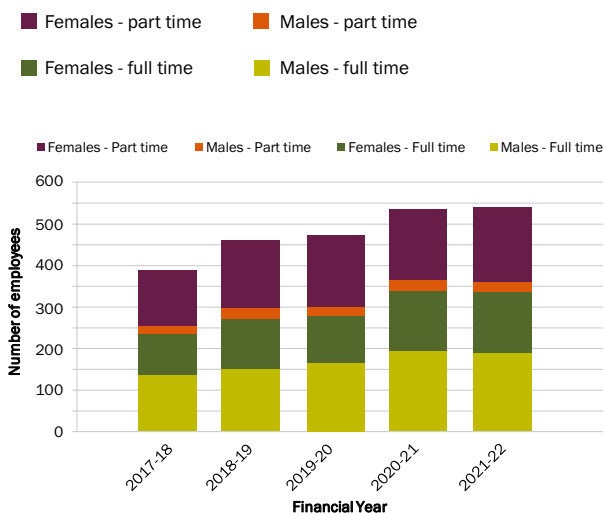
Figure 1. Operating result \$ million



Employee benefits expenditure was \$0.69 million favourable to budget, mainly due to the impact of vacant positions across the organisation, delayed recruitment of some of these vacancies and capitalisation of staff time to capital projects.

Staffing levels have remained at a consistent level overall at the end of the year, with increases seen particularly in the part-time female and full-time female categories (see Figure 2).

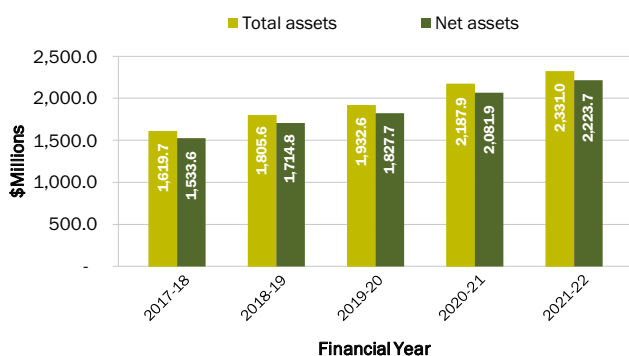
Figure 2. Staffing



Balance Sheet

The Balance Sheet represents the overall financial worth of Council (net assets). This comprises what Council owns as assets (total assets) less what it owes as liabilities (see Figure 3). Net Assets as at 30 June 2022 totalled \$2.2 billion; an increase of \$141.8 million from 30 June 2021, 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.

Figure 3. Assets \$ million

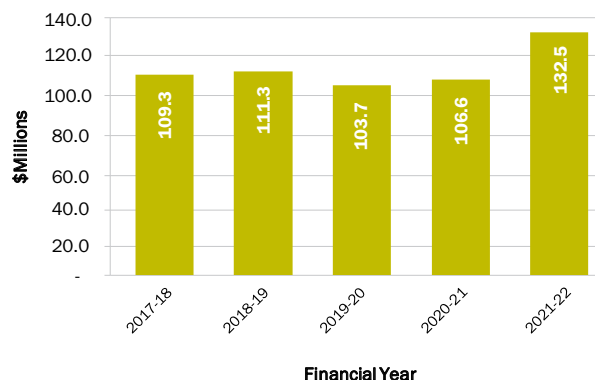


Statement of Cash Flows

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 2022 was \$20.96 million, a \$12.61 million decrease from 2020–21 primarily due to the transfer of cash to longer term investments with higher interest rates. The balance of longer-term investments is \$111.5 million, an increase of \$38.5 million from the previous year.

This results in total cash and investments of \$132.5 million, an overall increase of \$25.9 million (see Figure 4). Net cash provided by operating activities is \$38.34 million higher than 2020–21. Cash inflows are \$28.3 million higher, mainly from rates and charges, capital grants and cash contributions, and outflows are \$10 million higher, predominantly in materials and services.

Figure 4. Cash and investments \$ million

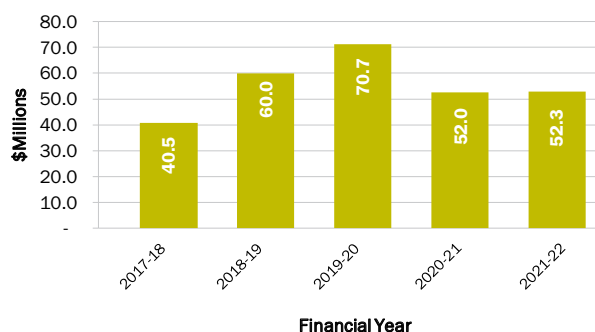


Statement of Capital Works

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

Council spent \$52.3 million on capital works in 2021–22, which was a \$0.34 million increase from 2020–21 (see Figure 5). Expenditure in the property (land and buildings) category is higher than the previous year, which is partly offset by decreased expenditure in the infrastructure (in particular roads) and plant and equipment categories.

Figure 5. Capital works program \$ million



Grant funding

During 2021–22, Council recognised \$43.8 million in Australian and Victorian Government funding, an increase of \$6.8 million from 2020–21. Operating grants are \$4.7 million higher and capital grants \$2.1 million higher. The full amount of grants recognised is reported within Note 3.4 of the Financial Report.

Description of operations

Section 2 **Year in review**

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

Our initiatives are always diverse and contribute to achieving Cardinia Shire Council's vision as outlined in the Council Plan. You can refer to the 'Our Performance' section on page 61 of this report for further information.

Economic factors

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

Major achievements

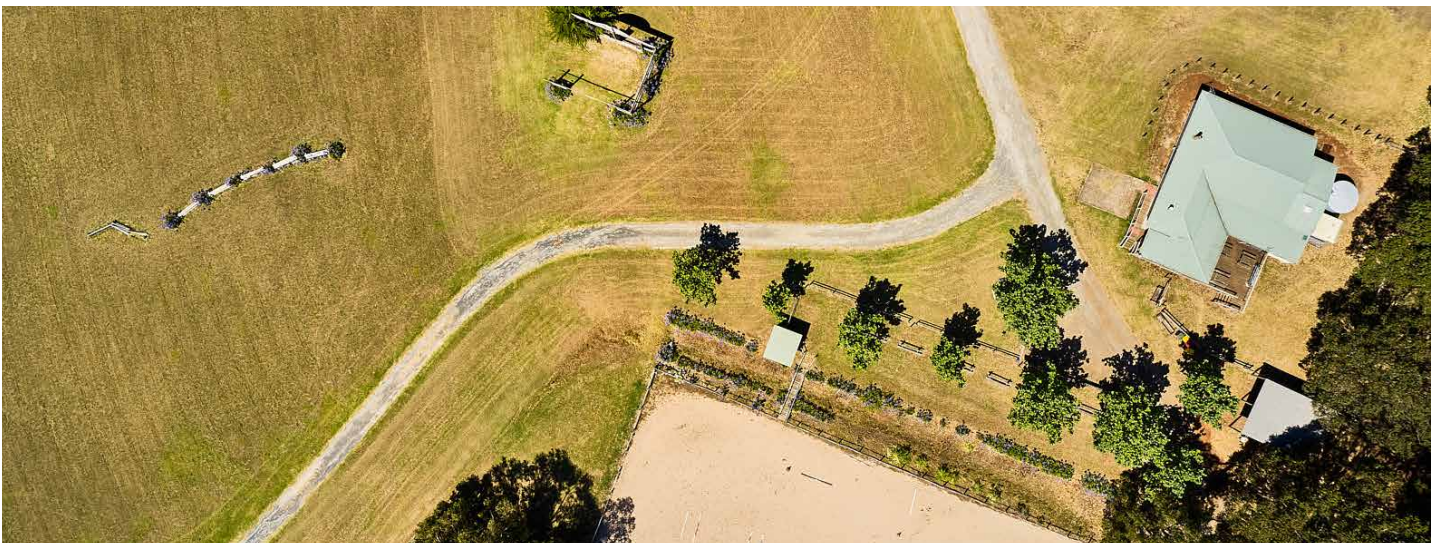
Council continued to implement its short and long-term strategies through its Capital Works Program, including one-year, five-year and 10-year plans aligned to the Council Plan's actions and budgets. As a result, the goal of financial sustainability was supported, and framework was provided to help monitor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

Major changes

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

Major capital works

Council undertakes capital works to provide new community assets and improve existing assets. Council has developed and delivered many projects throughout the 2021-22 financial year, improving community infrastructure, and the following tables outline these projects. They will enable Council to deliver better services, amenities, ease-of-access, and quality facilities to the wider community.



Better Local Roads Program – Princes Highway intersection project

Description	Several priority intersections along the Princes Highway will be upgraded over the next 3 years as part of our Better Local Roads Program. The Princes Highway intersection project will provide safer travel for road users while reducing congestion and catering to future increases in traffic.
Update	Works have been completed on the first 2 Princes Highway intersections at Beaconsfield: O'Neil Road intersection and Glismann Road/Beaconsfield Avenue intersection. Further upcoming works will include the Bayview Road and Princes Highway intersections in Officer, which have seen the construction contract awarded this financial year. The Tivendale Road-Station Street and Princes Highway intersection in Officer have also seen the construction contract awarded. Other Princes Highway intersections being considered for upgrade include; Brunt Road/Whiteside Road in Beaconsfield, McMullen Road in Officer, Arena Parade in Officer, and Thewlis Road in Pakenham.
Start	2020
End	2024
Cost	\$36 million funded by Council (\$18.3 million) and the Australian Government's Urban Congestion Fund (\$17.8 million).

Better Local Roads Program – Sealing the Hills project

Description	The Sealing the Hills project will involve sealing 109 kms of unsealed roads in the Dandenong Ranges and surrounds over 8 years and is being delivered as a series of individual projects on 164 prioritised roads.
Update	The first roads within this project have been constructed which were Princess Avenue and Crichton Road (Emerald). Works have also commenced on Armstrong Road (Beaconsfield), Station Road, Anzac Street and Heroes Road (Gembrook), as well as Beenak East Road (Gembrook). A contract has also been awarded for works to commence shortly on Innes Rd (Gembrook).
Start	2021
End	2029
Cost	\$176 million, 85% of which is funded by \$150 million in Australian Government funding and the remaining 15% co-funded by Council and landowners via a special charge scheme.

Better Local Roads Program – Strategic sealed roads project

Description	The Strategic sealed roads project will involve sealing 40 kms of unsealed roads in 7 locations across the shire to improve connections to the existing road network and safety. The Strategic sealed roads project is part of our Better Local Roads Program.
Update	Reconstruction and sealing of the first 2 roads is complete: Boundary Drain Road (Station Street to Denhams Road) and Main Drain Road (Denhams Road to Ballarto Road), Koo Wee Rup. Several other roads have begun works, including; LL and Armytage roads in Officer, and McGregor, Soliders and Hobson roads in Rythdale. Detailed designs are completed for several other roads, and are due to begin construction next financial year.
Start	2019
End	2023
Cost	\$25 million

Cardinia Youth Hub, Pakenham

Description	The My Place youth centre is being moved to James Street, Pakenham. The new centre will be called 'Cardinia Youth Hub'. The new 3 level building will have counselling rooms, a hangout space, internet café with 8 computers and access to free WiFi, recording booth, classrooms and a rooftop recreation space with a basketball hoop.
Update	Construction contractor is continuing site construction. There has been delays due to adverse weather conditions. The project is due to be completed by March 2023.
Start	March 2022
End	April 2023
Cost	\$6.3 million

Comely Banks Recreation Reserve

Description	Construct a new community sports pavilion as well as 4 rugby league fields with 2 cricket wickets, multipurpose cricket practice facility and small playground. The pavilion features unisex change room facilities and umpires' change facilities, fully accessible exterior/interior amenities, kiosk/canteen facilities, 2 integrated community spaces, and an external covered area.
Update	Construction of the pavilion is complete and construction of the sports fields, cricket practice facility, paths and car park are also completed – football teams are booked in to use the site.
Start	October 2019
End	June 2022
Cost	Pavilion: \$7.588 million, funded by Council (\$4.088 million) and the Victorian Government's Growing Suburbs Fund (\$3.5 million) Civil works: \$7.6 million, funded by Council (\$6.8 million) and the Victorian Government Sport and Recreation Victoria (\$800,000)

Emerald netball facility

Description	Construct a new Emerald netball facility and the associated infrastructure at Pepi's Land. The works to be undertaken in the following 3 stages: 1. Stage 1a – external works including road widening of Beaconsfield–Emerald Road, adjacent to the site. 2. Stage 1b – internal civil works including car park, retaining walls, site services, stormwater drainage, netball courts, lighting and building platform for future pavilion. 3. Stage 2 – construction of the pavilion.
Update	Construction of the pavilion and courts are entirely completed. The works to improve access to the reserve, amongst other external works, expected to be completed by September 2022.
Start	July 2017
End	September 2022
Cost	\$4.1 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	Works for this project are complete. All regulatory requirements and receipt of the occupancy certificate were due to be completed at the beginning of next financial year.
Start	February 2020
End	July 2022
Cost	\$2.45 million

Koo Wee Rup football pavilion

Description	Construction of a new pavilion to accommodate sports such as football and cricket at the Koo Wee Rup Recreation Reserve.
Update	Pavilion construction was completed at the beginning of this financial year, and has been handed over to the clubs.
Start	July 2019
End	July 2021
Cost	\$2.75 million

Koo Wee Rup netball pavilion

Description	Construction of a new netball pavilion at the Koo Wee Rup Recreation Reserve.
Update	Pavilion construction was completed at the beginning of this financial year, and has been handed over to the clubs.
Start	July 2019
End	July 2021
Cost	\$1.34 million

Koo Wee Rup primary and secondary school oval upgrades

Description	A new pavilion will be made built for the improved football oval. This new pavilion will have; unisex change rooms, umpire change rooms, canteen, storage, cleaners' room, covered spectator area.
Update	The pavilion has been completed early this year, and the carpark works were due to be finished by the end of February 2022.
Start	April 2020
End	February 2022
Cost	\$2.45 million

Playground renewal program

Description	Construction and upgrade of playspaces that cater for children of all ages at Ray Canobie Reserve (Pakenham), Walnut Way Reserve (Pakenham), Dutton Place (Pakenham), Bayles Flora and Fauna Park (Bayles), and Barker Road Reserve (Garfield)
Update	Construction of the playspaces is now complete, with the exception of Dutton Place (Pakenham) which will see construction complete early in the new financial year.
Start	July 2020
End	October 2022
Cost	\$683,000

Rix Road Integrated Children and Family Centre

Description	Construction of the Rix Road Early Learning Centre, including a kindergarten comprising 3 program rooms catering for 164 children, 5 consulting rooms for professionals such as maternal and child health, a community room, staff room, amenities, equipment, furniture, outdoor play areas and car parking.
Update	Construction was completed in December 2021.
Start	January 2020
End	December 2021
Cost	\$9.284 million

Road pavement renewal program

Description	The 2021-22 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 were completed along Soliders Road (Caldermeade), McDonalds Track (Lang Lang), Lakeside Drive (Emerald), Island Road (Koo Wee Rup), Split Rock Road (Beaconsfield Upper), Hein Road (Pakenham Upper), Pitt Road (Iona), Railway Avenue (Tynong), and Bessie Creek Road (Nar Nar Goon North). 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 2021
End	June 2022
Cost	\$1.725 million

Timbertop Integrated Children and Family Centre

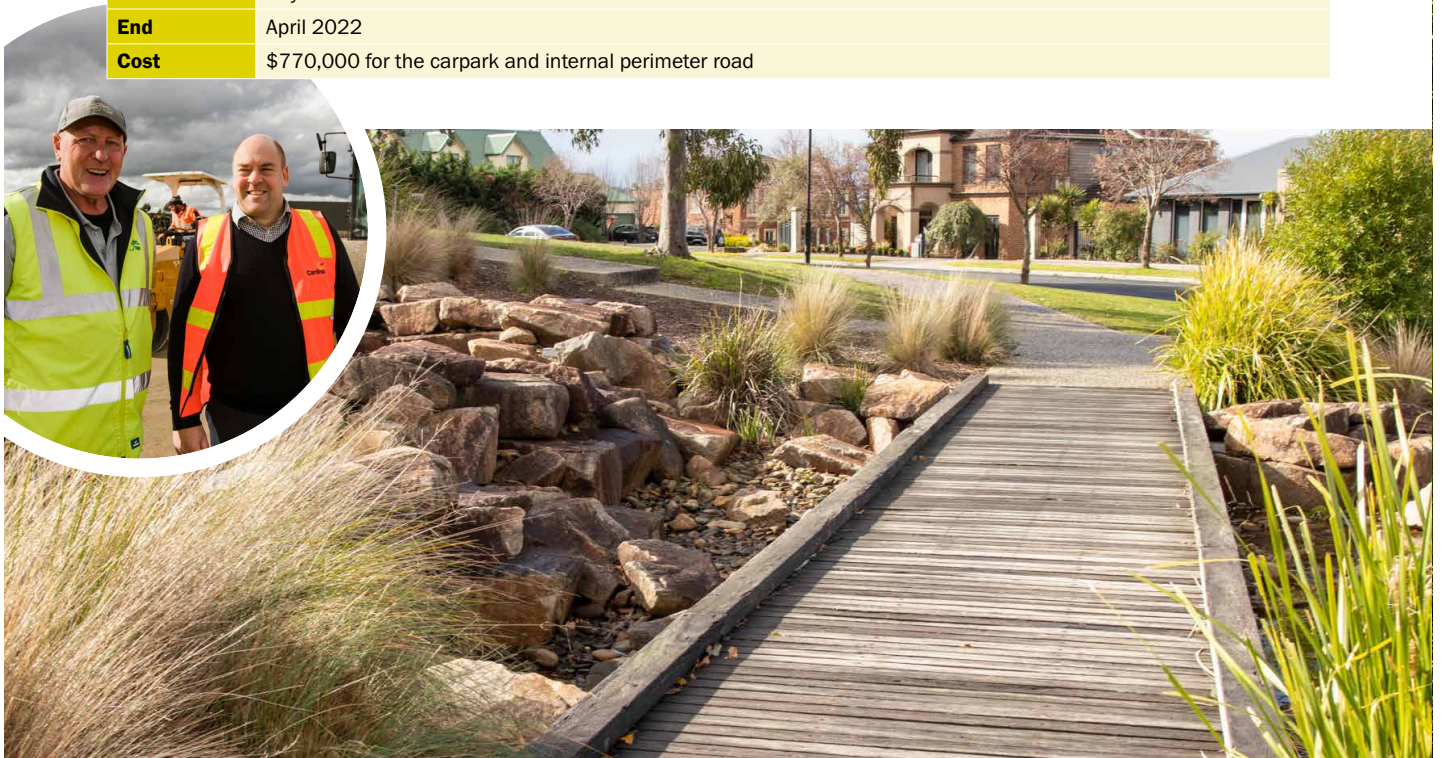
Description	Construction of the Timbertop Integrated Children and Family Centre, including a kindergarten, 3 consulting rooms for professionals such as maternal and child health, a community room, staff room, amenities and associated equipment, furniture, outdoor play areas and car parking.
Update	Construction continues and is expected to be completed in December 2022.
Start	Design: August 2019 Construction: March 2021
End	December 2022
Cost	\$5.3 million

Toomuc Recreation Reserve pavilions

Description	Works include extending and renovating the ground floor of the northern pavilion, renovating the existing southern pavilion and building and constructing change rooms and amenities, renovating the kitchen of the little athletics building and installing portable facilities for baseball.
Update	Construction has been completed and the pavilions are expected to be available for use by the clubs in September 2022.
Start	January 2020
End	September 2022
Cost	\$6.3m funded by the Australian Government (\$4.75 million) Cardinia Shire Council (\$1.5 million) and the Victorian Government (\$50,000).

Worrell Recreation Reserve redevelopment, Emerald

Description	The Worrell Reserve carpark and internal perimeter road was recently constructed and sealed to complement the football/cricket oval that has also been recently upgraded. A new football and cricket pavilion has also been built, which includes universally accessible change rooms and toilets, a covered spectator area, and a not-for-profit gym for the community to use. A master plan for the reserve has also been adopted to provide future direction for the reserve's facilities.
Update	The sealing of the carpark has now been completed, with plans now underway to design the Skate Park and Youth Plaza within the reserve.
Start	July 2021
End	April 2022
Cost	\$770,000 for the carpark and internal perimeter road



Our Council



Cardinia Shire profile

Section 3 **Our Council**

Location

An area of 1,280km² is known as Cardinia Shire, located 55 kilometres south-east of Melbourne's central business district. As one of 10 'Interface Councils' on the outskirts of metropolitan Melbourne, Cardinia is where urban and rural areas meet.

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

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

History

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

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

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

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

Next year will mark the 155th anniversary of the Shire of Berwick, which evolved into the Shire of Pakenham and then Cardinia Shire.

Population

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

- An average of 4 new households move into Cardinia every day.
- The estimated population is 123,837 as of 2022.
- Cardinia Shire's population is predicted to rise by approximately 51,761 over the next 10 years until 2032, and 68,402 over the next 19 years until 2041 with a projection of total population to then be approximately 192,239.
- The median age of residents is 34 which is 3 years younger than that of Greater Melbourne.
- The largest percentage of Cardinia Shire's population are parents and homebuilders aged 39-49 (21.2%), followed by young people aged 12-24 (16.2%) and finally the young workforce aged 25-34 (15.7%).
- Cardinia Shire also has a much higher proportion of young children aged 14 years and under (22.7%) compared with Greater Melbourne (18.1%).

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



Table 1: Estimated 2022 population and projected 2032 and 2042 population, by service age group

Age group (years)	2022		2032		2042		Change: 2022 to 2041
	Number	%	Number	%	Number	%	Number
Babies and preschoolers (0 to 4)	9629	7.8%	13668	7.8%	13786	7.2%	4157
Primary schoolers (5 to 11)	13697	11.1%	20271	11.5%	21178	11.0%	7481
Secondary schoolers (12 to 17)	9967	8.0%	15497	8.8%	17209	9.0%	7242
Tertiary education and independence (18 to 24)	10103	8.2%	14630	8.3%	16652	8.7%	6549
Young workforce (25 to 34)	19449	15.7%	25658	14.6%	25565	13.3%	6116
Parents and homebuilders (35 to 49)	26287	21.2%	38977	22.2%	41889	21.8%	15602
Older workers and pre-retirees (50 to 59)	13573	11.0%	17848	10.2%	21373	11.1%	7800
Empty nesters and retirees (60 to 69)	10416	8.4%	13582	7.7%	15769	8.2%	5353
Seniors (70 to 84)	9121	7.4%	12758	7.3%	15305	8.0%	6184
Elderly aged (85 and over)	1595	1.3%	2709	1.5%	3513	1.8%	1918
Total people	123,837	100%	175598	100%	192239	100%	68402

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

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

With that said, an estimated 21,100 residents aged 60 and over continue to reside in the shire and this figure represents 17.1% of Cardinia's total population. This figure is also predicted to increase to approximately 34,500 over the next 20 years until 2041. With this increase will come a greater demand for community and aged services, health services, local infrastructure upgrades and public transport.

The 2021 Census found that 28.5% of Cardinia Shire's population identified as being of a Christian faith, with Catholic the most dominant denomination chosen by residents. A growing number of residents (43.8%) indicated they had no religion, which is a higher proportion

compared with Greater Melbourne (36.9%). The figure is also a 7.3% increase from 2016's Census.

Only a small proportion of culturally and linguistically diverse (CALD) communities reside within Cardinia Shire, which is in line with current population growth – and this number is increasing. In the 2021 Census, residents who speak a language other than English represented 19.8% of the Cardinia Shire population, a significant increase from 2016's 11.2%.

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

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

Households and housing

There are approximately 43,223 households in Cardinia Shire.

- Around 38% of households comprise of couples with children, a figure greater than the Melbourne average of 33%.
- Other households comprise couples without children (approximately 24%), one-parent families (11.7%) and single residents (18.5%).
- Of the Cardinia Shire population, 23% own their home, 48% have a mortgage, and 22% rent. The proportion of households with a mortgage is higher than the metropolitan Melbourne average of 35.6%.

Education

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

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

Industry and economy

The following data for the 2021 Census was unavailable at the time this report was produced, therefore the previous Census results found that 14,142 residents were employed in jobs within Cardinia Shire, while more than half of the working population travelled outside the area to work (61.1%).

- 94% of those able to work are employed and 5.5% of the population is unemployed, a figure that is slightly lower than those of metropolitan Melbourne (6.8%).
- Of those employed, 62% work full time and 36% work part time.
- Construction (13.5%), health care and social assistance (11.1%), retail (11%), and manufacturing (10.2%) are the top four industries of employment among Cardinia Shire residents.
- The most dominant occupations within Cardinia Shire are technicians and trade workers.

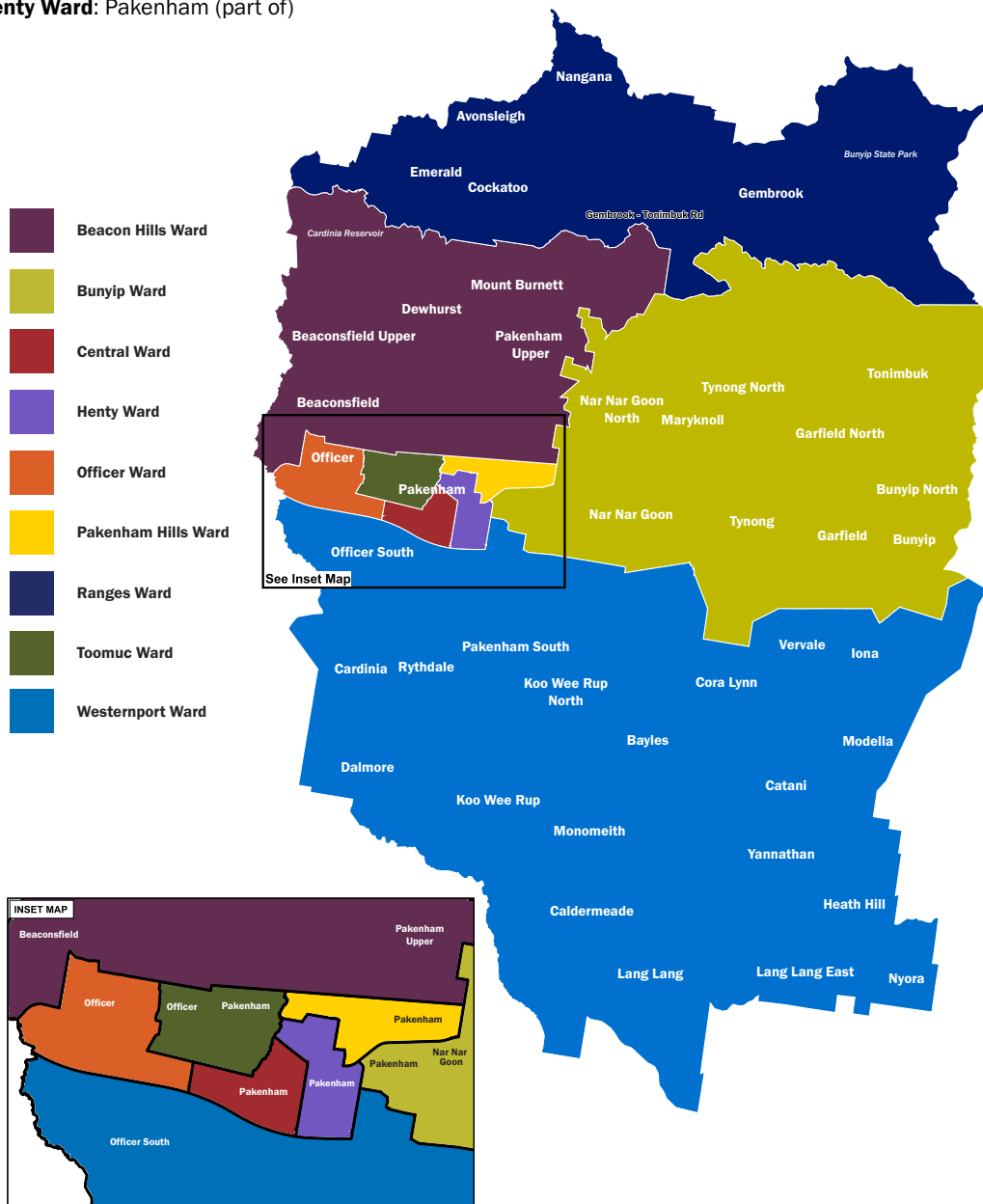
The 2021 Census also indicated that the average median weekly incomes are higher in Cardinia Shire than wider Victoria (see Income and Work in Cardinia – 2021, all persons, QuickStats)



2020–24 Council term

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

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



Councillors

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

Beacon Hills Ward



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

Pakenham Hills Ward



Cr Jack Kowarzik
First elected 2020

Bunyip Ward



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

Ranges Ward



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

Central Ward



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

Toomuc Ward



Cr Stephanie Davies
First elected 2020

Henty Ward



Cr Carol Ryan
First elected 2016

Westernport Ward



Cr Kaye Cameron
First elected 2021

Officer Ward



Cr Tammy Radford
First elected 2020
Deputy Mayor 2021–22

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

Our people

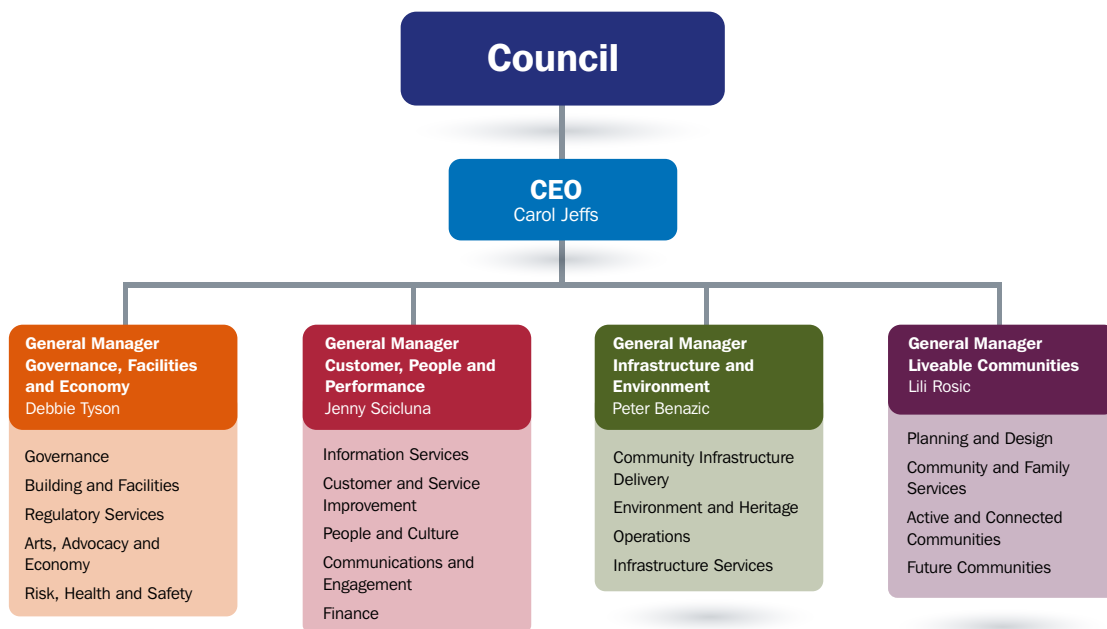


Organisation structure

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, and 4 General Managers who lead the organisation.

Below is the Cardinia Shire Council organisation structure at 30 June 2022.



Meet our Senior Leadership Team

Carol Jeffs Chief Executive Officer

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

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

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

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

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

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



Jenny Scicluna General Manager Customer, People and Performance

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

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

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

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

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

Business unit areas

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



Peter Benazic General Manager Infrastructure and Environment

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

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

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

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

Business unit areas

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

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

Debbie is a skilled and accomplished local government manager with more than 10 years' experience in leading high performing teams across a range of portfolios.

Politically astute and experienced, Debbie is a results-oriented leader with a proven ability in policy development, project management and delivering on strategic outcomes.

Prior to her appointment as Cardinia Shire Council's General Manager Governance, Facilities and Economy, Debbie was the Executive Manager Office of the CEO for 6 months, Manager Community Family Services for 1 year and Manager Development and Compliance for 4 years.

She has also held a number of leadership roles in the statutory planning field at South Gippsland and Baw Baw



shire councils and was the Manager Planning, Building and Environment at Latrobe City Council for 3 years.

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

Business unit areas

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

Lili Rosic **General Manager Liveable Communities**

Lili joined Cardinia Shire Council in August 2021, bringing more than 20 years' of leadership experience, including most recently as a GM Development, Transport and City Amenity at Port Phillip Council.

Lili is an accomplished senior executive with a proven past performance of engaging and partnering with key stakeholders to solve complex problems and transition ideals into reality. Lili has led a range of different services in her career in Local Government, predominantly in the community, compliance, transport, and planning sectors. Lili's qualifications include a Diploma Applied Science Nursing, Bachelor of Midwifery, Graduate Diploma in Child, Family & Community Nursing, Master of Business Administration, and Graduate of the Australian Institute of Company Directors.

Lili has a strong focus on community and customer service, alongside planning for the future. She values building trust and a positive, unified culture and takes a strategic approach to delivering and inspiring high achievement in her teams. She is values driven and is a supportive, clear and collaborative leader.

Business unit areas

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



Council employees

Section 4 Our Organisation

Employee overview

In light of the continued effects of the COVID-19 pandemic and lockdowns, it was more important than ever in 2021-22 for Cardinia Shire Council to enhance wellbeing and connection among employees.

Dedicated officers were appointed by Council to implement and oversee a wellbeing framework that included checking in with employees in addition to regular 'pulse check' surveys.

Employment-related activities were also managed in a specific way, allowing leaders, teams and employees to interact virtually where possible. Recruitment processes and the onboarding strategy were also adapted to align with restrictions, while great consideration was put towards ensuring employees conducted meaningful work during challenging times.

Council realigned its organisation structure in June 2021, creating improved efficiencies and effectiveness in the way it worked this year. Council met its strategic goals and also improved its financial sustainability.

Inspired leadership

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

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

As a result, a new leadership program, delivered virtually and titled 'Leading People for Connection, Wellbeing and Performance' focused on leading in a new environment. Centred around workplace culture, the program strives to help employees stay connected and supported as Cardinia Shire Council continues to achieve its targets.

Employee engagement

In October 2021, we undertook its OurVoice@Cardinia employee engagement survey, almost two years after the last survey in November 2019. The survey found the majority of employees feel a true sense of job satisfaction working at Cardinia Shire Council, and employees feel that they achieve a good work-life balance.

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

The next OurVoice@Cardinia employee engagement survey is due to be undertaken in early 2023.

Wellbeing

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

Organisational culture

Working together, doing things differently and preparing for the future are the three cornerstones of the organisation's culture, helping Council to deliver on strategy. It's not just what employees do but how they do it that's important. Cardinia Shire Council culture and the way it works is centred on being together, different and looking forward, and is embedded throughout the organisation's varied processes, procedures, leadership and day-to-day employee experiences.

Continuing to learn

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

These programs include:

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

Staffing information at 30 June 2022

- 61.54% of Council employees were female, including casuals
- 38.46% of Council employees were male, including casuals
- 0% of Council employees were non-binary/intersex/unspecified, including casuals
- 43.88% of full-time positions were held by women
- 11.39% of part time positions were held by men
- 34.53% of Council staff worked part-time

Table 2. Staffing numbers

Classification	Males	Females	Indeterminate/ intersex/unspecified	TOTAL
Full time	188	147	0	335
Part time	23	179	0	202
Casual	14	34	0	48
Total	225	360	0	585

Table 3. Detailed staff breakdown

Employee type/ gender	CEO	Customer, People and Performance	Infrastructure and Environment	Liveable Communities	Governance, Facilities and Economy	TOTALS
Full time female	1	36	23	59	28	147
Full time male		21	112	19	36	188
Part time female		34	13	66	66	179
Part time male		0	2	3	18	23
Casual female		0	0	10	24	34
Casual male		1	1	2	10	14
Casual indeterminate/ intersex/ unspecified		0	0	0	0	0
Totals	1	92	151	159	182	585

Table 4. Staff demographics by age

Age	Percentage
15-19	0.34
20-24	3.76
25-34	19.66
35-44	27.35
45-54	22.39
55-64	20.34
65 and over	6.15

Table 5. Staff by employment classification and gender

Employment classification	Female FTE	Male FTE	Indeterminate/ intersex/ unspecified FTE	Total FTE
Band 1	8.19	2.55	0	10.74
Band 2	0	0	0	0
Band 3	0	44	0	44
Band 4	38.37	17.22	0	55.59
Band 5	56.26	35.8	0	92.06
Band 6	56.66	47.79	0	104.45
Band 7	26.91	19	0	45.91
Band 8	18.98	16	0	34.98
Band not applicable	32.37	12.64	0	45.01
Totals	237.74	195	0	432.74

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 2 years and Councillors also undertake this training.



Governance, management and other information



Governance

Section 5 Governance and Management

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

Council's key roles include:

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

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

Council meetings

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

These meetings are conducted responsibly in light of the COVID-19 pandemic, reducing the risk of community, staff and Councillor transmission. Responsible actions during the reporting period included:

- Merging Town Planning Committee meetings with General Council meetings.
- Moving meetings online and ensuring Councillors were not required to physically visit the Council Chamber (in accordance with changes made to the Local Government Act to allow for virtual meetings of local councils).
- Allowing members of the community to view meetings live through the Council's website.

Committees

As at 30 June 2022, Council's committees were as follows:

Audit Committee

- Council members: Cr Jack Kowarzik and Cr Stephanie Davies
- Independent members: Michael Said (Chairperson), Vincent Philpott and Leanna LaCombre.

Town Planning Committee

- Committee of the whole of Council.

Code of conduct

As required by the *Local Government Act 2020*, Council reviewed the code of conduct and adopted a new code of conduct at the Council Meeting on 15 February 2021, the previous financial year. You can find a copy of the code 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 their community. When a council delegates its powers to a council officer or a committee, the committee or officer also needs to act in the public interest. A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest.

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

Resources, training and compensation

It is important that Council's elected representatives are empowered to undertake their roles and responsibilities and are provided with the opportunity to acquire new skills and upgrade their existing capabilities. Council has adopted a Councillor Expenses Policy which was amended and updated on September 20, 2021.

Councillor allowances

Council received advice in March 2022 that the Victorian Independent Remuneration Tribunal had made a decision on the payment of mayoral, deputy mayoral and councillor allowances.

The determine saw an increase to Mayoral and Councillor allowances, to be phased in over five years (for Mayors and Deputy mayors) and three years (for Councillors).

The new allowances set were to be paid from 17 December 2021 and are applicable until 17 December 2022.

The new allowance levels are as follows:

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

Councillor expense entitlements

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

Councillor professional development

The policy supports councillors to upgrade their skills during their term of office, with an amount of \$3,000 per councillor per annum, 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 and governance in the context of the role of Councillor, or enhance the personal skills of the individual to undertake the role.

Table 6a. Councillor expenses 2021–22

Councillor	Travel expenses	General expenses (includes childcare)	Professional development
Graeme Moore	\$2,932.26	\$0	\$0
Brett Owen	\$0	\$0	\$545
Stephanie Davies	\$1,560.02	\$2,546.04	\$77
Collin Ross	\$1,722.28	\$98.97	\$0
Carol Ryan	\$0	\$0	\$0
Jack Kowarzik	\$487.62	\$0	\$5,995
Jeff Springfield	\$487.62	\$0	\$0
Tammy Radford	\$0	\$0	\$0
Kaye Cameron	\$1,574.03	\$0	\$0

Table 6b. Councillor attendance at meetings 2021–22

Councillor	Briefings (40 meetings)		Council meetings (11 meetings)		Town planning attended (4 meetings)		Special Council meeting (1 meeting)	
	Attended	Apologised	Attended	Apologised	Attended	Apologised	Attended	Apologised
Cr Brett Owen	35	5	11	0	4	0	1	0
Cr Carol Ryan	39	1	11	0	3	0	1	0
Cr Collin Ross	40	0	11	0	4	0	1	0
Cr Graeme Moore	38	2	10	1	4	0	0	1
Cr Jack Kowarzik	40	0	10	1	4	0	1	0
Cr Jeff Springfield	38	2	9	2	4	0	1	0
Cr Kaye Cameron Elected 30 July 2021	31 *Commenced meetings from 2 August 2021	6	10 *Commenced meetings from 2 August 2021	0	4	0	1	0
Cr Stephanie Davies Parental leave commenced week of 16 May	30	10 (5 missed due to parental leave)	9	1 (1 missed due to parental leave)	2	2	0	1
Cr Tammy Radford	35	5	9	2	3	1	1	0

Management

Section 5 Governance and Management

Audit and Risk Committee

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

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

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

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

The SIAP for 2021–22 was completed with the following reviews conducted:

- Grants
- Fraud
- Tendering
- Climate change
- OHS
- Developer contributions

Internal audit

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

A risk-based three-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; prior audit coverage and outcomes; as well as management input. The SIAP is reviewed and approved by the Audit Committee annually.

External audit

The Victorian Auditor-General is the external auditor for Council. For the 2021–22 financial year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. They attend the May and August Audit and Risk Committee meetings to present the Annual Audit Plan and Independent Audit Report. The external audit management's letter and responses are also provided to the Audit and Risk Committee.

Risk management

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

Business continuity

The Business Continuity Plan was updated in 2021-22 and assists Council in providing services to the community on the basis of the service's criticality, should Council business be interrupted by an event. Council places much importance on minimising the impact on service delivery to the community in the event of a business interruption.

Workplace safety

Council has maintained a strong focus on continuing its positive safety culture in 2021-22. Through structured education and awareness sessions with management and employees, safety has remained a priority. Council provides a proactive, early-intervention injury-management program to its workforce to assist in effectively managing workplace injuries and WorkCover claims.

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

Due to the COVID-19 restrictions, the Quality Circles program was paused temporarily. During this time, Council evaluated several online facilitation tools to enable the program to recommence. The program is now facilitated successfully online and teams can continue to implement their business improvements.



Business improvement – Quality Circles

Local Government Community Satisfaction Survey

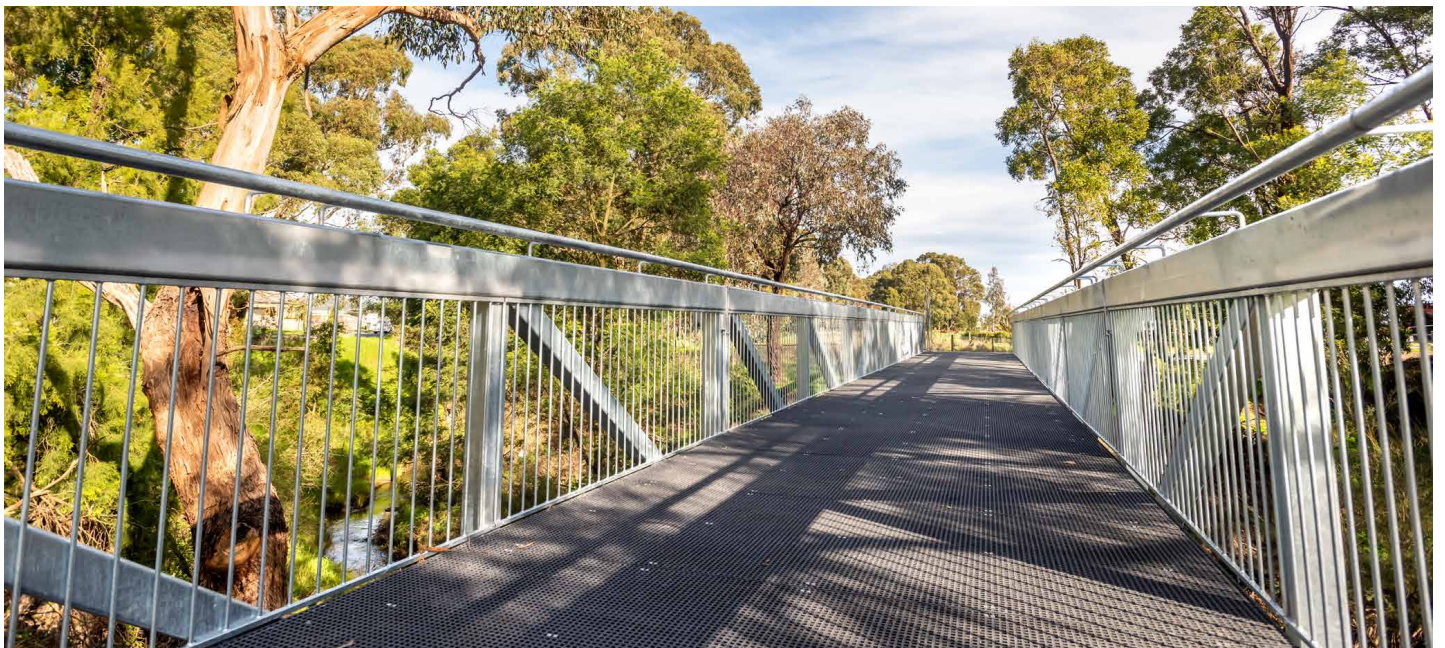
This year, the survey was done in-person by doorknock, by an independent agency. Council uses the survey results to better understand the needs, wants and expectations of the community. This helps Council to shape numerous strategic decisions, directions, and the delivery of services.

The following table shows Cardinia Shire Council's results for the core survey measures from the 2022 survey.

Table 7. Snapshot of Council's performance

	2018	2019	2020	2021	2022	Trend *
Overall performance	61	61	57	61	68	↑
Community consultation	55	55	52	54	68	↑
Advocacy	52	53	48	49	66	↑
Making community decisions	53	54	51	55	65	↑
Sealed local roads	55	58	52	56	64	↑
Customer service	65	65	63	65	69	↑

* A horizontal two-headed arrow (↔) indicates no statistically significant change from the 2020 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)	Adopted in accordance with section 55 of the Act	Yes	15/02/2021	
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	Yes	15/02/2021	
Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act	Yes	21/06/2021	
Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act	Yes	20/6/2022	
Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act	Yes	21/06/2021	
Annual budget (plan 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 94 of the Act	Yes	21/06/2021	
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	Yes	28/10/2020	
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	Yes	12/12/2019	

Item	Assessment	Yes/no	Date of operation (where applicable)	Reported date (where applicable)
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	12/12/2019	
Procurement policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act	Yes	18/10/2021	
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	14/12/2019	
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	9/5/2022	
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	Yes	28/10/2020	
Audit and Risk Committee advisory committee of Council under section 53 and 54 of the Act	Established in accordance with section 53 of the Act	Yes	17/8/2020	
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	1/06/2020	
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation	Yes	1/6/2014	

Item	Assessment	Yes/no	Date of operation (where applicable)	Reported date (where applicable)
Council Plan report (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		Council Plan report 16/08/2021, 15/11/2021, 21/02/2022, 16/05/22
Quarterly budget reports (quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Quarterly reports presented to Council in accordance with section 97(1) of the Act	Yes		Quarterly budget reports 15/11/2021, 21/02/2022, 16/05/2022
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reports prepared and presented	Yes		Risk reporting 24/08/2021, 07/12/2021, 22/02/2022, 24/05/2022
Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	Performance reports prepared	Yes		Performance reporting 16/08/2021, 15/11/2021, 21/02/2022, 16/05/2022
Annual report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Annual report presented at a meeting of Council in accordance with section 100 of the Act	Yes	20/9/2021	
Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters.)	Reviewed and adopted in accordance with section 139 of the Act	Yes	15/02/2021	
Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act	Yes	17/08/2020	
Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act	Yes	17/08/2020	

Certification of governance and management

Certification of governance and management checklist

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



Peter Benazic
Acting Chief Executive Officer



Cr Jeff Springfield
Mayor 2021-22

Dated: 26 September 2022

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
- gifts register
- agendas and minutes of Ordinary and Special Meetings of Council, except where such minutes relate to parts of meetings that have been closed to the public
- register of delegations
- register of leases
- register of authorised officers

Public Transparency Policy

As required by the *Local Government Act 2020*, Council adopted a Public Transparency Policy in August 2020.

The policy supports Council in its ongoing drive for good governance and the importance of open and accountable conduct and how Council information is to be made publicly available. The policy gives effect to the Public Transparency Principles outlined in section 58 of the *Local Government Act*.

Related policies and legislation are:

- *Governance Rules*
- *Public Transparency Principles*
- *Governance Framework*
- *Community Engagement Policy*
- *Information Privacy Policy*
- *Health Records Policy*
- *Charter of Human Rights and Responsibilities Act 2006*
- *Freedom of Information Act 1982*
- *Local Government Act 2020*
- *Privacy and Data Protection Act 2014*
- *Equal Opportunity Act 2010*

Best value report 2021-22

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 2021-22 financial year, no contracts were entered into over the tender threshold without giving public notice of the contract and inviting tenders.

Access and Inclusion Policy and Action Plan

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

Domestic Animal Management Plan

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

The Domestic Animal Management Plan 2022–25 was developed in consultation with local veterinary clinics, domestic animal business permit holders, peak industry bodies and animal interest groups. This revised plan was adopted by Council on 20 June 2022.

Food Act Ministerial Directions

In accordance with Section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year. No such Ministerial Directions were received by Council during the 2020–21 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 2021 to 30 June 2022:

- a. forty-two (42) FOI requests were made to Cardinia Shire Council
- b. Manager Governance Doug Evans is the designated officer with authority to make a decision in relation to a request
- c. no applications for review were made to the Freedom of Information Commissioner
- d. no application was made to the Victorian Civil and Administrative Tribunal (VCAT) during the above period
- e. no notices were served on the agency under Section 12 (1)
- f. no disciplinary action was taken out against any officer in respect of the administration of this Act
- g. \$0 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 2021–22, 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 2021–22 financial year.

National Competition Policy compliance

Cardinia Shire Council has complied with the requirements of the National Competition Policy for the period 1 July 2021 to 30 June 2022.

Current Local Laws

As at 30 June 2022, Council had one principal Local Law in operation.

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

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

- provide for the peace, order and good 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.

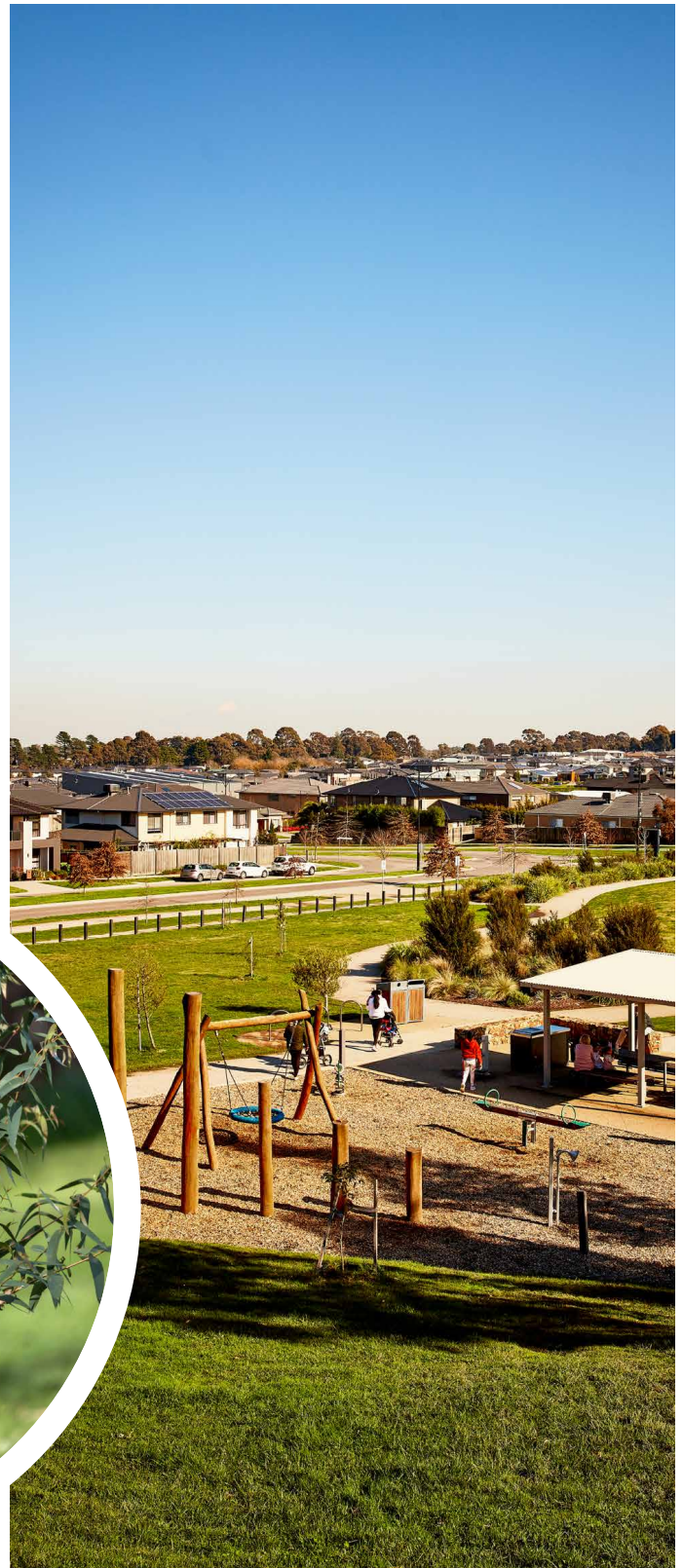
Development contributions are divided into four groups:

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 2021–22

DCP name (Year approved)	Levies received in 2021-22 FY (\$)
Pakenham DCP (1997)	\$138,781
Cardinia Road DCP (2008)	\$3,777,744
Officer DCP (2011)	\$14,224,486
Total	\$18,141,011



DCP land, works, services or facilities accepted in-kind in 2021-22

Table 9.

DCP reference	Project description and item purpose	Developed by	Project value (approx. \$)
Officer DCP (2011)			
DI_OS_LA09	Purchase of land for Sport & Recreation Reserve (McMullen Road)	Aviva Communities Officer Pty Ltd	\$213,000
DI_RO_06c	Construction of Bayview Road upgrade to a Connector Street	Henley Arch Pty Ltd	\$266,864
Subtotal			\$479,864
Cardinia Road Employment Precinct DCP (2010)			
DI_RD_08	Road Construction - Western Arterial (From North-South Connector Street - Boulevard to Gum Scrub Creek)	Parklea Pty Ltd	\$1,029,290
Subtotal			\$1,029,290
Grand Total			\$1,509,154



Table 10. Land, works, services or facilities delivered in 2021-22 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 (\$)	% of item delivered
DI_OS_12 CI_OS_3	Comely Banks (Henry Rd West) Recreation Reserve and Pavilion	Cardinia Road DCP (2008)	\$30,748		\$6,460,019	\$4,220,000 Grant	\$14,746,680	99%
DI_LA_9 part	795 Princes Hwy Pakenham (Cnr of Thewlis Rd & Princes Hwy)-Thewlis Road Widening	Cardinia Road DCP (2008)					\$304,459	86%
DI_RO_15	Signalised intersection - Princes Highway and North South Collector Road-Arena Pde design	Cardinia Road DCP (2008)	\$28,294				\$42,419	42%
DI_RO_17	Signalised intersection - Princes Highway and Thewlis Road-Thewlis Rd design	Cardinia Road DCP (2008)	\$6,593				\$19,672	21%
DI_RO_2c	Pedestrian Bridge adjacent to rail bridge (Level crossing removal)	Cardinia Road DCP (2008)	\$344,359				\$344,359	100%
DI-OS-LA09 (part)	10 McMullen Recreation Reserve land	Officer DCP (2011)	\$6,600,000				\$16,508,103	100%
DI_RO_LA39 (part)	Purchase of land for a new North South Arterial Road as an Arterial Road	Officer DCP (2011)	\$1,957,500				\$4,386,263	100%
DI_CF_02	Construction of Children's facility-Timbertop	Officer DCP (2011)	\$1,866,128			\$800,000 Grant	\$3,369,332	65%
DI-CF-04	Brunt Road Integrated Children's Facility - Officer precinct	Officer DCP (2011)				\$107,897 Grant	\$107,897	3%
DI-CF-05	Integrated Children's Facility - Officer Rix Road DCP	Officer DCP (2011)	\$1,858,473			\$3,300,000 Grant	\$6,351,736	96%
DI_OS_LA08	Purchase of land for Sport & Recreation Reserve (to form part of Officer Recreation Reserve)	Officer DCP (2011)	\$2,760,419		\$545,817		\$3,630,236	100%
DI_RO_LA29a (Ppty353)	23 Whiteside Road Beaconsfield	Officer DCP (2011)	\$251,846				\$251,846	100%
DI_TM_LA25 (Property143)	Cnr Old Princes Hwy & Whiteside Road, Ppty143	Officer DCP (2011)	\$186,635				\$186,635	100%
DI-RO-LA33 (Property #81)	Land for new Road (b/w Rx Rd extension & Kenilworth Ave)	Officer DCP (2011)	\$208,947				\$208,947	100%
DI_TM_LA28 (part) Property No: 282	Purchase of land for Signalised Intersection at Princes Highway/ Tivendale Road/ Station Street	Officer DCP (2011)	\$84,443				\$134,443	100%
DI_RO_LA32 (part)	Purchase of land for Grade Separated Rail Crossing at Brunt Road.	Officer DCP (2011)					\$500,000	23%

DI_CF_LA08 (Property#262)	Purchase of Land for a Community Facility Children's Services MCH & triple Kindergarten within proximity of East West Road A & Starling Road.	Officer DCP (2011)	\$954,600				\$1,909,200	72%
DI_RO_LA30b (Property#262)	Purchase of land for East West Road B to a Connector Street Boulevard standard (Section 3)	Officer DCP (2011)	\$545,400				\$1,090,800	72%
DI_TN_02 (part)	South side of the Princes Hwy (3m wide shared path) between Denton Dr and service road	Officer DCP (2011)	\$149,030				\$149,030	33%
DI_TM_02 (design)	Princes Hwy intersections Princes Hwy/Whiteside Road and Brunt Road-Design	Officer DCP (2011)					\$49,630	15%
DI_TM_05 (design)	Princes Hwy intersections Princes Hwy/Tivendale Road/ Station St-Design	Officer DCP (2011)	\$40,069				\$76,605	33%
DI_TM_05(con- struct)	Princes Hwy intersections Princes Hwy/Tivendale Road/ Station St-Construction	Officer DCP (2011)	\$1,292,723				\$1,292,723	15%
DI_TM_04 (design)	Princes Hwy intersections Princes Hwy Bayview Road/ North South Arterial-Design	Officer DCP (2011)					\$42,168	11%
DI_TM_01 (design)	Princes Hwy intersections Old Princes Highway and O'Neil Road-Design	Officer DCP (2011)	\$22,260				\$77,384	100%
DI_TM_01(con- struct)	Princes Hwy intersections Old Princes Highway and O'Neill Road-Construction	Officer DCP (2011)	\$1,381,793			\$2,925,818 (Grant)	\$4,307,610	100%
DI_TM_07 (design)	Princes Hwy intersections Princes Hwy/Town Centre Loop Road/McMullen Road -Design	Officer DCP (2011)					\$49,242	23%
DI_RO_11b	Kenilworth Avenue, 900m -design works	Officer DCP (2011)	\$6,750				\$1,234,351	100%
Total			\$20,577,010	\$0	\$7,005,836	\$11,353,714	\$61,371,770	

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 2020 requires councils develop an integrated, longer-term and transparent approach to planning organised around a ten-year community vision.

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

- Community Vision (ten years)
- Council Plan (four years)
- Financial Plan (ten years)
- Asset Plan (ten years)
- Revenue and Rating Plan (four years)

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

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

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

Our Council Plan

Section 6 Our performance

Council's performance for the 2021-22 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 2021-22 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 have also developed a new Connect e-newsletter this year which updates subscribers approximately every six weeks.

Council Plan key objectives

In the following pages, our performance is reported against the 5 key strategic objectives of the Council Plan.

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



Strong communities

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



Liveable places

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



Thriving environments

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



Prosperous economies

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





Responsible leaders

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


1 Strong Communities

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


1.1.1 Plan for, and support the delivery of, accessible health and social services that address critical gaps in provision.

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>1.1.1.1 CPI - Implement the endorsed Liveability Plan Action Agenda 2021-25.</p> <p>Progress Comments: The review of the Liveability Plan was completed in 2021 and the Liveability Plan 2017-29 (reviewed in 2021) endorsed by Council in December. In 2022, Council will finalise an implementation plan to achieve the identified actions in the plan. The new governance structure has been implemented and Liveability Partnership meetings, attended by key organisational representatives and community members, have commenced and meet regularly.</p>	Future Communities	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>1.1.1.2 CPI - Continue to drive the Services for Success initiative to attract health and social services, including mental health services.</p> <p>Progress Comments: Several new health and social services have been attracted into Cardinia Shire, particularly into the Youth Services Hub which will open in 2023. Following the Royal Commission into Mental Health Services Council has advocated for more mental health services to be located within the shire and has participated in the Mental Health Hubs Advisory Committee. Council continues to work with the Victorian Hospital Building Authority to ensure the Pakenham Community Hospital is integrated within the new Pakenham Station and Main St revitalisation for enhanced accessibility.</p>	Future Communities	01-07-2021	30-06-2022	Completed	100	 GREEN

1.1.2 Enrich local identity and opportunities for the community to connect through art, history and cultural expression.

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>1.1.2.1 CPI - Support the delivery of an annual calendar of events and programs that celebrate our diverse community, its arts and culture.</p> <p>Progress Comments: An annual program of exhibitions and shows for Cardinia Cultural Centre is currently being delivered. This includes ‘Sip n See’ morning entertainment for Seniors and a monthly evening season of shows. The Cultural Centre also has a large number of hires booked and re-occurring, including school events and dance school shows, as well as a return of commercial hirers such as Jimeoin and The Wiggles. Lake Side Sounds was also delivered in early April 2022, which featured; Josh Pyke and our 2022 music resident artists. Live music activations and workshops are also continuing where resourcing allows. Successful exhibitions, along with public programs, have occurred in the Cardinia Cultural Centre Gallery. These have included the annual Pakenham Art Show and Escaping Reality, which featured prominent local artist, John Kryzwokulski. Hills Hub Art Space is now also fully activated on a regular basis with recent exhibitions featuring; local schools (including an opening event for reconciliation week, prominent local artist Karen Alsop, and Hills Photographic Society. A very successful artist networking night was also recently held in June.</p>	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN


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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
1.1.3.1 CPI - Advocate for funding to construct a multicultural centre in Cardinia Shire.	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: Fact sheets and election material to assist grant funding have been developed which is supporting ongoing advocacy that will continue through the state election period in late 2022. Several key stakeholder meetings have occurred over the last 12 months with more planned into the 2022/23 financial year. This is an initiative over two years.</p>						

1.1.4 Facilitate a partnership approach to create safer communities.

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
1.1.4.1 CPI - Review and update the Safer Communities Strategy to incorporate Crime Prevention Through Environmental Design (CPTED).	Community and Family Services	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: The Safer Communities Strategy review and the Community Safety Action Agenda 2022 has been completed. The Community Safety Action Agenda includes the delivery of the Crime Prevention through Environmental Design policy that was endorsed by Council on 20 June '22. This policy will be incorporated into any future Community Safety Policies. This work is aligned with Outcome 3; Improved safety in the Liveability Plan to streamline Council’s community safety service delivery, consultation and reporting. A Community Safety Policy will be completed in the 2022/23 financial year.</p>						



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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>1.1.5.1 CPI - Develop the next phase of the Together We Can initiative, with an increased focus on gender equality and financial literacy.</p> <p>Progress Comments: On 17 and 18 May 2022, and 1 June 2022, more than 200 people attended the Together We Can 2022 Community Leadership Summit. Participants came from all sectors of the community, including; sport and recreation, businesses and trades, health, education, residents with lived experiences, service providers, CALD, seniors, LGBTIQ+, people with a disability, council staff, and councillors. The Summits achieved the following:</p> <ul style="list-style-type: none"> • Launched Cardinia Shire Council’s Leadership Commitment Statement for Gender Equality. • Raised awareness of the Together We Can initiative to ‘stop, prevent and end family violence in Cardinia Shire’. • Reinvigorated the Together We Can collective impact movement following the pandemic. • Educated the community on changes in systems and processes that people with a lived experience of family violence are exposed to, e.g. Victoria Police, The Orange Door and Family Law. • Informed leaders of services available locally through service stalls, keynotes and breakout sessions, including recognising financial abuse and recovery. • Challenged leaders to look at their cultures and environments that promotes healthy masculinities, respect and equality. • Shared with leaders the importance of people with a lived experience of family violence to be a part of the advocacy for change. • Mapped services that are available in and around the shire. • Devised ways to advance the Liveability Plan’s Reducing Violence Against Women Action Agenda, aligned with Together We Can’s Community Solutions. <p>Excellent media coverage was achieved in the Pakenham Gazette, Pakenham Star News and Rangers Trader papers, and with a focus on Phil Cleary’s presentation – The Age.</p> <p>Council has purchased an additional 1000 Keeping Safe cards from The Southern Region Integrated Family Violence Network (SMIFVN) to be distributed locally. The network facilitated a network/learning forum for new practitioners working with people experiencing family violence and intersecting issues of Alcohol and other Drugs and Mental Health. Around 80 practitioners attended on 7 June 2022.</p> <p>The Orange Door Access Point, a one stop shop for people experiencing or perpetrating family violence, is located in Pakenham. The facility was officially opened by the Minister for Women, Aboriginal Affairs and Prevention of Family Violence, Gabrielle Williams on 28 April, 2022. Council successfully advocated for this service to be located in Cardinia Shire and worked in partnership with Family Safety Victoria to implement the service.</p>	Community and Family Services	01-07-2021	30-06-2022	Completed	100	 GREEN



2 Liveable Places

2.1 We support the creation of liveable spaces and places.

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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>2.1.1.1 CPI - Advocate to the State and Federal Governments for increased investment for all transport modes, including road safety treatments.</p> <p>Progress Comments: A better safer roads package for Federal and State government funding has been developed. This package has been used in the recent Federal Election and will drive advocacy in the forthcoming State Government Election. Council has been successful in gaining support from our partners, including the Ryan Road commitment. Officers continue to advocate for better roads for our community. This initiative is over multiple years.</p>	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>2.1.1.1 CPI - Develop a municipal-wide community infrastructure plan, and include relevant projects in the 10-year capital program.</p> <p>Progress Comments: The Community Infrastructure Program for the final Plan has been developed. It confirms the objectives, scope, and budget to be delivered, governance structure, stakeholder management and communications arrangements. The scope of the Community Infrastructure Plan will focus on infrastructure requirements for community services that are delivered from Council owned or managed community facilities. The Community Infrastructure Plan will align with Council's Asset Management Plan which has recently been endorsed by Council. The Community Infrastructure Plan will be completed in 2023 and involve community engagement.</p>	Future Communities	01-07-2021	30-06-2022	Completed	100	 GREEN


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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>2.1.1.1 CPI - Plan and deliver accessible and inclusive recreation and community facilities.</p> <p>Progress Comments: Achievements during the 21/22 Financial Year include:</p> <ul style="list-style-type: none"> • The completion of the construction of the new sporting pavilion within Koo Wee Rup secondary school and new public toilet at Upper Beaconsfield Reserve • Completion of the new baseball pavilion at Toomuc Reserve • Progression of construction of the pavilion upgrade projects at Toomuc and Gembrook Reserves • Completion of the new sporting fields at Comely Banks Reserve • Commencement of the new regional athletics facility at IYU Reserve • Finalising the design and tender of the Koo Wee Rup new Bowls pavilion • Progression of costings and budget analysis for Officer District Park in preparation for tender • The landscape project for Elephant Rock project is complete. <p>Council was successful in receiving external grants to aid the delivery of projects including new soccer fields and lighting at Bunyip Reserve, extension of Eastern Dandenong Ranges Trail, Nar Nar Goon oval resurfacing, Cockatoo tennis court resurfacing, Garfield netball pavilion upgrade and the Active Cardinia strategy.</p> <p>The installation of park furniture as part of the Alma Treloar Masterplan implementation project is about to commence. The amphitheatre upgrade has been delayed due to a lack of tender responses following two tender processes.</p> <p>Cochrane Park’s skate park construction phase is almost complete.</p> <p>All playground renewal projects have commenced construction. The Upper Beaconsfield Reserve BMX track upgrade was designed and construction is set to commence in August 2022.</p>	Active and Connected Communities	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>2.1.1.2 CPI - Develop a feasibility plan for the Cardinia Life facility with a range of future options for aquatics and indoor sports.</p> <p>Progress Comments: The preparation of a feasibility plan for the redevelopment of Cardinia Life has been completed. Project management documentation and a community engagement consultation brief were developed. Community engagement commenced late March 2022 and was completed mid-May 2022. Engagement results are being evaluated alongside findings from the feasibility study. A proposed project scope for the redevelopment of Cardinia Life will be presented to Council in August/September 2022 for consideration and endorsement.</p>	Active and Connected Communities	01-07-2021	30-06-2022	Completed	100	 GREEN


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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
2.1.2.1 CPI - Develop an Open Space Strategy and Recreation / Sports Plan for Cardinia.	Active and Connected Communities	01-07-2021	30-06-2023	In Progress	40	 RED
<p>Progress Comments: The preparation of Cardinia Shire's Open Space Strategy is progressing with a focus on data gathering and analysis regarding the provision of and access to open space. This data will inform the development of the draft Strategy ready for community engagement to begin early in 2023.</p> <p>The preparation of the Active Cardinia Strategy is progressing and on track. Community engagement for the Active Cardinia Strategy completed. Data collected is being reviewed and used to developed the draft strategy by end November 2022. The Active Cardinia Strategy is scheduled to be completed by the end of June 2023.</p>						
2.1.2.1 CPI - Develop and upgrade shared pathways and walking tracks across the shire.	Community Infrastructure Delivery	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: Works are now complete on Kenilworth Avenue in Beaconsfield, Denhams Road in Koo Wee Rup, Ruperts Street in Lang Lang and Toomuc Valley Road Path in Pakenham. Planning and approvals have now been secured for construction to commence in the upcoming 22/23 financial year for the Cardinia Road Footpath extension, as well and the Princes Highway Shared Path (north side) between Majestic Dr and Grandvue Blvd in Officer.</p> <p>A number of path projects are currently in the planning phase, with delivery delayed due to Covid. These include Viz Margaret Road gravel path in Avonsleigh, Gembrook Road gravel path, and Tynong Road gravel path all now scheduled for delivery in the 22/23 financial year.</p> <p>Council was also successful in a funding application for the Victorian Government Growing Suburbs Fund to facilitate delivery of the Eastern Dandenong Ranges Trail connection, which will be delivered in the upcoming 22/23 financial year.</p>						




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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
2.1.3.1 CPI - Work with the Victorian Government and relevant stakeholders to encourage sustainable supply of social and affordable housing across the shire.	Community and Family Services	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: Planning and engagement with the Victorian government, Homes Victoria, Municipal Association of Victoria (MAV), and key stakeholders continue to be strengthened this quarter.</p> <p>This quarter has included facilitating MAV to deliver a workshop to Council outlining key federal and state Social and Affordable Housing initiatives, and Cardinia Shire Council’s submission to MAV regarding the Strategic Statement and the Social and Affordable Housing Compact. Council officers are continuing to work closely with the relevant stakeholders to encourage the sustainable supply and diversity of Social and Affordable Housing across the shire. Officers have met with representatives from Homes Victoria, Department of Families, Fairness, and Housing to discuss potential land opportunities which Cardinia Shire has available for Social and Affordable Housing projects and included in its Land Register. Officers have also made connections with Aboriginal Housing Victoria to progress projects in Cardinia Shire.</p> <p>The Social and Affordable Housing Network has reconvened for 2022 and there have been two meetings. They are now quarterly and consist of Councillors, council officers, community housing organisations, and representatives from neighbouring Councils and Community Housing providers, as well as new participants including Womens Property Initiative (WPI), WAYSS, Mind and AllambiCare.</p> <p>Cardinia Shire continues to actively participate in external Social and Affordable housing networks, such as the MAV-convened Inter-Council Affordable Housing Forum and the Regional Charter. We use these networks to strengthen our own connections with other external organisations, like Aboriginal Housing Victoria. The following summarises the key achievements for Q4:</p> <ul style="list-style-type: none"> • Organised a Council Tour on key Social and Affordable Housing projects for Councillors and Staff • Big Housing Build proposals • Developer Galileo Group’s first social housing delivery and two more dwellings in the pipeline • Assisting Mind to complete their SAH project on Cumberland Drive, Pakenham • Assisting Anchor and Youth Services to progress the Youth Foyer project in Main Street, Pakenham • Regional Local Government Homelessness & Social Housing Charter Group • Inter-Council Affordable Housing Forum • Cardinia Social and Affordable Housing Network • Aboriginal Housing Victoria • Presentation to State government and MAV’s consultation for the Social and Affordable Housing Compact • Co-presentation to Cardinia Child and Family Network regarding the negotiation of s173 Agreements for Community Housing. 						

2.1.4 Advocate for increased and more connected public transport options.

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
2.1.4.1 CPI - Advocate for increased public transport services, frequency and multi-modal connectivity within the shire and greater southeast region.	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: This initiative is over a number of years and will need to continue as the region continues to grow. Council's advocacy priorities have been developed into a 2021/22 advocacy pack that will assist Council in advocating for multiple transport initiatives. Officers are also meeting fortnightly and monthly with the project teams delivering Sky Rail and major roads projects in our region to ensure better transport outcomes are considered in the design of the infrastructure.</p>						


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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>2.1.5.1 CPI - Design Pakenham town centre streetscape upgrades.</p> <p>Progress Comments: 21.09.22 Council funding grant to the State Government's Growing Suburbs Fund, to revitalise Main Street Pakenham was successful and will assist Council to upgrade road infrastructure in Pakenham. Works will commence 2023 after public consultation Public consultation will occur once recruitment for a coordinator is finalised and they can manage this. This will be a crucial part of the project Council has prepared a draft Public Realm Strategy for the Pakenham Centre. This has been drawn from the objectives of the Pakenham Structure Plan and the Urban Design Framework. More work needs to occur in this space, waiting on resource to onboard.</p>	Major Projects	01-07-2021	02-07-2022	In Progress	75	 RED
<p>2.1.5.1 CPI - Review and update Council’s Road Safety Plan.</p> <p>Progress Comments: The Cardinia Shire Road Safety Strategy was developed in 2016 with an aim to reduce the level and severity of road trauma within the municipality over the coming 10 years until 2025. An internal review and workshop has been completed with internal departments to ensure the actions and priorities remain consistent with the intent of the strategy. Ongoing actions being carried out include; the delivery of road safety programs (federal government Black Spot Program), liaison with Victoria Police on road safety matters, improving roadside horse-riding trails aligned with the shires Equestrian Strategy, advocacy to Victorian and Australian Government agencies to fund and deliver road safety improvements, and establishing a program to deliver traffic calming devices in identified residential areas.</p>	Community Infrastructure Delivery	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>2.1.5.2 CPI - Plan and deliver infrastructure upgrades to our road network to meet the needs of the current and future population.</p> <p>Progress Comments: Under the umbrella of the Better Local Roads Program, all major road infrastructure is planned for and delivered through three major roads programs. These are the Sealing the Hills program, the Strategic Roads program, and the Princes Highway Intersection Upgrade program. For the Sealing the Hills program, road construction has been completed on Princes Ave and Crichton Ave in Emerald, with new road construction commencing on Armstrong Rd in Beaconsfield, Station Rd Anzac St and Heroes Ave in Gembrook, as well as Beenak East Rd in Gembrook. A contract has been awarded for works to commence shortly on Innes Rd in Gembrook. Early water quality treatment works were recently carried out in preparation for the future construction of Caroline Ave and Boronia Cr in Cockatoo, which is to take place later in the calendar year. For the Strategic Roads program, road construction has now been completed for LL & Armytage roads in Officer, and construction has commenced for McGregor Rd, Solider Rd and Hobsons Rd in Pakenham. For the Princes Highway Intersection Upgrade Program, works have now commenced on both the Princes Highway, Bayview Rd and Tivendale Rd intersections.</p>	Community Infrastructure Delivery	01-07-2021	30-06-2022	Completed	100	 GREEN


3 Thriving Environments

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


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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
3.1.1.1 CPI - Implement initiatives in the Aspirational Energy Strategy.	Environment and Heritage	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: Council's target in the adopted Aspirational Energy Transition Plan is to be carbon neutral for it's own operations by 2024. Progress towards implementation:</p> <ul style="list-style-type: none"> • Energy audits completed for Bunyip Hall and Holm Park Pavilion • Street lighting LED upgrade investigation and tender evaluation complete. On-ground replacement works (upgrading mercury vapour bulbs to high efficiency alternatives) due to start in the new financial year. • Worked with the Dandenong Ranges Renewable Energy Association and Bunyip Renewables Action Group to support community emission reduction initiatives. • Continued participation in South East Councils Climate Chance Alliance (SECCCA) projects including; Electric vehicle infrastructure mapping project, Small business energy saver, Minderoo Community Climate Resilience project, Asset Vulnerability Assessment and Blue Carbon Mapping. • 75kW solar system installed at the Civic Centre. • Supported Gembrook Preschool with funding application to install a Tesla Powerwall battery. 						


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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
3.1.2.1 CPI - Develop the next five-year action plan for the Waste and Resource Recovery Strategy.	Infrastructure Services	01-07-2021	02-07-2022	In Progress	91	 RED
<p>Progress Comments: A draft action plan has been developed and will be progressing to SLT for endorsement and Council Briefing as an update in October. This will be incorporated in a broader update on future initiatives and Kerbside reform planning.</p>						


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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
3.1.3.1 CPI - Develop an Environmentally Sustainable Design Policy.	Planning and Design	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: The Environmental Sustainable Design Policy is on track. A draft policy has been created in line with the state government requirements which will ultimately deliver more sustainable outcomes in areas such as building designs, subdivision layouts, and physical infrastructure in Cardinia Shire.</p> <p>The next steps is for Council to undertake a planning scheme amendment to incorporate the Environmentally Sustainable Design Policy into the Cardinia Shire Planning Scheme.</p>						
3.1.3.1 CPI - Implement initiatives in the Biodiversity Conservation Strategy.	Environment and Heritage	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: The Biodiversity Conservation Strategy was adopted in June 2019 and is a 10-year strategy. Progress towards implementation:</p> <ul style="list-style-type: none"> Continued involvement in two landscape scale, multi stakeholder biodiversity projects; Cannibal Creek Catchment Biodiversity Project, and the Peri-Urban Weed Partnerships Project. Roadside vegetation quality assessment project completed, which will inform conservation works in future years. iNaturalist Citizen science tours were undertaken with six community groups, involving 56 participants, to inform community members on how to use the app and contribute towards the program. The Biolink Plan was adopted in December 2021 The annual native plant giveaway program was launched in March 2022, providing 2,000 free plants (2 per household). 						

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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
3.1.4.1 CPI - Implement initiatives in the Integrated Water Management Plan.	Environment and Heritage	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: Cardinia Shire’s water consumption target (for its operations) is to stabilise potable water consumption at 1.5 % of shire water consumption. Progress towards implementation:</p> <ul style="list-style-type: none"> Completed installation of the Deep Creek boardwalk, including interpretation elements. Continued to partner with Melbourne Water and City of Casey to investigate the feasibility of aquifer (ground water) storage and recharge opportunities. Installed water monitoring systems at Cardinia Life, Garfield and Koo Wee Rup pools. Installation of a Gross Pollutant Trap at Alma Treloar Reserve to trap pollutants before entering Cockatoo Creek. 						



3.1.5 Facilitate community stewardship to build preparedness for natural threats.

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
3.1.5.1 CPI - Provide the community with tools to assist in the management of natural threats and emergencies.	Regulatory Services	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>Progress Comments: Fire preparedness and readiness are an ongoing educational piece being undertaken for our community. This year we have seen the roll out of the Bushfire Prepare – Educational program to support residents to safely manage bushfire risk on properties. Ready Get Go Kits, a Resources/guides to support residents to make emergency plans and to prepare items for evacuations. Summer Preparedness Mailout which includes information material regarding fire summer fire safety. Staff attended markets and other events in community to share all hazards information, facilitated in the Municipal emergency planning to support community planning and response and the management of STAND Community Emergency Internet sites in the Shire.</p>						

4 Prosperous Economies

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

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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>4.1.1.1 CPI - Advocate for the development of green wedge management plans.</p> <p>Progress Comments: In our planning scheme, agricultural land is protected by the Green Wedge Zone and both State and Local Planning Policy, and our high quality soil in the Westernport Green Wedge (the old Koo Wee Rup swamp land) is also protected by the Special Use Zone 1 (SUZ1), the Westernport Green Wedge also has the Westernport Green Wedge Policy at Clause 22.05 in the planning scheme (which is based on the Westernport Green Wedge Management Plan).</p> <p>The strategic team has commenced preliminary work for the Management Plans for the Northern Ranges Green Wedge and the Southern Ranges Green Wedge. This work will be aligned to the State Government’s findings of the Green Wedge and Agricultural Land (GWAL) consultation which is scheduled for release.</p> <p>Statutory Planning have had success in protecting our agricultural land from use and development that is inconsistent with the Special Use Zone 1 and the Westernport Green Wedge Management Plan with VCAT supporting Council’s decision to refuse a permit for a development at 565 Murray Road, Vervale, for the use and development of land for manufacture and production of hempcrete and a caretaker’s house.</p>	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>4.1.1.1 CPI - Implement the Cardinia Community Food Strategy and Action Plan.</p> <p>Progress Comments: During the past 12 months, many actions from the Community Food Strategy have been achieved including but not limited to:</p> <ul style="list-style-type: none"> - Launch of the United African Farm - Evaluation of the Cardinia Food Circles Collective Impact project, and ending of the 5 year contract with Sustain: The Australian Food Network - Release of the Circles of Friends cookbook, celebrating local produce and farmers in the region. - Food From Home project distributing 700 planter kits to families and young people experiencing food insecurity. - More than \$75,000 being attracted into Cardinia Shire food system projects through the Sustainable Table fund. - Launch of the VicHealth Food System Consensus Statement, of which Cardinia Shire is a signatory. - Launch of the West Gippsland Food and Tourism Strategy - Reach of the Cardinia Food Movement social media has increased by 217% in the past 12 months - Cardinia Food Forum held online for the first time, with keynote speaker Sandro Demaio, CEO VicHealth - Two Food Hub applications submitted to VicHealth for more than \$1.25M 	Future Communities	01-07-2021	30-06-2022	Completed	100	 GREEN



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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
4.1.2.1 CPI - Advocate for a South East Melbourne Airport.	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN
Progress Comments: Council is working with Greater South East Melbourne to advocate for the initial land-use planning in relation to the Airport. Recently the GSEM group adopted the SE Airport as a major regional project and has set up a project group to further develop the concept regionally. Advocacy documentation has been created to assist with State election campaigns and Materials were distributed to Federal election candidates in the lead up to the recent Federal election. This is an initiative over several years.						
4.1.2.2 CPI - Develop an Investment Attraction Plan for Cardinia Shire employment precincts.	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN
Progress Comments: This is a multiyear initiative. The Investment Attraction strategy is in development, it is proposed to be presented to Council in the third quarter of 2022. The Post Covid lockdowns have caused major disruption to the industrial landscape and has caused large demand for industrial land. This has caused revaluation in relation to the investment attraction activities council should undertake, and delayed the implementation of the strategy. Officers have been working closely with external State departments and stakeholders to continue to drive investment in the Shire.						
4.1.2.3 CPI - Facilitate investment in our townships to support businesses and vibrant communities.	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN
Progress Comments: We continue to advocate for investment in our townships and employment land through pre-application meetings, participation in the Officer South Precinct Structure Planning process, and working closely with landholders and developers to support new business initiatives. Council has developed a website, What's On Cardinia to showcase our attractions and businesses, and to create a strong connection between our local residents. The finalisation of the Investment Attraction strategy will further support this initiative. Council officers have also visited most retail and hospitality venues across the shire, and in the smaller shopping strips and townships, to ensure Covid compliance and assistance for smaller businesses has been offered. Additionally, we have supported The Eastern Dandenong Ranges Association (EDRA) and the West Gippsland Progress Association (WGPA) to further develop their plans and support their communities. This is an initiative over several years.						

4.1.3 Improve local learning and employment pathway opportunities through strategic partnerships.

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
4.1.3.1 CPI - Advocate for the growth of local education opportunities that improve skills and employment pathways.	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN
Progress Comments: Officers continue to work with the education sector, including Federation University & Chisholm Tafe, to look at how they can further integrate into Cardinia to provide improved outcomes for our residents. Research undertaken to determine the potential for an industry/education training facility within Officer South PSP and recommendations put forward as part of the planning process. Texilla College was recently established within the shire, and program delivery will commence 3rd semester 2022. This is an initiative over several years						


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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>4.1.5.1 CPI - Actively protect key heritage sites within the shire.</p> <p>Progress Comments: Actions that seek to actively protect heritage sites include:</p> <ul style="list-style-type: none"> • Management plans prepared for Cockatoo bushfire memorial building and Emerald Maternal Child Health centre. These plans identify significant historical features of each site, and how to maintain/improve the buildings while preserving their historical significance. • Coordinated the annual Heritage Grants program. 	Environment and Heritage	01-07-2021	30-06-2022	Completed	100	 GREEN
<p>4.1.5.1 CPI - Develop and deliver initiatives within the Economic Development Strategy, including the visitor economy and tourism.</p> <p>Progress Comments: This is an initiative over several years – the Economic Development Strategy is in draft form however achievements have been delivered this year, derived from the strategy. This includes the What's On Cardinia website, Cardinia Shire Tourism Advisory Committee and the What's On festival. Two Business Breakfasts have been conducted and sessions on post COVID for businesses have been delivered.</p> <p>We continue to support new investment in the region through pre-application meetings, ongoing collaboration with our planning department internally and government departments such as Invest Victoria and Development Victoria externally.</p>	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN

5 Responsible Leaders

5.1 We practise responsible leadership.


5.1.1 Build trust through meaningful community engagement and transparent decision-making.

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>5.1.1.1 CPI - Implement the Community Engagement Policy, exceeding legislative requirements for community engagement.</p> <p>Progress Comments: Council’s Community Engagement Policy 2021-24 has guided our community engagement activities over the past year to ensure they are in line with the Local Government Act and assist Council in making decisions for our community. More than 150 engagement projects were undertaken in 2021/2022 with more than 4,000 online contributions to these projects. Major projects included: Open Air Burning Local Law, proposed redevelopment of Cardinia Life, Domestic Animal Management Plan, Asset Plan, Council Budget, multiple roads projects, multiple playground projects, BMX and skate park redevelopments, Youth Foyer, and the Climate Change Adaptation Strategy.</p>	Communications and Engagement	01-07-2021	30-06-2022	Completed	100	 GREEN

5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>5.1.2.1 CPI - Develop a long-term financial plan that ensures financial sustainability.</p> <p>Progress Comments: The rolling review and update of the 10-year financial plan developed in 2020-21 was completed in June 2022, as part of the 2022/23 Budget process. The Budget 2022-26, being a component of the Financial Plan, was adopted by Council on 27 June 2022.</p>	Finance	01-07-2021	30-06-2022	Completed	100	 GREEN


5.1.3 Strive to be a customer-focused organisation and be a great place to work.

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>5.1.3.1 CPI - Publicly report the organisation’s performance on a quarterly basis, including customer service outcomes.</p> <p>Progress Comments: Council successfully published the Quarterly Performance Report to the community, via Council's website, and in the public papers of the general council meeting following each financial year quarter. The Quarterly Performance Report includes a broad range of performance outcomes, including customer service.</p>	Customer and Service Improvement	01-07-2021	30-06-2022	Completed	100	 GREEN

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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
<p>5.1.4.1 CPI - Implement the Cardinia Shire Advocacy Plan and work with strategic partners on shared advocacy initiatives.</p> <p>Progress Comments: The Advocacy Plan has been implemented, which includes State and Federal advocacy packs where council’s priorities and projects have been highlighted for funding opportunities. The packs were used for the recent Federal election and currently driving the State election process. Officers have been working with Greater South East Melbourne Group, National growth Areas Alliance and the Interface Councils Group, amongst others, to further highlight council’s advocacy priorities. This is an initiative over several years.</p>	Arts, Advocacy and Economy	01-07-2021	30-06-2022	Completed	100	 GREEN

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

Initiative	Business Unit	Start Date	End Date	Status	% Complete	Performance
5.1.5.13 CPI - Publicly report on Council decisions made and their implementation to demonstrate transparent decision making.	Governance	01-07-2021	30-06-2022	Completed	100	 GREEN
Progress Comments: Quarterly reporting of Council decisions and their implementation have been reported quarterly to the formal Council Meetings and shared publicly through Councils website.						

Performance indicators

Aquatic facilities

Service indicator	2018 - 19	2019-20	2020-21	2021-22	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	2.40	1.40	2.20	The increased inspections completed this year compared to the previous year were due to changes to COVID-19 restrictions. In the previous year, pools were closed which meant fewer inspections were required to be completed.
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population]	6.93	4.78	2.46	3.29	Attendance has continued to increase following COVID shutdowns. The previous financial year included COVID-19 shutdown periods where no attendance was possible. It is expected attendance will continue to increase as people return to using the aquatic facilities post COVID.
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]	-\$0.47	Retired Indicator	Retired Indicator	Retired Indicator	
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]	\$13.39	Retired Indicator	Retired Indicator	Retired Indicator	
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	\$0.92	\$3.42	-\$0.87	Costs increased above budget due to closures required due to COVID-19 restrictions and committed contract costs. However, with closures much shorter than in previous years, the total cost to Council has reduced to it's lowest in the last three years.

Animal management

Service indicator	2018 - 19	2019-20	2020-21	2021-22	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]	3.28	3.22	3.45	4.53	Response times for animal-related matters were lower for this reporting period due to a reduction in non-urgent request types being actioned during periods of COVID restrictions and higher than normal staff turnover.
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed/Number of animals collected] x100	43.63%	37.63%	35.97%	46.63%	The preceding two years have included a drop in owner recoveries, which we attribute to pandemic-related factors, most likely financial hardship driving animal recovery rates down. The year has seen a return to recovery rates that are consistent with pre-pandemic levels.
Service standard <i>Animals rehomed</i> [Number of animals rehomed/Number of animals collected] x100	New in 2020	7.42%	11.51%	11.06%	
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service/Number of registered animals]	\$31.21	Retired Indicator	Retired Indicator	Retired Indicator	
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service/Municipal population]	New in 2020	\$4.07	\$3.38	\$4.04	The service cost for 2021-22 is up on the previous reporting period, however, the previous reporting period was unusually low. The cost of service for this period is back in line with the preceding year.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	14.00	Retired Indicator	Retired Indicator	Retired Indicator	

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/ Number of animal management prosecutions]	New in 2020	100%	100%	100%	

Food safety

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response for all food complaints/Number of food complaints]	1.75	1.37	1.37	1.52	The slight increase in initial response time has occurred during this reporting period, predominantly due to unscheduled staff absences during the reporting period. This resulted in some complaints pushing into a second day.
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 Food Act 1984/Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100%	100%	100%	100%	
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service/Number of food premises registered of notified in accordance with the Food Act 1984]	\$311.80	\$366.46	\$368.74	\$310.78	The cost in service has decreased in this financial year due to an increased amount of food premises, coupled with stability in staffing within the team.
Health and safety <i>Critical and major non-compliance outcome notifications</i>	100%	100%	100%	100%	

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
[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					

Governance

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
<p>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]</p>	0.47%	4.55%	2.92%	3.54%	Although the percentage has risen, only 3 more decisions were undertaken closed to the public, 5 to 8. This is mainly due to commercial confidentiality.
<p>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]</p>	55	52	54	68	Engagement activities conducted during the development of the 2021-2025 Council Plan and Community Vision may have influenced this result. Increasing the use of engagement platforms is providing more opportunities for the community to engage with the Council on a variety of topics and activities. There has also been an increase in engagement planning due to legislative changes. The Community Satisfaction Survey for 2022 was conducted using a new, in-person, methodology that may have been better suited to having respondents understand the meaning of the relevant question around community engagement.

Service indicator	2018 - 19	2019-20	2020-21	2021-22	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	76.11%	84.92%	82.22%	91.11%	There were less apologies received from Councillors than in the previous reporting period
Service cost <i>Cost of governance</i> [Direct cost of governance service/Number of Councillors elected at the last Council general meeting]	\$47,774.00	\$46,356.22	\$46,079.89	\$56,036.33	This increase is due to the increased level of Councillor allowances set by the Victorian Independent Remuneration Tribunal and the resulting back pay required to be paid.
Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	54	51	55	65	Improvements, within the community, of the perception and understanding of decisions made by Councillors, may have influenced this result. Furthermore, a new, in-person, methodology used for the 2022 Community Satisfaction Survey may have been better suited to having respondents understand the meaning of the relevant question when it was asked.

Libraries

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
Utilisation <i>Physical library collection usage</i> [Number of physical library collection item loans/number of physical library collection items]	7.47	5.51	4.35	4.46	Libraries closed to public during Victorian lockdowns, limiting access to collections. Home Deliveries enabled some lending to continue.

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
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	72.39%	72.62%	72.24%	74.93%	
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	10.39%	10.14%	8.67%	7.48%	Loans and Active Borrowers participation in Quarters 1 and 2 were heavily reduced by COVID-19 lockdowns. This has been the case for the 2 years since March 2020. Active re-engagement campaigns have commenced to encourage new members and towards the re-activation of disengaged members to improve future participation.
Service cost <i>Cost of library service</i> [Direct cost of library service/Number of visit]	\$5.17	Retired Indicator	Retired Indicator	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	\$16.07	\$15.12	\$15.19	

Maternal and child health (MCH)

Service indicator	2018 - 19	2019-20	2020-21	2021-22	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	100.68%	101.68%	101.06%	101.16%	
Service cost <i>Cost of MCH service</i> [Direct cost of MCH service/Hours worked by MCH nurses]	\$67.33	\$69.78	\$70.97	\$75.07	

Service indicator	2018 - 19	2019-20	2020-21	2021-22	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	76.70%	76.80%	68.73%	67.41%	The COVID-19 pandemic impacted service levels with reduced numbers of children attending the service. The service model prioritised young and vulnerable children in accordance with State Government directions.
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	79.71%	84.98%	73.26%	67.62%	The COVID-19 pandemic impacted service levels. The service experienced workforce pressures and staff shortages. Therefore, a reduced number of Aboriginal children were identified during consultations.
Satisfaction <i>Participation in first MCH visit</i> [Number of first MCH home visits/Number of birth notifications received] x100	99.03%	Retired Indicator	Retired Indicator	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	98.44%	97.27%	96.53%	

Roads

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests/Kilometres of sealed local roads]	70.21	93.32	78.86	82.05	

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
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	97.06%	97.82%	98.67%	98.83%	
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed]	\$42.00	\$40.71	\$41.17	\$33.23	The types of projects and reconstruction methods used in 21/22 resulted in lower costs than previous years. This is due to both the site characteristics (hierarchy, existing pavement, wearing course, defect types etc) as well as the use of efficient renewal approaches such as pavement stabilisation and asphalt base courses.
Service cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing/Square metres of sealed local roads resealed]	\$10.26	\$9.33	\$8.07	\$12.97	The variation in Cardinia Shire Council's local road resealing costs is due to both increased cost of works and increased complexity of the work required in 2021/22. Council spent a greater proportion of our program this year preparing for reseals to ensure that the result achieves its required service life. Additionally, in the 21/22 financial year Council undertook a larger percentage of higher quality double seals at an associated higher cost.

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
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]	58	52	56	64	Council's improved preparation for re-sealing activities, and increased use of higher-quality double seals, is likely to have had a positive impact on this measure. Furthermore, the second sealed road maintenance unit came online for council's internal work force in the last 18 months significantly increasing our ability to address a large network in a timely way. Lastly, it is important to note that the Community Satisfaction Survey for 2022 was conducted using a new, in-person, methodology for the Community Satisfaction Survey may have improved the respondents' understanding of the relevant question when it was asked.

Statutory planning

Service indicator	2018 - 19	2019-20	2020-21	2021-22	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]	104	89	100	112	The increase in the median number of days is due to the COVID-19 impacts on resourcing, and the sustained increase in the number of new applications received, This includes a 2.3% increase in applications in 2021-22 compared to 2020-2021 and a 18% increase when compared to 2019-2020.
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	78.85%	82.76%	69.18%	41.62%	This result has been impacted by the sustained increase in the number of new applications received. For example, total application numbers in 2021-22 was 2.3% higher compared to 2020-2021 and 18% higher compared to 2019-2020. Another contributing factor has been the continuing impact of COVID-19 and difficulty recruiting planners.

Service indicator	2018 - 19	2019-20	2020-21	2021-22	Material variation
Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service/Number of planning applications received]	\$1,715.34	\$1,863.74	\$1,506.82	\$1,559.89	
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	100%	0%	40%	57.14%	The total number of VCAT decisions in the period was small (7) and the circumstances of each case are highly fact specific.

Waste collection

Service indicator	2018 - 19	2019-20	2020-21	2021-22	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	207.94	224.88	247.53	234.41	2020/21 saw increased interaction and engagement with Council's services due to residents staying in their local areas more during the health pandemic. The level of engagement has continued to be higher in 2022 than in pre-pandemic years.
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	9.31	9.54	10.32	8.06	Early 2021-22 saw pandemic related disruptions continue, but with much improved service in the latter part of the year driven by improved contractor management and performance an overall positive result was achieved.

Service indicator	2018 - 19	2019-20	2020-21	2021-22	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]	\$127.37	\$127.55	\$122.08	\$118.67	Greater diversion of food and garden processing has resulted in reduced tonnages to landfill and reduced cost for garbage bin collection service.
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]	\$42.29	\$70.15	\$81.23	\$76.53	New negotiated contract arrangements have provided savings to the recyclables collection service.
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	42.14%	43.55%	48.67%	48.08%	

Performance statement



Description of municipality

Cardinia Shire is one of the fastest growing local government areas in Victoria with an average of three families moving into the area every day. As of 2022, Cardinia Shire's estimated population is 131,834 and is expected to increase by approximately 51,762 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

Council continued to be dedicated to supporting the community in what was a challenging and uncertain year due to the COVID-19 pandemic.

Supporting the community through the initial phases of the pandemic was an exceptional challenge and required acting quickly to ensure that we were able to continue to deliver essential services and provide a range of extra support.

Council implemented a 4-phase COVID-19 Relief and Recovery Package to support our community, local businesses, sporting clubs, relief providers and local agencies, as well as the local arts sector.

As part of our initial response phase, we identified that the key impacts and challenges of COVID-19 included; mental health and wellbeing, family violence, economic recovery, and public safety.

Council quickly rolled out dedicated supports and actions including:

- COVID-19 Online Help Hub.
- The Community Activation and Social Isolation (CASI) initiative, providing access to social, emotional and practical support.
- A Buy Local campaign to support local businesses.
- Financial support for local community groups, organisations and clubs.
- Rate relief, including financial hardship provisions, payment plans and extension of interest-free periods on unpaid rates.
- Waiving of tenancy and hire fees for Council facilities.
- Directories to help our community get in touch with support services.
- A dedicated multicultural support officer.

Council also awarded more than \$80,000 in grants to local community groups and organisations to provide vital support during the pandemic:

- **Relief Provider Support Grants** were provided to not-for-profit organisations and locally based groups to meet the emergency relief needs of residents, including food relief, financial support, employment advice, family violence support, homelessness advice, home schooling support, mental health support, substance abuse support, social isolation and community connection.
- **Community Connections Grants** were provided to community groups, services and not-for-profit organisations to deliver projects, programs or services to increase social connection and reduce social isolation, promote healthy relationships and improve social, physical and mental health.
- **COVID-19 community arts grants** supported creative connection across the shire.

Furthermore, a survey was created to better understand local community needs during the pandemic so that we could continue to support residents and businesses.

Finally, a COVID-19 Community Recovery Committee was appointed to work together to address mental health and social isolation issues as well as employment and financial insecurity from the pandemic. A series of free community recovery events were also planned to help build community connections.

Sustainable capacity indicators

	Indicator	2019	2020	2021	2022	Material variation
Population *	<i>Expenses per head of municipal population</i> [Total expenses/ Municipal population]	\$1,113.36	\$1,174.00	\$1,166.37	\$1,242.63	
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure/ Municipal population]	\$8,614.11	\$8,927.64	\$9,153.18	\$9,987.48	
	<i>Population density per length of road</i> [Municipal population/kilometres of local roads]	68.10	70.63	72.48	73.44	
Own-source revenue	<i>Own-source revenue per head of municipal population</i> [Own-source revenue/Municipal population]	\$996.32	\$973.28	\$950.86	\$996.49	
Recurrent grants	<i>Recurrent grants per head of municipal population</i> [Recurrent grants/Municipal population]	\$165.49	\$146.51	\$155.65	\$178.58	The increase in 2021-22 is primarily the result of an increase in Operating Recurrent Grants, including the annual Commonwealth Financial Assistance Grant, due to the partial in-advance receipt for 2022-23, and the State Maternal and Child Health Grant.

*Council has utilised the March 2022 published data for municipal population

	Indicator	2019	2020	2021	2022	Material variation
Disadvantage	<i>Relative socio-economic disadvantage</i> [Index of relative socio-economic disadvantage by decile]	8.00	8.00	8.00	8.00	
Workforce turnover	<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations/Average number of permanent staff for the financial year] x100	10.01%	12.75%	13.38%	14.92%	Whilst this is greater than 10%, it is only marginally more than in previous years. Since COVID-19 in 2020 the market for candidates has been extremely competitive and it is becoming hard to keep and retain employees. This trend can be seen across many industries and local government areas.

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	2019	2020	2021	2022	Material variation
Aquatic facilities	Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population]	6.93	4.78	2.46	3.29	Attendance has continued to increase following COVID shutdowns. The previous financial year included COVID-19 shutdown periods where no attendance was possible. It is expected attendance will continue to increase as people return to using the aquatic facilities post COVID.
Animal management	Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	14	Retired Indicator	Retired Indicator	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	100%	100%	100%	

Service	Indicator	2019	2020	2021	2022	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]	54	51	55	65	Improvements, within the community, of the perception and understanding of decisions made by Councillors, may have influenced this result. Furthermore, a new, in-person, methodology used for the 2022 Community Satisfaction Survey may have been better suited to having respondents understand the meaning of the relevant question when it was asked.
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	10.39%	10.14%	8.67%	7.48%	Loans and Active Borrowers participation in Quarters 1 and 2 were heavily reduced by COVID-19 lockdowns. This has been the case for the 2 years since March 2020. Active re-engagement campaigns have commenced to encourage new members and towards the re-activation of disengaged members to improve future participation.

Service	Indicator	2019	2020	2021	2022	Material variation
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	76.70%	76.80%	68.73%	67.41%	The COVID-19 pandemic impacted service levels with reduced numbers of children attending the service. The service model prioritised young and vulnerable children in accordance with State Government directions.
Maternal and Child Health (MCH)	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	79.71%	84.98%	73.26%	67.62%	The COVID-19 pandemic impacted service levels. The service experienced workforce pressures and staff shortages. Therefore, a reduced number of Aboriginal children were identified during consultations.
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]	58	52	56	64	Council's improved preparation for re-sealing activities, and increased use of higher-quality double seals, is likely to have had a positive impact on this measure. Furthermore, the second sealed road maintenance unit came online for council's internal work force in the last 18 months significantly increasing our ability to address a large network in a timely way. Lastly, it is important to note that the Community Satisfaction Survey for 2022 was conducted using a new, in-person, methodology for the Community Satisfaction Survey may have improved the respondents' understanding of the relevant question when it was asked.

Service	Indicator	2019	2020	2021	2022	Material variation
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	100%	0%	40%	57%	The total number of VCAT decisions in the period was small (7) and the circumstances of each case are highly fact specific.
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	42.14%	43.55%	48.67%	48.08%	

Definitions

- “Aboriginal child” means a child who is an Aboriginal person.
- “Aboriginal person” has the same meaning as in the *Aboriginal Heritage Act 2006*.
- “active library borrower” means a member of a library who has borrowed a book from the library.
- “annual report” means an annual report prepared by a council under section 98 of the Act
- “class 1 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act.
- “class 2 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act.
- “critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health.
- “food premises” has the same meaning as in the *Food Act 1984*.
- “local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*.
- “major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.
- “MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age.
- “municipal population” means the resident population based on data published by the Australian Bureau of Statistics on its website.

Financial performance indicators

Indicator	Result				Forecasts				Material variation
	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency									
Expenditure level <i>Expenses per property assessment</i> [Total expenses/Number of property assessments]	\$2,625.62	\$2,800.87	\$2,793.73	\$2,970.11	\$3,006.76	\$2,833.28	\$2,851.32	\$2,857.49	The increasing trend is due to Total Expenses increasing at a faster rate than Total Assessments (Timing of finalisation of supplementary valuations is different to budget document resulting in a change in denominator). The increase in 2021-22 is primarily due to the increase in Materials and Services expenditure resulting from the transfer of capital project expenditure to operating. This is in lieu of asset capitalisation accounting requirements not being met in Council not having control of the resultant State Government owned asset or project expenditure not being of an operating nature or not meeting capitalisation thresholds. Key related projects include: Koo Wee Rup school upgrades; Glismann and Princes Hwy intersection upgrades; Princes Hwy and O'Neil Road intersection upgrades.
Revenue level	\$1,785.02	Retired indicator	Retired indicator	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
	2019	2020	2021	2022	2023	2024	2025	2026	
<i>Average residential rate per residential property assessment [Residential rate revenue/Number of residential property assessments]</i>									
Revenue level <i>Average rate per property assessment [General rates and Municipal charges /Number of property assessments]</i>	New in 2020	\$1,710.92	\$1,734.05	\$1,763.25	\$1,780.45	\$1,822.66	\$1,856.12	\$1,889.40	The forecast trend indicates future rates revenue is in line with the forecast rate cap (Timing of finalisation of supplementary valuations is different to budget document resulting in a change in denominator compared to budget document).
Liquidity									
Working capital <i>Current assets compared to current liabilities [Current assets/Current liabilities] x100</i>	247.49%	215.85%	189.21%	221.08%	175.25%	163.88%	162.80%	229.09%	<p>The increase in 2021-22 is due to an increase in Current Assets, particularly term deposit investments and Developer Contribution Plan Receivables, and a reduction in Current Liabilities, particularly Trade and Other Payables and Interest-Bearing Liabilities.</p> <p>Increased term deposit investments were assisted by the partial in-advance receipt of the annual Commonwealth Financial Assistance Grant for 2022-23. The reduction in current trade and other payables and loan borrowings resulted from timely</p>

Indicator	Result				Forecasts				Material variation
	2019	2020	2021	2022	2023	2024	2025	2026	
									<p>payment creditor invoices and repayment of existing bank loans.</p> <p>The forecast trend indicates a decreasing, although still strong, liquidity position after 2021-22 until 2025-26, when a lower loan balance and restricted cash is forecast to place Council in a stronger cash management position.</p>
<p>Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash/Current liabilities] x100</p>	-50.41%	-23.22%	-86.00%	-102.19%	-50.14%	-66.10%	-60.22%	-45.46%	<p>The increase in 2021-22 is due to an increase in negative Unrestricted Cash, resulting from an increase in short term investments.</p> <p>The indicator excludes term deposits from unrestricted cash, in which Council invests the majority of its funds to maximise returns. Council disputes the merits of this exclusion.</p> <p>Contributing to the negative result is the decrease in Current Liabilities, particularly Trade and Other Payables and Interest-Bearing Loans, which was due to the timely settlement of creditors and bank loans. Council regards this as a positive business practice.</p> <p>The forecast trend indicates a continued negative indicator result, although at a much-reduced level, due to forecast</p>

Indicator	Result				Forecasts				Material variation
	2019	2020	2021	2022	2023	2024	2025	2026	
									higher Statutory Reserves and reducing Current Liabilities.
Obligations									
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings/Rate revenue] x100	40.88%	33.95%	28.15%	15.94%	30.07%	27.24%	17.92%	19.56%	The decrease in 2021-22 reflects the welcomed servicing and decrease of Loans & Borrowings, as Council gradually extinguishes its bank loans as part of its prudent debt management strategy. This is combined with an increase in rate revenue through adoption of the approved rate cap increase and rates assessment growth. Responsible cash and investment management removed the need to initiate budgeted debt borrowings in 2021-22. In the forecast period, a new loan is forecast to be drawn down in the first year, followed by continued servicing of existing loans to reduce the Loans and Borrowings balance as Total Rate Revenue increases. This forecast will be improved if approved future rate cap increases are more aligned with local government business costs and general economic conditions, unlike the 2021-22 rate cap.

Indicator	Result				Forecasts				Material variation
	2019	2020	2021	2022	2023	2024	2025	2026	
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	7.82%	6.71%	14.03%	12.09%	11.82%	10.89%	10.63%	4.33%	The decrease in 2021-22 is primarily due to the decrease in loan borrowing repayments. Lower repayments in comparison to 2020-21 is a result of the reducing outstanding loans commitments. This is combined with an increase in rate revenue through adoption of the approved rate cap increase and rates assessments growth. Council is proposing to borrow new loans in its forecast to fund capital works.
Indebtedness <i>Non-current liabilities compared to own-source revenue</i> [Non-current liabilities/Own-source revenue] x100	32.56%	39.44%	31.11%	25.03%	37.44%	33.78%	18.46%	24.86%	The decrease in 2021-22 is due to a reduction in Non-Current Liabilities, particularly Interest-Bearing Loans and Borrowings, as bank loans were serviced as scheduled. Own Source Revenue has remained stable, but Council is proposing to borrow new loans in its forecast to fund capital works which results in the increment of this indicator in the next two years.
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense/Asset depreciation] x100	40.95%	Retired indicator	Retired indicator	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
	2019	2020	2021	2022	2023	2024	2025	2026	
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	79.55%	106.09%	71.56%	190.18%	214.25%	163.35%	164.50%	The decrease in 2021-22 is due to a decrease in Upgrade Capital expenditure as projects are carried forward to 2022-23 and Depreciation expense increases. Future years are expected to improve with the increase in annual upgrade and renewal expenditure, subject to capital works project completion (Budget figures used amortisation and depreciation as a part of denominator).
Operating position									
Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/Adjusted underlying revenue] x100	4.76%	-2.54%	-0.80%	-0.39%	-5.60%	-0.48%	-0.17%	0.60%	The adjusted underlying deficit reduced by \$0.5m in 2021-22 despite an \$8.6m Materials and Services expense increase for the transfer of capital project expenditure to operating where asset capitalisation accounting requirements were not met. This related to projects such as Koo Wee Rup school upgrades; Glismann and Princes Hwy intersection upgrades; and Princes Hwy and O'Neil Road intersection upgrades. Employee Costs increased \$3.0m due to increases in Enterprise Agreement (EA) rate, staff FTE and superannuation guarantee levy rate. Contributing to the result were increases in Rates and Charges income \$5.7m, due

Indicator	Result				Forecasts				Material variation
	2019	2020	2021	2022	2023	2024	2025	2026	
									<p>to rate cap and growth, and Operating Grants \$4.7m, primarily in Financial Assistance Grants.</p> <p>The deterioration in the first forecast year is due to the transfer of capital expenditure to operating expense, mainly relating to work on non-Council owned assets, employee cost increases for additional positions and EA rate increase, and depreciation increase driven by capital project completions. The forecast deficit trend continues in the years thereafter, although improving in line with Council's 10-year Financial Plan strategies.</p>
Stability									
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue/Adjusted underlying revenue] x100	72.59%	74.69%	74.61%	72.15%	76.54%	80.09%	80.39%	80.64%	<p>The favourable decrease in 2021-22 is primarily due to the partial in-advance receipt of the Commonwealth Financial Assistance Grant for 2022-23 in Adjusted underlying revenue (Timing of finalisation of supplementary valuations is different to budget document resulting in a change in denominator compared to budget document).</p> <p>The forecast trend indicates an increasing reliance on rate revenue as the major source of</p>

Indicator	Result				Forecasts				Material variation
	2019	2020	2021	2022	2023	2024	2025	2026	
									income in an environment where Council has no control over the rate cap and external capital funding is not a secure guarantee fund source.
Rates effort <i>Rates compared to property values</i> [Rate revenue/Capital improved value of rateable properties in the municipality] x100	0.35%	0.35%	0.36%	0.35%	0.30%	0.30%	0.29%	0.29%	The forecast downward trend reflects an expected rate cap and rate revenue growth lower than the expected market driven property valuation increase. This highlights the systemic divergence and inconsistency between regulated rate revenue growth and market driven valuations (Timing of finalisation of supplementary valuations is different to budget document resulting in a change in denominator compared to budget document).

Definitions

- “adjusted underlying revenue” means total income other than:
 - a. non-recurrent grants used to fund capital expenditure; and
 - b. non-monetary asset contributions; and
 - c. contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b).
- “adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure.
- “asset renewal expense” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
- “current assets” has the same meaning as in the Australian Accounting Standard (AAS).
- “current liabilities” has the same meaning as in the AAS.
- “non-current assets” means all assets other than current assets.
- “non-current liabilities” means all liabilities other than current liabilities.

- “non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's financial plan.
- “own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants).
- “municipal population” means the resident population based on data published by the Australian Bureau of Statistics on its website.
- “rate revenue” means revenue from general rates, municipal charges, service rates and service charges.
- “recurrent grant” means a grant other than a non-recurrent grant.
- “residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties.
- “restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.
- “unrestricted cash” means all cash and cash equivalents other than restricted cash.

Other information

For the year ended 30 June 2022.

Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, services performance and financial performance indicators and measures, together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's budget. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by Council in its budget on 27 June 2022. The budget 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 budget 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.



Scott Moore
Chief Finance Officer
Dated: 26 September 2022

In our opinion, the accompanying performance statement of the Cardinia Shire Council for the year ended 30 June 2022 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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

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

We have been authorised by the Council and the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.



Cr Jack Kowarzik
Councillor
Dated: 26 September 2022



Cr Tammy Radford
Councillor
Dated: 26 September 2022



Peter Benazic
Acting Chief Executive Officer
Dated: 26 September 2022



Independent Auditor's Report

To the Councillors of Cardinia Shire Council

<p>Opinion</p>	<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 2022 • sustainable capacity indicators for the year ended 30 June 2022 • service performance indicators for the year ended 30 June 2022 • financial performance indicators for the year ended 30 June 2022 • other information and • certification of the performance statement. <p>In my opinion, the performance statement of Cardinia Shire Council in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors' responsibilities for the performance statement</p>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

Auditor's responsibilities for the audit of the performance statement

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

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

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

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

MELBOURNE
30 September 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

Financial statements



CARDINIA SHIRE COUNCIL
Financial Report
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CARDINIA SHIRE COUNCIL
2021/22 Financial Report

Certification of the Financial Statements

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



Scott Moore
Chief Finance Officer

Date : 26 September 2022
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 2022 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 2020* to certify the financial statements in their final form.



Jack Kowarzik
Councillor

Date : 26 September 2022
20 Siding Avenue, Officer



Tammy Radford
Councillor

Date : 26 September 2022
20 Siding Avenue, Officer



Peter Benazic
Acting Chief Executive Officer

Date : 26 September 2022
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 2022 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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
30 September 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

CARDINIA SHIRE COUNCIL
2021/22 Financial Report

Comprehensive Income Statement
For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Rates and charges	3.1	105,983	100,309
Statutory fees and fines	3.2	5,030	4,283
User fees	3.3	2,379	2,333
Grants - operating	3.4 (a)	25,634	20,949
Grants - capital	3.4 (b)	18,143	16,029
Contributions - monetary	3.5	20,068	20,062
Contributions - non-monetary	3.5	26,856	36,329
Share of net profits of associates	6.3	-	114
Other income	3.7	4,866	3,444
Total income		208,959	203,852
Expenses			
Employee costs	4.1 (a)	44,671	41,625
Materials and services	4.2	70,371	61,712
Depreciation	4.3	28,239	26,299
Amortisation - intangible assets	4.4	84	135
Amortisation - right of use assets	4.5	588	486
Bad and doubtful debts	4.6	282	204
Borrowing costs	4.7	1,464	1,756
Finance costs - leases	4.8	160	145
Net loss on disposal of property, infrastructure, plant and equipment	3.6	201	1,740
Share of net loss of associates	6.3	34	-
Other expenses	4.9	1,374	1,422
Total expenses		147,468	135,524
Surplus for the year		61,491	68,328
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1 (a)	80,306	181,276
Total other comprehensive income		80,306	181,276
Total comprehensive result		141,797	249,604

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

CARDINIA SHIRE COUNCIL
2021/22 Financial Report

Balance Sheet
As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	20,957	33,572
Trade and other receivables	5.1 (c)	29,032	23,638
Other financial assets	5.1 (b)	111,500	73,000
Inventories	5.2 (a)	38	8
Non-current assets classified as held for sale	6.1	283	500
Other assets	5.2 (b)	10,117	4,871
Total current assets		171,927	135,589
Non-current assets			
Trade and other receivables	5.1 (c)	1,904	15,785
Investments in associates	6.3	1,446	1,480
Property, infrastructure, plant and equipment	6.2	2,150,561	2,029,347
Right-of-use assets	5.8	4,925	5,422
Intangible assets	5.2 (c)	285	297
Total non-current assets		2,159,121	2,052,331
Total assets		2,331,048	2,187,920
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	13,331	24,438
Trust funds and deposits	5.3 (b)	10,466	10,164
Unearned Income	5.3 (c)	40,847	16,422
Provisions	5.5	9,758	8,765
Interest-bearing liabilities	5.4	2,808	11,350
Lease liabilities	5.8	558	520
Total current liabilities		77,768	71,659
Non-current liabilities			
Trade and other payables	5.3 (a)	9,657	11,457
Provisions	5.5	1,347	1,045
Interest-bearing liabilities	5.4	14,081	16,889
Lease liabilities	5.8	4,509	4,981
Total non-current liabilities		29,594	34,372
Total liabilities		107,362	106,031
Net assets		2,223,686	2,081,889
Equity			
Accumulated surplus		1,221,202	1,157,224
Reserves	9.1	1,002,484	924,665
Total Equity		2,223,686	2,081,889

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

CARDINIA SHIRE COUNCIL
2021/22 Financial Report

Statement of Changes in Equity
For the Year Ended 30 June 2022

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

2021		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,827,680	1,086,072	672,382	69,226
Other adjustments to opening balances	9.1 (c)	4,605	4,605	-	-
Surplus for the year		68,328	68,328	-	-
Net asset revaluation increment	9.1 (a)	181,276	-	181,276	-
Transfers to other reserves	9.1 (b)	-	(21,513)	-	21,513
Transfers from other reserves	9.1 (b)	-	19,732	-	(19,732)
Balance at end of the financial year		2,081,889	1,157,224	853,658	71,007

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

CARDINIA SHIRE COUNCIL
2021/22 Financial Report

Statement of Cash Flows
For the Year Ended 30 June 2022

	Note	2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		107,145	100,183
Statutory fees and fines		5,472	4,677
User fees		2,495	2,445
Grants - operating		27,204	20,355
Grants - capital		40,461	20,928
Contributions - monetary		34,938	18,951
Interest received		288	471
Trust funds and deposits taken		5,142	26,806
Other receipts		(1,242)	1,590
Net GST refund/(payment)		12,202	10,883
Employee costs		(43,340)	(41,552)
Materials and services		(87,173)	(77,177)
Short-term, low value and variable lease payments		(36)	(233)
Trust funds and deposits repaid		(4,811)	(27,918)
Net cash provided by operating activities	9.2	98,745	60,409
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(60,045)	(51,770)
Proceeds from sale of property, infrastructure, plant and equipment		683	824
Net Proceeds from sale of/(payments to) investments		(38,500)	(61,000)
Net cash used in investing activities		(97,862)	(111,946)
Cash flows from financing activities			
Finance costs		(1,464)	(1,756)
Proceeds from borrowings		-	8,000
Repayment of borrowings		(11,350)	(12,317)
Interest paid - lease liability		(160)	(145)
Repayment of lease liabilities		(524)	(421)
Net cash used in financing activities		(13,498)	(6,639)
Net increase (decrease) in cash and cash equivalents		(12,615)	(58,176)
Cash and cash equivalents at the beginning of the financial year		33,572	91,748
Cash and cash equivalents at the end of the financial year	5.1 (a)	20,957	33,572
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
2021/22 Financial Report

Statement of Capital Works
For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Property			
Land		6,549	5,739
Total land		6,549	5,739
Buildings		14,676	11,352
Heritage buildings		30	10
Building improvements		192	80
Total buildings		14,898	11,442
Total property	6.2 (a)	21,447	17,181
Plant and equipment			
Plant, machinery and equipment	6.2 (b)	383	2,308
Fixtures, fittings and furniture	6.2 (b)	177	181
Computers and telecommunications	6.2 (b)	405	51
Intangible assets	5.2 (c)	72	55
Total plant and equipment		1,037	2,595
Infrastructure			
Roads		17,306	20,707
Bridges		472	224
Footpaths and cycleways		2,757	1,108
Drainage		1,477	1,055
Recreational, leisure and community facilities		6,822	8,851
Off street car parks		983	258
Other infrastructure		29	8
Total infrastructure	6.2 (c)	29,846	32,211
Total capital works expenditure		52,330	51,987
Represented by:			
New asset expenditure		20,615	23,075
Asset renewal expenditure		11,741	10,199
Asset expansion expenditure		8,467	1,011
Asset upgrade expenditure		11,507	17,702
Total capital works expenditure		52,330	51,987

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

Note 1 OVERVIEW**Introduction**

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

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

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

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

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

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

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.

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

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 AASs 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);
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable (refer to Note 8.2); and
- other areas requiring judgements.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

(b) Impact of COVID-19

During 2021-22, the COVID-19 pandemic continued to impact on Council's operations. Council has noted additional expenditure relating to employee benefits of \$389k due to COVID-19 leave that impacts on its financial operations.

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10% percent or \$500K for when further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 21 June 2021. The Budget was based on assumptions that were relevant at the time of Budget adoption. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income and expenditure

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Income					
Rates and charges	105,915	105,983	68	0%	
Statutory fees and fines	5,848	5,030	(818)	(14%)	1
User fees	2,798	2,379	(419)	(15%)	2
Grants - operating	14,890	25,634	10,744	72%	3
Grants - capital	29,140	18,143	(10,997)	(38%)	4
Contributions - monetary	345	183	(162)	(47%)	5
Capital contributions - monetary	3	3	-	-	
Development levies - monetary	17,681	19,882	2,201	12%	6
Contributions - non-monetary	45,000	26,856	(18,144)	(40%)	7
Other income	2,876	4,866	1,990	69%	8
Total income	224,496	208,959	(15,537)	(7%)	
Expenses					
Employee costs	45,359	44,671	688	2%	
Materials and services	57,211	70,371	(13,160)	(23%)	9
Depreciation	28,246	28,239	7	0%	
Amortisation - intangible assets	255	84	171	67%	10
Amortisation - right of use assets	178	588	(410)	(230%)	11
Bad and doubtful debts	210	282	(72)	(34%)	12
Borrowing costs	1,604	1,464	140	9%	
Net loss on disposal of property, infrastructure, plant and equipment	-	201	(201)	(100%)	13
Finance costs - leases	53	160	(107)	(204%)	14
Share of net loss of associates	-	34	(34)	(100%)	15
Other expenses	1,995	1,374	621	31%	16
Total expenses	135,111	147,468	(12,357)	(9%)	
Surplus for the year	89,385	61,491	(27,894)	(31%)	
Less: Capital income and other abnormals	(91,824)	(64,881)	26,943	(29%)	
Add: Recurrent capital grants	2,177	2,821	644	30%	
Adjusted underlying result	(262)	(569)	(307)	117%	

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

1	Statutory fees and fines	Unfavourable variances in development fees and landscape development fees is due to the combination of weather, lockdowns, timing of Pakenham East development and other developer agreements. These were partly offset by favourable variances in unbudgeted Election fines income.
2	User fees	Unfavourable variance is primarily due to an overall decrease in Community Asset Committee income, lower Cardinia Cultural Centre event and room hire revenue from lower bookings as a result of COVID-19, and reduced user fee income due to COVID-19 related temporary closures of other Council facilities.
3	Grants - operating	Favourable variance is due to recognition this year of grant income received in advance last year and to unbudgeted grants, mainly for the capital works projects, Local Partnerships, COVID-Safe Outdoor Activation Funding, South East Victorian Fires Recovery Support, and Storm and Flood Event Staffing. The Victorian Grants Commission grant is better than budget due to advance payment of part of the 2022-23 annual grant.
4	Grants - capital	Unfavourable variance is primarily due to: the Officer intersections grant budgeted as a capital grant but actual receipt recognised as an operating grant; grants for intersections received but not recognised as income this year; budgeted grant for My Place youth facility being recognised in previous years; and further variances due to the timing of receipt of budgeted grants. These have been partly offset by the receipt of unbudgeted grants, grants which are better than the full year budget, and the favourable impact of grants received in advance last year being recognised this year.
5	Contributions - monetary	Monetary contributions are under budget mainly due to lower demand for decorative light poles in new developments.
6	Development levies - monetary	Favourable variance includes the value of developer, community infrastructure and public open space levies being more than budget. Officer DCP developer levies is the major item contributing to this variance.
7	Contributions - non-monetary	This item includes developer contributions of roads, footpaths, drains, bridges, land and land under roads, as well as non-cash development levies (developer and public open space). This income is less than budget due to the contribution by developers not in line with prior year, estimate of developer donations is hard to predict and timing can differ from year on year.
8	Other income	Favourable variance is primarily due to higher than budgeted cost recovery income for the June 2021 Rain and October 2021 Storm events. Council has also earned higher than budgeted interest income on investments by negotiating higher rate than market rates as the Reserve Bank of Australia increased the cash rate in the last quarter.
9	Materials and services	Materials and services are significantly over budget mainly due to the transfer of capital project expenditure to operating expenses in lieu of asset capitalisation accounting requirements not being met. Contracted service costs are favourable primarily due to: the general garbage charge contract related right-of-use (ROU) costs being recognised ROU depreciation and finance expense; lower than budgeted green waste costs due to weather events and seasonality factors and ROU accounting treatment related transfers of costs to depreciation and finance costs. The hard and green waste contract was overspent due to COVID-19 driven unprecedented demand for at-home orders and seasonal factors. This overspend was subsidised by savings in dumped rubbish costs. Contract recreational service costs were also higher than budget due to COVID-19 related contractual commitments.
10	Amortisation - Intangible assets	Lower amortisation expense is due to the disposal of intangible assets during 2020-21.
11	Amortisation - Right of use assets	Higher amortisation expense is due to additional right of use assets in the waste and parks and gardens areas.
12	Bad and doubtful debts	Unfavourable variance is due to a greater than expected increase in the provision for doubtful debts.
13	Net loss on disposal of property, infrastructure, plant and equipment	Unfavourable variance due to unbudgeted disposal of old infrastructure assets, such as roads, buildings and drains resulting from capital works undertaken during the year.
14	Finance costs - leases	Unfavourable variance due to unbudgeted interest on right of use assets in the waste and parks and gardens areas.
15	Share of net loss of associates	Share of loss and distribution received from Casey Cardinia Library Corporation, which was unbudgeted (refer to Note 6.3).
16	Other expenses	Favourable variances in computer hardware leases, garbage collection, rental property leases and audit fees.

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2.1.2 Capital works

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	9,558	6,549	3,009	31%	1
Total land	9,558	6,549	3,009	31%	
Buildings	26,738	14,676	12,062	45%	
Heritage buildings	-	30	(30)	(100%)	
Building improvements	-	192	(192)	(100%)	
Total buildings	26,738	14,898	11,840	44%	2
Total property	36,296	21,447	14,849	41%	
Plant and equipment					
Plant, machinery and equipment	3,720	383	3,337	90%	3
Fixtures, fittings and furniture	132	177	(45)	(34%)	4
Computers and telecommunications	1,610	405	1,205	75%	5
Intangible assets	-	72	(72)	(100%)	6
Total plant and equipment	5,462	1,037	4,425	81%	
Infrastructure					
Roads	40,078	17,306	22,772	57%	7
Bridges	430	472	(42)	(10%)	
Footpaths and cycleways	1,470	2,757	(1,287)	(88%)	8
Drainage	952	1,477	(525)	(55%)	9
Recreational, leisure and community facilities	9,889	6,822	3,067	31%	10
Parks, open space and streetscapes	2,595	-	2,595	100%	11
Off street car parks	959	983	(24)	(3%)	
Other infrastructure	356	29	327	92%	12
Total infrastructure	56,729	29,846	26,883	47%	
Total capital works expenditure	98,487	52,330	46,157	47%	
Represented by:					
New asset expenditure	28,157	20,615	7,542	27%	13
Asset renewal expenditure	22,659	11,741	10,918	48%	14
Asset expansion expenditure	25,537	8,467	17,070	67%	15
Asset upgrade expenditure	22,134	11,507	10,627	48%	16
Total capital works expenditure	98,487	52,330	46,157	47%	

Budget amount includes capital budget for the year and any carried forward capital works that were deferred to 2021-22.

2.1.2 Capital works (Cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	McMullen road expenditure of \$6.6m was phased in 2021-22 as a part of the final payment plan settlement over three financial years. This land was recognised as an asset in 2019-20 when the title was transferred to Council, hence the favourable balance in current financial year.
2	Buildings	Significant projects completed during the year include Konewark Integrated Centre, upgrade works near completion at Toomuc south and north pavilion, and Gembrook pavilion. Project expenditure of \$2.8m was transferred to operating in lieu of Council not having control of the resultant assets and asset capitalisation accounting requirements not being met for projects including Koo Wee Rup high school works, public toilets at Upper Beaconsfield and Puffing Billy. Unspent project budget of \$13.7m will be carried over to 2022-23 for the completion of various building projects including: new Youth facility; Cora Lynn; Integrated Children's facility at Timbertop; and Toomuc Reserve south and north oval final stage.
3	Plant, machinery and equipment	COVID-19 related supply chain issues have delayed heavy and light fleet vehicle expenditure.
4	Fixtures, fittings and furniture	The unfavourable variance is mainly due to purchase of kitchen equipment for the Cardinia Cultural Centre which was not in the budget.
5	Computers and telecommunications	A major item budgeted in this category has been delayed, resulting in \$1.2m carryover to 2022-23 for delivery of the project.
6	Intangible assets	Software purchases were budgeted in computer and telecommunications.
7	Roads	Various road projects were delivered across the shire, with continued progress in Sealing the Hills program and ongoing commitment to the road sealing and replacement program. Some of the expenditure for road resealing, resheeting and renewals did not meet asset capitalisation accounting requirements and was transferred to operating expenditure. Council's handover of two road intersections to Department of Transport also resulted in \$4.9m project expenditure being transferred to operating expenditure in lieu of not meeting asset capitalisation accounting requirements. Works continue on road sealing program and intersection upgrades, with some being delayed by planning approvals, vegetation permits and clearance from works Authorities, which were beyond Council's control. Funds worth \$15m are expected to carryover to 2021-22 to deliver the ongoing commitments for intersection upgrades and road sealing program.
8	Footpaths	Project components capitalised to different asset class, resulting in movement of expenditure for projects such as Integrated family centre, Deep creek reserve, were budgeted in different asset classes but capitalised to footpath assets. Various road projects
9	Drainage	Project budgeted in road assets and open space assets, capitalised to drainage assets as a part of asset capitalisation resulting in funds transferred between asset classes.
10	Recreational, leisure and community facilities	Expenditure for Comely banks facility was brought forward in 2020-21, resulting in a favourable budget variance in 2021-22. Officer Recreation Reserve works were delayed to 2022-23, for which capital budget funds of over \$5.0m will be carried over to 2022-23 to deliver the works.
11	Parks, open space and streetscapes	Majority of the expenditure budgeted in the asset class was transferred to operating as the asset capitalisation threshold was not met.
12	Other infrastructure	Majority of the expenditure budgeted in the asset class was transferred to operating as the asset capitalisation threshold was not met.
13	New asset expenditure	Land purchase payment for McMullen road recognised as expenditure in 2019-20, expenditure delay for the new youth facility and integrated children facilities at Timbertop further added to the favourable variance.
14	Asset renewal expenditure	Heavy fleet expenditure delay due to unavailability and availability issues resulted in underspend in plant renewal program, some of the funds to be carried over to 2022-23. Expenditure for road renewal and building renewals, which did not meet asset capitalisation accounting requirements, was transferred to operating expenditure.
15	Asset expansion expenditure	Intersection works are delayed to 2022-23 due to permit approvals and Authority approvals. With works contracts now allocated, Bayview and Tivendale roads projects will carry over for completion in 2022-23. Officer District Park works are also delayed, with funds being carried over to 2022-23.
16	Asset upgrade expenditure	Some of the major projects such as roads sealing program, intersections upgrade will be carried over to 2022-23 due to delays in permit approvals.

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Chief Executive Officer

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

Infrastructure and Environment

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

Liveable Communities

The Liveable Communities Group comprises the four business units of Planning & Design, Community & Family Services, Active & Connected Communities and Future Communities. The group seeks to create sustainable and liveable communities for current and future residents of the shire. It works proactively and collaboratively with the community, external agencies and stakeholders to be key change agents, whilst empowering the community and balancing competing objectives of all stakeholders to achieve a common goal.

Governance, Facilities and Economy

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

Customer, People & Performance

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

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2.2.2 Summary of income, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Chief Executive Officer	-	535	(535)	-	-
Infrastructure & Environment	47,951	79,084	(31,133)	26,475	917,197
Liveable Communities	32,962	23,614	9,348	4,119	57,511
Governance, Facilities and Economy	4,775	27,083	(22,308)	787	1,229,467
Customer, People & Performance	123,271	17,152	106,119	12,396	126,873
	208,959	147,468	61,491	43,777	2,331,048

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Chief Executive Officer	-	519	(519)	-	-
Infrastructure & Environment	38,562	68,674	(30,112)	19,661	805,674
Liveable Communities	29,320	22,593	6,727	3,819	56,558
Governance, Facilities and Economy	4,369	25,721	(21,352)	963	1,222,702
Customer, People & Performance	131,601	18,017	113,584	12,535	102,986
	203,852	135,524	68,328	36,978	2,187,920

Note 3 Funding for the delivery of our services	2022	2021
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 2021.

The valuation base used to calculate general rates for 2021/22 was \$29,664 million (2020/21 was \$27,480 million). The 2021/22 rate in the CIV dollar was 0.002704 (2020/21 was 0.002812).

General rates	86,154	82,761
Waste management charge	17,422	16,085
Supplementary rates and rate adjustments	1,393	1,358
Interest on rates and charges	929	24
Cultural and recreational	85	81
Total rates and charges	105,983	100,309

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation was first applied in the rating year commencing 1 July 2021.

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	491	311
Statutory registration fees	1,210	457
Court recoveries	203	54
Town planning fees	1,222	1,186
Land information certificates	157	182
Permits	1,747	2,093
Total statutory fees and fines	5,030	4,283

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

3.3 User fees

Leisure centre and recreation	1,151	975
Child care/children's programs	153	248
Parking	46	38
Registration and other permits	664	770
Building services	300	256
Other fees and charges	65	46
Total user fees	2,379	2,333
User fees by timing of revenue recognition		
User fees recognised at a point in time	2,379	2,333
Total user fees	2,379	2,333

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	35,098	23,430
State funded grants	8,679	13,548
Total grants received	43,777	36,978

	2022	2021
	\$'000	\$'000
3.4 Funding from other levels of government (Cont'd)		
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	14,981	11,665
Community health	50	37
Recurrent - State Government		
School crossing supervisors	463	447
Maternal and child health	2,143	1,884
Recreation	83	80
Community safety	4	192
Best start	73	131
Community health	76	187
Disability	-	12
Emergency management	-	173
Environment and heritage	71	396
Family and children	427	304
Local infrastructure	-	85
Total recurrent operating grants	18,371	15,593
Non-recurrent - Commonwealth Government		
Local infrastructure	4,512	741
Non-recurrent - State Government		
Local infrastructure	2,324	1,839
Community Health	290	11
Environment & Heritage	9	65
Community Safety	11	-
Families and Children	105	-
Working for Victoria	12	2,700
Total non-recurrent operating grants	7,263	5,356
Total operating grants	25,634	20,949
(b) Capital Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grant	1,130	802
Roads to recovery	1,691	1,691
Total recurrent capital grants	2,821	2,493
Non-recurrent - Commonwealth Government		
Local infrastructure	9,175	7,491
Recreation	3,559	1,003
Non-recurrent - State Government		
Local infrastructure	2,179	3,392
Recreation	409	1,650
Total non-recurrent capital grants	15,322	13,536
Total capital grants	18,143	16,029
Total operating and capital grants	43,777	36,978
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	1,334	5,752
Received during the financial year and remained unspent at balance date	168	1,285
Received in prior years and spent during the financial year	(1,025)	(5,703)
Balance at year end	477	1,334
Capital		
Balance at start of year	9,558	12,064
Received during the financial year and remained unspent at balance date	4,767	2,198
Received in prior years and spent during the financial year	(5,862)	(4,704)
Balance at year end	8,463	9,558
Total Unspent grants at year end	8,940	10,892

3.4 Funding from other levels of government (Cont'd)**(d) Recognition of grant income**

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

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

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

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

	2022 \$'000	2021 \$'000
Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i>		
General purpose	14,981	11,665
Specific purpose grants to acquire non-financial assets	18,143	16,029
Other specific purpose grants	10,653	9,284
	<u>43,777</u>	<u>36,978</u>

3.5 Contributions

Monetary	20,068	20,062
Non-monetary	26,856	36,329
Total contributions	<u>46,924</u>	<u>56,391</u>

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

Land	5,166	9,705
Buildings	22	595
Roads	6,362	11,313
Other infrastructure	14,849	16,542
Other	6	10
Total non-monetary contributions	<u>26,405</u>	<u>38,165</u>

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

3.6 Net loss on disposal of property, infrastructure, plant and equipment**(a) Assets held for sale**

Proceeds from sale of assets held for sale	270	525
Written down value of assets held for sale	(217)	(509)
Total net profit on disposal of assets held for sale	<u>53</u>	<u>16</u>

(b) Property, infrastructure and plant and equipment

Proceeds of sale	413	299
Written down value of assets disposed	(667)	(2,055)
Total net loss on disposal of property, infrastructure, plant and equipment	<u>(254)</u>	<u>(1,756)</u>

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

	<u>(201)</u>	<u>(1,740)</u>
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	2022	2021
	\$'000	\$'000
3.7 Other income		
Interest	546	471
Cost recoveries	3,230	1,890
Other rent	520	475
Net assets impairment reversal	-	30
Other	570	578
Total other income	4,866	3,444

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	39,349	37,029
WorkCover	925	681
Superannuation	3,999	3,540
Fringe benefits tax	351	354
Other	47	21
Total employee costs	44,671	41,625

4.1 (b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	147	135
	147	135
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,852	3,405
	3,852	3,405
Employer contributions payable at reporting date.	-	-

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

4.2 Materials and services

Contract payments		
- Waste and garbage contracts	15,952	14,614
- Parks and gardens contracts	4,772	4,256
- Library contract	2,277	2,227
- Other contracts	6,695	7,215
Building maintenance	170	243
General maintenance	3,612	5,345
Utilities	2,717	2,462
Office administration	121	130
Information technology	2,103	2,011
Insurance	1,103	980
Consultants	1,765	1,524
Materials and services	27,480	18,679
Contractors & temp staff	772	988
Legal	762	975
Cost recoveries	70	63
Total materials and services	70,371	61,712

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

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	2022	2021
	\$'000	\$'000
4.3 Depreciation		
Property	6,822	6,187
Plant and equipment	1,942	1,955
Infrastructure	19,475	18,157
Total depreciation	28,239	26,299
4.4 Amortisation - Intangible assets		
Software	84	135
Total Amortisation - Intangible assets	84	135
4.5 Amortisation - Right of use assets		
Property	588	486
Total Amortisation - Right of use assets	588	486
Refer to note 5.2 (c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.		
4.6 Bad and doubtful debts		
Local law debtors	114	103
Other debtors	168	101
Total bad and doubtful debts	282	204
Movement in provisions for doubtful debts		
Balance at the beginning of the year	(211)	(272)
New provisions recognised during the year	(191)	(106)
Amounts already provided for and written off as uncollectible	46	84
Amounts provided for but recovered during the year	33	83
Balance at end of year	(323)	(211)
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	1,236	1,548
Bank charges	228	208
Total borrowing costs	1,464	1,756
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	160	145
Total finance costs	160	145
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	70	73
Auditors' remuneration - Internal Audit	71	26
Councillors' allowances	407	296
Assets written-off / impaired	26	-
Other	800	1,027
Total other expenses	1,374	1,422

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	2022	2021
	\$'000	\$'000
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	1	1
Cash at bank	20,956	20,071
Term deposits - Developer contribution plans	-	13,500
Total cash and cash equivalents	20,957	33,572
(b) Other financial assets		
Current		
Term deposits - Council	79,000	49,500
Term deposits - Developer contribution plans	32,500	23,500
Total other financial assets	111,500	73,000
Total financial assets *	132,457	106,572
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))	10,466	10,164
- Developer contribution levy (Note 9.1 (b))	44,910	50,812
- Other allocations not subject to external restrictions	843	918
Total restricted funds *	56,219	61,894
Total unrestricted cash and cash equivalents	(35,262)	(28,322)
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	35,962	23,334
- Unspent grants (Note 3.4 (c))	8,940	10,892
Total funds subject to intended allocations *	44,902	34,226

* Total financial assets of \$112 million is sufficient to cover the restricted funds of \$56 million and the intended allocations of 45 million. Some funds are held in term deposits greater than 3 months as it is highly unlikely that settlement of all restricted funds and intended allocations will be required within the next twelve months.

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 3 months or less, net of outstanding bank overdrafts.

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

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

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5.1 Financial assets (Cont'd)	2022	2021
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	13,248	14,410
Infringement debtors	226	171
Net GST receivable	1,820	1,834
Provision for doubtful debts - infringements	(114)	(72)
Developer contribution plan debtors	11,492	3,946
<i>Non statutory receivables</i>		
Other debtors	2,569	3,488
Provision for doubtful debts - other debtors	(209)	(139)
Total current trade and other receivables	29,032	23,638
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	984	4,012
Developer contribution plan debtors	358	11,665
<i>Non statutory receivables</i>		
Bonds	103	108
Other Debtors	459	-
Total non-current trade and other receivables	1,904	15,785
Total trade and other receivables	30,936	39,423

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

(d) Ageing of Receivables

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

Current (not yet due)	1,523	1,536
Past due by up to 30 days	285	170
Past due between 31 and 180 days	159	1,027
Past due between 181 and 365 days	124	666
Past due by more than 1 year	478	89
Total trade and other receivables	2,569	3,488

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$322k (2021: \$211k) were impaired. The amount of the provision raised against these debtors was \$322k (2021: \$211k). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due by up to 30 days	57	4
Past due between 31 and 180 days	21	47
Past due between 181 and 365 days	47	19
Past due by more than 1 year	197	141
Total trade & other receivables	322	211

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution	38	8
Total inventories	38	8

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.

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	2022 \$'000	2021 \$'000
5.2 Non-financial assets (Cont'd)		
(b) Other assets		
Prepayments	1,094	1,123
Accrued income *	8,050	2,129
Deposits on asset purchases	973	1,619
Total other assets	10,117	4,871

* Settlement of these Developer contribution monies will occur in accordance with the *Planning and Environment Act 1987* section 173 agreements.

(c) Intangible assets

Software	285	297
Total intangible assets	285	297

**Software
\$'000**

Gross carrying amount

Balance at 1 July 2021	2,188
Additions from internal developments	72
Other additions	-
Transfers	135
Balance at 30 June 2022	2,395

Accumulated amortisation and impairment

Balance at 1 July 2021	2,026
Amortisation expense	84
Disposals	-
Balance at 30 June 2022	2,110

Work in progress at 30 June 2021	135
Work in progress at 30 June 2022	-

Net book value at 30 June 2021	297
Net book value at 30 June 2022	285

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.

	2022 \$'000	2021 \$'000
5.3 Payables, trust funds and deposits and unearned income		
(a) Trade and other payables		
Current		
Trade payables	7,108	11,135
Accrued expenses	5,723	3,245
Other payables - purchase of land	500	10,058
Total current trade and other payables	13,331	24,438
Non-Current		
Trade payables *	9,103	10,403
Other payables - purchase of land	554	1,054
Total non-current trade and other payables	9,657	11,457
Total trade and other payables	22,988	35,895

* Developer contributed assets and lease incentives received in advance which are expected to be settled after 12 months.

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	2022 \$'000	2021 \$'000
5.3 Payables, trust funds and deposits and unearned income (Cont'd)		
(b) Trust funds and deposits		
Refundable deposits	10,106	9,729
Fire services levy	90	117
Sustainable Australia Fund	11	59
Other refundable deposits	259	259
Total trust funds and deposits	10,466	10,164

(c) Unearned income

Grants received in advance - operating	2,775	1,206
Grants received in advance - capital	27,500	5,182
Developer levies raised in advance	8,674	8,349
Other	1,898	1,685
Total unearned income	40,847	16,422

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

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

Unclaimed 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.

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

5.4 Interest-bearing liabilities

Current

Borrowings - secured	2,808	11,350
	2,808	11,350

Non-current

Borrowings - secured	14,081	16,889
	14,081	16,889

Total

16,889 **28,239**

Borrowings are secured by Deed of Charge over general rates.

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

Not later than one year	2,808	11,350
Later than one year and not later than five years	9,841	10,463
Later than five years	4,240	6,426
	16,889	28,239

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.

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	2022	2021
	\$ '000	\$ '000
5.5 Provisions		
Balance at beginning of the financial year	9,810	9,555
Additional provisions	4,782	3,852
Amounts used	(3,325)	(3,559)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(162)	(38)
Balance at the end of the financial year	<u>11,105</u>	<u>9,810</u>
Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	4,278	3,794
Long service leave	1,210	1,082
Sick leave bonus/gratuity	41	42
	<u>5,529</u>	<u>4,918</u>
Current provisions expected to be wholly settled after 12 months		
Long service leave	4,229	3,847
	<u>4,229</u>	<u>3,847</u>
Total current employee provisions	<u>9,758</u>	<u>8,765</u>
Non-current		
Long service leave	1,347	1,045
Total non-current employee provisions	<u>1,347</u>	<u>1,045</u>
Aggregate carrying amount of employee provisions:		
Current	9,758	8,765
Non-current	1,347	1,045
Total aggregate carrying amount of employee provisions	<u>11,105</u>	<u>9,810</u>

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

Annual leave

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

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:

- discount rate	3.69%	1.49%
- wage inflation rate	3.85%	2.95%

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	2022	2021
	\$'000	\$'000
5.6 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June 2022.		
Bank overdraft	2,000	2,000
Transaction negotiation authority	1,000	1,000
Credit card facilities	400	400
Lease facilities	5,067	5,501
Bank loan facilities	16,889	28,239
Total facilities	<u>25,356</u>	<u>37,140</u>
Used facilities	22,027	33,779
Unused facilities	<u>3,329</u>	<u>3,361</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.

(a) Commitments for expenditure

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

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5.7 Commitments (Cont'd)

2021	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	3,165	2,252	2,571	1,363	9,351
Garbage collection	13,575	14,658	30,907	9,030	68,170
Open space management	5,311	5,736	12,886	-	23,933
Consultancies	1,597	-	-	-	1,597
Cleaning contracts for council buildings	73	-	-	-	73
Casey Cardinia Library funding	2,276	-	-	-	2,276
Facilities management	236	-	-	-	236
Maintenance	1,916	141	-	-	2,057
Health	1,681	-	-	-	1,681
Utility	590	-	-	-	590
Other	1,616	1,103	-	-	2,719
Total	32,036	23,890	46,364	10,393	112,683
Capital					
Buildings	13,635	-	-	-	13,635
Roads	5,190	-	-	-	5,190
Drainage	1,683	6,045	-	-	7,728
Land	5,365	-	-	-	5,365
Total	25,873	6,045	-	-	31,918

(b) 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:

	2022	2021
	\$'000	\$'000
Not later than one year	379	573
Later than one year and not later than five years	585	657
Later than five years	2,691	2,692
	3,655	3,922

5.8 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 date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

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

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 2021	47	5,375	5,422
Additions	91	-	91
Amortisation charge	(23)	(565)	(588)
Balance at 30 June 2022	<u>115</u>	<u>4,810</u>	<u>4,925</u>
Balance at 1 July 2020	64	1,903	1,967
Additions	-	3,941	3,941
Amortisation charge	(17)	(469)	(486)
Balance at 30 June 2021	<u>47</u>	<u>5,375</u>	<u>5,422</u>
Lease Liabilities		2022	2021
Maturity analysis - contractual undiscounted cash flows		\$'000	\$'000
Less than one year		700	676
One to five years		2,687	2,659
More than five years		2,360	3,001
Total undiscounted lease liabilities as at 30 June:		<u>5,747</u>	<u>6,336</u>
Lease liabilities included in the Balance Sheet at 30 June:			
Current		558	520
Non-current		4,509	4,981
Total lease liabilities		<u>5,067</u>	<u>5,501</u>

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.

	2022	2021
	\$'000	\$'000
Expenses relating to:		
Short-term leases	36	52
Leases of low value assets	221	181
Total	257	233
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	239	239
Later than one year but not later than five years	109	335
Total lease commitments	348	574

Note 6 Assets we manage**6.1 Non current assets classified as held for sale**

Held at carrying value	283	500
Total non current assets classified as held for sale	283	500

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

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6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2021	Prior year adjustments	Additions	Contributions	Revaluation	Depreciation	Disposal	Impairment	Write-off (*)	Transfers from held for sale	Transfers	Carrying amount 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'001	\$'000	\$'000	\$'000	\$'000
Property	1,205,398	-	10,289	5,188	(12,215)	(6,822)	(10)	-	-	-	5,329	1,207,157
Plant and equipment	8,258	-	965	6	-	(1,942)	(51)	-	-	-	72	7,308
Infrastructure	772,994	-	7,412	16,832	92,521	(19,475)	(606)	(26)	-	-	17,136	886,788
Work in progress	42,697	-	33,592	4,379	-	-	-	-	(8,823)	-	(22,537)	49,308
	2,029,347	-	52,258	26,405	80,306	(28,239)	(667)	(26)	(8,823)	-	-	2,150,561

Summary of Work in Progress

	Opening WIP	Additions	Contributions	Write-off (*)	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	9,592	11,158	-	(488)	(4,358)	15,904
Infrastructure	33,105	22,434	4,379	(8,335)	(18,179)	33,404
Total	42,697	33,592	4,379	(8,823)	(22,537)	49,308

* Reclassification from opening work in progress to operating expenses.

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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 2021	892,005	73,806	965,811	7,729	300,121	21,895	28,387	4,018	362,150	9,592	1,337,553
Accumulated depreciation at 1 July 2021	-	-	-	(5,698)	(97,789)	(10,378)	(8,563)	(135)	(122,563)	-	(122,563)
	892,005	73,806	965,811	2,031	202,332	11,517	19,824	3,883	239,587	9,592	1,214,990
Movements in fair value											
Additions	4,565	1,984	6,549	30	2,797	721	192	-	3,740	11,158	21,447
Contributions	5,166	-	5,166	-	14	-	8	-	22	-	5,188
Revaluation	(14,939)	2,724	(12,215)	-	-	-	-	-	-	-	(12,215)
Disposal	-	-	-	-	(85)	-	-	-	(85)	-	(85)
Write-off	-	-	-	-	-	-	-	-	-	(488)	(488)
Transfers	(14)	-	(14)	-	4,251	1,400	35	-	5,686	(4,358)	1,314
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
	(5,222)	4,708	(514)	30	6,977	2,121	235	-	9,363	6,312	15,161
Movements in accumulated depreciation											
Depreciation and amortisation	-	-	-	(88)	(4,872)	(409)	(1,396)	(57)	(6,822)	-	(6,822)
Accumulated depreciation of disposals	-	-	-	-	75	-	-	-	75	-	75
Transfers	-	-	-	-	-	(343)	-	-	(343)	-	(343)
	-	-	-	(88)	(4,797)	(752)	(1,396)	(57)	(7,090)	-	(7,090)
At fair value 30 June 2022	886,783	78,514	965,297	7,759	307,098	24,016	28,622	4,018	371,513	15,904	1,352,714
Accumulated depreciation at 30 June 2022	-	-	-	(5,786)	(102,586)	(11,130)	(9,959)	(192)	(129,653)	-	(129,653)
Carrying amount	886,783	78,514	965,297	1,973	204,512	12,886	18,663	3,826	241,860	15,904	1,223,061

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

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2021	14,471	3,107	2,035	-	19,613
Accumulated depreciation at 1 July 2021	(7,794)	(2,058)	(1,503)	-	(11,355)
	6,677	1,049	532	-	8,258
Movements in fair value					
Additions	383	177	405	-	965
Contributions	-	6	-	-	6
Disposal	(685)	-	-	-	(685)
Transfers	-	-	72	-	72
	(302)	183	477	-	358
Movements in accumulated depreciation					
Depreciation and amortisation	(1,561)	(164)	(217)	-	(1,942)
Accumulated depreciation of disposals	634	-	-	-	634
	(927)	(164)	(217)	-	(1,308)
At fair value 30 June 2022	14,169	3,290	2,512	-	19,971
Accumulated depreciation at 30 June 2022	(8,721)	(2,222)	(1,720)	-	(12,663)
Carrying amount	5,448	1,068	792	-	7,308

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Notes to the Financial Report
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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	Parks open spaces and streetscapes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructu re
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	435,302	103,775	112,045	293,442	67,824	-	15,135	1,969	33,105	1,062,597
Accumulated depreciation at 1 July 2021	(123,642)	(35,896)	(24,212)	(45,040)	(23,569)	-	(3,671)	(468)	-	(256,498)
	311,660	67,879	87,833	248,402	44,255	-	11,464	1,501	33,105	806,099
Movements in fair value										
Additions	3,593	123	1,187	248	2,204	-	47	10	22,434	29,846
Contributions	6,362	1,610	2,201	5,950	709	-	-	-	4,379	21,211
Revaluation	-	-	-	110,117	-	-	-	-	-	110,117
Disposal	(1,296)	-	(29)	(76)	(105)	-	-	-	-	(1,506)
Write-off	-	-	-	-	-	-	-	-	(8,335)	(8,335)
Transfers	6,685	75	2,333	1,831	(16,114)	20,425	1,443	115	(18,179)	(1,386)
Impairment losses recognised in operating result	-	-	-	-	-	(26)	-	-	-	(26)
	15,344	1,808	5,692	118,070	(13,306)	20,399	1,490	125	299	149,921
Movements in accumulated depreciation										
Depreciation and amortisation	(10,491)	(1,151)	(2,247)	(3,300)	(1,209)	(714)	(306)	(57)	-	(19,475)
Prior year adjustment	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	(17,596)	-	-	-	-	-	(17,596)
Accumulated depreciation of disposals	793	-	5	8	94	-	-	-	-	900
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	(2)	-	-	343	6,019	(6,019)	2	-	-	343
	(9,700)	(1,151)	(2,242)	(20,545)	4,904	(6,733)	(304)	(57)	-	(35,828)
At fair value 30 June 2022	450,646	105,583	117,737	411,512	54,518	20,399	16,625	2,094	33,404	1,212,518
Accumulated depreciation at 30 June 2022	(133,342)	(37,047)	(26,454)	(65,585)	(18,665)	(6,733)	(3,975)	(525)	-	(292,326)
Carrying amount	317,304	68,536	91,283	345,927	35,853	13,666	12,650	1,569	33,404	920,192

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 Jesse Andrewartha AAPI, Certified Practising Valuer 108176 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 2022 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land - specialised	-	-	886,783	Feb 2022
Land - non specialised	-	78,514	-	Feb 2022
Heritage buildings	-	-	1,973	Feb 2021
Buildings - non specialised	-	-	12,886	Feb 2021
Buildings - specialised	-	-	204,512	Feb 2021
Building improvements	-	-	18,663	Feb 2021
Leasehold improvements	-	-	3,826	Feb 2021
Total	-	78,514	1,128,643	

Valuation of infrastructure

Valuation of infrastructure assets has been performed by Council's Asset Management Coordinator who is a qualified Civil Engineer (Pr. Eng) and qualified Accountant (CPA) with more than 20 years of combined experience in infrastructure construction, estimating, engineering designs, tendering, contract management, asset valuations and financial and management reporting.

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 2022 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	317,304	April 2020
Bridges	-	-	68,536	April 2021
Footpaths and cycleways	-	-	91,283	April 2020
Drainage	-	-	345,927	April 2022
Recreational, leisure and community facilities	-	-	35,853	April 2019
Parks open spaces and streetscapes	-	-	13,666	April 2019
Off street car parks	-	-	12,650	April 2020
Total	-	-	885,219	

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 20% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$3,394 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$375 to \$5,884 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 65 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the Current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of 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.

	2022	2021
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	209	252,098
Parks and reserves	886,574	639,907
Total specialised land	886,783	892,005

	2022 \$'000	2021 \$'000
6.3 Investments in associates, joint arrangements and subsidiaries		
(a) Investments in associates		
Casey Cardinia Library Corporation	1,446	1,480
	<u>1,446</u>	<u>1,480</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 2021/22 (based on the unaudited library statements) is 25.95% (2020/21 was 25.77%).	1,446	1,480
	<u>1,446</u>	<u>1,480</u>
Fair value of Council's investment in Casey Cardinia Library Corporation	<u>1,446</u>	<u>1,480</u>
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	943	829
Reported surplus(deficit) for year	(44)	71
Distributions for the year	10	43
Council's share of accumulated surplus at end of year	<u>909</u>	<u>943</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	1,480	1,366
Share of surplus(deficit) for year	(44)	71
Distributions received	10	43
Carrying value of investment at end of year	<u>1,446</u>	<u>1,480</u>
Council's share of expenditure commitments		
Operating commitments	34	50
Council's share of expenditure commitments	<u>34</u>	<u>50</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.

(b) Community Asset Committee

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

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

Cardinia Shire Council

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors

Cr Jeff Springfield	(Mayor from 8 November 2021, Deputy Mayor until 7 November 2021)
Cr Tammy Radford	(Deputy Mayor from 8 November 2021)
Cr Brett Owen	(Mayor until 7 November 2020)
Cr Carol Ryan	
Cr Collin Ross	
Cr Graeme Moore	
Cr Jack Kowarzik	
Cr Kaye Cameron	(Councillor from 9 August 2021)
Cr Stephanie Davies	

Chief Executive Officer and General Managers

Carol Jeffs	(Chief Executive Officer)
Debbie Tyson	(Executive Manager - Governance, Facilities and Economy)
Jenny Scicluna	(General Manager - Customer, People and Performance)
Lili Rosic	(General Manager - Liveable Communities from 30 August 2021)
Peter Benazic	(General Manager - Infrastructure and Environment)

Managers acted as General Managers during position vacancy and backfill periods

Luke Connell	(Acting General Manager - Liveable Communities until 29 August 2021)
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	2022	2021
	No.	No.
Total Number of Councillors	9	12
Total of Chief Executive Officer and other Key Management Personnel	6	8
Total Number of Key Management Personnel	15	20

Total number of Key Management Personnel include all personnel in the roles during the financial year. Since 2021 was an election year, there were three new councillors who were elected and three vacant General Manager positions which were filled by managers which resulted in an increase in the number.

(c) Remuneration of Key Management Personnel

	2022	2021
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,737	1,539
Long-term benefits	32	151
Post employment benefits	125	110
Termination benefits	-	5
Total	1,894	1,805

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Note 7 People and relationships (Cont'd)

(c) Remuneration of Key Management Personnel (Cont'd)

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

	2022 No.	2021 No.
\$0 - \$9,999	-	3
\$10,000 - \$19,999	-	4
\$20,000 - \$29,999	1	4
\$30,000 - \$39,999	6	-
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	1	1
\$80,000 - \$89,999	1	-
\$90,000 - \$99,999	-	1
\$110,000 - \$119,999	-	2
\$210,000 - \$219,999	1	-
\$260,000 - \$269,999	1	1
\$270,000 - \$279,999	-	2
\$280,000 - \$289,999	2	-
\$360,000 - \$369,999	-	1
\$400,000 - \$409,999	1	-
	<u>15</u>	<u>20</u>

(d) Senior Officer Remuneration

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

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

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

	2022 No.	2021 No.
Income Range:		
\$151,000 - \$159,999	11	10
\$160,000 - \$169,999	5	6
\$170,000 - \$179,999	2	4
\$180,000 - \$189,999	5	6
\$190,000 - \$199,999	3	-
\$200,000 - \$209,999	1	2
\$210,000 - \$219,999	1	-
	<u>28</u>	<u>28</u>

	2022 \$'000	2021 \$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	5,137	5,031

* During 2020-21, several managers acted as General Managers when General Manager positions were vacant. Therefore, their acting period remuneration is displayed under Key Management Personnel section.

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	2,277	2,227
Provision of a Mobile Library bus to the Casey Cardinia Library Corporation	-	36
	<u>2,277</u>	<u>2,263</u>

(b) Commitments to/from related parties

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

	2,543	2,276
	<u>2,543</u>	<u>2,276</u>

Note 8 Managing uncertainties**8.1 Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent assets

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

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

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Future superannuation contributions

In addition to the disclosed contributions, Cardinia Shire Council has not paid unfunded liability payments to Vision Super during 2021/22. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022. At this point in time it is not known if additional contributions will be required, their timing or potential amount. Details of the circumstances which may result in the need to make additional contributions are explained in Note 9.3.

Landfill

Council carries out site rehabilitation works on an EPA licensed landfill site, the Nar Nar Goon landfill (570 Bald Hill Road, Pakenham VIC 3810), that was closed on 5 July 2001. At balance date Council has assessed that the provision required for ongoing site rehabilitation, monitoring and aftercare costs are not material.

Building cladding

Council is aware of buildings that contain cladding. Assessments have been performed and not considered as high risk. Further review of buildings would occur only as directed by the Victorian Building Authority.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

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

Casey Cardinia Library Corporation

The City of Casey and Cardinia Shire have made a joint decision to change the service model of their libraries, which will see the subsequent dissolution of the Casey Cardinia Libraries (CCL) Corporation at the end of 2022. We are not aware of the financial impact of this decision as at the balance sheet date.

Note 8 Managing uncertainties (Cont'd)**8.2 Change in accounting standards (AASs)**

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

8.3 Financial instruments**(a) Objectives and policies**

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council'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 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

(c) Credit risk

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

- council 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.

8.3 Financial instruments**(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
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and 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 +2.5% and -0.5% in market interest rates (AUD) from year-end rates of 0.85% and 4%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement*Fair value hierarchy*

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 *Fair Value Measurement*, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

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.

8.4 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.

8.5 Events occurring after balance date

No 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			
2022			
Property			
Land and land improvements	576,500	(12,215)	564,285
Buildings	93,954	-	93,954
	670,454	(12,215)	658,239
Infrastructure			
Roads	26,491	-	26,491
Bridges	34,846	-	34,846
Drainage	97,671	92,521	190,192
Footpaths and cycleways	20,509	-	20,509
Recreational, leisure and community facilities	3,687	-	3,687
	183,204	92,521	275,725
Total asset revaluation reserves	853,658	80,306	933,964
2021			
Property			
Land and land improvements	409,549	166,951	576,500
Buildings	85,493	8,461	93,954
	495,042	175,412	670,454
Infrastructure			
Roads	26,491	-	26,491
Bridges	28,982	5,864	34,846
Drainage	97,671	-	97,671
Footpaths and cycleways	20,509	-	20,509
Recreational, leisure and community facilities	3,687	-	3,687
	177,340	5,864	183,204
Total asset revaluation reserves	672,382	181,276	853,658

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

CARDINIA SHIRE COUNCIL
2021/22 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2022

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					
2022					
Developer contribution levy	50,812	17,384	(23,286)	44,910	1
Community Facilities levy	942	919	-	1,861	2
Public Open Space levy	15,931	1,741	(546)	17,126	3
Native vegetation	705	-	(38)	667	4
Decorative Light Poles	902	-	(256)	646	5
Landscapes	206	100	-	306	6
Replacement Planting Scheme	9	2	(7)	4	
Future Emergency Recovery Reserve	500	500	-	1,000	7
Future Environment Sustainability Reserve	500	500	-	1,000	7
Future Defined Benefit Super Shortfall Reserv	500	500	-	1,000	7
Total other reserves	71,007	21,646	(24,133)	68,520	
2021					
Developer contribution levy	52,105	13,699	(14,992)	50,812	
Community Facilities levy	3,171	1,295	(3,524)	942	
Public Open Space levy	12,309	4,550	(928)	15,931	
Native vegetation	597	179	(71)	705	
Decorative Light Poles	788	186	(72)	902	
Landscapes	252	99	(145)	206	
Replacement Planting Scheme	4	5	-	9	
Future Emergency Recovery Reserve	-	500	-	500	
Future Environment Sustainability Reserve	-	500	-	500	
Future Defined Benefit Super Shortfall Reserv	-	500	-	500	
Total other reserves	69,226	21,513	(19,732)	71,007	
			2022	2021	
			\$'000	\$'000	
Asset revaluation reserves			933,964	853,658	
Other reserves			68,520	71,007	
Total reserves			1,002,484	924,665	
Ref	Item	Description			
1	Developer contribution levy	This reserve is the balance of the cash levies paid to Council and is to be used to cover the cost of any of the Developer Contribution Plans (DCP) infrastructure assets that are to be purchased or constructed by Council. These funds are restricted and required to be held in a separate bank account.			
2	Community Facilities levy	This reserve is the balance of the cash levies paid to Council and is to be used to cover the cost of the remaining community facilities to be provided under the DCP area. There is no legal requirement to restrict these funds or hold them in a separate bank account.			
3	Public Open Space levy	It is a requirement under the Planning Scheme and Precinct Structure Plans (PSPs) that a minimum percentage of the developed land be provided for public open space. If the minimum amount is unable to be provided, a cash contribution is required. For the Officer DCP area, the contributions are to be used to compensate developers who provide more than the minimum 5.5%. For the Cardinia Rd DCP area, contributions are to be used to offset the provision of land for open space on a parcel of land being subdivided where the amount of open space to be provided exceeds the 8% public open space contribution.			
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.			
7	Future Reserves	These reserves are to be used for any emergency recovery, environment sustainability or super shortfall that may arise in the future.			

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Notes to the Financial Report
For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
9.1 Reserves (Cont'd)			
(c) Adjustments directly to equity			
Correction of prior year error in Property, infrastructure, plant and equipment *		-	4,605
Total adjustments directly to equity		-	4,605
* A detailed breakdown is provided in note 6.2			
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)			
Surplus for the year		61,491	68,328
Depreciation/amortisation		28,911	26,920
Proceeds from sale of assets - investing activity, not operating activity	3.6	(683)	(824)
Written down book value (WDBV) of assets sold - non-cash	3.6	884	2,564
Opening work in progress write off	6.2	8,823	2,978
Contributions - non-monetary	3.5	(26,856)	(36,329)
Volunteer services	4.2	315	265
Interest costs - financing, not operating activity		1,624	1,901
Share of net (gain)/loss of associates - non-cash		34	(114)
Impairment (gain)/loss - non-cash	3.7	26	(30)
<i>Change in assets and liabilities:</i>			
(Increase)/decrease in trade and other receivables		15,977	(1,164)
(Increase)/decrease in prepayments		690	(177)
(Increase)/decrease in accrued income		(5,921)	(1,819)
Increase/(decrease) in trade and other payables		-	(5,842)
Increase/(decrease) in other liabilities		(11,669)	(1,011)
(Increase)/decrease in inventories		(30)	3
Increase/(decrease) in provisions		1,028	255
Increase/(decrease) in income in advance		24,101	4,505
Net cash provided by operating activities		98,745	60,409

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 Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Cardinia Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 Employee Benefits.

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.

As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns	4.75% pa
Salary information	2.75% pa
Price inflation (CPI)	2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

9.3 Superannuation (Cont'd)**Funding arrangements (Cont'd)**

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

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

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 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 2021 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 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 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.

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 2021 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 2021 and the last full investigation was conducted as at 30 June 2020.

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

	2021 (Interim)	2020 (Triennial)
	\$m	\$m
- A VBI Surplus	214.7	100.0
- A total service liability surplus	270.3	200.0
- A discounted accrued benefits surplus	285.2	217.8

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 2021.

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 2021.

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 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

9.3 Superannuation (Cont'd)**Superannuation contributions**

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme	Type of Scheme	Rate	2022 \$'000	2021 \$'000
Vision super	Defined benefit	10% (2021:9.5%)	147	135
Vision super	Accumulation fund	10% (2021:9.5%)	9,558	3,405

Cardinia Shire Council has no unfunded liability payments to Vision Super during both the 2021/22 and 2020/21 years.

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$150 thousand.

10 Change in accounting policy

There have been no changes to accounting policies in the 2021-22 year.

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

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