

9 ANNUAL REPORT 2017-18

FILE REFERENCE INT1870143

RESPONSIBLE GENERAL MANAGER Derek Madden

AUTHOR Doug Evans

RECOMMENDATION

That the Annual Report for the year ended 30 June 2018 be received and noted.

Attachments

1 Annual Report 176 Pages

EXECUTIVE SUMMARY

To formally receive the Annual Report for the 2017-18 financial year.

BACKGROUND

As required by various provisions of the Local Government Act a report has been prepared detailing the Council's activities for the financial year to 30 June 2018.

The Report comprises the following:

- Report of Operations, including statutory information that highlights Council's activities and achievements for the year.
- Audited Performance Statement, and
- Audited Financial Report

The Annual Report was lodged with the Minister for Local Government prior to 30 September as required by Section 131(6) of the Local Government Act.

Section 131(10) of the Local Government Act stipulates that after the Annual Report has been submitted to the Minister Council must give public notice that the Annual Report has been prepared and is available for inspection. This notice has been given.

In addition, Section 134 of the Local Government Act stipulates that Council must consider the Annual Report at a meeting that must be held as soon as practicable after the Council has sent the Annual Report to the Minister and must be advertised for at least 14 days before the meeting is held. The Annual Report is now presented to the Council for consideration.

Council's financial result has been audited and the audit opinion is included in the documents attached.

The report contains the requisite information as required by both the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

POLICY IMPLICATIONS

Nil.

RELEVANCE TO COUNCIL PLAN

Monitoring Council's financial position is directly relevant to the Council Plan goal of achieving long term financial sustainability and managing the municipality's finances and assets in a responsible manner

CONSULTATION/COMMUNICATION

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

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

FINANCIAL AND RESOURCE IMPLICATIONS

The result for the 2017-18 financial year, as is shown in the Comprehensive Income Statement, is a surplus of \$87.1 million (2016-17 \$89.7 million surplus). The real or underlying result, which removes capital grants and contributions and other non-recurrent items, is a surplus of \$7.2 million (2016-17 \$6.6 million surplus). This underlying surplus is better than the adopted budget by \$7.2 million primarily as a result of operating revenue being \$7.7 million better than budget, mainly in rates & charges, operating grants and interest income.

The closing cash balance (including term deposits) as at 30 June 2018 is \$109.3 million (30 June 2017 \$91.2 million), a total increase of \$18.1 million from 2016-17. Net operating cash inflows for the year were \$58.4 million, and were partially offset by net cash outflows totalling \$40.3 million for investing (Capital Works) and financing (repayments of loans). Excluding developer related funds, the cash balance is \$66.7 million which is mostly committed to capital projects approved as part of the 2017-18 budget, new projects in the 2018-19 budget, general Council operations and other funds allocated to specific purposes.

CONCLUSION

The structure of the Local Government Act provisions is that the Annual Report must be forwarded to the Minister for Local Government prior to 30 September and then presented to a Council Meeting for consideration as soon as practicable thereafter.

It is appropriate for the Council to receive and note and the Annual Report.

Cardinia Shire Council
Annual Report 2017-18



Prepared by:

Cardinia Shire Council

Acknowledgment

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

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Comprehensive income statement
Balance sheet
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Statement of cash flows
Statement of capital works
Certification of financial statements
Independent auditor's report

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Mayor's foreword



On behalf of my fellow councillors, I am pleased to present Cardinia Shire Council's Annual Report for 2017–18. This report reflects the second year of the four-year term of this Council and it has been a year of many achievements as detailed in the pages ahead.

In November 2017, I was honoured to be elected Mayor for a 12-month term with Cr Brett Owen appointed Deputy Mayor. Since then, my fellow councillors and I have worked with each other, the community and Council staff to support positive change and appropriate services and facilities across the shire.

Transparency in our governance

Council is committed to providing 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 aim to ensure future generations benefit from these decisions. We practise good governance and meet recognised standards of excellence.

As part of our commitment to keeping the community informed of Council decisions, we trialled live webcasting our Council meetings this year. The webcasts proved a cost-effective way to give more people access to our meetings at a time and place that suits them.

We've also continued our Youth Council program, which gives nine young residents the opportunity to work

collaboratively with Council on issues that impact young people. As part of the program in 2017–18, councillors and Council staff competed in a debate with the shire's youth councillors. The debate aimed to develop the public speaking and debating skills of the youth councillors in a practical setting, while being exposed to Council business. In the three-topic debate, each side won one topic and the remaining one was a draw.

Focusing on advocacy and grants

As many of Council's infrastructure and services projects are funded by rate revenue, which is limited by the Victorian Government's rate cap, we have a strong focus on grants and advocacy.

During the 2017–18 financial year, Council submitted 45 grant applications for capital works projects to a value of just over \$21.6 million. Of these applications, 14 were successful, and Council received a total amount of \$6,151,441 in funding assistance. Funding programs were diverse and supported Council in delivering new and renewed playgrounds, youth programs, crime prevention and reduction programs, and recreation reserve grounds and pavilions.

Council continues to actively engage with all local politicians, both federal and state, seeking their support for local initiatives. In the lead up to the 2018 state election, Council prepared a detailed package of 57 projects in the Bass, Gembrook and Narracan electorates and used this to advocate the interests of Cardinia Shire to our local candidates. Council works particularly hard to influence government priorities that will benefit our local communities in the lead up to elections.



Council's commitment to protecting and enhancing the natural environment was further demonstrated by the publication of its *Sustainable Environment Policy 2018–28*.



Adopting key strategies

Council introduced some important strategies for Cardinia Shire in the 2017–18 year. These strategies provide the strategic direction for our decision making and help us achieve our vision to develop the shire in a planned manner for present and future generations.

In September, Council adopted Cardinia Shire's *Liveability Plan 2017–29*, recognising Council's role in coordinating local public health planning. The plan aims to bring together a range of organisations and local groups to collectively protect, improve and promote the health and wellbeing of all our residents.

We launched our *Child, Youth and Family Strategy 2017–21* in October, reinforcing Council's commitment to the shire being a UNICEF 'Child Friendly City'. It incorporates five focus areas for local children, young people and their families to be safe, healthy, happy and connected, and to realise their potential and achieve economic wellbeing.

In December, Council adopted a new *Waste and Resource Recovery Strategy 2017–26*. It is a roadmap for the future direction and actions of our waste and resource recovery services, waste-related education and advocacy activities – ensuring these provide value for money and produce improved environmental benefits and amenity for our community.

Council's commitment to protecting and enhancing the natural environment was further demonstrated by the publication of its *Sustainable Environment Policy 2018–28*. This strategy focuses on the areas of biodiversity, climate change, waste and water. It identifies the challenges facing the municipality in these areas, and

outlines the plans and strategies already in place and those required to further address our challenges.

It is an honour and a privilege to be an elected representative of this diverse municipality and Council's aim is to make Cardinia Shire the best possible place to live, work, raise a family and do business. I look forward to continuing our work for the shire in the years ahead with my fellow councillors.



Cr Collin Ross
Mayor 2017–18



CEO report



Throughout the past 12 months, our organisation has worked steadily and with exceptional dedication to deliver a range of services and projects, develop and adopt new plans and policies, and build, upgrade and renew important infrastructure for the benefit of Cardinia Shire.

With almost 400 staff working collaboratively to achieve our shared organisational goals for the benefit of the community, investing in our people is paramount to success. We make a conscious effort to develop a skilled and professional workforce that continually strives to go from good, to great, to excellent. I am proud of Council's achievements in delivering professional, personal, and cultural development opportunities.

Delivering major projects

Council completed and progressed a number of major projects this year, delivering quality facilities to serve our growing community into the future.

Highlights include:

- **Bridgewood Primary School and integrated Child and Family Centre** – this ground-breaking precinct development opened this year, allowing students to transition from an integrated early learning and development environment to formal education in the primary school, also providing a Maternal and Child Care Health service and parenting support programs
- **Pakenham motorsport precinct** – a world-class motor sport precinct is being developed on a specially zoned 64-hectare parcel of land, which will include a race track and associated infrastructure, driver training and education programs, plus an events and exhibition space
- **Deep Creek Reserve** – work progressed steadily at the 48-hectare greenfield development, which will be a place of environmental and recreational significance, and will include the shire's first regional all abilities playground
- **Lang Lang Community and Recreation Precinct** – works are well underway to deliver a major recreation and community precinct, which will include sporting facilities, multipurpose community spaces, parks and other open spaces for recreational activities
- **Hill's Hub** – work began on a new Hill's Hub to bring a range of existing community services and organisations under one roof and provide additional multipurpose spaces for the community, providing greater access to community activities.

Advocating for regional investment

It is crucial that Council continues to advocate for and work in partnership with other organisations and levels of government to attract investment into the region and provide the services, facilities and economic benefits needed for our growing population. Examples include:

- **Melbourne's third airport** – Council, together with the South East Melbourne Group of Councils, has advocated for a third airport to be built in the south-east region for a number of years. We believe an airport in the region will drive growth and provide new jobs in transport, logistics, tourism and agriculture, becoming a major economic and employment driver for our local communities. We are continuing to advocate to the Victorian Government to ensure an appropriate location for the airport
- **Team 11** – Council has supported south-east Melbourne's bid to bring an A-League and W-League soccer club to the region. The club would become the region's first professional sporting club to both train and play in the area, working alongside over 100 local clubs and providing a pathway to professionalism for local players. Team 11 is a great way to unite the more than 160 nations represented in the community through a shared love of soccer.



Achieving organisation excellence

Cardinia Shire Council continues to be recognised for excellence in people management, maintaining Gold Accreditation against the global Investors in People standards. Our accreditation is international recognition of Council as an employer of choice and a high-performing workplace committed to excellence.

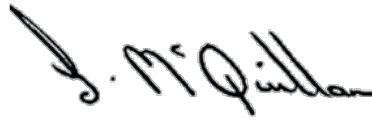
Council was recognised with the following awards and designations in 2017–18:

- Cardinia Shire designated as an International Safe Community through the World Health Organisation
- 2017 Victorian Regional Achievement and Community Award winner for the Youth Services' film *Marcus*
- 2018 Australian Government National Awards category winner in Prevention and Community Safety for Together We Can
- 2018 Gold Medal winner in the Municipal Association of Victoria's Local Government Innovation Awards for Together We Can
- 2018 Sir Rupert Hamer Records Management Award from Municipal Association of Victoria for Excellence and Innovation in Records Management
- 2018 Playspace Development Award for a project under \$500,000 from the Regional Awards of Excellence, Parks and Leisure Australia, Victoria and Tasmania Region for PB Ronald Reserve in Pakenham
- 2018 finalist in the LGPro Outstanding Program or Project for Aged and Disability Services
- 2018 finalist in the LGPro Excellence Awards under Service Delivery Initiative for our Facilities Maintenance and Management Services contract collaboration with Yarra Ranges and City of Dandenong councils.

In addition to the two awards mentioned here, Cardinia Shire's collective impact initiative Together We Can contributed significantly to a reduction in family violence in our shire. In the year April 2017 to March 2018, the Crime Statistics Agency reported a 23.7 per cent decrease in the rate of serious family violence incidents in Cardinia Shire.

In more personal news, I announced my upcoming retirement from the workforce and as CEO of Cardinia Shire Council, effective from October 2018. I've enjoyed a rewarding 11 years as CEO, working with staff who have continued to be passionate, committed and agile throughout a time when the shire has experienced incredible growth. This has positioned Council as one of the most successful in Victoria and one that is well placed to take on the challenges of the future under new leadership.

It has been a privilege to lead an organisation of individuals who embrace and live the corporate values of Cardinia Shire Council. I am confident the next CEO will successfully lead the organisation towards even greater achievements and new levels of excellence.



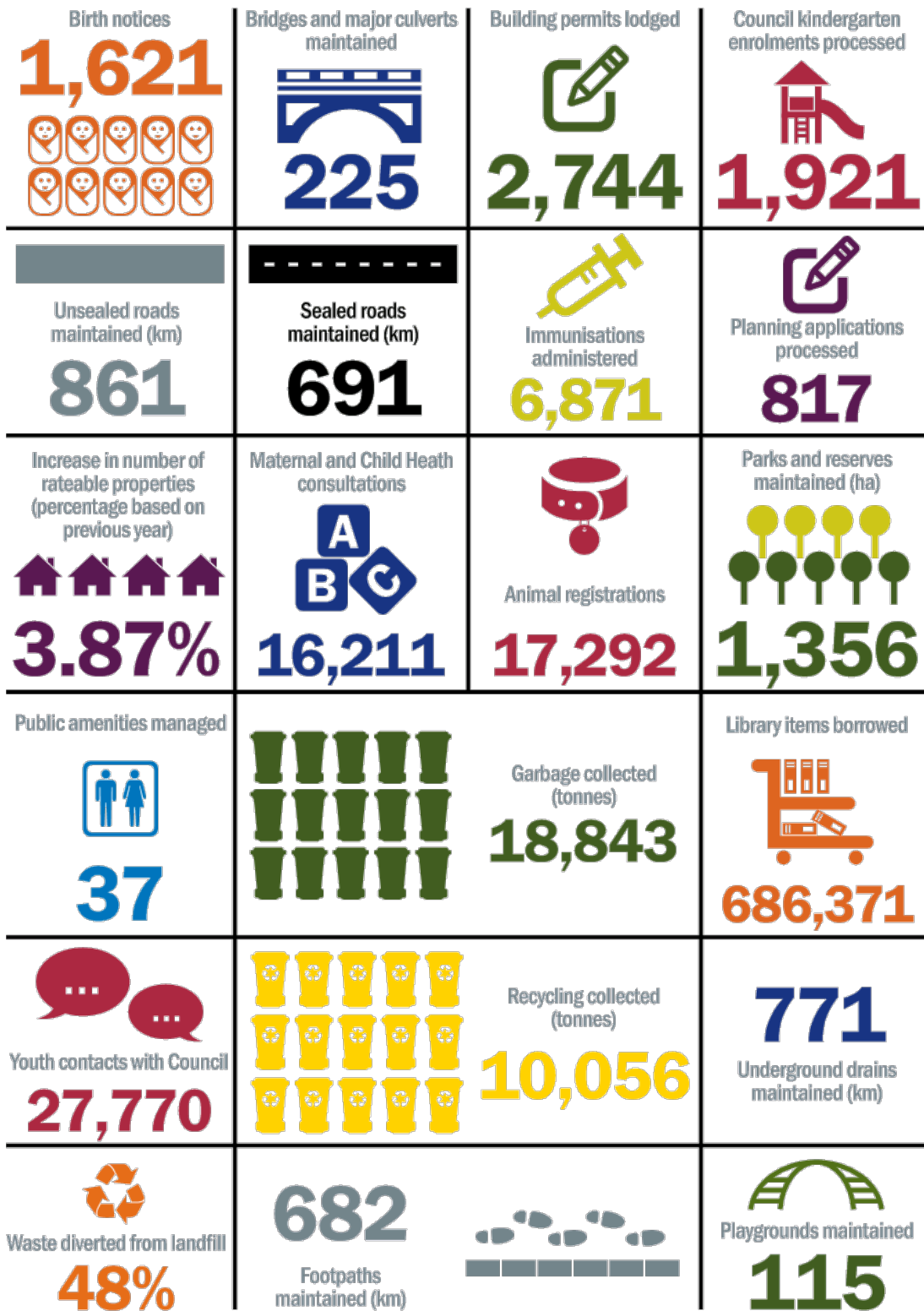
Garry McQuillan
Chief Executive Officer

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With almost 400 staff working collaboratively to achieve our shared organisational goals for the benefit of the community, investing in our people is paramount to success.

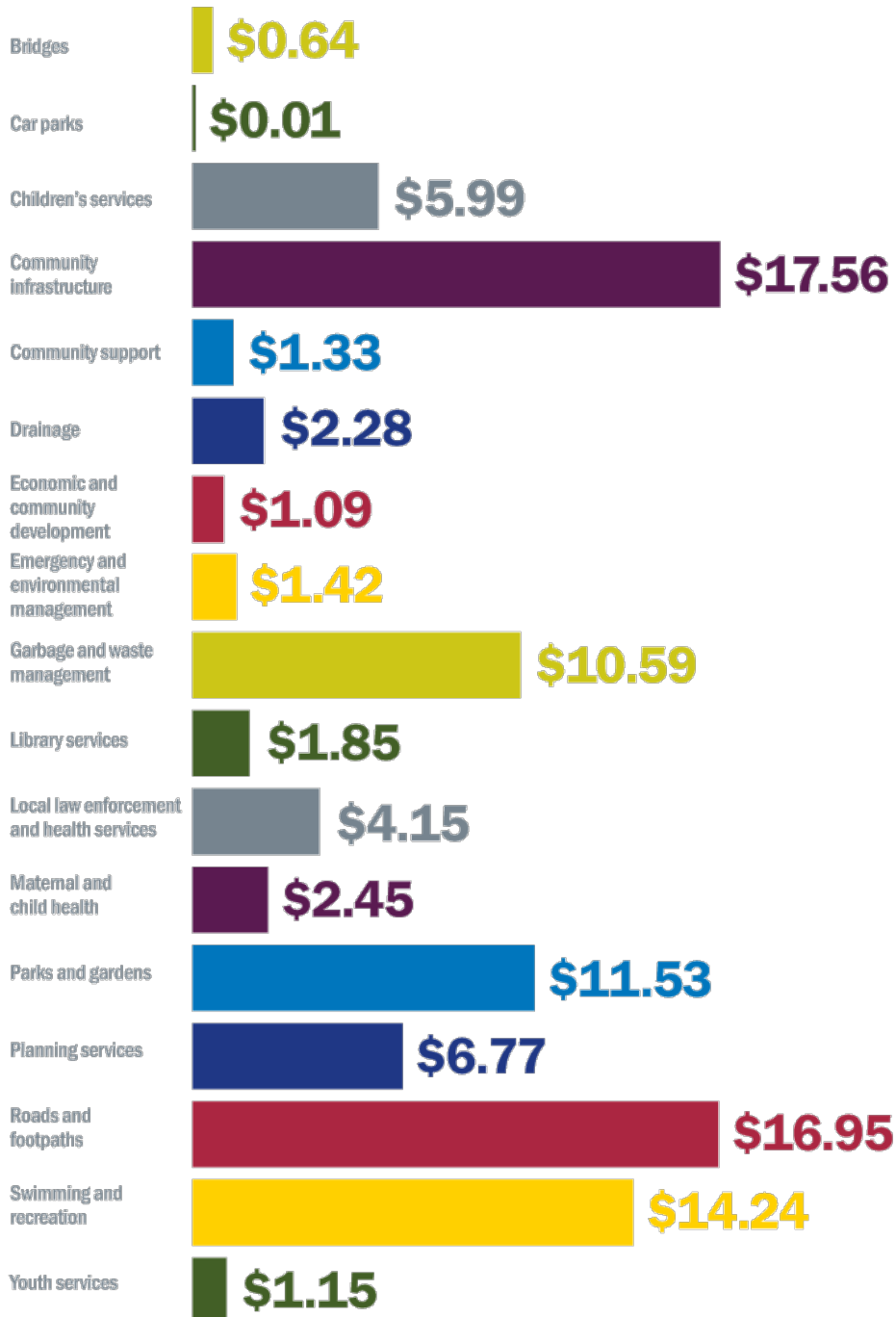


Fast facts



Your rates at work

Dollar amounts represent the amount in every \$100 of rates that Council used to deliver facilities, programs and services in 2017-18



Council snapshot

What we do

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

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

The range of activities and initiatives Council delivers is diverse – with 62 major service categories, each contributing to achieving Council's vision as set out in the Council Plan. The plan identifies five strategic objective areas: Our people, Our community, Our environment, Our economy and Our governance. The outcomes for 2017–18 in each of these areas is reported in the 'Our performance' section of this annual report.

Council Plan key objectives

Council has five key strategic objectives.

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

Council Plan key challenges

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

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

Our vision

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

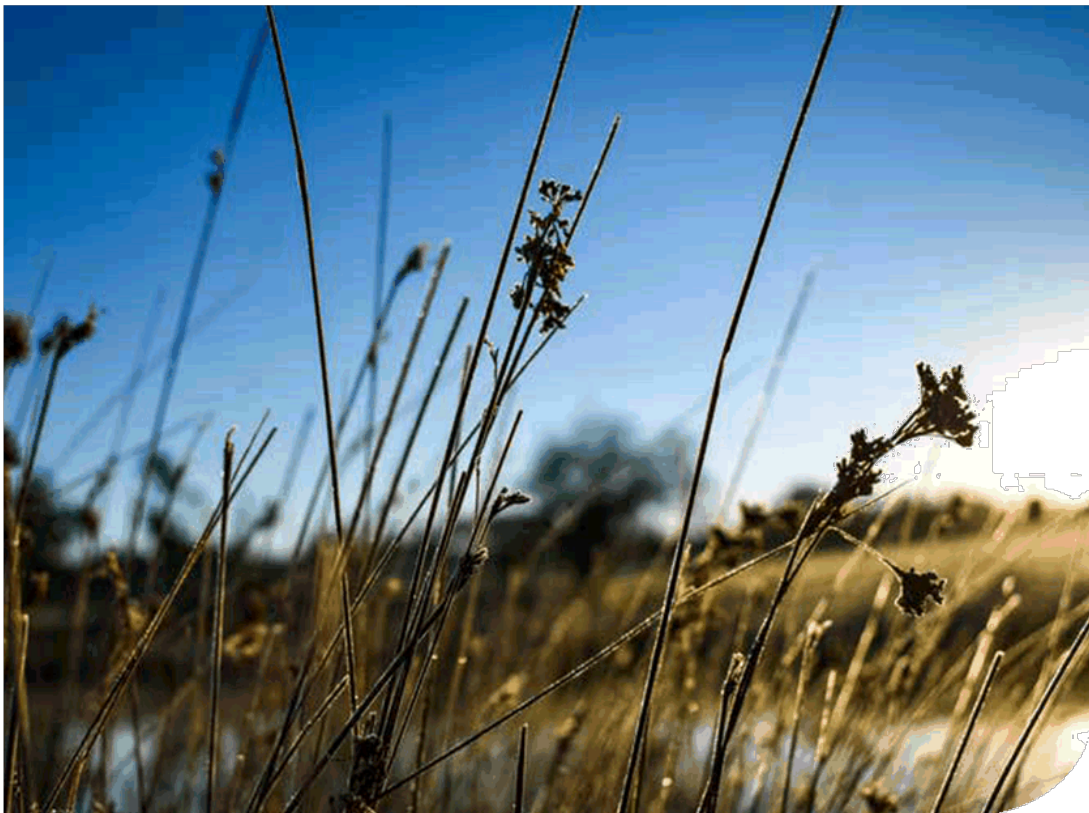
Our commitment

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

Our values

Underpinning Council's *Human Resources Strategy*, our values framework considers how staff work as individuals, across the organisation, and with the local community.

The framework also supports Council's vision with five key values: teamwork, respect, accountability, communication and customer focus. Each of the values includes four key behaviours to demonstrate and call to account the way staff behave each day at work.



Cardinia Shire Council's values framework

					
We value	<p>Teamwork</p> <p>We work collaboratively to achieve shared goals</p>	<p>Respect</p> <p>We value diversity and appreciate others</p>	<p>Accountability</p> <p>We are responsible for our actions and behaviour</p>	<p>Communication</p> <p>We communicate openly and share knowledge with others</p>	<p>Customer focus</p> <p>We consider the needs of others and make a difference for our community</p>
My behaviours	<ul style="list-style-type: none"> I share my knowledge, skills and experience with others I support others to achieve goals and celebrate success I choose to work positively with others I commit to working with others and making a difference 	<ul style="list-style-type: none"> I value diversity and appreciate differences and similarities I believe in myself and my role I recognise and appreciate others' skills and experience I am approachable and treat others consistently 	<ul style="list-style-type: none"> I actively participate in the organisation I take ownership of my role and learn from my actions I inspire excellence and leadership by performing my role with pride I acknowledge my actions can impact and influence outcomes 	<ul style="list-style-type: none"> I give and receive constructive feedback I recognise others' needs for different types of communication I use transparent two-way communication to gain shared understanding I support others to learn, develop and grow 	<ul style="list-style-type: none"> I communicate respectfully and provide quality service and culture I support our growing community I am proactive and use initiative to achieve excellent outcomes I consider the health of others and our environment

Feedback

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

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2017–18 at a glance



Our people

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

Achievements

- Cardinia Shire's new *Liveability Plan 2017–21* adopted, underpinned by a collective impact approach
- *Child and Family Strategy 2017–21* adopted, reinforcing our shire as a UNICEF 'Child Friendly City'
- Together We Can engaged with over 14,000 people contributing to a 23.7 per cent decrease in family violence
- Inaugural Community Emergency Resilience Forum hosted



Our community

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

Achievements

- *Disability, Access and Inclusion Policy 2017–21* adopted and nine actions in the *Disability, Access and Inclusion Action Plan 2017–21* completed
- Cardinia Shire designated as an International Safe Community through the World Health Organisation
- Culturally and Linguistically Diverse Advisory Committee established to help inform new policies and services
- The inaugural Cardinia Community Leadership Program had 16 graduates, with a further 20 people accepted into the 2018 program



Our environment

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

Achievements

- *Sustainable Environment Policy 2018–28* adopted, ensuring a holistic approach to biodiversity, climate change, waste and water
- The shire's 1,000th solar system installed at Emerald Library as part of our *Aspirational Energy Transition Plan 2014–24*
- Cardinia Shire Council's Civic Centre achieved a five star Green Star Rating (office as built v3) from the Green Building Council of Australia
- Continued increases in resource recovery in our green waste and hard waste contract, now up to 31 per cent



Our economy

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

Achievements

- *Casey Cardinia Visitation Strategy 2017–20* adopted, encouraging the establishment of tourism activities and facilities across the shire
- Networking, training and promotional opportunities delivered through Casey Cardinia Region
- Supported three Casey Cardinia Business Breakfasts, the annual Women's Business Lunch and the Casey Cardinia Business awards
- Facilitated employment and business opportunities through the planning of town centres and employment precincts



Our governance

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

Achievements

- Council Budget 2017–18 adopted, providing the largest budgeted amount for capital works in the shire's history – more than \$55.6 million
- Advocacy program delivered to local candidates in the lead up to the state election, detailing 57 projects across the shire.
- \$6,151,441 received in capital works funding assistance from 14 successful grant applications
- Community consultation opportunities provided and interactive dashboards launched to make our performance more visible to the community

Challenges

- Managing one of the fastest growing municipalities in Australia
- Meeting the ever-increasing demand for services and infrastructure
- Managing community health and wellbeing in an expanding population
- Further reducing the impact of family violence on our community

Looking forward

- Develop recreational facilities that provide for both structured sport and social participation
- Deliver an annual program to improve condition and accessibility of community facilities
- Host the inaugural Housing Summit to address homelessness, financial insecurity, disability and mental health
- Host a Children's Conference to give the children of our shire a voice and recognise them as important citizens

Challenges

- Providing timely and cost-effective infrastructure and services to meet the needs of our rapidly growing population
- Managing the social and cultural impacts of population growth
- Supporting an inclusive community comprised of people from diverse backgrounds
- Encouraging residents to improve their health and wellbeing

Looking forward

- Develop inclusive and accessible community facilities including recreation facilities, community hubs, kindergartens and infrastructure
- Progress and deliver major capital works projects
- Continue to facilitate collective impact partnerships with organisations and community groups
- Establish a new Reconciliation Advisory Group as part of our *Reconciliation Action Plan 2015–19*

Challenges

- Sustainably managing the natural and built environment with the impacts of population growth
- Balancing conservation efforts with the need for development to best serve our communities
- Improving operational efficiencies and minimising environmental impact of older community buildings
- Ensuring viability and sustainability of our recycling service amid ongoing recycling industry changes

Looking forward

- Complete and adopt the *Pest Management Strategy* to reduce pest plant infestations across the shire
- Complete and adopt the *Biodiversity Conservation Strategy* to provide strategic direction for both private and public land
- Continue to provide community awareness education and participation opportunities in environmental programs
- Implement annual sustainability programs at our facilities to improve operational efficiencies and reduce impact on environment

Challenges

- Ensuring increased local employment opportunities for our growing population over the next 20 years
- Boosting the local economy through business development and tourism
- Balancing the competing priorities of agricultural productivity with the demand for residential development

Looking forward

- Continue to focus on attracting industry to the shire and increasing the number of local jobs
- Support the development of a tourism brand and visitation strategy for the Casey-Cardinia region
- Continue to advocate to and partner with other levels of government to attract investment into the region

Challenges

- Balancing the desires of our communities while ensuring economic prosperity, social wellbeing and environmental sustainability
- Ensuring long-term financial sustainability while meeting the Victorian Government's rate cap
- Reaching all residents in the shire and encouraging community engagement in Council's decision making.

Looking forward

- Continue to deliver business improvements, including integrated planning and reporting processes
- Provide greater visibility of our activities to the community through continued work on our interactive dashboards
- Focus on our community engagement strategies and seek better ways to listen to our community

Our people highlights

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

A liveability plan for Cardinia Shire

Council adopted Cardinia Shire's new *Liveability Plan 2017–29* in September 2017. It is our municipal public health and wellbeing plan, which outlines the health and social priorities for Cardinia Shire residents. The plan contains seven long-term goals:

- improved mental health and wellbeing
- improved social cohesion
- improved safety
- reduced family violence
- reduced obesity
- reduced financial vulnerability
- reduced harm from tobacco, alcohol, drugs and gambling.

The plan is underpinned by a collective impact approach, where 20 partner organisations support the implementation and ongoing monitoring of the plan.

Council hosted two community summits during October 2017 to encourage community groups, volunteers and individuals to connect and develop new programs aligned to the seven priority areas identified in the *Liveability Plan 2017–2029*. Around 110 people attended these summits and 23 community projects were identified for action.

Council held its inaugural Food Forum in November 2017 as part of the Cardinia Food Circles collective impact initiative. The aim of the initiative is to create a healthy, sustainable, delicious and fair food system for all Cardinia Shire residents. Following the Food Forum, a community engagement process was conducted through 'Kitchen Table Talks' to inform the development of Cardinia Shire's food system strategy.



Facilities for a growing shire

Every year, we develop new community facilities and refurbish or upgrade our existing facilities to meet the needs of Cardinia Shire.

Our growing population creates a demand for new children's centres, community centres, public amenities and sporting facilities. Major capital works projects we completed in 2017–18 include Bridgewood Primary School and Integrated Child and Family Centre, the IYU Recreation reserve pavilion and the redevelopment of Pakenham Kindergarten. We also made great progress on other projects including Deep Creek Reserve, Lang Lang Recreation Reserve, James Bathe Recreation Reserve, the new Hills Hub, and the redevelopment of Cardinia Cultural Centre.

In addition to building new community facilities, we also invested \$560,000 to improve the condition of existing public buildings and spaces across Cardinia Shire. These works include building extensions as well as upgrades and refurbishments, such as outdoor spaces, kitchens, painting and car parking. Minor capital works projects we completed in 2017–18 include resurfacing the floor at Pakenham Hall, upgrading the air conditioning at Nar Nar Goon Preschool, plastering and fencing works at the Flower Street senior housing units, replacement decking at Beaconsfield Kindergarten and Lilypond House Community Centre, asbestos removal at multiple sites, plus a range of other works.

Services for families and young people

Council adopted its *Child and Family Strategy 2017–21* in August 2017. The strategy incorporates five focus areas for local children, young people and their families to be safe, be healthy and happy, be connected, realise their potential and achieve economic wellbeing. The strategy aligns with the current Council Plan and Liveability Plan and reinforces Council's commitment to Cardinia Shire being a 'Child Friendly City', which is recognised worldwide by UNICEF.

In 2017–18 mental health services were increased across Council facilities and the National Disability Agency delivered outreach in our Integrated Child and Family Centres. As part of the integrated service provision model, Maternal and Child Health services were provided at the new Bridgewood Primary School and Integrated Child and Family Centre, including the provision of a smalltalk supported playgroup. Council's Maternal and Child Health service also ran support groups for first time parents; facilitated Wonderfun, Mothergoose and Wondermums groups to provide parental guidance; and established a working group to promote further inclusiveness in the service.



The Cardinia Youth Support Program supported more than 100 young people during 2017–18. Council's Youth Services delivered a range of in-school, after-school and school holiday activities and programs, assisting young people to develop life-skills. The Youth and Family Outreach Program, delivered by Windermere, was also extended this year after a successful pilot project for youth mental health. Council's Youth Services also hosted the Good Choice Awards to recognise young people making good life choices, a Pride Formal to support LGBTIQ+ young people and their friends, and the annual Battle of the Bands event.



Together We Can gathers momentum

Cardinia Shire's collective impact initiative Together We Can is a whole-of-community approach to tackling the complex social problem of family violence. The program is delivered through a partnership between Family Life, Cardinia Shire Council, and the shire's residents, workplaces, community services, other government agencies, clubs, groups, media, schools, churches, philanthropists and health services.

The Crime Statistics Agency reported a 23.7 per cent decrease in the rate of serious family violence incidents in Cardinia Shire from April 2017 to March 2018, which is an impressive achievement for Together We Can. The initiative was recognised for its work with two awards in 2017–18; Together We Can was the 2018 category winner for Prevention and Community Safety in the National Awards for Local Government and the gold medal winner in the Municipal Association of Victoria's National Local Government Innovation Awards.

Together We Can delivered nine community solutions in 2017–18, engaging directly with over 14,000 people to help stop, prevent and end family violence in Cardinia Shire. In July, Council partnered with Outlook to host a White Ribbon morning tea that focused on the increased vulnerability of women with a disability. In August, Together We Can held a Community Leadership Summit to educate community leaders about their role in the prevention of family violence. In November, we supported the White Ribbon Walk Against Violence with a community event that attracted around 150 hundred people.

Emergency planning for safer communities

Cardinia Shire has a long history of flooding and bushfires that have resulted in property loss and damage, stock loss and even loss of life. Emergency planning and management is critical in building safer communities because it helps communities prepare for safety risks and emergency events. In 2017–18, Council undertook prescribed burns to reduce fire hazard for the first time in many years as part of its 10-year prescribed burning plan.

Council also hosted a Community Emergency Resilience Forum in May 2018 for local residents and community groups. Over 80 people attended the forum, which focussed on promoting resilience building and community preparation for emergencies. Community emergency resilience is a community's ability to use the resources at their disposal to respond to, withstand, and recover from emergencies. It benefits the whole community and is strengthened by identifying and training community leaders to support their communities. Attendees of the forum learnt about resilience issues facing communities in the shire, discussed local initiatives that build resilience to emergencies, and planned new initiatives to improve community resilience to emergencies.

Challenges

Cardinia Shire is one of the state's fastest growing municipalities, with five families moving into our shire each week and about four babies being born every day. Between 2016 and 2041, the population of the shire is forecast to increase by 101,000 people to reach 198,626. By that time, our population will have almost doubled from the 2017 population of 102,516.

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

With the launch of the *Liveability Plan 2017–29*, Council has shifted the approach of the municipal public health and wellbeing plan to focus on liveability, rather than health risk factors. Ownership of the plan has also shifted from solely Council to shared ownership between Council, other partners and the community; providing the benefit of a collaborative approach and the challenges of multiple stakeholders.

Looking forward

We'll continue to develop recreational facilities that provide structured sport and social participation opportunities for our residents. Works are underway on major projects and in the coming year we'll be working hard to progress or complete works at James Bathe Recreation Reserve, Emerald Netball Facility, Comely Banks Recreation Reserve and Deep Creek Reserve. We'll also continue to deliver an annual program to improve the condition, operation and accessibility of community facilities. Our best-practice renewal program extends the life of assets and ensures we undertake the appropriate combination of maintenance, rehabilitation and replacement.

In line with the Liveability Plan, Council will facilitate and support a second community summit to encourage community members and groups to collaborate on the development of new projects and initiatives that address our community's social and health challenges, including the Cardinia Food Circles collective impact initiative. Council will also host the inaugural Housing Summit to bring leaders in the field together to discuss and share issues pertaining to homelessness, financial insecurity, disability and mental health. Council will also be working to finalise its first *Social and Affordable Housing Strategy* to address current and future housing needs across the shire.

In line with our *Child and Family Strategy 2017–21*, we will host a Children's Conference in 2018 to give the children of our shire a voice that can be taken into consideration for future planning and decision making. We'll also continue to work with a range of agencies to bring children's and family services to Cardinia Shire and build further integrated child and family centres in line with population forecasting.

Together We Can will continue its work to change attitudes and behaviours in order to help prevent family violence in our community. We'll host a 2018 Leadership Summit to develop a 'round table' of community leaders that represent all community settings. We will continue to plan, collaborate and build momentum to create cultural change and end family violence.

Our community highlights

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

Fostering diverse communities

Council is committed to ensuring all residents feel valued, included, respected and able to access the range of services, programs and facilities offered by it. In 2017–18 Cardinia Shire was designated an International Safe Community through the World Health Organisation's accreditation process. Only a small number of municipalities across Australia have achieved this designation, and upon designation Cardinia Shire would be the third International Safe Community in Metropolitan Melbourne and the fourth in Victoria.

Council also established its first Culturally and Linguistically Diverse (CALD) Advisory Committee to strengthen community partnerships, provide a voice for the shire's recently arrived residents from culturally diverse backgrounds and to help inform new policies, plans and services. Council hosted or supported a number of community events to promote cultural diversity including Harmony Day, World Refugee Day, a South Sudanese community celebration, and an interactive panel for staff with local Aboriginal and Torres Strait Islander leaders. In June 2018, Council also became an official supporter of the 'Racism. It stops with me' campaign through the Australian Human Rights Commission.

In May 2018, Council hosted a special raising of the pride flag at the Civic Centre to celebrate the International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT). The event invited the community to demonstrate support for the LGBTIQ+ community and help foster an inclusive community where all residents

feel safe. In addition, Council's Youth Services hosted a Pride Formal to support LGBTIQ+ young people and their friends, and also continues to facilitate a 'Be Ur Self' LGBTIQ+ group and a 'Transmixer' group for young transgender people.

Council's Maternal and Child Health service continued to foster connected communities by offering a Mothergoose group for families of CALD background to support language development and social connections. The service also employs family support workers from CALD backgrounds to support engagement of CALD families within the Maternal and Child Health service.

Ensuring accessibility and inclusion for all

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

Council has already completed nine of the 30 actions in the plan. These include:

- Deliver YouMeUs disability awareness training to Aligned Leisure staff



- Assist the community's transition to the NDIS by providing resources and information to people with a disability, their families and carers in the lead up to Cardinia Shire's 1 September 2018 NDIS roll out
- Develop marketing and communication strategies to inform the community about the operation of the NDIS
- Ensure residents of Council's 10 community housing properties (seniors and people with a disability) have information about My Aged Care should they require community home support services or access to NDIS services
- Work with Red Cross and local disability and support agencies to identify vulnerable people and facilitate the development of personal emergency management plans
- Develop a plan for emergency evacuation at the Civic Centre that makes specific provision for staff and visitors with mobility limitations
- Develop a life skills program for children at Officer Specialist School, delivered by Council's Youth Services, to increase the participation of young people with disabilities in mainstream programs and services
- Continue to deliver infrastructure for Early Childhood Intervention Services, while supporting external providers to deliver services for children with a diagnosed development delay
- Positively profile disability and employment in *Grow* magazine (a Casey Cardinia business publication).

In 2017 -18 Council also delivered an Access and Inclusion Upgrade Program to improve the accessibility of a number of Council facilities.

Communicating with our community

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

Customer Service calls 2017-18

Calls received	Average wait time	Average call length	Requests logged	Completed on time
118, 052	3 min 14 seconds	2 mins 54 seconds	47,054	94%

Council continued to produce and deliver its quarterly resident magazine *Connect* to all residents and businesses in the shire. The print magazine is delivered to over 43,000 letterboxes and digital versions are available on our website in standard, large print and audio formats. In 2017 -18 we brought management of the publication process in-house, achieving both cost savings and greater control over timeframes and design decisions. Our ongoing improvements have resulted in a more relevant and engaging magazine for residents.

With many Cardinia Shire residents experiencing long commutes to work or busy raising families, Council is committed to ensuring they can interact with us at times that suit them. Our website makes it easy for our residents to find information and transact with us online.

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

Website usage 2017-18

Page views	Sessions	Users	Average time spent on website
1,625,095	523,430	281,561	3 minutes 3 seconds

Facebook continued to be our most successful platform with the highest level of engagement with our community. Private messaging has become an additional Customer Service channel and Facebook advertising has continued to be a cost-effective and high-impact promotional platform.

In 2017, we started broadcasting live video posts on our Facebook page, which generated high page engagement and video views. In 2018, we trialled live webcasting Council meetings via our YouTube channel, CardiniaTV, and then cross promoted this on Facebook and Twitter. At 30 June 2018, Council had 6,919 likes on Facebook, 4,333 followers on Twitter, 1,529 LinkedIn followers and 88 subscribers to our YouTube channel. Our YouTube videos had 8,667 views in the financial year.





Developing community leaders

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

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

In November 2017, 16 people graduated from the inaugural Cardinia Community Leadership Program. In May 2018, a further 20 people were accepted into the 2018 program. Council is confident all participants will be empowered to increase their participation in community activities, groups, projects, volunteering, advocacy and on community advisory committees.

Appreciating our volunteers

Council acknowledged and thanked the shire's many volunteers at its annual volunteer reception in May 2018. The event recognised the work of hundreds of volunteers across 560 organisations in our shire and announced the recipient of the Stan Henwood Award. On the evening, Council recognised hundreds of volunteers for the generous contributions they make in our shire – whether that be in arts and culture groups, youth and children's organisations, sporting and recreation groups or as providers of aged care and disability services, education and training, or emergency services.

On the night, Eric Bumpstead was announced the 2018 Stan Henwood Award winner for his lifelong contributions to the local community. The award, now in its 14th year, recognises lifetime achievements in community service and volunteering. Eric has been a member of the Upper Beaconsfield Fire Brigade since 1957, serving as captain for 24 years. He is an inspiring leader who has spent 61 years of his life protecting the community against the threat of fire, during which time he led the way for women to enter the brigade as active members in the 1980s.



Challenges

Cardinia Shire's fast-growing and diverse community requires a range of services, programs, and facilities. Meeting the needs and expectations of our diverse communities can be challenging when resources are limited. As our shire continues to grow and change, Council remains committed to providing timely and cost-effective infrastructure and services that meet the needs of our rapidly expanding population. Whether this is a need for increased roads, pathways, recreation facilities and community spaces or the growing demands on health, kindergarten, waste and other Council services, this necessitates innovation and planning that takes into account the social and cultural impacts of population growth.

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

Looking forward

Council will continue to take a collaborative approach to developing and delivering inclusive facilities such as recreation facilities, community hubs, kindergartens and infrastructure. We'll advance projects that provide for greater service provision, business and employment opportunities, and promote social linkages within our community. We'll continue to advocate the needs of Cardinia Shire to other levels of government to attract funding for the infrastructure and services our community needs.

Further, to help shape positive social and cultural change, Council will continue to facilitate and participate in collective impact partnerships with organisations and community groups. Such partnerships empower and unite communities, enabling community members and Council to act on the issues that matter to them. Given the financial constraints of Council and the community's desire for greater engagement, these collective impact partnerships are a powerful tool for enacting positive change.

Plans are also underway to establish a new Reconciliation Advisory Group as part of Council's *Reconciliation Action Plan 2015-19*. This plan outlines the practical actions we are taking to bring about equality, foster stronger relationships and respect between Aboriginal and Torres Strait Islander people, Council and the Cardinia Shire community. The advisory group will help to inform a range of projects.

Our environment highlights

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

Protecting our environment

Council's commitment to protecting and enhancing the natural environment was further demonstrated in 2017–18. Council adopted the *Sustainable Environment Policy 2018–28* in June 2018, which provides a framework to ensure a consistent and holistic approach in the areas of biodiversity, climate change, waste and water. It identifies the challenges facing the municipality in these areas, outlines the plans and strategies already in place, and indicates further work required to address our challenges.

Also in June, Council consulted the community on two environmental strategies. One of these was the *Biodiversity Conservation Strategy*, which is being developed to guide long-term strategic direction and efforts to preserve the natural habitats and wide variety of plant and animal life within the shire. It identifies key opportunities for Council to work in partnership with the community. The other was the current *Pest Plant Management Strategy*, which is being reviewed and updated to reduce weed infestations across the shire. The review included a detailed consultation process with the community, internal Council stakeholders and Victorian Government departments and authorities.

Council is also developing a Significant Tree Register to protect trees believed to be significant in Cardinia Shire. These trees will be professionally assessed and

placed on a list of recommendations, which will then be sent to the Victorian Government as a planning scheme amendment. In other initiatives, we delivered the second year of the Peri Urban Weed Partnership Project, planted approximately 500 trees, shrubs and grasses at Pepi's Land in collaboration with Johns Hill Landcare, held a 'Trees For Weeds' event in conjunction with Friends of Emerald Lake Park, and hosted the annual environmental friends groups' end-of-year celebration to thank the volunteers who help conserve our bushland reserves.

Improving sustainability

Council continued to implement the actions in our *Aspirational Energy Transition Plan*, which aims to achieve zero net emissions for Council operations by 2024. Actions under this plan include provision of sustainable measures to community facilities such as solar panels, water tanks, and energy efficient lighting. In 2017–18, we celebrated the shire's 1000th solar system installation at Emerald Library. Other actions we completed include:

- installation of a 84kW solar PV system (312 solar panels) at Pakenham Library, Hall and U3A
- installation of a 23kW solar PV system (76 solar panels) at Emerald Library
- installation of a 7kW solar PV system (25 solar panels) at Gembrook Preschool





- supported installation of a 5kW solar PV system (17 panels) at Koo Wee Rup Senior Citizens through a community capital works grant
- supported installation of a 5kW solar PV system (17 panels) at Cockatoo Kindergarten through a community capital works grant
- LED lighting upgrades at Pakenham Library, Hall and U3A and Koo Wee Rup Outdoor Pool
- upgraded the building management system at Cardinia Life for monitoring water use.

Cardinia Shire Council's Civic Centre in Officer achieved a five-star Green Star Rating (office as built v3) from the Green Building Council of Australia, the national authority on sustainable buildings, communities and cities. The Civic Centre's design and construction is a prime example of forward planning and strikes a balance between sustainability and cost efficiency. We are also working on updating our environmentally sustainable design tool, which specifies sustainable design requirements for Council buildings, and are developing a sustainable building design and operation policy for Council buildings. These items provide financial and environmental benefits for Council and the local community.

In other initiatives, we delivered residential energy assessments to 22 householders in partnership with

the South East Councils' Climate Change Alliance, implemented a trial Solar Savers Program to enable eligible pensioner households to install solar systems with no upfront costs, and published five editions of our *Down to Earth* environmental eNewsletter for our community.

Managing our waste and recycling

In 2017-18, Council continued to achieve increases in resource recovery in our biannual green waste and hard waste contract, now at 31 per cent. In conjunction with the Metropolitan Waste and Resource Recovery Group and other councils, we commenced a feasibility study into alternative waste and resource recovery technologies to landfill for south-east Melbourne. We also negotiated a contract extension for garbage and recycling collection to include eight refurbished replacement vehicles in the fleet, significant savings, and new targets to help with the ongoing growth of our shire.

In the past two years, the illegal dumping of rubbish across Cardinia Shire has unfortunately increased from 60 cases per month to more than 100 cases per month on average. While Council has achieved efficiencies in handling dumped rubbish, it still comes at a cost to our shire, both financially and environmentally. In a jointly funded initiative with Sustainability Victoria, Council

trialled the use of CCTV cameras at dumping hot spots, changing the location of the CCTV cameras every four to six weeks. The CCTV footage will be used to record site activities and help identify offenders and help reduce the illegal dumping of rubbish.

While the kerbside recycling industry faced ongoing challenges in its operations during 2017–18, Council was able to continue its recycling processing services, ensuring transparent communication and education for our community. Council is committed to recycling, and our *Waste and Resources Recovery Strategy* strongly advocates for reuse and recycling. Our vision is to ensure waste and resource recovery services will be appropriate, provide value for money, and produce improved environmental benefits and amenity for our community.

In other initiatives, we increased our compost bin rebate from \$30 to \$50 and allowed for garden mulchers to be included. We also provided a free drop-off service for green waste and owing to its success, will continue the service for a further two years. As a result of a green bin promotion project, an additional 680 green waste bins were taken up in the community.

Thoughtful planning

Council continues to assess planning permit applications with regard to environment and vegetation protection policies. We also encourage developments to incorporate environmentally sustainable design measures where appropriate. In 2017–18, the following planning scheme amendments were progressed:

- Planning Scheme Amendment C223, which applies the Heritage Overlay to Dalmore Hall to ensure the ongoing use and preservation of this historical building
- Planning Scheme Amendment C229, which protects movement corridors of the endangered southern brown bandicoot
- Planning Scheme Amendment C242, which protects a number of historically significant places in the Pakenham Activity Centre.

Challenges

Managing the natural and built environment is a significant responsibility for Council and will have ongoing implications for future generations. Council's greatest challenge is to sustainably manage the diverse urban and rural areas with the multifaceted impacts of population growth on infrastructure, services, and social and cultural life in the shire. We must responsibly manage the competing demands of the natural and built environments by balancing our conservation efforts and preservation of the natural environment with the need for further development to serve our growing community.

Many of our Council buildings were built before environmentally sustainable design was a focus. Improving the operational efficiency and minimising the environmental impact of these older buildings is a continuing challenge for us. Council will also be required to respond appropriately to further changes in the recycling industry to ensure viability and sustainability of our service. We will need to seek alternatives to landfill disposal of rubbish and continue to advocate for and support waste reduction in the community.

Looking forward

In the coming year, Council will aim to complete and adopt the *Pest Plant Management Strategy* to reduce pest plant infestations across the shire. The strategy will highlight the combined role of all land managers including Council, Victorian and Australian government agencies, and private landholders. We will also be aiming to complete and adopt the *Biodiversity Conservation Strategy*, providing long-term strategic direction to conserve biodiversity on both private and public land, while working in partnership with the community.

We'll continue to provide community awareness and participation opportunities such as a biodiversity education program for selected primary schools and kindergartens, the Gardens for Wildlife Program to help residents encourage native animals into their gardens, and activities in collaboration with volunteer groups, including sustainable living workshops and National Tree Day plantings.

We'll also continue to implement annual sustainability programs at our facilities to improve operational efficiencies and reduce the impact to our environment. We will investigate the feasibility of a food waste collection system to divert food waste from landfill and significantly reduce carbon emissions. We will also explore alternatives to landfill with other councils in the south-east and the Metropolitan Waste and Resource Recovery Group.

Our economy highlights

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

Developing the tourism industry

Council adopted the *Casey Cardinia Visitation Strategy 2017–20* this year to encourage the establishment of tourism activities and facilities in appropriate areas of the shire. It provides a strong plan to help strengthen the region's tourism industry and provide opportunities for tourism operators and affiliated businesses. Led by industry and supported by the City of Casey and Cardinia Shire Council, the strategy's recommendations aim to lay the foundations for increasing regional jobs and growing visitation, to the benefit of local businesses, the community and both councils.

As part of the strategy, the Casey Cardinia Tourism Advisory Committee successfully transitioned to an independent, skills-based, regional tourism board called the Casey Cardinia Regional Tourism Organisation. During 2017–18, Council also completed a *Destination Melbourne Management Plan* for Melbourne's outer south-east in partnership with City of Greater Dandenong and City of Casey. We also completed research into visitation specific to the Casey–Cardinia region to help the local tourism industry and the new board to identify opportunities to build the industry. The research will also inform the branding strategy for the region, which has also been commissioned and will be driven by the newly formed Casey Cardinia Regional Tourism Organisation.

Supporting local business

Council continued to deliver networking, training and promotional opportunities for local businesses through Casey Cardinia Region, a partnership between Cardinia Shire Council and City of Casey. In 2017–18, three events were held as part of the Casey Cardinia Business Breakfast series, giving business people in the area opportunities to connect with other local business operators and hear from high-profile guest speakers. The business breakfasts continued to be well attended with over 100 attendees at each. The annual Women's Business Lunch was also successful with over 300 attendees gathering to connect over lunch, network and be inspired by a guest speaker. The Casey Cardinia Region also ran the annual Casey Cardinia Business Awards to recognise significant achievements in the areas of agriculture, business, community, hospitality, manufacturing, tourism, sustainability, and celebrate those who contribute to the social, economic and sustainable benefit of the region, enhancing the region's reputation as one of the most workable places.

Council is also committed to supporting local businesses when engaging suppliers and contractors as part of our organisational operations where possible. Our Procurement Policy and tender and contract management processes support many local businesses across



Cardinia Shire. In 2017–18, Council had 301 active local suppliers, representing total expenditure of \$23 million. This represented 30 per cent of Council's total spend. We also provide differential rates for agricultural and cultural or recreational land use properties to help our local businesses. In 2017–18, 1,176 properties were recorded as farming and cultural or recreational land use that received a 25 per cent discount on the base general rate.

Planning our development

Employment precincts are important areas for Council to continue to develop to help build town centres, facilitate employment opportunities and attract industry into the shire. In 2017–18, we progressed the following plans:

- exhibited the *Pakenham East Precinct Structure Plan*, which incorporates a local town centre to facilitate employment
- exhibited the Officer Town Centre review, which will help facilitate jobs in the town centre
- drafted the *Pakenham South Precinct Structure Plan*, which aims to attract industry to the area and facilitate jobs in an industrial area
- supported Puffing Billy in the design and implementation of the proposed Discovery Centre at Emerald Lake Park, including the preparation of Amendment C243, which provides the planning approval for construction
- completed Planning Scheme Amendment C220, which implemented height and built form controls for the Beaconsfield Activity Centre, encouraging commercial and retail development.

Challenges

Cardinia Shire is acknowledged as one of Australia's most fertile and valuable agricultural areas, and plays an increasingly vital role in providing food for Victoria's population. We must continue to leverage this to attract investment, promote local work, and enhance food security. However, having such rich agricultural areas on the urban fringe does create a challenging tension between meeting Melbourne's residential land needs and securing the fertile land required to provide a nationally significant food supply. Council must consciously balance these competing priorities to ensure urban growth and economic progress does not come at the cost the environmental character and liveability of our shire.

A critical issue for Council and the region continues to be ensuring increased local employment in the region over the next 20 years. Currently, more than 60 per cent of residents travel outside the shire for work and this is likely to increase as our population continues to grow. Council continues to advocate for increased local employment opportunities and acknowledges a considerable number of jobs will be needed if more of the shire's resident labour force is to find local employment.

Looking forward

Council will continue to focus on attracting investment into the shire and increasing the number of jobs in the region. This will include a number of local initiatives as well as advocating to the Victorian and Australian governments for project funding and marketing the region as a great place to invest. We'll also be working on developing a tourism brand and a tourism and visitation strategy for the Casey–Cardinia region.

The land to the south of the Pakenham Bypass has been recognised by the Victorian Government as 'State significant employment land', with over 2,400 hectares of available employment land. This precinct is set to become home to more than 55,000 jobs, which will provide many employment opportunities for residents of Cardinia Shire. In addition, the prospect of an airport development in the south-east bodes well for attracting employment, investments, and visitation to the region. Council will continue to advocate to and partner with the Victorian Government and other agencies to facilitate investment into the region and work collaboratively with the new south-east Melbourne regional advocacy group.



Our governance highlights

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

Advocating for our shire

It is crucial that Council continues to advocate for and work in partnership with other levels of government and organisations to deliver community services and facilities that will cater to the specific needs of Cardinia Shire's demographic.

During the 2017–18 financial year, Council submitted 45 grant applications for capital works projects to a value of just over \$21.6 million. Of these applications, 14 were successful, and Council received \$6,151,441 in funding assistance. Funding programs were diverse and supported Council in delivering new and renewed playgrounds, youth programs, crime prevention and reduction programs, and recreation reserve grounds and pavilions.

Council is a member of the Interface Group of Councils and has been advocating strongly to other levels of government throughout 2017–18 to increase funding support for services in the interface areas which experience high population growth and great geographic distance.

Council continues to actively engage with all local politicians, both federal and state, seeking their support for local initiatives. In the lead up to the 2018 state election, Council prepared a detailed package of 57 projects in the Bass, Gembrook and Narracan electorates and used this to advocate the interests of Cardinia Shire to our local candidates. Council works particularly hard in the lead up to elections to influence government priorities that will benefit our local communities.

Delivering a responsible budget

After community consultation, Council adopted the budget and Council Plan for the 2018–19 financial year in May. More than \$55.6 million was allocated for capital works in the upcoming year, with \$21 million for new projects and \$34 million towards upgrade and renewal projects. This is the largest budgeted amount for capital works in the shire's history, and \$10 million more than the previous year's capital works program. Council's 2018–19 budget will provide significant new infrastructure, deliver much-needed community services, and maintain our existing assets while remaining financially responsible. This has been achieved by continuing to focus on organisational efficiencies, which have kept Council's operational costs among the lowest in the state. Continued efficiencies in contract management and other sources of expenditure generated significant savings in 2017–18.

We have taken an innovative approach in our contract that looks after repairs and maintenance of our facilities by partnering with two other councils – a first in local government. This has resulted in a more affordable

service for us owing to economies of scale. This means we can channel the savings into better service and maintenance for our facilities, benefitting the range of child and family services, community groups, sporting clubs, and others who use or operate in Council facilities. This innovation in facility repairs and maintenance has gone above and beyond best practice in local government, which resulted in Cardinia Shire Council acknowledged as a finalist in the 2018 Local Government Awards of Excellence in the category of Service Delivery Initiative.

In other achievements, Council was acknowledged at the biennial Sir Rupert Hamer Records Management Awards in May for its innovative and cost-saving approach to modern records management in local government. The Records Management team worked with eCloud Business Services to automate all incoming correspondence, resulting in a saving of 80 hours of work per week, a reduction in the cost to process mail, and an improved quality of data.





Engaging with our community

We regularly consult with our community to help us make decisions in a range of areas. We want our community to be informed of our operations and provide input. Seeking community feedback ensures we know the priorities and expectations of our community and can take this into account when we make decisions around planning, service delivery and other areas. We are committed to ensuring our community members are informed of Council operations and are able to have input in a balanced and appropriate way, leading to shared support and collaboration.

Cardinia Shire Council has championed transparent local government performance reporting by providing interactive dashboards to the community. The dashboards display data from various organisational systems in a central online location using a tool called Power BI. The Power BI dashboards are linked to underlying reports that are updated daily where possible. The public can access information about Council's performance anytime, anywhere via Council's website. The tool also enables the organisation to view live data, reducing the need to generate periodic reports internally.

Cardinia Shire Council's dashboards provide information about:

- the community
- local growth trends
- current and future land development
- statistics about key services
- delivery progress on major projects
- delivery progress of actions set out in the Council Plan.

During 2017–18, Council also trialled live webcasting its Council meetings, providing further opportunities for the community to be informed of Council decisions.

Challenges

Cardinia Shire is a unique blend of urban growth area, rural community and green wedge zones; resulting in the challenge to balance the varying needs and aspirations of 30 townships across a diverse landscape. Council seeks to find that balance and achieve the outcomes desired by these communities while ensuring economic prosperity, social wellbeing, environmental sustainability, and long-term financial sustainability.

Many of Council's infrastructure and services projects are funded by rate revenue, which is limited by the Victorian Government's rate cap. With a heavy focus on grants and advocacy into the future, Council has continued to meet the rate cap while carefully balancing community needs with the impact of limited income from rates.

Looking forward

Council will continue to develop integrated planning and reporting processes as well as work on our performance reporting dashboards to provide greater visibility of our activities to the community. We'll also develop better ways to understand the requirements of our community through continuous listening technologies and a focus on our community engagement strategies.

Council will continue to find business improvements with real and sustainable savings that increase Council's capacity to deliver its diverse range of services to our rapidly growing community. We will also continue to advocate and seek grants from a variety of sources and to engage in new partnerships to help fund and deliver projects and attract services to the shire.

Description of operation

Capital works can be defined as building and engineering works that create an asset. These can include construction as well as the installation of facilities and fixtures associated with those works. Capital works projects typically include the construction of buildings, roads and bridges, recreational facilities, and structures or mechanical installations. It can also include upgrading or extending existing buildings and major road works to upgrade existing roads.

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

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

works include resealing an existing sealed road or replacing a roof on a building.

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

Major capital works

Council has progressed and delivered many projects throughout the 2017 –18 year. The following are some of our major projects, having a value of more than \$500,000, which enabled Council to deliver improved services, amenity, ease-of-access, and quality facilities to our diverse community.

Deep Creek Reserve

Description	Development of an all-abilities play space, wetlands and a sustainably-designed community and education centre, nursery, passive reserves, car parking and access roads.
Update	<p>Tenders have been awarded and works have commenced for the following stages of this development:</p> <ul style="list-style-type: none"> • construction of the building and services • construction of the regional all-abilities playspace • civil works package for the car park and associated drainage • construction of new holes at Pakenham Golf Course <p>The works associated with landscaping have also been awarded and will be undertaken following completion of the civil works. The majority of these works are expected to be complete by mid-2019.</p> <p>Melbourne Water has recently confirmed funding to construct the large wetlands area at the southern end of the reserve.</p>
Start	March 2017
End	Mid-2021
Cost	\$10.325 million





Lang Lang Community and Recreation Precinct

Description	Development of a major sport and recreation reserve including passive recreation areas.
Update	<p>Stage 1 of the project includes the construction of two football ovals, four netball courts, car parking, access roads, wetland and stormwater re-use system, oval irrigation and facility sports lighting. Stage 1 works have been completed in preparation for the building of a pavilion and establishment of grass on the ovals.</p> <p>An architect has been appointed through our tendering process for the design of the pavilion and is completing stakeholder engagement. This will ensure the design of the pavilion best suits the user groups and wider community.</p>
Start	March 2017
End	Mid-2020
Cost	\$10 million

James Bathe Recreation Reserve

Description	Development of a district-level sport and recreation reserve adjacent to the Melbourne Water wetlands.
Update	<p>The initial civil works package includes the construction of two football ovals, two netball courts, car parking, access roads, a basketball court, cricket nets and a playground area. These works have been awarded and are underway.</p> <p>Design for the building works is complete, with construction to follow the completion of the civil components. The construction contract is in the tender process, with appointment of a builder to occur in August and works to commence later in 2018.</p>
Start	September 2016
End	Mid-2022
Cost	\$10.3 million

Eastern Dandenong Ranges Rail Trail

Description	Detailed design and construction of a 6.5km extension of the Emerald–Cockatoo trail through to Gembrook.
Update	Construction of a 6.5km multi-use trail from Cockatoo to Gembrook, consisting of both concrete and gravel path construction. The project was awarded to a contractor and works commenced in August 2017. The majority of works along the path have been completed with a short section around the Cockatoo School recently completed following service relocations. The community have enjoyed use of the completed sections of the trail and an official opening is planned.
Start	February 2017
End	April 2018
Cost	\$2.5 million

Hills Hub

Description	Development of a new community hub to enhance existing community activities and emerging local needs, including skill development, training, employment creation, support of youth programs, and support for tourism. It will include a purpose-built community space and an arts display space. The Hills Hub will accommodate stakeholders such as Lions Club, U3A, Men's Shed, Emerald Toy Library, Emerald Playgroup and other community groups.
Update	The Hills Hub project has been in development since late 2014. An advisory group of stakeholders across a wide range of community organisations was established for inclusion in the detailed design phase. Council has undertaken extensive consultation and negotiations to design a multipurpose facility. A construction contractor was awarded the tender for the building works and has a completion target of June 2019.
Start	March 2018
End	Construction is due to be complete by June 2019
Cost	\$8.13 million

Emerald Netball Facility

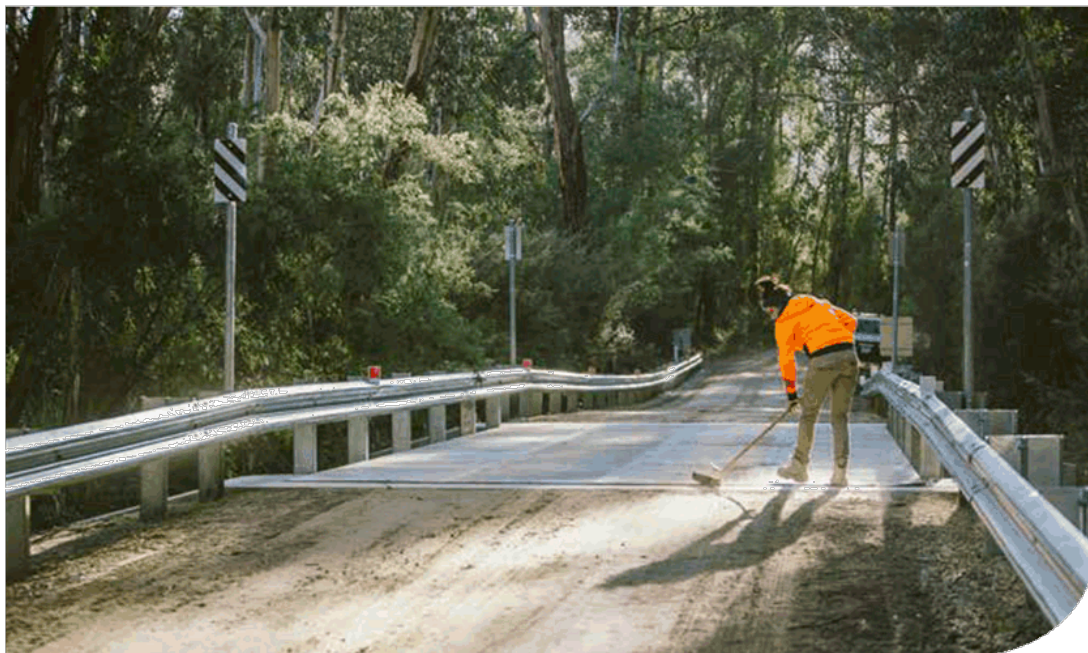
Description	Construction of a new Emerald Netball Facility and the associated infrastructure at Pepi's Land. The works will be undertaken in the following three stages: <ul style="list-style-type: none"> • Stage 1b – Internal works including car park, retaining walls, site services, stormwater drainage, netball courts, lighting and building platform for future pavilion. • Stage 1a – External works including road widening of Beaconsfield–Emerald Road, adjacent to the site. • Stage 2 – Construction of the pavilion.
Update	Works are progressing well and nearing completion for Stage 1b. The courts are now complete, with lights and coach boxes still to be installed. Line marking and fencing will be completed following this. Outfall drainage is under construction. VicRoads has approved the design of Stage 1a. The construction contract is being prepared. Detailed design of the pavilion is continuing with input from stakeholders. The construction contract is due to be tendered later in 2018, dependent on feedback received from stakeholders.
Start	July 2017
End	June 2020
Cost	\$3.2 million

Emerald Lake Park dam wall reinstatement

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

Road pavement renewal program

Description	The 2017 –18 road pavement renewal and rehabilitation program involves the complete rehabilitation of a number of roads across the municipality.
Update	Reconstruction works associated with the deterioration of pavements at: <ul style="list-style-type: none"> • Hall Road, Pakenham South • Seven Mile Road, Nar Nar Goon • Manks Road, Dalmore. <p>Works included the removal and/or stabilisation of existing pavement and an improved pavement make-up. All of the removed material was recycled locally. The works addressed the continual maintenance and repair costs associated with these roads, increasing time efficiency for Council's Road Maintenance team and improving the overall safety, 'ride-ability' and appearance of the roads.</p>
Start	July 2017
End	June 2018
Cost	\$2.12 million





Unsealed road re-sheeting program

Description	Replenish the crushed rock material on selected unsealed roads across the municipality under the 2017 – 18 unsealed road re-sheeting program.
Update	Approximately 46km of unsealed roads were replenished; new crushed rock material replaced materials that had diminished due to inclement weather conditions and general wear and tear.
Start	September 2017
End	April 2018
Cost	\$960,000

Economic factors

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

Major changes

Council assigned responsibility for managing the capital works program to the Infrastructure Services Team in the Assets and Services Division. This team holds formal meetings at frequent intervals with the relevant stakeholders to discuss and review the planning and delivery of prioritised projects. They also ensure relevant reports and information are provided to Council.

Major achievements

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



Financial summary

Comprehensive Income Statement

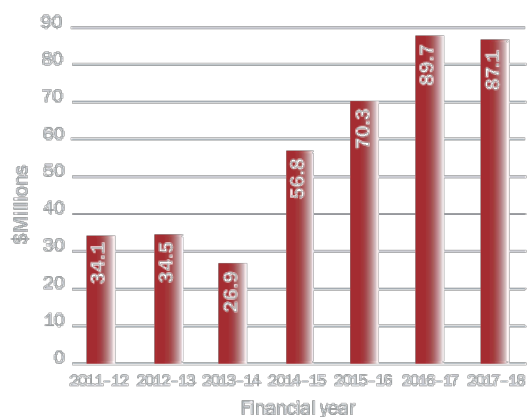
The Comprehensive Income Statement identifies income and expenses for 2017–18. For the year ending 30 June 2018, Council's operating result was a surplus of \$87.1 million (see Figure 1), which was \$79.4 million higher than budgeted.

Revenue exceeded the budget by \$82.3 million. Contributions of non-monetary assets were \$40.4 million favourable due to higher than budgeted non-cash contributions of infrastructure assets, and cash contributions were \$29.8 million higher due to increased development activity within the shire. Operating and capital grants income were a combined \$6.1 million favourable due to the receipt of unbudgeted grants, including funding of \$5.0 million received from the Victorian Government's Growing Suburbs Fund (GSF). Rates and charges income was \$2.4 million better than budget mainly due to higher rates and supplementary rates revenue from an increase in rateable properties.

Operating expenditure was \$2.9 million higher than the budget. This was mainly due to materials and services expenditure being over budget by \$2.7 million, primarily as a result of the recognition of capital works, priority works and community capital works expenditure which was budgeted in the capital works program.

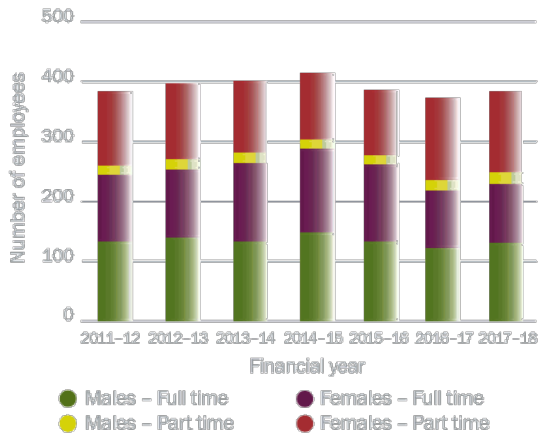
The 2017–18 adjusted underlying result (the result for the year adjusted for non-recurring or one-off items of income or expenditure) is a surplus of \$7.2 million. This is slightly better than the 2016–17 result of a \$6.6 million surplus. The budgeted underlying surplus for 2017–18 was \$0.014 million.

Figure 1 Operating result \$ million



Employee costs were \$0.5 million under budget mainly due to vacant positions within the organisation during the year and the favourable impact of adjustment to employee provisions. Staffing levels have slightly increased over the year (see Figure 2).

Figure 2 Staffing

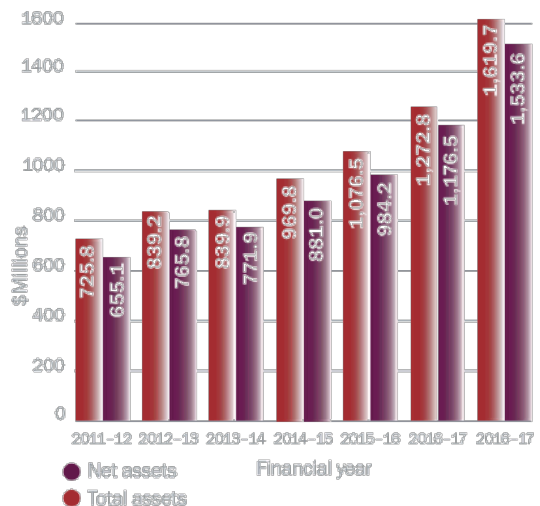


Balance Sheet

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

Net Assets as at 30 June 2018 totalled \$1.5 billion; an increase of \$357.0 million from 30 June 2017, mainly due to an increase in the value of property, infrastructure, plant and equipment assets as a result of the addition of new and contributed assets and the revaluation of existing assets, particularly land and land under roads.

Figure 3 Assets \$ million

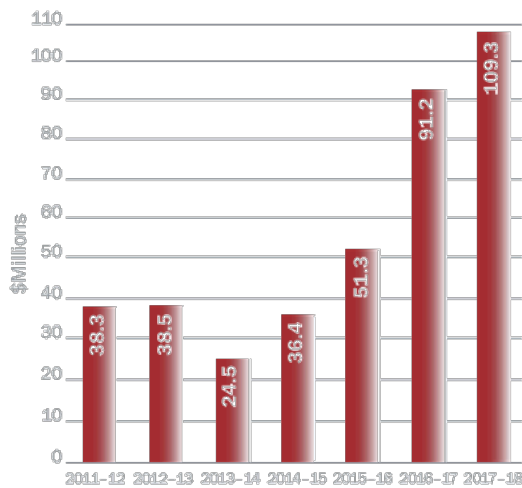


Statement of Cash Flows

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

The closing cash and cash equivalents balance as at 30 June 2018 was \$57.8 million, a \$5.4 million decrease from 2016–17. Additionally, the balance of longer term investments is \$51.5 million, an increase of \$23.5 million from the previous year. Total cash and investments are \$109.3 million, an overall increase of \$18.1 million (see Figure 4), mainly due to the receipt of developer levies and unbudgeted grants.

Figure 4 Cash and investments \$ million

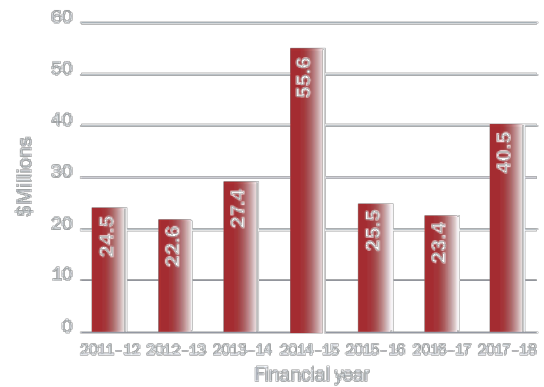


Statement of Capital Works

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

Council spent \$40.5 million on capital works in 2017–18, which was a \$16.9 million increase from the prior year (see Figure 5). This increase is mainly in the recreational, leisure and community facilities and the roads categories. (Note: the purchase of the new Civic Centre in Officer is included in the amount for 2014–15 in Figure 5).

Figure 5 Capital Works Program \$ million



Grant funding

During 2017-18, Council received \$24.8 million in Australian and Victorian government funding, a decrease of \$1.9 million from 2016-17. The annual grant from the Victoria Grants Commission is lower due to timing of instalment payments, but has been partly offset by the receipt of unbudgeted grants and additional funding for several existing grants.

The full amount of grants received is reported within Note 2.4 of the Financial Report.

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Cardinia Shire profile

Location

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

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

History

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

Cardinia Shire derives from four main development periods:

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

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



Population

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

- An average of six new households move into Cardinia Shire every day.
- As of 2018, Cardinia Shire's estimated population is 109,043.
- The shire's population is expected to increase by approximately 56,000 over the next 10 years (2028) and 86,600 over the next 20 years (2038), to a total of approximately 195,700.
- The median age of residents is 35, which is two years younger than Greater Melbourne (38).
- The largest percentage of the population are 'parents and homebuilders' aged 35–49 (21%), followed by young people aged 12–24 (17%) and our 'young workforce' aged 25–34 (14.6%).
- Growth areas within Cardinia Shire have a much higher proportion of young children aged 14 years and under compared with Greater Melbourne.

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



Estimated 2018 population and projected 2028 and 2038 population, by service age group

Age group	2018		2028		2038		Change: 2018 to 2038
	N	%	N	%	N	%	
Babies and preschoolers (0–4)	9,639	9	1,5578	9	16,960	9	+7,321
Primary schoolers (5–11)	11,950	11	19,762	12	22,566	12	+10,616
Secondary schoolers (12–17)	8,695	8	13,595	8	17,036	9	+8,341
Tertiary education and independents (18–24)	10,018	9	14,570	9	17,755	9	+7,737
Young workforce (25–34)	16,926	16	25,281	15	27,041	14	+10,115
Parents and homebuilders (35–49)	22,341	20	33,559	20	39,333	20	+16,992
Older workers and pre-retirees (50–59)	12,250	11	17,176	10	20,703	11	+8,453
Empty nesters and retirees (60–69)	8,981	8	12,515	8	16,207	8	+7,226
Seniors (70–84)	7,063	6	11,041	7	14,760	8	+7,697
Elderly aged (85 and over)	1,179	1	2,117	1	3,372	2	+2,193
Total people	109,042	100	165,194	100	195,733	100	+86,691

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

However, an estimated 17,223 residents aged 60 and over live in Cardinia Shire, representing 15.8 per cent of the total population. The number of senior residents (aged 60-plus) living in Cardinia Shire is expected to increase to approximately 34,339 over the next 20 years (2038). This increase in the number of older residents will have a corresponding impact on the demand for community and aged services, health services, public transport and local infrastructure.

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

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

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

Households and housing

The number of households in Cardinia Shire is estimated to be approximately 37,684.

- Around 38 per cent of households are couples with children, which is more than the Melbourne average of 33.5 per cent.
- The shire's remaining households are comprised of couples without children (approximately 23%), one-parent families (13%) and lone households (19%).
- Of the population, approximately 18 per cent own their dwelling, 47 per cent have a mortgage, and 28 per cent are renting. The proportion of households with a mortgage is higher than the metropolitan Melbourne average of 34 per cent.



Education

In general, Cardinia Shire residents are attaining lower levels of education and training than elsewhere in metropolitan Melbourne. At the time of the 2016 Census, 47 per cent of residents had completed Year 12 or equivalent, compared to the metropolitan Melbourne average of 59 per cent. At present, there is no university campus and limited TAFE courses are available in Cardinia Shire, which limits the availability of post-secondary education opportunities for residents.

Industry and economy

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

- Ninety-four per cent of the population (those able to work) is employed and six per cent of the population is unemployed, which is similar to metropolitan Melbourne (6.8%).
- Of those who are employed, 64 per cent work full time and 34 per cent work part time.
- The top four industries of employment among Cardinia Shire residents are construction (12.6%), retail (12.4%), health care and social assistance (11.8%), and manufacturing (10.6%).
- Technician and trade work are the dominant occupations in the shire.

Council wards

Cardinia Shire is divided into three wards, with:

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

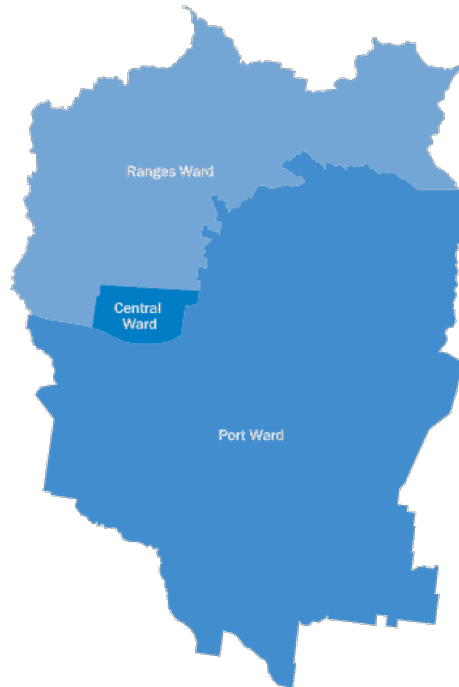
Council offices

Civic Centre
20 Siding Avenue, Officer

Postal address
PO Box 7
Pakenham Victoria 3810
1300 787 624

mail@cardinia.vic.gov.au
www.cardinia.vic.gov.au

Council ward map



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Councillors

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

Central Ward



**Cr Collin Ross
(Mayor 2017–18)**
First elected 2008.



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



Cr Carol Ryan
First elected 2016.



Cr Michael Schilling
First elected 2016.

Port Ward



Cr Graeme Moore
First elected 2011.
Mayor 2013–14.
Deputy Mayor 2014–15.

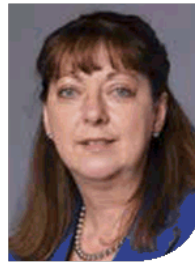


Cr Ray Brown
First elected 2016.

Ranges Ward



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



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



Cr Jeff Springfield
First elected 2012.

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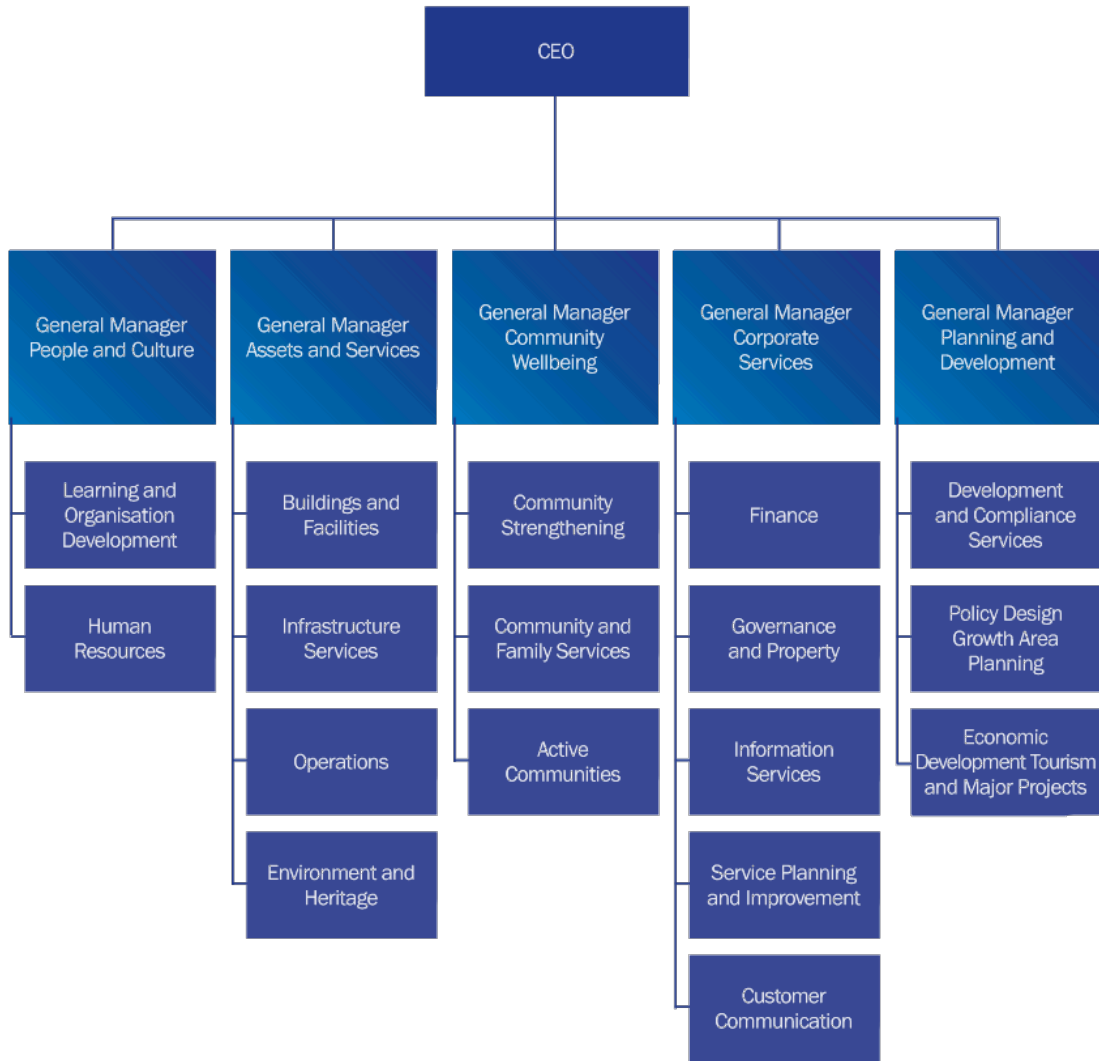
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Organisation structure

Cardinia Shire Council organisation structure at 30 June 2018



Senior Leadership Team

Garry McQuillan – Chief Executive Officer

Garry has a long history in local government in Victoria and NSW and has held the position of CEO at Cardinia Shire Council for over 10 years. He is a member of the Interface and South East Metropolitan group of councils.



Also a member of the Foodprint Melbourne Stakeholder Advisory Group, Garry advocates for the interests of Cardinia Shire as a significant area of food production on Melbourne's fringe and Australia's 'asparagus capital'. In his role as CEO, he actively promotes agriculture in the region and works to increase access to recycled water for the region's farmers.

Garry is passionate about supporting our growing community and has been influential in promoting healthy living for Cardinia Shire's residents. In particular, he has helped foster a new partnership between Council and Sustain Australian Food Network, which aims to create a fair and sustainable food system and reduce the obesity rates in Cardinia Shire by 30 per cent over the next 10 years.

In his support of the *Together We Can* initiative and White Ribbon campaign, Garry is a strong advocate for promoting awareness and support services for preventing and ending family violence. In addition, he encouraged and supported his staff to achieve recognition as a White Ribbon accredited workplace in 2016.

He believes in supporting all Council staff to reach their potential and seeks to position Cardinia Shire Council as an innovative, progressive and responsive organisation that meets the demands of a rapidly growing community. In 2017, Garry proudly received the Investors in People Gold Accreditation on behalf of Cardinia Shire Council for its commitment to high performance through good people management.

Michael Ellis – General Manager Assets and Services

With more than 38 years' of knowledge and experience in both local government and the private sector, Mike joined Cardinia Shire Council in March 2000. He has management and engineering qualifications, and is a member of LGPro and the Institute of Public Works Engineering Australasia.



A major priority for Mike is delivering a significant capital works program while maintaining and renewing the shire's existing assets to ensure long-term sustainability. With a focus on empowering his staff, he leads his teams to achieve timely delivery of new assets and infrastructure, enabling the provision of facilities and services that meet the demands of our rapidly growing community.

Business unit areas

- Engineering services and capital works
- Environment and heritage
- Operations
- Parks and gardens
- Public buildings
- Roads and drainage
- Waste management

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Derek Madden – General Manager Corporate Services

Derek joined Cardinia Shire Council in 2010, with 10 years' experience in two other Victorian local government organisations. Prior to joining local government Derek gained extensive international experience in the IT and Funds Management sectors, specifically focusing on business improvement and financial management. A qualified accountant, Derek also holds post graduate qualifications in Organisational Dynamics (MSC), Business Administration (MBA), and recently completed studies in developing digital strategies for business – leading the next generation enterprise through Columbia University New York.



As General Manager Corporate Services, Derek brings his broad academic and working experience to help focus the organisation on the need to better manage resources to deliver systems and services that best meet the needs of our community. During his time at Cardinia Shire Council significant Victorian and Australian government recognition has been achieved in area of digital transformation and this has allowed the organisation to continue to better match the needs of the community with its ability to deliver.

Business unit areas

- Communications
- Support to the Mayor and councillors
- Service planning and improvement
- Customer service
- Financial service
- Governance
- Information management/records management
- Information technology
- Insurance
- Rates
- Property services

Jenny Scicluna – General Manager Community Wellbeing

Having worked in the local government sector for 17 years, Jenny led a broad range of community services in the eastern and northern regions of Melbourne before joining Cardinia Shire Council in February 2015.



Jenny's foundation qualifications are in the education sector and she is particularly interested in organisational leadership, change management and cultural development. She has recently completed a Masters in Human Resources Management at Deakin University.

Passionate about supporting the health and wellbeing of Cardinia Shire's residents, Jenny is proud to lead accomplished teams that work on the frontline in our community.

Business unit areas

- Arts and culture
- Cardinia Cultural Centre
- Cardinia Life
- Child, family and youth services
- Community development
- Community grants
- Social inclusion
- Emergency management
- Libraries
- Maternal and child health
- Ageing well
- Community engagement
- Active and passive reserves
- Social and community planning

Andrew Paxton – General Manager Planning and Development

Andrew joined Cardinia Shire Council in 2016, holding qualifications in Landscape Architecture and a Master's in Business, also bringing with him experience from other councils and Victorian government in planning, building, health, local laws, design, park management and sustainability.

Andrew is a member of the Australian Institute of Company Directors (AICD), LGPro and the Victorian Planning and Environmental Law Association (VPELA).

As the General Manager Planning and Development, Andrew is focussed on ensuring planning and systems are in place to support the timely delivery of services that consider and prepare for meeting the needs of our community and future generations.

Business unit areas

- Building
- Compliance services
- Economic development and tourism
- Planning enforcement
- Statutory planning
- Strategic planning
- Growth area planning



Waudi Tahche – General Manager People and Culture

Waudi joined Cardinia Shire Council in September 2015, bringing with him more than 20 years of Human Resources experience in the private sector and across diverse industries.

Waudi is a Certified Australian Human Resources Institute (CAHRI) member, LGPro member, and has completed a Bachelor of Business.

With a passion for improving the performance of people and organisations, Waudi leads his team in supporting Council to develop and evolve. Waudi's major focus is on cultivating a positive organisational culture through leadership development, people programs, policies, and the employment of the activity based working model.

Business unit areas

- Human resources
- Learning and organisational development
- Payroll



Council staff

Staffing matters

In early 2018, Council conducted an employee engagement survey to measure the level of staff engagement across the organisation. The data from this survey will support business planning and future initiatives to strengthen what we do well and to improve the services we provide to our community.

Leading the way

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

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

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

Lifelong learning

Council has continued to expand its corporate training calendar, offering a range of learning and development programs for all staff that are aligned to the Leadership Capability Framework. Popular topics in 2017-18 included genuine conversations, mindfulness and time management.

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

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

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

New enterprise bargaining agreement

In November 2017, the Fair Work Commission approved the *Cardinia Shire Council Enterprise Agreement 2017*. The document identifies and secures the working arrangement for all employees at Council for the next three years. It provides certainty in our business planning and supports the premise that Cardinia Shire Council is a great place to work.

Staffing information at 30 June 2018

- 62.9 per cent of Council staff were female (including casuals).
- 37.1 per cent of Council staff were male (including casuals).
- 45.0 per cent of full time positions were held by men.
- 88.4 per cent of part time positions were held by females.
- 35.3 per cent of Council staff worked part-time.

Staffing numbers

Classification	Males	Females	Total
Full time	143	117	260
Part time	20	152	172
Casual	18	37	55
Total employees	181	306	487



Detailed staffing breakdown

Employee type/gender	CEO	People and Culture	Assets and Services	Community Wellbeing	Corporate Services	Planning and Development	Totals
Full time Female		2	20	38	28	29	117
Full time Male	1	2	82	13	25	20	143
Part time Female		6	12	50	24	60	152
Part time Male			2	2	2	14	20
Casual Female				17	1	19	37
Casual Male		1	1	8		8	18
Totals	1	11	117	128	80	150	487



Staff demographics by age

Age	Percentage
15-19	0.7
20-24	5.2
25-34	21.2
35-44	22.4
45-54	25.6
55-64	16.2
65 and over	8.7

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.

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

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

Victimisation will not be tolerated. If any employee who feels they are being treated poorly or victimised because of reporting a concern or for being involved in the investigation process should report this treatment immediately.

Substantiated allegations of inappropriate workplace behaviours or victimisation will result in disciplinary action in accordance with Cardinia Shire Council's Managing Conduct and Performance Policy.

Council aims to ensure the most efficient and equitable use and development of the skills and talents of all staff within the organisation. To achieve this, Council will, in consultation with staff, develop 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 complete induction training in workplace behaviours including equal opportunity, sexual harassment and bullying. Refresher training is coordinated for all staff every two years and Councillors also undertake this training.



Our performance



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Our council plan

Council's performance for the 2017–18 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 2017–18 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 Connect magazine continues to provide all residents with updates on Council's activities in a narrative style, complementing the data provided in the quarterly performance reports.

Council Plan key objectives

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

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



Our people performance

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

Access to a variety of services for all		
Action	Result	Status
Continually review services to ensure those provided by Council meet community needs.		
Measure the uptake and effectiveness of the 'wrap around model' of support for working parents using the Arena Child and Family Centre.	The Early Years Management bestchance program has commenced. Early Childhood Management Services has surveyed families. Measurement of the wrap-around model will progress in the next financial year.	Completed
Continue to identify and implement an Annual Renewal Program for all existing Council buildings, that ensures set and required building standards and condition are maintained throughout the life of the building.	The Annual Renewal Plan was identified and prioritised, and quotes were sought. A draft mobilisation plan was completed with a new contractor starting in March 2018. The new Facilities Maintenance and Management contractor was appointed and a transition plan implemented. Asset Management data was collated to assist managing the Renewal and Routine Maintenance programs. This was handed over to the Facility Maintenance and Management contractor for ongoing service compliance and service level requirements. The contractor is ensuring contract requirements are adhered to. The Minor Capital Works Program priorities have been completed as per the financial year schedule.	Completed
Commence the construction of the Integrated Children's Centre at Comely Banks.	Construction commenced. Defects were addressed in January 2018 and the Integrated Children's Centre was completed to expectations in readiness for occupation in early February 2018.	Completed
Review the Services for Success attraction model to ensure appropriate coordination of organisations are being attracted into the shire.	There will be a number of stages in the review of Council's service attraction model, which will include service analysis, needs assessment, process establishment, facilities register and facilities booking procedures. The refreshed model will reflect the identified social and health priorities and principles of the Liveability Plan 2017 - 2029. The first stage of the review of Council's service attraction model has been completed. Work continues on the review of service gaps and attraction in Cardinia Shire. Recent service reviews across the shire have identified a number of priority areas for Council to focus on in the coming months. It is anticipated that a Community Summit for service agencies will be held later in 2018 to identify service gaps as recognised by local service providers. This information will provide strategic rationale to advocate for future funding needs and ensure appropriate organisations are being attracted into the shire.	Completed
Review Child and Family Plan and Youth Strategy in-line with the review of Municipal Public Health and Wellbeing Plan and ensure that a range of community service providers, community members, children and young people are able to shape the priority setting and that up-to-date research helps inform the local planning.	The draft strategy went out for comments prior to adoption by Council. The strategy was adopted by Council in August 2017.	Completed

Our people performance (cont.)

Access to a variety of services for all (cont.)		
Action	Result	Status
Routinely review overall community needs for services and either deliver or advocate for others to provide services to meet those needs.		
Develop integrated <i>Child, Youth and Family Strategy 2017–21</i> , which is aligned to Council's Liveability Plan to support the key priorities in order that children, young people and families are safe, healthy and happy, connected, realising their potential, and achieving economic wellbeing.	An integrated <i>Child, Youth and Family Strategy 2017–21</i> was developed and then adopted by Council in August 2017.	Completed
Deliver ageing well initiatives that support older adults to live longer in their own homes and reduce social isolation.		
Facilitate the Aged and Disability Service Provider Partnership and support their planning to deliver against the objectives of the Commonwealth Community Support Program and the National Disability Support Scheme.	A communications and marketing strategy was developed with local service providers. The partnership group met five times during the financial year. Four local service provider agencies have attended a marketing and communication strategy workshop. A dedicated Cardinia Shire Council website space has been developed for the Commonwealth Home Support Programme with links to local providers.	Completed
In line with the World Health Organisation Guidelines, work in partnership with older people on an annual basis to develop and implement key actions from the <i>Age Friendly Strategy 2015–2019</i> for the coming year.	The Age Friendly Alliance has continued to meet, operating as a reference group for work-around positive ageing initiatives. A key initiative for alliance members was to work together to submit an application for Together We Can funding. The funding application was successful, enabling the alliance to produce fridge magnets to highlight the issue of elder abuse. The magnets provided the contact details of Seniors Rights Victoria for assistance. Seniors Week events were held and were well attended. A number of actions in the Age Friendly Alliance Plan were completed throughout the year.	Completed
Access to support services and programs for young people		
Action	Result	Status
Ensure Council either provides or advocates for others to provide employment, recreation and leisure opportunities for young people.		
Assess local data and evidence with the Youth Strategic Reference Group to assess the needs of young people in securing employment in the shire and identify gaps and opportunities for advocacy.	Data and evidence has been shared with the Strategic Reference Group throughout the year. This was collated at the workshop held with the Youth Strategy Reference Group in June 2018. The workshop identified key actions for advocacy to help achieve an action within the Child, Youth and Family Strategy: 'To support strategic planning efforts to provide job opportunities for young people in the shire'.	Completed
Advocate for an increase in locally based health and wellbeing services to support young people.		
Implement priorities within the playground strategy and playground renewal program. Projects nominated include: O'Neal Rd (Beaconsfield), Don Jackson (Pakenham), PB Ronald (Pakenham), Lakeside (Pakenham), Alma Treloar Reserve (Cockatoo).	All playground upgrade works have been completed and the playgrounds are open for the community to use and enjoy.	Completed

Access to support services and programs for young people (cont.)		
Action	Result	Status
Advocate for an increase in locally based health and wellbeing services to support young people.		
Undertake a local review of youth needs through the Youth Forum Survey in partnership with local steering committees and networks.	The youth survey was distributed between March and May of 2018 and collected the voices of over 700 local young people. The final Youth Survey Report will be distributed to key stakeholders and be available on the Council website after the Council briefing in July 2018. The survey findings will help inform advocacy and service/program planning for young people, both internally and external to Council.	Completed
Learning opportunities for all ages and abilities		
Action	Result	Status
Advocate to the Victorian Government to partner with Council during the development of new primary and secondary schools.		
Identify need for new schools annually and advocate to the Victorian government and local MPs for the allocation of funding in the state budget.	Council continues to advocate for new schools and includes the planning for new schools in the Precinct Structure Plans. A public acquisition overlay has been put in place for Timbertop, and the panel hearing for Pakenham has been completed.	Completed
Advocate to Australian and Victorian governments for post-compulsory and vocational training that meets the needs of local employers and residents.		
Work with tertiary training providers and registered training organisations to maximise opportunities for further education across the shire.	Council is working with Gippsland Community College to relocate the school and double the amount of students able to access education through this service. Plans are underway to redevelop the Lion's Den building to house the expanded school.	Completed
Support the provision of learning opportunities for all ages and abilities.		
Continue to provide advice and funding support for learning opportunities for all residents through a range of local community activities such as those provided by libraries, U3As, neighbourhood houses, senior citizens centres and others.	Funding, strategic advice and support has been provided to relevant committees of management in Cardinia shire, including the neighbourhood house cluster, the U3As and other community led activities. This was undertaken with a view to assisting the development of sustainable models and programs.	Completed
Improved health and wellbeing for all		
Action	Result	Status
Source funding and deliver a range of initiatives that promote health and wellbeing.		
Coordinate health and wellbeing initiatives across the shire with a focus on priorities set in the Liveability Health Plan (i.e. Establish Mental Health Working Group).	A Mental Health Alliance has been established as a working group for professional practitioners. There are approximately 20 mental health agencies represented in the alliance, providing services to Cardinia Shire residents. These organisations are either based in the shire or operate outreach to the shire. The purpose of the alliance is to understand and improve the diversity of services offered in Cardinia Shire and increase awareness within the local community regarding how and where to access these services. The Alliance meets every six to eight weeks. An action plan has been established and working groups will deliver on the actions. A strategic leadership group has been formed with representatives from key agencies to oversee and direct the work of the Mental Health Alliance. The inaugural meeting of the strategic leadership group will be held in July 2018.	Completed

Our people performance (cont.)

Improved health and wellbeing for all (cont.)		
Action	Result	Status
Develop the new Municipal Public Health and Wellbeing Plan and review annually.		
Adopt and launch the <i>Liveability Health Plan 2017–21</i> by December 2017.	The Liveability Plan was adopted by Council in September 2017. As part of our legislative requirement, the Liveability Plan was sent to Department of Health and Human Services and subsequently approved by the department. The Liveability Plan was launched at an event in February 2018, which was well attended. Two presenters, Professor Billie Giles-Corti and Professor Iain Butterworth spoke about liveability research on a global and national scale. Cardinia Shire Council was congratulated for a progressive plan that addresses global issues at the local level.	Completed
Routinely investigate community health and wellbeing issues to inform Council's planning and activities.		
Undertake social research and disseminate the findings within Council and the local community to inform service provision and community planning (i.e. Housing Research Project).	Council regularly undertakes social research to establish areas of need and identify emerging social trends. In past years, Cardinia Shire has experienced a shortage of social and affordable housing for disadvantaged residents. Research was undertaken to further explore this social need and a number of recommendations to address this issue were made. One of the key recommendations of this research was for Council to develop a Social and Affordable Housing Strategy. Development of this document is underway, with a draft copy due to be available for community comment by July 2018. A summary of the findings of the social research is available on the website.	Completed
Support children, young people, families, older adults and people of all abilities by providing a range of accessible services and facilities.		
Plan for the implementation of Early Years 10-year State Government Compact priorities for children and families. Report to council about the implications of the compact.	Compact governance groups have commenced with representation from Cardinia Shire, City of Casey and City of Greater Dandenong councils, as well as the Department of Health and Human Services and the Department of Education and Training. A Maternal and Child Health coordinator working group is being developed to support one of the objectives of the Compact.	Completed

Variety of recreation and leisure opportunities		
Action	Result	Status
Provide active and passive recreation facilities to meet the needs of residents.		
Prepare a master plan for Gin Gin Bin Reserve Officer.	A consultant was appointed and a draft master plan was prepared and presented to Council's Senior Leadership Team. Discussions have been proposed with the Victorian Department of Education and Training regarding combined master planning for an education precinct and Gin Gin Bin Reserve. The master plan can't be finalised until consultation with the Victorian Department of Education and Training has taken place.	Ongoing
Prepare a master plan for McMullen Recreation Reserve Officer.	Preparation of the McMullen Recreation Reserve master plan is on hold pending negotiations regarding the purchase of land.	Ongoing
<i>Pepi's Land (Emerald) Master Plan</i> – Revegetation planting along watercourse.	Revegetation works at Pepi's Land in accordance with the proposed annual works have been completed.	Completed
Undertake car park sealing and construct skate park at Holm Park Reserve.	Works have been completed and are in the defects liability period.	Completed
Work with user groups for the design and construct of the Officer Recreation Reserve Social Space.	This is a club driven project and construction of the social space is dependent on club funds being available. Council has met with the club, Committee of Management and the club-appointed architect to discuss the draft design. The detailed design of the oval 2 redevelopment needs to be completed before the detailed design of the new social space can be finalised.	Ongoing
Commence construction of netball courts, car parking and pavilion at Pepi's Land Emerald.	Work has commenced and is well underway on the internal civil works. The entrance road works are awaiting VicRoads approval of the plans and service authority works. The building will be delivered separately.	Completed
<i>Deep Creek Reserve (Pakenham) Master Plan</i> – undertake earthworks, service installation and commence building construction.	Bulk earthworks have been completed for the building, all-abilities play space, car park civil works, and golf course relocation. The landscape contract has been awarded. Works have commenced by the building contractor.	Completed
Lang Lang Community and Recreation Precinct – continue Stage 1 civil works including the ovals, car parks and roads.	This project has reached practical completion.	Completed
Resurface and upgrade current Recreation Sports Ovals – Worrell.	This project has been deferred until 2018–19.	Deferred
James Bathe Recreation Reserve – start civil works of ovals and car parks.	The contractor has commenced works.	Completed
PB Ronald Reserve (Pakenham) – demolish depot buildings and construct car park.	The car park construction awaits demolition works to be completed, which is scheduled for September 2018. The engaged consultant is proceeding with the design of the car park and investigating the removal of old tanks.	Ongoing

Our people performance (cont.)

Variety of recreation and leisure opportunities (cont.)		
Action	Result	Status
Provide active and passive recreation facilities to meet the needs of residents.		
Design Bunyip Soccer Stadium.	An architect was appointed and a draft concept and schematic design was completed for the new soccer pavilion in consultation with club. The optimum location for the pavilion has been finalised in consultation with the club and detailed design of the soccer pavilion is underway. The project has been delayed due to issues with siting of the pavilion and service provision issues requiring investigation. The project will be carried forward into 2018–19.	Ongoing
Design redevelopment of Cora Lyn Reserve pavilion.	This is a user group and Committee of Management driven project, with additional external funding required to meet user group expectations. A funding application was submitted for Building Better Regions Fund, with an outcome expected mid 2018. Initial discussions have been held with the user groups and committee of management to discuss the scope of the pavilion redevelopment. The pavilion design can't be progressed until the outcome of the funding application is known. This project will be carried forward into 2018–19.	Ongoing
Start the design stage of the Worrell Reserve Sports Pavilion.	The budget for the Worrell Reserve pavilion was re-evaluated in preparation for the design stage. The project scope was formalised and quotations were sought from design consultancies. The principal consultant was engaged and they are developing the schematic stage, after consultation with the club representatives has been undertaken. The consultant is working to prepare relevant documentation up to tender stage.	Ongoing
Continue to support committees to protect and maintain existing reserves of high environmental significance including grants to each of the 'friends' groups.	Community grants were finalised to 13 community friends groups and wildlife shelters. Funding included refunds for insurance costs to ensure groups were comprehensively protected in their volunteer work. Friends groups were key contributors to the Environment and Heritage team's Biodiversity Conservation Strategy workshops. The Natural Reserves Bushland team have commenced working with community groups to provide advice, undertake weed control, and prepare sites for revegetation during winter and spring.	Completed
Implement actions identified in <i>Equestrian Strategy adopted in 2013–14</i> , including Wrights Forrest (Cockatoo) perimeter track and road crossing in Huxtable Road Reserve (Pakenham) precinct.	Works to implement the 2014 Equestrian Strategy continued, including the installation of equestrian signage along Huxtable Road to identify the roadside trail, vegetation management works, and the off-road trail along the Crane Road access path. Liaison with Parks Victoria continues to ensure equestrian linkages are maintained around Wrights Forest Bushland Reserve.	Completed

Variety of recreation and leisure opportunities (cont.)		
Action	Result	Status
Provide active and passive recreation facilities to meet the needs of residents.		
Complete construction of the civil works and pavilion for the Pepi's Land (Emerald) netball facility.	Rezoning was approved by the Minister and civil construction was commenced. A detailed design of the pavilion progressed in consultation with the netball club. Civil works are nearing completion, with road works and final sealing of the car park still pending. The pavilion design is being finalised. Civil works are expected to be completed in November 2018 and the pavilion in September 2019. This project was delayed by planning scheme approvals and the redesign of the netball pavilion.	Ongoing
Increase opportunities for residents to participate in a range of sport, recreation and leisure activities.		
Comely Banks Reserve – undertake detailed civil design.	The project was scoped, put to tender and a consultant appointed for the detailed design of the proposed sporting facilities and associated civil works at Comely Banks Reserve. Grant funding for this project has been applied for through Sport and Recreation Victoria. This project will be carried forward into 2018–19.	Ongoing
Commence appropriate planning scheme amendments to permit the permanent accommodation of the Pakenham Auto Club and the Koo Wee Rup Motorcycle Club.	Planning scheme amendment documentation was prepared and authorisation was sought in early 2017. Advice has been received from the Minister of Planning that the amendment request is not supported. Council will continue to advocate for rezoning to accommodate the use.	Completed
Subject to the acquisition of the land Council commence appropriate planning scheme amendments to permit the permanent accommodation of the Pakenham Auto Club and the Koo Wee Rup Motorcycle Club	Planning scheme amendment documentation was prepared and authorisation was sought in early 2017. Advice has been received from the Minister of Planning that the amendment request is not supported. Council will continue to advocate for rezoning to accommodate the use.	Completed

Our people performance (cont.)

Increased awareness of safety		
Action	Result	Status
Work with the police, Victorian Government and the community to improve safety in homes, businesses, public places and roads.		
Support continued implementation of family violence projects in the shire at a local, regional and state level including the Together We Can initiative and White Ribbon Accreditation.	A Together We Can community advisory committee (survivors group) now operates with eight members, who were identified and supported by local service providers. The group is chaired by Kristy McKellar and is working with the community solutions projects as identified at the Community Leadership Summit in August 2017. Council is participating in and supporting the <i>Family Violence Regional Strategy</i> , including 16 days of activism. This initiative resulted in the distribution of 4,000 cups to four local cafes to raise awareness about gender equality. A social media campaign provided key messages on the prevention of violence against women during this period. As part of Council's White Ribbon Accreditation, the Listen, Learn, Lead Program rolled out with an action plan developed. Council partnered with Outlook to host a morning tea for White Ribbon Night in July, with 100 people attending. The focus was on the increased vulnerability of women with a disability. A White Ribbon Day community event was also held in November 2017, with several hundred people attending. The theme focused on Safe Kids, Safe Community. Over the financial year, nine community solutions were delivered, 14,024 people engaged directly through the community solutions, 21 articles were published in the Pakenham Gazette, transitioning of the backbone to Council was agreed and is being implemented, a gold medal was received in the National Local Government Awards for Prevention and Community Safety, monthly meetings were held with the Community Advisory Committee, monthly meetings were held with the governance group, and three Victorian Government grant applications were made, focussing on community, workplaces and Culturally and Linguistically Diverse communities. In the latest statistics (April 2017 to March 2018), a 23.7 per cent decrease was reported in the rate of serious family violence incidents as reported to police in Cardinia Shire.	Completed
Incorporate Crime Prevention Through Environmental Design (CPTED) principles into the design of Precinct Structure Plans.	Crime Prevention Through Environmental Design (CPTED) principles have been considered and included in the <i>Pakenham East Precinct Structure Plan</i> . The police were also asked for comment on this plan.	Completed

Increased awareness of safety (cont.)		
Action	Result	Status
Work with the police, Victorian Government and the community to improve safety in homes, businesses, public places and roads (cont.).		
Lead the implementation of the Cardinia Safer Communities Framework. Work with Safer Communities Committee to develop key actions to address safety issues within the shire. Achieve designation as an International Safe Community through an accreditation process with the International Certifying Centre.	The Safer Communities Strategic Committee met regularly throughout the year to provide strategic oversight for the action groups. Formal groups in place for crime, mental health, alcohol and other drugs, and emergency management. These groups have developed action plans to guide their work. Successful grant applications have increased the capacity to deliver initiatives. Cardinia Shire was designated as an International Safe Community in October 2017.	Completed
Improve awareness of township safety in local communities.		
Promote resilience building and community preparation for emergencies through community engagement and education. Identify and train community leaders to support communities to plan for and recover from emergencies. Work with the vulnerable groups and associated support services within the shire on emergency management planning. Deliver a bi-annual community resilience forum or series of workshops. Promote emergency safety awareness, programs and messaging, incorporating the Council developed emergency management videos.	A number of emergency planning sessions were delivered to groups across the shire with the aim to both educate residents on emergency planning and to identify vulnerable people and groups, so they can be supported to a greater level. The Emergency Management team continues to support community emergency planning groups across the shire by attending meetings, promoting resilience projects and providing expert advice. A Community Emergency Resilience Forum was held in May 2018 with approximately 85 people in attendance. The evening enabled the community to learn about and share information on community resilience to emergencies. A number of communities are engaging with Council to consider emergency planning in their townships. The Emergency Management team is also working with Outlook to support emergency safety awareness for people with disabilities.	Completed



Our people performance (cont.)

Minimised impact of emergencies		
Action	Result	Status
Implement plans that support people in times of emergency.		
Lead the regular review and exercising of the various elements of Cardinia Shire's Municipal Emergency Management arrangements to ensure their relevance to its risk profile. Review and develop Municipal Emergency Animal Management Plan and Municipal Pandemic Plan.	Municipal Emergency Management Planning Committee meetings were undertaken quarterly. Plans, arrangements and risk profile are regularly reviewed at these meetings. The Municipal Pandemic Plan was developed and endorsed in June 2017. The Municipal Emergency Animal Management Plan is currently in draft. The plan has been presented to Council's Senior Leadership Team and to Council in June 2018. This plan has been discussed with the Municipal Emergency Management Planning Committee and will put to Council for endorsement shortly. An action plan has been developed to continue identifying the capacity of supporting organisations and services for animals during emergencies in Cardinia Shire. This will be implemented in 2019. Elements of the Municipal Emergency Management Plan have been exercised, including activation of Council resources, coordination, and the flood and storm plan. The Relief and Recovery Sub Plan was exercised at Exercise Emerald in April 2018. This was a discussion-based exercise with Council, the community and supporting agencies to identify operations within the township of Emerald in the event of a fire. The Municipal Emergency Management Planning Committee and Sub Committees continue to review the risk profile of Cardinia Shire. A working group of the Municipal Emergency Management Planning Committee has been established to develop an Emergency Management Sub Plan for Emerald Lake Park.	Completed
Implement effective plans and procedures that minimise the impact of all emergencies in the shire.		
Develop a long-term plan for burning in Council reserves. Review Annual CERA (Community Emergency Risk Assessment), Annual Victorian Fire Risk Register (VFRR) risk assessment, and Bushfire Risk Profile for Cardinia Shire.	A consultancy service has been engaged to develop a ten-year planned burn strategy for Cardinia Shire. The strategy considers risk to the shire from fire, potential reserve sites, priority areas and fuel reduction methods. Council has reviewed the strategy and determined costings. Council's Senior Leadership Team will be presented with costing requirements in July 2018. Implementation of the strategy will commence in 2019 in conjunction with the Country Fire Authority. Two planned burns were conducted in 2018.	Completed

Minimised impact of emergencies (cont.)

Action	Result	Status
Protect against the impacts of emergencies through effective preparation and community planning and education.		
Support community initiatives (i.e. Ready to Go) and assist communities to develop community emergency management plans.	Council's Emergency Management team has continued to support local community Emergency Management initiatives and planning. This includes Ready to Go, the Emerald Emergency Planning Committee, Emerald RSL, Emerald Community House, Koo Wee Rup Health Service and Upper Beaconsfield Township Association. An exercise was held to identify capacity and capability of community emergency groups, agencies and local government in the case an emergency should impact the township of Emerald. Council also worked with the townships of Cockatoo, Emerald and Gembrook to provide advice on community based emergency planning. Resilient Melbourne has provided additional support to the Emergency Management team to assist community planning. Council continues to provide ongoing support the existing groups in Cardinia Shire.	Completed



Our people performance (cont.)

Performance indicators

Aquatic facilities

Service indicator	2014-15	2015-16	2016-17	2017-18	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]	2.00	3.00	2.40	2.80	Additional visits were completed to check that the water quality was maintained within standards.
Health and safety <i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	0.00	1.00	0.00	There are no reportable safety incidences this year.
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]	-\$0.42	-\$0.45	-\$0.21	-\$0.48	Year 2 of a guaranteed contract. Equipment purchases in year 1 and improved membership numbers in year 2 contributed.
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]	\$13.23	\$11.70	\$10.49	\$11.53	
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/ Municipal population]	9.78	9.73	6.26	7.06	Door counting software was implemented in 2017 which provided more accurate utilisation data. Membership growth has been a catalyst for the increase in 2018.

Animal management

Service Indicator	2014-15	2015-16	2016-17	2017-18	Material variation
Timeliness <i>Time taken to action animal management requests</i> [Number of days between receipt and first response for all animal management requests/Number of animal management requests]	-	7.28	4.02	2.57	Improved focus on closing CRMs early, and improved structures in CRM system.
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed/Number of animals collected] x100	43.38%	34.99%	49.61%	46.30%	
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service/Number of registered animals]	\$26.39*	\$30.89	\$28.69	\$36.33	Increased cost to pound contract.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	15.00	22.00	26.00	26.00	Adoption of the Enforcement Policy provided clear process of enforcement and there has also been an increase in animals moving into the municipality.



Our people performance (cont.)

Food safety

Service Indicator	2014-15	2015-16	2016-17	2017-18	Material variation
Timeliness <i>Time taken to food complaints</i> [Number of days between receipt and first response for all food complaints/Number of food complaints]	-	1.52	2.06	1.60	The trend has improved as a result of the timing when complaints come in, as in 2017 a complaint came in late in the week.
Service standard <i>Food safety assessments</i> [Number of registered Class 1 food premises and Class 2 food premises that received an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	100%	100%	100%	100%	
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service/ Number of food premises registered of notified in accordance with the <i>Food Act 1984</i>]	\$336.35*	\$331.63	\$305.19	\$315.62	
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100%	100%	100%	100%	

Libraries

Service Indicator	2014-15	2015-16	2016-17	2017-18	Material variation
Utilisation <i>Library collection usage</i> [Number of library collection item loans/ Number of library collection items]	7.89	7.28	7.69	7.20	
Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last five years/Number of library collection items] x100	79.83%	76.22%	73.79%	71.95%	
Service cost <i>Cost of library service</i> [Direct cost of library service/Number of visit]	\$2.84	\$3.75**	\$4.55	\$3.78	There is a material difference due to an error that was made in the calculations for 2016-17.
Participation <i>Active library members</i> [Number of active library members/ Municipal population] x100	14.51%*	13.48%	12.44%	11.34%	Cardinia is in the fast growing South East corridor. While the number of members borrowing in the reporting period is holding steady, the population is growing quickly, so the overall percentage is in decline. CCL are exploring extensions to opening hours, and a range of outreach activities to continue to grow membership, and visitation. Note, this indicator does not include members who use the library to borrow digital items, or use other services which are increasingly popular with young people, CALD members and professionals.

Our people performance (cont.)

Maternal and child health (MCH)

Service Indicator	2014-15	2015-16	2016-17	2017-18	Material variation
Satisfaction <i>Participation in first MCH visit</i> [Number of first MCH home visits/Number of birth notifications received] x100	103.23%	101.86% ***	99.45%	99.01%	
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%	100.26% ***	100.74%	98.09%	Since 2015 a number of Maternal and Child Health service providers have migrated to a new record system. Difficulties in transitioning to this system has affected the reporting of enrolment data in a number of Local Government Areas. As such, caution should be undertaken when analysing data for this indicator.
Service cost <i>Cost of MC service</i> [Direct cost of MCH service/Hours worked by MCH nurses]	-	\$65.49	\$62.97	\$67.45	
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	76.76%	75.34% ***	74.52%	76.14%	
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	72.78%	69.83% ***	71.86%	69.38%	

* The 2014-15 results for *Cost of animal management service*, *Cost of food safety service*, and *Active library members* have been updated from \$23.27, \$252.26 and 19.32% respectively. The results were erroneously calculated in the 2014-15 Annual Report.

** The 2015-16 result for *Cost of library service* has been updated from \$2.91. The results were erroneously calculated in the 2015-16 Annual Report.

*** In 2016, there was an initiative to transition the majority of Victorian Councils offering Maternal and Child Health services to a new database. The database was not expected to provide reliable information until the end of September 2016. Therefore, Council was unable to report this data in the 2015-16 Annual report.

Our community performance

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

Our diverse community requirements met		
Action	Result	Status
Monitor and research emerging community trends to help plan for the needs of residents.		
Identify, collate and share demographic data, social and health statistics, and emerging trends. Maintain the centralised research database (i.e. factsheets, population projection updates and social health profile).	A number of factsheets have been developed to compliment the <i>Liveability Plan 2017-2029</i> . These aim to raise community understanding and awareness about Council's commitment to the identified health and social priorities and policy domains. The Census 2016 findings were released and are available on Council's website along with recent social and community demographics, statistics, and emerging trends. Recent social research into housing and homelessness has identified a number of areas Council can focus on. A factsheet on the findings of this research is available on the website. Additional information on the recently released Australian Bureau of Statistics homeless count and the bankruptcy data is also available on the website.	Completed
Promote access to and encourage, a mix of housing types to cater for the varying needs of people in the Cardinia Shire community.		
Undertake a demonstration social housing project in partnership with a housing association, local housing providers and social support services.	Council has continued to explore opportunities for social housing. Council has discussed possible options for the development of community housing with housing associations and local housing providers. Council's priority area is to provide housing options for women and children escaping family violence. Council has developed a partnership with a women's housing provider to deliver Women's Community Housing in Pakenham. The location of this development is yet to be confirmed; however, it is anticipated the project will commence in 2019.	Completed
Support opportunities for participation in a diverse range of arts, cultural and tourism activities.		
In conjunction with the Public Art Coordination team, plan for public artworks to be delivered in Ranges Ward.	The scope and sites for this project were determined after consultation with Puffing Billy Railway and a number of stakeholders. An expression of interest was undertaken and an artist consultant appointed. This project will be delivered in the 2018-19 financial year.	Completed
Cardinia Arts Facility - Complete design and commence construction for Stage 1 redevelopment of the Cardinia Cultural Centre.	An application for additional funding for this redevelopment through the Victorian Government Growing Suburbs Fund was successful. Detailed design and contract documentation of the Stage 1 redevelopment of the Cardinia Cultural Centre was completed. The project was put to tender and construction commenced in June 2018. This project will be carried forward into 2018-19 and is due for completion June 2019.	Completed
Deliver public art at prominent sites across Shire - Central Ward.	An artist was engaged and artwork was constructed and installed in Main St Pakenham. The artwork by Julie Squires was titled 'Mr Yakkerboo Meets Blue'.	Completed

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Our community performance (cont.)

Our diverse community requirements met (cont.)		
Action	Result	Status
Plan for the provision of facilities to service and support the changing community.		
Update the Child and Family Centre Build Plan and report on build progress and capacity to meet needs.	The Child and Family Centre Build Plan has been updated to represent new data provided by the demographic resource centre, .id consulting. New data release meetings have taken place with .id consulting, and the release of data is anticipated in July 2018.	Completed
Work with local communities to review and implement township strategies that contribute to meeting the needs of those communities.		
Delivery of the McBride Street (Cockatoo) laneway development – horticultural landscaping and toilet installation.	All works have been completed and the site is open for public use.	Completed
Commence an economic review of the townships to guide future planning. Support Nar Nar Goon Progress Association in developing their township strategy.	A draft report has been received by Council and will be used as part of the review of the Nar Nar Goon plan as prepared on behalf of the progress association	Completed
Engaged communities		
Action	Result	Status
Provide a range of opportunities that encourage community participation in Council policy and strategy development.		
Coordinate a range of community engagement activities in the shire that inform development or review of Council strategies and policies. Provide opportunities for community input into Council's Liveability Health Plan.	Community engagement activities and opportunities have been planned and delivered across a range of Council policy, strategy and project developments. These include (but are not limited to) the Municipal Health and Wellbeing Plan (Liveability Plan), the Cardinia Cultural Centre redevelopment, play space renewals, the Age Friendly Strategy, and the Disability Access and Inclusion Action Plan. Data from the Community Summit will guide the support required for grants and community projects.	Completed
Communicate the activities and decisions of Council to the residents in a variety of ways.		
Undertake a review of <i>Connect</i> magazine and consider the introduction of ward or township-based newsletters. Continue to utilise website and social media channels.	Communications has commenced the process to identify opportunities to refine and improve <i>Connect</i> magazine. This will be further progressed on appointment of the new CEO.	Ongoing
Embrace and support community leadership.		
Deliver a range of community leadership initiatives in the shire to meet identified local needs by providing targeted training for community groups/ leaders. Partnering with Leadership Victoria to deliver a Community Leadership program in 2017.	The Cardinia Community Leadership Program was delivered to over twenty Cardinia Shire residents in partnership with Leadership Victoria through a range of scheduled programs and activities. The inaugural program was completed and a graduation ceremony was held. Evaluation and preparation is underway for the 2018 program.	Completed

Increased levels of community participation		
Action	Result	Status
Promote initiatives by the community and Council that connect and strengthen our communities.		
Upgrade pathways and walking tracks across the shire in accordance with the footpath program and revised Pedestrian Bicycle Strategy.	All projects have been completed.	Completed
Implement the Diversity Action Plan including coordination of Harmony Day event and work in partnership with community service organisations to deliver an annual Refugee Week event . Explore the initiation of a CALD Advisory Group.	A Culturally and Linguistically Diverse (CALD) advisory group was formed and is developing an action plan. A successful Harmony Day event was held at Pakenham Hall with excellent participation from diverse communities. An event was held at Living Learning Pakenham during Refugee Week, which was also well attended.	Completed
Review existing Access and Inclusion Policy and action plan. Develop new 2017-21 Access and Inclusion Policy and action plan in accordance with current legislation.	The existing policy was reviewed and a new Disability Access and Inclusion Policy 2017-21 was endorsed by Council in August 2017.	Completed
Implement the <i>Reconciliation Action Plan 2015-19</i> through the focus areas of relationships, respect and opportunities by increasing knowledge of Aboriginal culture across the organisation and community. Actions include to partner with local organisations to acknowledge and/or celebrate days and events of Aboriginal cultural significance.	A number of meetings have been held with Aboriginal elders. Council business units are progressing through actions in the <i>Reconciliation Action Plan 2015-19</i> . Council officers met with Latrobe City, South Gippsland Shire and City of Casey councils to discuss the sharing of resources, networking opportunities and to explore the potential of an Aboriginal Development Collaboration.	Completed
Participate in programs linked to the Resilient Melbourne Initiative where appropriate.	Council facilitated a series of five educational workshops with Resilient Melbourne with both internal Council staff and external stakeholders. This included training in resilience fundamentals as well as mapping and applying Resilient Melbourne strategies into our work. This training will be applied in a pilot project in Upper Beaconsfield. Council held a Community Emergency Resilience Forum in May 2018, which promoted the benefits of resilience in communities for emergencies. Over 80 people attended with key guest speakers from Emergency Management Victoria, State Emergency Services and the Department of Environment, Land, Water and Planning.	Completed
Recognise, support and promote the value of volunteerism in our communities.		
Host annual Mayoral volunteer reception to recognise and value the contribution of volunteers in our shire.	The volunteer reception was held in May 2018.	Completed
Strengthen Council's community engagement through the development, implementation and promotion of effective practices.		
Provide training and support to staff across the organisation regarding the Community Engagement Framework and toolkit to enhance the community's participation.	Training and project-specific support has been provided to the organisation through the Community Engagement Facilitator role and the Community Development team. This includes the provision of a policy and a handbook, and has supported thirty project and policy developments.	Completed

Our community performance (cont.)

Improved health and wellbeing of our residents		
Action	Result	Status
Increase the community's understanding of health issues and options to help them make appropriate decisions.		
Share health and social priorities with the community and support the development of local projects that align to the Liveability Health plan. Action: Plan and deliver a Community Summit.	A Community Summit was held during October 2017 to share health and social priorities as identified in Council's Liveability Plan. The event also provided support for local volunteer community organisations and interested members to help initiate projects to address the plan priorities. Over 120 people attended the event, comprised of community members, councillors and representatives from community organisations. Evaluation of the Community Summit outcomes is underway.	Completed
Enhance food literacy and security within the community Support the provision of services by Council or others for people of all abilities.		
Coordinate and implement the Food Circles Collective Impact project (e.g. establish a local food network).	The Food Circles Project was launched at the Cardinia Food Forum in November 2017. More than 95 people attended to hear guest speakers, including international keynote Devita Davidson of Foodlab Detroit. Mayor Cr. Collin Ross formally launched the project and signed the Urban and Regional Food Declaration, with Cardinia Shire now joining a host of peak organisations committed to supporting a healthy, sustainable, delicious and fair local food system. Cardinia Food Network members, including representatives from Monash Health, Kooweerup Regional Health Service and Monash Health, assisted in the event planning and coordination. As a result of the Cardinia Food Forum, new partners, including Casey Cardinia Libraries, will join the Food Network in 2018. The event also commenced the Kitchen Table Talks process, which provided community engagement for developing the shire's first Community Food Plan. Ten 'community food animators' facilitated these talks from February to May 2018, directly engaging with more than 420 people in the process. Cardinia Food Movement Instagram followers have increased by 34 per cent since December to a total of 330 and Facebook followers increased by 3 per cent to a total of 479.	Completed
Help establish partnerships and social infrastructure opportunities that improve health and wellbeing outcomes for residents.		
Evaluate and support the delivery of services through the Pakenham Health Centre.	Council continues to work closely with Pakenham Health Centre to identify required health services and to support delivery of these services. Maternal and Child Health services now operate from the centre along with family, children, maternity, mental health and allied health services. Council is awaiting a decision on a recent application to the Victorian Government for additional funding in partnership with Monash Health to expand health services at this centre. While funding was not received in the May budget announcements, Council is hopeful that funding will be made available in the near future.	Completed

Our environment performance

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

Provision and maintenance of assets on a life-cycle basis		
Action	Result	Status
Maintain all Council roads and supporting infrastructure in accordance with the Road Management Act 2004.		
Inspections and maintenance of the road network in accordance with the Road Management Plan.	Inspections have been carried out in accordance with Council's Road Management Plan. Weekly reports are provided from Reflect indicating weekly performance to inspections and defects. Quarterly reports are also provided to Council's Senior Leadership Team.	Completed
Reseal and renewal of identified roads and footpaths in accordance with the Road and Footpath Asset Management plans.	All works have been completed.	Completed
Develop new and maintain existing parks, gardens and reserves in a sustainable way.		
Finalise the evaluation of open space areas to determine appropriate service standards across the shire's suite of reserves in preparation for tendering the new open space contract in 2018-19.	An open space hierarchy, functions and standards review has been completed. The updated review identifies all open space areas and the appropriate service standards to meet the needs of the community. This will enable an accurate service specification to be developed for the open space maintenance contract due to commence November 2019.	Completed
Provide accessible facilities to meet identified community needs.		
Hills Hub (Emerald) Redevelopment – finalise design for the Hub. Develop tender for release late 2017 with a view to commence construction early 2018. Coordinate with current stakeholders alternative venues to continue their operations. Work with DEWLP to clarify new management structure for the Hills Hub.	The design phase for Hills Hub has been completed. The contract was awarded for construction. The management of land was transferred to Council in February 2018. Liaison with stakeholders and the contractor has been undertaken to manage the site and access during the build. Demolition and construction has commenced.	Completed
New fit-out to the ground level of the Officer municipal offices.	This project awaits an interested party and commitment to lease the space before works can commence. The ground level potential cafe area is not being used due to no expression of interest in the open market at present.	Deferred
Install pre-fabricated public toilets at Emerald Lake Park.	The ten-year Capital Works Program does not indicate this an item of reference. The public toilets are informed by the master plan for the park and there is no reference to a redevelopment priority for the toilets in 2017-18. This project has been postponed to 2018-19 and a review of the current master plan has been requested.	Deferred

Our environment performance (cont.)

Provision and maintenance of assets on a life-cycle basis (cont.)		
Action	Result	Status
Provide accessible facilities to meet identified community needs.		
Annual prioritised works to existing buildings, which will improve access, use and engagement by our diverse Community. Our works will meet enhanced and over and above Disability Discrimination Act requirements. Typically each year anywhere between 4 to 6 or so buildings and associated grounds are prioritised for such improvements, which includes ramps to entry areas of buildings, car parking for the disabled, hand railing, tactile markers, toilets for the disabled, etc.	<p>The 2017–18 priorities were finalised in consultation with the Cardinia Access and Inclusion Advisory Committee. Approval for the 2017–18 schedule of works was received from the committee. Quotes were obtained and an implementation plan was drafted.</p> <p>A list of recommended priorities has been developed for consideration by the committee. A community feedback program was implemented to continue to support the universal access initiatives and priorities. All 2017–18 priorities for access and inclusion works and activities have been completed.</p>	Completed
Depot Master Plan (Pakenham) – complete Stage 3 – further establishment of ground floor and construction of second floor mezzanine in former laundry building to cater for operational staff and construction of under-cover canopy between existing amenities block and new administration centre (note: this stage will be completed over 2016–17 and 2017–18).	A contractor was appointed and works started in 2017. Construction works progressed on target to deliver completion of the project. Stage 3 and 4 depot redevelopment works were finalised in May 2018. The budget was increased by \$50,000 to enable the procurement of furniture, fixtures and equipment required to complete the works. Building works have been completed and are now awaiting electrical reconnection. The internal fit-out will follow.	Completed
Conduct a program of resurfacing of playing surfaces at recreation reserves – Worrell Reserve (Emerald) – reshaping drainage and irrigation.	The project was delayed to align with the timeframes of the Hills Hub and Worrell Reserve pavilion redevelopment projects. Detailed design of the oval resurfacing was completed and consultation was undertaken with the committee of management and user groups. The contract has been put out to tender and is currently being assessed. This project will be carried forward into 2018–19.	Ongoing
Transport linkages connecting towns		
Action	Result	Status
Upgrade Council roads to improve safety while considering the traffic demand of the community.		
Upgrade Jolly Road bridge.	Works have commenced and are due to be completed in the coming weeks.	Completed
Commence construction of the Lang Lang Bypass from Westernport Road to McDonalds Track, including Milners Road.	This project is awaiting legal proceedings and funding to proceed. Deferral of the completion date for this action has been proposed for June 2019. Tender documents and drawings for the bypass have been completed; however, developments with the adjacent quarry have resulted in some design modifications that need to be incorporated. Construction will commence after funding is secured from sand extraction operators, or alternatively, until substantial government grants are available.	Ongoing

Transport linkages connecting towns (cont.)		
Action	Result	Status
Continue the use of special charge schemes to finance road, drainage and footpath improvement programs.		
Finalise statutory process for the construction of a special charge scheme for O'Sullivan's Road, Hill Street and Peet Street (Pakenham) and commence construction.	The Special Charge Scheme for O'Sullivan's Road, Hill Street and Peet Street has been declared. Pre-construction activities have been undertaken. The construction works have been tendered. A tender assessment is underway with a report expected to be presented to Council in August 2018.	Ongoing
Wheeler's Road (Maryknoll) – Construction and finalisation of scheme costs and statutory process.	The construction of Wheeler Road Special Charge Scheme has been completed.	Completed
Prioritise multi-use pathways, where practicable, to create networks that connect destinations.		
Implementation of the footpaths identified in the Pedestrian Bicycle Strategy.	All works have been completed.	Completed
Cockatoo–Gembrook Trail – commence construction.	Works are significantly complete, with only minor works outstanding. This includes the relocation of an Ausnet power pole, the pedestrian crossing at Pakenham Road in Cockatoo, and signage. The signage will be completed in consultation with the Eastern Dandenong's Rail Trail association.	Completed
Advocate for and facilitate improved public transport options and major arterial roads to help link employment, educational, recreational and retail activities between the shire's rural and growth areas.		
Provide information when required to the Interface Councils' Group and South Eastern Metro Integrated Transport Group as part of aim to enhance the frequency and coverage of public transport within Cardinia Shire and the south-east region.	Ongoing consultation has continued.	Completed
Enhanced natural environment		
Action	Result	Status
Adapt to the impacts of climate change by working in partnership with the South East Councils Climate Change Alliance and both Australian and Victorian governments.		
Support South East Councils Climate Change Alliance (SECCCA) through membership and participating in relevant projects (e.g. Home Energy Advisory Service).	Council has continued to support the South East Councils Climate Change Alliance via membership and participation in projects. This year the alliance developed and submitted a grant application to the Climate Innovations Grants program for a regional Zero Emissions Strategy. While this application was unsuccessful, the alliance has made initial steps to ensure momentum of this project continues. Council has actively participated in a number of alliance initiatives throughout the year. This includes: 30 Cardinia Shire staff members participating in EcoDriver efficiency training, resulting in increased safety and fuel savings; Residential Energy Assessments were completed for 22 homes in the shire; and ten pensioner homes were retrofitted with solar energy systems through the Solar Savers project, improving the thermal comfort and financial security of the pensioner home owners. The cost of these systems will be recovered over a 10-year period.	Completed

Our environment performance (cont.)

Enhanced natural environment (cont.)		
Action	Result	Status
Adapt to the impacts of climate change by working in partnership with the South East Councils Climate Change Alliance and both Australian and Victorian governments (cont.).		
Development and adoption of new sustainable environment strategy.	The Sustainable Environment Policy was finalised and then adopted by Council in June 2018.	Completed
Reduce Council's energy consumption and help the community to do likewise.		
Continue to implement the Sustainable Design improvements in new and existing Council buildings and review this tool in the context of the future direction with Sustainable Design in the Buildings and Facilities Department. Prepare the Environmentally Sustainable Development (ESD) strategy (including policy) for all Council buildings, which will help to improve amenity and use of buildings, reduce energy use and associated costs, reduce waste to landfill, and work towards a carbon neutral shire.	<p>A project meeting was held to commence upgrade of the Environmentally Sustainable Development matrix. This upgrade is in partnership with seven other councils through the South East Councils Climate Change Alliance.</p> <p>A revised draft matrix was issued for consideration after a process of review and feedback was undertaken. Feedback was incorporated into the revised matrix to improve the usability and application of the tool, and its ability to deliver expected outcomes. An updated and improved draft Environmentally Sustainable Development matrix was provided by the project consultant. The consultant is now finalising the matrix and developing a user guide after receiving further feedback. Discussions with other councils to inform the Environmentally Sustainable Development Strategy have taken place. The development of this strategy will carry over into 2018–19 after the matrix is completed.</p>	Ongoing
Implement the Aspirational Energy Transition plan including projects such as environmental upgrades at Koo Wee Rup Pool and Pakenham Library, Hall and U3A.	Implementation of the Aspirational Energy Transition plan has continued. Solar PV systems continue to be installed, with Council celebrating the 1,000th solar panel installation at Emerald library. This inspired the Casey Cardinia Libraries Corporation to make the 'Take 2' climate change pledge. Council is working with the library cooperation to help identify and reduce organisational energy consumption. Council has established a partnership with Federation University where students will develop an energy efficiency handbook. The handbook will provide the Cardinia Shire community with information about improving household energy efficiency and reducing energy costs. This project continues into 2018–19.	Completed
Promote practices that result in the reduction per household of the amount of waste going to landfill, particularly food waste.		
Liaise with and support schools in the areas of waste minimisation, litter and recycling.	Our training consultant has been providing Beyond the Bin incursions to schools and early learning centres within the shire. Assistance and support is also being provided to schools and early learning centres on request to help them implement recycling programs.	Completed

Enhanced natural environment (cont.)		
Action	Result	Status
Promote practices that result in the reduction per household of the amount of waste going to landfill, particularly food waste (cont.).		
Review effectiveness of kerbside flexible plastics recycling initiative and further promote to the community.	Post-project audits were conducted and identified 23 per cent of residents were using the service every fortnight with low contamination. This indicates the initiative was a success. Further promotions will continue and are scheduled for inclusion in <i>Connect</i> magazine.	Completed
Build on success of new resource recovery facilities by advocating for improved resource recovery and reuse options (such as e-waste, detox your home, SV programs, new streams, reuse opportunities and education).	A response was provided to the Victorian Government regarding the proposed e-waste ban and the requirement to support local infrastructure, including privately run infrastructure. Advocacy is ongoing. An outcome has not yet been provided. Detox your home services were delivered in April 2018, with good attendance. A Council officer also attended a Product Stewardship review forum.	Completed
Commence regional project with south east councils and MWRRG to procure landfill and alternative to landfill services, including pre-sort options for commencement post 2021.	Council staff continue to attend ongoing workshops and monthly regional meetings.	Completed
Manage water in an integrated way, including the reduction of potable water consumption by Council and households.		
Implement the Integrated Water Management Plan including implementing water-efficiency measures recommended in the water audits at Cardinia Life and Holm Park Reserve.	Water audits at Cardinia Life and Holm Park Reserve were completed. Additional water monitoring via the Building Management System was completed at Cardinia Life, providing real-time water consumption data. Other works included minor water efficiency upgrades at Cardinia Life, Holm Park Reserve and Cardinia Cultural Centre.	Completed
Promote water catchment management practices that improve the quality of our waterways.		
Reduce offsite septic discharges by advocating to water authorities to complete the backlog sewer program and mandate property connection in 2017-18.	Council's Environment team advocated to authorities to complete the backlog sewer program.	Completed
Protect and improve biodiversity by increasing the area of natural ecosystems across the shire.		
Enhance biodiversity across the shire via long term strategic planning and offering community participation opportunities and incentives.	In the first year of the two-year project to develop a Biodiversity Conservation Strategy, four consultation workshops were held with internal staff, key government agencies and the broader community to discuss issues and opportunities. Efficiencies were achieved by coordinating consultation for the review of the Pest Plant Management Strategy at the same time. A total of 14 consultation events and media articles have been made to elicit community feedback, including over 800 direct contact interactions with residents (i.e. direct email, surveys completed, workshop attendees). Drafting of the strategies continues with adoption anticipated in June 2019.	Completed

Our environment performance (cont.)

Enhanced natural environment (cont.)		
Action	Result	Status
Preserve and improve our bushland and natural environment by implementing weed management programs and continuing work on high conservation bushland reserves and roadsides.		
Preserve and improve natural environment by undertaking weed management and indigenous plantings.	Preparations are underway for a planting project with Landcare in the Avonsleigh Bushland Reserve to compliment planting projects previously undertaken. Preparations for a Landcare hosted National Tree Day planting event (July 2018) at Pepi's Land have been completed. Council's Natural Reserves team assisted the Maryknoll Friends Group to undertake a planting day. A weed management project has been undertaken in Pepi's Land as part of the Wetlands Restoration Program, targeting high threat weeds. Emerald Lake Park's Vegetation Management Project has been successfully delivered for 2017-18 and the project brief has been prepared for the 2018-19 weed target program. This will be enhanced by the inclusion of follow up works by Council's Natural Reserves Rangers and enhancement plantings within the 2017-18 weed control zones. The multi-agency Peri Urban Project has been successfully delivered for 2017-18, which includes six Council-managed reserves and three roadside clusters. The project brief has been prepared for the 2018-19 weed target program. Site auditing is underway for the 2018-19 Bushland Reserves Maintenance Program, which will include a combination of Natural Reserves Ranger and Contractor works. Works have commenced in Council's reserve offset sites as part of the Developer Contributions Fund. Roadside weed control was successfully undertaken, targeting high threat weeds in the 2017-18 project scope areas of Lang Lang, Heath Hill and Pakenham/Officer. Roadside Weed Mapping has been undertaken in the 2018-19 project scope area to inform the weed control works program.	Completed
Manage agricultural land use by supporting farmers to utilise sustainable farming practises.		
Implement the Westernport Green Wedge Management Plan into the planning scheme. Participate in DELWP advisory committee to enable contemporary agricultural activities. Advocate for Bunyip food belt project.	Completed the implementation of the Westernport Green wedge Management Plan into the planning scheme through Amendment C215.	Completed

Natural and built environments supporting the improved health and wellbeing of our communities		
Action	Result	Status
Plan and develop built environments that support improved health and wellbeing of our communities through implementation of the Healthy by Design guidelines.		
Advocate to implement sustainable design assessment in the planning process.	The Sustainable Design Assessment in the Planning Process framework continues to be rolled out on a voluntary basis for new building developments in the shire. This framework requires buildings of a particular size to address sustainability as part of the planning application. This initiative will continue into 2018-19.	Completed
Raise awareness of our environment's impact on people's health and wellbeing by integrating the concept of liveability across all Council business units and including liveability indicators within the municipal public health and wellbeing plan.		
Develop and distribute the Down to Earth environmental eNewsletter promoting Council's environmental and sustainable initiatives.	The Down to Earth eNewsletter increased to a bimonthly distribution, with several editions released this year. The subscription list has continued to grow as the community becomes more aware of the publication.	Completed
Advocate for changes in the state planning scheme which support development of local policies which reduce health-detracting environments (gaming, liquor, fast food).		
Commence review of Council's Municipal Strategic Statement.	A background paper has been finalised with a briefing to both Council's Senior Leadership Team and Councillors. Consultation will be undertaken in 2018-19	Completed
Balanced needs of development, the community and the environment		
Action	Result	Status
Review the Municipal Strategic Statement and the Cardinia Planning Scheme regularly to ensure it continues to meet Council objectives.		
Undertake a review of the Municipal Strategic Statement.	A background paper has been finalised with a briefing to both Council's Senior Leadership Team and Councillors. Consultation will be undertaken in 2018-19	Completed
Plan for the development of the urban growth area with a mix of residential, commercial, employment, recreational and community activities to meet the needs of our growing community in a sustainable way.		
Ongoing review of PSPs and DCPs.	Consultants have been engaged to undertake a review of best practice in the Development Contribution Plan process with an external grant. Officer Town Centre review is currently at a planning panel.	Completed
Implement approved structure plans for the growth area.	Ongoing works have been undertaken to implement structure plans through development approvals, works in kind and Council works.	Completed
Complete Pakenham East Precinct Structure Plan / Developer Contributions Plan.	The precinct structure plan exhibition with a panel hearing occurred in May 2018.	Completed
Introduce schedules for the new residential zones in Beaconsfield Upper.	The work to introduce schedules for the new residential zones in Beaconsfield Upper has been delayed while Council awaits the outcome of the Victorian Government review of residential zones.	Completed

Our environment performance (cont.)

Balanced needs of development, the community and the environment (cont.)		
Action	Result	Status
Provide for the sustainable development of rural townships while taking into account their existing character and community needs.		
Review of township strategies in line with the adopted program.	A review of actions for the existing township strategies has been completed.	Completed
Implementation plan for the Westernport Green Wedge Management Plan and continue advocacy for Green Wedge Management Plan for the northern part of Cardinia Shire.	An implementation plan has been completed and a letter sent to the Minister seeking funding for the Northern Ranges Green Wedge Management Plan. No funding announcements have been made by the Minister yet.	Completed
Ensure the planning of rural (green wedge) areas protects and enhances important agricultural, environmental, natural resource, infrastructure and recreational values.		
Seek authorisation to exhibit planning controls to further enhance protecting habitat and corridors for bandicoots.	Amendment documents have been finalised. The amendment exhibition is expected in the second half of 2018 once approved by the Department of Environment, Land, Water and Planning.	Completed



Performance indicators

Roads

Service indicator	2014-15	2015-16	2016-17	2017-18	Material variation
Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests/ Kilometres of sealed local roads]	44.23	44.15	55.97	80.58	Council are responsible for maintaining 690 kilometres of sealed roads. An increase in sealed road related complaints in 2017-18 was the result of a number of roads requiring rehabilitating. Prior to this occurring, these roads experienced a higher than normal increase in customer complaints. Weather events, particularly in low lying parts of the shire also contributed to increased maintenance and customer complaints.
Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council/Kilometres of sealed local roads] x100	97.25%	98.62%	97.61%	96.52%	
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed]	\$200.82	\$74.79	\$31.92	\$38.83	Reconstruction rates appear to have increased in response to the sheer increase in volume of work being undertaken within the industry.
Service cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing/ Square metres of sealed local roads resealed]	\$16.36	\$7.26	\$10.64	\$14.47	The resurfacing program for 2017-2018 had a higher proportion of asphalt overlays than last year, which was dominated by spray seal treatments that have a unit rate cost approximately 25% less than that for asphalt overlays.
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]	55	57	54	55	

Our environment performance (cont.)

Statutory planning

Service Indicator	2014-15	2015-16	2016-17	2017-18	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]	94	84	97	88	
Service standard <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days)/Number of planning application decisions made] x100	75%	74%	66.41%	82.19%	Due to streamlining in planning processes and implementation of ePlanning, an increase in productivity has occurred.
Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service/ Number of planning applications received]	\$1,296.71	\$1,223.02	\$1529.84	\$1673.38	
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	77.78%*	66.67%	50.00%	33.33%	A number of applications heard at VCAT has seen the Responsible Authorities decisions overturned due to inconsistency with decisions made in line with the Planning Scheme.



Waste collection

Service Indicator	2014-15	2015-16	2016-17	2017-18	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	164.01	190.30	199.40	192.68	
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	6.34	10.23	9.90	9.18	
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]	\$122.06	\$119.29	\$119.34	\$112.54	Efficiencies in transport costs resulted in reduced costs.
Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service/Number of kerbside recyclables collection bins]	\$22.63	\$22.02	22.47	\$34.48	Changes in commodity prices due to recycling industry issues resulted in increased costs.
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100	46.24%	46.05%	47.00%	47.62%	

* The 2014-15 result for *Council planning decisions upheld at VCAT* has been updated from 80 per cent. The result was erroneously calculated in the 2014

Our economy performance

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

Increased business diversity in Cardinia Shire		
Action	Result	Status
Plan for and support local employment opportunities.		
Continue to advocate to protect land for employment purposes. Implement planning scheme amendments for specific employment opportunities. Complete review of Officer Town Centre review with the VPA. Commence review of Cardinia Road Employment Precinct to simplify planning controls.	The Officer Town Centre review has been completed. A planning scheme amendment is being undertaken by the Victorian Planning Authority.	Completed
Support the development of existing and new businesses within the shire.		
Facilitate business networking opportunities through Casey Cardinia and individuals.	Council has taken the lead role in the business breakfasts and will continue to work alongside the City of Casey on all other networking opportunities.	Completed
Plan for a staged development of the Officer–Pakenham employment precinct.		
Commence preparation of Officer South Developer Contribution Plan.	Input has been provided in relation to infrastructure delivery and costing associated with the development of the plan.	Completed
Work with the VPA in the preparation of Officer South Precinct Structure Plan and Development Contribution Plan.	Council is waiting for the Victorian Planning Authority to commence preparation of the precinct structure plan as advised it would commence in 2018.	Completed
Work with the VPA in the preparation of Pakenham South Employment Precinct Structure Plan and Development Contribution Plan.	Cancelled due to duplication of this action.	Cancelled
Finalise planning scheme amendment to incorporate Pakenham South Precinct Structure Plan into the Cardinia Planning Scheme.	The timing of this Precinct Structure Plan has been delayed while working through traffic issues. The plan will be progressed to exhibition in the second half of 2018.	Ongoing
Plan the development of Officer and Pakenham town centres.		
Facilitate development of key sites in the core commercial area in Siding Avenue (Officer).	Ongoing consultation with relevant landowners has been undertaken, with Development Victoria releasing some land to the market in 2017–18.	Completed
Work with the VPA in the preparation of Pakenham East Precinct Structure Plan and Development Contribution Plan.	A precinct structure plan exhibition has occurred with a panel hearing in May 2018. Council has written to the Minister requesting the precinct structure plan not progress until the Infrastructure Contribution Plan funding is resolved.	Completed
Work with VPA in the review of Officer Town Centre.	Exhibition of the Officer Town Centre review was undertaken in April 2018 by the Victorian Planning Authority. Council has made a submission and is awaiting the outcome.	Completed
Finalise car parking strategy for Pakenham Town Centre. Work with ISPT to facilitate the development of the mixed use precinct adjoining Pakenham Railway Station.	A car parking strategy will be submitted to Council in 2018.	Completed

Increased business diversity in Cardinia Shire (cont.)		
Action	Result	Status
Advocate to Australian and Victorian governments and industry to develop more local employment opportunities.		
Implement the actions of the <i>Casey Cardinia Attracting Employment and Investment Strategy</i> .	Actions in the strategy are being achieved. More than one job for every household has been created in Cardinia Shire's economy over the last three years.	Completed
Encourage procurement of local products and services.		
Tender documentation and consideration includes weighting for local products and services.	This has been completed and now forms part of the standard tender documentation.	Completed
Maintained strong agricultural activities		
Action	Result	Status
Support our farmers and growing agricultural industry in adapting to the changing economy and climate.		
Implement the actions of the <i>Casey Cardinia Attracting Employment and Investment Strategy</i> and the Green Wedge Management Plan.	This has been cancelled due duplication.	Cancelled
Identify innovative ways to value-add to the region's primary production and transportation.		
Advocate for easier access to markets via a regional food plan and enabling infrastructure including airports, Bunyip Food Belt, Thompsons Road extension and food markets for primary producers.	Successfully advocated for funding with South East Water, receiving \$400,000 for investigation work into using recycled water for third party uses. We are awaiting advice from South East Water regarding the full scope of this work.	Completed
Advocate for the development of roads and infrastructure required for primary production.		
Identify a hierarchy of roads directly related to primary production that require advocacy.	The hierarchy of roads is continuing but progress has been limited due to workload.	Ongoing
Diverse and resilient business community		
Action	Result	Status
Support small businesses to remain viable in rural townships.		
Continue to work with individual property / business owners to support their growth and the vibrancy of towns.	The Economic Development team has continued to respond to requests from investors and owners.	Completed
Encourage the establishment of tourism and hospitality in appropriate areas of the shire.		
Adopt and implement the <i>Casey Cardinia Tourism Strategy</i> .	The strategy was adopted and the actions are being implemented. The new regional Tourism Board will now take the lead on the strategy and actions may change substantially in the future.	Completed
Advocate for the delivery of small and large scale projects that enhance and drive economic activity.		
Assist businesses to develop in the Casey Cardinia region.	Council has continued to provide assistance as requested. The census data released this year revealed more than one job per new household is being created in the region.	Completed

Our economy performance (cont.)

Diverse and resilient business community (cont.)		
Action	Result	Status
Work with others to grow economic activity and attract new enterprises.		
Work with the Casey Cardinia Business Group and the Department of Economic Development, Jobs, Transport and Resources to attract new enterprises and enhance the economic activity in the region.	Council has continued to work with all businesses and tourism groups as requested and has advocated to the Victorian Government for assistance. In the last 12 months Invest Assist within the state government has assisted Cardinia to help two new large businesses to establish in the region, bringing over 350 jobs.	Completed
Support businesses and organisations to enhance their skills.		
Council will help facilitate training opportunities for local businesses.	A new online training portal was funded through Casey Cardinia Libraries to provide a free online service, accessible to greater numbers of business people as well as the general public. Over 1,200 people per month have taken up this free service. Council continues to offer nine training courses throughout the year, as well as access to mentoring through the Small Business Bus and Small Business Victoria.	Completed
A local economy supporting the improved health and wellbeing of our communities		
Action	Result	Status
Encourage the procurement and consumption of local food.		
Tender documentation and consideration includes weighting for local products and services.	This has been completed and now forms part of the standard tender documentation.	Completed



Our governance performance

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

An engaged community		
Action	Result	Status
Develop a policy which details how Council will inform and engage consistently with the community on important matters.		
Commence a review of the communications strategy and work with Community Strengthening to develop an engagement policy.	Discussions have commenced with Community Strengthening to develop an engagement strategy. A detailed review of the communications strategy will continue following the commencement of a new communications team leader in April 2018.	Ongoing
Open governance		
Action	Result	Status
Embrace and demonstrate effective governance and transparency, notwithstanding that on occasions, matters under consideration will be confidential.		
Monitor compliance with statutory reporting requirements.	A compliance checklist is in place and is being monitored.	Completed
Maintain and update the register of information to be available to the public.	The register is regularly updated and reported in the Annual Report.	Completed
Govern and make decisions in the best interests of the Cardinia Shire community.		
Following adoption of the Councillor Code of Conduct and Protocols monitor adherence to commitments and take appropriate action if required.	A Councillor Code of Conduct has been adopted and is being monitored.	Completed
Long-term financial sustainability		
Action	Result	Status
Make financial decisions that achieve the objectives of Council and long-term financial sustainability.		
Develop annual budget and five-year financial plan, which will deliver on the actions presented in the Council Plan and maintain long-term financial goals.	The draft budget and Strategic Resource Plan was adopted in May 2018.	Completed
Make financial decisions that are fair and ethical and balance costs and benefits between present and future generations.		
Ensure all contracts and procurement guidelines adhere to a full life cycle cost and are not purely driven on any one factor.	This is completed as part of the budget process and the standard documentation for tenders and contracts.	Completed
Manage the municipality's finances and assets in a responsible way.		
Ensure that asset management and financial management are transparent via the budget and planning process and ensure the long-term viability of Council.	This is completed as part of the budget process. This was completed and the budget was adopted in May 2018.	Completed
Identify and implement programs to achieve Council's debt reduction policy.		
Debt Management Policy.	This is reviewed as part of the budget process. This was completed and the budget was adopted in May 2018.	Completed

Our governance performance (cont.)

Long-term financial sustainability (cont.)

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

Develop and maintain 'internal consulting' ability within Service Planning and Improvement Team, and work with internal divisions/teams to facilitate the identification and implementation of cost containment actions.	Internal training and knowledge sharing on consultancy and facilitation methods was undertaken alongside on-the-job training in preparation for Quality Circle facilitation work. Furthermore, business intelligence skills were developed through the creation of public dashboards. Team members have become conversant with business intelligence technologies and are able to build attractive and useful dashboards and reports, with limited IT support. The team's active involvement in the development of business intelligence dashboards and reports will help improve productivity, resulting in operating cost reductions and improved transparency.	Completed
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Appropriate funding and support from all levels of government

Action	Result	Status
Advocate on behalf of the community to ensure it receives a fair share of funding and support from the Australian and Victorian governments for infrastructure, facilities and services.		

Prepare details of Council's priority projects for both State and Federal governments. In the lead up to both Federal and State elections and budgets, lobby local members and relevant Ministers for funding for the priority projects to gain a fair share of funding for the local community.	A pack representing Council's priority projects for both the Victorian and Australian governments has been completed in preparation for the Council workshop in November 2018.	Completed
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Work with both interface and regional Councils to strengthen advocacy campaigns to Australian and Victorian governments aimed at increasing awareness and support for joint issues.

Participate in the advocacy campaigns determined by the Interface Councils CEOs' Group and the Human Services Directors' Group and supported through SOCOM. The focus for 2017-18 will be flexibility and growth in service funding arrangements.	Council is involved in an extensive advocacy campaign focussed on increasing investment in services across interface councils. Cardinia Shire has been selected as a pilot site to demonstrate localised joint commissioning. This will be presented for ministerial endorsement in June 2018.	Completed
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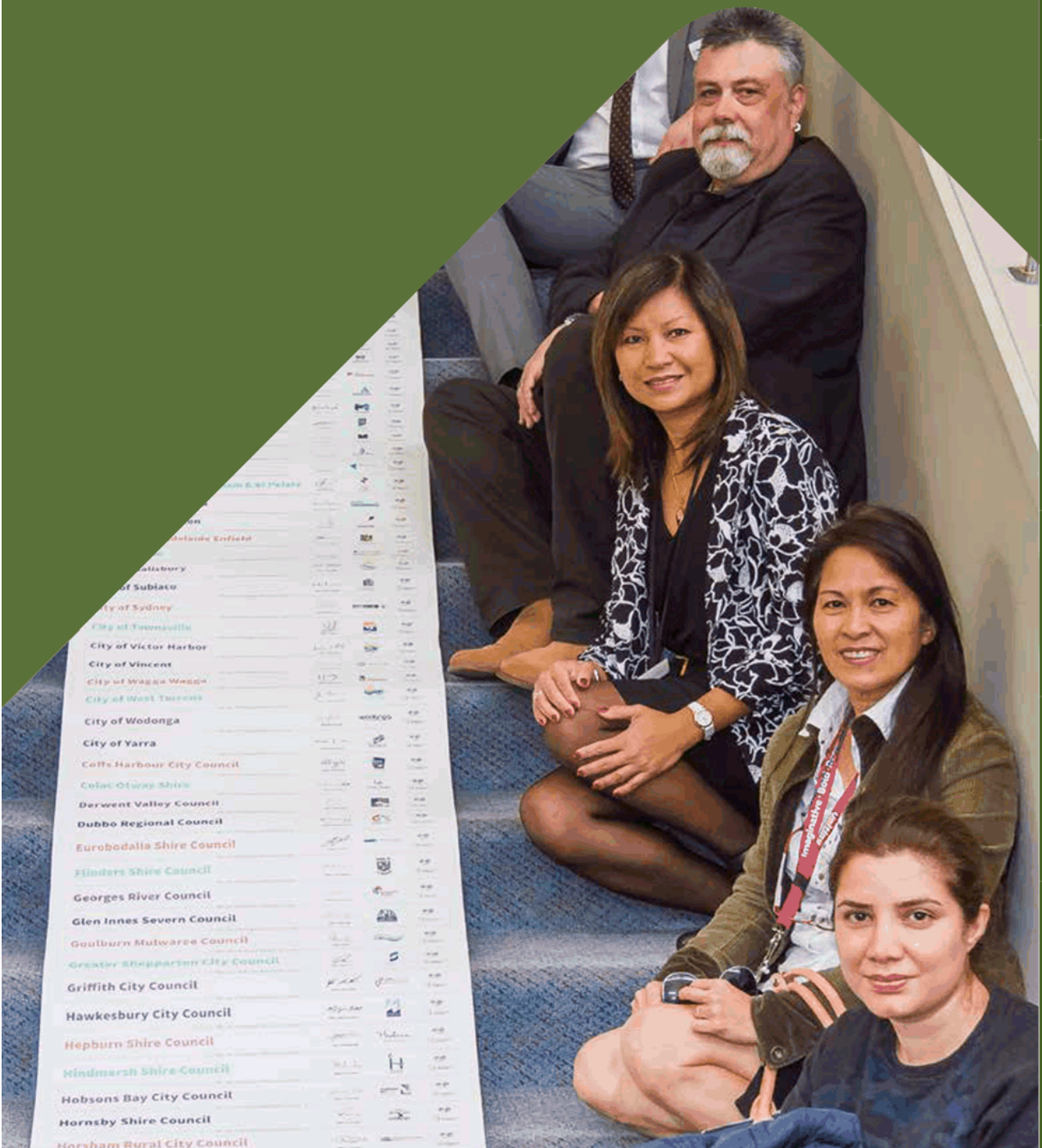


Performance indicators

Governance

Service indicator	2014-15	2015-16	2016-17	2017-18	Material variation
Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors]	0.35%	2.06%	3.14%	1.37%	Council continues to minimise the number of decisions made in meetings closed to the public.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	56	54	49	55	Council continues to investigate and implement new ways to engage and communicate with our residents.
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	84.13%	90.37%	91.01%	92.40%	
Service cost <i>Cost of governance</i> [Direct cost of governance service/Number of Councillors elected at the last Council general meeting]	\$42,233.44	\$43,385.56	\$40,120.56	\$41,687.00	
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	54	53	53	

Governance and management



Introduction

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Governance

Council meetings

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

Committees

As at 30 June 2018, the structure and composition of Council's committees was as follows.

Audit Committee

- Council members: Crs Brett Owen and Leticia Wilmot.
- Independent members: Homi Burjorjee (Chairperson) and Hugh Parkes.

Town Planning Committee

- Committee of the whole of Council.

Code of conduct

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

Resources, training and compensation

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

Councillor allowances

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

- a maximum of \$25,225 per annum for councillors
- a maximum of \$78,051 per annum for the Mayor.

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

Councillor expense entitlements

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

Councillor professional development

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

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

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

Councillor expenses 2017–18

Councillor	Travel/mileage (\$)	Out of pocket (\$)	Conference (\$)
Collin Ross	13,183.34	597.57	338
Brett Owen	2,396.13	77	
Ray Brown	2,840.36		
Jeff Springfield	6,552.39		
Jodie Owen	918.26		
Graeme Moore	6,338.31		
Leticia Wilmot	3,112.55		
Michael Schilling	109.29		
Carol Ryan	0		

Management

Audit committee

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

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

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

Recommendations from each Audit Committee meeting are subsequently reported to and considered by council.

Risk management

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

Insurance and risk audits

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

Business continuity

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

Occupational health and safety (OHS)

During the year, Council's Occupational Health and Safety (OHS) Management System was audited by our certifying body *Lloyds Register Quality Assurance* and gained recertification to SafetyMAP (Initial).

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

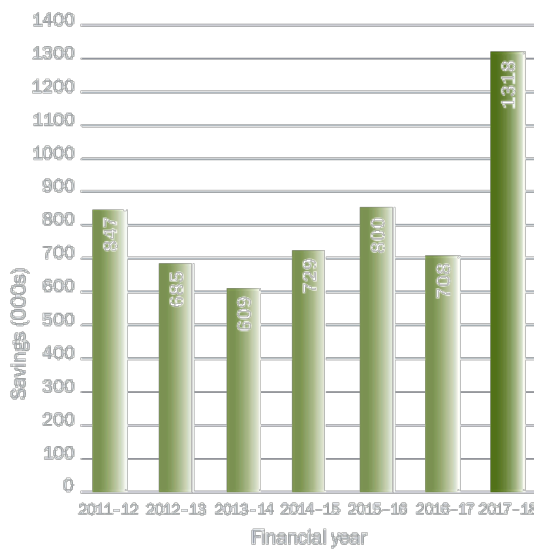
Workplace safety

Council has maintained a strong focus in 2017–18 on creating a positive safety culture. This has been implemented through structured education and awareness sessions with management and employees. Council continued to provide a proactive early intervention injury management program to its workforce to assist in effectively managing workplace injuries and WorkCover claims.

Business improvement

Throughout 2017-18, Council continued to build its culture of improvement and innovation across 63 improvement projects. The program delivered \$1,318,254 in efficiencies, comprising both real and opportunity savings that increase Council's capacity to deliver its services. The improvements identified and quantified for the 2017-18 year build on the \$4.38 million delivered in the preceding six years, producing \$5.7 million in savings for the past six years.

Annual savings from innovation



In addition to these improvements, quantified in dollar terms, numerous activities have improved Council's functionality and provided benefits that are realised in non-financial terms. Examples of projects undertaken in 2017-18 include improvements to:

- the Building and Facilities Maintenance Policy
- our relationships with senior citizens centres
- the community bus function
- the Community Facility Booking System
- Council's fire hazard program
- parking regulations education.

Council continues to embed a culture of thinking about how we do things and striving to efficiently deliver better outcomes.

Best value report 2017-18

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.

Local Government Community Satisfaction Survey

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

The following table shows Cardinia Shire Council's results for the core survey measures from the 2018 survey.

Snapshot of Council's performance

	2014	2015	2016	2017	2018	Trend *
Overall performance	63	61	60	57	61	↑
Community consultation	55	56	54	49	55	↑
Advocacy	55	55	53	51	52	↔
Making community decisions	56	54	54	53	53	↔
Sealed local roads	57	55	57	54	55	↔
Customer service	69	73	64	66	65	↔
Overall Council direction	55	53	51	51	52	↔

* An upward facing arrow (↑) in this column indicates a statistically significant improvement from the 2017 result. A horizontal two-headed arrow (↔) indicates no statistically significant change from the 2017 result.

Governance and management checklist

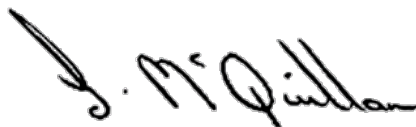
Item	Assessment	Yes/No	Date of operation (where applicable)	Reported date (where applicable)
Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation	Yes	21/10/2013	
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	Yes	21/10/2013	
Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Plan adopted in accordance with section 126 of the Act	Yes	21/05/2017	
Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required)	Budget adopted in accordance with section 130 of the Act	Yes	21/05/2017	
Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plans in operation	Yes	17/11/2014	
Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation	Yes	21/05/2017	
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	Yes	12/12/2017	
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	Yes	8/12/2017	
Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986	Yes	11/04/2016	
Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act	Yes	1/07/2017	

Item	Assessment	Yes/No	Date of operation (where applicable)	Reported date (where applicable)
Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation	Yes	1/07/2017	
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation	Yes	1/07/2017	
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	Yes	1/04/2016	
Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Act	Yes	1/07/1997	
Internal audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	Yes	1/05/2013	
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation	Yes	1/07/2014	
Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report	Yes		21/08/2017 20/11/2017 19/02/2018 21/05/2018
Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act	Yes		16/10/2017 20/11/2017 19/02/2018 21/05/2018
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	Yes		22/08/2017 12/12/2017 15/05/2018

Item	Assessment	Yes/No	Date of operation (where applicable)	Reported date (where applicable)
Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports prepared and presented	Yes		21/08/2017 20/11/2017 19/02/2018 21/05/2018
Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act	Yes	16/10/2017	
Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by councillors)	Code of Conduct reviewed in accordance with section 76C of the Act	Yes	20/02/2017	
Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act	Yes	21/08/2017	
Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act	Yes	21/07/2014	

Certification of governance and management

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



Garry McQuillan
Chief Executive Officer



Cr Colin Ross
Mayor 2017-18

Dated: 17 September 2018

Statutory information

Information available for public inspection

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

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

Contracts

During the 2017–18 financial year, Council did not enter into any contracts valued at \$150,000 or more for services, or \$200,000 or more for works or of a kind specified in Section 186(5)(a) and (c) of the Act. Council did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

Access and Inclusion Policy and Action Plan

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

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

Domestic animal management plan

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

The deadline for the development of a new plan was extended by the Victorian Government until November 2017. The *Domestic Animal Management Plan 2017–21* was developed in consultation with local veterinary clinics, domestic animal business permit holders, peak industry bodies and animal interest groups. The plan was adopted by on 16 October 2017.



Food Act ministerial directions

In accordance with Section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year. No such Ministerial Directions were received by Council during the 2017-18 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 2016 to 30 June 2017:

- a. twenty five (25) FOI requests were made to Cardinia Shire Council
- b. twenty five (25) requests were made for full access to documents for the above period; no requests for part access to documents pursuant were made and no requests were pending as at 30 June 2018
- c. Manager Governance Doug Evans is the designated officer with authority to make a decision in relation to a request
- d. 1 application for review was made to the Freedom of Information Commissioner
- e. no application was made to the Victorian Civil and Administrative Tribunal (VCAT) during the above period
- f. no notices were served on the agency under Section 12 (1)
- g. no disciplinary action was taken out against any officer in respect of the administration of this Act
- h. no 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 2017-18, 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 2017-18 financial year.

National Competition Policy compliance

Cardinia Shire Council has complied with the requirements of the National Competition Policy for the period 1 July 2017 to 30 June 2018.

Current Local Laws

As at 30 June 2018, Council had two principal Local Laws in operation.

Local Law No 8 Meeting procedure local law

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

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

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

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

Development contribution plans (DCPs)

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

Development contributions are divided into four groups:

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

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

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

Total DCP levies received in 2017–18

DCP name (Year approved)	Levies received in 2017–18 FY (\$)
Pakenham DCP (1997)	\$753,674
Cardinia Road DCP (2008)	\$5,310,653
Officer DCP (2011)	\$9,064,470
Total	\$15,128,797

DCP land, works, services or facilities accepted in-kind in 2017–18

DCP reference	Project description and item purpose	Developed by	Project value (approx. \$)
Cardinia Road DCP (2008)			
DI_TR_06	Construction of 2.5m Path along creek and bypass Watergrass Estate	Trinity Mews P/L	\$41,335
DI_TR_14	Construction of 3m Path along creek and bypass Watergrass Estate	Trinity Mews P/L	\$102,161
DI_TR_04	Construction of 117m footpath in front of 705 Princess Highway	Duran Investment	\$30,825
DI_LA_07	Acquisition of land for construction of Kenneth Rd, Worthington Estate Stage 7a	Baycrown P/L	\$137,366
DI_RO_11	Construction of 975m Kenneth Rd, Worthington Estate Stage 7a	Baycrown P/L	\$309,538
DI_RO_08a	Construction of 252m Bridge Rd, Satterley NH1	Satterley (NH1)	\$416,617
DI_RO_08b	Construction of 700m Bridge Rd between Gum Scrub Creek and Sandy Rd, Satterley NH1	Satterley (NH1)	\$648,072
DI_OS_02b	Improvement of local park-Arcadia Estate - Stage 4 Reserve	Satterley (NH1)	\$155,270
Officer DCP (2011)			
DI_RO_06a	Upgrade to Bayview Rd, 20m cross section with parking on both sides, Potters Northside, Stage 4	ID-FLK Bayview Rd P/L	\$366,309
DI-RO-LA29b (part)	Acquisition of land for construction of Pink Hill Blvd 13,104m ² Heritage Rise 1,2,3b & The Rise Stage 3	Wellington Factor & Arcadia Land Co.	\$538,483
DI_RO_LA33 (part)	Acquisition of land for construction of Iceberg Road 4,623m ² , Beaconsfield Roses Stage 5-6	Banriar Investment	\$378,394
DI_TM_11 (part)	Partial Roundabout construction of Brunt Rd & Rix Rd Beaconsfield Roses Stage 4	Banriar Investment	\$19,586
DI_RO_12 (part)	Partial construction of Rix Road shared path and parking bays on the south side Beaconsfield Stage 4&5	Banriar Investment & Global Wealth Residential Property Group	\$852,995

DCP land, works, services or facilities accepted in-kind in 2017-18 (cont.)

DCP reference	Project description and item purpose	Developed by	Project value (approx. \$)
Officer DCP (2011)			
DI_RO_13 (part)	Partial construction of Iceberg Road Beaconsfield Roses Stage 5 & 6	Banriar Investment	\$644,075
DI_RO_LA39 (PS738353 R2)	Acquisition of land for construction of North South Arterial 2.28ha, Siding South Estate - Stage 2	Tynong Pastoral	\$1,859,052
DI_RO_LA32 (PS735728X R2)	Acquisition of land for Grade Separated Rail Crossing at Brunt Rd, 3,000m2, Savannah Stage 2	Galileo Officer	\$145,013
DI_OS_06a	Improvement of Playground - Dobson Rd Reserve, Savannah Estate-Stage 2	Galileo Officer	\$101,107
DI_RO_03b	Construction of 180m Timbertop Blvd, Heathfield Estate - Stage 1	Sweet Property Group	\$635,721
DI_RO_06c	Construction of 137m Bayview Rd, Heathfield Estate - Stage 1 & 2	Sweet Property Group	\$325,633
DI_RO_LA30a	Acquisition of land for construction of Timbertop Blvd 6,800m2, Heathfield Stage 1	Sweet Property Group	\$750,000
DI_TM_05	Construction of 137m footpath 24 Tivendale Rd	AGTC Property Group	\$20,892
DI_RO_02b	Construction of 136m Pink Hill Blvd, Heritage Rise Estate - Stage 2	Wellington Factor P/L	\$482,416
DI_TM_20	Siding Avenue, Officer	Development Victoria	\$262,395
DI_TM_LA30 (left bottom) (PS743600F R1)	Acquisition of 242m2 land for construction of left bottom part of Rix Rd Brunt Rd intersection	Global Wealth	\$23,999
DI_TM_09(part)	Construction of Pink Hill Boulevard (Whiteside Rd Intersection) Eastern Leg 51m	Wellington Factor P/L	\$180,013
Total			\$9,427,266

Land, works, services or facilities delivered in 2017–18 from DCP levies collected

Project description	Project ID	DCP name (Year approved)	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
Construction of Sports Reserve-Gum Scrub Creek Reserve (Heatherbrae)	CI-OS-1 DI-OS-10	Cardinia Road DCP (2008)	\$68,941				\$6,287,943	98%
District sports reserve Henry Rd - James Bathe Recreation Reserve	CI_OS_2 DI-OS-11	Cardinia Road DCP (2008)	\$252,604			\$705,000 Grant	\$1,089,484	11%
Comely Banks (Henry Rd West) Recreation Reserve	DI-OS-12	Cardinia Road DCP (2008)	\$6,300				\$6,300	1%
North Princes Highway Parkland - Rehabilitation and Conservation Stage 1-Master plan design	DI-OS-8a	Cardinia Road DCP (2008)	\$7,540				\$69,534	85%
Construction of Community Centre - Maternal Child Health and Kindergarten-Arena Child and Family Centre	DI-CF-5	Cardinia Road DCP (2008)				\$3,560 Grant	\$2,216,819	99%
Bridge Rd Duplication (Card Rd to Verdent Ave only)	DI-RO-8a	Cardinia Road DCP (2008)	\$23,710				\$23,710	4%
Construction of Bridgewood Integrated Children's Facility (Officer)	DI-CF-03	Cardinia Road DCP (2008)	\$2,616,707				\$2,631,078	95%
Construction of a footpath along Princes Highway outside of Prominence Estate, 1.17% of total project cost	DI-TM-03 (part)	Cardinia Road DCP (2008)	\$30,846				\$30,846	65%

Land, works, services or facilities delivered in 2017–18 from DCP levies collected (cont.)

Project description	Project ID	DCP name (Year approved)	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
Signalised intersection – Princes Highway and North South Collector Road-Arena Parade design	DI-RO-15	Cardinia Road DCP (2008)	\$5,156				\$5,156	5%
Signalised intersection – Princes Highway and Thewlis Road-Thewlis Rd design	DI-RO-17	Cardinia Road DCP (2008)	\$4,775				\$4,775	5%
Construction of Path along Princes Highway	DI-TR-04 (part)	Cardinia Road DCP (2008)	\$30,825				\$30,825	100%
Land acquisition for Gin Gin Bin Recreation Reserve	DI-OS-LA07	Officer DCP (2011)	\$4,150,544				\$4,611,464	58%
Land acquisition for Signalised Intersection at Brunt Road/ Princes Highway/ Whiteside Road	DI-TM-LA25	Officer DCP (2011)	\$87,477				\$97,197	100%
Land acquisition for roundabout at Brunt Road/ Access Street	DI-TM-LA29	Officer DCP (2011)	\$163,077				\$181,196	100%
Land acquisition for Brunt Road widening	DI-RO-LA31a	Officer DCP (2011)	\$329,411				\$366,012	100%
Land acquisition for Grade Separated Rail crossing	DI-RO-LA32	Officer DCP (2011)	\$736,511				\$818,346	100%
Land acquisition for Local Access Street – Level 2 standard	DI-RO-LA34	Officer DCP (2011)	\$482,790				\$536,433	100%
Gin Gin Bin Recreation Reserve (Brunt Road Officer) – Master plan design	DI_OS_01a DI_OS_01b (part)	Officer DCP (2011)	\$47,471				\$47,471	47%

Land, works, services or facilities delivered in 2017–18 from DCP levies collected (cont.)

Project description	Project ID	DCP name (Year approved)	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
Kenilworth Avenue, 900m – design works	DI_RO_11b (part)	Officer DCP (2011)	\$33,750				\$33,750	100%
Princes Hwy intersections Princes Hwy/ Whiteside Road and Brunt Road-Design	DI_TM_02 (design)	Officer DCP (2011)	\$21,458				\$21,458	7%
Princes Hwy intersections Princes Hwy/ Tivendale Road/ Station St-Design	DI_TM_05 (design)	Officer DCP (2011)	\$15,046				\$15,046	7%
Princes Hwy intersections Princes Hwy Bayview Road/ North South Arterial-Design	DI_TM_04 (design)	Officer DCP (2011)	\$24,550				\$24,550	7%
Princes Hwy intersections Old Princes Highway and O'Neill Road-Design	DI_TM_01 (design)	Officer DCP (2011)	\$8,771				\$8,771	7%
Princes Hwy intersections Princes Hwy/ Town Centre Loop Road/McMullen Road.-Design	DI_TM_07 (design)	Officer DCP (2011)	\$14,175				\$14,175	7%
Total			\$9,162,436			\$708,560	\$19,172,338	

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Description of municipality

Cardinia Shire is one of the fastest growing local government areas in Victoria with an average of five families moving into the area every day. As of 2018, Cardinia Shire's estimated population is 109,043 and is expected to increase by approximately 56,000 over the next 10 years.

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

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

Sustainable capacity indicators

	Indicator	2015	2016	2017	2018	Material variation
Population	<i>Expenses per head of municipal population</i> [Total expenses/ Municipal population]	\$1,155.11	\$1,084.60	\$1,066.38	\$1,037.72	
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure/ Municipal population]	\$6,916.71	\$7,213.50	\$7,754.53	\$7,933.85	
	<i>Population density per length of road</i> [Municipal population/kilometres of local roads]	58.36	60.11	62.62	66.05	
Own-source revenue	<i>Own-source revenue per head of municipal population</i> [Own-source revenue/ Municipal population]	\$924.83	\$1,000.97	\$1,009.42	\$959.62	
Recurrent grants	<i>Recurrent grants per head of municipal population</i> [Recurrent grants/ Municipal population]	\$276.40	\$120.82	\$211.98	\$163.54	Variance is due to a decrease in recurrent operating and capital grants due to timing of Victoria Grants Commission (VGC) payments, together with an increase in municipal population.

	Indicator	2015	2016	2017	2018	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	

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 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	2015	2016	2017	2018	Material variation
Aquatic facilities	Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/Municipal population]	9.78	9.73	6.26	7.06	Door counting software was implemented in 2017 which provided more accurate utilisation data. Membership growth has been a catalyst for the increase in 2018.
Animal management	Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	15	22	26	26	Adoption of the Enforcement Policy provided clear process of enforcement and there has also been an increase in animals moving into the municipality.
Food safety	Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100%	100%	100%	100%	

Service	Indicator	2015	2016	2017	2018	Material variation
Governance	Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	54	54	53	53	
Libraries	Participation <i>Active library members</i> [Number of active library members/Municipal population] x100	14.51%	13.48%	12.44%	11.34%	Cardinia is in the fast growing South East corridor. While the number of members borrowing in the reporting period is holding steady, the population is growing quickly, so the overall percentage is in decline. CCL are exploring extensions to opening hours, and a range of outreach activities to continue to grow membership, and visitation. Note, this indicator does not include members who use the library to borrow digital items, or use other services which are increasingly popular with young people, CALD members and professionals.
Maternal and Child Health (MCH)	Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x100	76.76%	75.34%	74.52%	76.14%	

Service	Indicator	2015	2016	2017	2018	Material variation
	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	72.78%	69.83%	71.86%	69.38%	
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]	55	57	54	55	
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	77.78%	66.67%	50.00%	33.33%	A number of applications heard at VCAT has seen the Responsible Authorities decisions overturned due to inconsistency with decisions made in line with the Planning Scheme.

Service	Indicator	2015	2016	2017	2018	Material variation
Waste collection	Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100	46.24%	46.05%	47.00%	47.62%	

Definitions

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

Financial performance indicators

Indicator	Result				Forecasts				Material variation
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue/Number of residential property assessments]	\$1,684.24	\$1,789.39	\$1,800.99	\$1,835.05	\$1,810.87	\$1,813.19	\$1,816.84	\$1,857.72	
Expenditure level <i>Expenses per property assessment</i> [Total expenses/Number of property assessments]	\$2,644.84	\$2,503.48	\$2,456.66	\$2,457.96	\$2,473.33	\$2,457.48	\$2,433.30	\$2,423.84	
Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations/Average number of permanent staff for the financial year] x100	17.65%	10.83%	10.50%	13.25%	12.70%	11.84%	12.31%	12.50%	There were additional resignations of both permanent and fixed term staff compared to previous years based on staff leaving to seek higher salaries and closer to home workplaces. There were a small number of redundancies and performance based terminations.

Indicator	Result				Forecasts				Material variation
	2015	2016	2017	2018	2019	2020	2021	2022	
Liquidity									
Working capital <i>Current assets compared to current liabilities</i> [Current assets/Current liabilities] x100	198.29%	239.28%	291.58%	350.97%	148.75%	153.08%	142.58%	135.45%	Current assets have increased due to higher Council and Developer Contribution Plan (DCP) cash and investment balances. Current liabilities have remained relatively stable. The decrease in forecast years is due to lower cash and investment balances as funds are drawn for DCP and other projects.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash/Current liabilities] x100	83.06%	94.59%	48.04%	-8.79%	36.36%	87.50%	78.91%	69.77%	Unrestricted cash has reduced primarily due to an increase in estimated capital carry-forwards to 2018-19 and an increase in the balance of Public Open Space reserves. Note that the balance of other financial assets, which are term deposits which mature in over 90 days, has increased from 2016-17. Current liabilities have remained relatively stable.
Obligations									
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense/Asset depreciation] x100	44.87%	45.06%	31.54%	47.58%	46.66%	43.48%	52.20%	51.05%	Asset renewals have increased due to the nature of capital works projects completed this financial year. Also, depreciation expense has increased as a result of the inclusion of new and contributed assets and revaluation of existing assets.

Indicator	Result				Forecasts				Material variation
	2015	2016	2017	2018	2019	2020	2021	2022	
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings/Rate revenue] x100	90.69%	70.73%	59.72%	49.51%	87.95%	80.80%	74.54%	68.79%	The balance of loans and borrowings has decreased due to the repayment of existing loans as due and the budgeted 2017-18 loan not being drawn down. The increase in the forecast period is due to an additional \$20m loan being budgeted in 2018-19 specifically for a roads sealing program.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings/Rate revenue] x100	17.05%	18.25%	10.49%	10.13%	12.37%	11.99%	11.05%	10.78%	Decrease in measure in 2016-17 is due to lower loan balances resulting in lower loan repayments, and an increase in rate income.
Indebtedness <i>Non-current liabilities compared to own-source revenue</i> [Non-current liabilities/Own-source revenue] x100	71.25%	61.34%	58.21%	49.21%	73.41%	67.73%	62.48%	58.16%	Variance is due to a decrease in non-current liabilities and an increase in own source revenue.
Operating position									
Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/Adjusted underlying revenue] x100	4.29%	3.88%	13.09%	7.94%	1.21%	0.65%	0.82%	0.76%	Adjusted underlying surplus has decreased in 2017-18 due to a lower total surplus together with a higher value of adjustments. Decrease over forecast period is due to trend of reducing surpluses over the period.

Indicator	Result				Forecasts				Material variation
	2015	2016	2017	2018	2019	2020	2021	2022	
Stability									
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue/Adjusted underlying revenue] x100	65.14%	72.34%	67.20%	72.85%	77.77%	78.78%	79.36%	79.56%	
Rates effort <i>Rates compared to property values</i> [Rate revenue/Capital improved value of rateable properties in the municipality] x100	0.42%	0.44%	0.42%	0.43%	0.39%	0.39%	0.36%	0.36%	

Definitions

- “adjusted underlying revenue” means total income other than:
 - a. non-recurrent grants used to fund capital expenditure; and
 - b. non-monetary asset contributions; and
 - c. contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b).
- “adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure.
- “asset renewal expense” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
- “current assets” has the same meaning as in the Australian Accounting Standard (AAS).
- “current liabilities” has the same meaning as in the AAS.
- “non-current assets” means all assets other than current assets.
- “non-current liabilities” means all liabilities other than current liabilities.
- “non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's strategic resource plan.

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

Other information

For the year ended 30 June 2018.

Basis of preparation

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

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

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

The forecast figures included in the Performance Statement are those adopted by Council in its strategic resource plan on 21 May 2018 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the Annual Financial Report. The strategic resource plan can be obtained by contacting Council on 1300 787 624 or mail@cardinia.vic.gov.au

Certification of the performance statement

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



Helen De La Plaza
Team Leader Finance
Dated: 17 September 2018

In our opinion, the accompanying performance statement of the Cardinia Shire Council for the year ended 30 June 2018 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

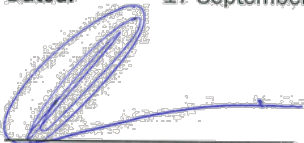
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

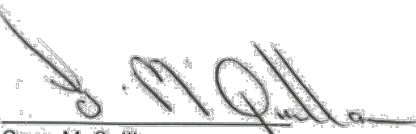
We have been authorised by the Council and the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



Leticia Wilmot
Councillor
Dated: 17 September 2018



Brett Owen
Councillor
Dated: 17 September 2018



Garry McQuillan
Chief Executive Officer
Dated: 17 September 2018

Independent Auditor's Report

To the Councillors of Cardinia Shire Council

Opinion	<p>I have audited the accompanying performance statement of Cardinia Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Cardinia Shire Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

Level 31 / 35 Collins Street, Melbourne Vic 3000
 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

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

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

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

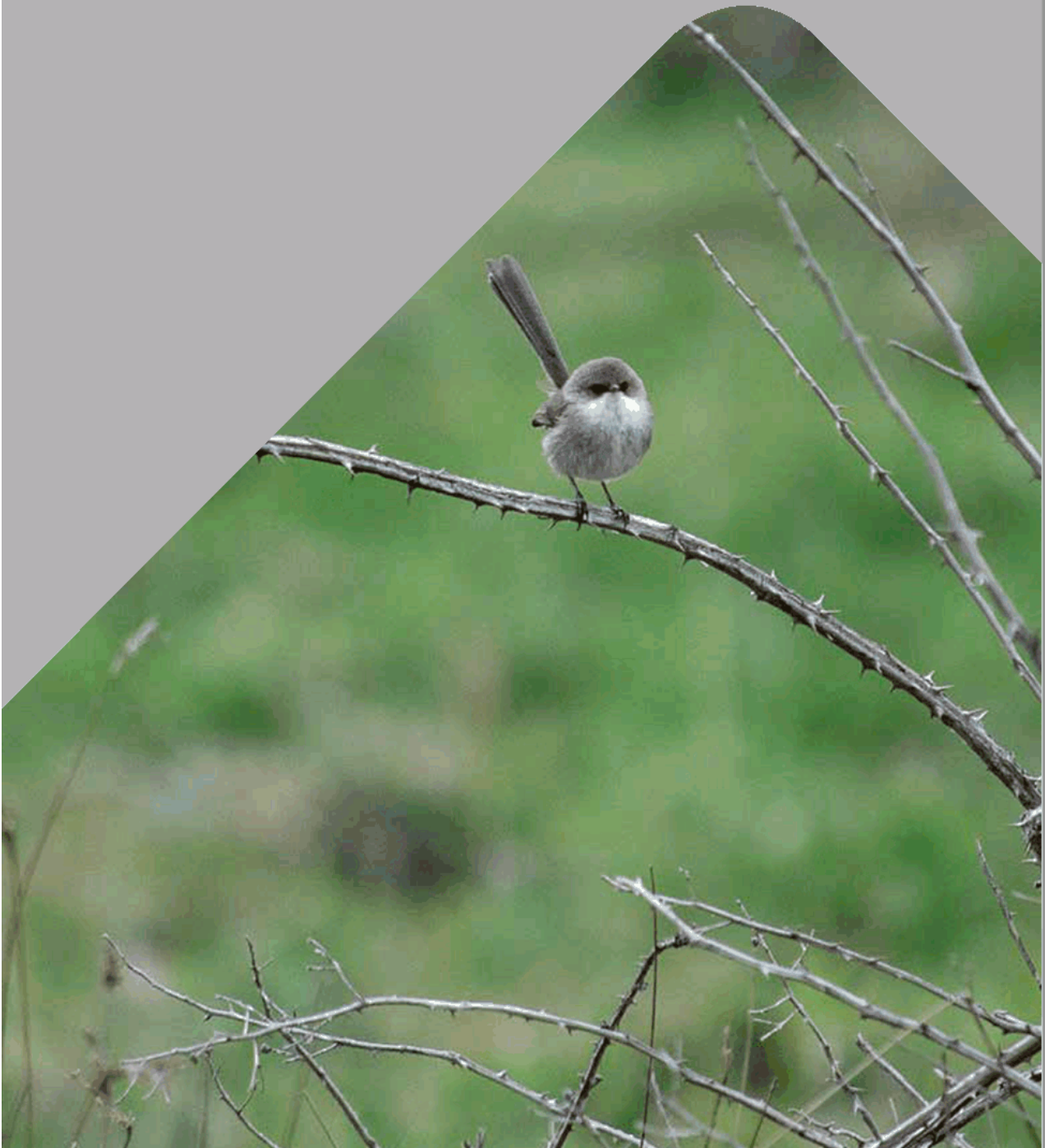
I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
18 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

Financial statements

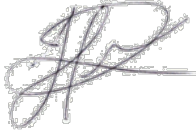


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Certification of the Financial Statements

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



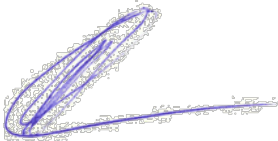
Helen De La Plaza - CPA
Finance Team Leader

Date: 17 September 2018
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 2018 and the financial position of the Council as at that date.

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

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



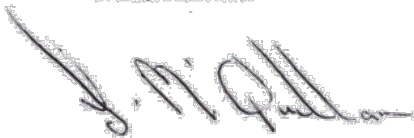
Brett Owen
Deputy Mayor

Date: 17 September 2018
20 Siding Avenue, Officer



Leticia Wilmot
Councillor

Date: 17 September 2018
20 Siding Avenue, Officer



Garry McQuinn
Chief Executive Officer

Date: 17 September 2018
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 2018 • 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 • 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 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
18 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

**Comprehensive Income Statement
For the Year Ended 30 June 2018**

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	84,181	79,147
Statutory fees and fines	2.2	4,638	4,583
User fees	2.3	3,532	2,844
Grants - operating	2.4	13,662	17,164
Grants - capital	2.4	11,123	9,544
Contributions - monetary	2.5	30,787	30,596
Contributions - non monetary	2.5	40,438	51,587
Net gain on asset revaluation	2.6	329	1,961
Net gain on disposal of property, infrastructure, plant and equipment	2.6	-	3,693
Share of net gain of associates	5.2	-	5
Other income	2.7	5,696	4,663
Total income		194,386	205,787
Expenses			
Employee costs	3.1	(33,481)	(32,074)
Materials and services	3.2	(45,242)	(44,434)
Bad and doubtful debts	3.4	(561)	(161)
Depreciation and amortisation	3.3	(20,847)	(19,681)
Borrowing costs	3.5	(2,937)	(3,279)
Contributions - monetary	2.5	-	(7,794)
Contributions - non monetary	2.5	(860)	(5,918)
Net loss on disposal of property, infrastructure, plant and equipment	2.6	(1,441)	-
Share of net loss of associates	5.2	(62)	-
Other expenses	3.6	(1,812)	(2,735)
Total expenses		(107,243)	(116,076)
Surplus for the year		87,143	89,711
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	5.1	133,444	100,990
Total comprehensive result		220,587	190,701

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

**Balance Sheet
As at 30 June 2018**

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	57,811	63,199
Trade and other receivables	4.1	21,047	22,670
Other financial assets	4.1	51,500	28,000
Inventories	4.2	26	5
Other assets	4.2	1,773	2,331
Total current assets		132,157	116,205
Non-current assets			
Trade and other receivables	4.1	11,483	5,671
Investments in associates	5.2	1,534	1,596
Property, infrastructure, plant and equipment	5.1	1,473,920	1,148,685
Intangible assets	4.2	587	638
Total non-current assets		1,487,524	1,156,590
Total assets		1,619,681	1,272,795
Liabilities			
Current liabilities			
Trade and other payables	4.3	15,264	17,174
Trust funds and deposits	4.3	11,060	11,332
Provisions	4.5	6,817	6,347
Interest bearing liabilities	4.4	4,514	5,001
Total current liabilities		37,655	39,854
Non-current liabilities			
Trade and other payables	4.3	10,261	12,896
Provisions	4.5	990	1,245
Interest bearing liabilities	4.4	37,164	42,265
Total non-current liabilities		48,415	56,406
Total liabilities		86,070	96,260
Net assets		1,533,611	1,176,535
Equity			
Accumulated surplus		921,967	707,400
Reserves	8.1	611,644	469,135
Total Equity		1,533,611	1,176,535

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

**Statement of Changes in Equity
For the Year Ended 30 June 2018**

2018	Note	Accumulated		Revaluation	Other
		Total \$'000	Surplus \$'000	Reserve \$'000	Reserves \$'000
Balance at beginning of the financial year		1,176,535	707,400	418,930	50,205
Other adjustments to opening balances	8.1(c)	1,922	1,922	-	-
Recognition of land under roads prior to 1 July 2008	8.1(c)	134,567	134,567	-	-
Surplus for the year		87,143	87,143	-	-
Net asset revaluation increment	8.1(a)	133,444	-	133,444	-
Transfers to other reserves	8.1(b)	-	(20,098)	-	20,098
Transfers from other reserves	8.1(b)	-	11,033	-	(11,033)
Balance at end of the financial year		1,533,611	921,967	552,374	59,270

2017	Note	Accumulated		Revaluation	Other
		Total \$'000	Surplus \$'000	Reserve \$'000	Reserves \$'000
Balance at beginning of the financial year	8.1(c)	984,150	630,326	317,940	35,884
Other adjustments to opening balances		1,684	1,684	-	-
Surplus for the year		89,711	89,711	-	-
Net asset revaluation increment	8.1(a)	100,990	-	100,990	-
Transfers to other reserves	8.1(b)	-	(28,748)	-	28,748
Transfers from other reserves	8.1(b)	-	14,427	-	(14,427)
Balance at end of the financial year		1,176,535	707,400	418,930	50,205

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

**Statement of Cash Flows
For the Year Ended 30 June 2018**

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		83,511	78,108
Statutory fees and fines		5,162	4,908
User fees		3,648	3,924
Grants - operating		14,052	16,789
Grants - capital		9,836	9,533
Contributions - monetary		17,104	23,075
Interest received		2,005	1,362
Trust funds and deposits taken		6,720	6,869
Other receipts		3,717	3,485
Net GST refund/payment		6,061	5,439
Employee costs		(33,143)	(32,020)
Materials and services		(53,301)	(55,106)
Trust funds and deposits repaid		(6,993)	(5,361)
Net cash provided by operating activities	8.2	<u>58,379</u>	<u>61,005</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	5.1	(39,023)	(23,634)
Proceeds from sale of property, infrastructure, plant and equipment		7,280	10,823
Payments for investments		(23,500)	(18,000)
Proceeds from sale of investments		-	13,501
Net cash used in investing activities		<u>(55,243)</u>	<u>(17,310)</u>
Cash flows from financing activities			
Finance costs		(2,937)	(3,279)
Repayment of borrowings		(5,587)	(5,020)
Net cash provided by/(used in) financing activities		<u>(8,524)</u>	<u>(8,299)</u>
Net increase in cash and cash equivalents		(5,388)	35,396
Cash and cash equivalents at the beginning of the financial year		63,199	27,803
Cash and cash equivalents at the end of the financial year	4.1	<u>57,811</u>	<u>63,199</u>
Financing arrangements	4.6		
Restrictions on cash assets	4.1		

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

**Statement of Capital Works
For the Year Ended 30 June 2018**

	Note	2018 \$'000	2017 \$'000
Property			
Land		6,445	5,451
Total land		6,445	5,451
Buildings			
Buildings		5,726	6,673
Heritage Buildings		-	22
Building improvements		76	83
Leasehold improvements		3,753	-
Total buildings		9,555	6,778
Total property		16,000	12,229
Plant and equipment			
Plant, machinery and equipment		1,752	1,013
Fixtures, fittings and furniture		-	19
Computers and telecommunications		245	21
Intangible assets		161	165
Total plant and equipment		2,158	1,218
Infrastructure			
Roads		6,026	2,512
Bridges		383	1,324
Footpaths and cycleways		3,064	1,177
Drainage		650	1,319
Recreational, leisure and community facilities		11,927	2,837
Parks, open space and streetscapes		-	207
Off street car parks		292	293
Other infrastructure		11	438
Total infrastructure		22,353	10,107
Total capital works expenditure		40,511	23,554
Represented by:			
New asset expenditure		26,488	14,050
Asset renewal expenditure		9,919	6,207
Asset upgrade expenditure		4,104	3,297
Total capital works expenditure	5.1	40,511	23,554

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

OVERVIEW

Introduction

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

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of employee provisions (refer to Note 4.5)

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.

Note 1 Performance against budget

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

The budget figures detailed below are those adopted by Council on 29 May 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Income				
Rates and charges	81,764	84,181	2,417	1
Statutory fees and fines	4,227	4,638	411	
User fees	2,878	3,532	655	2
Grants - operating	11,928	13,662	1,734	3
Grants - capital	6,770	11,123	4,353	4
Contributions - monetary	1,010	30,787	29,777	5
Contributions - non monetary	-	40,438	40,438	6
Net gain on asset revaluation	-	329	329	
Other income	3,468	5,696	2,228	7
Total income	112,045	194,386	82,341	
Expenses				
Employee costs	34,025	33,481	544	8
Materials and services	42,540	45,242	(2,702)	9
Bad and doubtful debts	176	561	(385)	10
Depreciation and amortisation	21,843	20,847	996	11
Borrowing costs	3,402	2,937	465	12
Contributions - non monetary	-	860	(860)	13
Share of net losses of associates and joint ventures	-	62	(62)	
Net loss on disposal of property, infrastructure, plant and equipment	-	1,441	(1,441)	14
Other expenses	2,395	1,812	583	15
Total expenses	104,381	107,243	(2,862)	
Surplus for the year	7,664	87,143	79,480	

(i) Explanation of material variations

Ref	Item	Explanation
1	Rates and charges	Rates, including supplementary rates, are better than budget due to an increase in the number of rateable properties. Income from the garbage charge is better than budget due to an increase in the number of new services.
2	User fees	Favourable variance is primarily due to Rental Property rent income which is better than budget mainly due to the accounting treatment required to recognise rent income from Pakenham Health Hub. Section 86 committee income recognised is higher due to an overall increase in committee revenue, and asset protection permit fees are higher due to a higher number of applications.
3	Grants - operating	Budgeted operating grants are better than budget. The Victoria Grants Commission general purpose and local roads operating grants are better than budget, and other budgeted grants were better than budget primarily due to the Maternal & Child Health and Supported Parent Groups & Playgroups grants. Additionally, unbudgeted grants have been recognised, the major two being for the VicHealth Diversity program and recycling services temporary relief funding.
4	Grants - capital	Actual grants received are better than budget due to increased Roads to Recovery funding of \$0.8m. Additionally, unbudgeted grants totalling \$6.270m have been received, with \$5.0m of this from the State Government's Growing Suburbs Fund for the Cardinia Cultural Centre, Emerald Community Hub and James Bathe Recreation Reserve projects.
5	Contributions - monetary	Monetary contributions include operating and capital cash contributions as well as development levies. The favourable variance is primarily a result of recognition of special charge scheme contributions for a scheme in Pakenham, and better than budgeted community infrastructure, developer and public open space levies, due to an increase in development activity.
6	Contributions - non monetary (income)	This item was not budgeted. The actual income relates to the value of roads, footpaths, drains, bridges, land and land under roads contributed by developers.
7	Other income	Interest on investments, including Developer Contribution Plan (DCP) investments, are better than budget due to higher investment balances. Cost recovery income, being income received for expenditure incurred, is overall higher due to receipt of unbudgeted income. This revenue has been partially offset as a result of a decrease in recycling processing income due to changes within the recycling industry.
8	Employee costs	Favourable variance is mainly due to salaries and oncosts which are under budget as a result of various vacant positions for within the organisation during the year. Additionally, year-end adjustments to employee provisions have had a favourable impact.
9	Materials and services	Materials and services are over budget due to funded capital works, including community capital works and priority works, being expensed due to not meeting the financial criteria to be recognised as assets.
10	Bad and doubtful debts	Unfavourable variance is as result of an increase in the provision for doubtful debts being more than anticipated.
11	Depreciation and amortisation	Depreciation expense is under budget due to asphalt issues which caused a delay in developer contributions and revaluation increases being lower than anticipated.
12	Borrowing costs	Interest on loans are under budget due to the 2017/18 budgeted loan not being drawn down and repayment of other loans when due.
13	Contributions - non monetary	This item was not budgeted. The expense relates to non-cash credits to developers for providing more open space they were required to under the relevant agreements.
14	Net loss on disposal of property, infrastructure, plant and equipment	Unfavourable variance is mainly attributable to the accounting recognition of old infrastructure assets such as roads and bridges being disposed of due to the capital works undertaken during the year.
15	Other expenses	Other expenses are under budget due to under expenditure in areas such as the lease of printers and rent of temporary buildings.

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Property				
Land	2,000	6,445	4,445	1
Total Land	2,000	6,445	4,445	
Buildings				
Buildings	1,413	5,726	4,313	
Building improvements	-	76	76	
Leasehold improvements	-	3,753	3,753	
Total Buildings	1,413	9,555	8,142	2
Total Property	3,413	16,000	12,587	
Plant and Equipment				
Plant, machinery and equipment	2,070	1,752	(318)	3
Computers and telecommunications	410	245	(165)	4
Intangible assets	-	161	161	5
Total Plant and Equipment	2,480	2,158	(322)	
Infrastructure				
Roads	4,900	6,026	1,126	6
Bridges	700	383	(317)	7
Footpaths and cycleways	2,375	3,064	689	8
Drainage	400	650	250	9
Recreational, leisure and community facilities	22,393	11,927	(10,466)	10
Parks, open space and streetscapes	7,595	-	(7,595)	11
Off street car parks	88	292	204	12
Other infrastructure	520	11	(509)	13
Total Infrastructure	38,971	22,353	(16,618)	
Total Capital Works Expenditure	44,864	40,511	(4,353)	
Represented by:				
New asset expenditure	21,491	26,488	4,997	14
Asset renewal expenditure	11,457	9,919	(1,538)	15
Asset upgrade expenditure	11,916	4,104	(7,812)	16
Total Capital Works Expenditure	44,864	40,511	(4,353)	

(i) Explanation of material variations

Ref	Item	Explanation
1	Land	Acquisition of land for future development in Brunt Road Officer.
2	Buildings	Actual expenditure includes building works at Purton Road Depot and Emerald Community Hub which were budgeted in previous years, works for the Pakenham Kindergarten redevelopment which is partially grant funded and works at Deep Creek reserve originally budgeted as parks, open space and streetscapes. Leasehold improvement works were recognised in the current year for Bridgewood Integrated Child and Family Centre and works.
3	Plant, machinery and equipment	Purchases postponed due to a review of requirements.
4	Computers and telecommunications	Major item budgeted in this category has been expended on software and capitalised as intangible assets.
5	Intangible assets	Various software purchases budgeted in computer and telecommunications including a new Event Management system.
6	Roads	Expenditure primarily related to additional pavement renewals undertaken due to additional roads to recovery grant funding received.
7	Bridges	Major item of expenditure is for Bunyip - Modella Road Bridge. Jolley Road bridge is to be completed next year.
8	Footpaths	Actual expenditure includes works on the Emerald to Gembrook trail budgeted in the prior year.
9	Drainage	Actual expenditure includes emergency works at Emerald Lake Park which were not budgeted.
10	Recreational, leisure and community facilities	Major items budgeted in this category include Cardinia Cultural Centre Exhibition Space, James Bathe Recreation Reserve, Bridgewood Childrens Facility and Lang Lang Recreational Facility. The main item of expenditure in this category is for Lang Lang Recreational Facility.
11	Parks, open space and streetscapes	Major item budgeted in this category is Deep Creek Reserve which is currently under budget and has been expended in other areas including Buildings and Recreational, leisure and community facilities.
12	Off street car parks	Actual expenditure includes works on the Holm Park Rd Car Park Sealing which was budgeted under Recreational, leisure and community facilities.
13	Other infrastructure	Major item budgeted includes Environmental Projects which has been expended in Buildings, and other minor projects not capitalised due to capitalisation thresholds.
14	New asset expenditure	Actual expenditure includes acquisition of land for future development in Brunt Road Officer.
15	Asset renewal expenditure	Asset renewal projects are under budget, with the major variances being for the plant replacement, bridges replacement/upgrade and footpath replacements not capitalised due to capitalisation thresholds.
16	Asset upgrade expenditure	Asset upgrade projects are under budget, the major variance being for the Cardinia Cultural Centre Exhibition Space which is currently behind schedule.

	2018	2017
	\$'000	\$'000
Note 2 Funding for the delivery of our services		
2.1 Rates and charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the market value as determined by the Municipal Valuer as at 1 January 2016.		
The valuation base used to calculate general rates for 2017/18 was \$19,011 million (2016/17 \$18,719 million). The 2017/18 rate in the CIV dollar was 0.003431 (2016/17, 0.003364).		
General Rates	70,824	66,155
Waste management charge	11,689	11,078
Supplementary rates and rate adjustments	1,203	1,636
Cultural and recreational	101	99
Interest on rates and charges	364	179
Total rates and charges	84,181	79,147

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.

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.

2.2 Statutory fees and fines		
Infringements and costs	1,329	1,192
Town planning fees	1,477	1,743
Land information certificates	147	116
Permits	1,685	1,532
Total statutory fees and fines	4,638	4,583

Statutory 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.

2.3 User fees		
Aged and health services	48	49
Leisure centre and recreation	1,653	1,557
Child care/children's programs	341	225
Parking	87	81
Registration and other permits	684	506
Building services	264	252
Other fees and charges	455	174
Total user fees	3,532	2,844

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

	2018	2017
	\$'000	\$'000
2.4 Funding from other levels of government		
Grants were received in respect of the following		
Summary of grants		
Commonwealth funded grants	14,307	17,626
State funded grants	10,478	9,082
Total grants received	24,785	26,708
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grant	10,471	14,293
Community Health	60	104
Family and children	2	-
Other	-	15
Recurrent - State Government		
School crossing supervisors	331	229
Maternal and child health	1,305	1,206
Recreation	73	73
Community safety	104	95
Best Start Program	116	114
Community Health	174	229
Disability	152	145
Emergency Management	30	30
Environment and Heritage	320	227
Family and children	406	227
Local infrastructure	118	64
Other	-	113
Total recurrent operating grants	13,662	17,164

	2018	2017
	\$'000	\$'000
2.4 Grants (cont'd)		
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grant	761	1,084
Roads to recovery	2,342	2,100
<i>Total recurrent capital grants</i>	3,103	3,184
<i>Non-recurrent - Commonwealth Government</i>		
Local infrastructure	421	30
Recreation	250	-
<i>Non-recurrent - State Government</i>		
Local infrastructure	6,192	5,427
Recreation	1,157	903
<i>Total non-recurrent capital grants</i>	8,020	6,360
<i>Total capital grants</i>	11,123	9,544
<i>Total</i>	24,785	26,708
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	7,228	4,221
Received during the financial year and remained unspent at balance date	4,200	5,161
Received in prior years and spent during the financial year	(4,879)	(2,154)
Balance at year end	6,549	7,228

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

	2018	2017
	\$'000	\$'000
2.5 Contributions		
Contributions Income		
Monetary	30,787	30,596
Non-monetary	40,438	51,587
Total contributions	71,225	82,183
<i>Contributions of non-monetary assets were received in relation to the following asset classes.</i>		
Land	10,784	23,856
Building	150	595
Roads	13,042	14,570
Other infrastructure	14,482	17,539
Other	10	125
Total non-monetary contributed assets recognised this year	38,468	56,685

The difference between the value of contributed assets recognised in Property, Plant and Equipment, and non-monetary contributions income recognised in the year is due to differences in the date when Council physically gains control of the non-monetary assets, and when the Income is recognised.

Contributions Expenses

Monetary	-	7,794
Non-monetary	860	5,918
Total contributions	860	13,712

Non-monetary contributions expense for 2017/18 is for the Officer Public Open Space equalisation amount.

In 2016/17 monetary and non-monetary contributions collected from developers for projects on VicRoads land have been handed over to VicRoads.

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

Land	860	876
Roads	-	5,042
Total non-monetary contributions expenses	860	5,918

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

2.6 (a) Net gain / (loss) on disposal of property, infrastructure, plant and equipment

Net Proceeds received by Council	2,032	18,155
Write down value of assets disposed	(3,473)	(14,462)
Total net gain / (loss) on disposal of property, infrastructure, plant and equipment	(1,441)	3,693

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

(b) Net gain on asset revaluation

Roads	246	2,788
Off street car parks	83	(827)
Total net gain on asset revaluation	329	1,961

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

2.7 Other income

Interest	2,124	1,475
Other recoveries	2,726	2,288
Other	846	900
Total other income	5,696	4,663

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.

	2018	2017
	\$'000	\$'000
Note 3 The cost of delivering services		
3.1 (a) Employee Costs		
Wages and salaries	29,432	27,993
WorkCover	525	368
Casual Staff	540	789
Superannuation	2,662	2,555
Fringe benefits tax	302	351
Other	20	18
Total employee costs	33,481	32,074
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	135	142
	135	142
Employer contributions payable at reporting date.	Nil	Nil
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,527	2,320
	2,527	2,320
Employer contributions payable at reporting date.	115	93
<i>Refer to note 8.3 for further information relating to Council's superannuation obligations.</i>		
3.2 Materials and services		
Building maintenance	201	155
General maintenance	4,602	3,871
Office administration	191	479
Information technology	1,572	1,352
Materials and services	9,568	10,942
Contract payments	22,117	21,756
Utilities	2,611	1,836
Consultants	3,613	3,285
Insurance	767	758
Total materials and services	45,242	44,434
3.3 Depreciation and amortisation		
Property	5,394	4,304
Plant and equipment	1,667	1,655
Infrastructure	13,574	13,547
Total depreciation	20,635	19,506
Intangible assets	212	175
Total depreciation and amortisation	20,847	19,681
<i>Refer to note 4.2(c) and 5.1 for a more detailed breakdown of depreciation and amortisation charges.</i>		

	2018	2017
	\$'000	\$'000
3.4 Bad and doubtful debts		
Local laws	138	119
Other	423	42
Total bad and doubtful debts	<u>561</u>	<u>161</u>
Movement in provisions for doubtful debts		
Balance at the beginning of the year	(164)	(129)
New Provisions recognised during the year	(402)	(86)
Amounts already provided for and written off as uncollectible	28	11
Amounts provided for but recovered during the year	90	40
Balance at end of year	<u>(448)</u>	<u>(164)</u>

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

3.5 Borrowing costs		
Interest - Borrowings	2,722	3,046
Bank charges	215	233
Total borrowing costs	<u>2,937</u>	<u>3,279</u>

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.

3.6 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	70	88
Auditors' remuneration - Internal	105	106
Councillors' allowances	304	285
Operating lease rentals	439	454
Other expenses	894	1,802
Total other expenses	<u>1,812</u>	<u>2,735</u>

	2018	2017
	\$'000	\$'000
Note 4 Our financial position		
4.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	5	2
Cash at bank	9,806	21,197
Term deposit - Council	35,000	28,500
Term deposit - developer contribution plans	13,000	13,500
Total cash and cash equivalents	57,811	63,199
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 4.3)	11,060	11,332
- Developer contribution levy (Note 8.1)	46,833	41,533
Total restricted funds	57,893	52,865
Total unrestricted cash and cash equivalents	(82)	10,334
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific:		
- Cash held to fund carried forward capital works	36,145	20,553
- Unspent grants	6,549	7,228
- Other allocations not subject to external restrictions	7,913	12,091
Total funds subject to intended allocations	50,607	39,872
(b) Other financial assets		
Term deposit - Council	24,000	18,000
Term deposit - developer contribution plans	27,500	10,000
Total other financial assets	51,500	28,000

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

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

	2018	2017
	\$'000	\$'000
Note 4 Our financial position		
4.1 Financial assets (cont'd)		
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	8,680	8,011
Infringement debtors	313	368
Officer developer contribution plan debtors	3,523	6,902
Cardinia road developer contribution plan debtors	1,648	1,933
Net GST receivable	1,284	728
<i>Non statutory receivables</i>		
South East Business Park	2,314	2,750
<i>Other debtors</i>	3,733	2,142
Provision for doubtful debts - other debtors	(448)	(164)
Total current trade and other receivables	21,047	22,670
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	11,479	1,063
<i>Non statutory receivables</i>		
South East Business Park	-	4,604
Bonds	4	4
Total non-current trade and other receivables	11,483	5,671
Total trade and other receivables	32,530	28,341
Total statutory receivables	26,927	19,005
Total non-statutory receivables	6,051	9,500
Provision for doubtful debts	(448)	(164)
Total trade and other receivables	32,530	28,341

evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

i) Ageing of Receivables

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

Current (not yet due)	5,381	4,369
Past due by up to 30 days	106	167
Past due between 31 and 180 days	208	108
Past due between 181 and 365 days	356	252
Due in over 1 year (not yet due)	-	4,604
Total trade & other receivables	6,051	9,500

	2018	2017
	\$'000	\$'000
4.2 Non-financial assets		
(a) Inventories		
Inventories held for distribution	26	5
Total inventories	<u>26</u>	<u>5</u>
<p>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.</p>		
(b) Other assets		
Prepayments	548	840
Accrued income	425	430
Deposits on asset purchases	800	1061
Total other assets	<u>1,773</u>	<u>2,331</u>
(c) Intangible assets		
Software	587	638
Total intangible assets	<u>587</u>	<u>638</u>
		Software
		\$'000
Gross carrying amount		
Balance at 1 July 2017		2,123
Other Additions		129
Disposals		(14)
Balance at 30 June 2018		<u>2,238</u>
Accumulated amortisation		
Balance at 1 July 2017		(1,485)
Amortisation expense		(212)
Disposals		14
Balance at 30 June 2018		<u>(1,683)</u>
Work in progress at 30 June 2017		-
Work in progress at 30 June 2018		<u>32</u>
Net book value at 30 June 2017		638
Net book value at 30 June 2018		<u>587</u>

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.

	2018	2017
	\$'000	\$'000
4.3 Payables		
(a) Trade and other payables		
Current		
Trade payables	8,595	11,551
Accrued expenses	5,357	3,994
Income in Advance	1,312	1,629
	<u>15,264</u>	<u>17,174</u>
Non-Current		
Trade payables	10,261	12,896
	<u>10,261</u>	<u>12,896</u>
Total trade and other	<u>25,525</u>	<u>30,070</u>

The Non-Current Trade Payables comprises of lease incentive liability recognised as well as amount owed to developers due to timing of development.

(b) Trust funds and deposits

Refundable deposits	10,653	11,057
Fire services levy	95	76
Trust Funds	312	199
Total trust funds and	<u>11,060</u>	<u>11,332</u>

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

Purpose and nature of items

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

Fire Service Levy (included under Trust funds and deposits) - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

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

	2018	2017
	\$'000	\$'000
4.4 Interest-bearing liabilities		
Current		
Borrowings - secured	4,514	5,001
	<u>4,514</u>	<u>5,001</u>
Non-current		
Borrowings - secured	37,164	42,265
	<u>37,164</u>	<u>42,265</u>
Total	<u>41,678</u>	<u>47,266</u>

Borrowings are secured by Deed of Charge over general rates.

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

Not later than one year	4,514	5,001
Later than one year and not later than five years	23,081	25,372
Later than five years	14,083	16,893
	<u>41,678</u>	<u>47,266</u>

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.

4.5 Provisions

	Annual leave	Long Service Leave	Sick Leave	Total
	\$'000	\$'000	\$'000	\$'000
2018				
Balance at beginning of the financial year	2,601	4,924	67	7,592
Additional provisions	2,552	926	1	3,479
Amounts used	(2,275)	(655)	(1)	(2,931)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(333)	-	(333)
Balance at the end of the financial year	2,878	4,862	67	7,807
2017				
Balance at beginning of the financial year	2,495	4,886	83	7,464
Additional provisions	2,440	1,329	2	3,771
Amounts used	(2,326)	(1,395)	(18)	(3,739)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(8)	104	-	96
Balance at the end of the financial year	2,601	4,924	67	7,592
			2018	2017
			\$'000	\$'000
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months				
Annual leave			2,878	2,601
Long service leave			948	1,361
Sick leave bonus/gratuity			67	67
			3,893	4,029
Current provisions expected to be wholly settled after 12 months				
Long service leave			2,924	2,318
Total current employee provision			6,817	6,347
Non-current				
Long service leave			990	1,245
Total non-current provisions			990	1,245
Aggregate carrying amount of employee provisions:				
Current			6,817	6,347
Non-current			990	1,245
Total aggregate carrying amount of employee provisions			7,807	7,592

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

Wages and salaries and annual leave

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

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

Long service leave

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

Key assumptions:

- discount rate	2.65%	2.61%
- index rate	3.57%	3.81%
- settlement rate	11 Years	11 Years

	2018	2017
	\$'000	\$'000
4.6 Financing arrangements		
Bank Overdraft	2,000	2,000
Credit card facilities	70	58
Other facilities	41,678	47,266
	<u>43,748</u>	<u>49,324</u>
Used facilities	41,678	47,266
Unused facilities	<u>2,070</u>	<u>2,058</u>

4.7 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.

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

2017	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and not	years and not	years	
	\$'000	later than 2	later than 5	years	\$'000
		years	years	years	
		\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	2,282	2,452	3,343	-	8,077
Garbage collection	8,681	9,327	12,716	-	30,724
Open space management	3,781	4,064	1,258	-	9,103
Consultancies	538	76	-	-	614
Home care services	51	-	-	-	51
Cleaning contracts for council buildings	424	-	-	-	424
Meals for delivery	1,041	-	-	-	1,041
Casey Cardinia Library funding	1,874	2,001	4,202	-	8,077
Facilities management	188	183	-	-	371
Maintenance	1,105	427	596	120	2,248
Health	506	-	-	-	506
Other	1,718	910	779	160	3,567
Total	22,189	19,440	22,894	280	64,803
Capital					
Buildings	1,225	-	-	-	1,225
Roads	7,570	3,930	-	-	11,500
Drainage	20	-	-	-	20
Land	9,550	-	-	-	9,550
Total	18,365	3,930	-	-	22,295

	2018	2017
	\$'000	\$'000
Operating lease commitments		

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

Not later than one year	151	349
Later than one year and not later than five years	75	629
	226	978

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

Note 5 Assets we manage

5.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017	Additions	Contributions	Land Under Roads pre-2008	Prior year adjustments	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	565,534	10,461	10,870	134,567	1,152	121,549	(5,394)	(1,594)	488	837,633
Plant and equipment	8,006	1,997	10	-	-	-	(1,666)	(498)	-	7,849
Infrastructure	560,498	-	20,285	-	602	12,224	(13,575)	(1,381)	17,733	596,386
Work in progress	14,647	28,155	7,303	-	168	-	-	-	(18,221)	32,052
	1,148,685	40,613	38,468	134,567	1,922	133,773	(20,635)	(3,473)	-	1,473,920

Summary of Work in Progress

	Opening WIP	Additions	Contributions	Prior year adjustments	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,548	5,802	64	-	(739)	6,675
Infrastructure	13,099	22,353	7,239	168	(17,482)	25,377
Total	14,647	28,155	7,303	168	(18,221)	32,052

Asset recognition thresholds and depreciation periods

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

Notes to the Financial Report
For the Year Ended 30 June 2018

(a) Property

	Land - specialised	Land - non specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Leasehold improvements	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	225,857	178,455	404,312	6,345	213,995	13,622	23,389	-	257,351	1,548	663,211
Accumulated depreciation at 1 July 2017	-	-	-	(5,193)	(79,698)	(7,365)	(3,853)	-	(96,129)	-	(96,129)
	225,857	178,455	404,312	1,152	134,297	6,237	19,536	-	161,222	1,548	567,082
Movements in fair value											
Additions	6,613	95	6,708	-	-	-	-	3,753	3,753	5,802	16,263
Contributions	10,564	220	10,784	-	28	25	33	-	86	64	10,934
Land under roads prior to 1 July 2008	134,567	-	134,567	-	-	-	-	-	-	-	134,567
Prior year adjustments	1,156	-	1,156	-	-	(23)	-	-	(23)	-	1,133
Revaluation	67,629	36,959	104,588	231	20,183	463	799	-	21,676	-	126,264
Disposal	(1,543)	-	(1,543)	-	-	(248)	-	-	(248)	-	(1,791)
Transfers	-	-	-	-	276	41	77	-	394	(739)	(345)
	218,986	37,274	256,260	231	20,467	258	909	3,753	25,638	5,127	287,025
Movements in accumulated depreciation											
Depreciation and amortisation	-	-	-	(105)	(3,814)	(244)	(1,179)	(52)	(5,394)	-	(5,394)
Prior year adjustments	-	-	-	-	-	19	-	-	19	-	19
Revaluation increments/decrements	-	-	-	(175)	(4,525)	(270)	254	-	(4,716)	-	(4,716)
Accumulated depreciation of disposals	-	-	-	-	-	197	-	-	197	-	197
Transfers	-	-	-	-	70	25	(1)	-	94	-	94
	-	-	-	(280)	(8,269)	(273)	(926)	(52)	(9,800)	-	(9,800)
At fair value 30 June 2018	444,843	215,729	660,572	6,576	234,482	13,880	24,298	3,753	282,989	6,675	950,236
Accumulated depreciation at 30 June 2018	-	-	-	(5,473)	(87,967)	(7,658)	(4,779)	(52)	(105,929)	-	(105,929)
	444,843	215,729	660,572	1,103	146,515	6,222	19,519	3,701	177,060	6,675	844,307

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	11,046	2,744	1,632	15,422
Accumulated depreciation at 1 July 2017	(5,274)	(1,495)	(647)	(7,416)
	5,772	1,249	985	8,006
Movements in fair value				
Additions	1,752	-	245	1,997
Contributions	10	-	-	10
Disposal	(1,202)	-	-	(1,202)
	560	-	245	805
Movements in accumulated depreciation				
Depreciation and amortisation	(1,302)	(146)	(218)	(1,666)
Accumulated depreciation of disposals	704	-	-	704
	(598)	(146)	(218)	(962)
At fair value 30 June 2018	11,606	2,744	1,877	16,227
Accumulated depreciation at 30 June 2018	(5,872)	(1,641)	(865)	(8,378)
	5,734	1,103	1,012	7,849

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	323,996	70,744	81,273	212,034	32,417	9,217	521	13,099	743,301
Accumulated depreciation at 1 July 2017	(85,907)	(24,734)	(15,334)	(29,808)	(11,290)	(2,438)	(193)	-	(169,704)
	238,089	46,010	65,939	182,226	21,127	6,779	328	13,099	573,597
Movements in fair value									
Additions	-	-	-	-	-	-	-	22,353	22,353
Contributions	10,261	-	2,987	6,956	81	-	-	7,239	27,524
Prior year adjustments	464	-	154	45	205	-	-	168	1,036
Revaluation	(1,875)	6,742	965	7,682	-	66	-	-	13,580
Disposal	(1,861)	(1,364)	(122)	(188)	(643)	-	-	-	(4,178)
Transfers	7,362	1,654	2,555	3,378	2,381	505	19	(17,482)	362
	14,341	7,032	6,539	17,873	2,024	571	19	12,278	60,677
Movements in accumulated depreciation									
Depreciation and amortisation	(7,542)	(794)	(1,634)	(2,251)	(1,143)	(196)	(15)	-	(13,575)
Prior year adjustments	(79)	-	(15)	(152)	(20)	-	-	-	(266)
Revaluation increments/decrements	2,121	(2,146)	(265)	(1,083)	-	17	-	-	(1,356)
Accumulated depreciation of disposals	1,131	1,168	38	27	433	-	-	-	2,797
Transfers	-	-	-	-	(111)	-	-	-	(111)
	(4,369)	(1,772)	(1,876)	(3,459)	(841)	(179)	(15)	-	(12,511)
At fair value 30 June 2018	338,337	77,776	87,812	229,907	34,441	9,788	540	25,377	803,978
Accumulated depreciation at 30 June 2018	(90,276)	(26,506)	(17,210)	(33,267)	(12,131)	(2,617)	(208)	-	(182,215)
	248,061	51,270	70,602	196,640	22,310	7,171	332	25,377	621,763

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.

Land under roads

Council recognises land under roads it controls at fair value.

Land under roads prior to 1 July 2008 have been recognised in line with AASB 1051.

Depreciation and amortisation

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

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

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

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

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

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 25 to 35 year period.

Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. 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.

Valuation of land and buildings

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

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Land	-	215,729	-	Dec 2017
Specialised land	-	-	444,843	Dec 2017
Heritage Buildings	-	-	1,103	Dec 2017
Buildings	-	-	6,222	Dec 2017
Specialised buildings	-	-	146,515	Dec 2017
Building improvements	-	-	19,519	Dec 2017
Leasehold improvements	-	-	3,701	-
Total	-	215,729	621,903	

Valuation of infrastructure

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

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	248,061	April 2018
Bridges	-	-	51,270	April 2018
Footpaths and cycleways	-	-	70,602	April 2018
Drainage	-	-	196,640	April 2018
Recreational, leisure and community facilities *	-	-	22,310	-
Off street car parks	-	-	7,171	April 2018
Other infrastructure *	-	-	332	-
Total	-	-	596,386	

* Recreational, leisure and community facilities and other infrastructure are carried at cost.

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads are 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 5% 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 \$0.64 and \$8,700 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$1,872 to \$4,888 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

	2018 \$'000	2017 \$'000
Reconciliation of specialised land		
Land under roads	174,905	30,948
Parks and reserves	269,939	194,909
Total specialised land	444,844	225,857

	2018	2017
	\$'000	\$'000
5.2 Investments in associates		
a) Investments in associates		
Investments in associates accounted for by the equity method is:		
Casey Cardinia Library Corporation	1,534	1,596
Fair value of Council's investment in Casey Cardinia Library Corporation	1,534	1,596
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 2017/18 (based on the unaudited library statements) is 26.5% (2016/17 26.4%)	1,534	1,596
Fair value of Council's investment in Casey Cardinia Library Corporation	1,534	1,596
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	1,059	1,054
Reported deficit for year	(68)	(8)
Distributions for the year	6	13
Council's share of accumulated surplus at end of year	997	1,059
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	537	537
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,596	1,591
Share of surplus(deficit) for year	(68)	(8)
Distributions received	6	13
Carrying value of investment at end of year	1,534	1,596
Council's share of expenditure commitments		
Operating commitments	83	76
Council's share of expenditure commitments	83	76

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, approved by the Minister for Local Government, and execute 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. The CCLC is governed by a Board of Councillors and Officers from the member councils, and is managed by a board appointed Chief Executive Officer.

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

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

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

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

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

Committees of management

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

Note 6 People and relationships

6.1 Council and key management remuneration

(a) Related Parties

Parent entity

Cardinia Shire Council

Associates

Interests in associates are detailed in Note 5.2.

(b) Key Management Personnel

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

Councillors Cr Collin Ross (Mayor from 14 November 2017)

Cr Brett Owen (Deputy Mayor from 14 November 2017, Mayor until 13 November 2017)

Cr Jodie Owen (Deputy Mayor until 13 November 2017)

Cr Carol Ryan

Cr Graeme Moore

Cr Jeff Springfield

Cr Leticia Wilmot

Cr Michael Schilling

Cr Ray Brown

	2018	2017
	No.	No.
Total Number of Councillors	9	13
Chief Executive Officer and other Key Management Personnel	6	6
Total Key Management Personnel	<u>15</u>	<u>19</u>

(c) Remuneration of Key Management Personnel

	2018	2017
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,771	1,739
Post-employment benefits	136	134
Long-term benefits	35	34
Total	<u>1,942</u>	<u>1,907</u>

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

	2018	2017
	No.	No.
\$1 - \$9,999	-	4
\$10,000 - \$19,999	-	4
\$20,000 - \$29,999	7	3
\$40,000 - \$49,999	1	1
\$80,000 - \$89,999	1	1
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	-	1
\$250,000 - \$259,999	2	1
\$270,000 - \$279,999	1	1
\$390,000 - \$399,999	1	1
	<u>15</u>	<u>19</u>

(d) Senior Officer Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$145,000

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

	2018	2017
	No.	No.
Income Range:		
< \$145,000	1	1
\$145,000 - \$149,999	6	7
\$150,000 - \$159,999	13	8
\$160,000 - \$169,999	6	4
\$170,000 - \$179,999	4	4
\$180,000 - \$189,999	1	1
	<u>31</u>	<u>25</u>

	2018	2017
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	4,884	3,904

	2018	2017
	\$'000	\$'000
6.2 Related party disclosures		
(a) Transactions with related parties		
During the period Council entered into the following transactions with related parties.		
Provision of Library Services by the Casey Cardinia Library Corporation, in accordance with the Regional Library Agreement	1,874	1,826
Provision of a Mobile Library bus to the Casey Cardinia Library Corporation	33	24
	<u>1,907</u>	<u>1,850</u>
(d) Commitments to/from related parties		
Council aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to Casey Cardinia Library Corporation (Note 4.7)	8,152	8,077
	<u>8,152</u>	<u>8,077</u>

Note 7 Managing uncertainties

7.1 Contingent assets and liabilities

(a) Contingent assets

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

	2018	2017
	\$'000	\$'000
Not later than one year	441	270
Later than one year and not later than five years	1,022	861
Later than five years	2,741	2,908
	<u>4,204</u>	<u>4,039</u>

(b) Contingent liabilities

Superannuation

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

Future superannuation contributions

In addition to the disclosed contributions, Cardinia Shire Council has paid no unfunded liability payments to Vision Super. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 are \$137,000.

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.

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.

7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Financial Instruments - Disclosures (AASB 7) (applies 2018/19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

Financial Instruments (AASB 9) (applies 2018/19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.

7.3 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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage 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 our balance sheet. 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 ..

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.

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial

To help reduce these risks Council:

- have a Investment Policy which targets a maximum and average level of cash and cash equivalents to be maintained with any bank;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments; and
- monitor budget to actual performance on a regular basis.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in 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 4.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 2.25% - 2.75%.

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

7.4 Fair value measurement

Fair value hierarchy

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

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, Land and Building and major Infrastructure assets, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 4 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

7.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Note 8 Other matters

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
8.1 Reserves			
(a) Asset revaluation reserves			
2018			
Property			
Land	246,390	104,588	350,978
Buildings	53,891	16,960	70,851
	300,281	121,548	421,829
Infrastructure			
Footpaths and cycleways	20,673	701	21,374
Bridges	17,030	4,596	21,626
Drainage	80,946	6,599	87,545
	118,649	11,896	130,545
Total asset revaluation reserves	418,930	133,444	552,374
2017			
Property			
Land	200,230	46,160	246,390
Buildings	14,170	39,721	53,891
	214,400	85,881	300,281
Infrastructure			
Bridges	19,109	1,564	20,673
Footpaths and cycleways	13,608	3,422	17,030
Drainage	70,823	10,123	80,946
	103,540	15,109	118,649
Total asset revaluation reserves	317,940	100,990	418,930

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

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period	Ref
	\$'000	\$'000	\$'000	\$'000	
(b) Other reserves					
2018					
Developer levy	41,533	14,143	(8,843)	46,833	1
Community Facilities levy	2,270	1,266	(322)	3,214	2
Public Open Space levy	4,938	4,093	(1,661)	7,370	3
Native vegetation	710	26	(17)	719	4
Decorative Light Poles	656	245	(84)	817	5
Landscapes	98	325	(106)	317	6
Total Other reserves	50,205	20,098	(11,033)	59,270	
2017					
Developer levy	30,731	22,427	(11,625)	41,533	
Community Facilities levy	1,463	1,600	(793)	2,270	
Public Open Space levy	2,496	4,086	(1,644)	4,938	
Native vegetation	805	4	(99)	710	
Decorative Light Poles	389	350	(83)	656	
Landscapes	-	281	(183)	98	
Total Other reserves	35,884	28,748	(14,427)	50,205	

Note 8.1 Reserves (cont'd)

Ref	Item	Description
1	Developer levy	This reserve is the balance of the cash levies paid to council and is used to cover the cost of any of the Developer Contribution Plans (DCP) infrastructure assets that are to be purchased or constructed by Council.
2	Community Facilities levy	This reserve is the balance of the cash levies paid to council and is to be used to cover the cost of the remaining community facilities to be provided under the DCP
3	Public Open Space levy	It is a requirement under the Planning Scheme and Precinct Structure Plans (PSP's) that a minimum percentage of the developed land be provided for public open space. If the minimum amount is unable to be provided, a cash contribution is required. For Officer DCP area, the contributions are to be used to compensate developers who provide more than the minimum 5.5%. For Cardinia Rd DCP area, the contributions are to be used to offset the provision of land for open space on a parcel of land being subdivided where the amount of open space to be provided exceeds the 8% public open space contribution.
4	Native vegetation	Developers have a statutory responsibility under the planning scheme to provide revegetation to offset the vegetation removed as part of the development. Those who are unable to provide the revegetation required under the planning scheme are required to pay a cash contribution to council. These contributions are then used to do revegetation in other areas on council land.
5	Decorative Light Poles	Existing subdivisions where decorative light poles are already installed, are to be offered the option to install the same decorative light poles in future stages. Income raised from the pole fee is to be maintained in a Reserve fund and used to offset future costs of replacing decorative poles and retrofitting energy efficient lamps on existing decorative poles.
6	Landscape	Developers are required to provide landscaping in new estates which is inspected upon completion and a Practical Completion certificate issued. A landscape maintenance bond is then required to be paid to ensure they are accountable for the maintenance of this landscaping for a two year period. After this time, if rectification works are required and not completed by the developer, council retains funds from their landscape bond to cover the future cost of these works.

	2018	2017
	\$'000	\$'000
(c) Adjustments directly to equity		
Recognition of land under roads prior to 1 July 2008	134,567	-
Prior year adjustments for previously not recognised assets/liabilities	1,922	1,684
Total adjustments directly to equity	136,489	1,684

Land under roads prior to 1 July 2008 have been recognised in line with AASB 1051.

	2018 \$'000	2017 \$'000
8.2 Reconciliation of cash flows from operating activities to surplus / (deficit)		
Surplus for the year	87,143	89,711
Depreciation/amortisation	20,847	19,681
Proceeds from sale of assets - investing activity, not operating activity	(2,032)	(18,155)
Written down book value (WDBV) of assets sold - non-cash	3,473	14,462
Contributions - non-monetary	(39,579)	(45,669)
Capital grants- non-monetary	(1,200)	-
Interest costs - financing, not operating activity	2,937	3,279
Share of net (gain)/loss of associates - non-cash	62	(5)
Impairment (gain)/loss - non-cash	-	35
Net asset revaluation (increment)/decrement	(329)	(1,961)
Change in assets and liabilities:		
Increase in trade and other receivables	(13,861)	(1,678)
Increase in prepayments	292	(489)
Increase in accrued income	5	(134)
Increase in trade and other payables	1,206	(303)
Increase in other liabilities	(463)	1,508
Increase in inventories	(20)	8
Increase in provisions	216	129
Increase in income in advance	(318)	586
Net cash provided by operating activities	<u>58,379</u>	<u>61,005</u>

8.3 Superannuation

Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa
Salary inflation 3.5% pa
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2018 was 106%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2017 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 2018, this rate was 9.5% of members' salaries (9.5% in 2016/17). This rate will increase in line with any increase to the contribution rate. 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.

2017 Triennial Actuarial investigation surplus amounts

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$40.3 million; and
A total service liability surplus of \$156 million.

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 2017. 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. Council was notified of the 30 June 2017 VBI during August 2017.

2018 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in October 2018.



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