

5.4.6 Certification of 2022-23 Financial Statements and Performance Statement

Responsible Officer: Director Customer & Corporate Services

Author: Chief Financial Officer

In Attendance: Chief Financial Officer

Attachments:

1. Whittlesea Annual Financial Report 30 June 2023 [5.4.6.1 - 64 pages]
2. Whittlesea Annual Performance Statement 30 June 2023 [5.4.6.2 - 20 pages]

Purpose

The purpose of the report is to seek Council's approval for adoption in principle of the City of Whittlesea Annual Financial Report (Attachment 1) and Annual Performance Statement (Attachment 2) for the year ended 30 June 2023 and authorisation of two Administrators to sign the certifications included in the reports.

Brief Overview

Council is required to present audited Annual Financial Report and Performance Statement to a Council Meeting by 31 October each year under the *Local Government Act 2020* section 98(1).

As required under Council's Audit and Risk Committee Charter, the Minutes of the Audit and Risk Committee meeting held on 5 September 2023 will be presented at the next Council Meeting Tuesday 17 October 2023.

Recommendation

THAT Council:

1. **Approve in principle the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2023.**
2. **Authorise the Principal Accounting Officer to make minor amendments to the Annual Financial Report and Annual Performance Statement for the Year ended 30 June 2023 to meet the Victorian Auditor-General's Office (VAGO) requirements.**
3. **Authorise Audit and Risk Committee Council representatives, Chair Administrator Wilson and Administrator Zahra to sign-off on the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2023.**
4. **Authorise the Chief Executive Officer and Principal Accounting Officer to sign-off on the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2023.**

- 5. Authorise the final audited Annual Financial Report and Annual Performance Statement for the year ended 30 June 2023 to be emailed to auditor by 31 October 2023.**

Key Information

The Annual Financial Report (Attachment 1) and Annual Performance Statement (Attachment 2) are required to be certified by Council's Chief Executive Officer, Principal Accounting Officer and two Administrators on behalf of Council prior to Council's auditor signing the audit certifications.

The draft Annual Financial Report and Annual Performance Statement for the year ended 30 June 2023 are firstly presented to Council's Audit and Risk Committee (Committee) for review and recommendation for adoption by Council. The review focuses on:

- accounting policies and practices, including any changes to accounting policies and practices;
- compliance with accounting standards and other reporting requirements;
- significant adjustments to the Annual Financial Report and Annual Performance Statement (if any) arising from the audit process; and
- significant variances against the budget and from prior years.

AUDIT AND RISK COMMITTEE MEETING 5 SEPTEMBER 2023

The Committee discussed and reviewed the Annual Financial Report and Annual Performance Statement with a representative of Council's external auditor, Kathie Teasdale (RSD Audit).

The Committee recommended minor amendments, which have been incorporated and are reflected in the attached Draft Annual Financial Report and Annual Performance Statement. Subject to completion of audit procedures, the Committee endorsed the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2023 and recommended to Council to approve in-principle.

As required under Council's Audit and Risk Committee Charter, the Minutes of the Audit and Risk Committee meeting held on Tuesday 5 September 2023 will be presented at the next Council Meeting Tuesday 17 October 2023.

COMPREHENSIVE RESULT

The Comprehensive Income Statement includes an amount after the total surplus (deficit) that represents the net revaluation increase of all property and infrastructure assets. Therefore, the total comprehensive result for the year ended 30 June 2023 is \$92.8 million.

Council measures its underlying operational result to assist in the determination of whether it is operating in a sustainable fashion or not. The underlying result is an important indicator of Council's long-term financial sustainability. Whilst an underlying deficit in one financial year is not significant, the continued recording of deficits over a sustained period from Council's operations gradually erodes the net assets of Council.

The underlying result from operations excludes transactions which are either 'non-recurring' or not operational in nature. These items are frequently unpredictable and typically can change from one year to the next. The best examples of these items are assets (roads, footpaths, drains, land reserves, etc) that are given to Council by developers once a new subdivision is completed. There are also other accounting adjustments for when existing assets are revalued.

The aim of an underlying result is to determine whether Council's operational costs/income result is a surplus or deficit outcome. In this way, Council can, in long-term financial planning, aim for an outcome where pure operational outcomes assist Council in achieving a sustainable organisation.

The table below shows the underlying operational result for the year ended 30 June 2023.

Comprehensive Result from Comprehensive Income Statement	\$92.8M
<i>Less Other comprehensive income:</i>	
Asset revaluation decrement	\$40.8M
Surplus for the year from Comprehensive Income Statement	\$133.6M
<i>Less Non-operating income and expenditure</i>	
Grants – capital (non-recurring)	\$11.3M
Contributions – cash (developer contributions)	\$23.2M
Contributions - non-monetary assets	\$100.7M
Underlying (deficit)	(\$1.6M)

While showing a total comprehensive result of \$92.8 million, the table above shows that the City of Whittlesea's underlying operating result for the year ended 30 June 2023 is a deficit of (\$1.6 million). The underlying deficit for the year was largely driven by the write-off of assets (\$9.7 million), which is a non-cash item.

FINANCIAL SUSTAINABILITY INDICATORS

The Victorian Auditor-General's Office publishes Council's result against a range of indicators used to assist in measuring performance and financial sustainability. The estimated result of the 2022-23 indicators are presented in the table below.

Ratio	2022-23	Comments
Net result margin (Net result / total revenue)	32.8% Green	This ratio measures Council’s ability to fund operations and asset renewal. Operating deficits cannot be sustained in the long term. A less than -10% (deficit) is deemed high risk (red) and a positive result is desirable (green).
Adjusted underlying result (Adjusted underlying surplus (or deficit) / Adjusted underlying revenue)	(0.2%) Amber	Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position. A result of less than 10% is deemed as high risk (red), and a result higher than 0% is desirable (green). The main contributing factor that has driven an amber result was works in kind reimbursement payments paid to the developer relating to the Developer Contribution Plan. These payments are funded by the Development Contribution Plan reserve. The amber result is also impacted by write-off of assets as a result of disposal of infrastructure assets.
Liquidity (Current assets / current liabilities)	326.9% Green	This ratio measures Council’s ability to pay existing liabilities in the next 12 months. A result of less than 100% is deemed as high risk (red) and a result higher than 150% is desirable (green).
Internal financing (Net operating cash flows / net capital expenditure)	149.9% Green	This ratio measures Council’s ability to replace assets using cash generated from operations. A result of less than 75% is deemed as high risk (red) and a result higher than 100% is desirable (green).
Indebtedness (non-current liabilities / own-sourced revenue)	5.5% Green	This ratio measures Council’s ability to cover its noncurrent liabilities with its own sourced revenue. A result of more than 60% is deemed as high risk (red) and a result lower than 40% is desirable (green).
Capital replacement (Cash outflows for property, plant and equipment / Depreciation)	116.9% Amber	Comparison of the rate of spending on infrastructure with its depreciation. A result lower than 100 is deemed high risk (red) and a result higher than 150% is desirable (green). The primary factor that has driven an amber result was a number of large capital works projects that were impacted by a range of factors such as delays from service authorities, contractors availability and supply

		chain issues resulting in lower spending on infrastructure.
Renewal gap (Renewal and upgrade expenditure / depreciation)	62.5% Amber	<p>Comparison of the rate of spending on existing assets through renewing, restoring and replacing existing assets with depreciation.</p> <p>A ratio lower than 50% is deemed high risk (red) and a result higher than 100% is desirable (green).</p> <p>The renewal gap ratio was in amber as a result of delays in delivery of key renewal projects due to lead times in receiving materials, delays from service authorities, and the availability of contractors.</p>
Overall assessment for long-term financial sustainability	Green	The City of Whittlesea remains low risk (green) for its long-term financial sustainability.

ANNUAL PERFORMANCE STATEMENT

The 2022-23 financial year has seen several favourable developments across some of our valued community services: Aquatic facilities, libraries and the food safety service have fully resumed operations and have returned to pre-pandemic visitor/user levels and beyond. We have also taken the operation of the wat djerring animal facility in-house in October 2022 and are offering shared animal management services across the municipalities of Whittlesea, Darebin and Merri-bek from this facility. The waste and recycling service has seen the rollout of the glass bin service.

From an organisational perspective, staff turnover has decreased from 17.7% to 12.4% year-on-year, indicating a stabilising organisation.

Significant changes to the performance indicators are in effect for the 2023-2024 financial year, particularly in library services. These will be reported against in next year’s Annual Performance Statement, along with the performance against newly set targets for eight service and financial performance indicators.

Please refer to Attachment 2 for the Annual Performance Statement 30 June 2023.

Community Consultation and Engagement

Consultation has been conducted with the relevant Council departments and external service providers as necessary through the course of the audit.

Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

High Performing Organisation

We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

Considerations

Environmental

No Implications.

Social, Cultural and Health

No Implications.

Economic

No Implications.

Financial Implications

The cost of the annual audit by VAGO is included within Council's annual budget.

Link to Strategic Risk

Strategic Risk *Financial Sustainability - Inability to meet current and future expenditure*
Governance - Ineffective governance of Council's operations and activities resulting in either a legislative or policy breach

This report provides Council with an oversight of the City of Whittlesea's key financial information and performance obligations to enable monitoring and to ensure City of Whittlesea's financial position is sustainable.

Implementation Strategy

Critical Dates

Council is required to present audited financial statements and performance statement by 31 October 2023 as per Local Government Act 2020 section 98(1).

Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Conclusion

The Annual Financial Report and Annual Performance Statement have been reviewed by the Audit and Risk Committee and Council's external auditor at the Audit and Risk Committee meeting held on 5 September 2023. The Victorian Auditor General's Office (VAGO) have indicated their intention to issue an unmodified audit opinion on the Annual Financial Report and Annual Performance Statement.

Two Administrators are required to sign the certification of the Annual Financial Report and Annual Performance Statement once clearance is obtained from the Victorian Auditor-General and after the Principal Accounting Officer has signed his certification.

In accordance with usual practice, it is proposed that the Administrators on the Audit and Risk Committee be authorised to sign the certification on behalf of Council after the necessary clearance has been obtained.

If late changes are made to the Annual Financial Report or Annual Performance Statement, including those required after the VAGO review, it is also proposed that the approval given to the Administrators be extended to enable them to sign the certification after the necessary changes have been made.

**City of Whittlesea
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2023

Financial Report

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Financial Report

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Certification of the Financial Statements

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

Aaron Gerrard CPA
Principal Accounting Officer

Date : 19 September 2023
South Morang

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

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

We have been authorised by Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.

Lydia Wilson
Administrator and Audit and Risk Committee Member
Date : 19 September 2023
South Morang

Christian Zahra
Administrator and Audit and Risk Committee Member
Date : 19 September 2023
South Morang

Craig Lloyd
Chief Executive Officer
Date : 19 September 2023
South Morang

**Victorian Auditor-General's Office
Independent Auditor's Report**

:INSERT VAGO REPORT - PAGE 1:

Victorian Auditor-General's Office

:INSERT VAGO REPORT - PAGE 2:

Comprehensive Income Statement For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income / Revenue			
Rates and charges	3.1	190,300	178,779
Statutory fees and fines	3.2	17,036	15,380
User fees	3.3	9,121	10,884
Grants - operating	3.4 (a)	38,590	34,295
Grants - capital	3.4 (b)	12,630	16,595
Contributions - monetary	3.5	23,187	13,625
Contributions - non monetary	3.5	100,656	76,858
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6 (a)	605	491
Share of net profits (or loss) of associates and joint ventures	6.2	-	185
Other income	3.7	15,048	6,536
Total income/ revenue		407,173	353,628
Expenses			
Employee costs	4.1	104,227	93,887
Materials and services	4.2	91,727	77,529
Depreciation	4.3	47,286	41,563
Amortisation - intangible assets	4.4	371	120
Amortisation - right of use assets	4.5	926	606
Bad and doubtful debts - allowance for impairment losses	4.6	3,019	3,388
Borrowing costs	4.7	192	206
Finance costs - leases	4.8	91	30
Net loss on write-off of property, Infrastructure, plant and equipment	3.6 (b)	9,730	17,660
Share of net loss of associates and joint ventures	6.2	203	-
Other expenses	4.9	15,772	14,276
Total expenses		273,544	249,265
Surplus for the year		133,629	104,363
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	(40,786)	201,698
Total comprehensive result		92,843	306,061

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

Balance Sheet

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	51,173	56,562
Other financial assets	5.1 (b)	250,000	220,000
Trade and other receivables	5.1 (c)	40,669	31,763
Inventories	5.2 (a)	106	126
Other assets	5.2 (b)	6,237	3,645
Total current assets		348,185	312,096
Non-current assets			
Other financial assets	5.2 (c)	22	22
Intangible assets	5.2 (d)	279	650
Right-of-use assets	5.8	2,412	1,308
Property, infrastructure, plant and equipment	6.1	4,366,282	4,308,219
Investments in associates, joint arrangements and subsidiaries	6.2	2,893	3,096
Total non-current assets		4,371,888	4,313,295
Total assets		4,720,073	4,625,391
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	23,830	20,641
Trust funds and deposits	5.3 (b)	32,440	34,320
Unearned income/revenue	5.3 (c)	25,542	24,895
Provisions	5.5 (a)	21,672	20,722
Interest-bearing liabilities	5.4	2,449	2,364
Lease liabilities	5.8	588	599
Total current liabilities		106,521	103,541
Non-current liabilities			
Provisions	5.5 (a)	1,651	1,486
Interest-bearing liabilities	5.4	9,191	11,640
Lease liabilities	5.8	1,880	737
Total non-current liabilities		12,722	13,863
Total liabilities		119,243	117,404
Net assets		4,600,830	4,507,987
Equity			
Accumulated surplus		2,923,827	2,818,040
Reserves	9.1	1,677,003	1,689,947
Total Equity		4,600,830	4,507,987

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

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

	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Asset Replacement Reserve	Asset Development Reserve
		\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Balance at beginning of the financial year		4,507,987	2,818,040	1,495,870	59,461	134,616
		4,507,987	2,818,040	1,495,870	59,461	134,616
Surplus/(deficit) for the year		133,629	133,629	-	-	-
Net asset revaluation increment/(decrement)	6.1	(40,786)	-	(40,786)	-	-
Transfers from other reserves	9.1(b)	-	26,011	-	(2,274)	(23,737)
Transfers to other reserves	9.1(b)	-	(53,853)	-	22,451	31,402
Balance at end of the financial year		4,600,830	2,923,827	1,455,084	79,638	142,281

	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Asset Replacement Reserve	Asset Development Reserve
		\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Balance at beginning of the financial year		4,201,926	2,721,657	1,294,172	59,414	126,683
		4,201,926	2,721,657	1,294,172	59,414	126,683
Surplus/(deficit) for the year		104,363	104,363	-	-	-
Net asset revaluation increment/(decrement)	6.1	201,698	-	201,698	-	-
Transfers from other reserves	9.1(b)	-	15,720	-	-	(15,720)
Transfers to other reserves	9.1(b)	-	(23,700)	-	47	23,653
Balance at end of the financial year		4,507,987	2,818,040	1,495,870	59,461	134,616

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

Statement of Cash Flows For the Year Ended 30 June 2023

		2023	2022
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		184,640	176,342
Statutory fees and fines		15,223	12,689
User fees		4,853	11,286
Grants - operating		38,590	34,295
Grants - capital		12,630	16,595
Contributions - monetary		23,187	13,625
Interest received		7,742	1,489
Trust funds and deposits taken		6,598	23,545
Other receipts		4,289	4,288
Net GST refund/(payment)		(184)	(249)
Employee costs		(103,112)	(95,016)
Materials and services		(86,783)	(75,626)
Short-term, low value and variable lease payments		(662)	(521)
Trust funds and deposits repaid		(8,478)	(5,230)
Other payments		(15,772)	(14,276)
Net cash provided by/(used in) operating activities	9.2	82,761	103,236
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(55,290)	(54,659)
Proceeds from sale of property, infrastructure, plant and equipment		685	523
(Payments)/Redemption of investments		(30,000)	(140,000)
Net cash provided by/(used in) investing activities		(84,605)	(194,136)
Cash flows from financing activities			
Finance costs		(192)	(206)
Proceeds from borrowings		-	13,000
Repayment of borrowings		(2,364)	(1,537)
Interest paid - lease liability		(91)	(30)
Repayment of lease liabilities		(898)	(583)
Net cash provided by/(used in) financing activities		(3,545)	10,644
Net increase (decrease) in cash and cash equivalents		(5,389)	(80,256)
Cash and cash equivalents at the beginning of the financial year		56,562	136,818
Cash and cash equivalents at the end of the financial year		51,173	56,562
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works For the Year Ended 30 June 2023

	2023	2022
	\$'000	\$'000
Property		
Land	6,317	-
Total land	6,317	-
Buildings	3,567	8,443
Building improvements	3,552	3,844
Total buildings	7,119	12,287
Total property	13,436	12,287
Plant and equipment		
Plant, machinery and equipment	2,948	1,827
Fixtures, fittings and furniture	615	201
Computers and telecommunications	1,479	431
Total plant and equipment	5,042	2,459
Infrastructure		
Roads	13,052	20,544
Bridges	40	132
Footpaths and cycleways	4,060	2,068
Drainage	639	496
Recreational, leisure and community facilities	1,195	3,718
Parks, open space and streetscapes	11,286	9,572
Off street car parks	226	1,196
Waste management	2,761	-
Other infrastructure	3,553	2,187
Total infrastructure	36,812	39,913
Total capital works expenditure	55,290	54,659
Represented by:		
New asset expenditure	25,632	18,841
Asset renewal expenditure	18,654	23,474
Asset expansion expenditure	91	258
Asset upgrade expenditure	10,913	12,086
Total capital works expenditure	55,290	54,659

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

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

Note 1 Overview

Introduction

The City of Whittlesea was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. Council's main office is located at 25 Ferres Boulevard, South Morang, Victoria.

Statement of compliance

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

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

Significant accounting policies

1.1 Basis of accounting

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

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

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

Note 1 Overview (cont)

1.1 Basis of accounting (cont)

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

Goods and Services Tax (GST)

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

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

Note 2 Analysis of our results

Note 2.1 Performance against budget

This performance against budget note compares the City of Whittlesea's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold with explanations provided if the variance is greater than 10% or is greater than \$1m. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 27 June 2022. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

2.1.1 Income / Revenue and expenditure

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	187,616	190,300	2,684	1%	1
Statutory fees and fines	15,785	17,036	1,251	8%	2
User fees	15,944	9,121	(6,823)	(43%)	3
Grants - operating	30,028	38,590	8,562	29%	4
Grants - capital	8,126	12,630	4,504	55%	5
Contributions - monetary	16,627	23,187	6,560	39%	6
Contributions - non monetary	106,162	100,656	(5,506)	(5%)	7
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	226	605	379	168%	8
Other income	6,184	15,048	8,864	143%	9
Total income /Revenue	386,698	407,173	20,475	5%	
Expenses					
Employee costs	104,905	104,227	678	1%	
Materials and services	80,949	91,727	(10,778)	(13%)	10
Depreciation	42,490	47,286	(4,796)	(11%)	11
Amortisation - Intangible assets	130	371	(241)	(185%)	12
Amortisation - Right of use assets	691	926	(235)	(34%)	13
Bad and doubtful debts - allowance for impairment losses	450	3,019	(2,569)	(571%)	14
Borrowing costs	200	192	8	4%	
Finance costs - Leases	34	91	(57)	(168%)	15
Net loss on write-off of property, Infrastructure, plant and equipment	-	9,730	(9,730)	(100%)	16
Share of net loss of associates and joint ventures	-	203	(203)	(100%)	17
Other expenses	15,541	15,772	(231)	(1%)	
Total expenses	245,390	273,544	(28,154)	(11%)	
Surplus for the year	141,308	133,629	(7,679)	(5%)	

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

Note 2.1 Performance against budget

2.1.1 Income / Revenue and expenditure

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and charges	The favourable variance to budget is primarily due to the reclassification of waste service fees \$4.63 million from user fees into rates and charges. This is partially offset by supplementary rates processed for the 2022-23 financial year being lower than anticipated.
2	Statutory fees and fines	The favourable variance to budget is predominantly due to the increase in plan checking and supervision fees resulting from significant growth in construction activities relating to subdivision projects.
3	User fees	The unfavourable variance to budget is primarily due to the reclassification of waste service fees (\$4.63 million) from user fees into rates and charges. Additionally, home support services fees for aged care are less than anticipated and are in line with service delivery relating to home support programs. This is partially offset by unbudgeted rental income received from the Epping Cooper Street tip.
4	Grants - operating	The favourable variance to budget is largely due to advance payment of the Financial Assistance Grant received from the Victorian Grant Commission (variance of \$7.2 million) relating to 2023-24 financial year and recognised in line with the accounting standards. The variance also relates to number of other successful applications for grant funding that were received through the year and were unbudgeted.
5	Grants - capital	The favourable variance to budget is largely due to number of successful applications for grant funding that were received through the year and were unbudgeted. These include funding received for Whittlesea Public Gardens Master Plan, construct shared path - Yan Yean Pipe Track project and additional grant received for implementation of the Glass Bin service.
6	Contributions - monetary	The favourable variance to budget is mainly due to the greater than anticipated contributions received from developers as a result of continued growth. This income gives rise to future obligations relating infrastructure that Council must deliver including community facilities and roads.
7	Contributions - non monetary	The unfavourable variance to budget is due to non-cash assets transferred to Council from developers not being as high as anticipated as a result of delays in reaching practical completion in new subdivisions throughout the municipality. In addition, delays in the delivery of works in kind projects due to constraints such as issues with infrastructure supplies and contractors availability also contributed to variance.
8	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Net gain on disposal of property, infrastructure, plant and equipment occurs as a result of proceeds received from the disposal of property, infrastructure, plant and equipment. The favourable variance to budget has occurred primarily due to higher than anticipated proceeds received from plant and equipment.
9	Other Income	The favourable variance to budget is mainly due to the interest on investments providing higher returns than budgeted as a result of a higher than anticipated interest rate.

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

Note 2.1 Performance against budget

2.1.1 Income and expenditure

(i) Explanation of material variations (cont)

Variance Ref	Item	Explanation
10	Materials and services	The unfavourable variance mainly relates to the unbudgeted works in kind reimbursement payments paid to developers relating to Developer Contribution Plan. These payments are funded by the Development Contribution Plan reserve.
11	Depreciation	The unfavourable variance to budget is a result of revaluation and significant gifted assets being recognised after the budget was adopted, therefore not factored into the budget relating to depreciation.
12	Amortisation - Intangible assets	The unfavourable variance to budget is due to the budget having a conservative estimate based on the previous financial year. Estimates of the remaining useful lives and amortisation method are reviewed annually, and adjustments made where appropriate.
13	Amortisation - Right of use assets	Amortisation of right of use assets has been recognised as per AASB16 and is higher than the budget due to Council entering into unbudgeted lease arrangements for vehicles as part of new glass bin contract.
14	Bad and doubtful debts - allowance for impairment losses	The unfavourable variance to budget is due to provisions raised against a number of Council's debtor balances during the year where it has been assessed that there is doubt that payment will be received.
15	Finance costs - Leases	The unfavourable variance to budget is due to higher than anticipated interest paid as a result of unbudgeted additional lease items being added during the financial year.
16	Net loss on write-off of property, Infrastructure, plant and equipment	Net loss on write-off of property, Infrastructure, plant and equipment occurs as a result of disposal of property, infrastructure, plant and equipment. This occurs when the assets are no longer usable, have become obsolete, have suffered damage beyond repair or replaced with another asset. The unfavourable variance to budget has occurred primarily due to higher than anticipated disposal of infrastructure assets.
17	Share of net loss of associates and joint ventures	The unfavourable variance to budget is a result of loss incurred by the Yarra Plenty Regional Library due to increase in employee costs due to restructure and increase in material services due to implementation of the Microsoft 365 system.

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

Note 2.1 Performance against budget

2.1.2 Capital works

	Budget*	Actual	Variance	Variance	Ref
	2023	2023			
	\$'000	\$'000	\$'000	%	
Property					
Land	200	6,317	(6,117)	(3059%)	1
Total land	200	6,317	(6,117)	(3059%)	
Buildings	7,333	3,567	3,766	51%	2
Building improvements	2,493	3,552	(1,059)	(42%)	3
Total buildings	9,827	7,119	2,708	28%	
Total property	10,027	13,436	(3,409)	(34%)	
Plant and equipment					
Plant, machinery and equipment	4,400	2,948	1,452	33%	4
Fixtures, fittings and furniture	480	615	(135)	(28%)	5
Computers and telecommunications	1,504	1,479	25	2%	
Total plant and equipment	6,383	5,042	1,341	21%	
Infrastructure					
Roads	17,519	13,052	4,467	25%	6
Bridges	1,250	40	1,210	97%	7
Footpaths and cycleways	6,070	4,060	2,010	33%	8
Drainage	761	639	122	16%	9
Recreational, leisure and community facilities	3,859	1,195	2,664	69%	10
Parks, open space and streetscapes	19,863	11,286	8,577	43%	11
Off street car parks	165	226	(61)	(37%)	12
Waste management	3,900	2,761	1,139	29%	13
Other infrastructure	5,739	3,553	2,186	38%	14
Total infrastructure	59,125	36,812	22,313	38%	
Total capital works expenditure	75,535	55,290	20,245	27%	
Represented by:					
New asset expenditure	32,374	25,632	6,742	21%	
Asset renewal expenditure	25,087	18,654	6,433	26%	
Asset expansion expenditure	443	91	352	79%	
Asset upgrade expenditure	17,631	10,913	6,718	38%	
Total capital works expenditure	75,535	55,290	20,245	27%	

Council will carry forward \$21.66 million capital works into 2023-24 financial year.

* The adopted budget amount for 2022-23 financial year includes \$23.87 million of carry forwards approved by Council.

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

Note 2.1 Performance against budget

2.1.2 Capital works

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	The variance to budget is due to unbudgeted land acquisitions being undertaken to enable capital works construction projects to commence in 2023-24.
2	Buildings	The variance to budget is a result of building projects being delayed in the design phase and poor ground conditions impacting construction commencement.
3	Building improvements	The variance to budget is due to the addition of the Whittlesea Customer Hub to the capital program and; additional investment into renewal of buildings.
4	Plant, machinery and equipment	The variance to budget is due to delays in the receipt of plant and machinery as a result of supply chain issues.
5	Fixtures, fittings and furniture	The variance to budget is due to an additional kindergarten fit out being required in collaboration with the Victorian School Building Authority.
6	Roads	The variance to budget is due to the commencement of road projects being delayed through the design and external approval phases.
7	Bridges	The variance to budget is a result of boardwalk projects being put on hold due to resource constraints.
8	Footpaths and cycleways	The variance to budget is due to a number of projects being delayed in the procurement, external approvals and construction phases.
9	Drainage	The variance to budget is due to wet weather delays to drainage improvement works; now expected to be completed within the first quarter of 2023-24.
10	Recreational, leisure and community facilities	The variance to budget is due to delays in the planning and procurement phase for a number of recreation projects resulting in these projects continuing in 2023-24.
11	Parks, open space and streetscapes	The variance to budget is due to delays in external approvals, procurement and delivery activities on a number of park projects, resulting in projects continuing into 2023-24.
12	Off street car parks	The variance to budget is due to an additional car park upgrade being brought forward to 2022-23 utilising grant funding.
13	Waste management	The variance to budget is due to the residential glass bin rollout being completed below estimated budget resulting in a saving.
14	Other infrastructure	The variance to budget is due to delays in the design and approval activities on projects impacting on the commencement of delivery.

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

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Executive

The Executive directorate supports the provision of a range of professional services to internal and external customers, with an emphasis on Governance and public affairs. It is also responsible for establishing and maintaining an appropriate organisational structure for Council, ensuring that Council decisions are implemented promptly. This directorate ensures that Council has effective strategy and governance practices in place to provide transparency, performance monitoring and to ensure accordance with the Local Government Act and relevant legislation. This directorate also looks after the City of Whittlesea's communication with its community and other stakeholders.

Community Wellbeing

Our Community Wellbeing directorate oversees many service areas that impact the day-to-day living and wellbeing of City of Whittlesea residents. The Directorate works collaboratively with the State and Federal Government to provide many of these services and operates in partnership with a variety of community service organisations to meet the needs of our diverse and vibrant community.

Planning and Development

The Planning and Development directorate is critical in taking the voice of all Whittlesea residents to Members of Federal and State Parliament and Senior Government Officers. It also ensures our residents, businesses, government authorities, strategic partners and staff are informed about important Council events, services, programs and initiatives. Another important role is to manage both Strategic Planning & Design and Development Assessment processes.

Infrastructure and Environment

The Infrastructure and Environment directorate provides a diverse range of infrastructure services to the community. With the high level of growth within the municipality and an increasing number of residents, there is a need to be responsive to community needs. Some of the Directorate's key functions include managing parks and open spaces, road, road-related and footpath construction and maintenance, building maintenance, engineering services, traffic management, road safety and sustainability planning.

Customer and Corporate Services

Our Customer and Corporate Services directorate ensures that Council has the funds available to provide safe, useful and sustainable assets and services to our community. This directorate monitors, manages, researches, reports and provides advice to Council on all financial and organisational matters and ensures good governance. It directs and assists the organisation to achieve its goals by providing accurate data and introducing efficiencies and enhancements that best utilise Council's resources.

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

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

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Executive	24	10,927	(10,903)	-	65
Community Wellbeing	15,229	43,396	(28,167)	11,095	1,865,949
Planning and Development	18,041	28,072	(10,031)	3,139	14,275
Infrastructure and Environment	41,589	93,543	(51,954)	14,039	2,448,789
Customer and Corporate Services	332,290	97,606	234,684	22,947	390,995
	407,173	273,544	133,629	51,220	4,720,073
	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Executive	625	9,596	(8,971)	50	236
Community Wellbeing	14,464	42,235	(27,771)	11,312	1,962,057
Planning and Development	15,194	23,439	(8,245)	1,901	14,046
Infrastructure and Environment	31,494	100,554	(69,060)	17,817	2,298,328
Customer and Corporate Services	291,851	73,441	218,410	19,810	350,724
	353,628	249,265	104,363	50,890	4,625,391

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

Note 3 Funding for the delivery of our services

3.1 Rates and charges

The City of Whittlesea uses Net Annual Value (NAV) as the basis of valuation of all properties within the municipal district. The NAV of a property is its imputed rental value.

The valuation base used to calculate general rates for 2022-23 year was \$3,705 million (2021-22 \$3,207 million).

	2023	2022
	\$'000	\$'000
General rates	170,724	165,210
Waste management charge*	16,149	10,005
Special rates and charges (marketing schemes)	255	251
Supplementary rates and rate adjustments	1,746	2,171
Interest on rates and charges	1,426	1,142
Total rates and charges	190,300	178,779

*Income has been reclassified from user fees to rates and charges in the 2022-23 year.

The date of the latest general revaluation of property for rating purposes within the municipal district was 1 January 2023, and the valuation will be first applied in the rating year commencing 1 July 2023.

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 is issued.

3.2 Statutory fees and fines

	2023	2022
	\$'000	\$'000
Infringements and costs	6,483	6,228
Court recoveries	376	626
Permit fees	7,856	6,800
Certificates and regulatory service fees	2,321	1,726
Total statutory fees and fines	17,036	15,380

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

3.3 User fees

	2023	2022
	\$'000	\$'000
Aged and health services	767	745
Family and children services	191	152
Registrations	2,654	2,185
Leisure centre fees	450	64
Property leases and rentals	3,175	2,029
Waste management services*	1,645	5,553
Other fees and charges*	239	156
Total user fees	9,121	10,884

*Income has been reclassified from user fees to rates and charges in the 2022-23 year.

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

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

Note 3 Funding for the delivery of our services

3.4 Funding from other levels of government

Grants were received in respect of the following :	2023	2022
Summary of grants	\$'000	\$'000
Commonwealth funded grants	31,253	30,925
State funded grants	18,833	18,012
Other	1,134	1,953
Total grants received	51,220	50,890
(a) Operating Grants	2023	2022
Recurrent - Commonwealth Government	\$'000	\$'000
Financial assistance grants	22,886	19,669
Home and community care	4,509	3,227
Community wellbeing	28	20
Recurrent - State Government		
Early years	278	331
Family day care	687	838
Home and community care	548	1,424
Community development	222	127
Community wellbeing	298	243
Maternal and child health	4,041	3,790
Resilience and emergency management	60	-
Youth services	14	26
Sustainability planning	10	10
Pedestrian crossings	960	747
Growth area planning	70	80
Recurrent - Other		
VicRoads maintenance contract	936	853
Other grants	13	-
Total recurrent operating grants	35,560	31,385

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

Note 3 Funding for the delivery of our services

3.4 Funding from other levels of government (cont)

	2023	2022
	\$'000	\$'000
Non-recurrent - Commonwealth Government		
Community wellbeing	-	36
Other	18	-
Non-recurrent - State Government		
Community wellbeing	746	1,175
Youth services	8	106
Infrastructure	150	4
Leisure and community inclusion	90	60
Economic development	1,036	793
Sustainability planning	226	259
Resilience and emergency management	520	257
Organisational development	51	103
Non-recurrent - Other		
Northern region transport program	-	98
Community wellbeing	-	19
Sustainability planning	185	-
Total non-recurrent operating grants	3,030	2,910
Total operating grants	38,590	34,295
(b) Capital Grants	2023	2022
	\$'000	\$'000
Recurrent - Commonwealth Government		
Roads to recovery	1,335	1,417
Recurrent - State Government		
Total recurrent capital grants	1,335	1,417
Non-recurrent - Commonwealth Government		
Roads	2,188	4,698
Buildings	285	1,181
Parks and gardens	4	677
Non-recurrent - State Government		
Buildings	81	3,454
Parks and gardens	3,100	2,335
Roads	381	1,565
Recreational, leisure and community	2,191	918
Sustainability	3,065	250
Non-recurrent - Others		
Roads	-	100
Total non-recurrent capital grants	11,295	15,178
Total capital grants	12,630	16,595

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

Note 3 Funding for the delivery of our services

3.4 Funding from other levels of government (cont)

(c) Recognition of grant income

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

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations; or grant funding enable Council to acquire/construct a recognisable non-financial assets specified in contract to be controlled by Council, the Council applies *AASB 1058 Income for Not-for-Profit Entities*.

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

Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i>	2023	2022
	\$'000	\$'000
General purpose	23,895	21,994
Specific purpose grants to acquire non-financial assets	12,630	15,099
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	14,696	13,797
Total recognition of grant income	51,220	50,890

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

	2023	2022
	\$'000	\$'000
Operating		
Balance at start of year	9,737	6,165
Received during the financial year and remained unspent at balance date	9,553	9,737
Received in prior years and spent during the financial year	(9,737)	(6,165)
Balance at year end	9,553	9,737
Capital		
Balance at start of year	11,887	16,150
Received during the financial year and remained unspent at balance date	10,901	11,887
Received in prior years and spent during the financial year	(11,887)	(16,150)
Balance at year end	10,901	11,887
Total unspent grants	20,454	21,624

Unspent grants are determined and disclosed on a cash basis.

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

Note 3 Funding for the delivery of our services

3.5 Contributions	2023	2022
	\$'000	\$'000
Monetary	23,187	13,625
Non-monetary	100,656	76,858
Total contributions	123,843	90,483

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

Land	33,120	23,770
Roads	45,279	34,410
Other infrastructure	22,257	18,678
Total non-monetary contributions	100,656	76,858

Monetary and non monetary contributions are recognised as revenue when Council receives the funds or obtains control over the contributed asset or a Section 173 agreement has been signed and credits issued.

Council received an increase in contributed assets from developers in comparison to the prior year, as a result of an increase in developments throughout the municipality.

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

	2023	2022
	\$'000	\$'000
(a) Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	685	523
Written down value of assets disposed	(80)	(32)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	605	491

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

(b) Net loss on write-off of property, Infrastructure, plant and equipment

Written down value of assets written-off	(9,730)	(17,660)
Total net loss on write-off of property, infrastructure, plant and equipment	(9,730)	(17,660)

3.7 Other income

	2023	2022
	\$'000	\$'000
Sales	718	859
Interest*	10,120	1,258
Reimbursements	3,926	3,865
Other	284	554
Total other income	15,048	6,536

*Interest income is higher than the comparative period due to higher interest rates received on investments, following increases in the interest rate. Interest is recognised as it is earned.

Reimbursements mainly consist of WorkCover and insurance recovered, and reimbursements of capital works undertaken.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs	2023	2022
	\$'000	\$'000
Wages and salaries	92,890	84,090
WorkCover	1,854	1,633
Superannuation	9,256	7,945
Fringe benefits tax	196	119
Other	31	100
Total employee costs	104,227	93,887

Council has strategically invested in staffing resources into areas to support delivery of our community plan and to keep pace with our growth in population and development. Some services such as management of operations of the wat djerring Animal Facility have been brought in-house to enable greater transparency, increase efficiencies, and increase the ability to be responsive to changing community expectation.

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	124	240
	124	240
Employer contributions payable at reporting date.	8	6

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	9,132	7,705
	9,132	7,705
Employer contributions payable at reporting date.	423	-

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services	2023	2022
	\$'000	\$'000
External works (contractors)	8,918	4,262
Maintenance and operations contractors	20,053	19,234
Sustainable environment contractors	25,708	20,098
Assets and facilities contractors	8,564	7,879
Information services contractors	433	755
Support services	8,188	7,732
Design work	77	41
Facilities management	3,574	2,812
Supplies and services	7,934	7,897
Plant and feet operations	1,955	1,898
Computer services	3,727	2,569
Communications	1,253	1,290
Catering supplies	260	349
Construction materials	884	623
Travel and accommodation	106	90
Consumable materials	93	-
Total materials and services	91,727	77,529

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

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

Note 4 The cost of delivering services

4.3 Depreciation	2023	2022
	\$'000	\$'000
Property	8,202	7,462
Plant and equipment	2,065	2,256
Infrastructure	37,019	31,845
Total depreciation	47,286	41,563

Refer to note 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - Intangible assets	2023	2022
	\$'000	\$'000
Intangible assets	371	120
Total Amortisation - Intangible assets	371	120

4.5 Amortisation - Right of use assets	2023	2022
	\$'000	\$'000
Property	516	535
Vehicles	308	-
Plant and equipment	102	71
Total Amortisation - Right of use assets	926	606

4.6 Bad and doubtful debts - allowance for impairment losses	2023	2022
	\$'000	\$'000
Infringements debtors	2,317	2,806
Other debtors	702	582
Total bad and doubtful debts - allowance for impairment losses	3,019	3,388

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	(6,353)	(11,923)
New provisions recognised during the year	(3,019)	(3,388)
Amounts already provided for and written off as uncollectible	-	8,958
Balance at end of year	(9,372)	(6,353)

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

4.7 Borrowing costs	2023	2022
	\$'000	\$'000
Interest - Borrowings	192	206
Total borrowing costs	192	206

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.

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

Note 4 The cost of delivering services

4.8 Finance Costs - Leases	2023	2022
	\$'000	\$'000
Interest - Lease liabilities	91	30
Total finance costs	91	30

4.9 Other expenses	2023	2022
	\$'000	\$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	74	71
Auditors' remuneration - Internal Contributions	134	142
Grants to community	3,389	2,547
Yarra Plenty Regional Library contributions	5,202	5,130
Insurance premiums	1,827	1,611
Utilities	3,542	3,146
Others	1,604	1,629
Total other expenses	15,772	14,276

Note 5 Our financial position

5.1 Financial assets	2023	2022
(a) Cash and cash equivalents	\$'000	\$'000
Cash on hand	4	5
Cash at bank	1,074	1,363
Term deposits	50,095	55,194
Total cash and cash equivalents	51,173	56,562

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

(b) Other financial assets	2023	2022
Current	\$'000	\$'000
Term deposits - current	250,000	220,000
Non-current		
Term deposits - non-current	-	-
Total non-current other financial assets	-	-
Total other financial assets	250,000	220,000
Total financial assets	301,173	276,562

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

Other financial assets include term deposits and those with original maturity dates of 3 to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

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

Note 5 Our financial position

5.1 Financial assets (cont)

(c) Trade and other receivables	2023	2022
Current	\$'000	\$'000
Statutory receivables		
Rates debtors	27,863	22,202
Infringement debtors	6,527	5,416
Provision for doubtful debts - infringements	(6,299)	(3,982)
Net GST receivable	2,757	2,574
Non statutory receivables		
Other debtors	12,894	7,924
Provision for doubtful debts - Other debtors	(3,073)	(2,371)
Total current trade and other receivables	40,669	31,763

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

(d) Ageing of Receivables

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

Current (not yet due)	3,785	2,706
Past due by up to 30 days	502	697
Past due between 31 and 180 days	2,403	623
Past due between 181 and 365 days	3,575	1,556
Past due by more than 1 year	2,629	2,342
Total trade and other receivables	12,894	7,924

(e) Ageing of individually impaired Receivables

At balance date, other and infringement debtors representing financial assets with a nominal value of \$9.4m (2022: \$6.4m) were impaired. The amount of the provision raised against these debtors was \$3.0m (2022: \$3.4m). They individually have been impaired as a result of their doubtful collection.

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

Past due between 31 and 180 days	943	842
Past due between 181 and 365 days	951	778
Past due by more than 1 year	7,478	4,733
Total trade and other receivables	9,372	6,353

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

Note 5 Our financial position

5.2 Non-financial assets

(a) Inventories	2023	2022
	\$'000	\$'000
Fuels	75	56
Depot workshop items and signs	31	70
Total inventories	106	126

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets	2023	2022
	\$'000	\$'000
Accrued interest	2,714	336
Prepayments	1,679	2,104
Other	1,844	1,205
Total other assets	6,237	3,645

(c) Other financial assets	2023	2022
	\$'000	\$'000
Shares in Procurement Australasia Ltd	22	22
Total other financial assets	22	22

(d) Intangible assets	2023	2022
	\$'000	\$'000
Software	279	650
Total intangible assets	279	650

Gross carrying amount	Software	Total
	\$'000	\$'000
Balance at 1 July 2022	1,199	1,199
Balance at 30 June 2023	1,199	1,199

Accumulated amortisation and impairment		
Balance at 1 July 2022	549	429
Amortisation expense	371	120
Balance at 30 June 2023	920	549

Net book value at 30 June 2022	650	770
Net book value at 30 June 2023	279	650

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

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

Note 5 Our financial position

5.3 Payables

(a) Trade and other payables	2023	2022
Current	\$'000	\$'000
Trade payables	16,552	13,490
Accrued expenses	6,327	6,240
Other	951	911
Total current trade and other payables	23,830	20,641

(b) Trust funds and deposits	2023	2022
Current	\$'000	\$'000
Refundable deposits	10,342	15,260
Fire services property levy	18,814	14,792
Retention amounts	494	594
Other refundable deposits	2,790	3,674
Total current trust funds and deposits	32,440	34,320

(c) Unearned income/revenue	2023	2022
Current	\$'000	\$'000
Grants received in advance - operating	9,553	9,737
Grants received in advance - capital	10,901	11,887
Other	5,088	3,271
Total current unearned income/revenue	25,542	24,895

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of grant received in advance and ticket sales income received in advance and deferred. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3 (c).

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 and bonds are taken by Council as a form of surety in relation to building and infrastructure works or hiring transactions for council assets. Amounts will be refunded if Council's assets are maintained in their original condition.

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

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

Other refundable deposits - Deposits are taken by Council as a form of surety in relation to leasing or hiring transactions for Council assets. Amounts will be refunded if Council's assets are maintained in their original condition.

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

Note 5 Our financial position

5.4 Interest-bearing liabilities	2023	2022
Current	\$'000	\$'000
Borrowings - secured	907	846
Treasury Corporation of Victoria borrowings - secured	1,542	1,518
	<u>2,449</u>	<u>2,364</u>
Non-current		
Borrowings - secured	-	1,517
Treasury Corporation of Victoria borrowings - secured	9,191	10,123
	<u>9,191</u>	<u>11,640</u>
Total	<u>11,640</u>	<u>14,004</u>

Borrowings are secured by a mortgage over the general rates and charges of Council.

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

Not later than one year	2,449	2,364
Later than one year and not later than five years	6,520	7,933
Later than five years	2,671	3,707
	<u>11,640</u>	<u>14,004</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 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. Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 Provisions

	Annual leave	Long service leave	Other	Total
2023	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	7,990	12,930	1,288	22,208
Additional provisions	6,354	2,583	1,776	10,713
Amounts used	(6,022)	(2,060)	(2,112)	(10,194)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	348	248	596
Balance at the end of the financial year	<u>8,322</u>	<u>13,801</u>	<u>1,200</u>	<u>23,323</u>
Provisions - current	8,323	12,483	866	21,672
Provisions - non-current	-	1,317	334	1,651

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

Note 5 Our financial position

5.5 Provisions (cont)

	Annual leave	Long service leave	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2022				
Balance at beginning of the financial year	7,387	13,721	2,229	23,337
Additional provisions	5,534	1,377	(818)	6,093
Amounts used	(4,931)	(2,606)	(243)	(7,780)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	438	120	558
Balance at the end of the financial year	7,990	12,930	1,288	22,208
Provisions - current	7,990	11,814	918	20,722
Provisions - non-current	-	1,116	370	1,486
			2023	2022
			\$'000	\$'000
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months				
Annual leave			6,092	5,849
Long service leave			1,272	1,192
Other			120	129
			7,484	7,170
Current provisions expected to be wholly settled after 12 months				
Annual leave			2,231	2,141
Long service leave			11,211	10,622
Other			746	789
			14,188	13,552
Total current employee provisions			21,672	20,722
Non-current				
Long service leave			1,317	1,116
Other			334	370
Total non-current employee provisions			1,651	1,486
Aggregate carrying amount of employee				
Current			21,672	20,722
Non-current			1,651	1,486
Total aggregate carrying amount of employee			23,323	22,208

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

Note 5 Our financial position

5.5 Provisions (cont)

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:

Weighted average discount rates	4.03%	3.50%
Weighted average increase in employee costs	2.80%	1.75%
weighted average settlement period (months)	13	13

5.6 Financing arrangements

Council has the following funding arrangements in place as at 30 June 2023.

	2023	2022
	\$'000	\$'000
Bank overdraft	200	200
Credit card facilities	255	281
Total facilities	<u>455</u>	<u>481</u>
Used facilities	(54)	(60)
Unused facilities	<u>401</u>	<u>421</u>

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

Note 5 Our financial position

5.7 (a) Commitments

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

(a) Commitments for expenditure 2023

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Building maintenance	8,468	2,175	-	-	10,643
Consultancy	911	431	722	-	2,064
Health	1,455	127	-	-	1,582
Information technology and systems	5,885	1,868	450	-	8,203
Infrastructure	1,198	1,076	258	-	2,532
Leisure	271	(533)	-	-	(262)
Other	6,044	2,946	943	-	9,933
Parks maintenance	20,058	16,764	489	-	37,311
Renewable power	3,156	3,156	3,156	14,222	23,690
Transport and local laws	8,156	5,086	-	-	13,242
Waste and recycling	15,413	13,028	29,903	14,065	72,409
Total	71,015	46,124	35,921	28,287	181,347
Capital					
Building works	1,764	-	-	-	1,764
Information technology and systems	170	-	-	-	170
Infrastructure	-	-	-	-	-
Leisure	-	-	-	-	-
Other	1,597	-	-	-	1,597
Parks works	8,300	317	-	-	8,617
Roads	16,588	39,360	-	-	55,948
Transport and local laws	-	-	-	-	-
Total	28,419	39,677	-	-	68,096

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

Note 5 Our financial position

5.7 (a) Commitments for expenditure (cont)

2022	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Building maintenance	10,000	10,000	2,521	-	22,521
Consultancy	362	78	-	-	440
Health	452	-	-	-	452
Information technology and systems	4,618	992	304	-	5,914
Infrastructure	22	22	7	-	51
Leisure	451	423	-	-	874
Other	4,841	1,245	1,004	-	7,090
Parks maintenance	14,760	14,350	10,829	-	39,939
Renewable power	3,156	3,156	6,311	14,222	26,845
Transport and local laws	8,883	8,089	3,440	1,761	22,173
Waste and recycling	16,454	13,118	24,595	31,932	86,099
Total	63,999	51,473	49,011	47,915	212,398
Capital					
Building works	1,634	111	74	-	1,819
Information technology and systems	33	12	26	-	71
Infrastructure	1,715	153	189	-	2,057
Leisure	466	-	-	-	466
Other	366	17	-	-	383
Parks works	6,816	6	-	-	6,822
Roads	-	-	-	-	-
Transport and local laws	22,301	-	-	-	22,301
Total	33,331	299	289	-	33,919

(b) Operating lease receivables

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

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

	2023 \$'000	2022 \$'000
Not later than one year	719	611
Later than one year and not later than five years	1,871	1,771
Later than five years	1,308	1,572
	3,898	3,954

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

Note 5 Our financial position

5.8 Leases

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

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

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

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

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

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

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

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

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

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

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

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

Note 5 Our financial position

5.8 Leases (cont)

Right-of-Use Assets	Property	Vehicle	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	1,038	-	270	1,308
Additions	184	1,846	-	2,030
Amortisation charge	(516)	(308)	(102)	(926)
Balance at 30 June 2023	706	1,538	168	2,412

Lease Liabilities	2023	2022
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	967	620
One to five years	2,099	544
More than five years	903	557
Total undiscounted lease liabilities as at 30 June 2023:	3,969	1,721

Lease liabilities included in the Balance Sheet at 30 June 2023:

Current	588	599
Non-current	1,880	737
Total lease liabilities	2,468	1,336

Short-term and low value leases

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

Expenses relating to:

Short-term leases	75	163
Total	75	163

Variable lease payments (not included in measurement of lease liabilities)

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2022	Additions	Contributions	Revaluation	Depreciation	Disposal	Write off	Transfers	Carrying amount 30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,029,103	1,652	33,120	(123,200)	(8,034)	(1,931)	-	26,217	1,956,927
Plant and equipment	11,250	4,677	-	(839)	(2,234)	(162)	(80)	660	13,272
Infrastructure	2,172,209	14,266	67,536	83,253	(37,018)	(295)	(7,343)	47,414	2,340,022
Work in progress	95,657	34,695	-	-	-	-	-	(74,291)	56,061
Total	4,308,219	55,290	100,656	(40,786)	(47,286)	(2,388)	(7,423)	-	4,366,282

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000
Property	42,175	12,310	(26,217)	28,268
Plant and equipment	1,054	278	(660)	672
Infrastructure	52,428	22,107	(47,414)	27,121
Total	95,657	34,695	(74,291)	56,061

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

(a) Property

	Land - specialised	Land - non specialised	Land under roads	Total Land & Land Improvements	Buildings - specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	1,723,410	3,080	729	1,727,219	513,050	513,050	42,175	2,282,444
Accumulated depreciation at 1 July 2022	-	-	-	-	(211,166)	(211,166)	-	(211,166)
	1,723,410	3,080	729	1,727,219	301,884	301,884	42,175	2,071,278
Movements in fair value								
Additions	1,652	-	-	1,652	-	-	12,310	13,962
Contributions	33,120	-	-	33,120	-	-	-	33,120
Revaluation	(114,303)	-	-	(114,303)	3,905	3,905	-	(110,398)
Disposal	-	-	-	-	(4,304)	(4,304)	-	(4,304)
Transfers	-	-	-	-	26,217	26,217	(26,217)	-
	(79,531)	-	-	(79,531)	25,818	25,818	(13,907)	(67,620)
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	-	(8,034)	(8,034)	-	(8,034)
Accumulated depreciation of disposals	-	-	-	-	2,373	2,373	-	2,373
Revaluation increments/decrements	-	-	-	-	(12,802)	(12,802)	-	(12,802)
	-	-	-	-	(18,463)	(18,463)	-	(18,463)
At fair value 30 June 2023	1,643,879	3,080	729	1,647,688	538,868	538,868	28,268	2,214,824
Accumulated depreciation at 30 June 2023	-	-	-	-	(229,629)	(229,629)	-	(229,629)
	1,643,879	3,080	729	1,647,688	309,239	309,239	28,268	1,985,195

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Artworks	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	14,884	14,046	4,463	1,054	34,447
Accumulated depreciation at 1 July 2022	(10,762)	(11,381)	-	-	(22,143)
	4,122	2,665	4,463	1,054	12,304
Movements in fair value					
Additions	2,954	1,693	30	278	4,955
Revaluation	-	(623)	(45)	-	(668)
Write off	-	-	(80)	-	(80)
Disposal	(1,073)	-	-	-	(1,073)
Transfers	-	615	45	(660)	-
	1,881	1,685	(50)	(382)	3,134
Movements in accumulated depreciation					
Depreciation and amortisation	(1,223)	(1,011)	-	-	(2,234)
Accumulated depreciation of disposals	911	-	-	-	911
Revaluation increments/decrements	(45)	(126)	-	-	(171)
	(357)	(1,137)	-	-	(1,494)
At fair value 30 June 2023	16,765	15,731	4,413	672	37,581
Accumulated depreciation at 30 June 2023	(11,119)	(12,518)	-	-	(23,637)
	5,646	3,213	4,413	672	13,944

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

(c) Infrastructure

	Roads	Bridges	Telecommunication Conduits	Drainage	Public Lighting	Parks open spaces and streetscapes	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	1,754,570	21,531	27,262	634,098	31,248	337,954	52,428	2,859,091
Accumulated depreciation at 1 July 2022	(349,499)	(7,859)	(7,524)	(134,558)	(18,947)	(116,067)	-	(634,454)
	1,405,071	13,672	19,738	499,540	12,301	221,887	52,428	2,224,637
Movements in fair value								
Additions	4,215	-	-	228	-	9,823	22,107	36,373
Contributions	45,279	-	-	14,629	70	7,558	-	67,536
Revaluation	74,406	1,699	1,661	36,918	1,764	11,446	-	127,894
Write-off	(6,155)	-	-	-	(2,377)	-	-	(8,532)
Disposal	-	-	-	(335)	-	-	-	(335)
Transfers	29,174	-	-	417	165	17,658	(47,414)	-
	146,919	1,699	1,661	51,857	(378)	46,485	(25,307)	222,936
Movements in accumulated depreciation								
Depreciation and amortisation	(14,749)	(236)	(553)	(6,481)	(1,436)	(13,563)	-	(37,018)
Accumulated depreciation of write off	424	-	-	-	765	-	-	1,189
Accumulated depreciation of disposals	-	-	-	40	-	-	-	40
Revaluation increments/decrements	(20,451)	(547)	(483)	(8,509)	(1,178)	(13,473)	-	(44,641)
	(34,776)	(783)	(1,036)	(14,950)	(1,849)	(27,036)	-	(80,430)
At fair value 30 June 2023	1,901,489	23,230	28,923	685,955	30,870	384,439	27,121	3,082,027
Accumulated depreciation at 30 June 2023	(384,275)	(8,642)	(8,560)	(149,508)	(20,796)	(143,103)	-	(714,884)
	1,517,214	14,588	20,363	536,447	10,074	241,336	27,121	2,367,143

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

Acquisition

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

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

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

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
land	-	10
land improvements	100 years	5
Buildings		
buildings	30 - 150 years	10
building and leasehold improvements	50 years	5
Plant and Equipment		
Fixtures fittings and furniture	5 - 10 years	1
plant, machinery and equipment	3 - 10 years	1
computers and telecommunications	3 years	1
leased plant and equipment	Contract terms	10
Infrastructure		
roads - pavements	50 - 120 years	5
roads - surface	30 years	5
parks, open spaces and streetscapes	10 - 80 years	1
off street car parks	30 - 120 years	5
bridges - deck	15 - 100 years	1
footpaths and cycleways	20 - 100 years	1
drainage	100 years	1
light pole and lanterns	20 years	1
conduits and pits	50 years	1
Intangible assets	10 years	-

Land under roads

Council recognises land under roads it controls at fair value.

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

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 Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component. Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, 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. Refer to note 8.4 for further information relating to Fair value measurement.

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year. This valuation was based on sales analysis, median price indices provided by the REIV and VGV indices and Rawlinson's building index. A full revaluation of these assets will be conducted in 2023-24.

Details of Council's land and buildings and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1 \$'000	Level2 \$'000	Level 3 \$'000	Date of Valuation	Types of valuation
Non-specialised land	-	3,080	-	Jun-23	Indexed
Specialised land and land under roads	-	-	1,644,608	Jun-23	Indexed
Specialised buildings	-	-	309,239	Jun-23	Indexed
Total	-	3,080	1,953,847		

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Mr. Michael Butler, Bachelor of Engineering (Civil).

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year. A full revaluation of these assets will be conducted in 2023-24.

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

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1 \$'000	Level2 \$'000	Level 3 \$'000	Date of Valuation	Types of valuation
Roads	-	-	1,517,214	Jun-23	Indexed
Bridges	-	-	14,588	Jun-23	Indexed
Drainage	-	-	536,447	Jun-23	Indexed
Public lighting	-	-	10,074	Jun-23	Indexed
Telecommunication Conduits	-	-	20,363	Jun-23	Indexed
Parks, open space and streetscapes	-	-	241,336	Jun-23	Indexed
Total	-	-	2,340,022		

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 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 \$1 and \$4,394 per square metre. Refer to note 8.4 for further information relating to Fair value measurement.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$355 to \$9,595 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 4 years to 93 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. Refer to note 8.4 for further information relating to Fair value measurement.

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. Refer to note 8.4 for further information relating to Fair value measurement.

Reconciliation of specialised land

	2023 \$'000	2022 \$'000
Land under roads	729	729
Parks and reserve	1,643,879	1,723,410
Total specialised land	1,644,608	1,724,139

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

Note 6 Assets we manage

6.2 Investments in associates, joint arrangements and subsidiaries

Yarra Plenty Regional Library Service (Incorporated) - Background

Represents the City of Whittlesea's share in the net assets of the Yarra Plenty Regional Library Service which became an incorporated body on 12 January 1996. Council's 37.81% (2021-22 37.81%) share of the net assets from their draft financial statements for the year ended 30 June 2023 has been treated as an investment in the Balance Sheet, with a decrease in the investment for the reporting period of \$0.20 million (increase of \$0.19 million for 2021-22), which is accounted for using the equity method and shown in the Comprehensive Income Statement.

	2023	2022
	\$'000	\$'000
Investments in associates		
Investments in associates accounted for by the equity method are:		
Yarra Plenty Regional Library Service (Incorporated)	2,893	3,096
Fair value of Council's investment in Yarra Plenty Regional Library	<u>2,893</u>	<u>3,096</u>
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	3,008	2,669
Reported surplus(deficit) for year	(537)	339
Council's share of accumulated surplus(deficit) at end of year	<u>2,471</u>	<u>3,008</u>
Movement in carrying value of specific investment		
Carrying value of investment at start of year	3,096	2,911
Share of surplus(deficit) for year	(203)	185
Carrying value of investment at end of year	<u>2,893</u>	<u>3,096</u>
Council's share of expenditure commitments		
Operating commitments	472	1,628
Council's share of expenditure commitments	<u>178</u>	<u>616</u>
Council's share of contingent liabilities and contingent assets		

The Yarra Plenty Regional Library Service does not have any contingent liabilities as at the end of the reporting period.

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.

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

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

City of Whittlesea is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.2.

(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:

Administrators	Ms Lydia Wilson - Chair
	Ms Peita Duncan
	Mr Chris Eddy (1 July 2022 - 12 December 2022)
	Mr Christian Zahra AM (2 March 2023)
CEO and executive Leadership team	Mr Craig Lloyd - Chief Executive Officer
	Ms Sarah Renner - Director Customer and Corporate Services
	Ms Kate McCaughey - Director Community Wellbeing (1 July 2022 - 3 February 2023)
	Mr Anthony Traill - Interim Director Community Wellbeing (30 January 2023 - 21 April 2023)
	Ms Agata Chmielewski - Director Community Wellbeing (24 April 2023)
	Ms Debbie Wood - Director Infrastructure and Environment
	Mr Justin O'Meara - Director Planning and Development (1 July 2022 - 19 May 2023)
	Mr Frank Joyce - Executive Manager Strategy & Insights
Ms Janine Morgan - Executive Manager Public Affairs	
	Ms Sarah Rowe - Interim Executive Manager Office of Council & CEO (1 February 2023 - 28 July 2023)

	2023	2022
	No.	No.
Total Number of Administrators	3	3
Total of Chief Executive Officer and other Key Management Personnel	8	7
Total Number of Key Management Personnel	<u>11</u>	<u>10</u>

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

Note 7 People and relationships

7.1 Council and key management remuneration (cont)

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2023 \$'000	2022 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	2,692	2,636
Other long-term employee benefits	56	80
Post-employment benefits	269	247
Total	3,017	2,963

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

	2023 No.	2022 No.
\$80,000 - \$89,999	1	-
\$130,000 - \$139,999	1	-
\$160,000 - \$169,999	1	2
\$220,000 - \$229,999	-	1
\$240,000 - \$249,999	2	1
\$260,000 - \$269,999	-	2
\$270,000 - \$279,999	-	1
\$280,000 - \$289,999	1	-
\$290,000 - \$299,999	-	1
\$300,000 - \$309,999	1	-
\$310,000 - \$319,999	-	1
\$320,000 - \$329,999	2	-
\$340,000 - \$349,999	1	-
\$370,000 - \$379,999	-	1
\$390,000 - \$399,999	1	-
	11	10

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

Note 7 People and relationships

7.1 Council and key management remuneration (cont)

(d) Remuneration of other senior staff

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

Total remuneration of other senior staff was as follows:

	2023	2022
	\$'000	\$'000
Short-term employee benefits	4,791	5,046
Other long-term employee benefits	325	564
Post-employment benefits	466	433
Total	5,582	6,043

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

	2023	2022
	No.	No.
Income Range:		
<\$160,000	10	15
\$160,000 - \$169,999	3	1
\$170,000 - \$179,999	4	5
\$180,000 - \$189,999	5	5
\$190,000 - \$199,999	4	7
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	2	2
\$220,000 - \$229,999	3	-
\$320,000 - \$329,999	-	1
	32	37
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	5,582	6,043

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

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

Note 7 People and relationships

7.2 Related party disclosure

(a) Transactions with related parties	2023	2022
During the period Council entered into the following transactions with related parties.	\$'000	\$'000
Expenditure		
Council library contributions paid to the Yarra Plenty Regional Library	5,202	5,130
Total related party expenditure	5,202	5,130
Income		
Fuel and motor vehicles repairs	14	12
Total related party income	14	12

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

Nil

(c) Loans to/from related parties

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

Nil

(d) Commitments to/from related parties

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

Nil

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

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

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

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Future superannuation contributions

In addition to the disclosed contributions, the City of Whittlesea has not paid unfunded liability payments to Vision Super over the past two years. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 are \$216,101.

Legal matters

There are no legal matters that could have a material impact on future operations.

Liability Mutual Insurance

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

(c) Guarantees for loans to other entities

Council has provided no current guarantees for loans to other entities.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

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

Note 8 Managing uncertainties

8.2 Change in accounting standards

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

8.3 Financial instruments

(a) Objectives and policies

The City of Whittlesea's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank and TCV 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 Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

(c) Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

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

There has been no significant change in 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 Council's year end result.

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

Note 8 Managing uncertainties

8.3 Financial instruments (cont)

(d) Credit risk

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

- Council have a policy for establishing credit limits for the entities Council deal with;
- Council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with Council's financial assets is minimal. Rates debtors are secured by a charge over the rateable property. Council has assessed that 97% of parking infringement debts owing to Council are unlikely to be collected and has raised a provision for doubtful debts over those debts based on an assessment of collectability. The collection of long overdue parking infringement debts is managed by Fines Victoria.

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

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

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

(e) Liquidity risk

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

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

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

Note 8 Managing uncertainties

8.3 Financial instruments (cont)

(e) Sensitivity disclosure analysis

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

- A parallel shift of +0.5% and -0.25% in market interest rates (AUD) from year-end rates of 4.10%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, 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 every 4 years. The valuation is performed either by experienced council officers or independent experts.

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

Note 8 Managing uncertainties

8.4 Fair value measurement (cont)

The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation
Land	4 Years
Buildings	4 Years
Roads	4 Years
Bridges	4 Years
Footpaths and cycleways	4 Years
Drainage	4 Years
Recreational, leisure and community facilities	4 Years

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

Impairment of assets

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

8.5 Events occurring after balance date

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

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

Note 9 Other matters

9.1 Reserves

Council at the end of the reporting period held the following reserve balances:

Summary	2023 \$'000	2022 \$'000
Asset revaluation reserves	1,455,084	1,495,870
Asset replacement reserve	79,638	59,461
Asset development reserve	142,281	134,616
	1,677,003	1,689,947

(a) Asset revaluation reserves

2023	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land and land improvements	1,097,911	(114,303)	983,608
Buildings	112,681	(8,897)	103,784
	1,210,592	(123,200)	1,087,392
Plant and equipment			
Plant machinery and equipment	(14)	(45)	(59)
Fixtures fittings and furniture	(338)	(749)	(1,087)
Artworks	3,024	(45)	2,979
	2,672	(839)	1,833
Infrastructure			
Roads	171,561	53,955	225,516
Bridges	(5,016)	1,152	(3,864)
Drainage	57,379	28,409	85,788
Telecommunication Conduits	363	1,178	1,541
Public Lighting	(119)	586	467
Parks, open space and streetscapes	58,438	(2,027)	56,411
	282,606	83,253	365,859
Total asset revaluation reserves	1,495,870	(40,786)	1,455,084

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

Note 9 Other matters

9.1 Reserves (cont)

(a) Asset revaluation reserves (cont)

2022	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land and land improvements	972,104	125,807	1,097,911
Buildings	91,131	21,550	112,681
	1,063,235	147,357	1,210,592
Plant and equipment			
Plant machinery and equipment	-	(14)	(14)
Fixtures fittings and furniture	-	(338)	(338)
Artworks	1,726	1,298	3,024
	1,726	946	2,672
Infrastructure			
Roads	147,132	24,429	171,561
Bridges	(4,927)	(89)	(5,016)
Drainage	46,994	10,385	57,379
Telecommunication Conduits	(194)	557	363
Public Lighting	(192)	73	(119)
Parks, open space and streetscapes	40,398	18,040	58,438
	229,211	53,395	282,606
Total asset revaluation reserves	1,294,172	201,698	1,495,870

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

(b) Other reserves*

2023	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Asset replacement reserve	59,461	22,451	(2,274)	79,638
Asset development reserve	134,616	31,402	(23,737)	142,281
Total Other reserves	194,077	53,853	(26,011)	221,919
2022				
Asset replacement reserve	59,414	47	-	59,461
Asset development reserve	126,683	23,653	(15,720)	134,616
Total Other reserves	186,097	23,700	(15,720)	194,077

*see next page for breakdown of other reserves

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

Note 9 Other matters

9.1 Reserves

(b) Other reserves (cont)

	2023	2022
	\$'000	\$'000
Asset replacement reserve		
Strategic properties reserve	4,819	4,819
Non standard street lighting contribution	3,901	3,528
Synthetic turf replacement reserve	1,880	1,880
Traffic lights construction	943	783
Purchase of Lutheran Church and Cemetery	380	380
Technology improvement fund reserve	5,264	5,678
LASF defined benefit plan liability	3,739	3,739
Strategic investment reserve	28,914	32,414
Transport infrastructure reserve	28	28
Waste reserve	4,270	4,864
Native vegetation offset site maintenance	1,572	1,348
Aboriginal Gathering Place	6,000	-
Strategic operation reserve	3,196	-
Regional Aquatic and Sports reserve	14,283	-
Resilience and Emergency Management	449	-
	79,638	59,461
Asset development reserve		
Parklands contribution	10,153	7,942
Developer contribution plan (DCP) reserves	119,134	112,190
Planning permit drainage levy	10,641	10,477
Net gain compensation	1,587	3,254
Plenty road duplication	80	67
Street tree contributions reserve	686	686
	142,281	134,616

Purpose of Reserves

Asset replacement reserve

Strategic properties reserve	Accumulate funds for land purchases and asset development as determined by Council.
Non standard street lighting contribution	Maintain non-standard lights for agreed period.
Synthetic turf replacement reserve	Enable replacement of Synthetic Turf Pitches at designated locations.
Traffic lights construction	Maintain traffic signals for agreed period.
Purchase of Lutheran Church and Cemetery	Enable funding to purchase the church site.
Technology improvement fund reserve	Enable replacement of technology hardware and software.
LASF defined benefit plan liability	Protection against future calls on employees defined benefits superannuation fund.
Strategic investment reserve	Enable funding of future infrastructure projects.
Transport infrastructure reserve	Enable funding of future transport infrastructure projects.
Waste reserve	Enable funding from waste operation to ensure legislative compliance.
Native vegetation offset site maintenance	Enable to fund native vegetation works which Council take over from developers.

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

Note 9 Other matters

9.1 Reserves

(b) Other reserves (cont)

Purpose of Reserves (cont)

Asset replacement reserve (cont)

Aboriginal Gathering Place	Enable to fund the delivery of an Aboriginal Gathering Place to support enhanced outcomes, increase connection to culture, and facilitate healing for Aboriginal people.
Strategic operation reserve	Enable funding for future strategies and various activities that have been identified as part of the transformation required for City of Whittlesea.
Regional Aquatic and Sports reserve	Enable to fund the delivery of a new regional state-of-the-art centre to support the community to lead healthy and active lifestyles.
Resilience and Emergency Management	Enable funding to rapidly respond to the incidents and emergency situations that may arise in our community.

Asset development reserve

Parklands contribution	Funding from developers for the provision of open space and associated infrastructure.
Developer contribution plan (DCP) reserves	Developer contributions received for future community facilities and assets.
Planning permit drainage levy	Funding from developers to expand drainage infrastructure to absorb extra inflow due to multi-unit developments.
Net gain compensation	Funds contributed by developers for the maintenance cost of trees/bushland areas for a 10-year period.
Plenty road duplication	Funding from developers for Plenty Road duplication works.
Street tree contributions reserve	Contributions received from developers to maintain street trees which Council takes on responsibility for.

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

Note 9 Other matters

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	2023	2022
	\$'000	\$'000
Surplus/(deficit) for the year	133,629	104,363
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(605)	(491)
Share of net (profit)/loss of associate and joint ventures	203	(185)
Loss on Write-off of property, infrastructure, plant and equipment	9,730	17,660
Depreciation and amortisation	48,583	42,289
Contributions - Non-monetary assets	(100,656)	(76,858)
Finance costs	192	206
Finance costs - leases	91	30
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(11,924)	(1,587)
(Increase)/decrease in prepayments	425	(1,648)
Increase/(decrease) in trade and other payables	3,836	2,829
Increase/(decrease) in trust funds	(1,880)	18,315
(Increase)/decrease in inventories	20	201
Increase/(decrease) in provisions	4,134	(1,129)
(Increase)/decrease in other assets	(3,017)	(759)
Net cash provided by/(used in) operating activities	82,761	103,236

9.3 Superannuation

The City of Whittlesea makes the majority 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.

Accumulation

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

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the City of Whittlesea 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.

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

Note 9 Other matters

9.3 Superannuation (cont)

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

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

As at 30 June 2022, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.2%. The financial assumptions used to calculate the VBI were:

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

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

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2022 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2022 interim valuation.

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

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre 1 July 1993 and post 30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

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

Note 9 Other matters

9.3 Superannuation (cont)

(b) Funding calls (cont)

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2022 interim actuarial investigation surplus amounts

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

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2022.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2022.

The discounted accrued benefits surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2022.

The 2023 triennial actuarial investigation

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

	2023	2022
	(Triennial)	(Triennial)
	\$m	\$m
- A VBI Surplus	5.7% pa	5.6% pa
- A total service liability surplus	3.5% pa	2.5% pa
		for the first two years and 2.75% thereafter
- Price inflation	2.8% pa	2.0% pa

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

Note 9 Other matters

9.3 Superannuation (cont)

Superannuation contributions

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

Scheme	Type of Scheme	Rate	2023 \$'000	2022 \$'000
Vision super	Defined benefit	10.5% (2022:10.0%)	124	240
Vision super	Accumulation fund	10.5% (2022:10.0%)	9,132	7,705

There were \$423,800 in contributions outstanding to the above schemes as at 30 June 2023.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$216,101.

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

Note 10 Change in accounting policy

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



City of Whittlesea

Performance Statement

For the year ended 30 June 2023



Performance Statement

For the year ended 30 June 2023

Description of municipality

The City of Whittlesea is located in Melbourne's northern suburbs, about 20 kilometres from the city centre. It is one of Melbourne's largest municipalities, covering a land area of approximately 490 square kilometres.

The majority of the City of Whittlesea population live in urban areas. This is split across the major established suburbs of Bundoora, Epping, Lalor, Mill Park and Thomastown, the current growth area precincts of Mernda, Doreen, South Morang, Epping North and Wollert, and the rural areas of Donnybrook and Whittlesea Township and surrounds. Significant future growth is projected for Wollert and Donnybrook. The rural areas of the municipality are characterised by farming, forested areas and historic township communities including Whittlesea Township.

The Wurundjeri Willum people and the Taungurung people were the original inhabitants of the area and are the traditional owners of this land. Compared with other municipalities, the City of Whittlesea has the third largest population of Aboriginal and Torres Strait Islanders (ATSI) by person count in Metropolitan Melbourne, with 2,389 ATSI residents.

Sustainable Capacity Indicators

For the year ended 30 June 2023

<i>Indicator / measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$945.22	\$1,130.01	\$1,047.63	\$1,155.34	Expenses have increased due to inflation. We have also hired more staff to improve community services for our growing population.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$10,104.77	\$10,382.47	\$10,847.64	\$11,482.30	We have maintained our investment in infrastructure at a consistent level and in proportion to population growth.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	168.30	171.53	171.78	167.56	Council's length of roads has slightly decreased in comparison to population growth.

<i>Indicator/ measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$837.60	\$846.66	\$892.08	\$980.34	We have collected more revenue as a result of a moderate rate increase in line with the rate cap, and higher interest income.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$124.52	\$128.48	\$137.52	\$155.84	Council has received more recurrent grant funding in line with growth in service delivery.
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	5.00	5.00	5.00	4.00	Our community remains relatively disadvantaged socio-economically compared to other local government areas.
Workforce turnover					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8.0%	16.7%	17.7%	12.4%	Following structure changes to strengthen service delivery for our community in the previous financial year, our turnover rate has reduced in the 2022-2023 financial year. Council is committed to be an employer of choice in order to attract and retain staff. Some specialist skills areas such as nursing, urban planning and engineering remain scarce across their respective industry sectors.

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 above

"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

"population" means the resident population estimated by council

"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 Internet website

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2023

Service / indicator / measure	Results				Comment
	2020	2021	2022	2023	
Aquatic facilities					
<i>Utilisation</i>					
<i>Utilisation of aquatic facilities</i>	1.82	0.77	2.82	3.85	Pool visits exceeded pre-pandemic levels in 2022/23. The teams at the facilities ran successful membership and events campaigns during the year with a view to improve health outcomes and customer experience. Following the loss of experience across the industry as a result of the pandemic, incoming staff have settled in and provide a consistent level of customer service and satisfaction, resulting in an increase and retention of memberships.
[Number of visits to aquatic facilities / Municipal population]					
Animal management					
<i>Health and safety</i>					
<i>Animal management prosecutions</i>	100%	100%	100%	100%	During the 2022/23 financial year, Council successfully prosecuted four animal management matters.
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100					

Service / indicator / measure	Results				Comment
	2020	2021	2022	2023	
Food safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	87.81%	100.00%	80.20%	97.28%	In the calendar year 2022, Council conducted 143 follow up inspections out of 147 food premises which were identified as having either a critical or major non-compliance. The four outstanding premises could not be followed up due to closure or never opening in the first place.
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100					
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i>	54	57	57	53	Our results are still sitting above current results for interface councils and above the state-wide result.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					

Service / indicator / measure	Results				Comment
	2020	2021	2022	2023	
Libraries					
Participation					
<i>Active library borrowers in municipality</i>	12.41%	10.85%	9.19%	9.07%	Active borrower numbers are returning to pre-pandemic levels as we continue to campaign to 'Return Yourself to the Library' and expand the library touchpoints across the municipality. The indicator calculates borrowers across the past three years, so the increase we are seeing after re-opening our branches in March 2022 is not yet reflected in the reported result. Please also note that this result does not include our e-collection borrowers.
[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100					
Maternal and child health					
Participation					
<i>Participation in the MCH service</i>	73.14%	73.35%	70.99%	72.08%	Our result has improved year-on-year, which is a reflection of the service's recovery from the pandemic. However, we continue to be impacted by workforce shortages in the MCH sector and recruit for MCH nurses to work with our community.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
<i>Participation</i>					
<i>Participation in the MCH service by Aboriginal children</i>	84.26%	88.41%	71.78%	77.03%	We have improved engagement with our Aboriginal community through our Deadly Boorais, Deadly Families program.
[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					

Service / <i>indicator</i> / <i>measure</i>	Results				Comment
	2020	2021	2022	2023	
Roads					We continue to work through our road construction and maintenance programming to provide a satisfactory road user experience. Several arterial road projects – while beneficial in the long term – have impacted on the local road user experience this year, particularly in Council’s northern areas. We continue to work closely with State Government to influence arterial road outcomes, to ensure our road network accommodates the rapid growth of our municipality.
<i>Satisfaction</i>					
<i>Satisfaction with sealed local roads</i>	61	60	59	53	
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
Statutory Planning					The percentage of decisions upheld at the Victorian Civil and Administrative Tribunal fluctuates between years. The result represents an improvement year-on-year, and we continue to strive for effective decision-making in all planning matters.
<i>Decision making</i>					
<i>Council planning decisions upheld at VCAT</i>	52.38%	45.83%	23.08%	57.89%	
[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					

Service / indicator / measure	Results				Comment
	2020	2021	2022	2023	
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	42.94%	46.05%	46.06%	44.98%	Despite 2,395 more dwellings in the municipality compared to the previous year, the City’s overall waste delivered to landfill has decreased by 1,043 tonnes. We believe that the lower percentage of materials diverted from landfill is due to COVID restrictions lifting, where recyclable items are more likely to be consumed outside the house. Furthermore, we have seen a reduction of food organics and garden organics (FOGO) material due to weather patterns.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library borrower" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under section 98 of the Act

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized 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 authorized 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

"population" means the resident population estimated by council

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / <i>indicator / measure</i>	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2024	2025	2026	2027	
Efficiency									
<i>Expenditure level</i>									
<i>Expenses per property assessment</i>	\$2,391.49	\$2,848.47	\$2,599.22	\$2,788.42	\$3,014.98	\$2,968.52	\$2,964.06	\$3,025.24	Our expenses per property assessment have increased mainly due to an increase in employee expenses and materials and services expenditure. This indicator is forecast to increase in future years mainly due to developer works in kind reimbursements and growth in property assessments.
[Total expenses / Number of property assessments]									
<i>Revenue level</i>									
<i>Average rate per property assessment</i>	\$1,673.82	\$1,707.29	\$1,745.37	\$1,758.10	\$1,858.41	\$1,927.98	\$1,990.39	\$2,052.01	Our average rate per property assessment has increased due to a minimal rate increase applied in line with the Victorian Government's fair go rates system.
[General rates and Municipal charges / Number of property assessments]									

Dimension / <i>indicator/</i> <i>measure</i>	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2024	2025	2026	2027	
Liquidity									
<i>Working capital</i>									
<i>Current assets compared to current liabilities</i>	351.29%	305.84%	301.42%	326.87%	248.96%	206.95%	194.90%	185.76%	During 2022-23 current assets increased primarily due to Council holding \$250 million in other financial assets on 30 June 2023. This is expected to decrease in line with Council's budget.
[Current assets / Current liabilities] x100									
<i>Unrestricted cash</i>									
<i>Unrestricted cash compared to current liabilities</i>	103.36%	89.69%	-152.40%	-155.52%	-67.76%	-88.17%	-75.94%	-64.83%	The definition of unrestricted cash subtracts cash and equivalents from current restrictions (primarily trust funds, statutory reserves and grants received in advance) but importantly does not include \$250 million of term deposits classified as other financial assets in 2022-23. Under this definition, we exceed our available cash on hand, however we have a sufficient cash balance to meet these commitments.
[Unrestricted cash / Current liabilities] x100									

Dimension / <i>indicator</i> / <i>measure</i>	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2024	2025	2026	2027	
Obligations									
<i>Loans and borrowings</i>									
<i>Loans and borrowings compared to rates</i>	5.61%	1.50%	7.84%	6.12%	4.46%	14.45%	36.19%	46.30%	Council did not draw down additional borrowings in the 2022-2023 financial year. This indicator is forecast to increase in future years due to planned borrowings to fund future infrastructure investment.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings</i>									
<i>Loans and borrowings repayments compared to rates</i>	3.57%	3.98%	0.98%	1.34%	1.25%	2.14%	5.68%	7.59%	We incurred higher loan repayments this year because we increased borrowing levels the year before. The indicator is forecast to increase in future years in line with our expected borrowings to fund future infrastructure investment.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									

Dimension / <i>indicator</i> / <i>measure</i>	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2024	2025	2026	2027	
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	5.59%	2.07%	6.53%	5.48%	4.26%	11.25%	28.50%	35.75%	Council has not drawn down on additional loans during the 2022-2023 financial year, resulting in a decrease in non-current liabilities.
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and upgrade expense / Asset depreciation] x100	88.66%	82.21%	85.56%	62.53%	76.99%	124.71%	86.63%	69.60%	The ratio is within the expected range. We review the level of funding allocated to asset renewals and upgrades as part of the planning and budgeting process and prioritise based on asset condition.
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	5.47%	-12.96%	-0.22%	-0.21%	-5.87%	2.93%	6.76%	7.81%	Council is in a position to continue to meet its financial obligations. It is projected this result may increase as forecast figures see increases in fees and charges and operating grants. The result is in the range expected by Council.

Dimension / <i>indicator/</i> <i>measure</i>	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2024	2025	2026	2027	
Stability									
<i>Rates concentration</i>									
<i>Rates compared to adjusted underlying revenue</i>	70.42%	71.77%	71.78%	69.62%	73.83%	72.89%	73.43%	73.48%	Council continues to ensure rating levels are based on the community’s capacity to pay and within the State Government rate cap limits. This result remains within the expected range.
[Rate revenue / Adjusted underlying revenue] x100									
<i>Rates effort</i>									
<i>Rates compared to property values</i>	0.28%	0.28%	0.28%	0.26%	0.28%	0.29%	0.31%	0.32%	Council rates have moved in a consistent proportion to property values.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

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 above

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" 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 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)

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2023

1. 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, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

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

The forecast figures included in the performance statement are those adopted by council in its Financial Plan on 27 June 2023. The Financial Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Financial Plan can be obtained by contacting council.

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

Aaron Gerrard

Principal Accounting Officer

Dated:

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

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

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

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

Lydia Wilson

Administrator

Dated:

Peta Duncan

Administrator

Dated:

Craig Lloyd

Chief Executive Officer

Dated:

5.4.7 Rescinding Urban Nature Strip Guidelines

Responsible Officer: Director Infrastructure & Environment

Author: Directorate Projects Executive

Attachments

No attachments

Purpose

This report seeks the rescission of the 2015 Urban Nature Strip Guidelines.

Brief Overview

The Urban Nature Strip Guidelines were developed during 2013, adopted at Council on 10 December 2013, and became effective from 1 January 2015. It was determined that a review of these guidelines should be conducted to test Council's underlying philosophy around the preferred make-up of nature strips and how proactive we are in encouraging/driving modifications, as well as their alignment with our community's and organisation's current expectations and values in the areas of design and sustainability. The review resulted in a change of focus and modified requirements which are reflected in the new Nature Strip Garden Guidelines.

Recommendation

THAT Council rescind the 2015 Urban Nature Strip Guidelines.

Key Information

The Urban Nature Strip Guidelines were approved at Council on 10 December 2013 and came into effect on 1 January 2015 in order to align with General Municipal Law changes. They reflect community, environmental, and design input that is over 10 years old.

The Urban Nature Strip Guidelines provided residents and property owners in urban areas of the municipality with the ability to alter the nature strip adjacent their property from what was described as the preferred turf nature strip and street tree. The Urban Nature Strip Guidelines also offered direction around the establishment and maintenance of modified nature strips and expressed a preference for the use of native plants.

Following extensive internal and external consultation, and benchmarking with other Local Governments, the Nature Strip Garden Guidelines have been created to better reflect Council's intentions, and to achieve the following outcomes:

- Provide a safe space for pedestrians and other road users
- Protect the natural and built environment
- Enhance the use and enjoyment of nature strips for the community's benefit
- Contribute to improved environmental outcomes such as habitat corridors and urban cooling.

The new Nature Strip Garden Guidelines were approved for use by the Executive Leadership Team on 13 September 2023 and will be released to the community following rescission of the Urban Nature Strip Guidelines.

Community Consultation and Engagement

Replacement of the Urban Nature Strip Guidelines with the new Nature Strip Garden Guidelines was informed throughout 2 (two) stages of consultation.

Stage 1

Stage 1 consultation and engagement with staff from across the organisation occurred over a period of roughly 18 months. Areas of competence consulted include open space planning; traffic engineering; urban design; arborists; local laws; sustainability; water management; asset maintenance; and open space/city forest management.

The guidelines of 53 local government areas across Australia were reviewed and considered.

These Stage 1 activities informed the draft Nature Strip Garden Guidelines which, following approval by the Executive Leadership Team, were the focus of Stage 2 consultation and engagement activities.

Stage 2

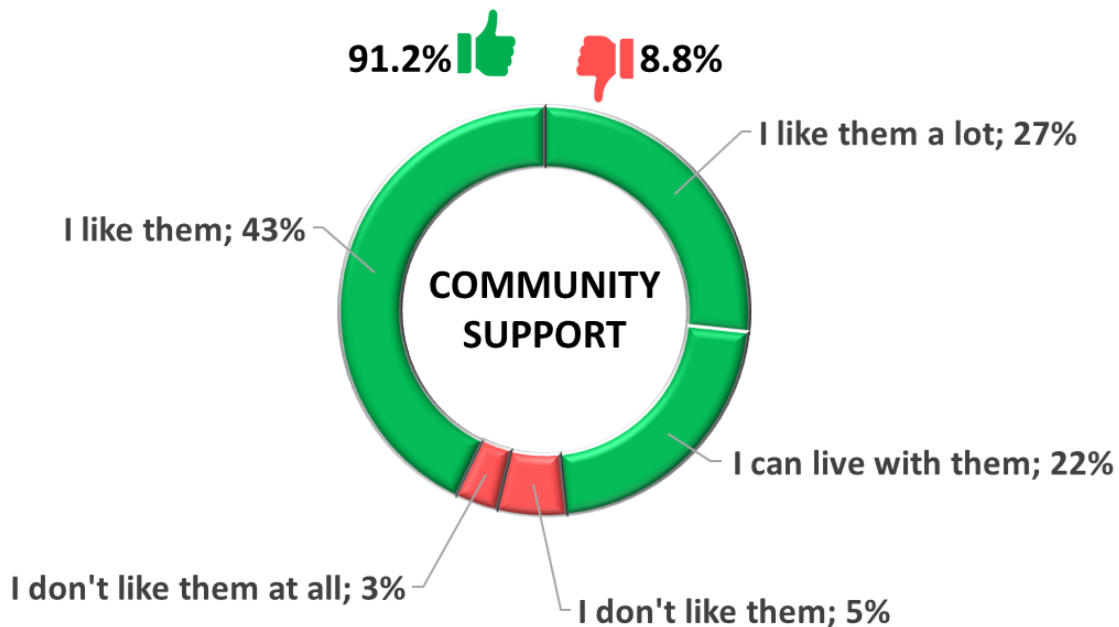
Stage 2 community consultation and engagement was carried out from 26 June 2023 to 13 August 2023. The community was provided with opportunities to provide feedback through a dedicated Have Your Say page and in-person events at 20 locations across the municipality.

The general approach across both in-person and on-line engagement was to:

- Seek comment on the new Nature Strip Garden Guidelines document.
- Outline the reason for changes to the Guidelines, specifically those changes that might be considered contentious such as disallowing synthetic grass or changing the permissions around the use of compacted materials (granitic sand, toppings, etc).
- Educate the community on the purpose/benefit of nature strips.

- Understand the community’s appetite for modifying nature strips and what might motivate community participation.

The 530 people who attended Stage 2 in-person events and the 2124 unique visitors to the Have Your Say page provided a total of 611 contributions. Support for the new Nature Strip Garden Guidelines was overwhelmingly positive as indicated by the chart below.



Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

High Performing Organisation

We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

Our City is well-planned and beautiful, and our neighbourhoods and town centres are convenient and vibrant places to live, work and play.

The name really says it all - ‘nature’ ‘strips’ provide a splash of the natural within an artificial environment that would otherwise contain mainly ‘hard’ assets such as roadways, footpaths, and utility infrastructure. Aside from playing an important safety role by separating pedestrian and vehicle traffic, they provide an opportunity to positively impact the aesthetic, environmental, and social health of our city. Moving from the Urban Nature Strip Guidelines to the new Nature Strip Garden Guidelines will further enhance these outcomes.

The authority and responsibility to manage road reserves is provided through the Victorian Road Management Act 2004, Road Safety Act 1986, Road Safety Road Rules 2017, and their related regulations. Council's Road Management Plan, developed in accordance with and as a requirement of this legislation, has as its main objective the provision of a safe and efficient network of municipal public roads, primarily for travel and transport. This legislation establishes Council as the authority for all works within the road reserve for Local Roads within the City of Whittlesea.

Environmental

Rescinding the Urban Nature Strip Guidelines removes permission to apply modifications that have a detrimental environmental impact, such as synthetic grass and compacted sand/stone within a street tree protection area.

Social, Cultural and Health

None

Economic

None

Financial Implications

None

Link to Strategic Risk

Strategic Risk *Service Delivery - Inability to plan for and provide critical community services and infrastructure impacting on community wellbeing*

Council has an obligation to ensure that the road reserve is a safe space for our community. Controlling what can be done within the nature strip protects lines of sites for pedestrians and vehicle operators, allows for separation between pedestrians and vehicle, and generally provides for movement between the roadway and the footpath.

Implementation Strategy

Communication

Rescission of the Urban Nature Strip Guidelines and release of the Nature Strip Garden Guidelines will be communicated via Council's usual channels including media releases, Council's internet site, and the existing Nature Strip Garden Guidelines Have Your Say page.

Critical Dates

1 October 2023 Planned effective start date for Nature Strip Garden Guidelines.

Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Conclusion

The 2015 Urban Nature Strip Guidelines were adopted at Council on 10 December 2013 and were based on community and officer input that is over 10 years old. The evolution of Council and community design and sustainability perspectives over the intervening years meant we needed to ensure that the guidelines were still aligned with our community and organisational requirements and values in these areas.

Moving from the Urban Nature Strip Guidelines to the new Nature Strip Garden Guidelines allows Council to embrace variation and customisation while still providing a road reserve that is a safe space for users. 'Turf and tree' is now considered the *default* treatment not the *preferred* one, and we want to encourage and facilitate community expression in order to realise the social and environmental benefits a more diverse nature strip will bring. The new guidelines received overwhelming community support through Stage 2 consultation.

The Executive Leadership Team have, on 13 September 2023, endorsed the Nature Strip Garden Guidelines for release on 1 October 2023.

The 2015 Urban Nature Strip Guidelines are required to be rescinded before the new Nature Strip Garden Guidelines can be released for community use.

5.4.8 Draft Liveable Neighbourhoods Strategy

Responsible Officer	Director Planning & Development
Author	Senior Strategic Planner
In Attendance	Manager Strategic Futures Unit Manager Corporate Planning & Improvement Senior Strategic Planner

Attachments

1. Liveable Neighbourhoods strategy 2024 – 2034 v 7 SPREADS [5.4.8.1 - 19 pages]

Purpose

This report presents the draft Liveable Neighbourhoods Strategy (LNS) 2023–2033 for the purposes of commencing community consultation.

The report recommends that Council endorses the Liveable Neighbourhoods Strategy 2023–2033 for the purposes of consultation for the period 22 September until 29 October 2023.

Brief Overview

Whittlesea 2040: A place for all (Whittlesea 2040) establishes a vision for liveable neighbourhoods in the municipality.

The draft Liveable Neighbourhood Strategy 2023–2033 (LNS) (Attachment 1) implements this vision, and is one of seven new, consolidated, strategies developed under Council's new Integrated Planning Framework. The draft Connected Communities Strategy and draft Long Term Community Infrastructure Plan are also being considered at this briefing and have been prepared in close collaboration with the draft LNS.

The draft LNS synthesises work from existing relevant policies and endorsed Council positions. It also considers the extensive research and engagement undertaken since 2020 across a number of Council projects, including Whittlesea 2040, *Community Plan 2021–2025*, and the 2021 Household Survey.

The draft LNS presents key achievements to date and details future priorities across the themes of public space and infrastructure, activity centres, integrated transport, and housing.

This seeks endorsement of the draft LNS for the commencement of the community engagement phase of the project. It is proposed to conduct the community engagement between 22 September and 29 October 2023. The final LNS, will incorporate the outcomes of this community engagement process and is intended to be presented to Council for endorsement in December 2023.

Recommendation

THAT Council

- 1. Endorses the draft City of Whittlesea Liveable Neighbourhoods Strategy at Attachment 1 for community consultation.**
- 2. Notes that targeted consultation on the draft City of Whittlesea *Long Term Community Infrastructure Plan* will be undertaken with key advisory and stakeholder representatives including the City of Whittlesea Youth Advisory Council, Whittlesea Disability Network, Whittlesea Community Futures and Yarra Plenty Regional Library Corporation. Consultation will also include relevant state departments.**

Key Information

Background

Whittlesea 2040

In 2018, Council adopted *Whittlesea 2040: A Place for All* (Whittlesea 2040) as the long-term vision for the City of Whittlesea. Whittlesea 2040 will guide all of Council's work and future partnerships with the community and others.

'Liveable neighbourhoods' is one of four goals that will guide achievement of the vision of the City of Whittlesea as a place for all.

Integrated Planning Framework

In 2021, Council adopted a new Integrated Planning Framework (IPF) approach to rationalise the more than 100 community-facing policies.

The IPF organises all strategic and operational documents into a four-tier hierarchy; Whittlesea 2040 being tier one and the LNS being one of seven new, consolidated strategies.

The creation of these strategies will focus on the delivery of outcomes, reducing complexity, increasing transparency and the removing duplication and any conflicting strategies / policies.

Liveable Neighbourhoods Strategy

Development of the draft LNS was based on Council's new Outcomes Measurement Framework, which established the following outcomes to implement the key directions established for liveable neighbourhoods in Whittlesea 2040:

Key direction 1: Smart, connected transport network

- Our community has options to easily travel where they need to go

Key direction 2: Well-designed neighbourhoods and vibrant town centres

- Our neighbourhoods are attractive and desirable places to live, work and play
- Our community has infrastructure that can adapt to their changing needs
- Our neighbourhoods are well-designed and enable all people to connect

Key direction 3: Housing for diverse needs

- Our community has the right mix and supply of housing to provide choices for all

The draft LNS identifies four key focus areas related to neighbourhood liveability:

1. Public space and infrastructure
2. Activity centres
3. Integrated transport
4. Housing

The draft LNS takes a place-based approach to planning, service and infrastructure delivery that responds to the needs and of local neighbourhoods so that people have the ability to meet most of their daily needs close to home.

For each of these themes, the draft LNS describes how they contribute to the liveability of our neighbourhoods, what Council has achieved in relation to each of these areas and priorities for the timeframe covered by the LNS.

The draft LNS also establishes an evaluation framework to monitor progress against the outcomes noted above. Progress will be tracked according to a set of outcome indicators, subject matter experts from across Council. Reporting against these indicators will commence in 2024.

The proposed LNS is intended to be presented to Council for adoption on 19 December 2023.

Community Consultation and Engagement

The draft LNS is a synthesis of the past five years of Council's strategic work relating to the built environment. Each focus area is informed by extensive research and community engagement. This engagement has included numerous pop-up events; focus groups for community, Council staff, institutional stakeholders, business and youth; online and hard copy surveys; online engagement; local media. Some of the key work and engagement processes that informed the LNS are summarised below:

Whittlesea 2040: A place for all

In 2018, Council engaged with over 4,000 people, through submissions, workshops and forums to inform the preparation of *Whittlesea 2040*.

The consultation and the range of opportunities to get involved was heavily promoted through a range of online, social and traditional media, attendance at local events and supporting materials such as posters in a range of locally-spoken languages and fact sheets.

Consultation activities also targeted diverse stakeholder groups, including different age groups, people living with a disability, Aboriginal and multicultural communities.

Community Plan: 2021–2025

In early 2021, Council launched the *Let's Talk: Shaping the Community Plan 2021–25* consultation to share its ideas and priorities for Council to focus on delivering over the next four years.

The consultation process engaged with more than 1,300 people across a range of face-to-face and online engagement events.

This consultation included other targeted focus group sessions with 176 people representing culturally and linguistically diverse (CALD) communities, LGBTIQ+ community members, people with disabilities and their carers, and seniors.

Household Survey 2021

In 2021 a total of residents 1,545 answered 54 questions about a range of topics, including a number related to the LNS. This provides a rich source of data relating to what people like about where they live and where improvements could be made.

Community priorities focus group

The first two of a series of three Community Priorities Focus Groups were held in June 2023 to help inform the development and provide feedback on draft Connected Communities Strategy (CCS), LNS and the Community Infrastructure Plan (CIP) and associated action plans.

The sessions were attended by 18 residents, from a diverse age groups, genders, abilities, cultural backgrounds, suburbs and household structures.

The groups were asked targeted questions relating to key themes relating to the three strategic documents to help identify, assess, and prioritise community interests.

The final session will be conducted in October to gain feedback on the draft LNS, draft CCS and draft CIP.

Internal staff consultation

City of Whittlesea staff had a range of opportunities to contribute to the development of the draft LNS as follows:

- Input to the preparation of the *Liveable Neighbourhoods Strategy Background paper*, with inputs from subject matter experts from across Council
- Input from subject matter experts as part of the project working and project control groups
- Participation in the five outcomes measurement framework workshops
- Input from target stakeholder groups in the preparation of the *Liveable Neighbourhoods Strategy Gender Impact Assessment*
- Opportunity for all staff to comment on the draft LNS in July 2023.

Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021–2025:

Liveable neighbourhoods

Our City is well-planned and beautiful, and our neighbourhoods and town centres are convenient and vibrant places to live, work and play.

The draft LNS seeks to implement the goal established in Whittlesea 2040, for well-planned and beautiful neighbourhoods, with town centres that are convenient and vibrant places to live, work and play.

Considerations

Synergy with Connected Community Strategy

For the purposes of this briefing, the close synergy between the draft LNS and draft CCS should be noted.

This strong link has been the driving factor behind the timing of the draft LNS preparation, enabling the community to be consulted on the draft CCS, draft LNS, as well as the draft LTCIP together. The project teams for each of these three strategies have worked in close collaboration and have taken a coordinated approach to planning for community engagement.

The proposed LNS will be presented to Council together with the CCS and LTCIP for endorsement in December 2023.

Financial Implications

The draft LNS is likely to result in actions that Council has already committed to for the delivery of Council's endorsed long-term plans, including the *Integrated Transport Plan 2024–2034*.

Additionally, the updated *Open Space Plan (2025–2035)* is scheduled to commence in July 2024 and does not yet have a budget allocation.

The financial implications of the action items for the next two fiscal years will be identified in the draft Liveable Neighbourhoods Action Plan 2024–2026 once complete.

Link to Strategic Risk

Strategic Risk *Community and Stakeholder Engagement - Ineffective stakeholder engagement resulting in compromised community outcomes and/or non-achievement of Council's strategic direction*

A combined engagement plan for the draft LNS, draft CCS and draft LTCIP has been prepared by the Communications and Engagement team.

As described above, the LNS builds on extensive, past community and stakeholder engagement and reflects the needs and wants expressed by the community through these avenues.

Finally, as previously discussed, the draft LNS does not present new policy, but synthesises and streamlines existing policy, so represents minimal risk.

The proposed community engagement period will ensure that the community's previously expressed wishes for the future have been accurately reflected in the draft LNS.

Implementation Strategy

Communication

Should Council adopt this draft LNS for consultation, we will commence a five-week community engagement period.

Critical Dates

The final LNS is intended to be put to Council for adoption at the Council meeting on 19 December 2023.

Next Steps

We now have a draft LNS, informed by various levels of external and internal consultation and review and analysis of existing strategies and policies. It is therefore considered appropriate to now undertake community engagement of the draft LNS prior to finalisation.

Community engagement will be undertaken between 22 September and 29 October 2023, and will consist of:

- Key stakeholder engagement, targeting existing networks
- Community priorities focus group session (see description of these groups above)
- Community consultation, incorporating engagement via digital platforms as well as dedicated community pop-ups.

Community engagement will target key stakeholder groups and community organisations, including the Disability Network and the Whittlesea Community Futures.

The final strategy, accounting for the outcomes of the community engagement process, is intended to be presented to Council for endorsement on 19 December 2023.

Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Conclusion

The draft Liveable Neighbourhoods Strategy, as presented at Attachment 1, seeks to synthesise and streamline Council's endorsed positions from a number of relevant policies to implement the key directions for liveable neighbourhoods established in Whittlesea 2040.

The draft Liveable Neighbourhoods Strategy is informed by extensive community engagement undertaken since 2020 across a number of Council projects, including Whittlesea 2040, *Community Plan 2021–2025*, and the 2021 Household Survey. The draft Liveable Neighbourhoods Strategy has also been prepared in close collaboration with the Connected Community Strategy project team to ensure consistency across the two, closely related strategies.

The draft Liveable Neighbourhoods Strategy implements Council's vision of *a place for all*. It will guide Council's work and future partnerships with the community and others to deliver liveable neighbourhoods for our community. It is based on the key directions of:

1. Smart, connected transport network
2. Well-designed neighbourhoods and vibrant town centres
3. Housing for diverse needs.

The strategy seeks to ensure neighbourhoods are well-planned and serviced so people can meet their daily needs close to home.

It is proposed to now undertake community engagement on the draft LNS prior to its finalisation. To this end, it is recommended that Council endorse the draft Liveable Neighbourhoods Strategy for the purposes of undertaking community engagement from 22 September to 29 October 2023.

The final Liveable Neighbourhoods Strategy is intended to be presented to Council on 19 December 2023 for endorsement.



Liveable Neighbourhoods Strategy 2023-2033

Draft for consultation



Acknowledgement of Traditional Owners

We recognise the rich Aboriginal heritage of this country and acknowledge the Wurundjeri Willum Clan and Taungurung People as the Traditional Owners of lands within the City of Whittlesea.

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COVER IMAGE
Westfield Plenty Valley,
South Morang

Executive Summary

“In 2040 the City of Whittlesea is well-planned and beautiful. Our neighbourhoods and town centres are convenient and vibrant places to live, work and play. Everything we need is close by. We have a variety of quality housing that suits our life stages and circumstances. Every resident is able to get where they need to go with ease and can leave the car at home.”

Whittlesea 2040: A place for all

The Liveable Neighbourhoods Strategy 2023-2033 (the Strategy) outlines the City of Whittlesea’s approach to creating and maintaining liveable neighbourhoods that are attractive and well-planned with open spaces and town centres that are convenient and vibrant places for all.

The Strategy outlines how Council will work towards creating neighbourhoods over the next 10 years. A review will be conducted after five years and a two-year Liveable Neighbourhoods Action Plan will be developed to set out Council’s commitments to deliver on the Strategy.

The Strategy aligns and contributes to the Liveable Neighbourhoods key directions in Council’s vision *Whittlesea 2040: A place for all*:



**Key direction 1:
Smart, connected
transport network**



**Key direction 2
Well-designed
neighbourhoods and
vibrant town centres**

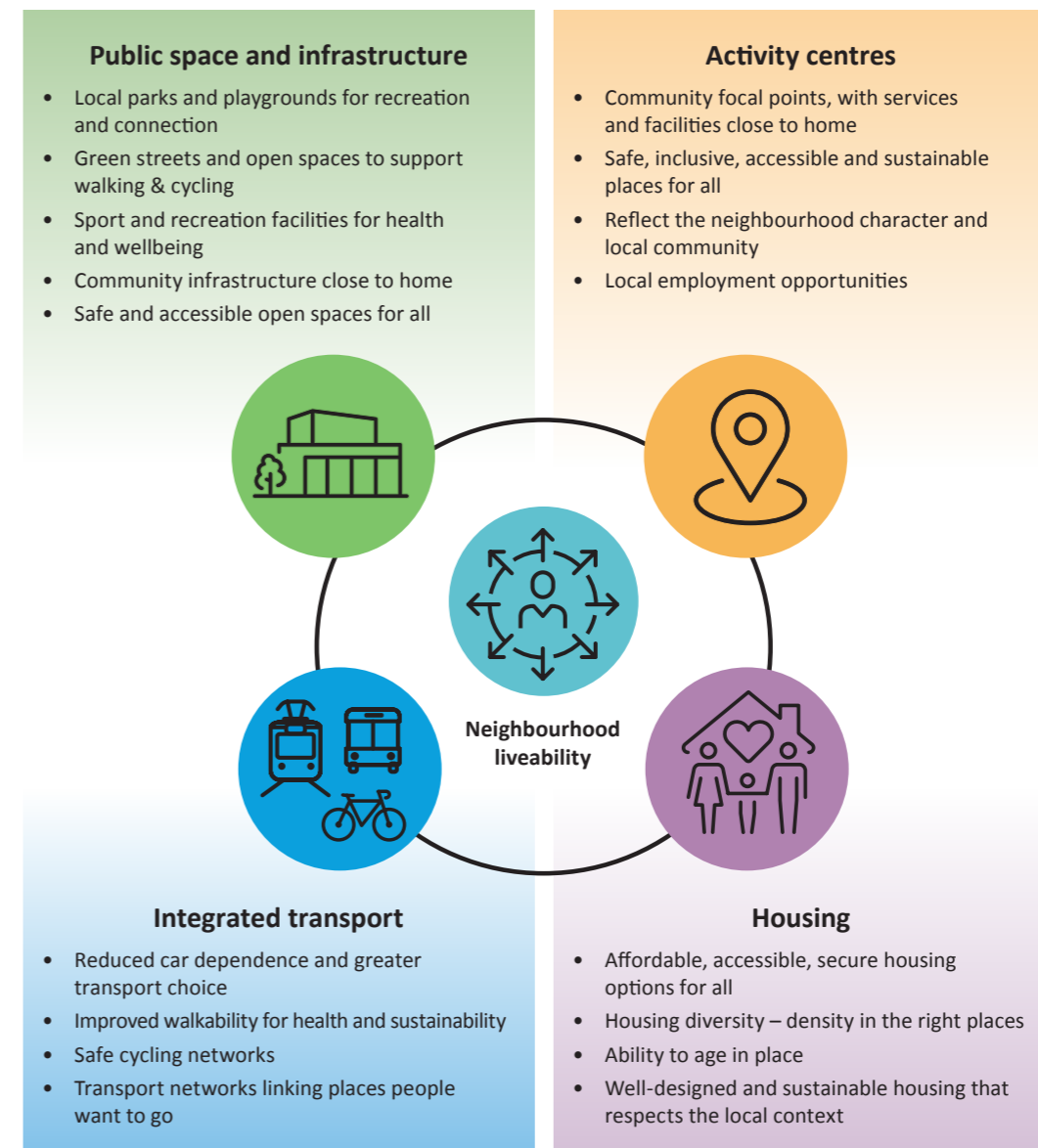


**Key direction 3
Housing for
diverse needs**

The Strategy has been prepared to support and implement state and local priorities for liveable neighbourhoods in our municipality.

The City of Whittlesea is establishing a **place-based approach** to planning, service and infrastructure delivery that is responsive to the distinct needs and aspirations of local neighbourhoods.

Plan Melbourne is a metropolitan strategy that guides the growth of metro Melbourne for the next 35 years. One of the principles is Living Locally – 20-minute neighbourhoods, which is all about giving people the ability to meet most of their daily needs close to home.

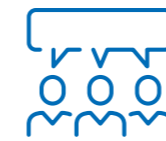




6 / City of Whittlesea

How we engaged

The Strategy is informed by extensive community engagement undertaken for this project as well as other recent, relevant Council projects, including the following:



Whittlesea 2040 community consultation

More than 4,000 people participated

Through submissions, workshops and forums; online, paper-based and in-person activities



Community Plan 2021-25 Let's Talk Shaping the Community Plan 2021-25 consultation program

Included community surveys, online and face-to-face events, pop-up stalls and targeted focus groups



Draft 2023-2024 Budget and Community Plan Action Plan

Pop-ups throughout the municipality and Engage Whittlesea platform, to obtain input from the community on our future budget spend



2021 Household survey

Surveyed households across the municipality about a range of topics, including their housing, health and wellbeing, employment and community participation



Community Focus Groups

were held for the Connected Community Strategy, Liveable Neighbourhoods Strategy and the City of Whittlesea's Long Term Community Infrastructure Plan

In June 2023, 18 community members from a diversity of age groups, genders, abilities, cultural backgrounds, suburbs and household structures, participated in two focus group sessions that asked people about how we can improve the liveability of our neighbourhoods.



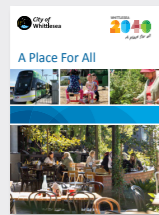
Community Engagement for the Strategy

The community has an opportunity to review and comment on the Strategy from 22 September – 27 October across a range of activities and platforms.

How we plan – an integrated people-focused approach

Level 1: Vision

Council's overarching vision



Whittlesea 2040



Community Plan

Level 2: Strategy

Strategic direction and action plan



Liveable Neighbourhoods Strategy 2023-2033



Liveable Neighbourhoods Action Plan

The Liveable Neighbourhoods Strategy is one of seven strategies that outlines Council's commitments, the outcomes we strive for and the actions we will deliver for our community.

The seven strategies are known as Council's Integrated Planning Framework. Each strategy expands on our long-term 20-year community vision, *Whittlesea 2040: A place for all* and our Community Plan 2021–2025, to provide our community with more information on Council's priorities and our overall strategic direction.

Using this strategy

Our approach to creating liveable neighbourhoods is provided in three parts:

Liveable Neighbourhoods Strategy 2023-2033

Outlines Council's overall strategic direction across four areas related to liveable neighbourhoods: public space and infrastructure; activity centres; integrated transport; and housing.

Liveable Neighbourhoods Action Plan

Commencing in 2024, Liveable Neighbourhoods Action Plans will be developed every two years. They will outline actions Council will take in line with the priorities in the Liveable Neighbourhoods Strategy.

Additional plans and supporting documents

Additional plans will be developed to provide detailed planning in areas such as open space, integrated transport and housing diversity.

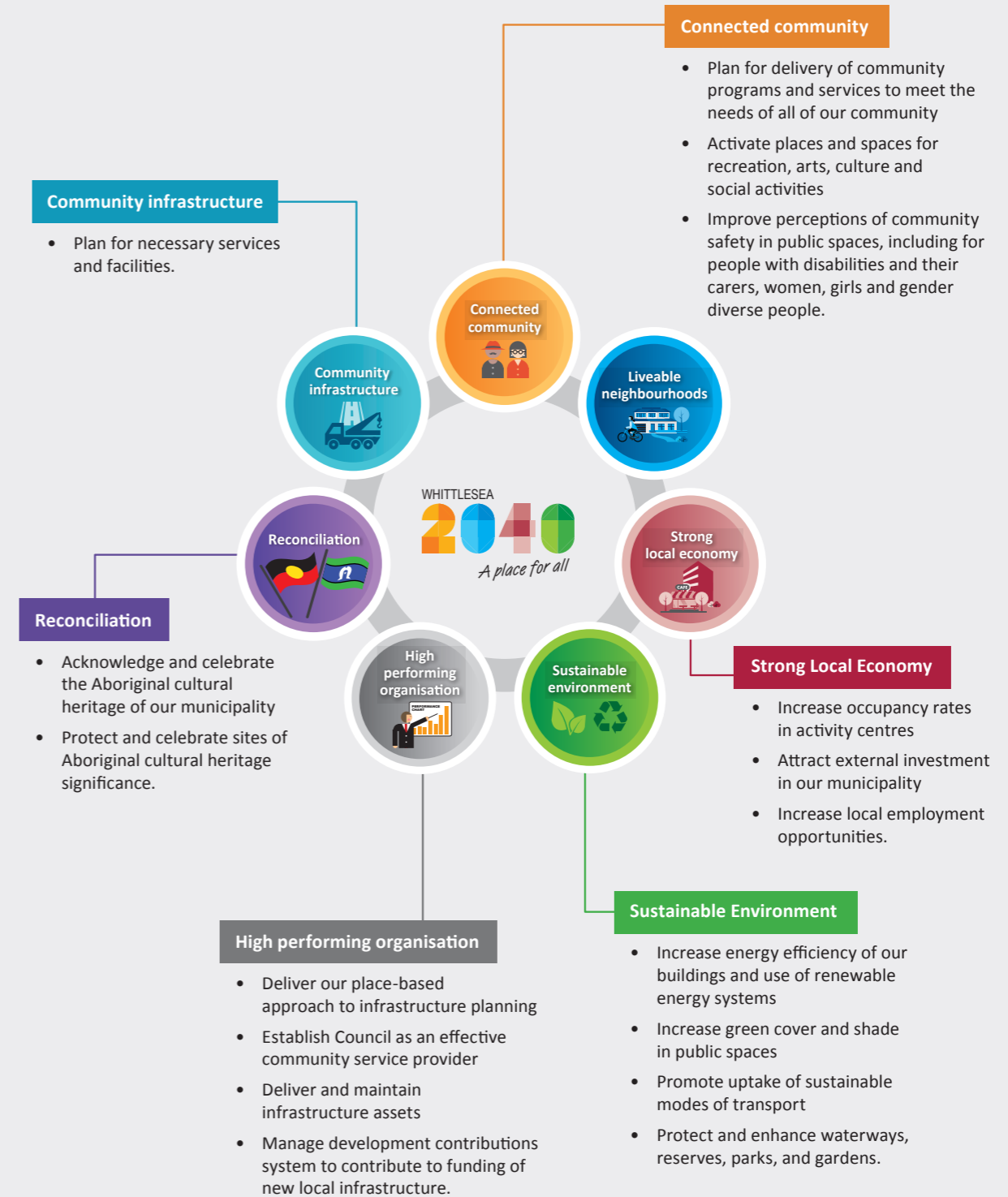
Equity at the heart of 2040

Equity and inclusion sit at the heart of our 2040 vision of *a place for all*. Actions arising from this strategy will consider the experiences and needs of Aboriginal and Torres Strait Islander peoples, people within the LGBTIQ community and those of different genders, abilities, ages, cultural, ethnic and socio-economic backgrounds.

The City of Whittlesea is legislated to consider the differing needs of people of all genders and promote gender equality in the way we design and maintain our neighbourhoods and legislated responsibility to remove barriers for people with disability in order that all community members can participate in public life.


Action plans (to be developed) arising from this strategy will include specific actions to promote gender equality.

Liveable Neighbourhoods links in other strategies




The neighbourhoods we want

The outcomes below describe the vision for implementing the key directions for liveable neighbourhoods set out in *Whittlesea 2040*:




**Key direction 1:
Smart, connected transport network**

- Our community has options to easily travel where they need to go



**Key direction 2:
Well-designed neighbourhoods and vibrant town centres**

- Our neighbourhoods are attractive and desirable places to live, work and play
- Our community has infrastructure that can adapt to their changing needs
- Our neighbourhoods are well-designed and enable all people to connect

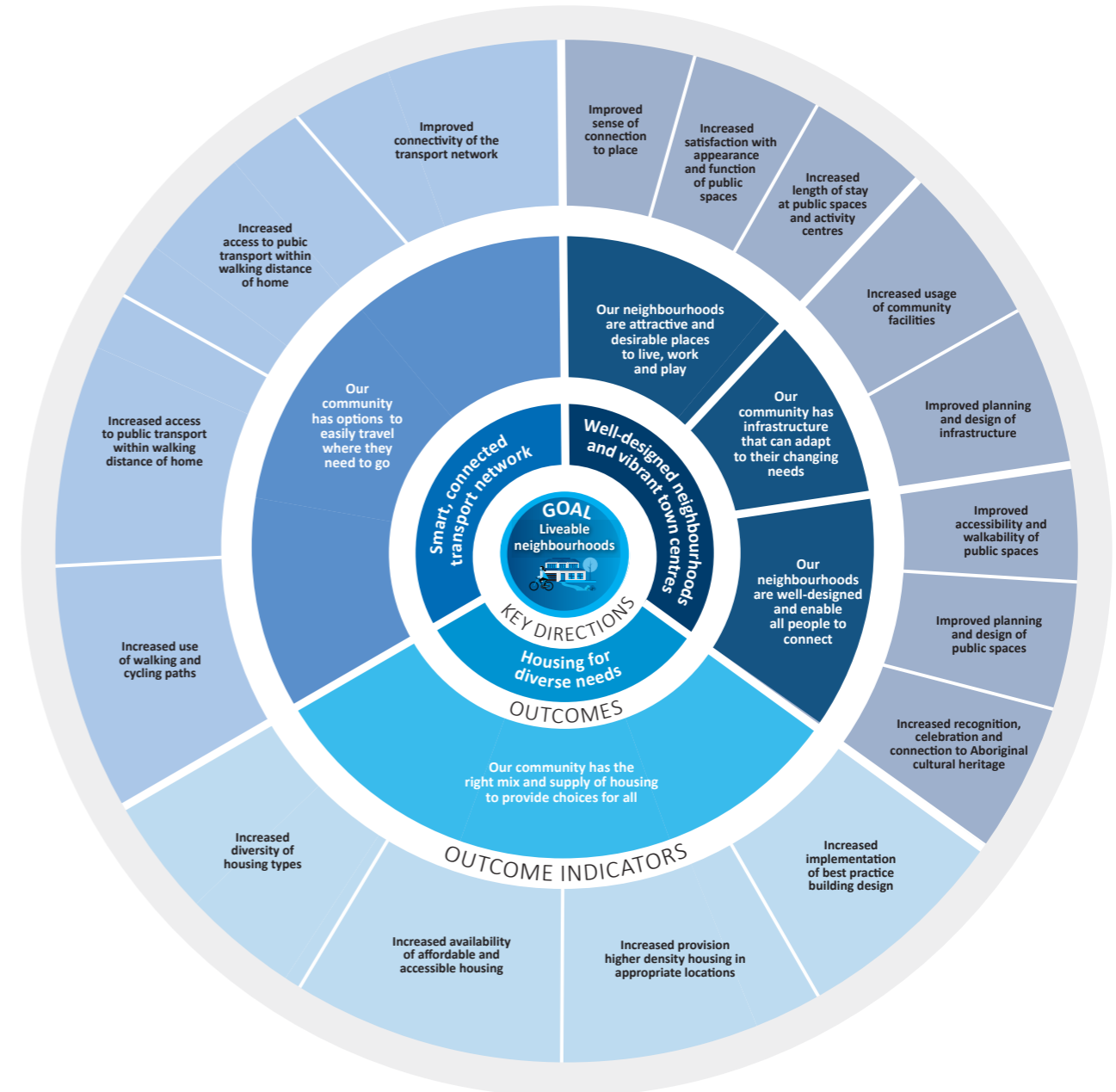


**Key direction 3:
Housing for diverse needs**

- Our community has the right mix and supply of housing to provide choices for all

Our strategic direction

This strategy builds on the vision for liveable neighbourhoods in *Whittlesea 2040* to create a strategic direction for its implementation over the next 10 years.



Place-based approach

The City of Whittlesea has made significant progress in achieving positive outcomes by placing a strong emphasis on local communities. Our approach involves understanding and addressing the specific aspirations and needs of each community within our municipality, with the goal of creating a place for all.

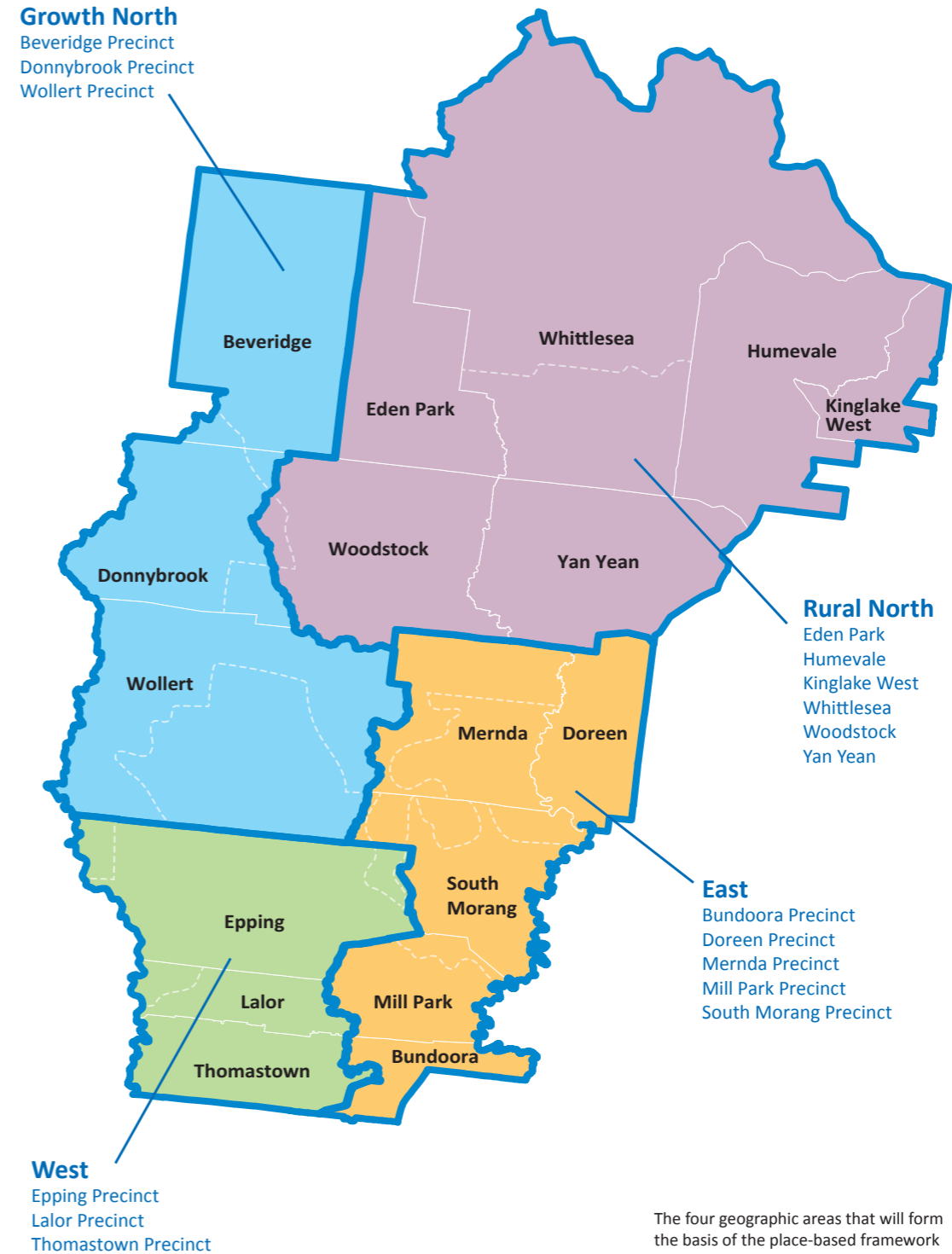
One of our key priorities is to recognise and appreciate the distinct characteristics that exist across our region. We firmly believe in embracing and celebrating the rich diversity found within our municipality through a localised lens. By doing so, we can ensure that we accurately capture and value the unique qualities that make each community special.

This Strategy enables planning for the things that our community needs, taking into consideration the needs of each neighbourhood.

While the needs of our rural, greenfield and established area communities must be balanced, we also need to think about things like the age profile and cultural background of neighbourhoods when planning our community centres, open spaces and sports reserves, as well as all the other infrastructure that helps our communities function.

Adopting a localised approach also allows the Council to facilitate equal opportunities for community members to participate and engage within their local areas. We strongly believe in fostering social connections and building resilience within our communities. By focusing on local initiatives, we can create an environment that enables individuals to connect, participate, and thrive.

To genuinely reflect the unique and distinct areas in the municipality, and deliver on this Framework when planning and delivering, a Geographic Framework has been defined to articulate the boundaries focusing on the following areas and suburbs where possible.



Our city's neighbourhoods

The City of Whittlesea is located on the lands of the Wurundjeri and Taungurung people in Melbourne's northern suburbs, about 20 kilometres from the Melbourne Central Business District.

It is one of Melbourne's largest municipalities, covering an area of 489 square kilometres. The population is diverse with more than 35 per cent of residents born overseas and the second largest Aboriginal and Torres Strait Islander population in metropolitan Melbourne.

Our population has grown by more than 70,000 people over the past decade and is expected to grow by another 150,000 by 2040. It is one of the fastest growing nationally and has been identified by the Victorian Government as a growth area of state significance.

The municipality includes established areas across Bundoora, Epping, Lalor, Mill Park, South Morang, Mernda and Doreen, growth areas in Wollert, Donnybrook and Beveridge and rural areas, characterised by farming and historic township communities, including the Whittlesea Township.

The City of Whittlesea:

- Has access to major transportation corridors, including the Hume Freeway and Metropolitan Ring Road, and is connected to the city by the Mernda train line and the Route 86 tram line to Bundoora
- Has one metropolitan activity centre – Epping Central (including Epping Plaza) – as well as the Lockerbie metropolitan activity centre located across the municipalities of Hume, Whittlesea and Mitchell
- Has three major activity centres – the existing South Morang activity centre (including Westfield Plenty Valley), the Mernda activity centre and the future Wollert town centre
- Has a higher-than-average number of people under 25 years of age and a lower proportion of the population in older age groups
- Has a culturally and linguistically diverse population, with migrants from more than 114 countries, speaking more than 93 languages at home and following more than 40 faiths
- Has a higher-than-average population of people with a disability who require support to live independently in the community.



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City of Whittlesea profile



24.7%
of our population is under 18 years of age



63%
of residents travel outside the municipality for work



60%
of households own two or more cars



50,000
new dwellings will be required by 2040



5%
of housing sales are affordable to low-income households



87%
of rentals are affordable to low-income households



5,500
hectares of public open space



50%
of residents said parks and playgrounds are important to them



147
existing Council-run community facilities, including sports and leisure precincts, kindergartens, libraries, and community centres

Source: see page 34



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Challenges facing our neighbourhoods

Climate change

Our buildings and public spaces need to adapt to the changing climate to keep our community safe and well. By reducing the urban heat island effect through good design and increased urban greening, we can help our community adapt to the changing climate.

Moving on from COVID

While we are still assessing the implications of the COVID-19 pandemic on our community, we know that things will be different. Some impacts are proving to be short-term, with a return to 'normal' already evident, while others will cause long-term changes to the way we live. What we do know is there is a new appreciation for 'living locally' and the ability for people to access services and facilities close to home. Also, the capacity for some people to work from home is changing our travel needs and preferences.

Rapid population growth

Like other municipalities experiencing rapid population growth, having the resources available to deliver the services, spaces and places needed to service all our community needs is challenging, particularly for new suburbs where there is little existing infrastructure.

This growth also puts development pressure on the Whittlesea Green Wedge, which is highly valued for its landscape and amenity values.

Demographic and geographic diversity

Planning for the future needs of our community is complicated by the great diversity in geographies – encompassing established, growth and rural areas – and the demographic make-up of our community.

Balancing the evolving needs of each sector of our community means projects and budgets need to be carefully allocated to ensure everyone in our community has access to the things they need.

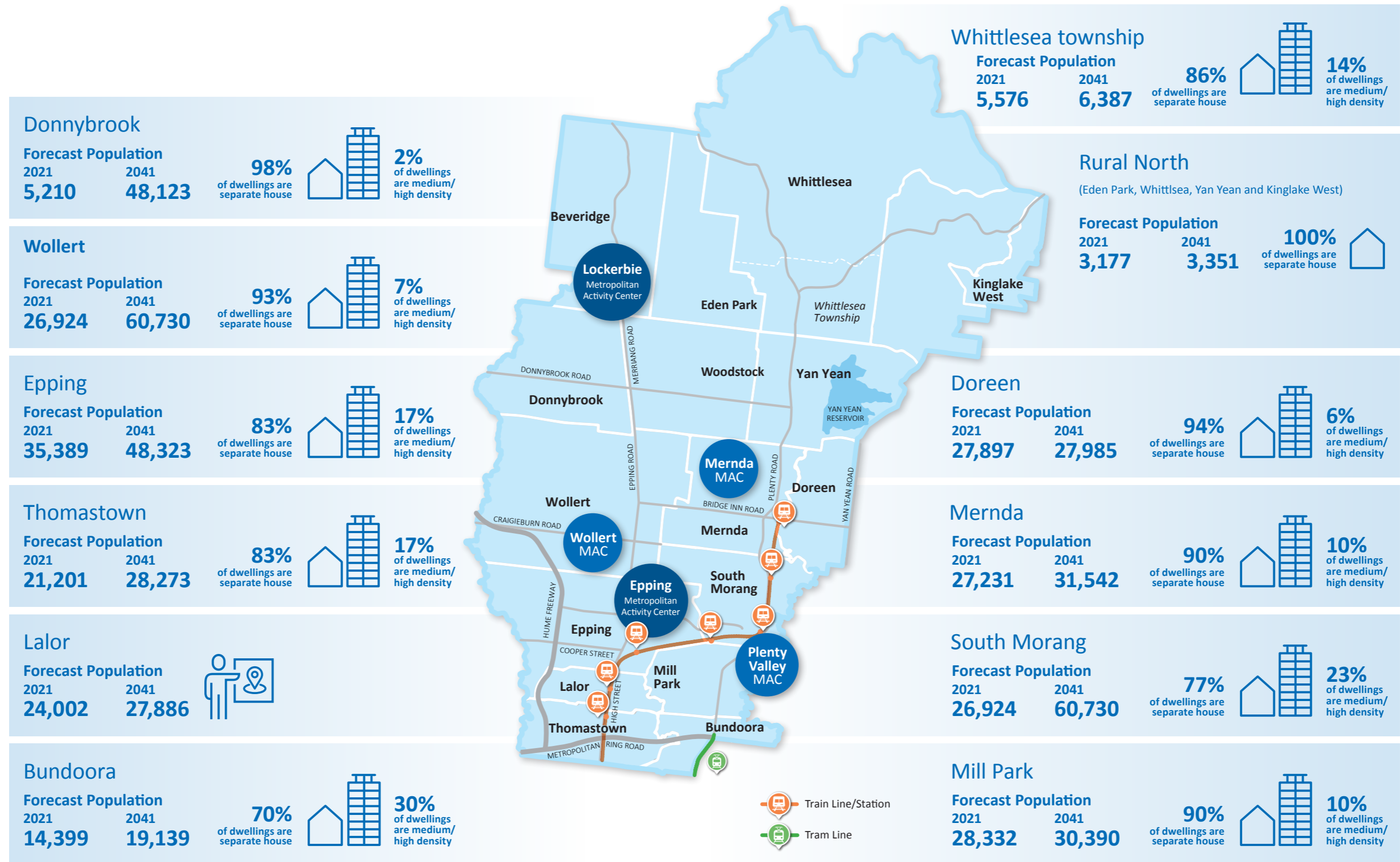
Travel to work options

A high proportion of residents travel out of the municipality for work, putting pressure on the transport network. This is compounded by the lack of reliable public transport options and a high degree of car dependence, with impacts on the health and wellbeing of our community.

Housing density and diversity

We need to increase the supply and diversity of housing in the right locations. We need higher density housing around activity centres and train stations to make best use of these locations, and deliver a greater range of housing types between detached dwellings and high rises.

Municipal overview



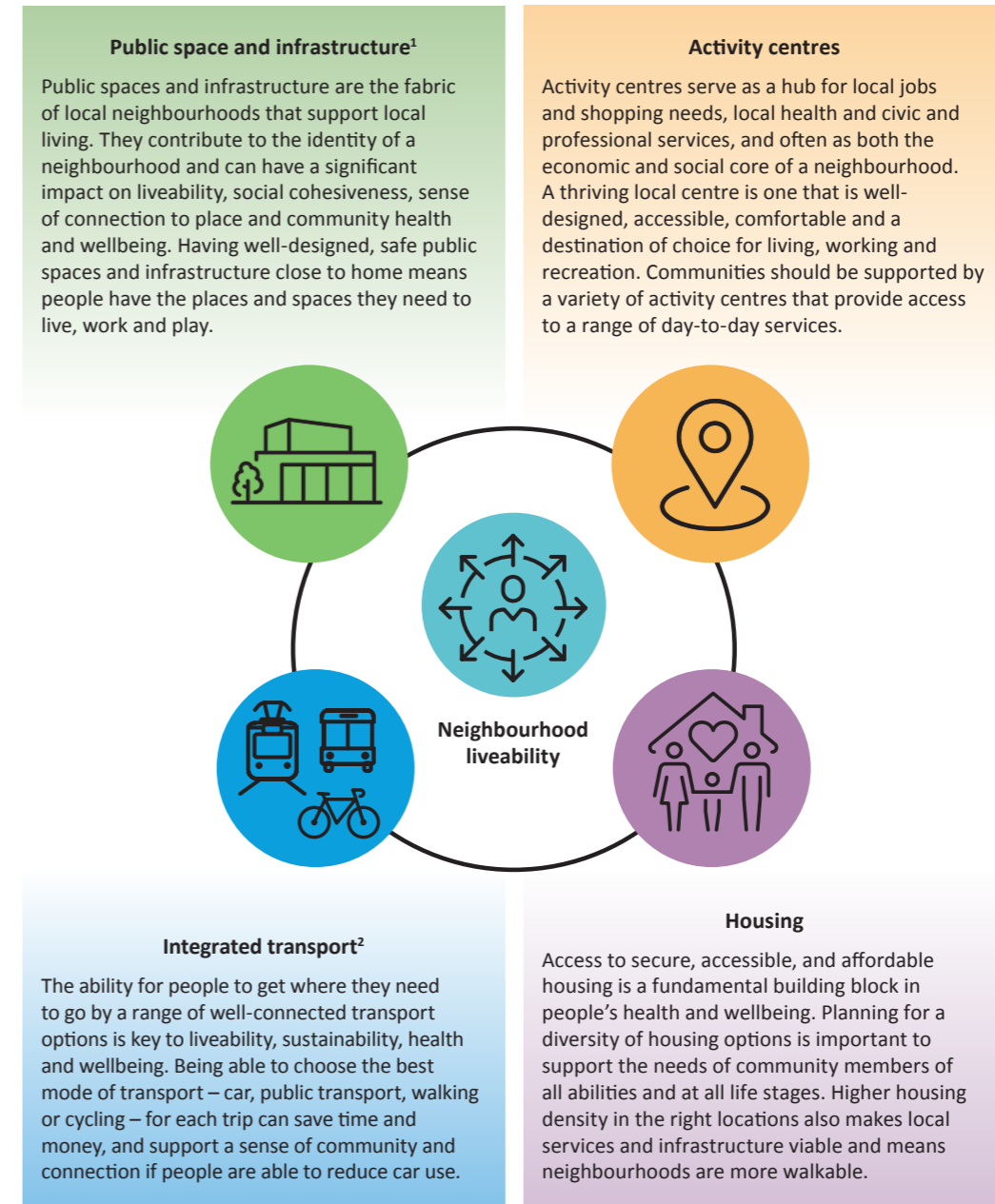
MAC denotes Major Activity Centre



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Key focus areas

Our neighbourhoods comprise a range of elements that contribute to their liveability. This Strategy covers four key focus areas related to neighbourhood liveability.



¹ Public space is any area that is freely accessible to the public, including parks, streets and communal open spaces. Infrastructure includes facilities and transport networks needed for the functioning of a community, for example local roads, community centres and sports facilities.

² Integrated transport is the combining of different modes of transport to maximise ease and efficiency for the user in terms of time, cost, comfort, safety, accessibility and convenience.

Public space and infrastructure



'We're lucky to have the Plenty Gorge Parklands – people travel long distances to go walking there.'

- Community quote, focus group consultation, June 2023



Why is planning for public space and infrastructure important?

- Our population is growing rapidly, placing increased demand on the need for public space and infrastructure to support people in their day-to-day needs
- The open space network enables our community to enjoy both formal and informal recreation activities, essential to their health and wellbeing
- Canopy trees and green links improve the comfort and amenity of our public spaces and promote walking and cycling
- Planning for public space and infrastructure across our established areas, growth areas and rural areas presents different challenges and needs to be balanced to ensure everyone has the ability to access the things they need
- Our community's diverse needs will change as the demographic and age profile changes over time, so we need to plan to be flexible and adaptable
- Community facilities and infrastructure were one of the highest priorities for respondents to the 2021 Household Survey.



Some facts

Within the municipality our community has access to nearly 5,500 hectares of public open space, including parks, conservation areas, streetscapes, and road verges comprising:



More than 1,500 local parks
totalling more than 5,000 hectares



Four major community parks



Two water play facilities



244 playgrounds



41 public exercise and fitness parks



10 public skate and BMX facilities



10 off-leash dog parks

Council runs:



More than 50 sport and leisure precincts



20 maternal and child health centres and 42 kindergartens



6 library services



29 community facilities



What have we done so far?

- A Community Infrastructure Plan will guide ongoing investment in and delivery of community infrastructure for the City of Whittlesea for the next 10 years
- Completed planning for the **Quarry Hills Regional Parkland**, which will expand to create 1,088 hectares of green open space for communities in and around Mernda, Wollert, Epping and South Morang
- Completed a number of comprehensive master plans, including **Whittlesea Park** (Whittlesea Township), **Whittlesea Public Gardens** (Lalor), **Norris Bank Reserve** (Bundoora), and **Redleap Recreation Reserve** (Mill Park) to guide the delivery of major park upgrades at these locations
- Opened the **Mernda Social Support Centre**, which provides older residents and their carers with vital support services. Priority access to services will be given to certain priority groups within our community
- Established the **Mernda Town Centre community library**, which will provide residents with easy access to programs and resources until a permanent library is built in the town centre precinct in the future
- Planned for a new **Kirrip Community Centre library hub**, located in the foyer of the De Rossi Boulevard facility in Wollert East, which will provide the fast-growing population with new educational and social development opportunities
- Completed a number of projects with the support of, or funding partnership with, State Government, including:
 - o Upgrade to Whittlesea Public Gardens play space and public amenities, including a new learn-to-ride area and picnic shelters
 - o Upgrade to Norris Bank Reserve play space and public amenities including upgraded picnic facilities, water play space, and a beginner's skate/scooter loop
 - o Upgrade of Mill Park Reserve play space to an all abilities play space with water play and Changing Places facility.



Our priorities for action

Open space planning

A refreshed Open Space Plan for the municipality will ensure our community enjoys a high-quality open space network. It will include the public open spaces vested in Council as a requirement of development in our growth areas, including approximately 1,000 new sites since 2016 in Doreen, Wollert, and Donnybrook. This will include a framework for how we engage with Traditional Owners in the development of our open spaces in the future.

Municipal reserve master planning

Master plans for 40 municipal reserves will inform the need for capital works, community infrastructure, and sporting infrastructure in our open spaces.

Aboriginal Gathering Place

The Aboriginal Gathering Place will be located in the Quarry Hills Regional Parkland in South Morang to create a welcoming, inclusive and culturally safe space for all Aboriginal and Torres Strait Islander peoples.

Regional Aquatic and Sports Centre

The Regional Aquatic and Sports Centre, to be located on Plenty Road at Mernda will provide regional-level indoor and outdoor sports, leisure, and aquatic facilities. The state-of-the-art centre will be delivered in stages and may include:

- 6 indoor and 8 outdoor floodlit multipurpose courts
- 50-metre multipurpose pool
- Warm water, teaching and leisure pools, spa, steam and sauna
- Gymnasium with group fitness rooms
- Health consulting and wellbeing suites.

Activity centres



‘Aurora town centre is a great shopping strip, that is also accessible. There’s also the community centre and my favourite coffee shop there.’

- Community quote, focus group consultation, June 2023



Why are activity centres important?

- Activity centres serve as a hub for local shopping needs, local health and civic and professional services, and often as both the economic and social core of a neighbourhood
- Well-designed and vibrant activity centres make it easier for people to live locally, saving time on travel and creating opportunities to connect with others
- Activity centres provide an opportunity for local employment and higher-density living, so that more people have easy access to services and facilities and make public transport, walking and cycling more viable
- Activity centres create opportunities to reflect the local community through their design and the shops and services offered.



Some facts

We have more than 60 activity centres ranging from the state and regional scale Metropolitan Activity Centres (Epping) and Major Activity Centres to large and small neighbourhood activity centres, and convenience stores:



People spend up to 40 per cent more in neighbourhoods where they can easily walk to the local shops



Activity centres provide opportunities for local employment



Activity centres are areas with a high diversity of uses including retail, professional services, community centres, education and residential, which contributes to their central role in neighbourhoods



What have we done so far?

- Ongoing delivery of the Town Centre Revitalisation Program to improve the functionality, attractiveness and vibrancy of key neighbourhood activity centre streetscapes across the municipality (including Rochdale Square in Lalor and Gorge Road Shops in South Morang)
- Prepared a Neighbourhood Design Manual that aims to improve private development outcomes through clear, concise, visual guidance for Council and the community
- Completed detailed planning for established areas including the Thomastown and Lalor Place Framework, Plenty Valley Town Centre, Whittlesea Township Plan and Epping Structure Plan Refresh to ensure these activity centres are in line with community needs.



Our priorities for action

Stronger place-based planning

Council is committed to a place-based approach for its services and planning. Council will improve its place coordination and precinct scale planning for key areas of change or importance.

Strategic land use planning

Continue planning and implementation of strategic land use plans for activity centres, including the Cloverton Metropolitan Activity Centre, Wollert major town centre, Plenty Valley, Epping Central and Mernda Town Centre.

Connecting people to activity centres

Council will provide stronger guidance, requirements and policy related to the planning of activity centres and their connecting street and walking networks, as well as traffic planning that prioritises walking and cycling.

Plan for 20-minute neighbourhoods

Plan for a distribution of activity centres, including neighbourhood, local, major and metropolitan activity centres, that enable people to access services and facilities within a short trip from home.



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Integrated transport



‘We need better-connected path networks so that we can get places more directly.’

- Community quote, focus group consultation, June 2023



Why is an integrated transport network important?

- We know our residents spend a lot of time travelling to work, with a large proportion of our residents traveling outside the municipality for work
- Our rapidly growing population means that infrastructure and service delivery struggle to keep pace with the change in our growth areas
- Gaps in our transport networks make getting around, particularly by walking, cycling, and public transport, difficult
- Climate change and the impacts of the COVID-19 pandemic are influencing travel behaviours, with people changing how and when they travel, particularly for work.



Some facts

Our community has told us a lot about their travel choices and preferences over the past few years:



Nearly 30 per cent of Whittlesea residents spend more than an hour a day travelling to and from work

According to the 2021 Household Survey



7.5 per cent of the population are spending more than two hours commuting each day

According to the 2021 Household Survey



More than 62 per cent of people use a car as a primary mode of travel

According to Census 2022



Less than 15 per cent of our community walk daily or cycle weekly

From the 2021 Household Survey



Nearly 50 per cent of people reported using public transport less often compared to before the COVID-19 pandemic

From the Public Transport Survey



What have we done so far?

- Successfully advocated for O’Herns Road interchange, Mernda Rail extension, Plenty Road, Bridge Inn Road, Epping Road and Childs Road
- Delivered a refresh of the **Walking and Cycling Plan 2022**
- Contributed to the development of a new **Northern Trails Strategy 2022** as part of a consortium of councils to guide the development and advocate for the expansion of the trails network
- **Advocated to State Government** for improvements to the development and expansion of road, rail, bus and tram infrastructure and services
- Developed a **Northern Region Transport Strategy** as part of the Northern Councils Alliance to advocate for a collaborative list of transport priorities for the northern metropolitan region. This includes an **Electric Vehicle Transition Plan** to help our communities transition to lower carbon lifestyles
- Delivered shared path projects including Yan Yean Pipe Track and Hendersons Creek Trail with funding support from the Department of Energy, Environment and Climate Action
- Delivered the Findon Road extension project, completing the link between Epping Road and Plenty Road
- Successfully advocated for improved arterial roads with upgrades to Plenty Road, Yan Yean Road and Childs Road completed and Epping Road and Bridge Inn Road projects underway.



Our priorities for action

Integrated transport planning

Council will update and deliver a new Integrated Transport Plan for the municipality to ensure all members of our community are able to meet their daily transport requirements, with a focus on safe, connected and convenient transport options.

Movement and place planning

Council will develop a Movement and Place framework and Network Review to ensure our transport networks get our community where they need to go and create streets that are places for people to live, work and enjoy.

Planning partnerships

Partner with universities and advocacy groups to gather evidence on neighbourhood design to reduce private car use in local, daily trips.

Improved wayfinding and information to support accessibility

Council will continue to support people to easily get where they need to go through the provision of accessible, high-quality wayfinding signage to help people of all abilities to access places and spaces.

Support for walking and cycling

Council will continue to implement the endorsed Walking and Cycling Plan 2022 and Northern Trails 2022. This will include delivery of identified priority projects including Yan Yean Pipe Track and Edgars Creek Trail, as well as planning and investigative work to support the potential Whittlesea – Mernda Shared Trail and High Street Shared Path.

Council will also continue to address gaps in the footpath and shared user path network within the municipality to support greater participation in local walking and cycling.

Continued advocacy for transport projects

Council will advocate for transport projects including Wollert Rail, better bus services, Outer Metropolitan Ring, Epping Road, Bridge Inn Road, Findon Road duplication, Craigieburn Road, Donnybrook Road and electrification of the rail line to Wallan.

Behaviour change programs

Council will deliver behaviour change programs to increase participation in walking and cycling, improving health, environment and transport outcomes for our community.

Housing



‘We need a better mix of high density and low density housing.’

- Community quote, focus group consultation, June 2023



Why are housing choices important?

- We have a rapidly growing and changing population and we need the right mix of housing types to meet people’s needs, now and in the future
- As household size declines, increased availability of well-located medium and higher density housing within the established areas will be important
- Urban renewal needs to be better supported and higher density development encouraged in key areas that are well serviced, while our established areas continue to be places where our community wants to live
- There is a growing trend for people wanting to live in townhouses or in apartments in locations that are close to family, friends or shops.



Some facts

Recent information shows that access to secure, accessible, and affordable housing is important to our community, but is not necessarily as available as it should be:



There is an urgent need for 3,606 additional affordable homes in our municipality



30.4 per cent of rental households and 15.3 per cent of households with a mortgage were in housing stress in 2021



Almost no house sales and only two per cent of rentals were affordable to households on very low incomes in December 2022



Only five per cent of house sales were affordable to households on low incomes in December 2022



More than 85 per cent of rentals were affordable to households on low incomes in December 2022



People rated the importance of access to affordable housing as 8.4 out of 10



What have we done so far?

- Implemented the **Housing Diversity Strategy 2013** to guide housing growth in our established areas
- Facilitated delivery of more than 150 social housing homes through the **New Epping** development – providing safe and secure homes for Victorians on the housing wait list
- Facilitated development of Hope Street Youth and Family Services to accommodate and support 10 young people aged 16 - 25 years and their children who are without a home or at risk of being homeless
- Established a long-term vision for the Whittlesea Township through the **Whittlesea Township Plan** to ensure it retains its unique country feel.



Our priorities for action

Getting housing density right

Council will ensure appropriate densities are achieved around town centres, open spaces and public transport hubs to support economic viability and ensure accessible, walkable, and vibrant neighbourhoods.

Improved housing for all

Council will continue to investigate and advocate for opportunities to improve the quality, sustainability, and accessibility of building design.

Social and affordable housing options

Council will investigate opportunities to increase the supply of social and affordable housing as part of new developments and on Council-owned land.



Making it happen

The Strategy will be reviewed in 2029 to reassess the needs and aspirations for the City of Whittlesea.

A Liveable Neighbourhoods Action Plan will be developed every two years. It will clearly outline the actions Council is committed to delivering and how we will track our performance over time.

The Action Plan will also help to facilitate and strengthen our partnerships and collaborations with key stakeholders.

The first Action Plan will be developed once this strategy is finalised.



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Monitoring progress

Council has prepared an evaluation framework to monitor trends and performance of our work to promote liveable neighbourhoods.

The outcome indicators below will help us to track progress towards the outcomes identified in this Strategy:

Council will continue to monitor these indicators and will work with other levels of government as well as partners in the private and non-for-profit sectors and our broader community to influence these indicators for the better.



Key direction 1: Smart, connected transport network

- Improved connectivity of the road network
- Increased patronage of public transport
- Improved access to public transport within walking distance of home
- Increased use of walking and cycling paths



Key direction 2: Well-designed neighbourhoods and vibrant town centres

- Improved sense of connection to place
- Increased satisfaction with the appearance and function of public spaces
- Increased length of stay at public spaces and activity centres
- Increased usage of community facilities
- Improved planning and design of infrastructure
- Improved accessibility and walkability of public spaces
- Increased planning and design of public spaces
- Increased recognition, celebration and connection to Aboriginal cultural heritage



Key direction 3: Housing for diverse needs

- Increased diversity of housing types
- Increased availability of affordable and accessible housing
- Increased provision of higher density housing in appropriate locations
- Increased implementation of best practice building design

Glossary

Aboriginal and Torres Strait Islander – is used in preference to ‘Indigenous’, ‘First Nations’, and ‘Koori’.

Aboriginal cultural heritage – refers to the knowledge and lore, practices and people, objects and places that are valued, culturally meaningful and connected to identity and Country.

Accessible housing – housing that is designed or modified to enable independent living for people of all ages and abilities.

Activity centres – areas that provide a focus for services, employment, housing, transport and social interaction. They range in size and intensity of use from smaller neighbourhood centres to major suburban centres and larger metropolitan centres.

Affordable housing – housing that is appropriate for the needs of a range of very low to moderate income households, and priced (whether mortgage repayments or rent) so these households are able to meet their other essential basic living costs.

Built environment – the places in which we live that have been built by people, for example buildings and streets.

Climate change – long-term change in global or regional climate patterns attributed largely to the increased levels of greenhouse gases in the atmosphere, particularly carbon dioxide, produced by the use of fossil fuels.

Community facilities – buildings provided by government or non-government organisations for accommodating a range of community support services, programs and activities. This includes facilities for education and learning; early years health and community services; community arts and culture; sport, recreation and leisure; justice; voluntary and faith and emergency services. For example: kindergarten and libraries.

Green Wedge – non-urban land that is described in a metropolitan fringe planning scheme as being outside an urban growth boundary.

Green Wedge Management Plan – a strategy outlining the vision, objectives and actions for the sustainable management and development of Green Wedge areas.

Growth area – areas on the fringe of metropolitan Melbourne designated for transition from rural to urban uses.

High density housing – residential development that comprises housing with shared entrances, open space and other amenities and typically includes flats and apartments.

Housing density – the number of dwellings in an urban area divided by the area of the residential land they occupy, expressed as dwellings per hectare

Housing stress – typically described as lower-income households that spend more than 30 per cent of gross income on housing costs.

Infrastructure – facilities and transport networks (e.g. buildings, roads, and utilities) needed for the functioning of a community. Infrastructure can be provided by the private sector (local roads, childcare, shopping centres), or by Government (kindergartens, schools, railways).

Integrated transport – the combining of different modes of transport to maximise ease and efficiency for the user in terms of time, cost, comfort, safety, accessibility and convenience.

Local town centre – town centres that are an important community focal point and have a mix of uses to meet local needs. Accessible to a viable user population by walking, cycling and by local bus services and public transport links to one or more principal or major town centres. This should be of sufficient size to accommodate a supermarket.

Major activity centres – suburban centres that provide access to a wide range of goods and services. They have different attributes and provide different functions, with some serving larger subregional catchments. Plan Melbourne identifies 121 major activity centres, including South Morang (Plenty Valley), Mernda and Wollert in the City of Whittlesea.

Medium density housing – residential development that comprises two or more dwellings per lot, that generally have separate ground level entrances and private open space, typically including units, townhouses, and terraces.

Metropolitan activity centres – higher-order centres with diverse employment options, services and housing stock, supported by good transport connections. Epping is an existing metropolitan activity centre under Plan Melbourne and Lockerbie is a planned future centre to be located adjacent to the City of Whittlesea.

Neighbourhood – sub-section of an urban area in which people spend most of their time. This is typically the area where people can meet their most common needs e.g. education, grocery shopping, and recreation and usually not interrupted by barriers such as major roads or railway lines.

Open space – land that provides outdoor recreation, leisure and/or environmental benefits and/or visual amenity. Types of open space include local parks, regional parks, conservation reserves, waterways, and easements.

Public space – all areas freely accessible to the public, including open space, plazas, streets and laneways.

Public transport – forms of mass transport that are available to the public. In metropolitan Melbourne these include buses, trams and trains.

Sense of connection to place – Peoples’ perception and experience of a place. Indicates how connected people feel to a place.

Social housing – non-profit housing owned and managed for the primary purpose of meeting social objectives such as affordable rents, responsible management, security of tenure and good location in relation to employment services. The term encompasses public housing and includes housing owned or managed by housing associations and community housing.

Streetscapes – the elements of a street that combine to form a street’s character and amenity, including the road, adjoining buildings, paths, street furniture, lighting, and vegetation.

Universal design – the design of buildings, products or environments to make them accessible to people, regardless of age, disability or other factors.

Walkability – the extent to which the built environment supports walking for transport and for recreation, where the walking environment is safe, connected, accessible and pleasant.



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