Mornington Peninsula Shire

COUNCIL MEETING

TUESDAY, 17 MARCH 2026

6:30 PM

MOUNT ELIZA COMMUNITY HALL
90–100 CANADIAN BAY RD, MOUNT ELIZA

MORNINGTON PENINSULA SHIRE COUNCIL

WARDS AND COUNCILLORS

Beek Beek	Cr Kate Roper
Benbenjie	Cr Max Patton
Briars	Cr Anthony Marsh
Brokil	Cr Patrick Binyon
Coolart	Cr David Gill
Kackeraboite	Cr Stephen Batty
Moorooduc	Cr Bruce Ranken
Nepean	Cr Andrea Allen
Tanti	Cr Paul Pingiaro
Tootgarook	Cr Cam Williams
Warringine	Cr Michael Stephens

EXECUTIVE TEAM

Mr Mark Stoermer	Chief Executive Officer
Ms Cheryl Casey	Director – Communities
Mr Andrew Pomeroy	Director – Planning and Liveability
Mr Davey Smith	Director – Assets and Infrastructure
Ms Kelly Gillies	Chief of Staff

RECORDING

Please note that this Council Meeting will be livestreamed to the Mornington Peninsula Shire's YouTube channel and a recording of the meeting will be available on the Shire's website.

Recording of persons in the public gallery is not intended but may occur incidentally. By attending this meeting, you consent to being filmed at the meeting and the possible use of subsequent recordings in a live streaming or published video of the meeting.

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1 OPENING AND WELCOME

Appointed Chairperson – Deputy Mayor, Cr Paul Pingiaro

1.1 Acknowledgement of Country

To be read by Cr Patton.

Mornington Peninsula Shire acknowledges the Bunurong people, who have been the custodians of this land for many thousands of years; and pays respect to their elders past and present. We acknowledge that the land on which we meet is the place of age-old ceremonies, celebrations, initiation and renewal; and that the Bunurong peoples' living culture continues to have a unique role in the life of this region..

2 PROCEDURAL MATTERS

2.1 Apologies

2.2 Disclosure of Conflicts of Interest Pursuant to Sections 126 – 131 of the *Local Government Act 2020*

2.3 Confirmation of Minutes

RECOMMENDATION

That the Minutes of the previous Council Meeting held on 17 February 2026, be confirmed.

2.4 Councillor Briefing & Workshop Sessions

Councillor Workshop Session – 3 February 2026

Councillor Briefing Session – 3 March 2026

RECOMMENDATION

That Council receives and notes the record of:

1. **Councillor Workshop Session for 3 February 2026**
2. **Councillor Briefing Sessions for 3 March 2026.**

2.5 Petitions and Joint Letters

Baden Powell Traffic Management

A petition of 19 signatures has been received in relation to traffic management on Baden Power Place, Mount Eliza. The petition is requesting –

1. An extension to the Keep Clear Zone adjacent to Baden Powell Place, Mount Eliza, to enable better access to the drive, particularly from 7.30am to 9.30am and 3.30pm to 5.30pm as vehicles queue up to pick up children from the Child Care Centre.

2. Lower speed limits in Baden Powell Place, Mount Eliza, to prevent excessive speed in vehicles, particularly those cutting through Baden Powell Place to avoid the lights at Nepean Highway and Canadian Bay Road, Mount Eliza.

3. Consideration regarding the installation of speed humps at both ends of Baden Powell Place to avoid excessive speeding, which has proven successful in other metropolitan areas.

4. Caution signs to be installed at the northern end of Baden Powell Place, Mount Eliza. There are small children in prams and elderly pedestrians who are forced to walk on the road because of the difficult camber of the footpath.

5. Consideration regarding proper repair of potholes which are constantly recurring in the road and also proper repair of the road surface at the southern end of Baden Powell Place, Mount Eliza which at time has extensive school traffic.

6. Notification to residents of Baden Powell Place of traffic flow diagrams when development occurs in the old Lintons Nursery site at the southern end of Baden Powell Place, Mount Eliza.

Immediate Comment

The concerns regarding Baden Powell Place, Mount Eliza including the speed and volume of vehicles has previously been noted.

Baden Powell Place has a default speed limit of 50 kilometres and hour (km/h) which is consistent with local roads within the area. Previous investigations undertaken by the Shire in 2023 identified that speeds of the majority of vehicles was below the 50km/h speed limit. They also showed that the volume of vehicles using the road was well within the acceptable range for a road such as Baden Powell Place which has a number of residential properties and a childcare centre.

2.5 (Cont.)

The Australian standards have very clear guidelines regarding the use of keep clear linemarking and advise that they shall not be used primarily for the purpose of facilitating access to or from a side street or driveway. Therefore, the extension of the keep clear linemarking to include the driveway access is not considered appropriate.

Shire officers will re-investigate the traffic behaviours and consider what if any changes are warranted in the street to improve safety or the operation of the street.

Action Officer: Manager - Strategic Planning, Transport & Environment

RECOMMENDATION

That Council receives and notes the Petition relating to traffic management on Baden Powell Place, Mount Eliza.

2.6 Public Question Time

Questions from the public shall be dealt with at the commencement of the meeting.

The aim of public question time is to provide an opportunity for the public to ask general questions at Council Meetings requiring routine responses. Questions with or without notice can be submitted.

Questions with notice are to be received in writing by 12.00pm the Friday prior to the relevant Council Meeting and can be lodged via the Shire’s website. Questions received by this time will be provided with a considered response prepared by the relevant Shire officer and read by the Chief Executive Officer (CEO) at the Council Meeting.

Questions without notice must be lodged in person no later than 15 minutes prior to the commencement of the meeting. The question will be read by the CEO and taken on notice with a written response forwarded to the person asking the question within 7 days of the Council Meeting and published on the Shire's website.

This segment does not substitute for appeal or other formal business procedures with the Council.

3 COUNCILLORS AND DELEGATES REPORTS

At each Council Meeting, all Councillors will have the opportunity to provide an overview of any meetings attended as an appointed representative of Council.

If a Councillor chooses to provide details, the name of the conference/event and the Councillor attending will be noted in the Minutes for that meeting. If a Councillor requires additional information on the conference/event to be included in the Minutes, the Councillor must submit it in writing to Governance by 12.00 noon the day following the meeting.

Association/Committee	Representative/s	Substitute Representative/s	Shire Contact
Arts and Culture Advisory Panel	Cr Gill	Cr Patton	Tori Hayat, Team Leader – Arts and Culture
Association of Bayside Municipalities	Cr Patton	Cr Williams	Lachy Chapman - Water and Coasts Coordinator
Audit and Risk Committee	Cr Ranken Cr Batty	Cr Stephens	Mark Schubert, Financial Officer
Australian Coastal Councils	Cr Patton	Cr Roper	Lachy Chapman - Water and Coasts Coordinator
Bass Park Trust	Cr Stephens	Cr Gill	Pam Vercoe, Manager –Governance and Risk
Climate Resilience Community Reference Group	Cr Gill	Cr Stephens	Chris Yorke, Energy and Carbon Management Officer
Disability Advisory Committee	Cr Binyon	Cr Williams	Monica Seal, Community Wellbeing and Inclusion Coordinator
Mornington Peninsula Friends of Lospalos	Cr Binyon	N/A	Chris Munro, Manager – Community Partnerships and Engagement
Greater South East Melbourne (GSEM)	Mayor	Deputy Mayor	Mark Stoermer, Chief Executive Officer

3.1 (Cont.)

Association/Committee	Representative/s	Substitute Representative/s	Shire Contact
Health and Wellbeing Committee	Cr Williams	Cr Batty	Kate Hills, Manager – Community Wellbeing
Metropolitan Transport Forum	Cr Patton	Cr Roper	Peter Bourlotos, Traffic & Transport Coordinator
Mornington, Hastings and Southern Peninsula Liquor Accords	Cr Batty	N/A	Katherine Cooper, Team Leader – Business and Industry Support
Mornington Peninsula and Western Port Biosphere Reserve Foundation – Council Liaison Group	Cr Stephens	Cr Patton	James Rose, Team Leader – Natural Systems
Mornington Peninsula Cemetery Trust	Cr Roper Cr Pingiaro Cr Batty	N/A	Jenny Brown, Senior Cemeteries Officer
Municipal Association of Victoria (MAV)	Mayor	Deputy Mayor	Pam Vercoe, Manager –Governance and Risk
Peninsula Advisory Committee for Elders (PACE)	Cr Williams	Cr Roper	Helen Ridgeway, Positive Ageing Officer
South East Councils Climate Change Alliance (SECCCA)	Cr Pingiaro	Cr Marsh	Nicci Tsernjavski, Climate Change Partnerships Officer and Daniel Kabel, Climate Resilience Coordinator
Triple A Housing Committee	Cr Gill	Cr Patton	Petrina Dodds-Buckley, Housing Projects Lead
Victorian Local Governance Association (VLGA)	Cr Roper	Cr Stephens	Pam Vercoe, Manager –Governance and Risk

4 MANAGEMENT REPORTS

OFFICE OF THE CEO

4.1 2025/2026 Mid-Year Reforecast

Issued By	Financial Controller
Authorised By	Chief Executive Officer
Document ID	A14018893
Briefing Note Number	BN2168 – 3 March 2026
Attachment(s)	1. 2025/2026 Q2 Financial Performance Statement ⇨

EXECUTIVE SUMMARY

This report is before Council to adopt the 2025/2026 Mid-Year Reforecast and to approve the associated budget adjustments required to maintain a balanced position and strengthen long-term financial sustainability.

The mid-year reforecast provides Councillors with an update on Council's financial performance and the proposed adjustments to the Full Year Approved Forecast. The reforecast follows a comprehensive review of operating budgets, capital works and operating projects, year-to-date results, and projected outcomes for the remainder of the financial year.

Key outcomes of the reforecast:

- A balanced forecast is maintained despite ongoing financial pressures.
- Adjustments have been made to ensure the budget aligns with the Long-Term Financial Plan (LTFP), including the removal of the 2025/2026 land sales forecast to reduce delivery risk and strengthen long-term sustainability.
- The reforecast supports the establishment of a dedicated Waste Reserve, which will:
    - ring-fence over-collections for waste-related expenditure
    - provide funding capacity for major upcoming works at the Rye Landfill
    - reduce future borrowing requirements and help minimise future increases to the Waste Service Charge

4.1 (Cont.)

- Capital allocations have been updated across several projects to reflect revised costs, delivery progress and organisational priorities.

Why Council decision is required now:

- To adopt the Mid-Year Reforecast and update the Full Year Approved Forecast for 2025/26.
- To authorise budget movements that reallocate funds, create the Waste Reserve, reduce borrowings, and adjust project funding to reflect current priorities and delivery realities.
- To endorse project closures

RECOMMENDATION

That Council:

1. **Creates a waste reserve and allocates amount of $4,220,410.**
2. **Reduces 2025/2026 Deferred Borrowings forecast by $1,693,000.**
3. **Removes 2025/2026 Land Sales forecast of $7,244,337.**
4. **Closes the below capital projects:**
    a. **Rosebud Library Toilet Refurbishment.**
    b. **Energy Efficient Pelican Park – Project did not receive a grant.**

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

Performance: A transparent, accountable Council delivering measurable, community-centred services that are cost-effective, fit-for-purpose, future-proofed, and responsive to community needs.

Strategic Objective 4.1: A financially sustainable, high-performing and well-governed Council.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles B, C and G which are:

B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations.

C. The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

G. The ongoing financial viability of the Council is to be ensured.

RELEVANT COUNCIL DECISIONS AND POLICIES

At the Council meeting 17 June 2025, the Council adopted the following Amendment for consideration in the mid-year budget:

Part E

That Council refers to the mid-year Budget for consideration, funding from any surplus for the following:

A. Arts and Culture – Creative grants

B. Willum Warrain – reconciliation program

C. Dolphin Research Institute – education program.

The amounts to be allocated to form part of mid-year budget deliberations.

DISCUSSION

Purpose

To present the 2025/2026 Mid-Year Reforecast to Council for consideration and adoption, outline the financial adjustments required to maintain a balanced budget and align with the LTFP, and seek approval for associated budget movements, reserve creation and project amendments.

Background

The mid-year reforecast involves a comprehensive review of all operating budgets, capital works programs, and operating project allocations, including year-to-date income and expenditure, as well as the projected financial position for the period January to June 2026. This review was undertaken by the Finance team in consultation with business units across the organisation, and in partnership with the Project Management Office for capital works and operating projects. The primary focus of the review was to identify permanent variances between year-to-date results and the forecasted income and expenditure relative to the 2025/2026 Adopted Budget and ensure that we retain a balanced budget.

4.1 (Cont.)

Through this process a balanced forecast was achieved despite the ongoing challenges faced by the Mornington Peninsula Shire. The proposed forecast also invests in future financial sustainability.

The reforecast process identified a current year expected deficit of ($8.2 million) compared to the budget. The primary drivers for this deficit have been one-off occurrences with the part year effect of savings achieved of $3.4 million compared to the budget of $10 million, and $3.5 million in redundancy costs. The full year impact of the savings achieved have been recognised in the draft 2026/2027 budget.

In order to balance these one-off impacts, Shire officers have proposed the remaining $5.1 million of unallocated budget from the adoption of the 2025/2026 annual budget along with unspent funds from prior years of $14.5 million. In addition, to strengthen the LTFP adopted by Council in October 2025, Shire officers have recommended the removal of land sales budgets accumulated from budgets over the last seven years and creation of a waste reserve.

The material forecast movements include the below:

Material Movement	Variance
FY26 Q2 Deficit	**($8.2M)**
Mostly made of up below material movements relating to FY26:	
Materials & Services savings shortfall	($4.3M)
Redundancy costs	($3.5M)
Employee costs savings shortfall	($2.3M)
Contract - Increased Recycling & Green Waste processing costs	($1.0M)
Interest income	$2.9M
Waste Disposal User Fees	$1.4M
FY26 Q2 Deficit of ($8.2M) offset by below one-off adjustments:	
Release of PY surplus	$14.5M
FY26 unallocated budget	$5.1M
Creation of Waste Reserve	($4.2M)
Removal of Land Sales	($7.2M)
Remaining surplus / (deficit)	**-**

Accumulated surplus and unallocated budget

4.1 (Cont.)

Release of accumulated surplus relates to previous financial year budgets that were unspent and for the purposes of the Councils audited financial statements, recognised as accumulated surplus. For budgeting purposes, they were part of the Materials and Services Budget in the financial performance statement. These amounted to $14.5 million to fund the one off Organisation review redundancy costs ($3.5 million), removal of carry-forward land sales ($7.2 million) and creation of a Waste Service Reserve ($3.7 million). The unallocated $5.2 million FY2025/2026 surplus has been utilised to offset the savings target shortfall, which is one-off and required due to the part year effect of the savings achieved.

Setting up for Long-Term Financial Sustainability

<u>Land sales</u>

Achieving the current carry-forward land sales forecast will be challenging, particularly in addition to the LTFP target of $32 million in asset sales over the next ten years. Applying the carry-forward surplus to remove the existing land sales forecast of $7.2 million will reduce reliance on these sales and improve the achievability of the LTFP asset-sale target.

<u>Waste Reserve Creation</u>

The Waste Service Charge (WSC) is calculated annually on a full cost-recovery basis. At the end of each financial year, Council reports to the Essential Services Commission (ESC) on actual expenditure compared with budgeted costs and the revenue collected. As the WSC cannot be adjusted during the year, any under- or over-collection is absorbed within the annual result.

The establishment of a dedicated reserve serves two key purposes:

1. To ensure any over-collections are ring-fenced and applied exclusively to waste-related expenditure, thereby reducing future financial impact on the community. In years where actual costs exceed budget, such as during the recycling market disruption several years ago, the reserve can be utilised to offset the shortfall.

2. To support Council's long-term financial sustainability in light of significant upcoming expenditure required at the Rye Landfill site and reduced borrowing capacity. The reserve can be used to minimise or avoid future borrowing requirements, thereby reducing loan costs and limiting increases to future WSC in order to fund these projects.

The creation of a Waste Service Reserve ($4.2 million) is funded by 2025/2026 mid-year favourable forecast for Waste Service charge reserve accounts ($0.5 million) and prior year surplus ($3.7 million).

4.1 (Cont.)

Capital works

The $1.9 million increase in the Capital Works Program reflects the transfer of funds from operating budgets into the capital program. This is to address key projects including Peninsula Community Theatre (PCT) Heating, Ventilation, and Air Conditioning (HVAC) replacement, Hastings Senior Learning Hub and Peninsula Trail Somerville to Baxter.

All other variances across the program have been balanced internally within the program.

Council approval will be sought for the following projects previously adopted by Council, but not proceeding in their current form:

- 300209 Rosebud Library Toilet Refurbishment – $25,000 adopted in FY2023 and $50,000 adopted in FY2024 for detailed design. The project has been deemed unfeasible as costs escalated to over $1 million due to new accessibility and building code requirements requiring major structural upgrades. Instead, it is recommended the remaining funds be repurposed for other Library Projects. This project will be considered by Council in future budgets.
- 300487 Energy Efficient Pelican Park **–** Adopted in FY2026 with 50/50 matched grant funding. Project no longer proceeding due to the grant not being received.

Operating Projects

Forecast savings of $1.9 million are primarily due to additional contributions received from the Department of Transport (DoT), Victorian Energy Efficiency Certificates (VEEC) rebates, and savings for the Municipal Roads Streetlight Upgrade project.

Borrowings

The Municipal Roads Streetlight Upgrade project mentioned above has adopted borrowings against the project. Due to favourable variances within the project, it is recommended that the borrowings forecast be reduced by the equivalent amount of $1.69 million.

Options for consideration

Shire officers recommend Council adopt the Mid-Year Reforecast as presented, which includes:

- Creating a Waste Reserve and allocating $4.2 million

4.1 (Cont.)

- Reducing 2025/2026 deferred borrowings
- Removing the 2025/2026 land sales forecast.

This option maintains a balanced budget and supports long-term financial sustainability.

With regards to the amendment from 17 June 2025 to consider grants at mid-year reforecast, given there has been a current year deficit, Shire officers have not included these in the attached forecast. If these were to be considered by Council, the recommendation would be to reduce the amount allocated to Waste Service Reserve.

ENGAGEMENT

Not applicable.

COMMUNICATIONS PLAN

Not applicable.

LEGAL AND REGULATORY FRAMEWORK

Not applicable.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

Not applicable

FINANCIAL CONSIDERATIONS

Adopting the recommendations in this report represents a financially responsible approach that strengthens the Shire's long-term sustainability and supports alignment with the LTFP.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

4.2 Rating Strategy Review

Issued By	Financial Controller
Authorised By	Chief Executive Officer
Document ID	A14038813
Briefing Note Number	Workshop – 26 February
Attachment(s)	Not Applicable

EXECUTIVE SUMMARY

The adopted Revenue and Rating Plan 2025-2029 outlines Council's decision-making process on how revenues are calculated and collected. Development and review of the Revenue and Rating Plan is in accordance with the Council's Community Engagement Strategy and Policy, Council Plan, Financial Plan and Asset Plan.

As part of the most recent review, Council undertook an extensive community consultation process to ensure the Rating Strategy reflects the priorities, expectations and lived experience of ratepayers. Through surveys, written submissions and community hearing, Council collected detailed feedback on rating categories, waste charges, payment options and fairness considerations. This community input has now been incorporated into recommended changes to the rating strategy ahead of the 2026-27 annual budget, ensuring that proposed rating structures are transparent, equitable, and aligned with the community's values, while supporting Council's long-term financial sustainability.

Consultation opened on 9 December 2025 and closed 15 February 2026. The community was provided with an options paper, outlining four proposed changes for consideration, along with our current rating strategy for general feedback.

The four options presented were:

1. Retirement Village Differential Rate - Introduction of a differential rate of 80% of the general rate for retirement villages

2. Application for Classification of Rateable Property as Farm Land - Rolling program every 4-5 years to review properties currently receiving the discounted agricultural differential rate.

3. Waste Charge - Separating of the waste service charge into a waste collection charge and public cleaning charge.

4. Rate Payment Collections – remove the 15 February due date for full payment of rates.

RECOMMENDATION

That Council:

1. **Introduces a new differential rate for retirement villages at 80% of the general rate effective for the 2026-2027 financial year.**

2. **Changes from a single waste service charge for all rateable properties to a two-tier waste charge for rateable properties with kerbside collection and public cleansing charge for all rateable properties effective for the 2026-2027 financial year.**

3. **Introduces a rolling program to review all properties receiving the agricultural differential rate every four to five years, commencing from the 2026-2027 financial year.**

4. **Retain the option for rates and charges to be paid in full in line with *Local Government Act 1989 section 167(2a).***

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

Performance: A transparent, accountable Council delivering measurable, community-centred services that are cost-effective, fit-for-purpose, future-proofed, and responsive to community needs.

Strategic Objective 4.1: A financially sustainable, high-performing and well-governed Council.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles A, D and I which are:

A. Council decisions are to be made and actions taken in accordance with the relevant law.

D. The municipal community is to be engaged in strategic planning and strategic decision making.

I. The transparency of Council decisions, actions and information is to be ensured.

RELEVANT COUNCIL DECISIONS AND POLICIES

Revenue and Rating Plan 2025-2029, adopted 17 June 2025.

At the Council meeting held 8 April 2025, in relation to report '4.1 2025-26 Budget – Revenue', Council moved the following amended recommendation:

4. That Council calls for a full review of the Rating Strategy as part of the development of the 2026/2027 Budget, to ensure rate distribution reflects principles of equity, transparency, and fairness across all property classifications.'

On 2 December 2025, Council carried unanimously that:

1. *Council endorses the Rating Strategy Review - Options Paper (Attachment 1) for community consultation, with the removal of the option 'Farm Land Differential Rate' outlined on page 6 and detailed on pages 22 and 23.*

2. *Community consultation begins from week commencing 8 December 2025 until 15 February 2026.*

3. *All community submissions be provided to Councillors following the community consultation to inform adoption of the updated Rating and Revenue Plan ahead of the 2026-27 Annual Budget*

4. *The submitters are given the opportunity to speak to their submission for up to 4 minutes in the week commencing 16 February 2026 or 24 February 2026.*

5. *The Chief Executive Officer is authorised to make any administrative changes to the Rating Strategy Review Options paper.*

DISCUSSION

Purpose

Following the decision of Council on 8 April 2025, Shire officers worked with Councillors to undertake a full review of the Rating Strategy ahead of the 2026-2027 Annual Budget. This work identified four options for community consultation on the rating strategy. A summary of these four options included:

Retirement Village Differential rate	Introduce a differential rate of 80% of the general rate for retirement village properties. This adjustment acknowledges the unique nature of retirement communities, and the services provided within the village.
Application for Classification	Proposal is to begin a rolling 4-5 year program to review all currently classified farm land properties, to be reassessed by

of Rateable Property as Farm Land	completing the application for the agricultural rate. This will include reviewing approximately 240 properties each year. This process to ensure each property remains eligible for the differential rate discount and equity across all rate payers.
Waste charge	Implement a two-tiered waste charging structure • Public cleaning charge – to recover indirect waste management costs • Waste collection charge – to recover direct collection costs for properties receiving this service. This approach ensures transparency and equitable cost recovery.
Rate Payment Collections	Remove the due date for full payment of rates, offering four instalments only. This change aims to improve cash flow and support ratepayers in managing their obligations more effectively.

All completed surveys, comments and submissions were provided to Councillors in full along with two petitions received for the retirement village differential rate. The completed surveys provided the following voting results:

- 63% supportive of the retirement village differential rate introduction. 21% against and 16% not sure.
- 61% supportive of the rolling farm land assessment. 7% against and 32% not sure.
- 61% supportive of splitting the waste charge. 18% against and 21% not sure.
- 63% against removal of the pay in full date. 20% supportive and 17% not sure.

As a result, the following would be included in the 2026/2027 annual budget if the recommendations are adopted by Council:

Retirement Villages

<u>Definition</u>

Retirement Village Land is rateable land that:

- Forms part of a retirement village as defined under the *Retirement Villages Act 1986 (Vic)*

4.2 (Cont.)

- Contains independent living units or serviced apartments that accommodate residents aged 55+ who are living under a retirement village residency contract
- Receives internal services and facilities provided and maintained by the retirement village operator (e.g., community centres, recreational facilities, private roads, gardens, security).

Objective

The objective of the Retirement Village Differential Rate is to recognise that:

- Retirement village residents contribute to the cost of village provided infrastructure, amenities, maintenance and services that reduce their reliance on equivalent Council provided services
- Retirement villages generate comparatively lower demand on some Council infrastructure and community services relative to general residential properties
- A distinct differential rate category supports equitable and transparent allocation of rate burden across property types.

Types and Classes

This differential applies to:

A Registered Retirement Village is a retirement village that:

- is registered under the *Retirement Villages Act 1986* (Vic)
- has been granted an exemption from the requirement to be registered pursuant to section 6 the *Retirement Villages Act 1986* (Vic).

Any additional land used in conjunction with the village for resident services.

Service Rates and Charges

From 20 June 2023 (with the commencement of the *Local Government Legislation Amendment (Rating and Other Matters) Act 2022)* Service Rates or Charges are no longer permitted to be charged for the provision of a water supply or sewage services.

The only specified reasons for councils to raise Service Rates and Charges are:

a. Waste, recycling or resource recovery services

b. Any other prescribed service.

4.2 (Cont.)

Council currently applies a waste service charge for the collection and disposal of refuse on all rateable properties (compulsory) and providing waste services for the municipality (services including collection, disposal, street sweeping, footpath sweeping, beach cleaning, state government landfill levy, plus street and drain litter collection).

The Two-tier Waste Charge is a revised waste charging framework separating:

1. Waste Collection Charge – direct costs for properties receiving a kerbside collection.

2. Public Cleaning Charge – indirect waste related costs such as street sweeping, public bins, beach cleaning, and litter collection.

The objectives of the revised charging structure are to:

- Improve fairness by aligning charges with services actually received

- Increase transparency around direct vs indirect waste costs

- Ensure the waste service charge remains fully cost recovery

- Support long-term sustainability by ensuring waste costs are allocated equitably across all rateable properties.

Council retains the objective of setting the service charge for waste at a level that fully recovers the cost of the waste services, including providing for the cost of rehabilitation of the council's landfill once it reaches the end of its useful life.

Mornington Peninsula Agricultural Land (Farm Land) Rate

That Eligibility assessments are to be conducted every 4-5 years.

Background

The Rating and Revenue Plan 2025-2029 was adopted by Council on 17 June 2025. Council also undertook through their decision on 8 April 2025, to review the rating strategy including community consultation ahead of the 2026/2027 annual budget.

Options were developed with Councillors feedback, consultation then commenced on four options.

Options for consideration

The four options put forward for community consultation, have identified majority support for three of the four options. These have been reflected in the

4.2 (Cont.)

recommendation before Council and adoption to be included in the 2026-27 Annual Budget.

ENGAGEMENT

The Shire undertook rating strategy consultation to improve transparency, equity and alignment with community values. Consultation on the rating strategy ran from 9 December 2025 to 15 February 2026. Engagement consisted of survey responses, written submissions, and detailed qualitative comments. Two petitions were also received.

Community input was received through the following channels:

Submission Type	**Count**
Online surveys received	262
Online written submissions	227
Emailed submissions	25+
Printed surveys	203
Community Hearing registered speakers (19 February 2026)	8

This valuable feedback produced the following results:

Topic	**Channel**	**Yes**	**No**	**Not sure**	**Total**
Retirement Village Differential	Email/Printed	199	2	2	**203**
	Online	86	92	70	**248**
Topic total		**285**	**94**	**72**	**451**
Waste Charge Separation	Email/Printed	110	26	36	**172**
	Online	139	45	49	**233**
Topic total		**249**	**71**	**85**	**405**
Farmland Classification Review	Email/Printed	107	12	39	**158**
	Online	140	15	88	**243**
Topic total		**247**	**27**	**127**	**401**

4.2 (Cont.)

Payment Options	Email/Printed	28	101	31	**160**
	Online	53	156	38	**247**
Topic total		**81**	**257**	**69**	**407**
Grand totals*	All channels	**862**	**449**	**353**	**1,664**

*These reflect response entries, not unique individuals (as participants could respond to multiple topics).

COMMUNICATIONS PLAN

Not applicable.

LEGAL AND REGULATORY FRAMEWORK

The *Local Government Act 2020* requires each Council to prepare a Plan to cover a minimum period of four years following each Council election. This was adopted by Council on 17 June 2025, and this report makes amendments to that plan.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

Noti applicable.

FINANCIAL CONSIDERATIONS

Strategies outlined in the adopted Revenue and Rating Plan (the Plan) align with the objectives contained in the Council Plan and will feed into budgeting and long-term financial planning documents, as well as other strategic planning documents under Council's strategic planning framework.

The Plan does not set revenue targets for Council, it outlines the strategic framework and decisions that inform how Council will go about calculating and collecting its revenue.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

4.3 Response to NOM 509 - Waiving of Rates

Issued By	Financial Controller
Authorised By	Chief Executive Officer
Document ID	A14023168
Briefing Note Number	Not Applicable
Attachment(s)	Nil

EXECUTIVE SUMMARY

At the Council meeting 16 December 2025, Notice of Motion 509 (Cr Patton) – Waiving of Rates was carried unanimously to bring a report back on 17 March 2026 relating to the waiving of Council rates and charges on 12 properties for the 2025-2026 financial year. These 12 properties were subject to Emergency Orders related to the 14 January 2025 landslide at McCrae requiring evacuation.

RECOMMENDATION

That Council waives the Council rates and charges for 2025-2026 financial year from the 12 properties which were subject to Emergency Orders related to the 14 January 2025 landslide at McCrae requiring evacuation and the $41,724.35 is funded in mid-year reforecast.

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

Performance: A transparent, accountable Council delivering measurable, community-centred services that are cost-effective, fit-for-purpose, future-proofed, and responsive to community needs.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles I which are:

I. The transparency of Council decisions, actions and information is to be ensured.

DISCUSSION

Purpose

Following the McCrae landslide on 14 January 2025, the 19 properties impacted by the emergency orders had their Council rates and charges waived for the remainder of the 2024-2025 financial year. Seven of those properties still have emergency orders in place and have had their 2025-2026 Council rates and charges waived.

The impact of waiving the council rates and charges for these remaining 12 properties is $41,724.35.

Background

Following the significant landslide that occurred at McCrae on Tuesday, 14 January 2025, Emergency Orders were placed over 19 properties which required that the properties were evacuated. Council rates and charges were waived in relation to those properties for the remainder of that financial year 2024-2025.

Of the 19 properties, 12 were subject to Emergency Orders requiring evacuation and rates and charges for the 2025-2026 financial year were issued.

Options for consideration

If the Council rates and charges on these 12 properties are not waived then they remain payable for the 2025-2026 financial year.

ENGAGEMENT

Not applicable.

COMMUNICATIONS PLAN

Not applicable.

LEGAL AND REGULATORY FRAMEWORK

Not applicable.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

Not applicable.

FINANCIAL CONSIDERATIONS

The impact for 2025-2026 is $41,724.35 and if adopted would be adjusted as part of the mid-year reforecast.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

4.4 Instruments of Appointment and Authorisation

Prepared By	Manager – Governance and Risk
Authorised By	Chief Executive Officer
Document ID	A14017854
Briefing Note Number	Not applicable
Attachment(s)	1. Instrument of Appointment and Authorisation P&E Act_Land Act ⇨

EXECUTIVE SUMMARY

To allow for practical, efficient and effective delivery of services, a council can delegate or authorise staff and others, to undertake functions or exercise powers on its behalf. Council is granted these powers through the delegations (clause 11) of the *Local Government Act 2020* and Authorised Officers (clause 224 (1)) clauses of the *Local Government Act 1989*.

The attached Instruments of Appointment and Authorisation (IAA) (Attachment 1) have been prepared to ensure the relevant Mornington Peninsula Shire (Shire) officers are properly authorised under the legislation.

It is recommended that Council appoints the relevant Shire officers as authorised persons under the *Planning and Environment Act 1987* and the *Land Act 1958.*

RECOMMENDATION

1. **That Council in the exercise of the powers conferred by section 224 of the *Local Government Act 1989* and the other legislation referred to in the attached Instruments of Appointment and Authorisation (IAA), Council resolves that:**

   A. **The members of Council staff referred to in Attachment 1 be appointed under the *Planning and Environment Act 1987 and the Land Act 1958.***

   B. **The instruments come into force upon the resolution of Council.**

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

<u>Place:</u> Celebrate, protect and enhance our unique blend of coast, hinterland, Green Wedge and connected villages and townships.

4.4 (Cont.)

Strategic Objective 1.1: Protected, resilient and enhanced natural environments.

People: A safe, accessible, inclusive and engaged community that fosters our diverse culture, supporting health and wellbeing and a connected and compassionate society for all.

Strategic Objective 2.2: An engaged and connected community.

Prosperity: Enabling balanced growth through innovation, empowering community groups and volunteers, and fostering a resilient, thriving and vibrant local economy.

Strategic Objective 3.1: A vibrant, innovative and thriving local economy.

Performance: A transparent, accountable Council delivering measurable, community-centred services that are cost-effective, fit-for-purpose, future-proofed, and responsive to community needs.

Strategic Objective 4.2: Community-centred, responsive, and fit-for-purpose services.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles A and I which are:

A. Council decisions are to be made and actions taken in accordance with the relevant law.

I. The transparency of Council decisions, actions and information is to be ensured.

RELEVANT COUNCIL DECISIONS AND POLICIES

The appointment of Authorised Officers by Council occurs regularly to ensure new employees or employees changing roles are appointed in a timely manner. The previous report was presented to Council for endorsement on 17 February 2026.

DISCUSSION

Purpose

To authorise the Shire officers listed for the purposes of enforcing the *Planning and Environment Act 1987 and the Land Act 1958.* Appointments are formally made by a signed IAA (Attachment 1).

4.4 (Cont.)

Planning and Environment Act 1987

When Shire officers enter a property, make observations, or gather evidence, if the matter were to proceed to enforcement, their entry, observations and gathering of evidence is only lawful if the Shire officer is an Authorised Officer under the particular *Act*.

In addition, there is a requirement for some administration staff to be Authorised Officers if they have a role in the issuing or review of planning infringement notices issued pursuant to the *Planning and Environment Act 1987*.

The IAA provides for Council to appoint Shire officers by a resolution, pursuant to section 147 (4) of the *Planning and Environment Act 1987*. This report recommends the following Shire officers be appointed and authorised under the *Planning and Environment Act 1987*:

- Danika Henderson-Morunga - Graduate Planner – new employee

The Land Act 1958

Section 188A applies to Crown land that is under the control of a Committee of Management (CoM) and provides that if a person constructs a building/works on that land, a person authorised by the CoM can demand that that person produces a current permit authorising them to keep the building. If, after 21 days, that person has not produced such a permit, then the Authorised Person may cause a complaint and a summons to appear before the Magistrates Court to be served on the person who constructed the building/works.

The Shire is appointed as a CoM for a number of Crown Land reserves within the municipality. It is in this capacity that Council can authorise Shire officers for the purposes of section 188A of *the Land Act 1958*. This report recommends the following Shire officers be appointed and authorised under *the Land Act 1958*:

- Karina Charlesworth – Property Administration Officer – new employee

Background

Delegations involve a council giving its powers to staff, who then act on behalf of Council. When Council authorises an individual, that person has the power of the statutory position, i.e. they are not acting as delegates or on behalf of Council.

When Shire officers enter a property, make observations, or gather evidence, if the matter were to proceed to enforcement, their entry, observations and gathering of evidence is only lawful if the Shire officer is an Authorised Officer under the particular *Act*.

4.4 (Cont.)

In addition, there is a requirement for some administration staff to be Authorised Officers if they have a role in the issuing or review of Planning Infringement Notices issued pursuant to the *Planning and Environment Act 1987*.

The extent of authorisation is limited by the position description and operating procedure for each team.

Options for consideration

Not applicable.

ENGAGEMENT

Not applicable.

COMMUNICATIONS PLAN

Not applicable.

LEGAL AND REGULATORY FRAMEWORK

Not applicable.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

Not applicable.

FINANCIAL CONSIDERATIONS

Not applicable.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

4.5 Letters Under Seal - 2026 Australian Honours Recipients - Awarded on Australia Day

Issued By	Manager – Governance & Risk
Authorised By	Chief Executive Officer
Document ID	A14015340
Briefing Note Number	Not applicable
Attachment(s)	Nil

EXECUTIVE SUMMARY

The purpose of this report is to request Council endorsement for the sealing of the documents outlined in the schedule below.

Schedule	
Sealing No.	**Document Description**
01/26	Congratulations and recognition letters to Mornington Peninsula residents who received Australian Honours on Australia Day 2026

RECOMMENDATION

That the Common Seal of the Mornington Peninsula Shire be affixed to the documents described in the schedule of this report.

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

People: A safe, accessible, inclusive and engaged community that fosters our diverse culture, supporting health and wellbeing and a connected and compassionate society for all.

Strategic Objective 2.2: An engaged and connected community.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles E, F and I which are:

4.5 (Cont.)

E. Innovation and continuous improvement is to be pursued.

F. Collaboration with other Councils and Governments and statutory bodies is to be sought.

I. The transparency of Council decisions, actions and information is to be ensured.

RELEVANT COUNCIL DECISIONS AND POLICIES

- Recognition and Achievements Policy.

DISCUSSION

Purpose

The purpose of this report is to request Council endorsement for the sealing of Letters Under Seal being issued to Mornington Peninsula Shire residents who are 2026 Australian Honours recipients.

Background

Australia honours its citizens who have made outstanding achievements and contributions to our society.

Australia's distinctive honours system began in 1975 with the creation of the Order of Australia to recognise service to the nation or humanity, as well as the Australian Bravery Decorations and the National Medal. Since then, Australia has created additional awards to recognise additional areas of service valued by Australians.

Australian honours are unique in that they were designed for the community to make a nomination. The Australian honours system is free of patronage or political influence. Anyone can nominate an Australian citizen for an honour.

On Australia Day 2026, the following eight residents of the Mornington Peninsula were announced on the Australian Honours List:

- Aunty Helen Belle Bnads OAM of Mount Eliza has been awarded the Medal of the Order of Australia for service to the Indigenous Community of Melbourne.
- Emeritus Professor Debra Lee Griffiths AM of McCrae has been appointed a Member of the Order of Australia for significant service to nursing and to medico-legal education.
- Dr Sophie Bilicki Holmes AM of Mount Eliza has been appointed a Member of the Order of Australia for significant service to mental health, to family therapy, and to people with disability.

4.5 (Cont.)

- Mrs Margaret Elizabeth McArthur OAM of Mount Eliza has been awarded the Medal of the Order of Australia for service to the community of the Mornington Peninsula.
- Mr Charles Conrad Reis OAM of Flinders has been awarded the Medal of the Order of Australia for service to the community in a range of roles and organisations.
- The late Mr Michael David O'Rourke OAM of Rye has posthumously been awarded the Medal of the Order of Australia for service to community sport.
- Mr Tony Marchesani ESM of Blairgowrie has been awarded the Emergency Services Medal for service to the community through marine search and rescue.
- Mr Graham Kirk AFSM of Mornington has been awarded the Australian Fire Service Medal for service to the community through Victoria's fire service, including in events such as the Black Saturday bushfires in 2009.

In recognition of their achievements, Mornington Peninsula Shire Council will issue a letter under its seal to the 2026 Australia Day Australian Honours recipients. The recipients will also be invited to a civic reception to be held later this year.

Options for consideration

Not applicable.

ENGAGEMENT

Not applicable.

COMMUNICATIONS PLAN

Not applicable.

LEGAL AND REGULATORY FRAMEWORK

Not applicable.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

No direct climate and sustainability considerations.

FINANCIAL CONSIDERATIONS

There are no direct financial considerations.

4.5 (Cont.)

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

CHIEF OF STAFF

4.6 Quarterly Reports October-December 2025

Issued By	Chief of Staff
Authorised By	Chief of Staff
Document ID	A13957586
Briefing Note Number	BN2173 – 3 March 2026
Attachment(s)	1. Quarterly Community Report October to December 2025 ⇨ 2. Quarterly Financial Report October to December 2025 ⇨

EXECUTIVE SUMMARY

The purpose of this report is to present the Quarterly Community Report (Attachment 1) and the Quarterly Financial Report (Attachment 2) to a meeting of Council, which is open to the public, in accordance with section 97 of the *Local Government Act 2020* (the *Act*).

RECOMMENDATION

That Council receives and notes the Community Report and Quarterly Financial Report for October-December 2025 (Attachments 1 and 2).

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

Place: Celebrate, protect and enhance our unique blend of coast, hinterland, Green Wedge and connected villages and townships.

Strategic Objective 1.1: Protected, resilient and enhanced natural environments.

Strategic Objective 1.2: Connected townships with integrated and accessible transport and well-maintained infrastructure

People: A safe, accessible, inclusive and engaged community that fosters our diverse culture, supporting health and wellbeing and a connected and compassionate society for all.

Strategic Objective 2.1: A safe, accessible, inclusive and healthy community.

Strategic Objective 2.2: An engaged and connected community.

Prosperity: Enabling balanced growth through innovation, empowering community groups and volunteers, and fostering a resilient, thriving and vibrant local economy.

Strategic Objective 3.1: A vibrant, innovative and thriving local economy.

Strategic Objective 3.2: Valued partnerships and empowered community groups and volunteers.

Performance: A transparent, accountable Council delivering measurable, community-centred services that are cost-effective, fit-for-purpose, future-proofed, and responsive to community needs.

Strategic Objective 4.1: A financially sustainable, high-performing and well-governed Council.

Strategic Objective 4.2: Community-centred, responsive, and fit-for-purpose services.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles B and I, which are:

B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations.

I. The transparency of Council decisions, actions and information is to be ensured.

RELEVANT COUNCIL DECISIONS AND POLICIES

Not applicable.

DISCUSSION

Purpose

The Quarterly Community and Finance Reports provide the community with a detailed overview of Council’s activities during the quarter, reporting items of achievement and progress in alignment with the Council Plan 2025-2029 and the financial performance and position of the Council.

4.6 (Cont.)

Background

The Quarterly Community Report is a key component of our accountability to the community and outlines progress against each of the Annual Actions that advance the Council Plan's Strategies and includes Community Highlights for each Strategic Direction for the second quarter of 2025-2026.

It includes:

- Achievement and progress in alignment with the Council Plan 2025-2026 related to the four strategic directions.
- Fast facts on how the community has engaged with the Mornington Peninsula Shire (Shire), including 'Have Your Say' activities.
- Updates on major projects, including Capital Works.

The presentation of the Quarterly Financial Report ensures compliance with section 97 of *the Act* in relation to budget reporting. Financial commentary is provided in the summary Finance Report at an organisational level in a Standard Financial Statements format. The Finance Report includes a user-friendly financial highlights section for the community, financial commentary and the status of key priority projects and capital works.

Council Plan Highlights

- Winner of the Tidy Town of Victoria Awards 2025
- Business Excellence Awards 2025
- Winner of the 2025 Australasian College of Road Safety (ACRS) Excellence in Road Safety Award
- Capel Sound Broadway Road and Drainage Upgrade
- Shire's annual Road Resurfacing and Rehabilitation Program is continuing
- The group fitness studio and the new Wellness Centre at Pelican Park Recreation Centre are completed.

Finance Highlights

- A net operating position of $129.4 million.
- A cash position of $107.3 million: $40.6 million invested in term deposits, $55.9 million held in at-call accounts and $10.8 million of funds held in trust.

4.6 (Cont.)

- Year-to-date spend on Capital Works is $28 million across 196 projects and programs.

- Loan repayments of $1.3 million have reduced total borrowings to $29 million.

Options for consideration

Not applicable.

ENGAGEMENT

Not applicable.

COMMUNICATIONS PLAN

The Quarterly Reports will be published on our website following the Council Meeting. We will also promote the Quarterly Report via our social media.

LEGAL AND REGULATORY FRAMEWORK

In accordance with section 97 of *the Act*, the Chief Executive Officer must ensure that a Quarterly Budget Report is presented to the Council at a Council Meeting that is open to the public (as soon as practicable after the end of each quarter of the financial year).

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

Not applicable.

FINANCIAL CONSIDERATIONS

Not applicable.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

4.7 Jet Ski Regulation Enforcement - Shire motion to MAV State Council, May 2026

Issued By	Chief of Staff
Authorised By	Chief of Staff
Document ID	A14015939
Briefing Note Number	BN2174 – 3 March 2026
Attachment(s)	1. Draft MAV Motion - Jet Ski Enforcement

EXECUTIVE SUMMARY

Council's support is required for the Shire to submit a motion to the Municipal Association of Victoria (MAV) State Council meeting on 29 May 2026.

The Shire motion would advocate for increased enforcement by the Victorian Government of personal watercraft (PWC) regulations, regarding speed and distance from swimmers, specifically regarding jet skis.

Submitting a Shire-led motion to the MAV State Council, would elevate the issue and highlight the need for stronger enforcement of PWC regulations by the Victorian Government, on behalf of coastal councils.

The MAV motion submission deadline is 30 March 2026. The MAV recommends that motions are approved by councils based on an officer report and that the motion has been the subject of a Council Meeting resolution, in advance of submission to the MAV.

The MAV has confirmed the strategic relevance of this issue, given the significance of coastal councils across Victoria and the impact on community safety and amenity. The Association of Bayside Municipalities (ABM) has confirmed they support a Shire led motion, given an action within the ABM Strategic Plan 2025-2029 is to 'advocate for improved personal watercraft licencing, enforcement and education' was endorsed by all eight ABM member councils, including Bayside City Council, Frankston City Council, Greater Geelong City Council, Hobsons Bay City Council, Kingston City Council, Mornington Peninsula Shire, Port Phillip City Council, Wyndham City Council.

If the motion is supported at State Council, this would enable the MAV to pursue decisive action by the Victorian Government, further supporting Shire and ABM advocacy.

4.7 (Cont.)

RECOMMENDATION

That Council support submission of a motion to the Municipal Association of Victoria (MAV) State Council meeting on 29 May 2026, to advocate for stronger enforcement of personal watercraft (specifically jet skis) regulations by the Victorian Government.

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

People: A safe, accessible, inclusive and engaged community that fosters our diverse culture, supporting health and wellbeing and a connected and compassionate society for all.

Strategic Objective 2.1: A safe, accessible, inclusive and healthy community.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles which are:

F. Collaboration with other Councils and Governments and statutory bodies is to be sought.

RELEVANT COUNCIL DECISIONS AND POLICIES

The Shire Advocacy Strategy outlines why and how the Shire advocates on behalf of the community.

Shire advocacy priorities for 2025-2026, including jet ski safety, were adopted at Council Meeting on 23 September 2025.

DISCUSSION

Purpose

The purpose of this report is to seek Council's support for the Shire to develop and submit a motion to the Municipal Association of Victoria (MAV) State Council meeting in May 2026. The motion would advocate for increased enforcement of personal watercraft (PWC) regulations by the Victorian Government, specifically regarding jet ski speed and distance from swimmers.

4.7 (Cont.)

Background

Jet ski safety was selected by Councillors as an advocacy priority over 2025-2026, including the Victorian election advocacy campaign. The Shire ran a well-received jet ski safety social media campaign over summer 2026.

As the level of government responsible for the regulation and enforcement of PWC conduct, the Shire has advocated to the Victorian Government for several years to implement stronger enforcement measures.

Without adequate enforcement, these hoon behaviours will persist and increase the chances of a fatality. Chasing dolphins and harassing swimmers on our waters has gained national media attention and sparked community backlash.

Council often receives complaints of growing community concerns about the increased presence and deadly risks posed to residents, visitors and marine life, when jet skis are driven recklessly.

Shire advocacy asks for increased police presence and patrolling, closed circuit television (CCTV), drone monitoring in high-conflict locations and clear markers to ensure jet ski users:

- keep to 5 knots or less within 50 metres of swimmers, vessels or structures
- stay 100 metres clear of dive flags and keep 500 metres from the water's edge between Martha Point and Point Nepean (200 metres elsewhere)
- are not entering swimming-only zones
- no PWC areas in high-conflict locations and clear markers for jet ski riders
- establish a hotline for inappropriate PWC use.

With the increasing popularity and capability of jet skis, there is an urgent need for enhanced enforcement and greater physical separation, to ensure safe and enjoyable use of coastal and marine environments.

Many near-miss incidents go unreported, so the scale of the problem is not accurately reflected in official figures collected by Victoria Police.

With 10% of Victoria's coastline, our unique coastal environment and high visitor numbers, the risks posed by jet skis are particularly problematic across the Mornington Peninsula.

4.7 (Cont.)

Options for consideration

Option 1 - The Shire can continue our individual advocacy regarding jet-ski safety without submitting a motion to the MAV with support from the ABM. (not recommended).

Option 2 - The Shire can develop a motion for consideration by the MAV State Council in May 2026. The Shire motion provides the potential to elevate the issue to sector level if passed and enable the MAV to increase pressure on the Victorian Government for stronger enforcement of existing PWC regulations. (recommended option).

ENGAGEMENT

Not applicable.

COMMUNICATIONS PLAN

The Shire's advocacy collateral relating to jet ski safety is publicly available on our website. The Shire has run a social media campaign over January and February outlining our asks to the Victorian Government, on behalf of the community. There have been several media articles in the Herald Sun and MP News which touched on the issue of jet ski safety.

LEGAL AND REGULATORY FRAMEWORK

Not applicable.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

Not applicable.

FINANCIAL CONSIDERATIONS

Not applicable. Cost implications of increased enforcement are within the remit of the Victorian Government.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

ASSETS & INFRASTRUCTURE

4.8 Proposed Sale of Land - Part of 93 Watt Road, Mornington

Issued By	Manager Assets, Buildings and Property
Authorised By	Director - Assets & Infrastructure
Document ID	A13983580
Briefing Note Number	BN2177 – 3 March 2026
Attachment(s)	1. Proposed Sale of Land Site Plan ⇨ 2. Proposed Sale of Land Community Engagement Summary - Part 93 Watt Rd Mornington (Woodbyne) ⇨ 3. Windfall Gains Tax Implications (confidential) ⇨

EXECUTIVE SUMMARY

The land known as part of Reserve No 1 on Plan of Subdivision 346179, located between 8 and 10 Woodbyne Crescent, Mornington is an undeveloped reserve of approximately 1,627 metre squared (m^2) that currently provides local open space and a pedestrian link between Woodbyne Crescent and Racecourse Road, as shown in Attachment 1 (the Land).

The sale of land is a significant decision and must be undertaken in accordance with Council's Disposal of Property Deemed Excess and/or Inappropriate Policy (2009), Council's Property Strategy (2018) and the *Local Government Act 2020*. The Land has been identified for potential divestment and assessed against the criteria in Council's current property framework.

The Land also forms part of combined rezoning and permit application Planning Scheme Amendment c247morn (Amendment c247morn), which seeks to rezone and subdivide the Land. Rezoning and subdivision are separate statutory processes under the *Planning and Environment Act* 1987 and any decision to sell land must be made independently under the *Local Government Act* 2020.

To facilitate the proposed development of the adjoining land, Council is considering selling the Land to a developer of the adjoining land. If sold the Land would be consolidated with the adjoining land and developed in accordance with any approved planning development application under the Mornington Peninsula Planning Scheme.

4.8 (Cont.)

The sale of the Land would be conditional upon the adjoining owner developer, at its cost:

- Rezoning of the Land from Public Park and Recreation Zone to Neighbourhood Residential Zone;
- Providing replacement open space of at least the same land area to the Council
- Developing the open space including park infrastructure in accordance with Council requirements
- Protection of existing high value vegetation.

In accordance with section 114 of the *Local Government Act* 2020, Council has undertaken the required statutory process in relation to the proposed sale of the Land, including a community engagement process to ensure deliberative and targeted community participation.

The community were invited to provide their feedback on the proposed sale of Land, a summary is provided as Attachment 2. The most common reasons for supporting the sale included expectations that it would deliver improved community assets and allow Council to reinvest in facilities that better serve local needs. Objections were primarily based on concerns about selling the Land to a developer, increased traffic congestion, pressure on existing infrastructure and impacts on neighbourhood character.

RECOMMENDATION

That Council:

1. **Notes that it has received, heard and considered the community's feedback (as noted in Attachment 2) in relation to its proposal to sell the Council owned land at part of 93 Watt Road, Mornington**

2. **Commences the statutory procedures under part 4 of the *Planning and Environment Act* 1987 and section 24A of the *Subdivision Act* 1988 to:**

   A. **Subdivide the land known as Reserve 1 on PS346179 at 93 Watt Road, Mornington to create a new lot between the land at 8 and 10 Woodbyne Crescent, Mornington (Lot 1) and retain the remainder of the land as a reserve; and**

   B. **Remove the reserve status from Lot 1**

3. **Finalises the statutory procedures in accordance with the *Local Government Act* 2020 to sell Lot 1 to the adjoining owner**

4.8 (Cont.)

4. **Authorises the Manager - Assets, Buildings and Property to take all necessary actions and execute all necessary documents including the Contract of Sale and Vendor's Statement and section 173 Agreement (if applicable) to finalise the sale of Lot 1 to the adjoining owner and to give effect to the following sale of land conditions:**

   A. **Lot 1 is rezoned to Neighbourhood Residential Zone prior to settlement**

   B. **The removal of the reserve status from Lot 1;**

   C. **Vesting of alternate replacement public open space of at least the same land area to the Council**

   D. **Construction and delivery of the alternate open space including park infrastructure in accordance with Council requirements**

   E. **Preserving existing high value vegetation**

   F. **All costs associated with paragraphs 4(A) to (D) above are borne by the adjoining owner**

5. **Notes the results of the community engagement process and resulting decision will be published on Shape our Future**

Part B

That Council resolves that Attachment 3 to this report be retained as a confidential item pursuant to section 3 (1) e of the *Local Government Act 2020*, as it contains legal privileged information, being information to which legal professional privilege or client legal privilege applies.

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

Performance: A transparent, accountable Council delivering measurable, community-centred services that are cost-effective, fit-for-purpose, future-proofed, and responsive to community needs.

Strategic Objective 4.1: A financially sustainable, high-performing and well-governed Council.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles A, B, D and I which are:

4.8 (Cont.)

A. Council decisions are to be made and actions taken in accordance with the relevant law.

B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations.

D. The municipal community is to be engaged in strategic planning and strategic decision making.

I. The transparency of Council decisions, actions and information is to be ensured.

RELEVANT COUNCIL DECISIONS AND POLICIES

At the Council Meeting held on 12 October 2009, Council resolved to adopt the Disposal of Council Property Deemed Excess and/or Inappropriate Policy.

At the Council Meeting held on 22 July 2025, Council resolved to:

12. *Notes that the development proposed by planning permit application P23/2400 would require the sale of the relevant part of RES1 PS346179, and that Council is required by section 114 of the Local Government Act 2020 to undertake community engagement prior to selling the land.*

13. *Resolves to publish notice of Council's intention to sell part of RES1 PS346179 located between 8 and 10 Woodbyne Crescent, Mornington and to undertake a community engagement process regarding the same in accordance with*
section 114 of the Local Government Act 2020.

14. *Resolves to publish the notice of intention and undertake the community engagement process on the basis that any sale of the relevant part of RES1 PS346179 would be conditional upon (amongst other matters):*

    a) *Any purchaser providing replacement open space land to Council with an area no less than the area of the land sold by Council, and in a location and with dimensions to the satisfaction of Council*

    b) *The consideration for the sale being based upon a residential zoning, rather than the present Public Park and Recreation Zone.*

15. *Notes that Council will receive a further report on the community feedback received during the community engagement process prior to resolving whether to enter into negotiations for the sale of the land.*

DISCUSSION

Purpose

The purpose of this report is to consider the community feedback in relation to Council's proposal to sell the Land in accordance with section 114 of the *Local Government Act* 2020 and to recommend whether to proceed to sell or not.

Background

The land that forms part of Reserve No 1 on Plan of Subdivision 346179 is approximately 1,627 m^2 (approximately 10 metres wide by 163 metres long) and sits between 8 and 10 Woodbyne Crescent, as shown in Attachment 1. The Land is an undeveloped, irregularly shaped linear grassed reserve with no Council owned park infrastructure. Part of that reserve provides an open space buffer along Racecourse Road and Watt Road, however, the land along Racecourse Road and Watt Road does not form part of the proposed sale. The only part of the reserve proposed to be sold is the portion between 8 and 10 Woodbyne Crescent.

The sale of Council land is a significant decision. Council adopted the Disposal of Property 'Deemed Excess and/or Inappropriate' Policy in 2009 and the Property Strategy in 2018, which guides decision making in relation to the sale of land. In accordance with these documents, the sale of Council land may only be considered where the land is surplus or unsuitable for municipal purpose (Policy) and where there is no ongoing service need or Council's delivery approach has changed (Strategy). The Land has been identified for potential divestment and assessed against the sale criteria within the Policy and the Strategy.

To facilitate development in the area, Council is considering selling the Land to the adjoining owner by private treaty. This method of sale is regarded as the most appropriate given the characteristics of the Land and its inability to be developed as a standalone parcel. If sold, the Land would become part of an adjoining property and could be developed in line with any approved planning development application under the Mornington Peninsula Shire Planning Scheme. The Land forms part of a development application to rezone and subdivide the land - Planning Scheme Amendment c247morn (Amendment c247morn). The rezoning and subdivision are separate approval processes under the *Planning and Environment Act 1987.*

If Council decides to sell the Land to an adjoining property owner, the purchaser will be required to provide replacement open space in Woodbyne Crescent totalling at least the same amount of land as the Land sold by Council. The purchaser will be obliged to ensure the new open space will be more accessible and functional than the current Land, including protection of existing high-value vegetation and installation of park infrastructure to Council standards. The proposed sale is also conditional upon the rezoning of the Land from Public Park and Recreation to Neighbourhood Residential Zone.

It is important to note that whilst the proposed sale of Land and Amendment c247morn are related, they are two distinctly separate processes. The proposed sale of Land must be considered independently from any rezoning or other planning decisions, including Amendment c247morn. Whilst both actions are undertaken by Council, Council is acting in two distinctly different capacities – in its role as landowner when deciding whether to sell the Land, and as the Planning Authority under the *Planning and Environment Act 1987* for any rezoning and planning decisions.

In accordance with section 114 of the *Local Government Act 2020*, when considering the sale of Council land, Council is required to publish a notice of intention to sell and undertake a community engagement process in accordance with the Community Engagement Policy.

A formal statutory process has been carried out, which included undertaking a community engagement process to ensure deliberative and targeted community participation. The community was asked for their feedback on the proposal to sell the Land and acquire new open space in return. The consultation opened on 28 November 2025 and closed on 23 January 2026. A public notice was published on Council's website on 28 November 2025 giving notice of Council's proposal to sell the Land.

On the same day, an online community engagement survey went live on Council's website where respondents could indicate whether they supported the proposed sale and explain the reasons for their response. The survey asked respondent's, 'Do you support the proposal to sell the Council-owned land between 8 and 10 Woodbyne Crescent (Mornington) and acquire a new open space in return?', with the options being 'yes', 'no' and 'not sure'. A free text field was also available for respondents to add any commentary.

To ensure the community were notified of the proposal, a letter was sent to all property owners and residents in the area surrounding the Land. A letter was also sent to all residents and community members who had previously lodged an objection to the proposed Amendment c247morn. A total of 437 notifications were sent about Council's proposal to sell the Land.

The community engagement campaign received 50 submissions. Of these submissions, 32 respondents (64%) stated they did not support the sale of the Land, 14 respondents (28%) stated they did support the sale, and 4 respondents (8%) were unsure.

4.8 (Cont.)

A small number of respondents expressed conditional support for the proposed land sale, noting that they would endorse it if it enabled Council to divest underutilised assets, deliver improved or newly acquired open space, or facilitate social or community housing outcomes that offer a clear and tangible benefit to the broader community.

The majority of respondents did not support the sale on the grounds that it would enable the Amendment c247morn to proceed, which they believe would significantly worsen existing road congestion, exacerbate already insufficient infrastructure, reduce neighbourhood character, and further strain an area they consider to be operating beyond capacity.

Options for consideration

<u>Option 1: Do not proceed with the proposed sale of land</u>

If Council decides not to sell the Land, the Land will continue to be retained and maintained as Council owned open space and corridor land, with no immediate change to its current use or maintenance obligations. This option aligns with the majority of community feedback received.

<u>Option 2: Proceed with the sale of land</u>

If Council does sell the Land, the sale will be conditional upon securing a replacement open space that is equal or greater in community value to the Land. This ensures no net loss of open space, responding to the community concern about the removal of green corridors and walking links by ensuring this open space is replaced by a nearby, more conventionally shaped, local park. The location must meet Council's strategic open space objectives, ensuring accessibility and long-term utility and existing high value vegetation must be protected. The developer must design and construct the replacement open space to meet Council's requirements. This will also result in the community receiving a functional, usable passive open space rather than the current narrow, uneven corridor with limited recreational value. The developer will be responsible for delivering the works to Council's satisfaction prior to new open space land handover.

ENGAGEMENT

The community engagement process has been carried out in accordance with Council's Community Engagement Policy. The community was asked for their feedback on the proposal to sell the Land and acquire new open space in return. The consultation was open between 28 November 2025 and 23 January 2026. The main feedback platform was an online survey on Shape our Future website where respondents could indicate whether they supported or opposed the sale of the Land and explain the reasons for their response.

4.8 (Cont.)

The results of the community engagement process and resulting Council decision will be published on Shape our Future.

COMMUNICATIONS PLAN

A Communications Plan is not required because all public notice and community consultation has been carried out under the *Local Government Act* 2020 and Council's Community Engagement Policy. Shire officers will notify all submitters of Council's decision and publish on Council's website.

LEGAL AND REGULATORY FRAMEWORK

Where the Council proposes to sell land, it must comply with the *Local Government Act* 2020 (the Act). Pursuant to section 114(2) of *the Act* and before selling the land, the Council must:

1. at least 4 weeks prior to the sale, publish notice of intention to do so on the Council's Internet site
2. undertake a community engagement process in accordance with its community engagement policy
3. obtain from a person who holds the qualifications or experience specified under section 13DA(2) of the *Valuation of Land Act 1960* a valuation of the land which is made not more than six months prior to the sale.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

The sale of land is conditional upon the developer (at its cost):

1. Providing replacement open space of at least the same land area
2. Developing the open space in accordance with Council requirements
3. Protection of existing high value vegetation.

FINANCIAL CONSIDERATIONS

Council will obtain a valuation from a certified practicing valuer to assess the current market value of the Land, taking into account the highest and best use of the property. Consideration for the sale is based upon a residential zoning rather than Public Park and Recreation Zone.

All costs associated with implementing and finalising the proposed sale must be borne by the adjoining owner (purchaser).

4.8 (Cont.)

Shire officers have also sought legal taxation advice in relation to the windfall gains tax implications, which is provided as confidential information in Attachment 3.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

4.9 Kerbside Waste Service Changes

Issued By	Manager – Infrastructure and Waste Services
Authorised By	Director - Assets & Infrastructure
Document ID	A13974585
Briefing Note Number	BN2161 – 27 January 2026
Attachment(s)	1. Open Letter to the Minister ⇨

EXECUTIVE SUMMARY

The State Government, through the Department of Energy Environment and Climate Action (DEECA), is planning to standardise waste collection across the state through legislation released in 2021, *The Circular Economy Act.*

The legislation mandates a number of changes to how kerbside services are run across the state. These changes provide a more consistent approach to waste management across the state, reducing confusion and increasing diversion from landfill.

The main changes discussed in this paper are:

- standardisation of bin lid colours and items in each bin
- introduction of a mandatory green lid Food Organics and Garden Organics (FOGO) bin
- introduction of a purple lid glass bin.

This report recommends implementation of the first two points within the mandated timeline but not the latter. There are a number of benefits and disadvantages to the introduction of each of the changes with clear benefits for the introduction of both mandatory FOGO and standard bin lids, but further evidence is required to support the benefits to the community for the introduction of a mandatory glass service.

RECOMMENDATION

That Council:

1. **Continues working towards implementing a mandatory Food Organics and Garden Organics (FOGO) service and the standardisation of bin lid colours in line with the timelines set out in the draft Circular Economy (Waste**

Reduction and Recycling) (Mandatory Service Provision and Other Matters) Regulations 2024.

2. **Advises the State Government that due to the delayed release of the service standards and the lead time required to introduce a dedicated glass service, it is no longer able to comply with the draft deadline of 1 July 2027 to introduce a glass service.**

3. **Advocates to remove the legislated requirement for a mandatory glass service.**

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

Place: Celebrate, protect and enhance our unique blend of coast, hinterland, Green Wedge and connected villages and townships.

Strategic Objective 1.1: Protected, resilient and enhanced natural environments.

Performance: A transparent, accountable Council delivering measurable, community-centred services that are cost-effective, fit-for-purpose, future-proofed, and responsive to community needs.

Strategic Objective 4.2: Community-centred, responsive, and fit-for-purpose services.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles B., C. and G., which are:

B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations.

C. The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

G. The ongoing financial viability of the Council is to be ensured.

RELEVANT COUNCIL DECISIONS AND POLICIES

The following are the key policies and strategies that are relevant to changing our kerbside waste services:

- Beyond Zero Waste Strategy

- Waste Contamination Policy
- Climate Resilience Plan
- Community Engagement Policy

There have been three Council briefings (BN1712 - April 2023, BN2006 - March 2025 and BN2162 - February 2026) related to the implementation of kerbside waste service changes, however no decisions were required at these meetings.

An action was included in the adopted 2025-2029 Council Plan to *Prepare for the rollout of the State's Recycling Victoria's mandated four-bin household waste and recycling system,* item 1.1.7.1.

There is an outstanding Notice of Motion (NOM) from Councillor Gill, from the 12 July 2022 meeting. This NOM has been deferred until the Service Standards are released:

1. *That Council undertakes a comprehensive, Shire-wide community consultation exercise prior to determining the most suitable waste collection schedule and service to implement the Victorian Government's kerbside reforms and Council's zero waste agenda.*
2. *That Council asks the next Citizen Panel to consider waste services and outcomes and give advice on their views on general issues and any particular matters concerning waste on the Mornington Peninsula.*

It is noted that Citizen Panels are no longer available. This paper is focussed on the introduction of the mandatory services and has not considered the waste collection schedule as part of this scope. While the citizen's panel no longer exists, it is possible to engage the community as a separate piece of work around most appropriate service schedule once the final service standards are available.

DISCUSSION

Purpose

- To confirm Council's position on current kerbside waste service reforms
- To approve the purchase of bins for the reform of our kerbside services
- To determine an advocacy position for Council on the State Government's kerbside reform requirements

Background

The State Government, through the Department of Energy, Environment and Climate Action (DEECA), introduced legislation in 2021 to standardise waste collection across the state. This includes the standardisation of what can go in each bin, the standardisation of bin lid colours and a mandatory four-bin system for kerbside collection.

DEECA released draft Service Standards which include a deadline for all Councils to introduce these standards by 1 July 2027. DECCA have indicated that the Final Service Standards will be released in 2026. However, no timeline is available for when these standards will be released.

Shire officers are proposing to meet the deadline for the mandatory FOGO and standard bin lid colours but are seeking approval to delay compliance on implementation of a glass service.

Many Mornington Peninsula Shire residential bins do not currently have the state standard lid colours. Most residual or 'general waste' bins have dark green lids and most recycling bins have light blue lids. This can cause confusion for residents and visitors, especially those on holidays or moving between properties in different Council areas/with varying bin lid colours.

While there is an initial capital expenditure to upgrade bin lid colours, aligning lid colours with the remainder of the state will reduce confusion around bin use and have a long-term benefit of reducing contamination which results in both savings for Council and positive environmental outcomes. This could prove pertinent given the high amount of visitation and dual property residents within the Mornington Peninsula.

Paired with the bin lid changeover will be a list of standardised items that can be disposed of in each bin. This will allow for consistency of message statewide and an ability for people to travel between council areas without having to relearn or guess waste rules.

What can be accepted within each bin at present typically varies depending on the Council area. Processor have influenced which items can be accepted, with varying sorting standards between processing plants.

The list of standardised items for each bin will be released by DEECA as part of the final service standards. Having bin lids changed by the deadline will allow timely, focussed communication from Council about which items can be placed in which coloured bin lid. This will allow targeted behaviour change to address contamination and long-term consistency in waste messaging from Council.

This is important as Council is charged for services such as comingled recycling dependent on the contamination rate (i.e. how much people have 'gotten the bins right'). The higher the contamination, the higher the fee to dispose and recycle. There could be in the order of $1-2 million per year savings as the amount of contamination in recycling are diverted and people put food and other waste in the FOGO bin.

Currently Mornington Peninsula Shire Council provides a FOGO (Green) service to around 56% of properties through an opt-in service. This service enables food and other green waste to be removed from the residual (general) waste stream.

Moving to a mandatory FOGO service will initially increase the cost to property owners who are not currently opted into the service in the form of an increased waste service charge. However, it will also remove the current system of charging an additional fee for use of the FOGO service. This fee has contributed to covering the cost of running the green waste service.

Moving to a mandatory FOGO service has a number of medium and long term benefits for the community. When Rye Landfill closes in 2026 all residual waste will need to be sent off the Peninsula. This will mean a much higher cost to dispose of the residual waste stream.

Currently food waste comprises over 40% of the residual stream. A mandatory FOGO service paired with targeted behaviour change programs will allow for a significant reduction in food waste being sent to landfill (residual bin). In addition, food in landfill produces methane as it breaks down and the resources are never recovered. Composting through the FOGO system, reduces greenhouse gasses and allows for the resources to be recycled in line with circular economy principals.

Modelling has been conducted assuming that approximately 30% of food waste is diverted, which is a conservative assumption based on the behaviour of residents currently. The universal roll out of FOGO bins will open up the opportunity to achieve up to 70% diversion of food waste, which would reduce the volume of waste in the residual waste bin by up to 30%.

It is also important to note that while the waste service charge will increase for those who currently do not have a green bin, those that currently opt in to the service (over 50% of properties) may see an initial reduction in overall costs. This is due to the increased efficiency in running a service to all.

The estimated weight of material collected from each stream (under a four bin system) for the Shire (in kilograms (kg) per household per year) has been modelled as per below:

	Current	Four-Bin System
Residual Waste	320	307

4.9 (Cont.)

Recycling	192	146
FOGO	226	361
Glass	N/A	43

The addition of a glass service provides benefits to the recycling industry (i.e. more efficient transport of recycling and a higher quality of materials collected, as outlined below) however the community and local government are expected to bear the cost and additional obligations required to effect this change. This includes:

- The management and storage of an additional bin on every property, and extra bins to put out on the kerbside.
- Residents are required to sort their waste into additional streams.
- The complexity of the kerbside service increases; glass services will be collected four-weekly due to the low amount of material (i.e. every second fortnight), while other services are weekly or fortnightly.
- Additional ongoing costs of approximately $15-$20 per annum for all households for a small amount of waste (compared to the other three bins).

Further issues include the impact on residents of being required to store and bring to the kerb a fourth bin, as well as separating an additional 1-2 streams within the household. This would mean placing three bins out every fourth collection cycle. This intersects with issues for residents that have low mobility. Our current kerbside collection does not cater well for these residents or those who have low vision, and servicing options should be investigated to provide a solution to enable more of our residents to dispose of their waste thoughtfully. Solutions to these issues will be presented in future papers that address the future design of kerbside bin sizing strategy and frequency of collection.

There are a number of risks to Council if the mandatory standards are released and include glass as a mandatory service. These include universal access to a service and the removal of glass as an accepted material in the co-mingled recycling stream, leading to it being considered a contaminant. For these reasons Shire officers are recommending to continue advocating against glass as a separate service and for it to be kept in the co-mingled recycling stream.

Since 2023, Shire officers have been advocating to DEECA to reconsider including a glass stream in the mandatory standards. While DEECA claim that there are benefits including better separation of materials, efficiency in transporting recyclables and a higher quality of recycled products, modelling suggests that a

4.9 (Cont.)

glass service increases ongoing collection costs and leads to additional burden being placed onto ratepayers.

In December 2024, Council joined 13 other local governments in sending an open letter to The Hon. Steve Dimopoulos advocating to remove a separate glass collection from the mandatory standards (Attachment 1). Since that time, officers have continued to be active members of an advocacy group now comprising 34 Councils. Within the advocacy group, other councils have adopted various positions on compliance with the requirement for a glass bin. These range from committing to not implement a glass service, through to delaying the roll out of glass services to allow time for further advocacy.

It is expected it will take approximately 18-24 months to successfully transition to a four-bin system. This includes the lead times for purchasing bins, delivering them to households, replacing bin lids and ensuring that our community understand how to use the new bins. As such, it is no longer possible to delay a decision on service configuration until the service standards are released, if Council wishes to meet the 1 July 2027 deadline for compliance. In the case where the Final Service Standards are significantly different to what is expected, it is estimated that a total of 24 months would be required from the date of release, including allowing Shire officers time to plan for how the changes will be implemented.

It would cost approximately $8.5 million to provide the new bins and lids to households for a fully compliant four-bin system. This includes the purchase and delivery of purple lid (glass) bins for all households, FOGO bins for the approximately half of households and bin lid change for all current households with a non-standard bin lid colour.

Removing the glass component of the rollout would reduce the initial capital cost to approximately $4 million-$4.5 million for the remaining components i.e. making FOGO bins mandatory to all properties and ensuring our bid lid colours are compliant with new Victorian standards.

The cost for these services will be recovered through an increase to the overall Waste Service Charge, noting that some properties will have a significantly reduced FOGO (green lid) bin fee. Full compliance with the state government's service reforms (including the glass bin) is estimated to an increase in the Waste Service Charge of $55 to $70 per household per year. This would include capital cost recovered over a ten year period, as well as an increase to ongoing operations of $2.3 million per year.

Partial compliance, as recommended in this report, would reduce ongoing operational costs by approximately $1.2 million per year and result in an increase of $40 to $50 per household, including capital and ongoing operational costs

4.9 (Cont.)

(again noting differences between houses that already have a FOGO bin and those that do not.)

It is noted that aside from the introduction of this standardised bin scheme, other increases in waste costs are forthcoming. The cost of disposing of waste to landfill will increase significantly due to increases in State Government levies, and our landfill in Rye becoming full, meaning that we need to send waste to more expensive sites elsewhere.

Pursuing a partially compliant option will reduce costs to ratepayers but would mean delaying compliance until after the final standards are released which could expose Council to reputational and political risk and may impact the provision of funding to support the roll out of any new bins required. There may also be regulatory penalties applied for not meeting the draft legislated deadline.

As per action 1.1.7.1 in the Council Plan, Shire officers have already been preparing for the rollout of the State government's four bin system. A project plan has been developed and procurement commenced for 151,525 kerbside bins (46,000 FOGO bins and 95,525 Glass bins) and 160,080 bin lids to ensure that households have the correct bins and lid colours to meet the new standards. This procurement can be separated into a part for the delivery of FOGO bins and bin lids, and then the separate purchase of glass bins.

Options for consideration

Mornington Peninsula Shire Council has a range of options in rolling out the State Government's four-bin system. The options related to the delivery of the services include:

<u>Option 1 - Full compliance by 1 July 2027 (default and current position)</u>

- The Shire will deliver the services in accordance with the state government's direction as described in the draft Service Standards. This involves each property having a FOGO and glass service in addition to residual and recycling bins and standardise lid colours across all services.

<u>Option 2 - Partial and delayed compliance (recommended)</u>

- The Shire resolves to not implement glass by the proposed 1 July 2027 deadline and request for additional time to comply.
- The Shire delivers mandatory FOGO and standardise lid colours across all other services.
- The Shire advocates for glass to not be a mandatory kerbside service and for glass to continue to be accepted in commingled recycling.

- Once the final Service Standards are released, further analysis will be done to ensure the service changes are beneficial for the community.

Option 3 - Do not comply (not recommended)

- The Shire could elect to not comply with the state government direction to deliver a four-bin service. This option would involve no change to our existing kerbside services.
- Legal advice sourced by other Councils suggests that the maximum penalty for non-compliance with the four-bin system and the associated Service Standard is up to $250,000. However, it is unclear if these penalties will be enforced or be applied multiple times for any ongoing non-compliance.
- Most Councils in Victoria are rolling out some kind of reform as a result of the State Government direction. The Shire has introduced some reform already through its opt in FOGO service.

ENGAGEMENT

The upcoming changes to waste services are legislated through the *Circular Economy Act 2021.* Community engagement will be an important component of successfully transitioning to the new services to ensure there is widespread understanding of:

- What goes in which bin
- Why the changes are happening
- An appreciation of the importance of minimising contamination.

COMMUNICATIONS PLAN

A Communications Plan is currently being developed and will be finalised once:

- Final Service Standards are released
- Council's decision on compliance with the service standards is finalised
- Timing for bin delivery and service roll-out is confirmed.

Communication and Engagement for this project will impact every resident in the Shire and communication will be multi-channel and comprehensive, including:

- Shape page on website for feedback and questions
- Socials

4.9 (Cont.)

- Local cinema
- Mailout to all residents
- Posters in community/public spaces
- Pop up sessions in townships
- Promotion through sports and social clubs/services, particularly for CALD communities.
- Bin tags attached to new bins/lids when delivered.
- Pen Buzz
- Billboards at Shire reserves.

DEECA have been prescriptive on the requirements for how each bin is to be used, releasing a draft list of acceptable items for each bin that is consistent across the State. These are contained within the draft Service Standards, however final details have yet to be confirmed on some items, including critical items such as whether compostable food waste caddy liners will be acceptable. As a result, communications cannot commence on this topic yet. Once final Service Standards are released and the list is confirmed, these will be communicated to our residents.

LEGAL AND REGULATORY FRAMEWORK

The Circular Economy (Waste Reduction and Recycling) Act 2021 (the Act) includes:

> *Clause 60: Councils and Alpine Resorts Victoria to provide municipal residual waste and municipal recycling services*
>
> 1) *A council must provide the following services, in accordance with this Act and the regulations—*
>
>   a) *on and from a prescribed date—a municipal residual waste service to land in its municipal district*
>
>   b) *on and from a prescribed date—a municipal recycling service (other than for glass or for food organics and garden organics material) to land in its municipal district that is used primarily for residential purposes*
>
>   c) *on and from a prescribed date—a municipal recycling service for glass to land in its municipal district that is used primarily for residential purposes*

4.9 (Cont.)

> d) *on and from a prescribed date—a municipal food organics and garden organics service to land in its municipal district that is used primarily for residential purposes.*

A prescribed date has not yet been legislated due to the Service Standards not being finalised.

Further relevant clauses include:

Clause 61: Entities to sort waste and recycling materials

A prescribed entity, or an entity of a prescribed class, or a prescribed person or a person of a prescribed class, must comply with any prescribed requirement for the sorting and separating of waste or recycling materials that applies to it.

Clause 62 Preparation of service standards

(1) *The Head, Recycling Victoria may prepare a service standard.*

(2) *The Head, Recycling Victoria must submit a service standard to the Minister for approval.*

(3) *A service standard must provide for the quality and performance standards for the delivery of a waste, recycling or resource recovery service.*

(4) *A service standard may provide for…….* [A range of parameters]

Clause 69 Offence to refuse or fail to comply with applicable service standards

(1) *A person who provides a waste, recycling or resource recovery service must not, without reasonable excuse, refuse or fail to comply with a service standard that applies to the service.*

(2) *A person who contravenes subsection (1) commits an offence against that subsection and is liable to a penalty not exceeding—*

   (a) *in the case of a natural person, 500 penalty units*

   (b) *in the case of a body corporate, 1200 penalty units.*

As part of the kerbside reform process, a draft *Circular Economy (Waste Reduction and Recycling) (Mandatory Service Provision and Other Matters) Regulations 2024* was prepared, the *Service Standards* document was prepared to be formalised in the Victorian Government Gazette and an associated Regulatory Impact Statement was prepared. These can be found on Engage Vic.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

The rollout of a four-bin kerbside system is designed to increase the sustainability of the waste disposal sector, primarily by removing food waste from the landfill stream and glass from the mixed recycling stream.

The service changes that are required will contribute to reducing carbon emissions through better management of organic waste. Organic waste is the primary driver of methane emissions from landfills and diverting this to composting significantly reduces the generation of methane, addressing the drivers of climate change while also minimising landfill volumes.

The separation of food waste (and other materials) increases the waste diversion rate and improves the circularity of materials in the Shire. Food waste is currently over 40% of the contents of the residual waste bin and most of this could be placed into a FOGO bin, either as it is or with a minor change in behaviour to remove it from packaging before disposal. Up to 70% diversion of food waste has been observed in other municipalities.

The introduction of the glass service is designed to increase the efficiency of the recycling collection by allowing more recyclables to be compacted into each vehicle without the risk of the glass breaking and embedding into the paper stream. This should result in less time spent in hauling material to a disposal location. It will also improve the quality of recycled materials produced, improving the viability of recycling glass and paper and encourage circular economy outcomes of improved recycling. However, it also introduces an additional waste service with a separate collection service, taking the glass to the same location as the remaining recyclable material.

Any carbon emissions benefits of a separate glass service rely heavily on whether the separated glass is of a high enough quality to be used as recycled glass or whether contamination is such that it is used as aggregate or sand replacement. This is currently unknown, however given the volumes of glass available from the Container Deposit Scheme (CDS), kerbside sourced glass is likely to be directed to lower quality uses.

The standardisation of bin lid colour and accepted material within each waste stream will create consistency and simplicity across the sector. This will ease confusion and allow Councils to provide consistent messages to residents moving across Council boundaries, increasing recycling rates, reducing contamination and reducing the amount of residual waste. All of these factors reduce the impact of waste on climate change and promote a circular economy where resources are valued.

FINANCIAL CONSIDERATIONS

To provide a compliant four bin system, it will cost approximately $8.5M to provide new bins and lids to households. Associated ongoing operational costs are currently forecast to be an additional $8M per annum. These costs will be reduced if a position of partial compliance is adopted.

The cost for these services will be recovered through an increase to the Waste Service Charge. Full compliance with the State government's service reforms would lead to an increase in the Waste Service Charge of $55 to $70 per household per year. Partial compliance will result in an increase of $40 to $50 per household per year.

It is important to note that current opt in charges for FOGO, sit outside of the waste service charge, and once the increases discussed in this report are included in the waste service charge, the opt in FOGO fee, currently $173 per year, will be removed from the overall charges issued on the rates notice. This may result in an overall reduction of payable charges for properties currently opted into the FOGO service, pending any other changes to the waste service charge currently being considered by Council.

There are a number of expected increases to the Waste Service charge over the short to medium term. Rye Landfill, the Shire's only remaining landfill will reach capacity and close in FY2026/2027. This will significantly increase the cost of disposing of residual (red lid) waste as it is sent to an alternative facility off the Peninsula.

A rating strategy currently being considered by Council proposes altering the waste service charge so that only households who receive a kerbside service pay the direct cost of a kerbside service. Other changes include ongoing increases to the landfill levy, ministerial direction around what can be included in the waste service charge and increasing costs of waste operations. The increases discussed in this report do not account for any of these additional changes.

A Kerbside Transition Plan has been submitted to DEECA which is a funding application to support the purchase of bins for the new kerbside services. Funding support would partially cover the costs of purchasing the bins and is understood to not include ongoing operational costs. The impact of the proposed funding on the Waste Service Charge increases is expected to be a saving of $1-$3 per year.

The Waste Service Charge increases are primarily due to the ongoing operational costs and therefore funding contributions will not significantly reduce the impact of these changes. It is currently unclear whether funding would still be provided if Council adopted a partially compliant position.

4.9 (Cont.)

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

PLANNING & LIVEABILITY

4.10 Stormwater Quality In-Lieu Contribution Scheme

Issued By	Manager – Strategic Planning, Transport and Environment
Authorised By	Manager - Strategic Planning, Transport & Environment
Document ID	A13966473
Briefing Note Number	BN2161 – 27 January 2026
Attachment(s)	1. Water Sensitive Asset Masterplan ⇨ 2. Stormwater In-Lieu Contribution Scheme Feasibility Report ⇨

EXECUTIVE SUMMARY

Urban development increases impervious surfaces, generating higher volumes of stormwater runoff and pollutant loads that negatively impact waterways, coastal environments, and public infrastructure. Clause 53.18 of all Victorian Planning Schemes requires stormwater from urban development to be managed in an integrated manner to mitigate environmental, property and public safety impacts, while also delivering amenity, cooling and habitat benefits.

In April 2022, Council resolved to adopt a Shire-run Stormwater In-Lieu Contribution Scheme (Scheme) and implement a two-year trial commencing 1 July 2022, replacing a Melbourne Water managed scheme which would result in local developer contributions being spent in other municipalities. With a contribution rate of $29 per square metre of impervious area, the Scheme provides an optional mechanism for developers to meet best practice stormwater management requirements where best practice on-site treatment is not feasible, while ensuring contributions are reinvested directly into local Water Sensitive Urban Design (WSUD) projects within the Mornington Peninsula.

The Scheme uses the Blue Factor tool to assess compliance with best practice stormwater quality objectives. Developers may deliver stormwater treatment entirely on-site, transfer their treatment obligation to Council via a financial contribution, or use a hybrid approach. Since implementation, Scheme participation has closely aligned with feasibility projections, with eligible developments opting to contribute approximately 40% financially with around 60% of stormwater treatment outcomes delivered on-site. This mix is considered appropriate and effective for achieving both lot-scale and large-scale stormwater quality outcomes across the Peninsula.

The Scheme has generated consistent funding, supported developer compliance, and established a strong foundation for long-term stormwater management. Contributions are to be guided by the Water Sensitive Asset Masterplan (2022) (Attachment 1), which prioritises high cost-benefit WSUD projects. As of December 2025, the top three priority WSUD projects have progressed from feasibility to concept design, with funding for detailed design proposed through the 2026/2027 Council budget process using funds already collected in the Scheme. Shire officers have submitted an application (deadline of 16 February 2026) for a State Government grant to help fund the design works proposed in FY 2026/2027 and are seeking retrospective endorsement of this grant application.

The trial phase has demonstrated a market acceptance, minimal developer opposition, and clear environmental benefits. Continuing the Scheme on a permanent basis will provide certainty for the development industry and enable efficient delivery of locally focused WSUD infrastructure that improves the health of the Peninsula's waterways and bays.

RECOMMENDATION

That Council:

1. **Endorses the Stormwater In-Lieu Contribution Scheme as a permanent scheme.**

2. **Endorses a grant application being made to the State Government's Integrated Water Management Grant program 2025- 2028 for $60,000 to fund the detailed design of Water Sensitive Urban Design projects at Olympic Park Recreation Reserve, Rosebud; Murrowong Reserve, Rosebud, and Dromana Parade Reserve, Safety Beach.**

3. **If successful with the grant, commits $60,000 as a co-contribution to the grant in the FY2026/2027 Council budget, from the Stormwater in -Lieu Contribution Reserve.**

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

Place: Celebrate, protect and enhance our unique blend of coast, hinterland, Green Wedge and connected villages and townships.

Strategic Objective 1.1: Protected, resilient and enhanced natural environments.

4.10 (Cont.)

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles A, B, C and E which are:

A. Council decisions are to be made and actions taken in accordance with the relevant law.

B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations.

C. The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

E. Innovation and continuous improvement is to be pursued.

RELEVANT COUNCIL DECISIONS AND POLICIES

At the Council Meeting held on the 5 April 2022, Council resolved the following:

"That Council adopts the Shire-run Stormwater In-Lieu Contribution Scheme and the implementation of a two-year trial of the scheme commencing 1 July 2022, starting at a charge rate of $29 per square meter of impervious area."

The internal strategies, policies and technical documents that directly and or indirectly relate to the Scheme include:

- Our Water Future - Integrated Water Management Plan (2021)
- Urban Forrest Strategy (2024)

Water Sensitive Asset Masterplan (2022).Flood and Stormwater Strategy (2022)Stormwater Quality In-Lieu Guidelines**DISCUSSION**

Purpose

This report seeks Council endorsement to continue the Mornington Peninsula Shire's Shire-run Stormwater In-Lieu Contribution Scheme as a permanent scheme, following the completion of its initial two-year trial. Council's retrospective approval is also sought to apply for grant funding through the *Integrated Water Management Grant Program 2025-2028*. Due to grant timelines, officers have submitted the grant application but have noted that it is subject to Council approval and if not approved will be withdrawn.

Background

4.10 (Cont.)

Urban development increases impervious surfaces, leading to higher volumes of stormwater runoff and pollutant loads that negatively impact waterways, coastal environments and public infrastructure. Clause 53.18 of the Victorian Planning Scheme requires stormwater from urban development to be managed in an integrated manner to mitigate these impacts while also delivering amenity, cooling and environmental benefits.

On 5 April 2022, Council resolved to adopt a Shire run Stormwater In-Lieu Contribution Scheme and implement it as a two-year trial commencing 1 July 2022, with a contribution rate of $29 per square metre of impervious area. The Scheme was established to provide a locally focused alternative to the Melbourne Water Stormwater Quality Offset Scheme, ensuring developer contributions are reinvested directly into Water Sensitive Urban Design (WSUD) projects within the Mornington Peninsula.

The Scheme provides developers with flexibility to meet best practice stormwater management requirements through a combination of onsite treatment and voluntary financial contributions, assessed using the Blue Factor tool. Contributions collected through the Scheme are allocated in accordance with the Shire's Water Sensitive Asset Masterplan (2022) (Attachment 1) to deliver priority WSUD infrastructure that improves stormwater quality and protects local waterways and bays.

A decision is now required in relation to making the Scheme permanent.

In addition, a grant opportunity has arisen, through the State Government's *Integrated Water Management Grant Program 2025-2028,* to help fund the detailed design of the top three WSUD infrastructure projects as identified by the Water Sensitive Asset Masterplan. The grant requires a financial co-contribution of at least 25% of the total project value or a combined financial and in-kind contribution of at least 50% of the total project value. Applications with a high percentage of co-contribution will be assessed more favourably in the merit assessment.

The grant application was due on 16 February 2026. Due to this timing, officers have submitted a grant application for $60,000 with a co-contribution of $60,000 from Council.

Should the grant be successful, the $120,000 funding would deliver the detailed design for the top three priority projects as identified in the Shire's Water Sensitive Asset Masterplan:

- Olympic Park Recreation Reserve, Rosebud - Raingarden
- Murrowong Reserve, Rosebud - Raingarden

- Dromana Parade Reserve, Rosebud - Bioswale

Options for consideration

Option 1 (preferred) – Council endorses the Stormwater Quality In-Lieu Contribution Scheme as a permanent Scheme and the grant application to the *Integrated Water Management Grant Program 2025- 2028*.

- Provides certainty for developers and Council, enabling efficient delivery of priority WSUD projects.
- Retains all contributions for locally focused stormwater quality improvements aligned with Council's Water Sensitive Asset Masterplan.
- The trial has demonstrated market acceptance and effective stormwater outcomes through a balanced mix of on-site and off-site delivery.
- If successful, the grant will co-contribute to the detailed design of the top 3 priority projects identified in the Shire's Water Sensitive Asset Masterplan, saving Council money.

Option 2 – Council extends the Scheme for a further fixed trial period (2 years).

- Allows additional time to refine governance and further demonstrate outcomes as major assets are delivered.
- Contributes to delivery uncertainty and potentially delays long-term planning and commitment to larger-scale WSUD infrastructure.
- Limited benefits given the Scheme has broadly met its intended objectives during the trial and is now well positioned to start delivering large scale WSUD assets.

Option 3 – Council discontinues the Scheme and does not endorse the grant application to the *Integrated Water Management Grant Program 2025- 2028*.

- Reduces Council's administrative role in managing developer contributions.
- Removes a flexible compliance pathway for developments constrained by on-site stormwater delivery that would otherwise benefit the Mornington Peninsula Shire.
- Significantly limits Council's ability to deliver strategic, high-value WSUD projects and may redirect contributions away from the Peninsula.
- Reduces pressure on developers to deliver best practice stormwater management on-site. Developers would be required to pay into the

Melbourne Water offset scheme, taking away a source of funding for the Mornington Peninsula.

- Council would still be required to spend the remaining Scheme funds on WSUD projects (including ongoing maintenance and life cycle resets) as per the inherited obligations for implementing the Scheme. This increases future financial risks if this revenue stream was to be abandoned i.e., funds may eventually need to come from council budget for maintenance and or asset resets.

- If the grant application is not endorsed, Council would need to fund in full the detailed design of the priority projects identified in the Shire's Water Sensitive Asset Masterplan. This will then reduce the amount of money in the Stormwater in -Lieu Contribution Reserve that is available to deliver these projects.

ENGAGEMENT

Pre and during trial engagement for the Stormwater Quality In-Lieu Contribution Scheme has been conducted.

External engagement was undertaken with developers, consultants and town planners in 2021 as part of developing the trial. Two rounds of information sessions were held (estimated total of 35 industry representatives attended), along with online and email surveys (10 response received). There was split sentiment from pre-trial engaged stakeholders for and against the Scheme.

The positives were: it provides development pathway flexibility; it's good for developments with site constraints; and it was seen as business as usual (replacement of Melbourne Water Scheme). The negatives were that it is a higher cost per metre squared rate than the Melbourne Water Scheme and there was a perceived lack of information of how collected funds will be spent.

During the trial, ongoing reviews of development engineering engagement with developers during development applications for developer commentary and or behaviour changes have occurred, with minimal feedback being provided.

Broader community engagement is proposed to be undertaken as individual WSUD projects progress from concept through to delivery.

Officers have worked collaboratively with other councils, government agencies, and statutory bodies to ensure compliance with regulatory requirements and alignment with integrated water management objectives. This including Melbourne Water, other councils (Kingston and Moonee Valley), Department of Energy, Environment and Climate Action (DEECA) (formerly Department of

4.10 (Cont.)

Environment, Land, Water and Planning (DEWLP)), Marsden Jacobs and Stormwater Victoria.

Ongoing collaboration, especially with Melbourne Water, is expected throughout the delivery of the Scheme, particularly during detailed design, and asset delivery phases to ensure alignment with the Victorian Stormwater Quality Offsets Guidance and broader integrated water management objectives.

COMMUNICATIONS PLAN

Communication of Council's decision in relation to the continuation of the Stormwater In-Lieu Contributions Scheme will be targeted to developers impacted by the decision. This will be done by updating planning related materials (i.e. webpages and guiding materials).

Broader community engagement will be completed as individual Water Sensitive Urban Design (WSUD) projects are being progressed. Each project will have a tailored communications plan developed to inform community engagement.

LEGAL AND REGULATORY FRAMEWORK

The Stormwater In-Lieu Contribution Scheme aligns with State planning and environmental requirements, providing a compliant mechanism to achieve best practice stormwater management under Clause 53.18 and Council's integrated water management policy framework.

The Scheme, as an obligation originally established and held by Melbourne Water, must be implemented in accordance with the standards set out in the Victorian Stormwater Quality Offsets Guidance to demonstrate that Council has met the obligations previously held by Melbourne Water and, where applicable, those inherited by developers.

During the feasibility assessment (Attachment 2) independent legal advice was sought about the validity of implementing the Scheme. Legal advice indicated the Scheme had significant merit, has a low risk of legal dispute and is legal.

The legal, regulatory and legislative frameworks relevant to the Scheme include:

- Best Practice Environmental Management Guidelines for Urban Stormwater (BPEM) (CSIRO, 1999)
- Catchment Scale Integrated Water Management Plans (Dandenong and Westernport) (DEECA), 2024 and 2022)
- Victorian Stormwater Quality Offsets Guidance (DEECA, 2025)

4.10 (Cont.)

- Our Water Future - Integrated Water Management Plan (Mornington Peninsula Shire, 2021)
- Water Sensitive Asset Masterplan (Mornington Peninsula Shire, 2022).

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

The Stormwater In-Lieu Contribution Scheme has positive implications for climate resilience and sustainability across the Mornington Peninsula, with a primary focus on improving stormwater quality outcomes in accordance with best practice requirements.

The Scheme supports Council's response to climate change impacts, including increased rainfall intensity and more frequent extreme storm events, by enabling the delivery of strategic Water Sensitive Urban Design (WSUD) assets that prioritise the treatment of stormwater pollutants before discharge to waterways and bays. Where feasible, these assets may also provide co/secondary benefits such as attenuation of peak flows, localised flood risk reduction and mixed amenity outcomes; however, water quality treatment remains the primary design and performance objective for the Schemes fund expenditure.

WSUD infrastructure funded through the Scheme contributes to sustainable and climate-responsive urban environments by utilising predominantly passive, nature-based systems. These systems support urban cooling, reduce reliance on energy-intensive grey infrastructure, and minimise lifecycle emissions compared to traditional drainage solutions.

The Scheme and its expenditure are not expected to significantly increase waste generation and supports long-term sustainable asset delivery, with WSUD projects designed to be durable, low intensity maintenance, and integrated into the landscape, consistent with WSUD principles.

By improving the quality of stormwater entering receiving environments and incorporating native vegetation, the Scheme protects and enhances biodiversity within waterways, coastal systems and public open space, contributing to healthier ecosystems that are more resilient to climate stressors.

FINANCIAL CONSIDERATIONS

The Stormwater In-Lieu Contribution Scheme generates a dedicated revenue stream from developer contributions that would otherwise typically be directed to Melbourne Water and potentially invested outside the Shire. These funds are held by Council in a Storm Water in lieu Contribution Reserve. Endorsing the Scheme as a permanent Scheme ensures these funds continue to be retained and reinvested locally in priority storm water quality Water Sensitive Urban Design (WSUD) projects.

If the Scheme were not endorsed, Council's ability to deliver strategic, large-scale WSUD infrastructure would be reduced, as too would opportunities to leverage external funding.

Continuation of the Scheme is expected to increase Council's competitiveness for external grant funding (including from Melbourne Water, Department of Energy, Environment and Climate Action (DEECA) and other agencies), as it demonstrates co-investment, strategic planning, and a clear delivery pipeline for stormwater quality outcomes.

As of 23 January 2026, $1,457,548 has been collected through the Scheme.

Should the Scheme be continued, it will continue to generate revenue through future developer contributions. Capital costs for WSUD assets are intended to be met primarily through Scheme funds, supplemented where necessary by grants. Any non-stormwater components associated with WSUD projects (e.g. amenity upgrades beyond stormwater function) would require separate grant funding or Council budget allocation and are not funded through the Scheme.

Should Council endorse the grant application to the *Integrated Water Management Grant Program 2025- 2028* and the grant application be successful, Council would need to contribute $60,000 as a co-contribution in the FY26/27 Council budget, from the Stormwater in -Lieu Contribution Reserve. The money in this Reserve can only be used to fund stormwater quality infrastructure in strategically beneficial locations that 'offset' the stormwater quality impacts from developments.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

COMMUNITIES

4.11 Aged Care Act 2024 - Overview of legislative requirements

Issued By	Manager Community Services
Authorised By	Director - Communities
Document ID	A14009899
Briefing Note Number	BN2164 – 3 February 2026
Attachment(s)	Not Applicable

EXECUTIVE SUMMARY

The *Aged Care Act 2024* (the *Act*) commenced on 1 November 2025, establishing a rights-based framework and bringing all Commonwealth-funded providers (including Commonwealth Home Support Program (CHSP) providers) under a strengthened national regulatory framework.

The Shire's CHSP services (Meals on Wheels, Community Transport, and Group Social Support/Outings and Excursions) are classified within categories 1–3, attracting lighter obligations than higher-risk categories but introducing new governance, worker screening, complaints, incident management and rights-based delivery requirements. The Aged Care Quality and Safety Commission now registers and monitors providers against these obligations.

A significant change under *the* new *Act* is that Councillors, the Chief Executive Officer (CEO), and relevant senior officers are defined as "responsible persons," carrying a statutory duty of due diligence and annual suitability requirements and being subject to the Aged Care Code of Conduct.

Council is well-positioned for compliance, having already registered in appropriate categories, engaged required qualifications for the meals service, and established necessary governance frameworks. Since late 2025, Shire officers have responded proactively through education, policy development, and implementation (including screening, Code of Conduct integration, whistleblower and complaints processes, incident management, and service documentation).

From 1 July 2027, the Commonwealth intends to transition CHSP into Support at Home, moving from block funding to a more competitive, consumer-directed model. Shire officers will continue to assess implications for Council's long-term role and report back with options.

4.11 (Cont.)

Shire officers are continuing to analyse Council's strategic position in the context of broader aged care reform, including the 2027 transition from block grants to consumer-directed funding.

RECOMMENDATION

That Council:

1. **Notes the commencement of the *Aged Care Act 2024* and the associated obligations for Council as a provider and for Councillors, the Chief Executive Officer, and relevant senior officers as responsible persons with a statutory duty of due diligence.**

2. **Notes the progress to date on compliance implementation, including registration, Code of Conduct integration, worker screening, whistleblower and complaints processes, incident management, record-keeping, and service documentation.**

3. **Notes that Councillors have undertaken education and training on their responsibilities as responsible persons, including suitability assessments and the Code of Conduct, and that Shire officers will continue providing updates (including to the Audit and Risk Committee).**

4. **Recognises the forthcoming Commonwealth Home Support Program (CHSP) transition to Support at Home (no earlier than 1 July 2027) and the requirement for further analysis of implications and options for Council's future role, to be considered through upcoming Councillor workshops and reports.**

COUNCIL PLAN

This aligns with the Council Plan 2025-2029, in particular:

<u>People:</u> A safe, accessible, inclusive and engaged community that fosters our diverse culture, supporting health and wellbeing and a connected and compassionate society for all.

Strategic Objective 4.2: Community-centred, responsive, and fit-for-purpose services.

<u>Performance:</u> A transparent, accountable Council delivering measurable, community-centred services that are cost-effective, fit-for-purpose, future-proofed, and responsive to community needs.

Strategic Objective 4.2: Community-centred, responsive, and fit-for-purpose services.

4.11 (Cont.)

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles A, E and G which are:

A. Council decisions are to be made and actions taken in accordance with the relevant law.

E. Innovation and continuous improvement is to be pursued.

G. The ongoing financial viability of the Council is to be ensured.

DISCUSSION

Purpose

To provide Council with an overview of the new legislative framework and governance requirements under the *Act* and a progress update on Council's implementation program and planning for broader aged care reforms.

Background

The Act was developed in response to the Royal Commission into Aged Care Quality and Safety, which found the aged care system needed significant reform. The Royal Commission's first recommendation was for a new rights-based *Aged Care Act* with stronger governance arrangements.

Council provides three CHSP-funded services (Meals on Wheels, Community Transport, Outings and Excursions) under a funding agreement until 30 June 2027. These services fall within categories 1-3 of the new classification system, attracting lighter regulatory obligations than category 4-6 providers.

The Commonwealth subsidised Home Care Packages and Short-Term Restorative Care programs helping older people remain independent at home were replaced by Support at Home from 1 November 2025.

Currently, CHSP continues, in parallel, for existing and low-needs clients. The Commonwealth has announced CHSP will transition into Support at Home no earlier than 1 July 2027. From July 2027, funding transitions from block grants to consumer-directed 'Support at Home' program, creating increased competition and requiring Council to consider its long-term strategic position.

CHSP providers will not automatically transition; providers must demonstrate regulatory readiness and broader service capability in a more competitive, consumer-directed funding environment. Shire officers will continue to analyse implications for Council's role given stricter standards and market dynamics and return with options.

Key Legislative Changes under the new *Aged Care Act 2024*

- Responsible Persons (section 12): Councillors are defined as 'responsible persons' alongside the CEO and relevant senior officers. This includes anyone responsible for executive decisions or with significant influence over planning, directing, or controlling the provider's activities.

- Statutory Duty of Due Diligence (section 180): Responsible persons must take reasonable steps to acquire knowledge of requirements, understand potential adverse effects, ensure appropriate resources and processes exist for managing health and safety risks, and ensure compliance processes are implemented. For Councillors, this duty is primarily met through Council's governance systems and reporting mechanisms.

- Registered Provider Duty: Council must ensure its conduct does not cause adverse effects to health and safety of individuals receiving services. Serious failures (exposing individuals to risk of death or serious injury AND involving significant failure or systematic pattern) may result in civil penalties.

- Suitability Requirements (section 13): Providers must assess responsible persons' suitability annually, considering factors including experience, banning orders, criminal convictions, civil penalties, insolvency, adverse regulatory findings, fraud, and corporate disqualifications. Individuals must notify Council within 14 days of any relevant change in circumstances.

- Aged Care Code of Conduct: All providers, governing body members, workers, and volunteers must comply with eight elements including respecting rights, treating people with dignity, protecting privacy, providing safe and competent care, acting with integrity, raising concerns promptly, and preventing and responding to violence, discrimination, and abuse.

- Regulatory Oversight: The Aged Care Quality and Safety Commission regulates all providers under *the Act* with expanded powers including investigating breaches, issuing banning orders against individuals, and initiating civil penalty proceedings.

Council progress in meeting legislative requirements

Shire officers have progressed implementing the required compliance frameworks:

- Code of Conduct: Communication protocols, staff training integration, and reporting mechanisms established.

- Statement of Rights: Practices developed to ensure rights-based service delivery and client communication.

4.11 (Cont.)

- Whistleblower Processes: Monthly communication requirements implemented, clear disclosure pathways established, protections for whistleblowers in place.
- Complaints and Feedback: Monthly communication to clients, enhanced complaints handling, tracking and learning systems operational.
- Incident Management: Comprehensive system for identifying, recording, responding to incidents, including Serious Incident Response Scheme reporting.
- Record Keeping: Enhanced practices aligned with CHSP requirements, appropriate retention schedules and secure storage.
- Service Agreements and Care Plans: Updated templates, processes ensuring all clients have appropriate documentation.
- Worker Screening and Qualifications: Screening requirements implemented, Accredited Practicing Dietitian verified for meals service.
- Suitability Assessment Process: Annual declaration process developed, secure record-keeping established.

Council has responded comprehensively to the *Aged Care Act 2024* through education, policy development, and implementation. Councillors are thoroughly briefed on their responsibilities as responsible persons and supported by governance systems enabling them to exercise due diligence. Compliance infrastructure is in place for ongoing regulatory requirements.

Looking forward, Council faces strategic decisions about its long-term aged care role in the context of significant market reform. Shire officers will continue to analyse these matters and report to Council to inform decisions balancing compliance, sustainability, community needs, and strategic objectives.

The work completed positions Council strongly for ongoing compliance while continuing to deliver quality services to older residents.

Options for consideration

- Ensure the mechanisms are in place so that the service continues to be compliant with the *Aged Care Act 2024* .
- Undertake detailed feasibility analysis of participation in Support at Home post-2027, including service scope, governance, risk, and financial sustainability, to be progressed via Councillor workshops in 2026.

4.11 (Cont.)

ENGAGEMENT

An internal working group has been convened to oversee adherence to *the Act* and to support compliance. Shire officers will continue to provide progress reports to Council at future briefings and meeting and via the Audit and Risk Committee.

COMMUNICATIONS PLAN

Not currently required.

LEGAL AND REGULATORY FRAMEWORK

The *Aged Care Act 2024* applies to all Commonwealth-funded aged care services, including CHSP, and imposes duties on providers and responsible persons (including Councillors, Executive and senior officers). Obligations include registration, Code of Conduct, worker screening, complaints and incident management, and governance oversight, with civil penalties for breaches.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

Not applicable.

FINANCIAL CONSIDERATIONS

Council is funded under CHSP to 30 June 2027. Immediate costs arise from compliance activities (governance, training, screening, and systems). Beyond 2027, the transition to Support at Home will replace block funding with consumer-directed allocations, increasing competition and introducing financial uncertainty that will require assessment of scale, scope and capability for ongoing viability.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.

5 NOTICES OF MOTION

Nil.

6 URGENT BUSINESS

Under Council's Governance Rules, no business may be admitted as urgent business unless it:

1. Relates to a matter which has arisen since distribution of the Agenda.

2. Cannot because of its urgency, be reasonably listed in the Agenda of the next Council Meeting.

3. Councillors by a majority vote, vote in favour of a matter being dealt with as urgent business.

7 CONFIDENTIAL ITEMS

Nil.