



MORNINGTON PENINSULA SHIRE ANNUAL REPORT 2012-13



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A MESSAGE FROM THE MAYOR & COUNCILLORS

The 2012-13 year was an incredibly busy and challenging one for Council, but also a very rewarding one. I have been privileged to lead a team of Councillors from very broad and diverse backgrounds that offer a fantastic mix of wisdom, knowledge, innovation and energy.

Together, we have continued the long journey that successive Councils have travelled over many years to:

- Enhance the character of our towns, villages and open spaces in the face of Melbourne's rapidly growing population;
- Improve the appearance of streetscapes and public infrastructure;
- Provide opportunities for people of all ages and abilities to improve their health and wellbeing;
- Protect our highly valued environment from the threat posed by climate change; and
- Explore and enhance opportunities for people to work or study 'closer to home'.

At the start of the 2012-13 year, Council engaged with more than 1500 residents as part of our highly successful Plan Peninsula community conversations to seek feedback on their aspirations and concerns for the peninsula's future. We received some fantastic feedback and the information will help guide Council in many of its current and future policies and strategies.

Importantly that feedback provides a sound basis for Council to engage with the state government in the preparation of the Mornington Peninsula Planning Statement and the Metropolitan Planning Strategy.

Council elections in November saw the departure of three former Councillors, and the election of three first term Councillors. On behalf of the community, I thank my former colleagues for their commitment and passion in their roles, and welcome the new Councillors to the team.

The first year of a newly-elected Council term is always a very important and busy one as Councillors – based on a solid understanding of community needs and expectations – work together to set the strategic direction for the next four years.

Council commenced this process almost immediately after the elections, reviewing and establishing priorities for the Shire Strategic Plan, and working over many months to prepare the 2013-14 Budget. There are many, many other important initiatives and activities outlined in this Annual Report, and I encourage you to take the time to read it.

I would like to thank my Council colleagues, Shire officers and the broader community for their dedication and support over the past 12 months. We should all be pleased with our efforts and achievements, while remaining focused on the challenges that lie ahead.



Mayor Cr Lynn Bowden and Mornington Peninsula Shire Councillors



“COUNCIL ENGAGED WITH MORE THAN 1500 RESIDENTS AS PART OF OUR HIGHLY SUCCESSFUL PLAN PENINSULA COMMUNITY CONVERSATIONS, TO SEEK FEEDBACK ON THEIR ASPIRATIONS AND CONCERNS FOR THE PENINSULA’S FUTURE. “

**Mayor, Cr Lynn Bowden and
Tash Shields**

A MESSAGE FROM THE CEO

Since 2001 the Mornington Peninsula Shire has, with the active involvement of local peninsula communities, made a *Commitment to a Sustainable Peninsula*, to work towards achieving outcomes that would be environmentally, economically and socially sustainable.

This commitment is not a 'slogan', it is a practical, determined statement of intent which has guided everything that the Shire has done since it was made, including the key policies, projects and actions that Council continued to focus on in 2012-13, which are reported in detail in this Annual Report.

The Shire's *Commitment to a Sustainable Peninsula* guides Council in ensuring that Peninsula communities are safe, active, connected and supported, that the Peninsula's economy is strong, vibrant and supporting meaningful local employment, while ensuring that the Peninsula's highly valued natural and built environment is preserved, protected and cared for, for future generations.

Liveability

As plans are developed to guide Metropolitan Melbourne's growth from its current population of four million to six million by the early 2030's, the Shire's challenge is to continue to be 'near to but not part of Melbourne and its accelerating growth'.

The Mornington Peninsula is not (and does not want to be!) a 'growth municipality'. The Shire is working with the state government in planning a future which preserves our highly valued Green Wedge and our local towns and villages, providing the amenity our residents love, while having an \$11 billion local economy which includes tourism (\$1 billion p.a), agriculture (\$600 million p.a), manufacturing (\$800 million p.a), the marine sector (\$200 million p.a) and the equine industry (\$150 million p.a).

During 2012-13, the Shire completed its Plan Peninsula community engagement program, to hear directly from local communities about what is most valued about their towns, and the Peninsula as a whole, and what concerns they have in setting the direction of the Peninsula for the next 20 to 30 years.

More than 1000 residents attended the sessions – and hundreds more participated on-line via surveys and electronic feedback forms. The Shire focussed its effort for advocacy and engagement in this policy area on making submissions to the state government in relation to Melbourne's Metropolitan Planning Strategy, particularly to understanding the relationship between metropolitan planning objectives and the Peninsula and development of our own Mornington Peninsula Planning Statement.

As this long-term, 'big picture' planning process proceeded, work continued on a wide range of strategic planning projects, focused on protecting the amenity of our towns and villages, our coastline and our highly valued Green Wedge. Council adopted the interim Green Wedge Management Plan in September 2012 which will be reviewed in the coming twelve months in the context of new planning zones and changes to state level strategy during this period.

Infrastructure

A key element of the Shire's *Commitment to a Sustainable Peninsula* is a commitment to adequate annual reinvestment in the Shire's \$1.6 billion infrastructure asset base (roads, paths, drains, buildings, community



Dr Michael Kennedy CEO, Mornington Peninsula Shire with Sustainable Transport Project Coordinator Rita Kontos and Ventura's Louise LeFevre, Darryl Brundell and Greg Rayner

facilities etc). We are one of a minority of Victorian councils that makes good that commitment. 2012-13 also saw the completion of a range of new and refurbished community facilities including Dallas Brooks oval in Mornington, the first to be completed under the \$49 million long term Shire Pavilion Strategy. In addition Watsons Pavilion in Portsea underwent a major refurbishment to ensure its continuing benefit to users and the wider community. Planning for major upgrades to public toilets through the Public Toilet Strategy identified 48 public toilets as part of Stage 1 and we have completed construction of new accessible car parking facilities at key locations across the Shire including Dallas Brooks Reserve, Dromana Bowls Club, Narambi Reserve and Ferrero Reserve.

Climate change

The Shire has been 'leading change on climate change' for a number of years, having commenced the journey with our community through our Climate Change Conversations in 2006.

The Shire is now in its fifth year of the 10-year \$30 million Local Integrated Drainage Scheme to manage the impact of more frequent and intense storm events. We committed through our waste contract to increasing our target of 20 per cent diversion of hard waste from landfill which will increase by 7.5 per cent annually over the next 5 years to a required diversion of rate of 50 per cent. It is pleasing to note that not only have we met our target but exceeded it with auditor –verified diversion rates of 58 per cent within the first 12 months which resulted in tipping costs reducing by \$1.2 million. We also continued our successful education effort at the Briars and Eco Living Display Centre with record numbers of visitors joining in the activities on offer throughout the year.

Peninsula young people

Addressing the needs of Peninsula's young people has been a high priority for Council for more than 10 years, evidenced in the Shire's leadership which contributed to a significant improvement in the Australian Early Development Index (AEDI) 2012 results for the Mornington Peninsula. The Shire piloted the AEDI before it was adopted nationally, with an ongoing high priority to improve early childhood development and literacy outcomes through a range of early years programs.

The Shire's Family Day Care Program received a nomination for the 2012 'Early Years Educator of the Year' Award, acknowledging outstanding achievement in child care.

Our Youth Services programs continued to provide 1:1 support and programs to assist our young people reach their potential and to address life's challenges.

Peninsula elders

With Victoria's second largest 'Over 60s' population - more than 42,000 and still growing – supporting our elders in being active, connected and independent is a high priority, with excellent results in three quality audits during the year confirming what we and our elders knew – we are delivering 'best practice' in service delivery, with ongoing feedback being the basis for 'what we do and how we do it'.

Among many important numbers (statistics), we delivered 174,000 hours of home and community care, despite continuing funding pressures from government to 9000 older people and people with a disability, which avoided the implementation of waiting lists to meet demand.

We work closely with our elders to understand and respond to their needs.

Financial performance

The Shire's *Commitment to a Sustainable Peninsula* includes a commitment to the Shire being financially sustainable.

The Shire delivers a high level of services and infrastructure while having rate levels among the lowest in Victoria. We are one of a minority of Victorian councils having no infrastructure renewal gap, which means we are adequately maintaining and re-investing in our infrastructure asset base, and deliver an underlying surplus every year, regardless of what challenges may arise as the year unfolds. We have achieved that outcome again in 2012-13.

Being financially sustainable and delivering responsive services, at rate levels that are affordable, requires that the Shire focuses relentlessly on being cost-effective in everything we do, 'never accepting last year's best as good enough', and taking every opportunity to be innovative in how we do everything we do, whether through contractors or direct service delivery. For example:

- Further savings are achieved through Council's new SIMS 2 contract that delivers a further \$4 million annually in added value for maintenance of Council's assets across the Shire
- Over the last five years the Shire has completed more than 250 capital projects, with no project failures or significant cost overruns, at a total cost within 0.08 per cent of total projected cost
- The Shire's management costs are lower as a percentage of the Shire budget than they were 10 years ago
- In terms of 2012-13s operating performance, we achieved an underlying surplus of 3.12 per cent.

The key financial messages for 2012-13 are positive. Of the five key indicators used by the Auditor General to measure financial sustainability, three have improved and the other two are consistent with the past year; we expect another 'low risk' rating, the best rating possible for a local government.

In terms of the numbers, Council's financial statements are prepared in accordance with relevant Australian Accounting Standards, legislation and regulations. The accounts have been endorsed by the Victorian Auditor General without qualification.

We are conscious, however, that the financial statements prepared according to Australian Accounting Standards are not easy for non-accountants to understand, and may lead readers to overestimate our overall financial position. The audited year end result in the financial statements shows a net surplus on ordinary operations of \$16.141 million, compared to last year which was a surplus of \$4.107 million. These are not our 'profits or losses' for the year, in the usual meaning those terms. This year's surplus includes \$10.369 million of contributed assets, which is effectively a transfer of assets to the Shire. They are in fact infrastructure assets which (now and into the future) will require us to expend funds to maintain them.

On the following page, we have set out a summary of how we performed in 2012-13, with adjustments made to deduct the impact of non-cash transactions. However, even with these adjustments, the results are impacted somewhat by required accounting treatment for such things as government grants for 2013-14, but paid to Council in 2012-13, which we are required to record as income in 2012-13. We stress that this reporting is our own 'layman's approach'. The reporting according to Australian Accounting Standards is to be found under 'Financial Report' at the back of this report.

Stated simply, while there was a range of 'unders and overs' in different parts of the Shire organisation, which were the result of our responding to particular demands and circumstances as the need arose, 'Funds Available' (being the surplus on recurring operations) was unfavourable \$4.357 million. The major variations are commented on within the Standard Statement section of the financial reports, and include -

- Reduced waste disposal volumes due to inclement weather, changes in consumer demand as well as the unintended consequence of Council's decision to reduce fees as a result of savings in diversion rates to Devilbend which caused waste disposal tipping fees income to be lower than budget by \$1.7 million. However this result also generated a positive outcome through a reduction in the waste management landfill levy (payable to the state government) and savings in landfill space (not measured financially, but a future benefit in extended landfill capacity).
- Delivery of an additional 8000 HACC hours of care in Aged and Disability Services, (compared to 2012-13) responding to ever increasing demand for service resulted in higher than budgeted carer costs of \$1.2 million.
- Non-cash accounting treatment of capital recovery income for road reseal and rehabilitation works within Infrastructure Maintenance is \$2.8 million less than budgeted reflecting works classified as capital or maintenance in nature.

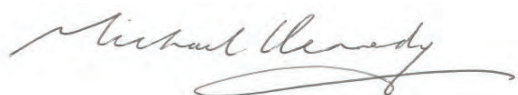
Despite these challenges and after allowing sufficient cash to complete capital works carried forward from the previous year, and receipt of government grants for 2013-14, but paid to Council in 2012-13, we achieved a surplus result compared to budget of \$2.425 million.

The most important message to take from the accounts, which after allowing for the variations described above, achieved by our continued improvement in organisational efficiency and productivity, is that "we made budget", key to this is:

- Investment of sufficient funds in the renewal of our assets;
- Achievement of \$500,000 in savings, which despite being achieved shows as zero in the attached corporate statement due to the savings being generated across all parts of the organisation and not accounted for in one budget line;
- Reduction of Shire debt by \$5.8 million whilst achieving Council's continued investment in infrastructure maintenance and renewal as well as meeting our obligations in respect of the Defined Benefits Superannuation Liability.
- Improvement overall of our financial ratios as assessed by the Auditor General.

The Shire's assets now total \$2 billion with liabilities of \$81.2 million. Net assets have increased by \$57.1 million since last year to \$1.9 billion, primarily due to the capitalisation of Land and Building assets and the revaluation of Infrastructure Assets as shown on the Balance Sheet as at 30 June 2013.

Council's financial position is both strong and sustainable.



Dr Michael Kennedy OAM
Mornington Peninsula Shire CEO

Corporate Performance Statement
for the year ending 30 June 2013

	Budget 2013 \$'000	Actual 2013 \$'000	Variance \$'000
Income			
Rates	122,057	122,784	727
Grants and Subsidies	11,895	12,787	892
User Charges	28,037	26,666	(1,371)
Grants Commission	6,253	6,123	(130)
Interest Income	1,700	1,755	55
	169,942	170,115	173
Expenses			
Sustainable Environment	16,318	16,454	(136)
Sustainable Infrastructure	62,916	65,902	(2,986)
Sustainable Communities	33,875	34,857	(982)
Sustainable Organisation	18,758	18,418	339
The CEO's Office	4,990	5,232	(243)
Efficiency Savings	(500)	0	(500)
Interest Expense	2,347	2,370	(24)
	138,703	143,234	(4,531)
Funds available	31,239	26,881	(4,357)
Capital and priority works and services			
New Borrowings	1,000	0	(1,000)
Debt Servicing Principal	(4,189)	(4,200)	(11)
Lease Payments	(479)	(479)	0
Defined Benefits Superannuation Liability	(1,122)	(1,121)	1
Priority Projects (Net)	(2,735)	(1,175)	1,560
Priority Works (Net)	(3,193)	(1,798)	1,395
Capital Expenditure	(27,945)	(24,856)	3,089
Capital Grants	3,273	4,726	1,454
Capital Contributions	2,285	3,163	878
Special Charge Schemes	0	65	65
Transfers from reserves	(0)	0	0
	33,106	25,674	7,432
Operating Result	(1,867)	1,207	3,075
Non-operating			
Asset Sales	1,325	1,986	661
Transfer to land acquisition reserve	0	0	0
Projects funded in previous years	562	264	(298)
Result	20	3,457	3,437
Carry-forwards	(11,698)	(9,274)	2,425
Priority projects	(1,964)	(675)	1,289
Priority works	(2,032)	(1,130)	902
Capital expenditure	(11,596)	(8,644)	2,952
Income relating to carry-forwards	1,535	499	(1,036)
Transfers from reserves	959	675	(283)
Assets sales	1,400	0	(1,400)
	(11,698)	(9,274)	2,425
Transfers from reserves	(959)	(675)	283
Other non-cash adjustments	2,927	9,556	(6,629)
	1,968	8,881	(6,346)
Cash surplus/(deficit)	(9,711)	3,063	12,774
Cash at beginning of period	32,615	30,242	(2,373)
Cash at end of period	22,904	33,305	10,401

COUNCIL



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VISION, MISSION AND VALUES

The Mornington Peninsula's unique characteristics and community lifestyle will be maintained and enhanced through our shared commitment to creating a Sustainable Peninsula, achieving outcomes that are environmentally, economically and socially sustainable.

A sustainable environment

- minimises the use of non-renewable resources and the generation of waste
- improves water, soil and air quality
- reduces impacts of climate change
- prevents the loss of biodiversity

A sustainable economy

- is competitive and able to adapt to change over the longer term
- provides meaningful employment for all who seek it
- provides fair access to economic resources

A sustainable community

- is safe
- is healthy
- has vibrant and diverse networks of support
- provides fair access to services, facilities and transport
- encourages active citizenship and inclusive local democracy

What we will do to achieve this vision

Building on a sound understanding of community needs and expectations we will:

- engage with and represent the community and govern in a responsive, open and accountable manner
- provide sustainable services and infrastructure that respond to the needs of our diverse communities
- facilitate a sustainable local economy
- sustain and enhance the biodiversity of our unique natural environment, while managing and accommodating appropriate developments

Values

Our values determine how the Shire will conduct itself.

We value:

- sustainability as a guiding principle
- open and effective community consultation
- our diverse communities
- responsible stewardship in managing community assets
- responsiveness to community needs



LIVABLE PENINSULA

*To be 'near to, but not part of, Melbourne' and its accelerating growth
To preserve the highly valued amenity of our natural and built environment*

LIVABILITY

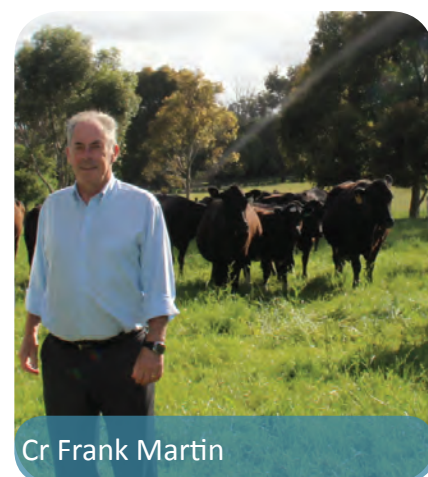
As plans are being developed to guide metropolitan Melbourne's growth from its current population of four million to six million by the early 2030s, the Shire's challenge is to continue to be, as stated above, 'near to but not part of Melbourne and its accelerating growth'.

The Mornington Peninsula is not (and does not want to be!) a 'growth municipality'. The Shire is working with the state government in planning a future which preserves our highly valued Green Wedge and our local towns and villages, providing the amenity our residents love, while having a strong local economy. During 2012-13, the Shire completed its Plan Peninsula community engagement program to hear directly from local communities about what is most valued about their towns, and the peninsula as a whole, and what concerns they have in setting the direction of the peninsula for the next 20-30 years.



More than 1000 residents attended the sessions – and hundreds more participated online via surveys and electronic feedback forms. The Shire’s approach to advocacy and engagement in this policy area has been multifaceted, with particular focus on:

- **Submissions in relation to Melbourne’s Metropolitan Planning Strategy.** Councillors and Shire Officers have engaged with the state government at all levels in relation to the development of the new Metropolitan Planning Strategy, particularly to ensure a shared understanding of the relationship between metropolitan planning objectives and the role of the Mornington Peninsula. The Mornington Peninsula is critical in many ways to the future sustainability, livability and prosperity of the Melbourne region and Council’s submissions have continued to emphasize the need for continuing recognition and protection of the Mornington Peninsula’s special role and values. It is expected that the draft Melbourne Metropolitan Planning Strategy will be released in late 2013 for further community consultation, with completion of the strategy early in 2014.
- **Mornington Peninsula Planning Statement.** As part of its election platform the state government announced the major policy initiative of producing a localised planning statement for the Mornington Peninsula. Council has worked closely with the state government to develop and refine the scope of the Planning Statement, and the feedback received from the Plan Peninsula consultations, as outlined above, is forming the basis of the Shire’s input. The plan will set the direction, extent and nature of development on the peninsula for the next 20-30 years.
- **Green Wedge Management Plan.** The Green Wedge is one of the key building blocks of the Mornington Peninsula’s planning strategy and represents a long-term commitment to maintaining a permanent rural area for its conservation, agricultural and recreational values. The Green Wedge Management Plan is intended to provide for the integrated land use planning and land management of the Green Wedge, including management of the pressures for additional dwellings in the rural area. Council adopted the Interim Green Wedge Management Plan in September 2012. Council is committed to review the plan in the context of new planning zones and changes to state level strategy over the next 12 months.
- **Proposed Zone Reforms.** Following the release of the draft zone proposals in July 2012, and a number of public information sessions organised by Council, Council considered and lodged submissions in relation to the draft residential, commercial, industrial and rural/ Green Wedge zones. Council also had substantial input into the submissions made on behalf of the Interface Councils and the South East Melbourne Group of Councils. Through these submissions the Shire has advocated the need to provide opportunities for locally relevant provisions and to avoid the ‘one size fits all’ approach. The Minister subsequently announced approval of the new residential zones, with Councils having 12 months to determine their implementation. The Minister has also announced the immediate introduction of new commercial and industrial zones, coming into effect on Monday 1 July 2013.



Cr Frank Martin



Cr Bev Colomb, Cr Andrew Dixon and Cr Anne Shaw

As these long-term, ‘big picture’ planning processes have proceeded, work continued on a wide range of more local strategic planning projects, focussed on protecting the amenity of our towns and villages, our coastline and our highly valued Green Wedge, including the following projects:

- **‘Big Think Rosebud’.** Council adopted the Rosebud Activity Centre Structure Plan and Rosebud Urban Design Framework in September 2012. The plans provide a vision and framework for the revitalisation of the Rosebud commercial centre through public infrastructure investment, revised planning controls and stimulation of private development.
- **Introduction of New Design Overlays.** Permanent Design and Development Overlays have been introduced for the McCrae Village Centre and for the Woodthorpe Estate in Rosebud while a new Vegetation Protection Overlay has been approved over all residential areas of Crib Point.
- **Crib Point Township Plan.** Council, with assistance from consultants, has prepared a township plan and design framework for the Crib Point township, and has subsequently exhibited a planning scheme amendment to introduce new provisions consistent with the community vision for the town.
- **Bittern Community Consultation Summit.** Council organised a range of consultations, including a ‘community summit’ which was held at the Bittern Hall. The input received through this project will assist in the development of a number of projects in the Bittern township .
- **Heritage Review.** Stage One of the Heritage Review covering Mount Eliza, Mornington and Mount Martha was completed, providing the basis for improved protection of heritage places in cooperation with landowners.



WESTERNPORT BIOSPHERE

The Westernport Biosphere was successful in its application for a Commonwealth Government grant of \$2.4 million (over six years) to establish a Westernport Regional Biodiversity Atlas and Action Plan; actions for habitat links, re-vegetation of Westernport Healthy Woodland (bandicoot) habitat, enhancing key high conservation reserves and building capacity of private landholders to protect and extend habitat.





ENHANCING PUBLIC SPACES & PLACES

To enhance the look, feel and function of our townships, our open spaces and our infrastructure

Enhancing public places and spaces has been a priority of successive Councils over the past decade, with significant effort and funds allocated to upgrading community facilities and improving the appearance of our towns and villages.

Mornington Peninsula Shire is also one of a minority of Victorian Councils to have 'closed the infrastructure renewal gap', ensuring that adequate funds are invested to maintain and enhance our \$1.6 billion worth of infrastructure assets for future generations.

PRESENTATION OF PUBLIC SPACES AND PLACES

New higher standards of presentation of our streetscapes, public spaces, public toilets and beaches were put in place in 2012-13 through the Shire's 'SIMS2' cleansing and maintenance contracts. Footpath sweeping, street cleaning, litter collection, toilet and furniture cleaning were all delivered to higher frequencies, with township-based clean teams working up to 16 hours a day in the most popular holiday townships.

Through the new SIMS2 contracts, additional services costed at \$5.6 million p.a are now being delivered at an additional annual cost of just \$1.4 million, a great 'value add' for ratepayers.



FOOTPATHS AND SHARED TRAILS

Council continues to expand the network of footpaths and share trails across the peninsula, with approximately \$2 million of new paths – 14km - constructed over the past 12 months, bringing the total network to more than 670km. A further \$1.5 million was spent on upgrading and rehabilitating existing paths to improve access to community facilities and popular locations, and encourage greater participation in walking and cycling.





Cr Tim Rodgers and Cr Hugh Fraser

STREETSCAPES

Shopping centre streetscapes are very complex spaces serving many needs and many different groups. It is important that they serve as more than just a retail function and enhance the social life of the nearby community.

Council's efforts in upgrading and enhancing the Sorrento shopping district is an excellent example of this approach, creating a space which not only welcomes locals and visitors of all ages but encourages social interaction. The space now provides for dog walkers having a break, children who want a little adventure, those with mobility

constraints and people who just want to sit in the sun and read the paper or chat. The unique part of this project is that it incorporates tables with seats on one side but set out in a curve that means people can have their own space or strike up conversations across the area.

At Mornington, a new streetscape has enlivened the public space with better footpath spaces, removal of power lines, protection and incorporation of heritage trees with innovative timber surrounds, integrated high quality public transport waiting stops and injected soul with public art. The new sculpture of the little girl posting letters has become a favourite of children and adults alike and welcomed into the broader local family.

EQUESTRIAN AND MOUNTAIN BIKE TRAILS

Council has adopted a Roadside Equestrian and Mountain Bike Trails Strategy which was developed after an extensive process of investigation and consultation with trail users, club members and others which included two public drop-in sessions. The strategy identifies a revised trail network, users behavioural codes for trails and reserves, a trail development and maintenance hierarchy, and a new long distance riding trail called 'The Peninsula Traverse'. It has been well received by trail users and stakeholders who are looking forward to implementation of key actions to improve the well utilised trail network.



SPORTING AND RECREATION RESERVES

The opening of the Somerville netball courts took place in April with the Minister for Sport and Recreation, Hugh Delahunty joining with the Mayor Lynn Bowden and local MP Neale Burgess. The project was made possible by a combined partnership between the state government, the Shire and the Somerville Netball Club.

Over the past year, master plans were developed for Balnarring Civic Reserve, Balnarring Recreation Reserve, Citation and Ferrero Reserves in Mount Martha, Rosebud's Olympic Park and Flinders Park. Landscape architects have developed detailed plans for these reserves, based on feedback from the community and user groups.



FORESHORES

Mornington Peninsula Shire has 190km of coastline – 10 per cent of Victoria's total. Our coast is loved by locals and visitors alike, and Council invests significant funds and resources to maintain and enhance coastal areas.

Over the past year, work commenced to complete two 'missing links' of the Bay Trail, Dromana to Rosebud and Blairgowrie to Sorrento (Whitecliffs to Camerons Bight). Work so far has included alignment selection, cultural heritage assessment, flora and fauna assessment and community and state government engagement

Other bay trail enhancements included:

- Construction of foreshore path in Safety Beach (\$80,000)
- Working with the community to improve signage and use of Mornington to Mount Martha trail.

Work has also commenced to upgrade lighting at foreshore amenity blocks, which are utilised by campers and visitors throughout the summer months.



PARKS AND GARDENS

The Shire maintains more than 850 ha of open space, including a number of iconic parks such as Mornington Park, Sorrento Park and Warringine Park.

During 2012-13, implementation of the Police Point Shire Park Conservation and Recreation Plan commenced which saw major repairs to the Superintendent's Cottage, the upgrading of utility services (water, gas and electricity) and the removal of all overhead powerlines.

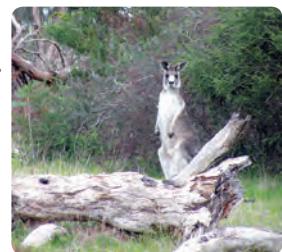
The Tyabb War Memorial underwent a major refurbishment, as part of the implementation program of the master plan for the reserve. Local school children joined with local RSL members to complete the planting of the site in early-mid April. The colour scheme is red, white and blue to symbolise the Australian flag. Red carpet roses, white standard roses, a jacaranda tree and rosemary have been planted around the site. The Shire has also recently installed seating around the reserve. The memorial will also be lit on three sides and a water fountain installed near by.



BUSHLAND RESERVES

The Mornington Peninsula is home more than 200 bushland reserves, covering more than 500ha. These remnant areas of bushland are complex living environments that provide food and shelter to support many species of protected flora and fauna. Bushland needs to be preserved to ensure that it can continue to be enjoyed by future generations.

Friends Groups consist of members of the local community who are the heart and soul of bushland reserves. Friends Groups are people who, with the Shire's consent and assistance, undertake activities to positively impact the bush. Mornington Peninsula Shire has more than 50 Friends Groups volunteering their time.



PLAYGROUNDS

The Shire is progressively upgrading or replacing the 160 playgrounds located within the municipality to provide interesting and varied activities for children. The Rye Beach Community Action Group (RBCAG) delivered a new \$450,000 playground on the Rye Foreshore under the Community Capital initiative, with the Shire supporting the project by obtaining Coastal Management Consent and offering engineering advice and support.

This project was able to be delivered efficiently by the Shire's development of an innovative Community Capital policy to help cut through the red tape which often frustrates community groups wanting to provide and enhance community assets and amenity.





IMPROVING COMMUNITY FACILITIES

To ensure community facilities are responsive to the needs and expectations of local communities

Community facilities are designed, built, refurbished, maintained and used for the benefit of the community. They provide a diverse range of activities for people of all ages, encourage greater participation in recreational and social activities and ensure equity of access to services and programs for all in the community.

SPORTING PAVILIONS

The refurbished pavilion at Dallas Brooks Oval in Mornington was officially opened in April as one of the first to be completed under the \$49 million long-term Shire's Pavilion Strategy.

Watsons Pavilion in Portsea also underwent a major refurbishment including a new accessible toilet, roofing, flooring, painting, additional storage and kitchen. The refurbished building was officially opened by Nepean Ward Councillors Tim Rodgers and Hugh Fraser in May.

PUBLIC TOILETS

The Shire has identified 48 public toilet blocks to undergo refurbishment in stage 1 of the Public Toilet Strategy and a detailed architectural assessment and scope of works plan has been prepared for each location. Major upgrades of public toilet facilities will also be undertaken in Rye, Dromana and Mornington, and community consultation and tender documents have been completed in preparation for the works to be undertaken in 2013-14.





PRE-SCHOOLS

The new Somerville Pre-School is a great example of where collaboration across the community can deliver excellent outcomes. The Shire has worked closely with all of the key stakeholders of the project's steering group consisting of representatives from Somerville Pre-School, Somerville Primary School, Department of Education and Early Childhood Development and the Shire to develop detailed plans for the building of a new pre-school on the site of Somerville Primary School, Eramosa Road East, Somerville.

This project has delivered a modern pre-school facility which is closely integrated with the local primary school and is a huge step up in standard for the children compared to the old centre it has replaced.



ACCESSIBLE CAR PARKING

With an older than average population, and a growing proportion of people with mobility issues, the Shire is committed to improving access to community facilities, spaces and places.

Over the past 12 months, the Shire has constructed new accessible car parking facilities to enhance access at key locations across the Shire including Dallas Brooks Reserve, Dromana Bowls Club, Nerambi Reserve and Ferrero Reserve.



SKATE PARKS

Detailed designs for the Balnarring skate park have been developed, including a small bowl and a number of street skating objects using recycled material such as railway sleepers wherever possible.

The Shire also held a community information session to help develop a design for the Mount Martha skate park, with construction due in 2013-14.



Cr David Garnock with Deborah Mellett

HERITAGE BUILDINGS

This community values its history, particularly in its building stock but has made it clear it doesn't want to live in a museum. This philosophy has directed our approach to rescuing old buildings and bringing them back into the community to be centres of activity.

The stables at Currawong community centre is a great example where it would have been rational to demolish it and build new, but by rescuing the old building it has retained the links to the surrounding community and the user groups and has more soul than a brand new replacement would have. This also happened at the Mornington Park Band Hall and the Mount Martha Community House with all of these projects receiving awards recognising the preservation of living history.



LEADING CHANGE ON CLIMATE CHANGE

To address flood and fire risk, to reduce our carbon footprint, water usage and waste across Council operations and in the wider community

The Shire has been 'leading change on climate change' for a number of years, having commenced the journey in 2001 through our *Commitment to a Sustainable Peninsula*, and subsequently working with the community through our Climate Change Conversations in 2006 and beyond.

Being smarter in how we use non-renewable resources, developing and applying innovative technological solutions to everyday business, delivering education programs and being involved in collaborative projects all help to reduce our impact on the environment.

ENERGY EFFICIENCY

Over the 2012-13 year, the Shire achieved remarkable reductions in energy use across its stock of buildings and other facilities. Total energy savings in excess of 10 per cent have been realised. Notably, these savings have been achieved mainly through operational improvements, changes in staff practices and enhanced maintenance programs. Strong targets are in place to build upon these savings in coming years.



GREENHOUSE GAS REDUCTIONS

Over the past year, the electricity generated by converting methane gas to electricity at the Shire's landfill in Rye was 4,250 Mega Watt hours (MWh). By generating this electricity the Shire:

1. Reduced green house gases by 22,600 tonne.
2. Removed the equivalent of 5,344 cars from the road.
3. Generated power for 580 homes.



Changes to the Shire's vehicle fleet have also contributed to a reduction in green house gas emissions by replacing vehicles with more fuel-efficient (4 cylinder) vehicles. The average consumption of Shire vehicles is now 8.32 litres/100km compared to 9.05 litres/100km this time 12 months ago.

WASTE DIVERSION

Each year four million household garbage bins and two million recycling bins are emptied. By diverting more waste from landfill, the Shire is achieving significant environmental, social and economic outcomes.

The new waste contracts included a target of 20 per cent of hard waste to be diverted from landfill in year one. This target will increase by 7.5 per cent annually over the next five years to a required a diversion rate of 50 per cent in year five. This was a significant increase because prior to the commencement of the contract, the highest diversion rate that had been achieved at our waste facilities was 13 per cent. Since the commencement of the contract, the targets have not only been met, but greatly exceeded. Shire achieved auditor-verified diversion rates of 58 per cent within the first 12 months! It resulted in significant cost savings – tipping costs for disposal of hard waste at a private landfill were reduced by \$1.2 million.



ENVIRONMENTAL EDUCATION - THE BRIARS AND ECO LIVING DISPLAY CENTRE

More than 2000 residents braved the elements to join in the festivities of the Sustainability Festival at The Briars in March. The festival event encouraged visitors to learn about sustainability and the local natural environment in a fun and interactive way.

The festival included a diverse range of free activities for children and adults including activities promoting alternative energy, re-use of materials and composting as well as nature walks, heirloom garden tours and green cleaning demonstrations.

Other events conducted throughout the year included:

1. Schools Environment Week with more than 500 children participating
2. Keep Australia Beautiful – hosting the Victorian Tidy Town Awards 2012 with representatives from around the state
3. Daffodil Day – hosted a morning tea fund raiser
4. Sustainable House Day, a nationwide event promoting sustainable houses held annually in September
5. Sustainability workshops during school holidays including composting activities and safari adventures
6. Sustainability workshops on topics such as permaculture, seed saving, fruit preserving, jam making and wicking beds
7. Mayoral Sustainability Awards.



CLEAN UP AUSTRALIA DAY 2013

Each year hundreds of thousands of Australians help clean up their environment. On Sunday 3 March 2013 Mornington Peninsula Shire was very well represented when more than 1,000 people joined forces and formed 50 local groups to enhance and beautify the Mornington Peninsula. They collected an enormous assortment of discarded objects and litter from beaches, foreshores, schools, parks and reserves and picnic areas.



NATIONAL TELEVISION AND COMPUTER RECYCLING SCHEME

Residents are now able to dispose of their televisions, computer equipment and computer monitors free of charge at the Shire's waste disposal facilities.

The Shire was one of a handful of Councils to trial the program for two months. Following the success of the trial, this free service was introduced permanently, funded by the federal government as part of the National Television and Computer Recycling Scheme.

Householders have been quick to use the service. In the four months of the financial year that the service was operating:

- 5,543 televisions have been dismantled and recycled, and
- 150,660 kg of televisions and computer equipment has been recycled.



LOCAL INTEGRATED DRAINAGE STRATEGY (LIDS)

The Shire is now in the fifth year of the 10-year, \$30 million Local Integrated Drainage Scheme to manage the impact of more frequent and intense storm events. Flood mapping of vulnerable areas continues to prove very accurate, as confirmed in a number of high intensity storms experienced throughout the year.

Drainage cleaning has also increased to ensure systems can operate to capacity during rainfall storm events. Specialist equipment dedicated to this maintenance activity has doubled.



RAIN GARDENS TRIAL

Shire officers have been meeting local residents in the pilot Mount Martha catchment to discuss the downpipe diverter rain gardens. These diverters are being provided for free as part of the trial. The community have shown they are very passionate about protecting the Balcombe Estuary from pollutants carried in stormwater and over 160 diverters have been installed.



PAINTCARE AUSTRALIA

The Australian Paint Manufacturers' Federation Inc. commenced a three month trial during March 2013 to collect, treat and dispose of commercial volumes of waste paint from trade sources.

A first in Australia, the trade trial aimed to collect valuable data to aid the development of a national scheme to collect and safely dispose of waste paint from both trade and domestic sources.



The Shire was one of only six trial locations in Victoria to be selected to participate in the pilot. The trial was fully funded by Sustainability Victoria and the Australian Paint Manufacturers' Federation with support from the Master Painters Association of Victoria.

WATER SENSITIVE RURAL LAND PROGRAM

The program was officially launched with the WSRL Officer attending the Sustainability Festival to invite rural land holders to join. Working group meetings were then held with local agencies and community representatives to learn more about the program and contribute to its delivery. The program is now in full swing with many interested land holders already designing some exciting water sensitive projects on their properties. The project was funded by Melbourne Water.





ENHANCING THE COASTAL EXPERIENCE

To protect and enhance opportunities to enjoy the coastal experience

The Mornington Peninsula has more than 190km of coastline (representing more than 10 per cent of Victoria's coast) which attracts millions of visitors each year.

Planning and caring for our coastline, while facilitating public use and enjoyment, continues to be a key priority for Council. In this context, Council is committed to provide a high quality coastal experience for both its residents and visitors, while protecting and enhancing the environmental, cultural and economic values of the coast and bays.

MORNINGTON COASTAL MANAGEMENT PLAN

The Mornington Coastal Management Plan has been prepared to guide the future management, use and development of the Mornington foreshore, from Caraar Creek to Linley Point. The Mornington Coastal Management Plan establishes a vision for the foreshore, informed by community and stakeholder consultation. The plan reviews existing conditions and proposes strategies and actions. The Mornington Coastal Management Plan was adopted by Council in September 2012.



MORNINGTON HARBOUR

Following consideration of the Mornington Boat Harbour amendment proposal and completion of both the Schnapper Point Framework Plan and Mornington Coastal Management Plan, Council has established the Mornington Harbour Precinct Working Group. The working group is intended to “have a fresh look” at what would be required to make Mornington Harbour a safe boating facility in the context of the state government’s current investment in reconstructing the pier, identify opportunities to improve the way the precinct functions for the full range of activities it currently supports and to support the preparation of a clear and robust plan for the future of the precinct.

The draft Mornington Harbour Precinct Plan (or Options Report) is expected to be completed for consideration by Council and public exhibition later in 2013.



MILLS BEACH

The Mills Beach Landscape Master Plan (adopted by Council on 24 September 2012) provides a concept for the enhancement of the Mills Beach area with particular emphasis on improved safety and function, improved amenity and greater accessibility for people with limited mobility. The community engagement strategy for this project has largely shaped the functional layout of the plan.



FORESHORE CAMPING SAFETY

For the second successive year, the foreshore camping team worked closely with Victoria Police and the CFA to educate campers in creating a safe environment while camping on the foreshore. More than 400 campers attended jointly-run education evenings/BBQs promoting risk awareness and safe practices.



RYE RECREATIONAL BOATING PRECINCT PLAN

The Draft Rye Recreational Boating Precinct Master Plan was placed on public exhibition in June. The plan has been developed to guide the sustainable future use and management of the Rye foreshore boat ramp precinct and to investigate options and future infrastructure requirements for the boat ramp facilities, car parking, landscaping, pedestrian movement whilst also giving consideration to the significant cultural, heritage and environmental values of the area. This project was funded through Marine Safety Victoria’s Boating Safety and Facilities funding program.

The plan has been developed to address the future management of this precinct in both the shorter and longer term and it identifies short, medium and long-term strategies whose implementation will need to be staged over time as funding becomes available.



WATER CONSERVATION AT THE FORESHORE CAMPING GROUNDS

Water efficient showerhead upgrade works have been completed at the foreshore camping grounds. New water-saving showerheads were installed; plumbing works completed; and leaks detected and repaired to improve the showers and save water at camping areas.

The water conservation message is being promoted at the camping grounds this summer with posters displayed in the toilet block noticeboards and free four minute shower timers are being distributed to encourage shorter showers.



WESTERNPORT RAMSAR PROTECTION PROGRAM

The Westernport Ramsar Protection Program is coordinated by the Port Philip and Westernport CMA, through funding from the Australian Government's Caring for Our Country. It addresses the national priorities of Coastal Environments and Critical Aquatic Habitats, and Community Skills, Knowledge and Engagement. Partners in the program include Mornington Peninsula Shire, Phillip Island Nature Park, Parks Victoria, Westernport Biosphere Reserve, City of Casey, Department of Sustainability and Environment and three volunteer Foreshore Committees of Management. The initial three-five year program finalised in the 2012-13 financial year and its success has seen a commitment of continued funding until 2018.

In 2012-13 the Shire undertook a large program of works at Yaringa, around the Hastings Foreshore and at the Coastal Bittern Wetlands. Works included targeted feral animal control particularly for foxes which predate on endangered and threatened migratory seabirds. A large amount of weeding has also been undertaken with target species including Sweet Pittosporum, Coast Tea Tree, Boxthorn, Boneseed, Asparagus Fern and Smilax. Shire Conservation Officers played a strong role in leading the projects. The interaction between agencies working on a large scale environmental improvement project has been very worthwhile.





Cr Antonella Celi, volunteer Neil Allen,
Cr Graham Pittock and Cr David Gibb

HEALTHY, SAFE & CONNECTED COMMUNITIES

To promote a culture of community harmony, wellbeing and a sense of safety and belonging

Improving the health and wellbeing of communities across the peninsula extends beyond service delivery to providing infrastructure and environments that maximise participation and encourage inclusive and resilient communities. Much of the focus for the past year and immediate future is to provide better access to services and develop strategies for engaging socially and economically marginalised groups.

In addition to ongoing activities to support residents of all ages and abilities, highlights for 2012-13 include:

SUPPORTING YOUNG PEOPLE TO STAY SAFE, HEALTHY AND REACH THEIR FULL POTENTIAL

An extensive range of early childhood and literacy programs have contributed to a significant improvement in Australian Early Development Index (AEDI) 2012 results for the Mornington Peninsula. The Shire piloted the AEDI before it was adopted nationally, with an ongoing high priority to improve early childhood development and literacy outcomes through a range of early years programs including Literacy Villages, Ready, Set Read and Babies Love Books.

Youth Services and Programs engaged with many young people and their families in one-on-one support and delivered a range of personal development, leadership, music and skills training programs, after school and holiday programs and Shire's Youth Centres YLounge and Shed11.

The Shire's Family Day Care Program received a nomination in the 2012 State 'Early Years Educator of the Year' Award, acknowledging outstanding achievement in child care.



ENGAGING, VALUING AND SUPPORTING OUR SENIORS

Over the past 12 months 174,000 hours of home and community care (HACC) services were delivered to 9,000 older people and people with a disability to support them to stay living at home safely and independently. The Shire met the increasing demand for support services (from a much older than average population) and avoided the implementation of waiting lists with a mid-year increase in Council contribution to these local/state/commonwealth funded HACC services.

The Shire has developed a Positive Ageing Strategy which, taking a “Whole of Council and Community” approach, outlines a number of actions to enhance positive ageing opportunities for our community and recognises the value of our elders.

Peninsula Advisory Committee for Elders (PACE), as Council’s formal advisory committee on issues of ageing, provided valued advice to Council on a range of matters including good design for residential care facilities, older persons housing and transport issues, footpath and road management, life-long learning, sport and recreation opportunities for older people.

SUPPORTING VULNERABLE COMMUNITY MEMBERS

In a state-wide first, the Shire developed a Scooter Policy, addressing issues of safety and accessibility for scooter users. Mobility maps for townships have commenced with a map of Rosebud published this year and several others in planning. A Scooter Recharge Scheme was launched, with 12 sites up and running for scooter users to ‘power up’ during their travels. The Shire also published a highly valued Disability Resource Guide and updated our Disability Action Plan.

The Shire has also worked in partnership with a number of agencies to identify and support vulnerable community members to prepare and respond to emergency events.

A SAFER COMMUNITY

In recent years, the Shire has doubled its bushfire prevention program and last year 33 new fire management plans for bushland reserves were prepared and 32 fire walk and talks were conducted to engage with neighbours regarding management of bushland reserves.

With the frequency, severity and duration of heatwaves and bushfires predicted to increase in the future as a result of climate change, the Shire has continued to refine heatwave and bushfire response plans for our Home and Community Care clients to assist more vulnerable community members to plan for and survive these extreme weather events.



A KNOWLEDGEABLE COMMUNITY

The Shire is committed to facilitating life-long learning and this year has supported countless initiatives including support to community learning centres, literacy villages, best start program, library ready to read programs, traineeships, youth programs, expos, volunteer training, and neighbourhood centre programs.

A broad range of programs and activities were offered to the community through Our Library service for National Year of Reading 2012.



A CULTURALLY ENRICHED COMMUNITY

Council adopted a comprehensive Arts and Culture Strategy, and supported a range of events, to foster a culturally enriched community. Activities included:

- Australia Day Celebrations held at seven townships engaged more than 80,000 spectators with a vast array of free family-friendly activities and entertainment.
- National Reconciliation Week activities including launch of the Shire sponsored short film, *Womindjeka*.
- Partnership with Human Rights Arts and Film Festival to present a range of film and guest speaker events covering themes such as anti-poverty week, all abilities day, environment day, international human rights day, international women's day and reconciliation week.





SUPPORTING A SUSTAINABLE ECONOMY

To foster an innovative business community and promote the peninsula's agricultural and rural sector

The Mornington Peninsula has a diverse local economy including tourism, agriculture, retail, manufacturing, construction and business services. It is a priority of Council to identify, promote and attract businesses and development in the municipality that will add value to our local economy and provide better opportunities for our residents to work closer to home.

TOURISM

Mornington Peninsula Shire is home to one of the Australia's most vibrant tourism industries, offering an ever expanding range of attractions and events. The industry has a turnover of more than \$1 billion per year, and employs approximately 7000 people. Over the past 12 months the Shire attracted \$280,000 in Tourism Victoria Grants via the new Regional Tourism Board and raised \$420,000 from industry in cooperative marketing campaigns. Other activities included:

- Supported MP Golf Tourism Association to develop a strategy and marketing plan and to prepare successful funding submissions for their annual 54 hole golf tournament.
- Continued the Tourism Excellence program of workshops for 150 tourism operators and mystery shop 'audit' of 60 businesses by Tourism Audit Services Australia.
- Developed a new responsive website for the MP tourism industry which enables automatic formatting of content and bookings across several platforms such as smart phones and tablets.
- Launched the MP Conference Bureau with 36 tourism businesses participating in a dedicated website,



planner and regional representation at The Asia Pacific Incentives, Meetings and Exhibitions Expo (AIME 2013).

- Coordinated industry consultation for input to the forthcoming Victorian Trails Strategy. The strategy will guide the development of Victoria's cycling, walking and multi-use trails that have the potential to drive tourism visitation within and to Victoria.
- Coordinated industry consultation into the federal government's Tourism Employment Plan for Mornington Peninsula. The plan will identify tangible and practical initiatives that can be advanced to assist tourism businesses with their labour and skill issues.
- Commissioned research into the MP holiday home sector to develop an understanding of the economic impact of tourism in the region and the level of service provision required to support holiday homes/ rental accommodation.
- Partnered tourism businesses to conduct research into international visitation trends on the Mornington Peninsula. The MP International Visitor Research Study was published in March 2013 and will underpin strategies and decision making regarding international visitor markets in future.



AGRICULTURE

Mornington Peninsula Shire is a leading partner with Casey and Cardinia Councils and state government water authorities to secure an alternative water source for agricultural use in the Tyabb and Somerville areas, as well as within the Casey and Cardinia corridors. An investigation of the project has shown that there are no social and environmental impediments to the project. However, funding support is needed from government for the project to proceed. Investment in this area would bring significant economic growth to the region, additional employment and protection of valuable farming land on the edge of Melbourne. A business case for funding support was prepared for government to undertake stage 1 of the project to bring recycled water to farmland in the Tyabb and Somerville area and our advocacy work is continuing.



The Shire conducted eight workshops with the Small Rural Landholder Network throughout the year, in partnership with the Victorian Farmers Federation and the state government, to promote sustainable farm practices. A horticultural taster program was developed in collaboration with the Shire, the LLEN and Rural Skills Australia to educate and encourage secondary students to employment and education opportunities in agriculture.

Shire's Rural Business Officer is now managing the Peninsula Pastures and Produce Working Group project database enabling 350 local landholders to receive regular updates on a range of both natural resource management and agricultural activities.

Shire's Rural Business Officer facilitated skills development with the Statutory Planning team to enhance the capacity of statutory planners to interpret typical agricultural language and meaning

through interactive sessions and practical field trips.

ASSISTING LOCAL BUSINESS

The Shire has developed an information kit to support businesses seeking government funding. The initiative included a brochure, Youtube video and success stories of local businesses that have won grants in the past. The Youtube video has proven to be very popular and is scheduled to feature on the state government's www.business.vic.gov.au website.



LOCAL FOOD

Council adopted the Local Food Strategy which supports activities that enhance the reputation of the Mornington Peninsula as a quality, fresh and innovative food region. Mornington Peninsula Shire worked with Casey and Cardinia Councils and the state water authorities to prepare a business case for the Bunyip Food Belt. The project aims to enhance primary production of food and fibre in the Casey/Cardinia corridor and the Somerville/Tyabb area. Funding from state government was sought to undertake the early works phase to develop legal agreements, detailed design, costings and tender documents.



CAREERS AND JOBS

The Shire works actively with the Frankston Mornington Peninsula Local Learning and Employment Network (FMPLLEN), and with local schools, training organisations and business, to optimise opportunities for peninsula's young people to achieve their personal potential.



As a large local employer, the Shire has a strong commitment to providing traineeships across a wide range of skills and professions.

In 2012-13, the 10th annual Careers and Jobs Expo was held at Peninsula Community Theatre, with more than 50 exhibitors promoting employment and education opportunities. More than 1,500 local students and young people attended.

As part of the Shire's commitment to its resident workforce, following the second round of retrenchments at BlueScope Steel, the Shire facilitated 36 permanent jobs for local people with local employers through the PenStep Project.

MARINE INDUSTRY

The Shire continues to support the Marine Industry Alliance and the completion of the industry feasibility study has valued the sector in excess of \$1 billion per annum. A Marine Precincts Study will be completed in 2013-14 and will identify opportunities for clustering of marine industries and employment growth.



ARCHIBALD PRIZE EXHIBITION

Mornington Peninsula Regional Gallery (MPRG) was the only gallery in Victoria to host the *2013 Archibald Prize* art exhibition between June 8 and July 7.

More than 48,000 people attended the exhibition – almost twice the previous record number of visitors for an exhibition at MPRG (26,000 for an Arthur Streeton exhibition several years ago).

It is estimated that 30 per cent of visitors were from the peninsula, with the remaining 70 per cent coming from other parts of Melbourne, Victoria and interstate. These people contributed at least \$1.4 million to the local economy with accommodation, dining and retail businesses reporting an increase in trade during the period.

MPRG will also host the *2014 Archibald Prize* from early October to mid-November 2014.

STRATEGIC ECONOMIC PLANNING

The Economic Development team attracted \$340,000 of federal government funding for Marine Industry Feasibility Study, Economic Impact Analysis of the Port of Hastings, Food Industry Strategy, Audit of the Equine sector and PenStep Project to place into local vacancies appropriately skilled personnel. These major pieces of strategic work will allow more local employment opportunities in partnership with industry.





INNOVATIVE, RESPONSIVE, VALUE-FOR-MONEY SERVICE DELIVERY

To optimise value for ratepayers through efficient, effective and innovative service delivery

In delivering more sustainable, more responsive services, the Shire continues to be both innovative and 'mean with a quid', continuously improving processes and identifying 'new approaches to old problems' to save millions of dollars and keep Shire rate levels among the lowest in Victoria. In addition to achievement of our budgeted savings of \$500,000 across the organisation we have met the challenge through:

USING SMART PHONE TECHNOLOGY!

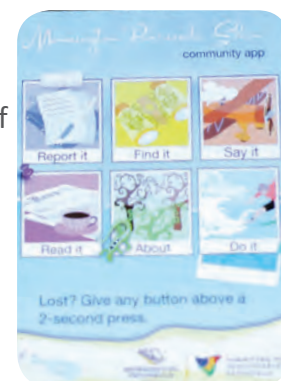
Australians are amongst the world's fastest adopters of smart phone and tablet technology with almost one in every two people now owning a device. Recognising this trend, the Shire is at the leading edge of developing applications to assist our residents, including:



SHIRE COMMUNITY APP

The Shire is one the first local governments in Australia to develop a dedicated free to download community app for interaction with the Shire via smartphones and tablets. The app uses GPS software to pinpoint the location of the user to assist with a range of inquiries, including:

- READ IT: Access up to date Shire news and publications
- DO IT: Find out about Shire services, activities and events
- FIND IT: Search for a range of Shire services and facilities; and
- SAY IT: Participate in discussions about community issues.



GET ME TO CLASS APP

Funding of \$85,000 was obtained from the state government's innovation fund to deliver The 'Get Me to Class' smart phone application enabling tertiary students to link their individual timetables to the public transport journey planner and to arrange car pooling with other students. Mornington Peninsula Shire partnering with RMIT led the regional partnership project which also includes app features for allowing additional destinations like gym or work to be entered whilst GPS tracking technology is used to pinpoint other users living nearby (for carpooling). The only application of its kind in Australia, this technology will benefit students state-wide.



COMMUNITY CAPITAL PROJECTS

The Rye Beach Community Action Group (RBCAG) delivered a new \$450,000 playground on the Rye foreshore under the Community Capital initiative, with the Shire supporting the project by obtaining Coastal Management Consent and offering engineering advice and support.



This project was facilitated by the Shire's innovative Community Capital policy. Working closely with community representatives, Shire officers guided the project through a complex range of approvals and regulatory requirements, including insurance cover for the volunteers involved in constructing the project. Ensuring compliance with building codes and protecting the safety of volunteers on site were key elements in the success of this project.

AWARD FOR EXCELLENCE FOR WASTE INNOVATION

Our Waste Diversion Incentive Program which analyses incoming waste, and improving segregation and recycling systems to divert the waste that would otherwise go to landfill has been recognised by the Institute of Public Administration Australia (Victoria) with an Award for Excellence in Public Administration. The program, which was also a finalist in the Local Government Professionals Awards for Excellence, has dramatically reduced the amount of waste going to landfill by 58 per cent in the first 12 months.



FINANCIALLY SUSTAINABLE COMMUNITY TRANSPORT NETWORK

Providing access to community and private vehicles for all transport disadvantaged people (regardless of age), the Shire's innovative Frankston Mornington Peninsula Community Transport Network is continuing to gather momentum and is the only financially sustainable community transport sharing scheme in the state.



FREE SUPPLY OF E - BOOKS AT THE LIBRARIES

Our Library continues to be innovative in ensuring the community has access to books in a variety of different ways, entering into a contract with Wheeler Books to supply free e-books to Mornington Peninsula Library members.



L2P PROGRAM — VOLUNTEER PROGRAM FOR LEARNER DRIVERS

The L2P initiative is aimed at assisting young people who have no or limited access to private vehicles, pairing them with community volunteers in a Shire-provided vehicle to achieve the required 120 logged hours of learner driving before being eligible to obtain their probationary licence.



INNOVATIVE SAFER LOCAL ROADS CONTRACT

The Shire's local road network has continued to improve as a result of the Safer Local Roads (SLR) contract. Recent condition measurements show an overall improvement to the road network over the past three years, as well as demonstrating that the sealed network pavement condition is not deteriorating despite the impacts of drought and increased storm frequency and intensity.



LEADERS IN CLIMATE CHANGE ADAPTATION

The Shire, working with the National Climate Change Adaptation Research Facility to develop a case study, has been identified as a leader in its approach to climate change through innovative practices and approaches to adaptation.



MAKING COMMUNITY EVENTS SIMPLE

The Shire's Events and Building teams have jointly produced a community events kit to assist event organisers understand and comply with requirements for holding community events. Several other municipalities across the state are using our kit as the basis for developing their own.



USE OF VIDEOS

The Shire continues to add to its library of informative videos to promote Shire initiatives and activates and assist residents to access information. Over the past 12 months, a range of videos were produced including *Is your property clearly numbered?*, *Only Babies Scribble on Walls*, *Peninsula Safer Speeds*, *Hastings and Seawinds Community Hubs* and *Plan Peninsula*.



PLANNING APPLICATIONS ONLINE

Advertised plans are now provided on the Shire's website, making it much easier for the community to view applications that may impact on them or their neighbourhood. This is also providing savings in postage and paper for the Shire.





Achievements

The Shire Organisation

Chief Executive Office

Dr Michael Kennedy OAM, Chief Executive Officer
Manager Corporate Planning and Projects: Niall McDonagh
Manager Communications: Todd Trimble
Manager Team Support and Development: John Rankine

Sustainable Communities

Rob Macindoe, Director
Manager Aged and Disability Services: Jenny Van Riel
Manager Child, Youth and Family Care: Robin Adams
Manager Libraries, Arts and Culture: Geoff Carson
Manager Recreation and Leisure: Peter Gore

Sustainable Environment

Stephen Chapple, Director
Manager Economic Development: Shane Murphy
Manager Strategic Planning: Allan Cowley
Manager Environment Protection: Claire Smith
Manager Statutory Planning: Angela Hughes

Sustainable Infrastructure

Alex Atkins, Director
Manager Infrastructure Maintenance: Barry Pankhurst
Manager Infrastructure Strategy: Alison Leighton
Manager Infrastructure Project Management: Craig Cinquegrana
Manager Renewable Resources: Sophia Schyschow

Sustainable Organisation

Marilyn Kearney, Director
Manager Finance: Geoff Emberson
Manager Information Services: Brandon Cheshire
Manager Governance and Corporate Support: Noel Buck
Manager Property and Valuations: Yasmin Woods

SUSTAINABLE ENVIRONMENT

Strategic Planning

Strategic planning involves thinking about the future – and the kind of future we want – in moving towards a more sustainable and livable peninsula. The Strategic Planning team is responsible for providing advice to Council, the community and other agencies in relation to the formulation, coordination, implementation and review of strategies, policies and plans with a focus on the protection of our built and natural environment, and the management of future use and development. The team undertakes its responsibilities in the following broad areas.

- Strategic land use planning, which includes development of the overall Strategic Planning Framework, Green Wedge Planning, Port Area Planning, Activity Centre Plans, and Township Plans.
- Coastal planning, which includes the preparation of Coastal Management Plans and other strategic plans, administration of Shire's Foreshore Advisory Groups, participation on the Association of Bayside Municipalities, community liaison and advocacy.
- Natural systems planning, including environmental risk management and the development of a Biodiversity Action Plan for the Shire, coordination of responses to government policies and strategies relating to natural systems conservation and management.
- Urban design, including urban design frameworks and guidelines, neighbourhood character studies, landscape and open space design, built form advice and administration of the Design Advisory Panel.
- Heritage planning and management, including monitoring, administration and improvement of heritage planning controls, development of conservation plans and guidelines, and advice and assistance to heritage place owners and managers, policies and strategies relating to heritage conservation and management.
- Planning scheme review, including the maintenance and upgrading of the planning scheme as a major element of policy implementation, and the assessment and administration of planning scheme amendments.

These activities are all strongly connected to the objectives of Shire's Strategic Plan.

Highlights:

Rosebud is the major activity centre for the southern Mornington Peninsula. In this context, the Shire has undertaken the development of both the Rosebud Activity Centre Structure Plan and Rosebud Urban Design Framework (Big Think Rosebud), both adopted by Council in September 2012. These reports are complemented by the previously-adopted Rosebud Foreshore Coastal Management Plan.

The major objectives of Big Think Rosebud are to provide a vision and framework for the revitalisation of the commercial centre through public infrastructure investment, revised planning controls and stimulation of private development.

A key element of the plan involves the coordinated development of a new 'heart precinct', in the vicinity of Ninth Avenue/ Wannaeue Place, and extending from the commercial centre, across Point Nepean Road to a new civic space on the foreshore providing a strong gateway to the beach. This is intended to be a pedestrian-friendly precinct, encouraging a higher intensity of street life and providing a destination and focus for this part of the Rosebud Activity Centre.

The Big Think Rosebud represents a major commitment by Council to the future of this importance centre.

Other achievements for the year have included:

- Ongoing advocacy in relation to the Mornington Peninsula Planning Statement.
- Adopted the Mornington Coastal Management Plan.
- Adopted the Mills Beach Landscape Masterplan.
- Adopted the interim Green Wedge Management Plan.
- Participated in the Plan Peninsula consultation process.
- The completion of the draft Stage 1 Heritage Review (Mount Eliza/Mornington/Mount Martha).
- Completed, released and distributed the new Mornington Peninsula pest plants and pathogens brochure.
- Completed the Mornington Peninsula fauna study and biodiversity atlas.
- Completed the draft Crib Point Township Plan, exhibited the associated amendment (C163) and completed the panel hearing.
- Undertook the Bittern Community Consultation summit.
- Adopted the Police Point Conservation Management Plan.
- Completed significant amendments, including C135 (Heronswood), C150 (Introduction of Land Subject to Inundation Overlays), and C163 pt 1 (Crib Point Vegetation Protection Overlay).
- Established the Mornington Harbour Reference Group.
- Established the Tootgarook Wetland Community Reference Group.
- Exhibited the (Rosebud) Jetty Road Pier Precinct Landscape Master Plan.
- Exhibited the Rye Recreational Boating Precinct Plan.
- Submissions to state government and other agencies, including the Zone Reform Review, Melbourne Metropolitan Planning Strategy, Western Port and Port Phillip Regional Catchment Management Plan, Review of the Mount Eliza to Point Nepean Coastal Action Plan and the Boating Coastal Action Plan Review.
- Participated, as a case study Council, in the completion of Climate Change Adaptation Pathways projects for Port Phillip and Western Port.
- Participated, as a partner, in the Western Port Local Coastal Hazards Assessment Project.
- Ongoing liaison with community groups and local government organisations, including foreshore advisory groups, the Western Port Biosphere Research Committee, Association of Bayside Municipalities, Watsons Creek Stream Care, Seachange Taskforce and Interface Councils group.

Challenges:

The Strategic Planning team continues to operate in a 'dynamic environment', with many factors influencing the direction, scope and magnitude of the strategic planning work program.

- Ensuring recognition of the special roles and value of the peninsula and the need to maintain a strong urban growth boundary in the development of state government planning policy.
- Supporting the hierarchy of activity centres on the peninsula as a means of protecting the look, feel and function of all settlements.
- Protecting the Green Wedge and developing effective planning policies which support its long-term values.
- Developing design frameworks relating to building height, built form, open space and streetscape need to support the character, role and function of town and village centres.
- Determining the threshold level of significance for heritage planning that warrants control over modification and removal of such buildings.
- Developing effective biodiversity planning and the protection and restoration of eco systems.
- Developing coastal management plans which enhance the coastal experience and reflect the role and function of different foreshore areas.
- Ensuring planning for the Port of Hastings has proper regard to the potential impact on the environment and local communities, including the development of an appropriate transport infrastructure strategy.

The coming year:

- Continue to work in conjunction with state government on the new Mornington Peninsula Planning Scheme (expected to be completed by the end of 2013).
- Provide input to state government's development of the new Metropolitan Planning Strategy, with a view to ensuring recognition and protection of the peninsula's distinctive role as 'near to, but not part of' metropolitan Melbourne.
- Complete the interim triennial Planning Scheme Review and implementation of the state government's zone reform requirements.
- Complete the Hastings Activity Centre Structure Plan.
- Complete the Housing and Sustainable Settlements Strategy, which will also incorporate the Employment Land Requirements Review and Public Open Space and Recreation Requirements Strategy.
- Exhibit the Green Wedge Management Plan, including policies relating to dwellings in the rural area and caravan park applications.
- Prepare Port Area Development Impact Assessment Report.
- Consult and prepare for exhibition of the Tyabb Airfield Precinct Plan.
- Prepare the Mornington Peninsula Biodiversity Action Plan in conjunction with the release of the Port Phillip and Western Port Regional Catchment Strategy.
- Complete the Tootgarook Wetland RAMSAR Feasibility Assessment.
- Complete the Context Analysis and Design Response Guidelines - to improve the consideration of neighbourhood character in residential development proposals.
- Prepare and exhibit the Port Phillip Urban Design Framework and Western Port Character Study and Design Guidelines including a character study and design guidelines for Red Hill.
- Complete the Beleura Hill (Mornington) Character Assessment and Design Guidelines.
- Complete the Flinders Park and Cook Street Open Space Masterplans.
- Commence the Point Nepean Road (Rosebud) Landscape Masterplan.
- Complete and exhibit the Somerville Township Plan.
- Prepare and exhibit the Dromana Structure Plan.
- Exhibit and complete the Municipal Heritage Strategy.

- Commence stage two of the Shire's Heritage Review, with investigation of the Dromana, Rosebud and Rye areas.
- Complete the Hastings South Coastal Management Plan.
- Exhibit and complete the Jetty Road Pier Precinct Landscape Master Plan.
- Exhibit the Mornington Harbour Precinct Plan.
- Complete the Rye Recreational Boating Precinct Plan.
- Complete the Safety Beach Foreshore Vision and Objectives Statement and prepare the Safety Beach Foreshore Coastal Management Plan.
- Commence of the Boating Capacity and Facilities Review.
- Complete the Western Port Local Coastal Hazards Assessment (as a project partner).
- Exhibit major planning scheme amendments, including the Blairgowrie boat harbour extension, Heritage Review Stage 1 and revised local heritage policy and Rosebud Activity Centre Structure Plan implementation.

SUSTAINABLE ENVIRONMENT

Statutory Planning

The Statutory Planning team receives and decides applications for land use and/or development under the Planning and Environment Act and the Subdivision Act. The team decides application be engaging in community consultation in a range of ways including by letter, meetings on site, information sessions, etc. The team also provides the community with general advice on planning matters as requested.

Key responsibilities:

- Receiving, assessing and deciding planning applications, amending existing planning permits, extending time to existing planning permits and certifying land subdivisions.
- Meeting with prospective applicants and members of the community to provide advice at the pre-application stage of a permit application and during assessment.
- Providing advice in response to general planning enquiries.
- Providing advice in accordance with Shire's responsibility as a referral authority to external agencies including the Environment Protection Authority, Department of Primary Industries and Department of Justice.
- Advocating on behalf of Council at the Victorian Civil and Administrative Tribunal (VCAT).
- Developing and implementing initiatives and special projects related to continuous improvement.

Highlight:

The new website has allowed for online advertising of plans. It is a statutory requirement to advertise a planning application if it is considered that the land use and/or development proposed may cause detriment to any person. Shire undertakes this requirement by sending letters directly to surrounding land owners and occupiers, by erecting a sign on the site and, sometimes, by posting a notice in local paper(s). Until recently Shire officers would also make paper copies of plans submitted and post them to each property directly notified of an application. Now any person can easily view advertised plans online, making the information more accessible and, as a bonus, creates savings in postage and paper.

Other achievements for the year included:

- Delivered the "Planning Environment" e-newsletter to our top 50 planning applicants comprising planning consultants, architects, draftspeople and land surveyors.
- The continued secondment of a Statutory Planning team leader to the CFA as part of the introduction of the Bushfire Management Overlay to Planning Schemes across Victoria in November 2011. The Bushfire Management Overlay permanently replaced the Wildfire Management Overlay and the seconded team member has helped the CFA to present and educate planners and other professionals involved in lodging planning applications across Victoria to understand this new provision in the Planning Scheme.
- Participated in the Mornington Peninsula Careers Expo.
- Actively worked with the IT unit on the upgrade of key corporate systems across the Shire. This new system allows us to better understand our workload by producing more relevant reports with less re-work than previously.

- Executed a high level of customer service, in accordance with corporate standards and expectations.

Challenges:

- Continuous improvement 'challenge' to reduce the number of statutory days taken to decide a planning application. Per month, an average of 54 per cent of applications is decided within (statutory) time. The team achieved its best result in October 2012 by deciding 58 per cent of planning applications in time.
- Deconstructing and reconstructing processes to strip time for the continuous improvement program while still adhering to the statutory laws and regulations.
- Uncertainty created over the anticipated planning statement for the Mornington Peninsula, the review of the Planning and Environment Act 1987 (as amended) and the introduction of new planning zones, expected to be introduced into our Planning Scheme over the next 12 to 18 months.
- Delays in the planning application process caused by referral requirements under the Bushfire Management Overlay. The team has worked proactively with the CFA to try to reduce the delay experienced by applicants. The unit continues to work with other Shire units to reduce the time it takes for referral comments to be returned.
- The team remains committed to creating efficiencies in the assessment of planning applications to reduce the decision time. The challenge is to change the way an application is considered, in terms of our internal processes.

The coming year:

- Continually improve our processes and procedures to increase the percentage of applications decided within the statutory timeframe. This will be done by focusing on the 'middle' part of the planning application process including expected timeframes for community consultation, internal and external referrals. The team will also look at the 'front end' of the planning application process including pre-applications (a non-statutory requirement) by bench marking against other Victorian Councils, a review of the fees that we charged, etc.
- Develop and strengthen the team to ensure that it is appropriately resourced to deliver the highest quality of service.
- Provide sufficient learning opportunities to up-skill staff members.
- Communicate and respond to key stakeholders, including government agencies, professionals, community groups and community members, involved in the planning process to protect and enhance the unique environment of the peninsula.
- Distribute our newsletter "Planning Environment" twice yearly.
- Contribute to the various state government reviews of the Planning Scheme.
- Monitor the new planning zones and what effect it will have on our current Planning Scheme.

SUSTAINABLE ENVIRONMENT

Environment Protection and Community Safety

The Environment Protection and Community Safety team delivers services to improve community safety and protect the natural and built environment through the application of fair and equitable compliance and a variety of statutory permit application processes.

Key responsibilities:

- Planning compliance services including illegal tree removal and failure to comply with planning permit.
- Promoting health in areas of food safety, wastewater management and tobacco control and other public health related matters.
- Fire prevention and emergency management including a yearly fire hazard inspection process and planning, preparing, responding and recovering from emergencies together with various education programs to reduce the risk of wildfire and emergency in the community.
- Animal management services including the promotion of responsible pet ownership, education, leash-free areas, local law compliance and operation of the Community Animal Shelter where lost pets are cared for until they can be reunited with their owners.
- Compliance with Local Laws and other related regulations including a variety of nuisance complaints.
- Statutory building services, including responding to building structural safety and swimming pool safety concerns.
- 24 hour emergency response services including urgent animal management, emergency management and statutory building responses.
- The administration of a number of permit application processes including, *Waste Water Disposal Permits, Local Law Permits, Permits to Burn, Place of Public Entertainment* and *Report and Consent* to build on flood prone land.

Highlight:

The Mornington Peninsula Municipal Fire Management Plan has been developed over a two-year period and provides for a multi-agency approach to fire planning. The plan has been developed following the transition from Municipal Fire Prevention Committees (MFPC) into Municipal Fire Management Planning Committees (MFMP) in June 2010. It combines strategic arrangements with a multi-agency works plan that reflects the shared responsibilities that government, fire agencies and communities have, and demonstrates a collaborative approach between the responsible agencies and covering both public and private land tenures.

This plan documents the process and activities undertaken by the Mornington Peninsula Municipal Fire Management Planning Committee and presents the outcomes of this collaborative process and also ensures the Shire meets its statutory requirements in accordance with the Country Fire Authority Act 1958 and the Emergency Management Act 1986.

Other achievements for the year included:

- Signed a memorandum of understanding with the Department of Justice to remove graffiti vandalism.
- Purchased a variable fire information message board trailer. This innovative bushfire safety solution was funded under the Victorian Coalition Government's \$5M Fire Ready Communities Program. The trailer provides timely and accurate fire information an effective way of alerting communities in times of fire risk.
- Innovative education campaigns using YouTube, social media and humour to promote and enhance community safety including *Is your property clearly numbered?* and *Only Babies Scribble on Walls*.
- Promoted food safety through the Shire's food award scheme *Best Bites*, now in its second year with nearly double the food business involve. In September 2012 the program was judged National Winner in the Environmental Economic Innovation Category at the Economic Development Australia National Awards for Economic Development Excellence.
- Supported the reduction of 'red tape' for food businesses by using Streatrader a free website that allows registration and notification of temporary and mobile food businesses and community groups throughout Victoria.
- The Shire's Community Animal Shelter which has one of the highest re-homing rates for unwanted impounded pets in Victoria.
- Introduced a statutory building trainee position to promote the local government profession amongst young people and to provide a learning opportunity for a young person.
- Implement significant Local Law changes as a result of Council's adoption of the new General Purposes Local Laws in late 2012.
- Mr Rodney Brown, School Crossing Supervisor at Mount Martha Primary School, was named the winner of the Region 8 School Crossing Supervisor of the Year. This profession provides valuable support to our school communities.

Challenges:

- Understanding, implementing and where necessary educating our community about a number of legislation and administrative changes from the state government.
- Managing increasing demands for service through the development of processes that enhance our efficiency and customer service delivery.

The coming year:

- Continue to develop our responses and assist our community to respond to emergencies and continue to implement the principles of integrated fire management.
- Increase training opportunities for staff and volunteers who participate in the Shire's emergency management planning, preparing, responding and recovery tasks.
- Respond to the proposed reforms as outlined in the Victorian Emergency Management Reform – White Paper.
- Further explore the use of mobile technology to reduce resources spent on administrative tasks, thereby providing opportunities to increase customer service and gain efficiencies. Implementation of paperless permit application processes where possible.
- Continue the implementation of electronic and field-based technology to assist officers to collect data in the field and to improve customer service options and to deliver faster customer responses.

- Review the management of major and complex legal cases to ensure the Shire has a best practice approach, with an emphasis on reducing our reliance on legal professionals by up skilling staff to manage Victorian Civil and Administrative Tribunal appearances on the Shire's behalf.
- Finalise the review of the Shire's Domestic Animal Management Plan and implement increased service delivery.
- Implement changes to the EPA Septic Tank Code of Practice and where necessary providing education to the profession.
- Introduce a coin-less boat ramp parking permit system via an online ticket system, improve customer service options for the many uses of the Shire's boat ramps.

SUSTAINABLE ENVIRONMENT

Economic Development

The Economic Development team is responsible for facilitating and nurturing a sustainable, innovative peninsula economy through support for sustainable tourism, increased business investment and a more productive rural economy. The team operates in the key focus areas of industry and business development, research, marketing, infrastructure provisioning, strategic relationships and workforce development.

Key responsibilities:

- Supporting local business through identifying, facilitating and nurturing appropriate and sustainable economic development opportunities. In particular by providing general advice and assistance on business expansion and establishment.
- Undertaking programs such as small business mentoring, skills development seminars, industry association support especially through special change schemes in commercial centres, footpath trading licensing, electronic business networking and promotion through MPB Online and conducting business awards that promote excellence.
- Undertaking surveys of the local economy to assist Council with informed decision making.
- Supporting and nurturing sustainable tourism through servicing tourism operators and their eight local tourism associations. The Tourism team collaboratively markets our region to Melbourne, interstate and international visitors for the off-peak season thereby spreading the economic benefits all year round.
- Hosting the Frankston and Mornington Peninsula Excellence in Business Awards.
- Packaging and cross promoting the various regional attractions and activities.
- Support the Shire's rural landholders to enhance their technical capacity to implement sustainable agricultural and land management practices.

Highlights:

The Economic Development unit attracted \$340,000 of federal government funding for Marine Industry Feasibility Study, Economic Impact Analysis of the Port of Hastings, Food Industry Strategy, Audit of the Equine sector and PEN-Step Project to place into local vacancies appropriately skilled personnel. These major pieces of strategic work will allow more local employment opportunities in partnership with industry.

Other achievements for the year include:

- Conducted the bi-annual business survey with more than 650 businesses responding. The survey results are used to help the unit gauge local business confidence and whether there are any emerging trends the unit or Council need to be aware of.
- Implemented the Peninsula Industry Skills, Training and Employment Program – PEN-Step assists local businesses to fill job vacancies and to identify staff-skill requirements.
- Reviewed the Comprehensive Signage Policy.

- Continued the MP Tourism Traineeship for seven students and tourism operators. This program won a highly commendable award at the Economic Development Australia Awards.
- Continued the Small Business Mentoring Clinics, service which is exceptionally well supported regionally.
- Reviewed MPB Online business directory requirements and vendor selection to refresh the technology, look and feel.
- Supported four local businesses to achieve a 'finalist status' in the prestigious Melbourne South East Business Awards.
- Hosted the Frankston and Mornington Peninsula Business Excellence awards in 2012 with more than 70 entrants and 250 attendees at the awards dinner.
- Developed an information collateral kit to support businesses seeking government funding. The initiative included a brochure, Youtube video and success stories of local businesses that have won grants in the past. The Youtube video is scheduled to feature on www.business.vic.gov.au.
- Strengthened the Small Rural Landholder Network, sourcing additional funding from the Victorian Farmers Federation to continue to facilitate networking and learning activities for participants.
- Completed the Local Food Strategy which supports activities that enhance the reputation of the Mornington Peninsula as a quality, fresh and innovative food region.
- Facilitated Hastings community event featuring Renew Australia founder Marcus Westbury. Within six months of the event, Western Port Chamber of Commerce secured a \$50,000 federal grant to implement a similar program in Hastings.
- Renewed two Special Charge Schemes (Promotional Fund) for the townships of Rosebud and Mount Eliza with over 70 per cent support from the local business community. Schemes provide cohesive and strategic marketing, educational and promotional activities for our vibrant shopping centres.
- Implemented 2012 MPS Careers & Jobs Expo with more than 50 exhibitors and 1500 attendees on the day.
- Implemented a Global Leadership Business Breakfast featuring Condoleezza Rice live via satellite from the USA. 180 attendees on the day with high level of positive feedback from all.
- Supported the Peninsula Short Film Festival, Peninsula Stand Up Paddle, Jayco Herald Sun Tour, Australian Veterans Masters Golf, Taste of Sorrento, 54 Hole Golf Event and the International Cool Climate Wine Show. Ongoing support for these events will continue to see the Mornington Peninsula as an all year round tourism destination.
- Assisted the Arthurs Seat Tourism Consortium in their endeavours to attract \$3M of Regional Development Australia funding for this iconic tourism project.
- Supported the establishment of six local community banks over the past six years and this year has seen another of the banks pay dividends to their shareholders. Three banks are now paying dividends and the remainder are not far away from achieving this. This is a fantastic result and between the banks nearly \$1M of funds are distributed annually to community groups as part of the bank's charter.
- Attained \$280,000 in Tourism Victoria Grants via the new Regional Tourism Board and raising \$420,000 from industry in cooperative marketing campaigns.
- Supported MP Golf Tourism Association to develop a strategy and marketing plan and to prepare successful funding submissions for their annual 54 hole golf tournament.

- Continued the Tourism Excellence program of workshops for 150 tourism operators and mystery shop 'audit' of 60 businesses by Tourism Audit Services Australia.
- Developed a new responsive website for the MP tourism industry which enables automatic formatting of content and bookings across several platforms such as smart phones and iPads.
- Coordinated industry workshops and input to the new Regional Tourism Board Strategic Plan. The two year plan was launched in November 2012 at an industry briefing workshop addressed by Tourism Victoria's Director of Marketing.
- Mentored many tourism businesses to enter the 2012 RACV Victorian Tourism Awards. Peninsula Hot Springs and Max's Restaurant at Red Hill Estate were both inducted into the Hall of Fame whilst Blue Moon Cottages, The Enchanted Maze Gardens, Moonraker Dolphin Swims all won their category. Peninsula Stand Up Paddle and Stillwater at Crittenden won finalist awards.
- Assisted Hastings Visitor Information Centre with set up and volunteer training materials.
- Launched the MP Conference Bureau with 36 tourism businesses participating in a dedicated website, planner and regional representation at The Asia Pacific Incentives, Meetings and Exhibitions Expo (AIME 2013).
- Conducted four CFA 'bushfire preparedness' workshops for industry and volunteers to assist with preparing their personal fire ready plans.
- Conducted many media and trade familiarisations to the region in order to build awareness and interest in this destination for off peak visitation.
- Launched a mentoring workshop series for industry to upskill participants on selling packages into the international travel trade. The series included workshops on commissions, dealing with inbound operators, wholesalers and practical tips on how to sell internationally. The series concluded with a small group presenting to Tourism Victoria staff and then again to a group of inbound operators in Sydney. Five participating businesses won places in Tourism Victoria's annual international mentoring program.
- Continued the industry development program inspiring accommodation businesses to adopt real time availability and to list their product on online booking websites to increase yield. Wotif and the new Qantas subsidiary, Hooroo, now list smaller MP accommodation properties.
- Partnered with ConnectEast to develop an integrated campaign promoting access to Mornington Peninsula via Peninsula Link. The campaign featured a DL direct mail send, billboards along the southbound route of Eastlink, eNewsletter and various media placements with a call to action for the new www.seemorningtonpeninsula.com.
- Participated in the Visitor Information Centre (VIC) Futures Survey conducted by Tourism Victoria. The study aims to identify best practice in (a) VIC operation, service delivery, management and funding; (b) VIC design; (c) criteria to assist in planning for VIC location; (c) information collection and storage. The study also aims to determine the future role of VICs in the context of emerging consumer and technological trends and demographic changes.
- Coordinated a campaign to encourage people to book overnight accommodation and visit the Archibald Prize art exhibition in June. A dedicated website enabled visitors to book tickets together with accommodation.

- Developed seasonal campaigns featuring a collection of events, activities and packages to promote the region during winter and spring. 80 businesses participated with online bookable packages and a print program.
- Coordinated industry consultation for input to the forthcoming Victorian Trails Strategy. The strategy will guide the development of Victoria's cycling, walking and multi-use trails that have the potential to drive tourism visitation within and to Victoria.
- Coordinated industry consultation into the federal government's Tourism Employment Plan for Mornington Peninsula. The plan will identify tangible and practical initiatives that can be advanced to assist tourism businesses with their labour and skill issues.
- Commissioned research into the MP holiday home sector to develop an understanding of the economic impact of tourism in the region and the level of service provision required to support holiday homes / rental accommodation.
- Partnered tourism businesses to conduct research into international visitation trends on the Mornington Peninsula. The MP International Visitor Research Study was published in March 2013 and will underpin strategies and decision making regarding international visitor markets in future.

The coming year:

- Review the Itinerant Trader Policy
- Launch a refreshed MPB Online website, renamed www.MPBBusiness.com.au
- Renew Sorrento and Hastings Special Charge Scheme (Promotional Funds).
- 2013 MPS Careers & Jobs Expo. 27 August 2013 at the Peninsula Community Theatre.
- Frankston & Mornington Peninsula Business Awards 2013 including revision of the categories and entry format as well as attracting new sponsorship.
- Marine Precincts Land Use Study to nurture marine manufacturing opportunities
- Port of Hastings long term strategic planning.
- Develop the Destination Management Plan with the Mornington Peninsula Regional Tourism Board.

SUSTAINABLE INFRASTRUCTURE

Infrastructure Strategy

The Infrastructure Strategy team develops and implements policies and strategies that enhance and sustain infrastructure across the peninsula to the needs and satisfaction of the community.

Key responsibilities:

- Infrastructure planning and policy which involves research, investigation and coordination of strategic activities including capital works, external funding programs, policy development, transport planning (including public transport), landscaping and shopping centre streetscape development and geotechnical investigations.
- Asset management of the Shire's physical assets including an asset register and knowledge management system, pavement management, roads register and road and asset management plans.
- Traffic and road safety including management of traffic and Shire-controlled roadways (local roads), working closely with the community to address road safety concerns and development of a safer road environment.
- Management of Special Charge Schemes which involve the development and implementation of contributory schemes for infrastructure provisions such as roads, footpaths, drains, carparks and underground power.

Highlight:

The Transport Connections Program, which winds up at the end of this year, has had many successes since it commenced in 2007, but 2012-13 has without doubt been its most successful year.

This year the Shire successfully obtained approximately \$1.2M of funding from the Department of Education, Employment and Workplace Relations to deliver a free bus service for eligible students, jobseekers, apprentices and trainees living on the Mornington Peninsula and in Frankston.

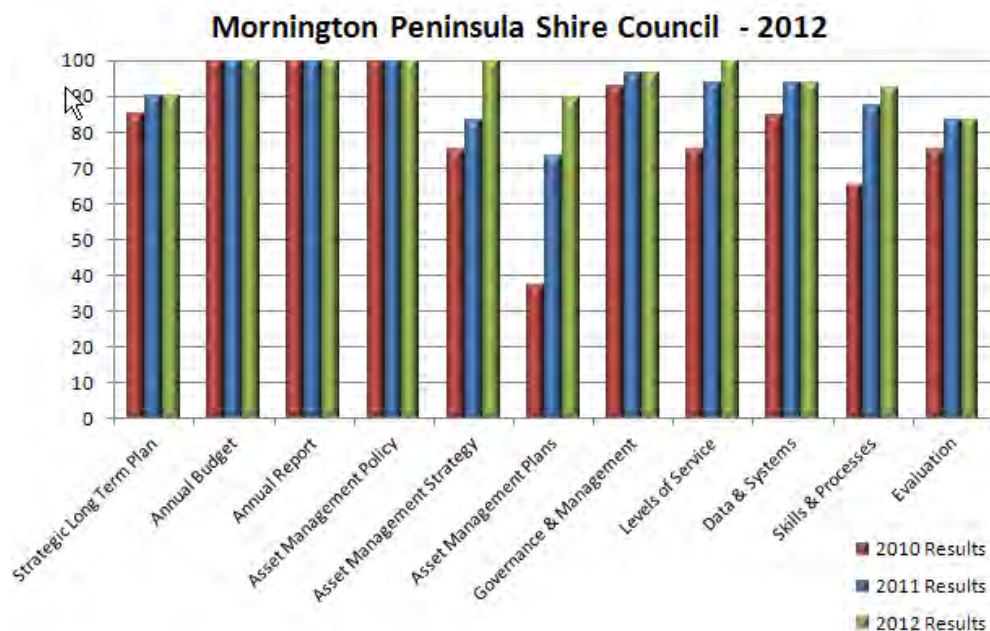
'PenBus', a partnership between Mornington Peninsula Shire and Ventura Buslines, involves two key bus routes to make travelling to tertiary education, training and employment opportunities easier. The first route operates from Hastings to Chisholm Institute (Rosebud) - via Mornington (and return), and the second route operates from Rosebud to Monash University (Clayton) - via Frankston station (and return).

The PenBus service has been designed to address the under-representation of Mornington Peninsula students taking up university offers when compared to the South East Region and Victoria, which appears to directly correlate to transport and travel disadvantage. It is also aimed at addressing some of the challenges caused by local retrenchments and unemployment and is available for job seekers and workers travelling to and from interviews.

Funding of approximately \$85,000 was also secured via the Transport Connections Program from the state government's innovation fund to deliver the 'Get Me to Class' smart phone application. This is a regional partnership project led by Mornington Peninsula Shire and partnered with RMIT, City of Casey and Whittlesea, Shire of Melton, Frankston Mornington

Peninsula Local Learning and Employment Network and People First - Total Solutions. By using smart phone technology this innovative application enables tertiary students to link their individual timetables to the public transport journey planner and arrange car pooling with other students living nearby and going to their destination. Various other features are built in, allowing additional destinations like gym or work to be entered whilst GPS tracking technology is used to pinpoint other users living nearby (for carpooling). The only application of its kind in Australia, this technology will benefit students state-wide.

As part of the MAV's Step Asset Management Improvement Program the Shire has once again reviewed its asset management progress against the National Asset Management Assessment Framework (NAMAF). The NAMAF scorecard measures the performance of all councils in Victoria in 11 critical areas of asset management. The results are used to assess the progress the Council is making against its goal to improve its asset management outcomes and to gauge the progress that is being made across the state to bring all councils to a "Core" level of maturity. The Mornington Peninsula Shire results have improved yet again, demonstrating that the Shire is continuing to improve and is amongst the leaders in asset management in local government in Victoria.



Other achievements for the year included:

- Planning and monitoring of the Capital Works Program has been greatly enhanced through the recent introduction of Projects Pro, our new Capital Works Program management tool. The key benefits of this new system are automating the project update process through use of the email system and direct links, reducing the time required of project managers in reporting on project progress and expenditure and increasing the quality and timeliness of reporting and administration. Further enhancements are planned as the new system is bedded down.
- Asset management plans for parks and open space, roads, buildings and drainage were developed and adopted by Council in October 2012. These plans specify the service levels to be provided by Council, the funds required to provide these services and the practices to be employed to manage each of these asset classes. The

development of the plans is in keeping with Shire's Asset Management Policy and will ensure Shire continues to fund its infrastructure renewal requirements.

- The revision of the Road Management Plan has commenced and is due for completion prior to 1 June, 2013. The review of this plan enables Shire to fulfil its statutory requirements under the Road Management Act (2004).
- Submissions have been made to VicRoads for further blackspot funding for financial year 13-14 for six specific projects, including a roundabout at the intersection of Boes Road/Graydens Road (Currently waiting to hear whether these submissions have been successful).
- We have continued to implement the Bicycle Strategy with the majority of this year's funds used to construct shared paths in strategic locations. A range of other minor works, such as installation of bike racks have also been delivered.
- High-level traffic engineering advice has been provided to the Statutory and Strategic Planning units on a range of important projects throughout the year, including the Mornington Safe Harbour Development and the Alfred Street redevelopment in Hastings.
- Local Area Traffic Management (LATM) improvement works have been delivered in a number of areas across the municipality, including in Somers, Somerville and Tootgarook.
- The traffic and road safety team has continued its ongoing engagement regarding local school traffic management issues with a range of minor works implemented at several locations, including at Mount Martha Primary School.
- The traffic team has completed approximately 150 traffic counts to respond to specific concerns raised by community members and to support ongoing analysis of traffic patterns. Officers have also worked closely with Linking Melbourne Authority and VicRoads to share knowledge about changes in overall traffic movements as a result of Peninsula Link.
- Approximately 25 bus stops have been upgraded with new all-access facilities and shelters as part of our work in partnership with Public Transport Victoria.
- Implementation of the Public Toilet Strategy has commenced with a detailed architectural assessment and scope of works plan being prepared for each of the 48 Stage 1 locations. Community engagement is either planned, commenced or completed for those facilities undergoing major upgrades (Rye, Dromana and Mornington) and tender documents for a suite of minor upgrades are also being prepared.
- Discussion papers for the Car Park Construction Strategy, for both commercial and non-commercial locations, were prepared and presented to Council for consideration. A range of targeted small group meetings with stakeholders is planned for the first part of 13/14 as the first stage of community consultation.
- The team has continued to support broader public transport advocacy efforts through participating in the Interface Councils Public Transport Group and coordination of data collection and analysis activities.
- The Safer Speeds trial has been delivered in accordance with the commitments made to Council and has resulted in significant support from the local community.

An independent evaluation of the trial has been completed and a report is currently being prepared.

Challenges:

- Completing the statutory process for a number of road and footpath contributory schemes.
- Advocating for, and achieving enhancement to, the sustainable and public transport networks.
- Reviewing the unmade car park construction priorities across the Mornington Peninsula.
- Commencing the Public Toilet Strategy refurbishment program.

The coming year:

- Achieve core maturity as part of the MAV Asset Management STEP program
- Continue the implementation of the Public Toilet Strategy refurbishment program
- Review the Unmade Roads Construction Strategy
- Continue the implementation of road construction schemes with a particular focus on unsealed roads that experience significant drainage issues
- Improve road safety on our local streets and rural roads with the continued implementation of the Safer Speeds project
- Enhance public transport with the delivery of the Mornington bus interchange and the development of a strategy to enhance the 788 Portsea to Frankston, 782/783 Frankston to Hastings/Flinders bus services

SUSTAINABLE INFRASTRUCTURE

Infrastructure Projects

The Infrastructure Projects unit provides project management, engineering design and contract management, with a focus on quality infrastructure, environmental management and sustainable outcomes.

Key responsibilities:

- Designing and constructing streets and roads, community buildings, boardwalks, drains and irrigation systems.
- Delivering the annual capital works program.
- Managing and developing subdivisions including working with service authorities to ensure services such as water supply and sewerage disposal keep pace with developmental growth.
- Protecting street assets from building activity and preventing flooding due to storm damage.

Highlights:

The construction of the long-awaited drainage protection works at Seymour Avenue Mount Eliza, Cromdale Street Mount Martha-Mornington and Peninsula Sands. These projects were well planned, difficult to construct (especially due to challenging weather conditions) and well received as being delivered in time to protect many properties from the recent wet weather.

Other achievements for the year included:

- Completed historic building refurbishments such as Mount Martha House.
- Managed stormwater generally from a water quality, flooding and drainage perspective.
- Delivered millions of dollars of capital works projects including popular community requests such as numerous playgrounds, Watsons Pavilion, the Hastings pontoon jetty extension, the Racecourse Road works at Mornington North, Dallas Brooks Park (Beleura Junior Football Club), Sorrento streetscape improvements and the Main Street Mornington Streetscape Project (powerlines have been moved underground and street art has been installed).
- Provided specialist project management staff to assist in the Rye Foreshore Community Playground Project.



Challenges:

- Worked with a reduced fee income from large scale subdivisions, which are being replaced with smaller, infill developments as land for large scale subdivisions runs out.
- Faced the global skills shortage of engineers, civil designers and project management staff while ensuring projects are still delivered on time.
- Dealt with serious and unseasonal storms across the peninsula which required staff to be temporarily reassigned to the drainage team.
- Dealt with the aftermath of storms, investigating causes of flooding and developing protection solutions has kept the Drainage Engineer particularly busy.

- Addressed more frequent instances of coastal erosion working closely with DEPI.

The coming year:

- Aim to ensure delivery of 90 per cent of the committed capital works projects within the financial year, therefore exceeding industry benchmarks.
- Take further action on the outcomes of the Local Integrated Drainage Strategy and the recent predictive flood mapping.

SUSTAINABLE INFRASTRUCTURE

Infrastructure Maintenance

The Infrastructure Maintenance team is responsible for coordinating the delivery of preventative and reactive maintenance services and emergency maintenance to the Shire's built and natural facilities and infrastructure.

Key responsibilities:

- Cleansing and drainage cleaning
- Building maintenance
- Managing the Shire's parks and roadsides
- Implementing the Safer Local Roads program
- Maintaining public furniture and signage
- Managing the Shire's bushland reserves, conservation parks, nursery and delivery of fire management works
- Administrating and maintaining cemeteries
- Maintaining and operating the Shire's fleet services
- Implementing minor capital works programs.

Highlights:

Following an expression of interest process in 11-12, and a robust tendering process, in July 2012 Council appointed the SIMS II service providers for asset maintenance services for the next decade. The new contracts involving buildings, cleansing and drainage cleaning, furniture and signs and parks and roadsides commenced in April.

The tendering process achieved an exceptional value for money outcome for the delivery of an estimated \$5.4M of asset maintenance service standard enhancements/new initiatives for an increase in operational budget of \$1.4M. From August 2012 until March 2013 an intense transition period was held resulting in a smooth changeover of maintenance services and maintenance contractors happening on Easter Monday 2013.

Over the summer period a pilot involving town-based clean teams was conducted in the township/foreshore precincts of Sorrento, Mornington, Hastings, Rye, Dromana and Rosebud. The pilot involved the following:

- a Hi Viz clean team presence from November until the end of January
- responding to local amenity / cleansing matters (e.g. collecting loose litter, management of waste bins, footpath sweeping, replenishment/cleaning of public toilets etc)
- included walk-behind mechanical footpath sweepers
- For Sorrento and Mornington a 12 hour per day presence over the peak summer period was provided.

Monitoring of the trial, including feedback from traders/businesses and the community, showed the approach to be successful in enhancing cleanliness and amenity for township and foreshore precincts.

The initiative will be rolled out cup weekend 2013 and be extended until the end of Easter 2014, and be increased from 12 to 16 hours a day presence over the peak summer period.



Over the past year extreme and severe weather events involving intense rainfall have occurred placing additional workloads and pressure on the maintenance teams in the initial response and cleaning up (recovery). It had considerable impact on the delivery of maintenance services. Extensive and repetitive repairs were required to many kilometres of unsealed roads damaged by stormwater runoff. Shire buildings that had no record of past problems with leaks or flooding experienced issues requiring rectification works. The Shire's street sweeping and drain cleaning programs were also impacted due to flood waters and large volumes of debris.

Many hours of emergency response and assistance to the community and emergency service agencies after hours, often throughout the night, were undertaken.

Over summer there were extended periods of extreme heat, which led to heightened fire risk. However, through fire patrols on total fire ban days, ongoing fire 'walks and talks', partnerships with other agencies and an ongoing integrated program of fire management works, there were no notable events/incidents on the peninsula.

Other achievements for the year included:

- Emptied more than 20,000 litter bins, waste bins and recycling bins throughout January, as a result of increases in tourism, which also impacted on the need for street sweeping, public toilet and beach cleaning, litter collection and footpath sweeping
- Collected more than 2,235 cubic metres of dumped rubbish ranging from old televisions to discarded mattresses.
- Prepared 33 new fire management plans for bushland reserves which are ready to be considered by the Mornington Peninsula Municipal Fire Management Planning Committee prior to adoption by Council.
- Conducted 32 fire 'walk and talks' from October 2012 to March 2013, in order to engage with neighbours regarding management of bushland reserves. The average attendance was eight residents. The walk and talks were supported by local brigades and attended by Ward Councillors.
- Delivered fire management programs in bushland areas, continued strong integrated partnerships with agencies involved in fire management and informative engagement with the community.
- Commenced the delivery of 'Feral Animal Management for Biodiversity Protection' under the new three year contract for the procurement of feral animal control services.
- In previous years The Briars has participated in Certificate II Traineeship offering 'on the job' training one day per week (over a school year), however following a review of opportunities for the young, 10 trainees have been recruited to undertake Certificate III in Conservation and Land Management while working alongside rangers two days per week for a two year period.
- The nursery grew 25,000 plants for specific orders and produced 65,000 plants for retail sales. It also continued to provide training opportunities including work experience and TAFE placements, volunteering opportunities and school group visits.
- A grant obtained through the R.E.Ross Trust has enabled the purchase fencing materials to upgrade The Briars feral exclusion fence being built by a team of new volunteers to help protect and enhance the parks biodiversity. Discussions have now commenced with Melbourne Zoo, Werribee Open Range Zoo and Healesville Sanctuary to explore opportunities for The Briars to partner with these groups for the releasing of rare fauna within the feral exclusion zone.

- Continued development of The Briars Homestead historic gardens, orchards, kitchen garden, grounds and developed and trained a team of new volunteers
- The Shire is hosting a Landcare Facilitator which is a part-time Department of Environment and Primary Industry funded position until 30 June 2015. The focus of the role is capacity building for landcare groups and the on-ground direction has been the development of a biolink plan for each group.
- Commenced the review/development of masterplans for The Briars and Warringine conservation Parks to set strategic direction into the future and accountable operational decisions into the immediate future for management of the parks.
- Commenced Peninsula Way reviews of bushland reserves management services to ensure value for money partnership/s are entered into Council for the delivery of the next generation of service procurement contract/s commencing 1st July 2014.

Challenges:

- Pressures on township/foreshore precinct cleansing and amenity asset maintenance activities and service levels due to increased tourism/visitation.
- Responding to the impacts on parks, gardens and foreshore reserves due to the increased tourism/visitation.
- Responding to the impacts on sports fields due to the increasing growth in participation in summer and winter sports.
- Providing alternative training facilities (grounds) for sports clubs.
- Increasing volumes of dumped rubbish.
- Changing weather due to climate change and impacts on built and natural assets.
- Reaching out to the community over fire management issues.

The coming year:

- Bedding down SIMS II and the fine-tuning of maintenance programs and service standards.
- Continue to explore opportunities to be innovative and responsive to changing infrastructure maintenance pressures while applying accountable fiscal management to ensure expenditure is within available operating budgets.
- Continue to progress the Peninsula Way review for the delivery of the next generation of long term and value for money bushland reserves management Services from July 2014.
- Continue the preparation of masterplans for The Briars and Warringine parks.

SUSTAINABLE INFRASTRUCTURE

Renewable Resources

The Renewable Resources team advises the Shire and community on ways to work towards sustainability by being strategic and innovative in the development and delivery of programs and services involving waste, water and energy and managing the risk and opportunities of climate change.

Key responsibilities:

- policy and strategy development including climate change mitigation and adaptation
- community engagement and education on climate change
- water resource management and practices
- energy use and efficiency
- waste management including strategic directions and operational issues
- advocacy
- innovation

Highlights:

Each year four million household garbage bins and two million recycling bins are emptied. The Shire has a bold vision for the delivery of sustainable waste management services and is working with its partners to achieve industry leading waste diversion targets. By diverting more waste from landfill the Shire is achieving significant environmental, social and economic outcomes.

Aggressive waste diversion targets were developed after undertaking extensive industry research, with the wish to go above and beyond industry best practice and to challenge the market to determine if higher waste diversion rates were achievable at an affordable cost. The new waste contracts included a target of 20 per cent of hard waste to be diverted from landfill in year one. This target will increase by 7.5 per cent annually over the next five years to a required a diversion rate of 50 per cent in year five. This was a significant increase because prior to the commencement of the contract, the highest diversion rate that had been achieved at our waste facilities was 13 per cent.

Since the commencement of the contract, the targets have not only been met, but greatly exceeded. The Shire achieved auditor-verified diversion rates of 58 per cent within the first 12 months! It resulted in significant cost savings – tipping costs for disposal of hard waste at a private landfill were reduced by \$1.2 million.

Other achievements for the year included:

- Continued delivery of community education and engagement programs based at the Eco Living Display Centre at The Briars in Mount Martha. The centre aims to show residents how they can retrofit their homes to make them more sustainable and energy, water, waste and resource efficient. Workshops this year included:
 - 1) Schools Environment Week with more than 500 children participating
 - 2) Keep Australia Beautiful – hosting the Victorian Tidy Town Awards 2012 with representatives from around the state
 - 3) Daffodil Day – hosted a morning tea fund raiser
 - 4) Sustainable House Day, a nationwide event promoting sustainable houses held annually in September

- 5) Sustainability workshops during school holidays including composting activities and safari adventures
 - 6) Sustainability workshops on topics such as permaculture, seed saving, fruit preserving, jam making and wicking beds
 - 7) Mayoral Sustainability Awards
- A successful Sustainability Festival was held in March 2013 at The Briars and the Eco Living Display Centre. Around 2,000 people participated throughout the day.
 - Home environment kits are available for loan from all Shire libraries for residents to test energy consumption and running costs of their appliances. These are used continuously and have proven to be very useful to residents in reducing their energy bills.
 - Two no-charge green waste weekends were provided for residents, in November and April. More than 4,020 residents made use of the free service in April, depositing some 5,270 cubic metres of green waste. The volumes are similar to those in the previous year.
 - Continued provision of free television disposal and recycling.
 - Negotiated and commenced a three month trial to recycle commercial volumes of paint. This will reduce the environmental impact of discarded paint in landfills. If successful, this program will roll out to other landfills in Victoria.
 - The opt-in kerbside green waste collection service continued to expand – more than 14,000 residents are using the service.
 - Continued operation of domestic kerbside waste services. Each year four million household garbage bins and two million recycling bins are emptied.
 - A new green waste processing trial was developed at the Tyabb landfill site. The new gore cover trial process is working well in producing high quality product, but is taking longer than expected for the green waste composting process to be completed.
 - An illegal dumping initiative continued to be implemented jointly by the Shire, the Regional Waste Management Group and VicRoads. The program is aimed at ‘hot spots’ where illegal dumping is an ongoing concern. Counter measures include video cameras, education and enforcement.
 - Clean Up Australia Day was a success with more than 50 sites registered by community groups, schools and individuals. More than 1,000 volunteers contributed.
 - Developed the Energy and Greenhouse Management Improvement Plan. The plan sets out a commitment to reduce emissions from Shire buildings by 35 per cent by 2017, resulting in a payback period of five years. This will be realised by progressively reducing the amount of energy used at Shire-managed facilities and will demonstrate the Shire’s preparedness to tackle climate change.
 - Purchased green power for approximately 300 Shire buildings for part of the year. Council is now moving away from the purchase of green power and has redirected these funds to install energy-saving measures for Shire buildings.
 - Shire has facilitated a tender process to collectively purchase energy for sporting clubs and community groups as part of a group buy.
 - SECCCA (South East Climate Change Councils Association) was successful in gaining a federal grant of \$1M to improve energy efficiency and behaviour change with sporting groups across the nine Councils. Sporting clubs will work closely with energy efficiency experts to understand their usage and ways they can save energy and money.
 - Shire, as a member of SECCCA, is participating in a research project to understand the best ways to influence community members to reduce their energy use. This is

funded by the federal government with funding of \$4.41M over the next three years (total project costs of \$6M). Contract negotiations have been finalised and scoping and recruitment of staff for the project will commence in the next financial year.

- Further development of the Integrated Water Strategy which identifies further opportunities to maximise alternative water use, maintain appropriate environmental flows and ensure water security. It also includes an assessment of the performance of the Water Sensitive Urban Design assets under a number of different climate scenarios.
- The Shire has entered into an agreement with Melbourne Water to fund a Water Sensitive Rural Land Officer. Melbourne Water has also provided funding to undertake works on private land around two sensitive catchments in Watson Inlet and Cape Schanck. The Shire is working to engage land holders to implement water sensitive farm design solutions to improve the on-farm water quality and the run-off into adjoining water ways.
- In partnership with Melbourne Water the Shire is trialling the installation of downpipe diverters to reduce the volume of stormwater entering our local creeks and to improve the water quality. Mount Martha has been selected for the trial area. To date, 20 diverters have been installed in homes in the area.
- Work is under way to link billing data for energy and water use to and to rationalise our current metering infrastructure. This information will be captured and stored in our GIS system to link metering information with property data – this had already resulted in savings of \$4,600 to date.
- Shire worked with Casey and Cardinia Councils and the state water authorities to prepare a business case for the Bunyip Food Belt. The project aims to enhance primary production of food and fibre in the Casey/Cardinia corridor and the Somerville/Tyabb area. Funding from state government was sought to undertake the early works phase to develop legal agreements, detailed design, costings and tender documents.
- Establishment of the Climate Change Adaptation Advisory Committee, to provide the strategic direction for the planning of the Shire's approach to climate change adaptation. The committee is focused on ensuring appropriate measures are taken to adapt and enhance Shire and community assets, protect the health of the community and build community resilience and capacity to respond to climate change.
- Commenced development of a Climate Change Policy to capture the Shire's leading role in climate change mitigation and adaptation.
- Revised the Environmentally Sustainable Development Policy to ensure leading practice for the maintenance, renewal and new Shire buildings. Reporting will be an important part of the new policy to track our progress.
- Implemented modern air conditioning system and controls upgrade at Rosebud office, delivering reductions in energy use and greenhouse gas emissions. New system includes intelligent heat recovery and individual controls to reduce unnecessary energy use.
- Installed ceiling insulation and energy efficient lighting to reduce energy use and greenhouse gas emissions at numerous Shire facilities.
- Over the year the electricity generation achieved by converting our methane gas from the landfill to electricity was 4,250 Mega Watt hours (MWh). By generating this electricity we:
 - 1) Reduced green house gases by 22,600 tonne.
 - 2) Removed the equivalent of 5,344 cars from the road.
 - 3) Generated power for 580 homes.

- A reduction in the Shire's impact on climate change through reduction in GHG emissions from the Shire's fleet by replacing vehicles with more efficient (4 cylinder) vehicles has continued over the past 12 months. The average consumption of Shire vehicles is now 8.32 litres / 100 km compared to 9.05 litres / 100 km this time 12 months ago.

Challenges:

- The state government Environment Protection Authority (EPA) will increase its landfill levy from \$48.40 per tonne to \$53.20 per tonne from 1 July 2013. This increase, coupled with annual contract indexation, will result in an increase in waste fees and charges. A further landfill levy increase has been foreshadowed by state government for the following year.
- The increased prices at the waste disposal centres have resulted in a sharp reduction in volumes being paid for, and a significant reduction in revenue. Residents are reducing their waste disposal costs by using their waste vouchers and the 'no charge' green waste weekends. However, the Shire must still cover the cost of disposing or treating this waste in an environment of falling revenues.
- EPA requirements for managing open and closed landfill sites are increasing and require a greater level of resources including external auditing requirements, bore sampling and remediation works as needed.
- The state government assessment of advanced resource recovery technologies to process municipal solid waste concluded that the poor track record in procuring such technologies and their performance did not meet expectations. Options will need to be reviewed to manage our future waste management needs.
- Increased costs for power and water.

The coming year:

- An Integrated Water Management Strategy will be developed and placed on exhibition for community comment. It aims to develop a strategy and capital investment plan for the three key areas of water quality, alternative water supply and demand management.
- Develop new kerbside garbage and recycling contracts – these are major contracts that impact on every household. Service delivery and high quality customer service will be critical elements in determining the successful tenderer.
- Review the Waste Management Strategy to re-examine the options for waste disposal over the next five years.
- Working with an independent auditor to undertake monitoring and works at closed landfill sites to meet the EPA's monitoring requirements and standards. Some remediation works may be required to achieve these standards throughout the year.
- Living Rivers, a water sensitive urban design project, will be constructed over the next two years and jointly funded by a Melbourne Water grant of \$225k and a contribution of \$90k from the Shire.
- Continue to work with the Climate Change Steering Committee to lead the adaptation approach and identify priorities for action for the organisation
- Continue to support climate change adaptation research projects through the federal government's Coastal Adaptation Decision Pathways Project.
- Develop a climate change policy for the organisation.
- Adoption of the ESD policy for the maintenance and renewal of existing buildings and incorporating these requirements into new buildings.
- The Climate Change Community Engagement Officer will present a calendar of programs and workshops at the Eco Living Display Centre at The Briars.

- Implement the Energy and Greenhouse Management Improvement Plan to work towards achieving the new emission reduction targets.
- Continue to advocate to government to provide funding support for a recycled water scheme for the Tyabb and Somerville areas as part of the Bunyip Food Belt program.
- Continue retrofitting water-saving devices to Shire buildings as part of the corporate water program.

SUSTAINABLE COMMUNITIES

Child, Youth and Family Care

The Child, Youth and Family Care team supports, nurtures and develops families and young children within the Shire through a range of direct services, as well as assisting community and not-for-profit organisations with financial and infrastructure support.

Key responsibilities:

- Communities That Care, building safer neighbourhoods for children and their families.
- Maternal and Child Health and immunisation services.
- The Early Years team focuses on improved health, wellbeing, learning and development of children aged 0-8 years and their families. The team is responsible for a number of programs including Best Start.
- Child care programs for ages 0-13 years including Family Day Care and Outside School Hours Care.
- Neighbourhood/Community houses, Pre-school Committees of Management and Information and Support Centres.
- Management of the Shire's Community Directory and Community Grants scheme.
- Youth Strategic Planning and Support including one-on-one support for young people and their families, personal development and leadership programs, after school and holiday programs for young people aged 10-17 years, operation of the Shire's Youth Centres *YLounge and Shed11*, and numerous programs, music events and skills training.

Highlights:

One of the major highlights this year related to the positioning of our community to best respond to the state/federal Early Years agenda (Universal Access). This has particular impact on the 27 community-based preschools that operate within the Shire in Council-owned facilities.

This year also saw significant development of community facilities with the establishment of community hubs at both Rosebud West and Hastings as well as a new preschool at Somerville and significant refurbishment and redevelopment at other sites. Additional funding gained in this year will allow further preschool building works to be undertaken at Baxter, Sorrento and Bentons Square next year.

The early years sector demonstrates continued growth in, and commitment towards, working collaboratively to improve outcomes for children. The Shire's role in the strategic facilitation of linkages and supporting opportunities for shared knowledge and connections across the community is strongly valued by stakeholders. The Early Years team's vision of a sustainable future through improved outcomes for children is increasingly well known in the sector. Stakeholders understand how this relates to both the work that the team does on behalf of the community and also the strategic direction of the Shire as a whole.

The Shire's Youth and Maternal & Child Health teams also continued to grow providing a wider range of services to young people of all ages within the Shire.

The Family Day Care program received a nomination in the 2012 State Early Years Educator of the year acknowledging outstanding achievement in child care.

Challenges:

- Staffing for M&CH and FDC Educators continues to be a challenge with targeted programs being implemented to attract and support these workers.
- The implementation of the National Early Years Reform Agenda also continued to create challenges with Preschools and Council working hard to meet the new requirements.
- Addressing the ever increasing community expectation of having a youth service presence in each of the Shire's townships. Planning is being undertaken this year which we believe will see a third Youth Resource Centre established at Mornington.
- Staffing continues to be an issue within most areas of service provision including M&CH, Youth & OSHP.

SUSTAINABLE COMMUNITIES

Aged & Disability Services

The Shire's Aged & Disability Services team aims to support older people, and people with a disability and their carers to live well and independently.

Key responsibilities:

The 250 employees and 220 volunteers of the Aged & Disability Services team provide a range of in-home and community-based support services to enable older people and people with a disability to remain living at home safely and independently. Services are particularly focused on empowering individuals to maintain and improve their functional capacity, utilising Home and Community Care (HACC) Active Service Model and Positive Ageing principles.

- Information, assessment and referral.
- Home, personal and respite care.
- Delivered meals.
- Home maintenance and modifications.
- Community transport and activity programs.
- Senior citizens centres.

Note: Services are funded by federal and state governments and the Shire.

Highlights:

Despite external funding shortfalls (including state government 2 per cent recurrent funding reduction and indexation rates reduced from 3.14 to 2 per cent totalling \$450,000 reduction over two years) and continued increasing need for HACC services from an ageing and much older than average population, the Shire has been able to keep pace with demand and avoid implementation of waiting lists through additional Shire contribution to HACC services.

Other achievements for the year included:

- Excellent results in three external audits including annual Quality Management System ISO 9001, annual Class One Facility Food Safety and triennial Commonwealth Community Care Standards.
- Continued progress in implementation of the HACC Active Service Model. The approach seeks to 'do with, not for' ensuring that support services don't create dependency but enable clients to undertake many of their own personal, domestic and community activities of daily living with targeted interventions and support.
- Extensive community consultation to develop a Draft Positive Ageing Strategy to follow on from the previous Elder Citizens in the Community Strategy.
- Continuous improvement of risk assessment processes and control measures.
- Significant reduction in workplace injuries in a high risk industry.
- Ongoing identification of vulnerable clients and provision of assistance to develop their own personal emergency management plan (i.e. what they will do in the event of a bushfire or heatwave (in the absence of family members to assist)).
- With the frequency, severity and duration of heatwaves and bushfire predicted to increase in the future as a result of climate change, the team has continued to refine heatwave and bushfire response plans to assist our more vulnerable community members to survive these extreme weather events.
- The team also delivered the following to enable more than 9,000 (over the year) older people and people with disabilities to remain living at home safely and independently:

- 1) 5,629 comprehensive 'living at home' assessments to develop care plans to support clients' independence and functional capacity (an increase of 1,025 compared to last year)
- 2) 175,000 hours of home/personal/respite care and assessment (an increase of 8,000 hours on last year's figures)
- 3) 84,000 delivered meals
- 4) 4,400 hours of home maintenance and modifications (an increase of 500 hours)
- 5) 9,300 community transport passenger trips (an increase of 800 passenger trips)
- 6) 6,300 hours of activity programs
- 7) Support to 20 senior citizens clubs, including six from culturally and linguistically diverse backgrounds.

Challenges:

- Keeping pace with increased demand for support services from an ageing and much higher than average older population.
- Providing quality services in the context of external funding shortfalls and increasing costs of service delivery including labour cost increases and food/fuel cost increases.
- Facing skills and labour shortages in community care worker and assessment sectors.
- Meeting team standards for timely response to service requests with an increased number and complexity of client referrals.
- Managing increasing complexity of care requirements for clients.

The coming year:

- Continue advocacy to state and federal governments to allocate funding that keeps pace with the actual costs of service delivery and the increasing need for service from a much higher than average population.
- Advocacy to the commonwealth on national health and aged care reforms, specifically local impacts of the recently announced transition of HACC to full Commonwealth funding and responsibility.
- Continue expansion of community transport programs to ensure all peninsula residents (older people and people with a disability) have suitable options to enable them to fully participate in community life.
- Finalise and implement the Positive Ageing Strategy which will include a 'whole of Council' and 'whole of community' approach to positive ageing.
- Continue integration of the Department of Health strategic direction, active service model, into all aspects of service delivery.

SUSTAINABLE COMMUNITIES

Recreation and Leisure

The Shire is committed to supporting and strengthening the wellbeing of our diverse communities by developing and providing innovative and enjoyable social, recreational and leisure experiences.

Key responsibilities:

- Managing open spaces including 193 kilometres of foreshore, 350 parks, 139 bushland reserves, 160 playgrounds, more than 1,000 campsites and 58 sporting fields. The team also manages the Shire's leisure centres, sporting and recreation facilities, community halls, recreation reserves and foreshore camping facilities.
- Community event planning, approvals, assistance and advice.
- Temporary community signage policy and management.
- Operational responsibilities of Peninsula Community Theatre.
- Strategic recreation planning.

Highlights:

Camping on the foreshore remains a popular and affordable holiday. The Shire-managed precincts of Rosebud, Rye and Sorrento were again all fully booked over the six week peak season. The shoulder periods (pre and post season) increased by a staggering 39 per cent in comparison to the previous year. Section 10A was reopened to camping following an upgrade of facilities, which meant another 77 sites were filled. This area had been closed by Parks Victoria due to a lack of customers.

Implementation of long term master plans for Bunguyan and Tyabb Central Reserves and Police Point Shire Park continues. Works have been completed to upgrade the memorial space at Tyabb Central Reserve, and detailed designs are being prepared for the road and car parking areas of both reserves.

Directions for equestrian facilities including trails and reserves (where equestrian activities take place) were included within the Draft Roadside Equestrian and Mountain Bike Trails Strategy. The strategy was developed after an extensive process of investigation and consultation with trail users, club members and others. It was placed on public exhibition in December 2012. Two public drop-in sessions were held during this period as well as stakeholder meetings. The strategy identifies a revised trail network, users behavioural codes for trails and reserves, a trail development and maintenance hierarchy, and a new long distance riding trail called 'The Peninsula Traverse'. It has been well received by trail users and stakeholders who are looking forward to implementation of key actions to improve the well utilised trail network.

Pelican Park Recreation Centre provides a range of fitness programs and activities to a large segment of the local Hastings area and broader Mornington Peninsula community. The centre's health and fitness programs seek to achieve a range of outcomes including promoting good health and wellbeing through exercise, injury prevention, and providing opportunities for social connectivity. The Shire recently refurbished the gymnasium to incorporate new cardio and weights equipment.

Pelican Park Recreation Centre supports a number of community events such as the MS Mega Swim, which is a team-based continuous swim relay held over a 24 hour period. The event, now in its 3rd year at the centre, has significantly grown in participation since its inception.

Other achievements for the year included:

- The Foreshore Team continued to work closely with the Camping Liaison Committee. The Committee provides invaluable feedback to staff (26 members representing each of the amenity block areas)
- Pelican Park Recreation Centre had on average 20,000 patrons per month
- Facilities that have been recently upgraded continue to be incredibly popular, for example the Mornington Park Pavilion has been fully occupied each week.
- Hall refurbishment works were completed at Watsons Pavilion at Percy Cerrutty Reserve in Portsea and stage 3 refurbishment works at Mount Martha House. Relocating groups during the building works has been a challenge for the Halls Bookings team.
- The Australia Day Celebrations held at seven townships entertained more than 80,000 spectators with a vast array of free family activities and entertainment.
- The 2013 Arthurs Seat Bay 2 Bay Ride saw a small but enthusiastic cycling event. 400 riders participated on the day the majority responded with positive feedback.
- The Shire's communications strategy continued to enforce the 'No entertainment, No nonsense' approach on New Year's Eve, via saturated press coverage, printed media and signage. Free bus services operated without delay or incident in Sorrento and Portsea and security presence in the area was persistent in challenging unacceptable behaviour. Support has been received from the local community and businesses (residents, chamber of commerce, CFA and the rate payers association) all of whom structure the New Year's Eve steering committee. The outcome was highly effective, offering a safe and responsible community celebration with reduced anti-social behaviour. Victoria Police recorded a total of 61 offenders - 38 infringements for alcohol related offences and 23 behavioural offences.
- Opportunities for the community to become more active and healthy every week:
 - 1) Pelican Park runs 44 group fitness programs
 - 2) The Pelican Park Swimming Club undertakes nine sessions and two adult squad sessions
 - 3) Sport & Leisure team conducts eight all access programs such as the Koori Water Activity program, School Holiday Programs for Disabled Children – SCOPE and walking groups established across the Mornington Peninsula both indoors and outdoors
 - 4) Pelican Park runs on average 52 personal training sessions
 - 5) Pelican Park runs 230 swimming lessons
 - 6) Pelican Park runs two school intensive programs (on average)
 - 7) Somerville Recreation Centre conducts on average 21 programs
 - 8) Somerville Recreation Centre hosts on average 50 sessions run by users groups including Basketball, Soccer, Badminton, dance and community education classes.

Challenges:

- Continuing to meet the growth junior participation in sport.
- Community Halls continue to remain popular venues for community organisations and residents to use; however, challenges will remain for larger facilities as traditional users i.e. dance schools, karate groups etc are finding it harder to attract participants.
- Meet the expectation of key sporting codes who are wanting to develop 'out of season' competition and women's competition. These are worthy aims, but it can be a challenge for sports grounds to cope with increasing loads.
- The Shire is working closely with clubs in concept designing the next five sports pavilions at Ferrero Reserve, Olympic Park, Crib Point, Cyril Fox Reserve and Barber Reserve. This will assist in meeting the needs of growing participation and also in maintaining safe sports surfaces.
- Continuing to deliver innovative health and fitness opportunities that promote community engagement and develops relationships with like minded partners.

The coming year:

- Pelican Park Recreation Centre celebrates its 10th birthday this year (December 2013). Planning is well underway to signify the occasion and celebrate the variety of facilities and programs the centre has on offer.
- The first stage of the David Collings Leisure Centre redevelopment will commence in early August 2013. The redeveloped centre will include: the Mornington Tennis Club, Mornington Youth Club, Mornington Peninsula Table Tennis Association and the Shire's extensive program. This will include the construction of 12 new lit tennis courts, new tennis pavilion, gymnastics facility and upgraded office, kiosk and social space areas. Upgraded multipurpose/fitness rooms and car parking spaces will form part of the scope of works in the 2013-14 with the remainder due to be completed by November 2014.
- Detailed design of the Fruitgrowers Reserve Somerville and the Mount Martha Tennis Club will be completed in readiness for construction. It is expected that the Fruitgrowers pavilion will begin construction in the coming financial year. The new pavilion will provide an exceptional community facility for the Somerville Junior Football Club and residents. It will meet all current standards required by sports associations and will provide much needed assistance to club volunteers.
- The Foreshore Camping team is developing an online booking system to assist holiday makers in planning their trip. Bookings have grown by 30 per cent over the past three seasons with the team receiving more than 20,000 calls per annum. The new system will be integrated with Google Maps enabling anyone with a smart phone to identify and book their sites. It is anticipated that this system will be ready in time for the summer season 2013-14.
- Following the success of the 2011 event the Pet and Pony Expo is planned for this year at the Village Green, Rosebud. The event will continue to emphasise and educate responsible pet ownership to over 65,000 local households with pets and other animals. It is expected to attract up to 10,000 visitors throughout the day all of which can enjoy a vast range of exhibitor products and information, free

entertainment, meet and greets, free activities, competitions and give-aways. With a detailed marketing plan and increased advertising, it is likely to suggest this year's expo will be attended by many community members.

SUSTAINABLE COMMUNITIES

Libraries, Arts & Culture

A core goal of the Libraries, Arts & Culture unit is to raise community participation and increase access to arts and cultural experiences, information, technology and learning.

Key responsibilities:

- Free access to books, magazines, newspapers, CDs, DVDs, comics and talking books.
- Free access to technology, including internet, homework tutoring, eBooks, eTalking books and other digital resources to assist education, family history research and professional or recreational purposes.
- Providing access to mobile and home library services.
- Providing access to exhibitions of local, national and international works of art at Mornington Peninsula Regional Gallery (MPRG).
- Hosting events and life long learning programs at MPRG and libraries (Our Library) to encourage community participation in arts, cultural and literary experiences.
- Supporting the development of the Local History Network with training and practical assistance to facilitate preservation of and access to local history resources.
- Development and implementation of the Arts and Culture Strategy.

Highlights:

Our Library continued to promote the importance of literacy with the development of new programs for our community. Team members continued to collaborate with Mornington Peninsula Literacy Villages – a partnership project between state and federal governments, the Mornington Peninsula Shire and the Catholic Education Office.

Ready Set Read early years literacy outreach program resumed. The team visited a range of venues and facilities across the peninsula to help spread the word about the benefits of young families reading together and sharing books. A special focus was placed on the Western Port and southern peninsula areas targeting specific facilities and groups.

In September eBooks were introduced to the collection. Cr Frank Martin officially launched the collection to enthusiastic library members and Garry Disher, our National Year of Reading ambassador, read to the audience from his eBook *Whispering Death*. In the first month following the launch 189 library members used the service loaning 372 titles. More than 1700 titles are now available for loan.

Our Library had its most successful Summer Holiday Program to date with 5,052 children from all corners of the peninsula participating in over 39 activities during January 2013.

The significant work of the Local History Network was recognised by Museums Australia with a \$10,000 grant to develop a joint local history travelling exhibition titled *Postcards from the Mornington Peninsula*.

In September 2012, Council adopted the Arts and Culture Strategy 2012-13 to 2014-15. Key actions implemented for 2012-13 included planning for the establishment of an arts and culture advisory panel, development of a communications and marketing plan and the establishment of the inaugural Mornington Winter Jazz Festival in partnership with Mornington Chamber of Commerce.

In late 2012, MPRG was selected as the sole Victorian venue to hold the Archibald Prize exhibition in 2013 and 2014. This exhibition is regarded as the most important portraiture prize in Australia. The exhibition attracted more than 48000 visitors.

Other achievements:

- Planning and development of Our Library and MPRG's new websites commenced. These will enable greater interactivity and access to a wide range of information, including podcasts, iCal and eLearning resources.
- Planning commenced for the redevelopment of Mornington and Rosebud libraries and the refurbishment of the mobile library.
- Introduced the adult music collection to Our Library's collection and an online one-on-one life long learning service.
- As part of the National Year of Reading 2012:
 1. Quick Reads, bite sized books for adults, written by popular authors and celebrities, designed to be read in one sitting, were introduced into the collection.
 2. "The Big Read" fun days were held at Rosebud, Hastings and Somerville libraries, each attracting over 1,200 visitors and included projects promoting and celebrating literacy for all ages.
- A highly popular email notification system was implemented by Our Library providing members with reminder notices which has significantly reduced the amount of printed overdue notices.
- Our Library, MPRG and Arts and Culture produced promotional videos which were shown on buses throughout Frankston and Mornington Peninsula public transport networks.
- *Our Library* and *MPRG* collaborated to celebrate the *Look! The art of Australian pictures books today* exhibition with special simultaneous storytimes as well as a storytime by author Elizabeth Honey.
- Interactive sessions for teens with visual artist Leo Baker about his work on the academy award winning short film version of Shaun Tan's picture book, *The Lost Thing* at Mornington and Rosebud libraries.
- High Tea with Julie Goodwin at Mornington library was an extremely popular event with tickets selling out in under three days. Julie entertained guests with an amusing talk about her life before, during and after *MasterChef* while everyone enjoyed a high tea comprising of goods by local suppliers.
- Completed over 30,000 high quality scanned images and 730 searchable PDF's as part of the Local History Digitisation Program aimed at digitising at risk historical collections on the peninsula.
- Installed the sculpture *Letters* by local artist Gwen Bridges Mulder in Main Street, Mornington.
- Developed and implemented the "Telling Tales" positive ageing oral story project.

Challenges:

- The adequacy of current library buildings and opening hours to meet community needs.
- Developing long-term strategic plans for library services, MPRG and local history services that address complex social, culture and technological change impacting the peninsula.
- Meeting the needs of growing numbers of elderly residents for home-based and institutional access to library services.

- The introduction of Radio Frequency Identification (RFID) systems with the aim of raising customer service standard and increasing the efficiency of library front desk operations.
- Providing online community access to unique local history resources.

The coming year:

- Implement the Library Strategic Plan, incorporating strategic actions around marketing, opening hours reform and technology access.
- Restructure the Literacy Villages and develop a Literacy Action Plan.
- Accelerate the early years literacy programs with the 2013-14 rollout of Ready Set Read.
- Second year implementation of the Arts and Culture Strategy 2012-13 – 2014-15 focused upon expanding access to arts and cultural engagement via the introduction of community arts programs in a range of locations.
- Plan the third Festival of Arts and Ideas, which will feature an increasing variety of programs and locations.
- Finalise and implement the MPRG's and Our Library's new websites.
- Develop a new interactive online catalogue for Our Library, enabling greater interactivity for members, including the ability to post user reviews.
- Finalise the Local History Development Plan to consolidate and strengthen programs which aim to preserve into perpetuity rare and significant holdings of the local history societies.
- Further develop and implement the local history travelling exhibition, *Postcards from the Mornington Peninsula*.

SUSTAINABLE COMMUNITIES

Social Planning and Community Development

The Social Planning and Community Development team aims to support and strengthen community wellbeing through social justice and self determination initiatives that lead to resilience and social change. The team is committed to supporting and strengthening the Shire's diverse communities through planning and implementing strategies which facilitate optimal health and wellbeing outcomes, and that address inequities in the lives of peninsula communities.

Key responsibilities:

- Aboriginal support and cultural development
- Access and equity
- Community development initiatives
- Disability awareness and social inclusion
- Health and well-being
- Housing rights and issues
- Social research, policy and community planning

Highlights:

Under the Shire's Health and Wellbeing and Access and Equity Agenda, a range of films focusing on issues of human rights or wellbeing are screened regularly with guest speakers and Q&A in the program. Themes include anti-poverty week, all abilities day, environment day, international human rights day, international women's day and reconciliation week. The events often have a full house, and receive keen supportive feedback from the community whilst also raising funds from gold coin donations for local welfare and community groups. The films and presentations are screened in partnership with the Human Rights Arts and Film festival (HRAFF) and a range of not for profit agencies and have become a popular feature throughout the year.

The first live concert was held by the Mornington Park Primary School and U3A Singing for Fun Group at the Mornington Secondary College Auditorium to a house full of parents, teachers and children. The project was sponsored through the SP&CD music for social change program. The school reported an overwhelming positive response that gave children a huge sense of achievement and pride.

Somerville Recreation and Leisure Centre signed up as the first recharge point for mobility scooter and electric wheelchair users. The Recharge Scheme is a partnership between the Shire and local business and organisations. This Scheme empowers motorised mobility scooter and wheelchair users to be active and engaged in the local community by giving them the confidence to travel to their destination without the fear of being stranded.

Other achievements for the year included:

- Launched the Shire sponsored short film, *Womindjeka*, with traditional Boonwurrung owner and elder as part of National Reconciliation Week 27 May – 3 June.

- Special presentation to the Council which included smoking ceremony, traditional welcome, didgeridoo, dance and presentation from Wulum Warrain Aboriginal gathering place participants and supporters
- More than 70 people participated in the annual NAIDOC Week Flag Raising Ceremony and art exhibition held at the Shire office in Hastings. 140 people attended the NAIDOC dinner dance.
- Tjaegan Wilson-Blow Award 2012 was presented to former Councillor Brian Stahl. The award recognises people within the community who have worked towards reconciliation on the peninsula.
- A combined effort from Wulum Warrain members, local volunteers, retired tradesman, Bunnings, Friends of Warrigine and community agencies and Shire staff has seen the development of Wulum Warrain Aboriginal Gathering Place. Successful fundraising included raising more than \$1,000 at a sausage sizzle and an increased contribution of more than \$38,000 from Closing the Gap funds.
- In recognition of the value of Aboriginal cultural heritage the Shire evolved the Aboriginal Cultural Heritage Cadetship into a 1EFT cost recovery position to provide detailed advice and undertake complex Cultural Heritage Assessment Plans. This assists the Shire to protect and enhance Aboriginal cultural heritage.
- Initiatives rewarded:
 1. One Aboriginal young person encouraged and supported to take up a traineeship with ANZ bank is now working full time.
 2. Two Aboriginal men gained their Aboriginal Cultural Heritage certificate IV.
 3. Aboriginal community members were successful in gaining food handling certificates.
 4. One Aboriginal community member received their degree in Business Marketing.
 5. 15 Aboriginal women participated in the Aboriginal Women's leadership program and camp participating in cultural partnerships between the Aboriginal Support and Development team, Wulum Warrain and the Boonwurrung Foundation.
- More than 130 families are involved with the Aboriginal Support and Development team access and support program, with 42 service providers involved over the past 12 months.
- Council endorsed and signed the Cultural Diversity Statement of Commitment to partner with (1) Australian Human Rights Commission against racism and (2) Refugee Council of Australia's Local Government - Refugee Welcome Zone Initiative.
- The Shire's updated Disability Plan was adopted by Council on the 25th March coinciding with 20 years since the Disability Discrimination Act (DDA) was first introduced.
- A community initiative funded by the Shire partnered Family Life and Seawinds Community Hub, to jointly conduct the first local Rosebud Volunteering Expo. 19 organisations set up displays and were provided a fantastic opportunity to network and recruit volunteers.
- The Friends of Tootgarook Wetlands celebrated World Wetlands day in February. Local community enjoyed walks, talks, art activities and learned a lot more about the area and the local habitat.
- Rosebud Secondary College SPAC was host to a successful film screening, *Island President* (about the impacts of sea level rise on the Maldives) and discussion with special panel guests talking about climate change, rising sea levels and social justice and environmental issues.
- The Aboriginal Support and Development team held bush tucker workshops and cultural heritage programs as part of the week for more than 120 children.

- In August, a short film that documents the journey of the Community Renewal Program and the outcomes of the program over the last five years was launched at the Seawinds Community Hub. Joan Kirner was the special guest and spoke to the community about looking to the future and keeping Rosebud West on the map. View the film: <http://www.youtube.com/watch?v=EYt8qd9tCnw>
- The steering committee of Rosebud West Community Renewal has made a commitment to form the Rosebud West Action Group. The group is a partnership with local community members, government, businesses and agencies that will continue working together to achieve positive outcomes in the area.
- The Shire has been working with motorised mobility scooter and wheelchair users to create mobility maps. These maps enhance the capacity of people with disabilities to participate in the same opportunities as everyone else in the community in the key activity areas of Rosebud, Mornington and Hastings. Mobility devices can play a great part with improving access to everyday services as well as enhance the individual's quality of life. The Mobility Map shows important information on a range of access features such as: accessible toilets and car parks; taxi ranks; bus stops; accessible pedestrian crossings; and chemists.
- Mornington Peninsula Service Providers Network (MPSPN) held a disability forum at the Safety Beach Yacht Club focussing on disability access and inclusion issues, with very positive feedback from participants.
- The Collaborative Garden Project at the Eco Living Display Centre has welcomed Focus clients to the group, joining Konnections and Kankama in a truly collaborative activity. The group of about 15 meets once a fortnight for gardening activities, and is supported by MetroAccess and the Climate Change Community Engagement Officer.
- 75 carers of people with a disability attended the launch of the resource guide on Annual Carers Day at Bentons Square Community Centre.
- Over 200 students attended the launch at Balcombe Grammar of the *Lets Talk About Alcohol* film. The film explains the impact of binge drinking, mixing medications, and pregnancy combined with alcohol consumption and endeavours to engage students in an entertaining and creative way. The film will be used as an educational tool to better inform students of the danger of alcohol consumption across every secondary school on the Mornington Peninsula and Frankston. The Shire produced the DVD in conjunction with Peninsula Health and Victorian Department of Health.
- Assisted in establishing the Second Bite Program. Second Bite delivers two tonnes of fresh and healthy rescued food to the Rosebud band hall weekly. The food is sorted, distributed and collected by welfare and community groups and provided to insecure people living in and around Rosebud and surrounding townships. This program is expected to grow exponentially in the coming months as community awareness grows. Salvation Army in Hastings has also commenced working with Second Bite in recent months and Mornington is expected to join as well.
- More than 200 people attended the 'Home at Last' forum organised by the Housing for the Aged Action Group (HAAG) in Melbourne on 18 April. The forum was chaired by the Shire's Housing Justice and Advocacy Officer and promoted a better understanding of the issues of ageing and homelessness and older people and housing crisis.
- Social Planning and Community Development team has collaborated and communicated across Shire departments to address the issues of rooming house compliance for owners and ensure safety for residents. A draft Rooming House Policy has been developed and will provide a framework for Council in relation to operations and procedures.
- With an ageing population and a deteriorating housing market, the Shire has actively sought to advocate on the issue of older people and housing, and to support

improved service responses. The Housing Justice and Advocacy Officer has chaired two statewide forums hosted by the Housing for the Aged Action Group (HAAG) on older people and caravan and residential parks and villages, and the importance of home and community. The forums have been translated into action on the peninsula, from the formation of a combined parks and villages advocacy group, and planning for a series of workshops to inform people of their rights in various tenures.

- In recognition of the role of carers with disabilities, the Shire is making three cottages at the Police Point Shire Park available to carers for respite at an affordable rate. With community organisations, carers groups and disability service providers, we are completing a management model and working towards upgrading a fourth cottage to disability accessible standards.
- Additional external funding received: \$68,000 from Closing the Gap towards Willum Warrain Gathering Place and worker; \$14,000 from DEEWR (Department of Employment Education and Workplace Relations); \$5,000 from DHS for Aboriginal Youth Program; \$1,000 raised from Bunnings sausage sizzle for Willum Warrain; \$5,000 to Metro Access from the Community Inclusive (DHS) for respite Initiative; \$15,000 for the Indigenous Health and Wellbeing Arts project from Department of Health; \$183,500 from DHS for Rosebud West activities: Transitional years Parent Engagement (100k); Neighbour Day (35k over 3 years); Year 7 Transition (11.5k), History of Rosebud West (7k); Developing Capable Leaders (35k); \$45,000 for Volunteer Learning & Employment Project, DPCD; totalling \$336,500,00.

Challenges:

- Managing the transition for Community Renewal Rosebud West and Hastings Neighbourhood Renewal after core funding ceases in June 2013, including reduction in team members.
- Responding to the increased demand for Aboriginal cultural heritage training and information both in terms of cultural awareness workshops and in terms of undertaking complex CHMPs.
- Integrated place planning with other Shire units, key providers and stakeholders
- Working with and supporting frontline service providers with increasing community demands from households due to range of stress factors such as increased utility costs, housing and social support needs.
- Responding to increasingly complex health and wellbeing issues in the Aboriginal community and providing long term opportunities for resilience.
- Food insecurity and opportunities to access fresh local produce.
- Willum Warrain opening and operating to best potential, including seeking long-term funding for coordinator/worker.
- Social planning in the context of gentrification of local areas with threats to remaining affordable housing.
- Dealing with a decline in social housing provision.
- Promoting a diverse housing system which provides access and affordability for low income families, single people and older people.
- Identifying and implementing partnerships with Housing Associations.

The coming year:

- Establish the Shire Disability Access and Inclusion Committee.
- Develop the Health and Wellbeing Plan.

- Plan and prepare a range of events including: Carers Day and Dinner Dance; annual Reconciliation and NAIDOC activities, Volunteers Week, Anti Poverty Week, Cultural Diversity Day and Neighbour Day.
- Provide Aboriginal cultural awareness sessions.
- Undertake complex Cultural Heritage Management Plans to protect Aboriginal cultural heritage.
- Provide 'inclusive' communication – training and guidelines for Shire staff.
- Finalise and implement the Food Access Plan.
- Implement the Rooming House Policy and procedure.
- Support governance of the Aboriginal Gathering Place – Willum Warrain.
- Continue the roll out of mobility maps.
- Increase the number of recharge points available in the community.
- Develop a Housing Policy for older people.
- Social housing growth has virtually stagnated, as the state government seeks a new, cost-neutral direction. We are in a transitional period, with 2014 predicted to be active as public housing may be rationalised and/or transferred to Housing Associations. The Shire must achieve a voice in these negotiations.
- Conduct a forum on housing, homelessness and health, and establish an advocacy strategy in conjunction with the community.
- Fully implement the Police Point carer respite accommodation model.
- Support Hastings and Rosebud West post renewal programs.
- Facilitate the Service Providers Network and forums
- Support the functions of the following committees: Health and Wellbeing, Triple A Housing, Consultative Committee on Gaming.

CEO's OFFICE

Corporate Planning & Projects

The Corporate Planning & Projects team supports the organisation to proactively respond to the needs of Council and the community through coordination of the organisation's strategic planning and reporting processes.

Key responsibilities:

- Developing and reviewing the Shire's Strategic and Annual Plans.
- Facilitating business planning, performance measurement and reporting processes across the organisation.
- Facilitating best practice process to identify opportunities for service delivery improvement.
- Effective and efficient administrative and strategic support to the CEO, Mayor and Councillors.
- Implementing the Community Partnership Program.
- Continuous improvement to the Shire's community engagement practices.
- Coordinating and implementing cross-organisational projects at the corporate level.
- Developing and reviewing corporate policy.

Highlight:

In response to the state's planning agenda to review and prepare region specific Planning Statements, the Corporate Planning & Projects team coordinated an extensive engagement program to seek widespread community views on the future of the Mornington Peninsula. Plan Peninsula Community Conversations engaged with the community to discuss what they value most about their local townships and the peninsula as a whole, as well setting the direction for the next 20 years.

Fifteen Plan Peninsula Community Conversations (community workshops) were held in June, July and August. More than 1000 people attended the sessions held in Mount Eliza, Dromana, Mount Martha, Somerville, Hastings, Flinders, Rosebud, Sorrento, Rosebud West and Red Hill.



More than 5,000 comments were received by participants which have been collated and development into booklets for conversations with Council and the community.

Other achievements for the year included:

- The team supported the CEO at the Interface Councils and South East Metro Council Forums, which saw the Interface Councils launch of One Melbourne or Two report.

- Developed and implemented new specialist software to improve the Shire's performance reporting and accountability process. Linked Business Planning and Reporting project.
- Prepared a Policy Development Framework document to assist staff in their development of new policies.
- Implemented the Councillor case management system to enhance the process for monitoring and reporting.
- Demographic training was provided to the Council, organisational staff and community groups. The training increased awareness and confidence in the use of the website and its data.
- Administered the Community Partnership program to assess projects that met the objectives of Sustainable Peninsula and the Shire Strategic Plan.
- Initiated the Peninsula Way Practice Review program.
- Developed a Community Engagement Policy & Guidelines, which included the completion of a comprehensive training package for staff.
- Developed an online community engagement module on the new website.
- Coordinated the Council in their many public engagement activities, which included:
 1. Mayoral Charity Gala Dinner.
 2. Principal for a Day
 3. Tidy Towns
 4. Australia Day
 5. ANZAC Day
- Coordinated Councillor induction activities and transition from single to multiple Councillor Wards.
- Supported the Chief Executive Officer.

Challenges:

- Providing support to the organisation to embed the revised business planning, performance and measurement and reporting process.
- Delivering multiple commitments to Council, the community and the organisation in an environment of ongoing change.
- Continuing to ensure our support to the Council is efficient and effective.

The coming year:

- Annual review of the Shire's Strategic Plan.
- Communicate and promote the 2013-2017 Strategic Plan
- Roll out training for Linked Business Planning and Reporting Software
- Continue facilitation of the Best Practice program
- Review of the Community Satisfaction Survey process
- Implement Microsoft Reporting Services to further enhance Councils reporting capacity.
- Further develop the Online Community Engagement module.
- Review Councillor support protocols.
- Finalise the Shire Volunteer Policy.
- Continue to provide effective support to the CEO.

CEO's OFFICE

Communications

The Communications team is responsible for developing and coordinating information to the public on Shire news, policies and announcements.

Key responsibilities:

- Strategic advice to internal teams on communication tools.
- Managing the Shire's corporate image in terms of branding, logos and printed materials.
- Writing, editing, photography and production of a number of Shire publications including *Peninsula-Wide* and the Annual Report.
- Media relations on behalf of the organisation including issuing media releases and fielding media enquiries.
- Maintaining the Shire's website: www.mornpen.vic.gov.au, including training of staff and implementing the Shire's website policy.
- Graphic design and strategic publication support and delivery advice.
- Maintaining the Shire's Fact File library and approving new Fact Files.
- Corporate photography.
- Communications strategies and publicity plans for internal teams.
- Event support.

Highlight:

The Shire's website is an important tool for keeping our residents informed and engaged about Shire activities.

Advances in technology and the growing use of 'smartphones' has resulted in a 24/7 demand for information and access to online services. We need to be innovative in finding new ways of engaging with our community, including a growing use of social media such as Facebook and Twitter.

As a result, the communications team undertook a major review of the Shire's online presence, resulting in a new and improved website with a range of enhancements, including:

- A broader range of online payment options for Shire services;
- One-click navigation (smart design which is responsive to the services that are accessed most frequently);
- The introduction of 'I want to...' and 'What's near me' sections;
- An improved online permit lodgement and tracking capability;
- Responsive design, making it one of the first local government websites in Australia to respond to smartphone and tablet formats; and
- An improved online engagement hub via the 'Your Say' feedback forum.

To complement the new website, the Shire also launched its own community app, which allows users to access a range of information and services via smart phones and tablets.

One of the first dedicated apps within the Local Government industry in Australia, it allows users to:

- READ IT: (Up to date information on Shire news and events)

- DO IT: (Highlighting Shire services, activities and events)
- FIND IT: (Search for a range of Shire services and facilities)
- REPORT IT: (Report maintenance issues requiring attention); and
- SAY IT: (Participate in discussions about community issues)

Other achievements for the year included:

- The production of seven *Peninsula Wide* newspapers, the Annual report and a range of Fact Files
- The production of a special booklet *Sustainable Peninsula: 10 Year Progress Report*, charting the Shire's achievements over the past decade as we implement our *Commitment to a Sustainable Peninsula*.
- Coordination of a series of *Plan Peninsula* community conversations, to help inform the Shire's submission to the State Government's Mornington Peninsula Planning Statement.
- Issuing, on average, 15-20 media releases per month to inform the community of Shire policy, events and activities.
- The use of video to promote a range of Shire services and facilities. The Shire now has a dedicated page of YouTube with a range of videos (eg Mount Eliza skate park, Hastings Hub, Safer Local Speeds).
- Handling, on average, 25-30 media inquiries per month.
- Ongoing support for Shire events, including publicity, media management and speech writing.
- A range of publicity and communications plans for a number of Shire initiatives.

Challenges:

- Communicating to a large number of non-resident ratepayers.
- Meeting an ever-growing demand for assistance and support from internal Shire teams.
- Managing the expectations of a community that now demands 24/7 access to shire information.

The coming year:

- A re-branding of the Shire's community newspaper *Peninsula-Wide*, including the introduction of a new summer magazine format.
- Ongoing exploration and development of new and innovative communications channels.
- Continued work on a suite of brochures and information sheets.
- Continued communications support and advice to the Mayor and Councillors, and other units across the Shire.
- Ongoing use of social media, including YouTube, surveys and Facebook to better engage with our residents.

CEO's OFFICE

Team Support & Development

The Team Support and Development (TS&D) team provides advice and guidance on people-related issues, ensuring that the Shire has the people with the skills to safely deliver its services. TS&D develops and maintains an organisational culture that supports the Peninsula Way, enhances the Shire as an employer of choice and builds a sustainable skills and knowledge base.

Key responsibilities:

- People management – planning to address long term people issues, refining the enterprise agreement and people policies, assisting with industrial relations and ensuring the Shire meets its obligations and as employer.
- People development – providing a framework for people to participate in a range of professional development opportunities to enhance organisational capability. This ranges from on-the-job training to various forms of internal and external training.
- Work health, safety and wellbeing – fostering an environment that supports a positive health and safety culture. Actions focus on injury prevention, educating people and injury management including supporting people to return to work as soon as possible after injury.
- Recruitment – attracting and assisting with the selection of the most suitable people for employment. Providing an induction program to ensure new people gain an understanding and knowledge of the Shire's corporate culture and the services that the Shire provides to the community.
- Staff retention – developing a work environment that acknowledges and rewards performance and provides flexibility.
- Community engagement – school to work transition programs such as work experience, school-based apprenticeships and traineeships, developing skills and experience in local people and to promote the diversity of careers available at the Shire.

Highlights:

The Mornington Peninsula Shire organisation is committed to 'Growing Our Own' and one of the ways in which we achieve this is through supporting our team members to undertake further study. This not only ensures that we will have an appropriately skilled and qualified organisational team, now and into the future, but also provides team members with the opportunity to develop and achieve their career goals.

Each year the Mornington Peninsula Shire celebrates the achievements of team members who have completed formal study (Certificate through to Masters-level qualifications). We do this by conducting a formal recognition ceremony followed by a celebratory afternoon tea.

This year 39 team members were acknowledged at our ceremony. The qualifications completed are indicative of the broad range of skills needed to deliver the 100 plus services the Shire provides to the community. The diversity of the qualifications reflects the diversity in the services we provide to our communities and include Certificate level qualifications in Local Government, Home and Community Care, Statutory Planning, Business and Youth Work.

The Wal Morrison Traineeship Program forms part of the Shire's Long Term People Planning Strategy. The strategy addresses dual objectives:

1. To ensure that the Shire continues to have the right number and mix of highly committed, skilled and appropriately experienced organisational team members, to ensure the effective delivery of the wide range of services and functions for which we have responsibility.
2. To optimise employment and career opportunities for local residents.

The Shire achieves these objectives through the following modes:

- Corporate training program
- Tertiary self-education program
- Traineeships
- External recruitment
- Consultants and contractors

In 2012-13 there were 32 traineeships completed and a further 23 commenced providing opportunities for local young people to develop skills in the workplace. A further 100 secondary students were hosted in the work experience program.

The Wal Morrison Traineeship Program was developed in response to the high level of youth unemployment on the peninsula, and low participation rates in tertiary education.

Each year, since 2002, the Shire has employed five local, unqualified people (aged 15- 24 yrs) to complete a 12 month traineeship in which they study the Certificate II in Local Government. The trainees complete five rotations in five different areas of the organisation. This qualification and experience equips the trainees with a range of skills and experience and a nationally accredited qualification with which to launch their careers.



This program is also immensely valuable in developing a source of skilled and experienced employees, which assists in addressing skill shortages within the organisation. Many graduates of the program have gone on to secure permanent roles at the Shire, with some undertaking further study to develop their careers.

The implementation of a revised Performance Development and Review Program commenced in July 2012. This program ensures that staff have a clear understanding of how their work contributes to the success of their team and to the Shire's Strategic Plan. It has been well documented that staff who understand how their work contributes to the overall team effort enjoy more job satisfaction and are more productive employees.

The importance of the project is in the direct alignment of individual work plans with team and organisational objectives. This will be further emphasised when the online version is introduced in July 2013. The online software will combine Business Planning with Performance Development and Review into one Linked Business Planning and Reporting process.

Other achievements for the year include:

- 355 managers, team leaders and team members attended the roll out of the revised Performance Development and Review (PDR) program, which forms part of the Linked Business Planning and Reporting Project.
- Implemented the Health, Safety and Wellbeing Strategic Plan (2013 – 2015). The plan sets out a number of goals and priority actions that will see the Shire's rates of injury and compensation claims decline by 20 per cent over the life of the plan.
- Delivered 54 corporate training programs to 2230 attendees. Sessions covered induction, internal systems, compliance, communication, self management and MS Office suite over each office location to cater for our diverse workforce. Attendance is determined through the development of a learning and development plan for each staff member to ensure they have skills necessary to deliver services.
- Tertiary assistance was provided to 40 team members within the organisation who undertook study to further improve their knowledge and skills. 39 graduates were celebrated at a recognition ceremony for successfully completing Certificate to Bachelor degree qualifications.
- Continuing success was evident in attracting and retaining good staff to the Shire, with the receipt of 2,300 applications for the 95 employment opportunities that arose in 2012-13. To further improve the recruitment experience for candidates an upgrade of the Shire's web-based *eRecruitment* program was implemented. This has improved the system's capacity so that now all 'paperwork' can be completed electronically.
- The Health and Wellbeing Committee continued to develop valuable initiatives including a Quit Smoking Strategy , implementation of the Work Health Checks program and the popular weekly Pilates sessions for staff which are conducted over the lunch break.

Challenges:

- Managing the risks of workplace health and safety on a consistent level.
- Delivering on the learning and development expectations of such a large organisation.
- Maintaining excellence in the systems that ensure we meet our obligations as an employer.

The coming year:

- Roll out the new online format for the Performance Development and Review program which will significantly improve the quality of the review process.
- Review of the workplace behaviour policies will be completed ensuring that the Shire continues to manage this aspect of employment to the highest standard.
- The significant effort will continue on the review of the Shire's work health and safety systems to ensure they are as effective as possible and aligned with Australian Standard: *AS/NZ 4801 – Occupational Health and Management Systems*. This ongoing improvement will also be augmented in 2012-13 by an updated training program.

SUSTAINABLE ORGANISATION

Governance and Corporate Support

The Shire's Governance and Corporate Support team ensures a range of governance and councillor support services are provided which comply with statutory and legal requirements to meet the needs of the organisation, Councillors and the community.

Key responsibilities:

- Coordinate Council elections, candidate awareness and information sessions and Councillor induction.
- Coordinate arrangements for the conduct of formal meetings of Council and Special Committees of Council.
- Preparation and making of Local Laws to meet the Shire's needs and expectations of the community.
- Maintenance of statutory registers for public inspection in accordance with Local Government regulations.
- Coordination of arrangements for the conduct of Australian Citizenship ceremonies.
- Provision of hallkeeping services to reflect a high standard of presentation and service to the organisation.
- Provision of customer service to the community.
- Issuing disabled parking permits, boat ramp permits, animal registrations and new residents' kits.
- Internal purchasing management and training.
- Insurance and risk management.

Highlights:

Three highlights for the year included several activities in the lead up to the Council elections and subsequent induction of the newly elected Council, our continued high performance in the area of Risk Management, and the introduction of the 'Mornington Peninsula Community App', a smart phone app to assist our increasing mobile computing community.

From a governance perspective, the Shire developed, and Council adopted, a 'Pre-Election Protocol' in relation to requests for information from councillors and candidates. A comprehensive certification process of Council publications was undertaken by the Shire to ensure compliance with both the protocol and legislation.

Three candidate information sessions were conducted by the Shire and a further three sessions were conducted by the Victorian Electoral Commission. The sessions enabled all intending candidates to be aware of their roles and responsibilities prior to nominating as a Councillor.

Following the election Councillor induction sessions were held with the newly elected Councillors, which included facilitation by the Municipal Association of Victoria and Shire officers to assist Councillors in their role and gain an understanding of the Shire and its many activities.

With regard to Risk Management a comprehensive review of our Risk Management Strategy and Risk Management Policy and Fraud Control Plan and Fraud Prevention Policy was

provided to the Audit Committee and Council during 2013. These documents build on the Shire's excellent external risk management audits conducted by our insurers. There is evidence that our continued emphasis on risk management translates into reduced insurance premiums and a safer community.

Other achievements for the year included:

- Implemented a new risk management software application called 'Risk Wizard'. Risk Wizard enables both strategic and operational risks to be reported in a way that easily categorises extreme, high, moderate and low risks.
- A comprehensive review of the Risk Management Strategy and Risk Management Policy was provided to the Audit Committee and Council during the early part of 2013. These documents build on the Shire's excellent risk management audits. The Shire received an audit score of 97 per cent for its public liability and professional indemnity insurance audit. The Shire is ranked fifth in the state for its risk management results.
- The Audit Committee approved and recommended to Council the adoption of a 'Fraud Control Plan' and a 'Fraud Prevention Policy'. These documents build on the excellent score that the Shire received in relation to its Commercial Crime Insurance Risk Management Review. For the 2012 MAV Commercial Crime Audit, the Shire scored 98 per cent, which places the Shire first in the region and fourth in the state.
- To maintain the Shire's commitment to customer service excellence, a case management system has been introduced as part of our customer request management system. This innovative approach provides for a case manager to be appointed to a particular issue and retain overall responsibility for ensuring the matter is attended to.
- As part of the change over to the SIMS II service providers' contracts on April 1 the Customer Service Business Systems team built a completely new work order management module within the Shire's Customer Request Management system. The work order system manages the ordered works that are outside of the main contracts, including quotation, documentation, evaluation, invoicing and works management. The system has been implemented, launched and training provided at no cost, utilising the considerable skills and co-operative effort of the Infrastructure, Business Systems, Purchasing, SIMS II and Safer Local Roads teams. The new system will ensure timely provision of ordered works and adherence to our purchasing protocols.
- In the continual strive to be a sustainable peninsula animal renewal notices for residents with multiple dogs or cats received one notice instead of a notice for each animal. This approach resulted in less paper use, less individual payments through the banking system, and less cost to residents and the Shire for fees associated with payments.
- An external insurance risk assessment audit of our four libraries, five recreation and leisure centres, the Mornington Peninsula Regional Gallery, and 43 off-leash dog areas was undertaken. An action plan has been developed, prioritising and addressing the issues identified.
- During Community Safety Month (October) the community assisted the Shire's risk management focus by advising of potential hazards which were all addressed.
- Continued 'Integrity in Local Government – Ethics under the Microscope' awareness training with a total of 690 staff attending training sessions.

Challenges:

- The ongoing development of systems and processes relating to special committees comprising community members to ensure an understanding of conflict of interest requirements and the consistent approach to agendas and minuting of meetings.

- To complete the review of the Councillor Code of Conduct, corporate policies and delegations following the election in October 2012.

The coming year:

- Following the adoption of the Risk Management Strategy and Risk Management Policy, risk management training and strategic, organisational risk profiling will be undertaken in July 2013.
- Risk Management training will also be undertaken in relation to the Shire's Fraud Control Plan and Fraud Prevention Policy.
- Cashless and ticketless parking options at six Shire-managed boat ramps will be progressively rolled-out in 2013. This will enable boat ramp users to electronically purchase tickets via their smart phones. This will alleviate the need for boat owners to use existing coin machines which are often subject to vandalism and breakdown.
- Implement new council and committee agenda software to reduce the reliance on paper copies and allow councillors and the community access via the Shire's website.
- Participate in Community Safety Month 2013 (October).

SUSTAINABLE ORGANISATION

Property and Valuations

The Property and Valuations team is responsible for providing Council with timely, quality advice relevant to the management of the Shire's property portfolio.

Key responsibilities:

- Leasing, licensing and acquisition of property.
- Managing the Shire's valuation requirements including revaluation of more than 98,000 rateable assessments and Fire Services Property Levy assessments every two years, supplementary valuations, valuation objections, asset valuations and any other valuation requirement.
- Investigating and analysing existing and potential use of Shire property in a collaborative environment with stakeholders.

Highlights:

The successful acquisition of property at Rosebud Central Shopping Centre, Wannaeue Place, which is of significant strategic value to the Shire in the redevelopment of the Rosebud Activity Centre. The purchase price of \$5.1M compares favourably to the initial asking price of \$6.1M and the assessment of its strategic value to Shire of up to \$5.85 million.

Having successfully contracted to purchase the property, officers then proceeded to purchase adjoining shops at 9-11 Ninth Avenue, 21 Ninth Avenue and 23 Ninth Avenue, Rosebud.

The 2014 revaluation is underway and requires the completion of revaluation figures on all rateable properties within the municipality by the end of April 2014. The task involves the assessment of three valuation figures, comprising site value (land), capital improved value (land and buildings) and net annual value (net rental value) on more than 98,000 properties, and we are currently on track to achieve the timelines as prescribed by the Valuer General. The project is a complex program which is monitored weekly over the two-year period between revaluations.

During the past year the Valuations team has also been heavily involved in the identification and valuation of non-rateable properties as a result of the implementation of the Fire Services Property Levy.

Other achievements for the year included:

- Sold 10 Knox Road, Blairgowrie.
- Successful lease negotiations with Ritchies IGA for premises at Rosebud Central Shopping Centre.
- Sold Mornington Tennis Club site to The Bays Hospital to assist with the funding of their relocation to Civic Reserve.
- Finalised 22 tennis club and 13 bowling club lease agreements.
- Council approval to acquire 65 Skinner Street, Hastings.
- Finalised the road closure and sale of part of Alfred Street Hastings to facilitate the implementation of Council's Hastings Commercial Development Plan Overlay.
- Completed the Strategic Property Review.

- Completed the second phase of bi-annual bathing box inspections – southern beaches
- Completed 84 rent reviews, 41 lease renewals, 19 new leases, 1 lease transfer, 1 lease variation.
- An additional \$65,000 in boatshed transfer fees received from a total of 33 transfers.
- Introduced tour operator licences for use of crown land managed by Shire. Tour operator licences issued under new state government legislation for kite boarding, stand up paddle and kayak hire at Rosebud, Sorrento and Mount Martha beaches.
- The former Rosebud Community House building was demolished following the relocation of the Community House operations to the newly constructed Seawinds Community Hub at Allambi Avenue, Rosebud West. The Boneo Road site, which also incorporates the premises of the Woodworkers of the Southern Peninsula and the Southern Peninsula Amateur Radio Club, will be improved with landscaping and fencing.
- Property condition audits were undertaken of approximately 450 beach boxes on the southern peninsula beaches from Mount Martha South to Portsea. The inspections were undertaken to ensure that the beach boxes are being maintained in acceptable condition for the enjoyment of all beach users. Beach box licensees were notified of any repairs, maintenance or other works that were required.



Challenges:

- Ensuring all tenants have a current lease, license or occupancy agreement in place and that all rent reviews are completed.
- The recurring intent of a small number of people to illegally use Shire land and pursue adverse possession claims on public land.
- The cost of real estate is continuing to increase, resulting in continued pressure on the Shire to resource the cost of the acquisition of land which will be required for future public use.
- The potential take over of the general revaluation program by Valuer General – Victoria.
- Maintaining the supplementary valuation program while undertaking the massive task of the bi-annual revaluation program.
- An expected higher than normal objection rate in a non-revaluation year following charging of the Fire Services Property Levy on rate notices for the first time.

The coming year:

- Continue the land sales program including Mount Martha Quarry, the 130 Wilsons Road, Mornington (Youth Club) and 91 Wilsons Road, Mornington (former high school site).
- Complete the 2014 general revaluation.
- Implement the Fire Services Property Levy and management of objections.
- Diligent management of property portfolio.
- Provide new and updated policies including bathing boxes, permissive occupancy and yacht clubs.
- Tender leases for the Rye and Rosebud Carnival sites.
- Tender lease for the Schnapper Point Kiosk Mornington.

SUSTAINABLE ORGANISATION

Information Services

The Information Services team manages the computer technology, telecommunications, email, GIS and the storage and archive systems for the Shire

Key responsibilities:

- Maintain computer, telecommunications and record systems.
- Manage access, storage and retrieval of information.
- Service the technology needs of internal and external customers while complying with legal, statutory and accessibility requirements.

Highlights:

The team successfully upgraded a number of heavily used corporate applications during 2012-2013. The migration of TechnologyOne's Property and Rating system from its 12-year-old legacy system to its latest CI version was a significant upgrade involving staff from a number of areas, working as a team for six months.

As integration between corporate systems is an essential ingredient in the way we work, the Corporate Information System Objective, our Geomedia GIS system and Merit, the Shire's Customer Relationship Management (CRM) system were also upgraded. The outcome of this integrated suite of upgrades provides Shire staff with the latest versions of software to help them do the best job they can to manage and utilise the storage and retrieval of information on behalf of the community.

During the year Councillors and officers took up the use of iPads in earnest, and now Council minutes and agendas and other papers are available remotely to authorised users on iPads and desktop computers. Field workers are also using mobile technology to streamline their work, and the rollout of mobile technology into new areas is happening continuously.

Other achievements for the year include:

- Upgrade of Councillor ICT hardware and services in line with the Council election cycle.
- The continuation (stage two) of the mobility solution commenced in the previous financial year. TechnologyOne is working with Shire staff to implement the Inspections module, which looks promising.
- The new 2013 aerial imagery was received from the Department of Sustainability and Environment as part of the Coordinated Image Program.
- Mobility maps prepared as part of a new project to assist access in major centres across the Shire.
- Upgrade of council property records in preparation for the introduction of the State Government new Fire Services Levy as it applies to Council properties.
- Production of maps to form part of the Cultural Heritage Management Plans.
- Introduction of new software system to enable the efficient transfer of asset data between council and maintenance contractors.
- Publication of draft GIS data for Bushfire Management Overlays, Coastal Inundation dataset and major drainage studies in our internal website for analysis by staff.

- Continuous improvement in the use of smart scanning. Large-volume, heavily labour-intensive processes have been streamlined due to the implementation of smart-scanning. Bulk forms that were previously not scanned and simply stored in boxes are now recorded using smart-scanning techniques for ease of retrieval from the Corporate Information System.
- Smart scanning of other repetitious forms (septic inspections / health inspections / valuations / renewal of registration forms / animal registrations / cat traps / food sample submissions).
- Objective upgrade to 8.1. providing us with better searching, usability and the ability to deploy enterprise search.

Challenges:

- Managing competing priorities for upgrade of major corporate IT systems and other equally important programs.
- Continued growth in the technology needs of a diverse range of Shire service providers.
- Advocating on behalf of the community, for improvements to services Council does not deliver, such as broadband and mobile phone reception and weak digital television signals.
- The Shire's aging analogue telephone system is due for replacement. The costs are significant, so the challenge is to find a system that not only meets our immediate needs, but can also grow and accommodate enhancements in the future.
- Balancing the requirements of the Public Records Act and the guidelines of the Public Records Office of Victoria (PROV) to store all information of corporate value, against the economic costs of providing vast amounts of storage that continues to grow significantly in the short run.

The coming year:

- Now the Objective Corporate Information System is properly used by staff, new, streamlined ways of using it are being explored. Smart-scanning, in which documents can be "read" and automatically classified, and Enterprise Search widens the capacity to find information in a range of Shire systems beyond Objective.
- Object Committees will provide a better way of managing Council minutes and agendas, particularly as it minimises double handling.
- The deployment of a Windows 7 desktop operating system upgrade that will affect most computers.
- Focus on maintaining the existing environment and completing projects already in progress, or soon to commence. These include the replacement of the telephone system and the procurement and installation of new servers and storage hardware to accommodate growth in the vast array of documents we must now store.
- Plan for the renewal of several significant multi-year contracts, being
 - The renewal of our three-year Microsoft Enterprise Licensing contract, due to expire in June 2014.
 - A new contract for the provision of fixed and mobile telephone services, due to expire in February 2014.
 - A new contract for the provision of wideband services between main offices
 The last two items may be delivered via MAV Procurement who will run a tender for these services on behalf of the Victorian Local Government sector.

SUSTAINABLE ORGANISATION

Finance

The Finance team is responsible for all budgeting, accounting and revenue collection functions of the organisation.

Key responsibilities:

- Managing the Shire's Annual Budget, Strategic Resource Plan, monthly internal financial reporting and forecast analysis for the organisation.
- Coordination of the Monthly Report to the community.
- Preparation of the Shire's Annual Financial Statements and Audit in accordance with the *Local Government Act* and Australian Accounting standards.
- Management of accounting services for the organisation including Accounts Payable, Treasury and Fixed Asset registers.
- Payroll services for approximately 1,400 staff including management of superannuation, tax and other deductions.
- Issue and collection of Council Rates and Sundry Debtors.

Highlights:

The Auditor General has reported the Shire's financial sustainability, by independent assessment, as 'low risk' the best outcome a Council can achieve.

After accommodating a number of service enhancements and other necessary adjustments, the 2012-13 financial result is as expected.

The Shire is the fifth lowest-rating Council in Victoria on the basis of 'average rates and charges'.

Other achievements for the year included:

- Management and development of the Annual Budget. The Shire strives to understand community needs, expectations and priorities and provide for them through the budget. The budget seeks to source external funding, utilise community partnerships, optimise value and make judgements about affordability. The Shire budget contains much more information than other shire budgets, hopefully assisting readers to understand the Shire's financial direction.
- The 2011-12 Financial Reports and Standard Statements were approved by the Auditor-General without qualification. The 2012-13 Financial Reports, consisting of financial statements and notes to the financial statements (included in this annual report) were completed within legislative requirements and timeframes. The Financial Reports are required to comply with Australian Accounting Standards and other mandatory professional reporting requirements. The Standard Statements are required under the *Local Government Act* and differ from Financial Statements in that they compare actual results with budget details, in the standard format. This allows an informative comparison of performance against initial budget proposals, assisted by calculations of variances and scope for explanation of variations where material.
- The development of a 10-year financial plan has commenced. Council has adopted a number of Key Financial Risk Indicators which are used to assess the Shire's ongoing financial sustainability. The 10-year plan will be formally considered when Council next reviews its Strategic Resource Plan and Shire Strategic Plan.

- The Strategic Resource Plan was updated for the four year period 2013-2017, the development was based on assumptions of the consequential effect of the 2013-14 budget.

Challenges:

- Continuing to ensure the long-term financial sustainability of the Shire through careful financial decision making.
- The continued impacts of 'cost shifting', which in many cases the Shire cannot avoid or control.
- Ensuring that various revenue collection processes have regard to the financial circumstances some ratepayers may find confronting.
- The broader state and federal government financial positions may still possibly put further pressure on local government through reduced or withdrawn funding arrangements.

The coming year:

- Prepare a budget that reflects the Shire's ongoing commitment to ensuring the peninsula is socially, environmentally and economically sustainable. This includes continuing to address the impacts of climate change; continuing to protect the peninsula's built and natural environment from the threat of suburbanisation; maintaining renewal investment on roads, drainage, buildings and other infrastructure assets; progressively improving services and facilities to meet community expectation; and strengthening the local economy and local employment.
- All must be provided within the limits of what is affordable, so it is pleasing to know that on the basis of 'average rates and charges' the Shire is the fifth lowest rating Council in the state.

The Shire has three main offices, at Rosebud, Mornington and Hastings. It also has a number of remote offices including libraries and leisure centres, as well as staff who work in the field.

	Males	Females	Total
Chief Executive Office	1	1	2
Internal Auditor	1	-	1
Corporate Planning & Projects	2	7	9
Communications	2	4	6
Team Support & Development	5	15	20
Sustainable Communities Directorate	1	1	2
Aged & Disability Services	19	203	222
Child, Youth & Family Services	4	57	61
Libraries, Arts & Culture	5	65	70
Recreation & Leisure	20	57	77
Social Planning & Community Development	2	13	15
Sustainable Environment Directorate	1	1	2
Economic Development	1	11	12
Strategic Planning	6	7	13
Environment Protection	53	82	135
Statutory Planning	14	32	51
Sustainable Infrastructure Directorate	1	2	3
Infrastructure Maintenance	22	16	38
Infrastructure Strategy	16	5	21
Infrastructure Project Management	23	3	26
Renewable Resources	6	10	16
Sustainable Organisation Directorate	0	3	3
Finance	5	24	29
Information Services	13	16	29
Governance & Corporate Support	8	43	51
Property & Valuations	8	8	16
TOTAL	244	686	930

** Figures do not include casual employees*

Audit Committee

Council's Audit Committee is established by formal resolution in accordance with Section 86 of the *Local Government Act*.

The Audit Committee consists of five members whose role is to assist Council in the discharge of its responsibilities for financial reporting, in maintaining a reliable system of internal controls and in fostering the organisation's ethical development.

The Committee consists of two councillors and three independent persons – who are supported by the Chief Executive Officer, internal auditor and other staff through the provision of information and reports on governance, financial and risk-related matters.

The three independent members serve a three-year term and are appointed by resolution of Council following public advertisement. An Audit Committee Charter determines the role and responsibility of the Committee. The Chairperson is appointed from the external members.

At 1 July 2012, the Audit Committee members were:

- The Chairperson – Mr David Osborne
- Mr Geoff Hilton
- Ms Andrea Hassett
- Cr Antonella Celi
- Cr Leigh Eustace to 27 October 2012; and
- Cr Hugh Fraser from 12 November 2012

The independent members of the Audit Committee are paid an annual remuneration of \$5,000 per annum (paid over six sessional payments) and the Chairperson paid \$7,000 per annum (paid over six sessional payments) as reimbursement for expenses incurred.

Councillor Celi and Councillor Eustace were appointed as Councillor representatives on the Audit Committee by Council at its Annual Council Meeting. Following the Council general elections in October 2012, Cr Fraser was appointed to the Audit Committee.

The Audit Committee met six (6) times during the course of the year. One of these meetings was solely dedicated to the review of the Annual Financial Statements and the Auditor General's Management Letter.

As has been the trend in previous years the Audit Committee again placed greater emphasis on corporate governance and risk management. It has an annual work plan which ensures that it addresses the control framework, risk management, financial reporting, internal audit and external audit, and compliance with legislation.

Internal Audit

Council has an Internal Auditor on staff. The Internal Auditor is independent of Council's departmental structure and reports to the Chief Executive Officer. This provides an independent assurance and advisory service to the Shire's Executive and management.

The Internal Audit program is focused on key risk areas of Council business. The program is reviewed annually by the Audit Committee to ensure that issues of financial controls, operational and other risk are addressed.

All internal reports are presented to the Audit Committee.

Internal Audit also carries out ad-hoc, surprise visits and special investigations (where required).

Documents for Inspection

Under both the *Local Government Act* (the 'Act') and Freedom of Information legislation there is certain information Councils are required to make available to the public on request, being:

- Details of current allowances fixed for the Mayor, Lord Mayor (if any) and Councillors under Section 74 or 74A of the Act.
- Details of Senior Officers' total annual remuneration packages for the current financial year and the previous year set out in a list that states (i) ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and (ii) the number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (i).
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost to the Council of the overseas or interstate travel, including accommodation costs.
- Names of Council Officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under Section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.
- A list of all special committees established by Council and the purpose for which each committee was established.
- A list of all special committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.
- A register of delegations kept under Sections 87 and 98 of the Act, including the date on which the last review under section 86(6) and 98(6) of the Act took place.
- Submissions received in accordance with Section 223 of the Act during the previous 12 months.
- Agreements to establish regional libraries under Section 196 of the Act.
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease.
- A register of authorised officers appointed under Section 224 of the Act.
- A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.
- A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council.
- A list of contracts valued at \$100,000 (or such a higher amount as fixed from time to time under Section 186(1) of the Act) or more which the Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in Section 186(5) or 5 (A) of the Act.

Protected Disclosure Act (Previously Whistleblowers Protection Act)

The *Whistleblowers Protection Act 2001* commenced operation on 1 January, 2002 and was replaced by the *Protected Disclosure Act 2012* in February 2013.

Both the *Whistleblowers Protection Act* (WP Act) and the *Protected Disclosure Act* (PD Act) have the same intent which is:

- To encourage and assist people to make a disclosure of improper conduct and detrimental action by public officers and bodies;
- To provide certain protections for people who make a disclosure, or those who may suffer detrimental action in reprisals for a disclosure; and
- To ensure that certain information about a disclosure is kept confidential.

Protected Disclosure Act

Comprehensive public guidelines are to be finalised and made available to the staff and members of the public by 10 August 2013.

A copy of these guidelines will be made publically available upon completion via the Shire's website www.mornpen.vic.gov.au or at any of the Customer Service Centres.

In the interim, the Independent Broad-based Anti-corruption Committee's (IBAC) guidelines and website have been provided via the Shire's website.

Who disclosures can be made about	Who must the disclosure be made to
Employees of the Shire	The Shire, IBAC or the Victorian Ombudsman
The Shire's CEO	IBAC or the Victorian Ombudsman
Councillors	IBAC or the Victorian Ombudsman
Any person who's conduct is adversely affecting the honest performance of a public officer or official of their functions	*The Shire, IBAC or the Victorian Ombudsman

*will depend upon the role of the public officer or official.

For further information, please contact one of the Shire's Protected Disclosure Coordinators

- Noel Buck
Ph: (03) 5950 1435
Email: Noel.Buck@mornpen.vic.gov.au
- Marilyn Kearney
Ph (03) 5950 1340
Email: Marilyn.Kearney@mornpen.vic.gov.au
- Jackie Thorne
Ph: (03) 5950 1432
Email: Jackie.Thorne@mornpen.vic.gov.au
- Diana Harris
Ph: (03) 5950 1432
Email: Diana.Harris@mornpen.vic.gov.au

The Independent Broad-based Anti-corruption Commission (IBAC)

Level 1, 459 Collins Street

Melbourne Victoria 3000

Phone: 1300 735 135

Internet: www.ibac.vic.gov.au

The PD Act came into effect in February 2013. The following information is provided in accordance with Section 70 of the PD Act for the period of 10 February 2013 – 30 June 2013..

Reporting Requirement	Response
How to access procedures established by the Shire under Part 9.	The Shire is required to have its Protected Disclosure Act procedures finalised by 10 August 2013. IBAC's guidelines are available via the Shire's external website in the interim.
The number of disclosures notified to IBAC under Section 21(2) during the financial year.	Nil.

Whistleblowers Protection Act

The WP Act ceased in February 2013. The following information is provided in accordance with Section 104 of the WP Act for the period of 1 July 2012– 10 February 2013.

Reporting Requirement	Response
Current procedures established by the public body under Part 6.	Council adopted public guidelines and internal procedures at its meeting of 22 June 2009.
The number and types of disclosures made to the public body during the year.	Nil.
The number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they are public interest disclosures.	Nil.
The number and types of disclosed matters referred to the public body during the year by the Ombudsman.	Nil.
The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate.	Nil.
The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the Year.	Nil.
The number of requests made under section 74 during the year to the Ombudsman to investigate disclosed matters.	Nil.
The number and types of disclosed matters that the public body has declined to investigate during the year.	Nil.
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation.	Nil.
Any recommendations of the Ombudsman under this Act that relate to the public body.	Nil.

Local Government Indicators

Number	Category	Indicators	Result	Indicator Definitions
1	Overall performance	Community satisfaction rating for overall performance generally of the council	62	Council result from the Annual Community Satisfaction Survey for Local Governments, coordinated by Local Government Victoria.
2	Advocacy	Community satisfaction rating for Council's advocacy and community representation on key local issues	54	Council result from Annual Community Satisfaction Survey for Local Governments, coordinated by Local Government Victoria.
3	Community Consultation	Community satisfaction rating for Council's consultation and engagement in decision making on key local issues	56	Council result from the Annual Community Satisfaction Survey for Local Governments, coordinated by Local Government Victoria.
4	All rates	Average rates and charges per assessment	\$1,261	Rates and charges declared are being receivable, in calculations for the adopted rates, at the beginning of the year, including: • general rates and charges declared under ss. 160, 161, 161A of the <i>Local Government Act</i> 1989 • municipal charges and service rates and charges (that is, garbage services) levied under ss. 159, 162 respectively • supplementary rates declared, <i>divided</i> by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).
5	Residential rates	Average residential rates and charges per assessment	\$1,286	Rates and charges declared for all residential assessments (including vacant residential assessments) as defined in "All rates", except for residential assessment only <i>divided</i> by the number of residential assessments used in calculation of the adopted rate (that is, when the rate was struck).
6	Operating costs	Average operating expenditure per assessment	\$1,868	Total expenses per the Income Statement (previously known as the statement of financial performance)

				plus net gain (loss) on disposal of property, plant and equipment infrastructure <i>divided</i> by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).
7	Capital expenditure	Average capital expenditure per assessment	\$351	Amount of Council's expenditure capitalised to the Balance Sheet (previously known as the statement of financial position) and contributions by a local government to major assets not owned by the local government, including expenditure on: • capital renewal of existing assets which returns the service potential or the life of the asset up to that which it had originally • capital expansion which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users • capital upgrade which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally <i>divided</i> by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).
8	Infrastructure	Renewal	55%	Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset up to that which is had originally to the AAAC totalled for each and every infrastructure asset to give one ratio.
9	Infrastructure	Renewal and maintenance	75%	Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset up to that which it had originally plus current spending on maintenance: • to AAAC plus all anticipated planned and unplanned maintenance (that is, the expected level of maintenance which was used in the calculation of the useful life of the asset) • totalled for each and every infrastructure asset to give

				one ratio. The Average Annual Asset Consumption (AAAC) is the amount of a local government's asset base consumed during a year. It is based on the current replacement cost 'as new' <i>divided</i> by useful life.
10	Debts	Average liabilities per assessment	\$810	Total liabilities as per Balance Sheet (previously known as the statement of financial position) less items held in trust (reflected in assets also held), <i>divided</i> by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).
11	Operating result	Operating result per assessment	\$169	Surplus (deficit) for the period per the Income Statement (previously known as the Bottom line per statement of financial performance) <i>divided</i> by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck). During 2011/12 Council was required to bring to account additional liability for Vision Super Defined Benefits Plan of \$10.865m.



Financial Reports

for the year ended
30 June 2012

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Mornington Peninsula Shire

Financial Statements

**for the year ended
30 June 2013**

Understanding Our Financial Statements

The Financial Statements are one of Council's key reports to the community. It shows how Council performed financially during the 2012-13 financial year and the overall position at the end of the financial year (30 June 2013). Council's Financial Statements are presented in accordance with the Australian Equivalents to International Financial Reporting Standards, and therefore particular terms required by the Standards may not be familiar to some readers. Additionally, as Council is a 'not for profit' organisation, some of the generally recognised terms used in private sector company reports are not appropriate to Council's reports. Council is committed to accountability, and it is in this context that this simple guide has been developed to assist readers understand and analyse the financial report.

What is contained in the Annual Financial Statements?

Council's Financial Statements has two main sections: the Statements and the Notes. There are four Statements and 41 Notes. These are prepared by Council staff, examined by Council's Audit Committee, Council and audited by the Victorian Auditor-General.

The four Statements included in the first few pages of the report are the:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement

Notes to these Statements explain Council's accounting policies and how values contained in these Statements were calculated.

Comprehensive Income Statement

The Comprehensive Income Statement shows:

- Sources of Council's Revenue under various income headings.
- Expenses incurred in running the Council during the year.

These expenses relate only to the 'Operations' and do not include the cost associated with the purchase or building of assets. While asset purchase costs are not included as Expenses there is an item for 'Depreciation'. The key figure to look at is the Surplus/(Deficit) for the year which is the equivalent to the Profit/(Loss) of Council for the year. A positive result means that the revenues were greater than expenses.

Comprehensive income is defined as 'the change in equity (net assets)' during the financial period. Comprehensive income is the sum of Surplus/(Deficit) and other items that bypass the Comprehensive Income statement via the Equity Statement. These items are not part of Council's Surplus/(Deficit), but are material enough to be included in comprehensive income, giving the reader of the report a more in depth picture of the organisation as a whole.

Balance Sheet

This is possibly the most important of the financial statements. This one page summary is a snapshot of Council's financial situation as at 30 June 2013. It shows what the Council owns as assets and what it owes as liabilities. The bottom line of this statement is Net Assets. This is the net worth of Council, which has been built up over many years. The assets and liabilities are separated into current and non-current. Current means those assets or liabilities, which will fall due in the next 12 months. The components of the Balance Sheet are described below.

Current and Non Current Assets

- Cash Assets include cash and investments that is, cash held in the bank, in petty cash, and the value of Council's investments.
- Receivables are monies owed to Council by ratepayers and other service users.
- Accrued Income represents revenue due to Council, which had not been received.
- Prepayments reflect accounts which have been prepaid.
- Inventories represent Council's stock of merchandise, including Golf Course, Delivered Meals and Plant Nursery.
- Property, Infrastructure, Plant and Equipment are the largest component of Council's worth and represents the value of all the land, buildings, roads, footpaths, drains, motor vehicles, equipment, library collections etc. which have been built up by Council over many years.

Current and Non Current Liabilities

- Payables are monies owed to creditors by Council.
- Trust Funds represent monies held by Council in trust for others.
- Employee Benefits is the accounting term for accrued annual leave and long service leave entitlements.
- Interest-Bearing Liabilities represent the loan borrowings, financial leases and defined benefits superannuation liability owed by Council.

Net Assets

This term is used to describe the difference between the value of Total Assets and the value of Total Liabilities. It represents the net worth of Council as at 30 June 2013. The Net Assets of Council is also synonymous with the total Equity of Council.

Equity

This is the term used to describe the components of Net Assets. These components are:

- Accumulated Surplus – the value of all net assets accumulated over time.
- Asset Revaluation Reserve – the difference between the previously recorded value of assets and their current valuations.
- Other Reserves – allocations of the accumulated surplus for specific purposes.

Statement of Changes in Equity

During the course of the year the value of total equity as set out in the Balance Sheet changes.

This statement shows the values of such changes and how these changes arose. The main reasons for a change in equity stem from:

- 'Profit/(Loss)' from operations, described in the statement as result for the year.
- Revaluation of the assets – this takes place periodically in accordance with Council policy. It also occurs when existing assets are 'taken up' in Council's financial records for the first time.
- Transfer of monies to or from Council's reserves.

Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. This Statement is presented according to a very specific Accounting Standard and requires careful analysis.

The values may differ from those shown in the Income Statement because the Income Statement is prepared on an accrual accounting basis. Cash in this Statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash, such as cash invested with Financial Institutions.

Council's cash arises from, and is used in, three main areas:

1. Cash Flows from Operating Activities:

- Receipts: All cash received into Council's bank account from ratepayers, government grants and others who owed money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the proceeds associated with the sale of assets.
- Payments: All cash paid by Council from its bank account to staff, creditors, suppliers and other persons. It does not however include the payments associated with the creation of assets.

2. Cash Flows from Investing Activities:

The accounting term Investing Activities relates to assets such as new capital, plant and other long term revenue - producing assets. This part of the statement includes all payments associated with the creation of assets and proceeds associated with the sale of assets.

3. Cash Flows from Financing Activities:

This part of the Statement is where the receipt and repayment of borrowed funds is recorded.

The bottom line of the Cash Flow Statement is the Cash at End of Financial Year.

Notes to the Financial Report

The notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in relation to the amount of detail. Therefore, to enable the reader to understand the basis on which the values shown in the Statements are established, it is necessary to provide an explanation of Council's accounting policies. These are described in note 1.

Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the Statements.

The note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet and the Cash Flow Statement. Where Council wishes to disclose other information, which cannot be incorporated into the Statements, this is shown in the notes. The notes include the cost of the various functional activities of Council, the break down of expenses, revenues, reserves and other assets, transactions with persons related to Council and financial ratios (performance indicators).

The notes should be read at the same time as, and together with, the other parts of the Financial Report to get a clear picture of Council's financial performance and position.

Statement by Principal Accounting Officer and Councillors

The certification by the Principal Accounting Officer is made by the person responsible for the preparation of the financial report. It certifies that in their opinion, the report has met all the statutory and professional reporting requirements. The certification of councillors is made by two Councillors on behalf of Council that, in their opinion, the financial report is presented fairly and is not misleading or inaccurate.

Auditor General's Report

The Auditor-General's Report is the external and independent opinion on the Financial Report. It provides the reader with a totally independent opinion on the financial report and the information it contains. The opinion covers both the statutory and professional requirements and also the fairness aspects of the financial report.

Comprehensive Income Statement

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Income			
Rates and charges	2	122,784	115,374
Statutory fees and fines	3	3,884	3,539
User fees	4	23,174	25,347
Contributions - cash	5	4,781	4,509
Contributed assets	5	10,369	4,928
Interest	6	1,755	2,238
Grants - recurrent	7	21,569	21,214
Grants - capital	7	5,135	5,053
Total Income		193,451	182,202
Expenses			
Employee costs	10	60,506	58,762
Defined benefits superannuation	10	-	10,865
Materials and services	11	85,486	78,915
Depreciation and amortisation	12	25,433	22,096
Finance costs	13	2,370	2,737
Other expenses	14	4,249	3,982
Assets written off	8	324	765
Total Expenses		178,368	178,122
Net gain/(loss) on sale/disposal of assets	9	1,058	27
Surplus/(deficit)		16,141	4,107
Other comprehensive income			
Net asset revaluation increment(decrement) reversals	29	40,257	185,357
Total comprehensive result		56,398	189,464

*The above Comprehensive Income Statement should be read in conjunction with the accompanying notes.
Refer to note 34 for functional reporting on revenues and expenses.*

Balance Sheet

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	15	33,305	30,242
Trade and other receivables	17	12,840	11,824
Other	18	1,521	1,830
Assets held for sale	19	11,121	7,871
Total current assets		58,787	51,767
Non-Current Assets			
Other financial assets	16	8	8
Trade and other receivables	17	887	1,318
Property	20	945,422	937,693
Plant, furniture and equipment	21	7,086	7,395
Infrastructure	22	1,021,850	974,320
Intangibles	24	1,333	1,263
Total non-current assets		1,976,586	1,921,997
Total assets		2,035,373	1,973,764
LIABILITIES			
Current liabilities			
Trade and other payables	25	18,840	10,563
Trust Funds and deposits	26	3,895	3,321
Interest-bearing loans and borrowings	27	16,339	5,207
Provisions	28	12,469	11,527
Total current liabilities		51,543	30,618
Non-current liabilities			
Interest-bearing loan and borrowings	27	26,060	42,991
Provisions	28	3,599	3,092
Total non-current liabilities		29,659	46,083
Total liabilities		81,202	76,701
Net assets		1,954,171	1,897,063
Equity			
Accumulated surplus		874,333	856,720
Reserves	29	1,079,838	1,040,343
Total Equity		1,954,171	1,897,063

The above Balance Sheet should be read in conjunction with the accompanying notes.
Refer to note 34 for functional reporting on assets.

Statement of Changes in Equity For the Year Ended 30 June 2013

	Note	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Total \$'000
2013					
Balance at beginning of the financial year		856,720	1,038,830	1,513	1,897,063
Net asset revaluation increment/(decrement) on revaluation of non-current assets	29	710	40,257		40,967
Transfers to/(from) reserves:					
- Sustainable energy fund	29	87	-	(87)	-
- Recreation land reserve	29	675	-	(675)	-
- Municipal emergency reserve	29	-	-	-	-
Surplus/(deficit)		16,141	-	-	16,141
Balance at the end of the financial year		874,333	1,079,087	751	1,954,171
2012					
Balance at beginning of the financial year		852,116	853,473	2,220	1,707,809
Net asset revaluation increment/(decrement) on revaluation of non-current assets	29	(210)	185,357	-	185,147
Transfers to/(from) reserves:					
- Sustainable energy fund	29	130	-	(130)	-
- Recreation land reserve	29	577	-	(577)	-
- Municipal emergency reserve	29	-	-	-	-
Surplus/(deficit)		4,107	-	-	4,107
Balance at the end of the financial year		856,720	1,038,830	1,513	1,897,063

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cashflows

For the Year Ended 30 June 2013

	Note	2013 Inflows/ (Outflows) \$'000	2012 Inflows/ (Outflows) \$'000
Cash Flows from operating activities			
<i>Receipts (inclusive of GST, wherever applicable)</i>			
Rates and charges		123,496	114,091
User fees		29,568	29,835
Contributions		4,781	4,509
Grants		26,045	26,183
Interest		1,830	2,206
Net GST refund		7,936	8,180
<i>Payments (inclusive of GST, wherever applicable)</i>			
Employee costs		(59,441)	(58,175)
Materials and consumables		(92,596)	(89,945)
Other payments		(4,228)	(3,978)
Net cash provided by (used in) operating activities	30	37,391	32,906
Cash flows from investing activities			
<i>Payments for</i>			
Land and buildings		(7,316)	(7,784)
Infrastructure assets		(19,699)	(17,517)
Plant, furniture and equipment		(1,802)	(1,997)
<i>Proceeds from</i>			
Sale of land and buildings		1,985	133
Sale of plant, furniture and equipment		12	32
Sundry receivables		1	16
Net cash provided by (used in) investing activities		(26,819)	(27,117)
Cash flows from financing activities			
Finance costs		(2,450)	(2,812)
Proceeds from borrowings		-	-
Repayment of borrowings		(4,200)	(3,917)
Repayment of finance leases		(479)	(445)
Repayment of unfunded superannuation		(1,121)	(530)
Trust funds and deposits		741	(205)
Net cash provided by (used in) financing activities		(7,509)	(7,909)
Net increase / (decrease) in cash and cash equivalents		3,063	(2,120)
Cash and cash equivalents at the beginning of the year		30,242	32,362
Cash and cash equivalents at the end of the year	15	33,305	30,242

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Report

Introduction

The Mornington Peninsula Shire was established by an Order of the Governor-in-Council on 15 December 1994 as part of a general restructure of local government in Victoria. The Shire is the legal successor to the Councils of the former Shires of Mornington, Hastings and Flinders and parts of the former Cities of Frankston and Cranbourne

The Council's main office is located Besgrove Street, Rosebud.

The Local Government Act prescribes that the purpose of the Council is to:

- provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

External Auditor – Victorian Auditor General's Office

Internal Auditor – Henry Lewis, Mornington Peninsula Shire

Solicitors – Maddocks, Norton Rose Australia and others

Bankers – National Australia Bank

Website address – www.mornpen.vic.gov.au

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards including the Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.

The Financial Statements comply with the Australian Accounting Standards which includes the Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that Council's Financial Statements also comply with International Financial Reporting Standards (IFRS).

Note 1 Significant Accounting Policies

(a) Basis of accounting:

This financial report has been prepared on the accrual and going concern bases and under the historical cost convention, except where otherwise stated.

By virtue of the fact that some councillors of Mornington Peninsula Shire form the whole of the Board of Trustees of the Mornington Peninsula Cemetery Trust and the Board of Directors of Mornington Peninsula Regional Waste Management Group, these entities are considered to be controlled entities under AASB 127: *Consolidated and Separate Financial Statements*. Their operating results, assets and liabilities have not been included in the accounts on the basis that they are not material individually or in aggregate.

(b) Change in accounting policies

There have been no changes to accounting policy during the financial year.

(c) Revenue recognition:

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at balance date, the nature of and amounts pertaining to those undischarged conditions (if any) are disclosed in note 7. Note 7 also discloses the amount of contributions (if any) recognised as revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

User fees and fines

User fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. At the point of invoicing, the Council gains control over the right to be compensated for services rendered and the receipt of compensation becoming probable.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, infrastructure, plant and equipment

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

Rental

Rents are recognised as revenue when payment is due or is received, whichever first occurs. Rental payments received in advance are recognised as unearned until they are due.

Interest

Interest is recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

(d) Trade and other receivables and inventories***Trade receivables***

Rates receivables are carried at nominal amounts due plus interest. Rates debts are a charge attached to the rateable land. Interest rates are reviewed annually. Rates are payable by four instalments during the year or by lump sum in February.

A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of stock mainly on the basis of weighted average costs.

(e) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles

All non-current assets having a limited useful life to Council are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Land, Land Under Roads, and Artworks are not depreciable.

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

Depreciation is provided for on a straight-line basis using a range of rates, which are reviewed annually.

The estimated useful lives and depreciation rates of major item classifications are applied as shown below, and are consistent with the prior year unless otherwise stated. Infrastructure and Buildings assets held in works in progress are valued at current cost and are not depreciated until completed and put into practical use.

Asset Class	Estimated Useful Life	Depreciation Rates
Property		
Buildings	10-200 years	0.5% - 10%
Plant and Equipment		
Furniture and fittings	3-10 years	10% - 33%
Information technology	3-15 years	6.67% - 33%
Plant and equipment	3-10 years	10% - 33%
Library books	3-5 years	20% - 33%
Infrastructure		
Roads	10-230 years	0.43% - 10%
Drainage	10-100 years	1% - 10%
Other	10-100 years	1% - 10%

(f) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(g) Finance costs

Finance costs are recognised as an expense in the period in which they are incurred.

Finance costs include interest on bank overdrafts, interest on borrowings, finance lease charges and interest on defined benefits superannuation liability.

(h) Recognition and measurement of assets

Acquisition

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred in getting the assets ready for use.

Fair value means the amount for which an asset could be exchanged between a knowledgeable willing buyer and knowledgeable willing vendor in an arm's length transaction.

The following classes of assets have been recognised in notes 20 to 23. In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

Asset Class	Threshold Limit (\$'000)
Land	
Land	1
Land Under Roads	1
Buildings	
Buildings	5
Plant and Equipment	
Furniture and fittings	1
Information technology	1
Plant and equipment	2
Library books	1
Artworks	1
Infrastructure	
Roads	15
Drains	15
Other	15

Non-monetary assets received in the form of contributions are recognised as assets and revenues at their fair value at the date of availability for practicable use.

Revaluation

Non-current assets, including works in progress but excluding receivables are carried at cost, (including deemed cost) or valuation.

At balance date, the Council reviews the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximates its fair value. Where the carrying value materially differs from the fair value at balance date, the class of asset is revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 (two) to 3 (three) years. The valuation is performed either by appropriately qualified council officers or independent experts.

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

Land was revalued to market value at 30 June 2012. Buildings were revalued at current replacement cost less accumulated depreciation as at 30 June 2012, allowing for age and condition of the asset.

Following a fair value assessment, Infrastructure Roads, Infrastructure Drainage and Infrastructure Other assets were revalued to their current cost less accumulated depreciation as at 30 June 2013, allowing for age and condition of the asset.

(i) Cash and cash equivalents

For purposes of cash flow statement, cash and cash equivalents include cash on hand, deposits at call and highly liquid investments with original maturities of three months or less which are readily convertible to cash on hand at the investor's option and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(j) Investments

Investments are measured at cost. Council has no managed funds or exposure to foreign currency risk.

(k) Other Financial Assets

Unlisted shares are valued at cost. Council's holdings in shares are with MAPS Group Ltd and Rye and District Community Financial Services Limited.

(l) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 26).

(m) Employee Benefits

Wages and Salaries

A liability for wages and salaries is recognised, and is measured as the amount unpaid at reporting date at current pay rates plus oncosts in respect of employees' services up to that date.

Annual and Long Service Leave

Employee entitlements to annual leave are a liability recognised on the basis of leave not taken at balance date calculated at salary rates applicable at the time the leave is expected to be taken. A liability for long service leave is recognised, and is measured as the present value of expected future payments, (including oncosts), to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels (including oncosts), experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Entitlements expected to be taken within the next year are classified as current liabilities on the Balance Sheet.

Employee benefit provisions are also reported as current liabilities where the Council does not have an unconditional right to defer settlement for at least twelve (12) months. Consequently, the current portion of the employee benefit provision can include both short term benefits, that are measured at nominal value, and long term benefits, that are measured at present value.

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees and past employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 17.65 %.

The superannuation expense for the reporting period is the amount of the statutory contribution the Council makes to the superannuation plan, which provides benefits to its employees. Details of those arrangements are set out in note 33a and 33b.

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Mornington Peninsula Shire to the relevant superannuation plans in respect to the services of Mornington Peninsula Shire's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Mornington Peninsula Shire is required to comply with.

Sick Leave

Sick leave entitlements do not vest and are paid only upon a valid claim for sick leave by an employee. As Council does not consider it probable that sick leave taken in the future will be greater than entitlements that will accrue in the future, no provision has been made for sick leave entitlements needed.

(n) Leases

Finance leases

Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the Council will obtain the ownership of the asset, the expected useful life of the asset to the Council. Lease assets held at the reporting date are being amortised over periods not exceeding 10 years.

Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

(o) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(p) Website costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the comprehensive income statement.

(s) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars.

(t) Land identified for sale

Land identified for intended sale is measured at lower of carrying amount and fair value less costs to sell at balance date. Revenue arising from the sale of land is recognised in the Comprehensive Income Statement on the signing of a valid unconditional contract of sale.

(u) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Pronouncement	What's new?	Impact/Action	Transition	Effective date
AASB 13 Fair Value Measurement	AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:	The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place. This standards may assist those councils that have equity investments that are no longer able to be held at cost.	Early adoption is permitted.	Periods beginning on or after 1 January 2013
Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date. Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. Level 3 – unobservable inputs for the asset or liability. There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.				
AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	The standards require the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called "corridor" method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.	The entity is yet to assess its full impact.	Where adequate information is available, the entity will apply the new standard from 1 July 2013 when the new standard applies to Mornington Peninsula Shire.	1 January 2013/ 1 July 2013

	2013	2012
	\$'000	\$'000
Note 2 Rates and charges		
Residential	95,954	90,494
Commercial	5,023	4,834
Industrial	1,538	1,353
Agricultural rate	1,835	1,745
Cultural and recreation	130	128
Municipal charge	15,305	14,250
Supplementary rates and charges	1,117	1,096
Green waste	1,882	1,473
Total rates and charges	122,784	115,374

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the valuation of the land and improvements on the land combined together.

The valuation base used to calculate general rates for 2012/2013 was \$57.749 billion (2011/2012: \$50.574 billion). The 2012/2013 rate in the \$ on CIV was 0.0018565 for rateable Residential properties (2011/2012: 0.0020167).

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation first applied to the rating period commencing 1 July 2012.

The date of the next general revaluation of land for rating purposes within the municipal district will be January 2014 and the valuation will be first applied in the rating year commencing 1 July 2014.

Note 3 Statutory fees and fines

Infringements	999	839
Planning	1,057	1,126
Land information certificates	152	145
Permits and Licences	1,299	1,194
Other	377	235
Total statutory fees and fines	3,884	3,539

	2013	2012
	\$'000	\$'000
Note 4 User fees		
Strategic Planning	27	41
Statutory Planning	396	375
Environment Protection and Community Safety	922	994
Economic Development	721	775
Infrastructure Strategy	69	840
Infrastructure Maintenance	281	222
Infrastructure Project Management	312	789
Renewable Resources	6,680	7,059
Child Youth and Family Care	479	557
Aged and Disability Services	1,573	1,421
Recreation and Leisure	6,201	6,858
Libraries Arts and Culture	668	428
Director Sustainable Communities	23	10
Governance and Corporate Support	1,084	1,082
Property and Valuation	2,247	2,300
Information Services	21	19
Finance	1,419	1,480
Team Support and Development	51	99
Total user fees	23,174	25,347

Ageing analysis of contractual receivables

Please refer to Table in Note 37e entitled Ageing of Trade and other renewables for the ageing analysis of contractual receivables.

	2013	2012
	\$'000	\$'000
Note 5 Contributions		
(a) Cash		
Developer contributions	2,426	2,554
Contributions to capital works	794	1,343
Other	1,561	612
Total contribtutions	4,781	4,509
(b) Contributed assets		
Land	5,014	-
Infrastructure	5,241	4,823
Land under roads	114	105
Total contributed assets	10,369	4,928
Total contributions	15,150	9,437

In-kind contributions relate to the component parts of subdivision and development over which Council assumes the future care and maintenance. Assets passed to the Council are brought to account at standard cost, which equates to fair value, in accordance with Council policy.

In respect of cash contributions received, there were no restrictions imposed on the way in which they be applied or used over a particular period.

Note 6 Interest

Investments	1,131	1,692
Rates and charges	624	546
Total interest	1,755	2,238

	2013	2012
	\$'000	\$'000
Note 7 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federal funded grants	5,107	5,206
State funded grants	21,597	21,060
Total	26,704	26,266
Capital		
Roads	2,906	3,765
Other	2,229	1,288
Total capital	5,135	5,053
Recurrent		
Victorian Grants Commission *	6,123	7,851
Strategic Planning	4	72
Environment Protection and Community Safety	384	347
Economic Development	481	297
Infrastructure Strategy	1,320	168
Infrastructure Maintenance	853	665
Infrastructure Project Management	-	8
Renewable Resources	225	254
Child Youth and Family Care	2,956	2,835
Aged and Disability Services	7,396	7,085
Recreation and Leisure	10	49
Libraries Arts and Culture	1,010	959
Director Sustainable Communities	799	613
Team Support and Development	4	8
The CEO's Office	4	5
Total recurrent	21,569	21,214
Total grants	26,704	26,266

* Note – At the direction of the Commonwealth Government, 50% of the Victorian Grants Commission 2013/2014 allocation amounting to \$3,227k was brought forward to June 2013. The balance will continue to be paid quarterly during the 2013/2014 financial year. At the end of June 2012 50% of the Victorian Grants Commission 2012/13 allocation amount to \$3,169k was brought forward to June 2012.

	2013	2012
	\$'000	\$'000
Conditions on Grants		
Grants recognised as revenues during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	3,963	3,046
Capital Grants:		
Other	1,682	116
Roads	1,348	1,914
Total capital	3,030	2,030
Strategic Planning	-	54
Environment Protection and Community Safety	20	-
Economic Development	187	251
Infrastructure Strategy	-	79
Infrastructure Maintenance	365	218
Renewable Resources	150	222
Director Sustainable Communities	68	75
Child Youth and Family Care	128	107
Aged and Disability Services	10	10
The CEO's Office	5	-
Total recurrent	933	1,016

All conditions have been met for grants recognised in the previous year.

2013	2012
\$'000	\$'000

Note 8 Assets written off

Infrastructure assets written off	324	765
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Note: Abandonment of road assets following reconstruction of roads.

Note 9 Net gain/(Loss) on disposal of property, plant and equipment

Total Proceeds from Sale / Disposal of Assets		
Proceeds from sale/disposal	2,005	152
Less: carrying amount	(947)	(125)
Net gain/(loss) on sale/disposal	1,058	27

Plant and equipment

Proceeds from sale	24	78
Less: carrying amount	(21)	(87)
Net gain/(loss) on sale	3	(9)

Property

Proceeds from sale	1,980	74
Less: carrying amount & ancillary costs	(925)	(38)
Net gain/(loss) on sale	1,055	36

	2013	2012
	\$'000	\$'000

Note 10 Employee costs

(a) Employee costs	62,141	60,378
Less: capitalised employee costs	(1,635)	(1,616)
Operating employee costs	60,506	58,762

Wages and salaries	47,840	46,198
Redundancy costs - wages and salaries	-	395
Superannuation	4,700	4,519
Fringe benefit tax	582	422
Workcover	1,237	1,633
Annual leave and long service leave	6,148	5,594
Total employee costs	60,506	58,762

(b) Defined Benefits Superannuation Liability

Liability	-	9,235
Tax	-	1,630
Total Defined Benefits superannuation liability	-	10,865

Full-time equivalent (FTE) number of employees as at 30th June (excludes casual employees)	666	667
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During the prior period (2012) Council was required to make an additional contribution to Vision Super to meet our obligations to members of the defined benefit plan.

Note 11 Materials and services

Contracts	73,117	66,563
Materials	8,551	8,967
Utilities and street lighting	3,818	3,385
Total materials and services	85,486	78,915

	2013	2012
	\$'000	\$'000
Note 12 Depreciation and amortisation		
Land		
Landfill cells	215	215
Buildings		
Buildings	4,017	3,777
Plant and Equipment		
Plant and equipment	155	147
Furniture and fittings	245	228
Library collections	1,136	1,049
Information technology equipment	17	17
Bins (leased)	386	386
Infrastructure		
Roads	9,966	9,020
Drainage	4,649	4,300
Other	4,541	2,864
Intangible Assets		
Information technology intangible (software)	106	93
Total depreciation and amortisation	25,433	22,096

	2013	2012
	\$'000	\$'000
Note 13 Finance costs		
Interest - borrowings	2,178	2,466
Interest - leases	62	96
Interest - defined benefits superannuation liability	131	175
Total finance costs	2,370	2,737

Note 14 Other expenses

Conferences and seminars	169	149
Contributions, donations and grants paid	1,559	1,428
Councillors' allowances	255	265
External audit - Victorian Auditor Generals Office	80	77
Family day care fee relief paid (offset by income)	649	653
Indirect recruitment costs (recruitment, staff training and uniforms)	659	568
Insurance excess and small claims	84	107
Other	580	515
Property rental expenses	215	220
Total other expenses	4,249	3,982

2013	2012
\$'000	\$'000

Note 15 Cash and cash equivalents

Cash on hand	17	19
Cash at bank	3,921	330
Short term deposits	29,367	29,893
Total cash	33,305	30,242

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

-Hillview Quarries Restoration Agreement	477	477
-Trust funds and deposits (note 26)	3,418	3,154
-Reserve funds (note 29)	750	1,492
Total Restricted Funds	4,645	5,123
Total Unrestricted Funds and cash equivalents	28,660	25,119

Note 16 Other financial assets

Investments - Non Current	8	8
Unlisted shares at cost	8	8

Shares are held in MAPS Group Ltd and Rye and Dromana Community Financial Services Ltd.

2013	2012
\$'000	\$'000

Note 17 Trade and other receivables

Current

Rates debtors	4,722	3,808
Rates pensioner	828	1,627
Government grants	2,625	2,878
Net GST receivable	1,665	1,236
Special charge schemes	371	368
Parking infringement debtors	927	897
Less: provision for doubtful debts	(743)	(725)
Other receivables	2,445	1,735
Total current trade and other receivables	12,840	11,824

Non - Current

Special charge schemes	887	1318
Total non current trade and other receivables	887	1318
Total trade and other receivables	13,727	13,142

Note 18 Other assets

Inventories	122	146
Accrued income	691	989
Prepayments	708	695
Total other assets	1,521	1,830

Note 19 Assets held for sale

Total assets held for sale	11,121	7,871
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Land identified for sale in the forthcoming twelve months at Fair Value. Refer Note 1(t) for basis of measurement.

	2013	2012
	\$'000	\$'000
Note 20 Property		
Land	818,151	815,469
Land under roads	646	533
Buildings	126,625	121,691
Total property	945,422	937,693

Land

Land	815,912	815,454
Land at Cost	2,239	-
Work in progress	-	15
Total land	818,151	815,469

Land was revalued to its market value as at 30 June 2012. The valuations were determined by an officer of the Mornington Peninsula Shire, Ian Brown, AAPI, who is a Registered Valuer. Refer to Note 1(h) for valuation details.

Land under roads

Total land under roads at cost	646	533
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Council has elected not to recognise land under roads controlled prior to 30 June 2008. Land under roads acquired after 30 June 2008 is brought to account using the cost basis. Refer to Note 1(h) for valuation details.

Buildings

Buildings at valuation	244,670	241,860
Less accumulated depreciation	(133,578)	(130,377)
Buildings at cost	13,214	3,793
Less accumulated depreciation	(18)	-
Work in progress	1,476	5,339
Landfill cell	1,721	1,721
Less accumulated amortisation	(861)	(645)
Total buildings	126,625	121,691

Buildings were revalued to their current replacement cost less accumulated depreciation as at 30 June 2012. The valuations were determined by an officer of the Mornington Peninsula Shire, Ian Brown, AAPI, who is a Registered Valuer. Refer to Note 1(h) for valuation details.

Note 21 Plant, furniture and equipment

Total plant, furniture & equipment	7,086	7,395
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Plant

Plant at cost	1,639	1,495
Less accumulated depreciation	(1,094)	(1,059)
Bins at cost	302	302
Less accumulated depreciation	(254)	(224)
Bins leased	3,855	3,855
Less accumulated amortisation	(3,395)	(3,010)
Work in progress	-	20
Total plant	1,053	1,379

Furniture and equipment

Furniture and equipment at cost	2,753	2,544
Less accumulated depreciation	(2,105)	(1,867)
Work in Progress	16	30
Total furniture and equipment	664	707

Information technology

Information technology at cost	965	1,027
Less accumulated depreciation	(881)	(949)
Work in progress	27	41
Total information technology	111	119

Artworks

Artworks at cost	2,440	2,401
Total artworks at cost	2,440	2,401

Library collections

Library collections at cost	7,232	7,000
Less accumulated depreciation	(4,449)	(4,273)
Work in progress	35	62
Total library collections	2,818	2,789

Refer to Note 1(h)

2013	2012
\$'000	\$'000

Note 22 Infrastructure Assets

Infrastructure at valuation	1,446,493	1,362,171
Less accumulated depreciation	(429,978)	(393,577)
Work in progress	5,334	5,726
Total infrastructure assets	1,021,850	974,320

Infrastructure assets include earthworks, substructures, seals, and kerbs relating to roads (footpaths and parking areas).

Infrastructure assets - roads

Infrastructure - roads at valuation	851,565	797,309
Less accumulated depreciation	(235,355)	(212,499)
Total infrastructure assets - roads	616,210	584,810

Infrastructure assets - drains

Infrastructure - drains at valuation	460,082	439,862
Less accumulated depreciation	(129,021)	(121,384)
Total infrastructure assets - drains	331,061	318,478

Infrastructure assets - other

Infrastructure - other at valuation	134,846	125,000
Less accumulated depreciation	(65,602)	(59,694)
Total infrastructure assets - other	69,244	65,306

Infrastructure assets - work in progress

Roads	2,501	2,362
Drainage	1,298	1,532
Other	1,315	1,086
Special Charge Schemes	220	746
Total Construction Works at Cost	5,334	5,726

Following a fair value assessment, Infrastructure assets were revalued to their current cost less accumulated depreciation as at 30th June 2013, allowing for age and condition of the asset.

The reassessments were determined by an officer of the Mornington Peninsula Shire, Alex Atkins, Diploma Civil Engineering. Refer to note 29 for the impact of revaluation/reassessment of fair value for the year 2012/2013

Note 23a Movements in the carrying amount of non-current assets

	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Additions/ Contributions	Transfers	Transfer to/from WIP	Balance at end of financial year
2013	\$'000	\$'000	(note 30) \$'000	(note 13) \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land									
Land	815,454	7,518	-	-	(1,004)	-	(3,817)	-	818,151
Land Under Roads	533	113	-	-	-	-	-	-	646
Work in Progress	15	(15)	-	-	-	-	-	-	-
Total Land	816,002	7,616	-	-	(1,004)	-	(3,817)	-	818,797
Buildings									
Buildings	116,352	9,351	-	(4,232)	(185)	-	-	3,863	125,149
Work in Progress	5,339	-	-	-	-	-	-	(3,863)	1,476
Total Buildings	121,691	9,351	-	(4,232)	(185)	-	-	-	126,625
Total Property	937,693	16,967	-	(4,232)	(1,189)	-	(3,817)	-	945,422
Plant , Furniture and Equipment									
Plant	1,360	243	-	(541)	(9)	-	-	-	1,053
Furniture and Equipment	678	215	-	(245)	-	-	-	-	648
Information Technology	78	23	-	(17)	-	-	-	-	84
Artworks	2,401	39	-	-	-	-	-	-	2,440
Library Collections	2,727	1,116	-	(1,136)	-	-	-	76	2,783
Work in Progress	153	-	-	-	-	-	-	(76)	77
Total Plant, Furniture and Equipment	7,397	1,636	-	(1,939)	(9)	-	-	-	7,085
Infrastructure									
Roads	584,810	12,220	27,264	(9,966)	(1,045)	2,540	-	387	616,210
Drains	318,478	7,247	7,824	(4,649)	(769)	2,696	-	234	331,061
Other Structures	65,306	4,634	5,170	(4,541)	(1,100)	5	-	(230)	69,244
Work in Progress	5,726	-	-	-	-	-	-	(391)	5,335
Total infrastructure	974,320	24,101	40,258	(19,156)	(2,914)	5,241	-	-	1,021,850
Total Land & Buildings, Plant and Equipment, Infrastructure	1,919,410	42,704	40,258	(25,327)	(4,112)	5,241	(3,817)	-	1,974,357

Note 23b Movements in the carrying amount of non-current assets

	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Additions/ Contributions	Transfers	Transfer to/from WIP	Balance at end of financial year
2012	\$'000	\$'000	(note 30) \$'000	(note 13) \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land									
Land	679,858	120	136,931	-	-	-	(1,455)	-	815,454
Land Under Roads	428	-	-	-	-	105	-	-	533
Work in Progress	-	15	-	-	-	-	-	-	15
Total Land	680,286	135	136,931	-	-	105	(1,455)	-	816,002
Buildings									
Buildings	119,461	6,658	(1,767)	(3,993)	(861)	-	(1,053)	(2,093)	116,352
Work in Progress	3,246	-	-	-	-	-	-	2,093	5,339
Total Buildings	122,707	6,658	(1,767)	(3,993)	(861)	-	(1,053)	-	121,691
Total Property	802,993	6,793	135,164	(3,993)	(861)	105	(2,508)	-	937,693
Plant , Furniture and Equipment									
Plant	1,723	210	-	(532)	(41)	-	-	-	1,360
Furniture and Equipment	640	267	-	(228)	(1)	-	-	-	678
Information Technology	14	81	-	(17)	-	-	-	-	78
Artworks	2,383	18	-	-	-	-	-	-	2,401
Library Collections	2,673	1,059	-	(1,049)	(23)	-	-	67	2,727
Work in Progress	220	-	-	-	-	-	-	(67)	153
Total Plant, Furniture and Equipment	7,653	1,635	-	(1,826)	(65)	-	-	-	7,397
Infrastructure									
Roads	534,541	14,621	44,753	(9,020)	(2,531)	2,364	-	82	584,810
Drains	311,125	6,581	6,824	(4,300)	(3,594)	2,378	-	(536)	318,478
Other Structures	65,870	5,820	(1,343)	(2,864)	(1,606)	81	(202)	(450)	65,306
Work in Progress	4,822	-	-	-	-	-	-	904	5,726
Total infrastructure	916,358	27,022	50,234	(16,184)	(7,731)	4,823	(202)	-	974,320
Total Land & Buildings, Plant and Equipment, Infrastructure	1,727,004	35,450	185,398	(22,003)	(8,657)	4,928	(2,710)	-	1,919,410

2013	2012
\$'000	\$'000

Note 24 Intangible assets

Software at cost	3,956	3,780
Less accumulated amortisation	(2,623)	(2,517)
Total intangible assets	1,333	1,263

Software

Gross carrying amount

Balance at the beginning of the financial year	3,779	3,522
Additions	176	257
Balance at the end of the financial year	3,955	3,779

Accumulated Amortisation and Impairment

Balance at the beginning of the financial year	2,516	2,423
Amortisation	106	93
Balance at the end of the financial year	2,622	2,516
Net book value at the end of the financial year	1,333	1,263

Note 25 Trade and other payables

Employee costs	1,651	1,907
Materials and services	16,649	8,027
Accrued expenses	540	629
Total and other payables	18,840	10,563

Note 26 Trust funds and deposits

Bank guarantees	510	653
Bonds/deposits	685	574
General	89	44
Hillview Quarries	477	477
Rate recoveries	435	435
Retention amounts	200	167
Subdivision maintenance deposits	1,499	971
Total trust funds and deposits	3,895	3,321

	2013	2012
	\$'000	\$'000
Note 27 Interest bearing liabilities		
Current		
Finance leases	515	479
Secured borrowings	4,489	4,198
Defined benefits superannuation liability	11,335	530
Total current interest bearing liabilities	16,339	5,207
Non -current		
Finance leases	75	590
Secured borrowings	25,985	30,476
Defined benefits superannuation liability	-	11,925
Total non-current interest bearing liabilities	26,060	42,991
Total interest bearing liabilities	42,399	48,198

Note 27a Finance leases

Current		
Plant - bins	515	479
Total current liabilities - finance leases	515	479
Non-current		
Plant - bins	75	590
Total non-current liabilities - finance leases	75	590
Total finance leases	590	1,069

Maturity Profile

Lease commitments not later than 1 year	541	541
Lease commitments later than 1 year but not later than 5 years	75	617
	616	1,158
Less lease interest	(26)	(89)
Total finance leases	590	1,069

2013	2012
\$'000	\$'000

Note 27b Borrowings

Current secured borrowings

Bank loans	4,489	4,198
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Non-current secured borrowings

Bank loans	25,985	30,476
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Total borrowings	30,474	34,674
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The maturity profile for Council's borrowings is:

Not later than one year	4,489	4,198
Later than one year and not later than five years	14,121	15,465
Later than five years	11,864	15,011
Total Borrowings	30,474	34,674

Security for Borrowings

The bank loans are secured over the general rates of the Council.

Financing

Unrestricted access was available at the reporting date to the following lines of credit

Total Facilities

Bank overdraft	5,000	5,000
Bank loans	30,474	34,674
Asset finance - leasing	3,000	3,000
Used at reporting date		
Bank overdraft	1,265	1,708
Bank loans	30,474	34,674
Unused at reporting date		
Bank overdraft	3,735	3,292
Asset finance - Leasing	3,000	3,000

	2013 \$'000	2012 \$'000
Note 27c Defined Benefits Superannuation Liability		
Current		
Defined benefits superannuation liability	11,335	530
Total Current Liabilities - Defined benefits superannuation liability	11,335	530
Non-current		
Defined benefits superannuation liability - call 2010	-	1,060
Defined benefits superannuation liability - call 2011	-	10,865
Total Non Current Liabilities -Defined benefits superannuation liability	-	11,925
Total Defined benefits superannuation liability	11,335	12,455
Maturity Profile		
Defined benefits superannuation liability commitments		
not later than 1 year	11,335	661
Defined benefits superannuation liability commitments later than		
1 year but not later than 5 years	-	12,052
	11,335	12,713
Less Defined superannuation benefits liability interest at 7.5%	-	258
Total Defined superannuation benefits liability	11,335	12,455

2013	2012
\$'000	\$'000

Note 28 Provisions

Current

Native vegetation management	146	135
Annual leave	4,220	3,827
Long service leave	8,103	7,565
Total current provisions	12,469	11,527

Non-current

Landfill restoration	1,285	1,285
Native vegetation management	605	508
Long Service Leave	1,709	1,299
Total non current provisions	3,599	3,092
Total provisions	16,068	14,619

	Annual Leave \$'000	Long Service Leave \$'000	Landfill Rest'n \$'000	Native Veget'n Mgt \$'000	Total \$'000
2013					
Balance at beginning of the financial year	3,827	8,863	1,285	642	14,618
Additional provisions	4,353	2,174	-	260	6,787
Less: Amounts used	(3,960)	(1,225)	-	(152)	(5,337)
Balance at the end of the financial year	4,220	9,812	1,285	750	16,068

2012

Balance at beginning of the financial year	3,695	8,343	1,085	480	13,603
Additional provisions	4,009	3,469	200	294	7,972
Less: Amounts used	(3,877)	(2,948)	-	(132)	(6,956)
Balance at the end of the financial year	3,827	8,863	1,285	642	14,619

2013	2012
\$'000	\$'000

Note 28 Provisions - continued

Aggregate carrying amount of employee benefits:

Current	12,323	11,392
Non-current	1,709	1,299
Total	14,032	12,691

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	3.90%	3.90%
Weighted average discount rates	3.27%	2.58%
Weighted average settlement period	13 years	7 years

Current

All annual leave and long service leave entitlements representing 7 or more years of continuous service.

- Short-term employee benefits, that fall due within 12 months of the end of the period measured at nominal value

5,129 4,976

- Other long-term employee benefits that are not expected to be paid within 12 months after the end of the period measured at present value

7,194 6,416

Total	12,323	11,392
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Non-current

Long service leave representing less than 10 years of continuous service measured at present value

1,709 1,299

Total	1,709	1,299
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Note 29 Reserve Movements

	Balance at beginning of Financial year	Increment	(Decrement)	Balance at end of Financial year
2013	\$'000	\$'000	\$'000	\$'000
Asset Revaluation Reserves				
Property				
Land	585,490	-	-	585,490
Buildings	40,943	-	-	40,943
Infrastructure				
Roads	174,930	27,263	-	202,193
Drainage	207,304	7,824	-	215,128
Other Infrastructure	30,163	5,170	-	35,333
Total Asset Revaluation Reserves	1,038,830	40,257	-	1,079,087
Sustainability Energy Fund	87	-	(87)	-
Recreation Land Reserve	1,025	-	(675)	350
Municipal Emergency Fund	400	-	-	400
Total Reserves	1,040,342	40,257	(762)	1,079,837
2012				
Asset Revaluation Reserves				
Plant, Furniture and Equipment Revaluation	40	-	(40)	-
Property				
Land	448,559	136,931	-	585,490
Buildings	42,710	-	(1,767)	40,943
Infrastructure				
Roads	130,178	44,752	-	174,930
Drainage	200,480	6,824	-	207,304
Other Infrastructure	31,506	-	(1,343)	30,163
Total Asset Revaluation Reserves	853,473	188,507	(3,150)	1,038,830
Sustainability Energy Fund	217	-	(130)	87
Recreation Land Reserve	1,603	-	(578)	1,025
Municipal Emergency Fund	400	-	-	400
Total Reserves	855,293	188,507	(3,858)	1,040,342

Nature and Purpose of Reserves

Sustainable Energy (Fund) Reserve

The purpose of this reserve is to provide funds to sustainably reduce the impact of energy use on the Global Warming effect through the implementation of:

- a) program of Shire wide energy reduction measures;
- b) energy production initiatives; and educational programs.

Funds available as at 30th June 2013 :\$nil (\$87K in 2011/12).

Recreation Land Reserve

The purpose of this reserve is to provide for the purchase of land and/or improvements to places of recreation. Funds available as at 30th June 2013: \$350K (\$1,025K in 2011/12).

Municipal Emergency Fund

The purpose of this reserve is to have an ability to finance the recovery response from unplanned emergency management events.

Funds available as at 30th June 2013 \$400K (\$400K in 2011/12).

	2013	2012
	\$'000	\$'000
Note 30 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus/(deficit) for the year	16,141	4,107
<i>Items not involving cash</i>		
Depreciation/ amortisation (note 12)	25,433	22,096
Change in provision for doubtful debts (note 17)	18	14
Assets written off (note 8)	324	765
Contributions -non-monetary assets (note 5b)	(10,369)	(4,928)
Unfunded superannuation liability (note 10)	0	10,865
(Profit)/loss on disposal of property,plant and equipment, infrastructure	(1,058)	(27)
<i>Items in financing activities</i>		
Finance costs	2,371	2,737
<i>Change in assets and liabilities</i>		
(Increase) / decrease in rates receivables	(915)	(536)
(Increase) / decrease in other receivables	302	(1,887)
(Increase) / decrease in other operating assets	308	(551)
Increase / (decrease) in trade and other payables	3,495	(403)
Increase / (decrease) in provisions	1,341	654
<i>Net cash provided by/(used in) operating activities</i>	37,391	32,906

Note 31 Commitments

The Council has entered into the following contractual commitments

2013	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Sustainable Infrastructure Maintenance Services - Cleansing	9,157	9,477	30,468	58,318	107,420
Sustainable Infrastructure Maintenance Services - Parks and Roadsides	10,003	10,353	33,285	63,709	117,351
Sustainable Infrastructure Maintenance Services - Furniture and Signs	2,932	3,035	9,757	18,676	34,401
Sustainable Infrastructure Maintenance Services - Buildings	6,543	6,772	21,771	41,670	76,755
Safer Local Roads	9,823	10,167	32,687	36,241	88,918
Garbage Collection	5,203	-	-	-	5,203
Green Waste	4,311	-	-	-	4,311
WAN Infrastructure and Communication Links	53	-	-	-	53
Tourism Branding and Promotional Campaign	666	-	-	-	666
Lab Analyst Services	-	-	-	-	-
Consulting & Training	108	19	-	-	127
Feral Animal Management	128	133	-	-	261
Bushland Restoration	1,431	-	-	-	1,431
IT Software & Licenses	357	-	-	-	357
Total operating	50,715	39,956	127,969	218,614	437,254
Capital					
Buildings	257	82	-	-	339
Recreation Facilities	312	141	-	-	453
Roads	1,066	-	-	-	1,066
Footpaths	362	-	-	-	362
Drainage Upgrades	-	-	-	-	-
Total capital	1,998	223	-	-	2,220

During the 2013 financial year Council entered into a new 15 year SIMS2 contract with service providers. Services provided under the contracts include Cleansing, Parks and Roadsides, Furniture and Signs and Building Maintenance.

Note 31 Commitments continued

The Council has entered into the following contractual commitments

2012	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Sustainable Infrastructure Maintenance Services - Cleaving	7,312	448	-	-	7,761
Sustainable Infrastructure Maintenance Services - Parks and Roadsides	14,626	42	-	-	14,668
Sustainable Infrastructure Maintenance Services - Furniture and Signs	3,347	-	-	-	3,347
Sustainable Infrastructure Maintenance Services - Buildings	4,654	-	-	-	4,654
Safer Local Roads	9,501	9,881	32,079	49,087	100,548
Garbage Collection	8,475	-	-	-	8,475
Green Waste	4,050	-	-	-	4,050
WAN Infrastructure and Communication Links	122	127	-	-	250
Tourism Branding and Promotional Campaign	168	175	-	-	343
Lab Analyst Services	87	-	-	-	87
Consulting & Training	132	113	117	-	362
Rye Recreational Boating Precinct Plan & Coastal study	27	-	-	-	27
Design & Construct of Temporary Sports Portables	183	-	-	-	183
Feral Animal Management	104	108	113	-	325
Bushland Restoration	783	-	-	-	783
IT Software & Licenses	712	740	-	-	1,451
Total operating	54,283	11,635	32,309	49,087	147,314
Capital					
Buildings	1,622	-	-	-	1,622
Roads	1,485	-	-	-	1,485
Footpaths	965	-	-	-	965
Drainage Upgrades	1,673	-	-	-	1,673
Public Toilet Strategy	86	-	-	-	86
Playgrounds	73	-	-	-	73
Hastings Jetty	169	-	-	-	169
Total capital	6,072	-	-	-	6,072

	2013	2012
	\$'000	\$'000
Note 32 Operating leases		
Operating lease commitments		
Payments under operating lease which form part of total expenditure	2,396	2,381
Operating Lease contracted for at the reporting date but not recognised in the financial statements as liabilities	4,623	2,405
<i>These expenditures are payable:</i>		
Not later than one year	2,064	1,224
Later than one year but not later than five years	2,558	1,181
Total operating leases	4,622	2,405

33a Superannuation: Local Authorities Superannuation Fund

The Mornington Peninsula Shire makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund) or a fund of their choice. Obligations for contributions are recognised as an expense in profit or loss when they are due. The Fund has two categories of membership, each of which is funded differently.

LASPLAN Members

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefits Members

The Fund's Defined Benefits Plan is a multi-employer sponsored plan. As the Plan's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32(b) of AASB 119, Mornington Peninsula Shire Council does not use defined benefit accounting for these contributions.

The Mornington Peninsula Shire Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

Mornington Peninsula Shire Council makes the following contributions-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year).

Accounting Standard Disclosure

	2013	2012
	\$'000	\$'000
Council made contributions to the following funds		
Superannuation Fund (Vision Super)		
-Defined Benefits	514	523
-Accumulated Fund	3,288	3,326
	3,802	3,849

The Local Authorities Superannuation Fund latest 31 December 2011 actuarial investigation identified an unfunded liability of \$406 million for all fund members (excluding the contributions tax) in the defined benefit fund of which we are a member. Council was aware of the actuarial investigation and expected short fall but was not informed formally of its share of the short fall until 31 July 2012 which amounted to \$10,865,260.

Council has accounted for this short fall in the Comprehensive Income Statement in Employee Benefit (See note 10) and in the Balance Sheet in Liabilities – Defined Benefits Superannuation Liability (note 27c).

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

33b Superannuation: Fund of Choice

The Mornington Peninsula Shire's Employment Agreement No 6 (clause 23.7) allows employees to contribute to alternative complying superannuation funds upon Vision Super providing a clearing facility.

The Mornington Peninsula Shire makes employer superannuation contributions in respect of its employees to alternative funds.

Vision Super received both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee Legislation (9% in 2012/13 and 2011/12). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of their Fund.

During 2012/13 the Mornington Peninsula Shire Council's superannuation contributions relating to "Choice" fund members was \$853K (\$639K in 2011/12).

Note 34 Income, expenses and assets by function/activities

	Sustainable Environment			Sustainable Infrastructure			Sustainable Communities			Sustainable Organisation			CEO Office			Corporate Transactions			Total		
	2013 \$'000	2012 \$'000		2013 \$'000	2012 \$'000		2013 \$'000	2012 \$'000		2013 \$'000	2012 \$'000		2013 \$'000	2012 \$'000		2013 \$'000	2012 \$'000		2013 \$'000	2012 \$'000	
Income																					
Grants	895	876		7,089	5,845	12,442	11,683		147	-		9	12		6,123	7,851		26,705	26,267		
Other	8,259	8,265		22,529	17,021	9,067	9,372		5,240	5,018		51	147		122,657	116,138		167,803	155,961		
Total	9,154	9,141		29,618	22,866	21,509	21,055		5,387	5,018		60	159		128,780	123,989		194,508	182,228		
Expenses																					
Surplus (deficit) for the year	(17,802)	(17,805)		(94,960)	(84,538)	(37,683)	(37,792)		(19,802)	(18,669)		(5,487)	(5,045)		(2,633)	(14,272)		(178,367)	(178,121)		
Assets attributed to functions/activities*	(8,648)	(8,664)		(65,342)	(61,672)	(16,174)	(16,737)		(14,415)	(13,651)		(5,427)	(4,886)		126,147	109,717		16,141	4,107		
	805	1,250		1,193,930	1,148,281	752,722	747,518		29,133	29,019		97	151		58,686	45,922		2,035,373	1,972,141		

*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets

Description of Functional/Activities

- **Sustainable Environment** includes Statutory Planning, Environment Protection and Community Safety Unit, Strategic Planning and Economic Development.
- **Sustainable Infrastructure** includes Infrastructure Strategy, Infrastructure Project Management, Infrastructure Maintenance and Renewable Resources.
- **Sustainable Community** includes Social Planning and Community Planning, Child, Youth and Family Services, Aged and Disability Services, Recreation and Leisure, Libraries, Arts and Culture.
- **Sustainable Organisation** includes Governance and Corporate Support, Finance, Information Services, Property and Valuation.
- **CEO and Council** includes Team Support and Development, Internal Auditor Corporate Planning and Projects, and Communications.
- **Corporate** includes assets not classified into the above functional areas (e.g. Cash and Cash Equivalents and Receivables).

Note: Income and expenses include internal recharges.

For the basis of allocation it was determined that:

- Sundry Debtors are apportioned by nature of activity
- Cash assets, Rate Debtors and other minor assets are classified as 'Other' where it is not practicable to apportion by function
- Land and Buildings are classified as Sustainable Community assets except for Shire depots and toilet blocks (Sustainable Infrastructure) and Civic Centres (Sustainable Organisation)
- Roads, Drains and Other Infrastructure assets have been classified under Sustainable Infrastructure.
- Plant, Furniture and Information Technology equipment have been apportioned as per the functional activity of full time equivalent staff
- Artworks and Library Collections are classified as Community assets

Note 35 Related Party Transactions

a) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors

- Councillor Lynn Bowden (elected 2008 to current)
Mayor from 12 November 2012 to current
- Councillor Frank Martin (elected 2008 to current)
Mayor from 1 July 2012 to 11 November 2012
- Councillor David Gibb (elected 1997 to current)
- Councillor Anne Shaw (elected 2003 to current)
- Councillor Bev Colomb (elected 2005 to current)
- Councillor Tim Rodgers (elected 2005 to current)
- Councillor Graham Pittock (elected 2008 to current)
- Councillor Antonella Celi (elected 2010 to current)
- Councillor Andrew Dixon (elected 27 October 2012 to current)
- Councillor David Garnock (elected 27 October 2012 to current)
- Councillor Hugh Fraser (elected 27 October 2012 to current)
- Councillor Leigh Eustace (elected 2008 to 27 October 2012)
- Councillor Bill Goodrem (elected 2008 to 27 October 2012)
- Councillor Reade Smith (elected 2008 to 27 October 2012)

Chief Executive Officer

- Dr Michael Kennedy OAM

b) Remuneration of Responsible Persons

The number of Responsible Officers, whose total remuneration from Council and any related Entities fall within the following bands:

Income Range

\$nil	-	\$9,999
\$10,000	-	\$19,999
\$20,000	-	\$29,999
\$30,000	-	\$39,999
\$40,000	-	\$49,999
\$50,000	-	\$59,999
\$60,000	-	\$69,999
\$330,000	-	\$339,999
\$340,000	-	\$349,999
Total		

2013 Number	2012 Number
3	-
3	-
6	8
-	1
1	-
-	2
1	-
-	1
1	-
15	12

\$'000	\$'000
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The total remuneration for the year for Responsible Persons included above to:

677 676

Note 35 Related Party Transactions (Cont'd)

c) **Senior Officers Remuneration:**

A Senior Officer other than a Responsible Person, is an officer of the Council who has management responsibilities and/or reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$130k, (\$127k, 2012).

The number of Senior Officers other than Responsible Persons, are shown below in their relevant income bands:

Income Range:			2013 Number	2012 Number
\$110,000	-	\$119,999	-	1
\$120,000	-	\$129,999	3	1
\$130,000	-	\$139,999	1	11
\$140,000	-	\$149,999	10	7
\$150,000	-	\$159,999	7	-
\$190,000	-	\$199,999	-	1
\$220,000	-	\$229,999	-	3
\$230,000	-	\$239,999	3	-
Total			24	24

The total remuneration for the year for Senior Officers included above, amounted to:

\$'000	\$'000
3,743	3,644

- d) No retirement benefits have been made by the Council to a Responsible Person. (2011/2012, nil)
- e) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2011/2012, nil).
- f) Other related party transactions requiring disclosure have been considered. There are no matters to report.
- g) Remuneration includes current gross salaries, superannuation, allowances and other benefits.

Note 36 Contingent Liabilities and Assets

(a). Guarantees for loans to other entities

	2013	2012
	\$'000	\$'000
The Mornington Peninsula Shire has guaranteed loans of:		
Mornington District Basketball Association \$650,000	497	533
Dromana Bowling Club Inc \$280,000	34	67
Somerville Bowling Club Inc \$150,000	-	27
Balnarring Bowls and Social Club Inc \$100,000	23	1
Hastings Bowls Club Inc \$300,000	194	300
Total	748	928

Council resolved to act as guarantor (Council Minute 2.5, 16/05/2005) for the Mornington District Basketball Association, to secure a loan of \$650,000 from the ANZ Bank, Mornington, (loan was refinanced with Bendigo Bank during 2013) to build a three (3) court stadium at the Mornington Secondary College. Council has a contingent liability of \$496,816.48 as at 30th June 2013. (\$532,718.51, 2012).

Council resolved to act as guarantor (Council Minute 2.4, 19/12/2006) for the Dromana Bowling Club inc., to secure a loan of \$280,000 from the Bendigo Bank – Rye, for major refurbishment of two (2) bowling greens at their Club, converting them to a synthetic surface. Council has a contingent liability of \$34,494.58 as at 30th June 2013. (\$66,733.99, 2012)

Council resolved to act as guarantor (Council Minute 2.1, 2/04/2007) for the Somerville Bowling Club inc., to secure a loan of \$150,000 from the Bendigo Bank – Pearcedale, for major refurbishment of two (2) bowling greens at their Club, converting them to woven carpet greens. Council has a contingent liability of \$nil as at 30th June 2013. (\$27,248.79, 2012).

Council resolved to act as guarantor (Council Minute 2.6 11/10/2010) for the Balnarring Bowls and Social Club Inc, to secure a loan of \$100,000 from the Bendigo Bank – Balnarring for reconstruction of number one (1) bowling green to improve the playing surface. Council has a contingent liability of \$23,029.70 as at 30th June 2013 (999.61, 2012).

Council resolved to act as guarantor (Council Minute 2.6 13/02/2012) for the Hastings Bowls Club inc, to secure a loan of \$300,000 from the Bendigo Bank – Hastings for the refurbishment/extension to the Hastings Bowls Club. Council has a contingent liability of \$194,464.78 as at 30th June 2013 (\$300,000, 2012).

Note 37 Financial Instruments

a) Accounting Policy, Terms and Conditions

Recognised Financial Instrument	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and cash equivalents	15	Cash on hand and at bank and money market call account are valued at face value Interest recognised as it accrues.	At call deposits returned floating interest rates between 3.65% and 4.00% (2012: 3.45% and 4.70%). The interest rate at balance date was 2.70% (2012: 3.45%) Bank bills returned floating interest rates between 3.65% and 4.00% (2012: 4.60% and 5.58%). The weighted average rate at balance date was 3.85% (2012: 4.99%).
Unlisted Shares	16	Valued at cost.	Council's holdings in MAPS Group Ltd and Rye & District Community Financial Services Ltd.
Trade and other receivables			
Other Receivables (excluding fines and infringements receivables)	17	General receivables are carried at nominal amounts due less any provisions for doubtful debts. A provision for doubtful debts is recognised when collection is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis. Special Charge Scheme receivables are carried at nominal amounts due plus interest. Special Charge debts are a charge attached to the rateable land. Interest rates are reviewed annually.	General receivables are unsecured and interest free. Credit terms are net 30 days. Special Charge Scheme receivables are payable by quarterly instalments for up to 10 years. Interest rate charged for Special Charge Scheme receivables was between 7.47% and 7.87% (2012: 8.31% to 8.76%)

Recognised Financial Instrument	Note	Accounting Policy	Terms and Conditions
Financial Liabilities			
Trade and other Payables	25	Liabilities are recognised for amounts to be paid in the future for goods received and services provided to Council as at balance date whether or not invoices have been received.	Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice date.
Interest-bearing loans and borrowings	27b	Loans are carried at their principal amount outstanding. Bank loans are subject to borrowing limits imposed by State Government under Loan Council approval arrangements. Interest is charged as an expense as it accrues.	Borrowings are secured by a deed over the rate revenue of Council The interest rate for individual bank loans is fixed for the period of the loan Bank loans are repayable in equal instalments comprising principal & interest. Interest is payable in arrears. Interest rates for loans vary between 6.10% and 7.76% (2012: 6.10% and 7.76%).
Finance Leases	27a	Finance leases are capitalised and calculated using an imputed interest rate based on repayment streams. The leases are in respect of recycling bins.	The equipment remains the property of the leasing company. The interest rate applicable is 7.32% (2012: 7.32%)
Bank Overdraft		Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand.

Note 37b Financial Instruments – Interest Rate Risk

Council's exposure to interest rate risk and the effective interest rates on financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

Fixed Interest Rate Matures in:								
	Note	Floating Interest Rate	1 year or Less	Over 1 to 5 Years	More than 5 Years	Non Interest Bearing	Total	Weighted Average Interest Rate %
2013		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets								
Cash and cash equivalents	15	3,921	-	-	-	17	3,938	2.70
Cash on call & bank bills	15	-	29,367	-	-	-	29,367	3.85
Other financial assets	16	-	-	-	-	8	8	N/A
Trade and other receivables	17	1,258	-	-	-	6,735	7,993	7.68
Total financial assets		5,179	29,367	-	-	6,760	41,306	
Financial liabilities								
Trade and other payables	25	-	-	-	-	18,840	18,840	N/A
Trust funds and deposits	26	-	-	-	-	3,895	3,895	N/A
Finance leases	27a	-	515	75	-	-	590	7.32
Interest bearing loans	27b	-	4,489	14,121	11,864	-	30,474	6.75
Defined benefits superannuation	27c	-	11,335	-	-	-	11,335	N/A
Total financial liabilities		-	16,339	14,196	11,864	22,735	65,134	
Net financial assets/(liabilities)		5,179	13,028	(14,196)	(11,864)	(15,975)	(23,828)	

Fixed Interest Rate Matures in:								Weighted Average Interest Rate %
Note	Floating Interest Rate	1 year or Less	1 to 5 Years	Over 5 Years	Non Interest Bearing	Total		
2012		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets								
Cash and cash equivalents	15	330	-	-	-	19	349	3.45
Cash on call & bank bills	15	-	29,893	-	-	-	29,893	4.99
Other financial assets	16	-	-	-	-	8	8	N/A
Trade and other receivables	17	1,686	-	-	-	7,476	9,162	8.55
Total financial assets		2,016	29,893	-	-	7,503	39,412	
Financial liabilities								
Trade and other payables	26	-	-	-	-	10,730	10,730	N/A
Trust funds and deposits	27	-	-	-	-	3,154	3,154	N/A
Finance leases	28a	-	479	590	-	-	1,069	7.32
Interest bearing loans	28b	-	4,198	15,465	15,011	-	34,674	6.75
Defined benefits superannuation	28c	-	530	11,925	-	-	12,455	N/A
Total financial liabilities		-	5,207	27,980	15,011	13,884	62,082	
Net financial assets/(liabilities)		2,016	24,686	(27,980)	(15,011)	(6,381)	(22,670)	

Note 37c Financial Instruments – Net Fair Value

The aggregate net fair values of financial assets and financial liabilities both recognised and unrecognised, at balance date are as follows:

	Total Carrying amount as per Balance Sheet \$'ooo		Aggregate Net Fair Value \$'ooo	
	2013	2012	2013	2012
Financial Assets				
Cash and cash equivalents	33,305	30,242	33,305	30,242
Other financial assets	8	8	8	8
Trade and other receivables	7,993	9,162	7,993	9,162
Total financial assets	41,306	39,412	41,306	39,412
Financial liabilities				
Interest - bearing loans	30,474	34,674	30,987	35,321
Trade and other payables	18,840	10,730	18,840	10,730
Trust funds and deposits	3,895	3,154	3,895	3,154
Finance leases	590	1,069	590	1,069
Defined benefits superannuation	11,335	12,455	11,335	12,455
Total financial liabilities	65,134	62,082	65,647	62,729

The following methods and assumptions are used to determine the net fair value of financial assets and financial liabilities:

- Creditors, Cash on Call, Receivables other than Special Charge Schemes & Bank Overdraft
The carrying amount approximated fair value because of the short term to maturity.
- Bank Loans
The fair value of long-term borrowings is estimated during cash flow analysis based on current lending rates.
- Unlisted Shares
The carrying amount approximated fair value.
- Defined Benefits Superannuation Liability
The carrying amount approximated fair value.
- Financial Leases
The fair value of long-term lease liability is estimated using cash flow analysis based on current implicit rate of interest.

Note 37d Financial Instruments – Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

Note 37e Financial Instruments – Risks and Mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market Risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks, and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal, because the main debtor is the Victorian Government. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 38.

Movement in provisions for doubtful debts

	2013	2012
	\$'000	\$'000
Balance at the beginning of the year	725	711
New provisions recognised/reduced during the year	18	24
Amounts already provided for and written off as uncollectible	-	(10)
Balance at end of year	743	725

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due date but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

Current (not yet due)	4,852	7,206
Past due by up to 30 days	819	279
Past due between 31 and 60 days	524	60
Past due greater than 61 days	7,532	5,563
Total trade and other receivables	13,727	13,108

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$927K (2012 \$897K) were impaired. The amount of the provision raised against these debtors was \$743K (2012 \$725K). The individually impaired debtors relate to general and sundry debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

Past due by more than 1 year	743	725
Total trade and other receivables	743	725

Liquidity Risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

- monitor cash flow which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- monitor budget to actual performance on a regular basis.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts where applicable.

2013	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	18,840	-	-	-	-	18,840	18,840
Trust funds and deposits	1,307	1,540	571	-	477	3,895	3,895
Interest Bearing loans and borrowings	2,190	2,298	4,096	10,024	11,866	30,474	30,474
Total financial liabilities	22,337	3,838	4,667	10,024	12,343	53,209	53,209

2012	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	10,730	-	-	-	-	10,730	10,730
Trust funds and deposits	2,100	1,026	577	-	477	4,180	4,180
Interest Bearing loans and borrowings	2,057	2,141	4,490	10,974	15,011	34,673	34,673
Total financial liabilities	14,887	3,167	5,067	10,974	15,488	49,583	49,583

Note 37f Financial Instruments – Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia):

- A parallel shift of +2% and -1% in market interest rates (AUD) from years-end rates of 3.45%. The table below discloses the impact on net operating result and equity for each category of financial instruments held by Council at year-end, if the above movements were to occur.

Market Risk Exposure	Interest Rate Risk				
	Carrying amount	-1%		+2%	
	Subject to Interest \$'000	100 basis points Profit \$'000	Equity \$'000	200 basis points Profit \$'000	Equity \$'000
2013					
Financial assets					
Cash and cash at bank	3,921	(39)	(39)	78	78
Cash on call and bank bills	29,367	(294)	(294)	587	587
Financial liabilities					
Bank Loans	30,474	(305)	(305)	609	609
Net	2,814	(28)	(28)	56	56

Market Risk Exposure	Interest Rate Risk				
	Carrying amount	(0)		+2%	
	Subject to Interest \$'000	100 basis points Profit \$'000	Equity \$'000	200 basis points Profit \$'000	Equity \$'000
2012					
Financial assets					
Cash and cash at bank	330	(3)	(3)	7	7
Cash on call and bank bills	29,893	(299)	(299)	598	598
Financial liabilities					
Bank Loans	34,674	(347)	(347)	693	693
Net	(4,451)	45	45	(89)	(89)

2013	2012
\$'000	\$'000

Note 38 Auditor's remuneration

Audit fee to conduct external audit - Victorian Auditor-General	80	77
Internal Audit and other audits	159	174
Total	239	251

Note 39 Events occurring after balance date

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

	2013	2012
	\$'000	\$'000
Note 4o Capital Expenditure		
Capital Expenditure areas		
Land	7,060	82
Buildings	4,787	6,690
Infrastructure - roads	11,130	13,878
Infrastructure - drainage	5,570	3,361
Infrastructure - other	3,137	2,432
Plant	223	238
Furniture and equipment	203	206
Information technology	186	251
Artworks	39	18
Library bookstock	1,166	1,082
Total Capital Works	33,501	28,238

Represented by:-

Asset Expansion	2,219	820
Asset Upgrade	7,353	8,547
New Assets	9,966	3,204
Asset Renewal	13,963	15,667
Total Capital Works	33,501	28,238

Property, plant and equipment, infrastructure movement

The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance sheet links to the net of the following items:

Total capital works	33,501	28,238
Depreciation and amortisation	(25,326)	(22,003)
Assets written off	(324)	(765)
Granted assets	10,356	4,928
Movement in asset revaluation	40,257	185,396
Disposals	(2,682)	(6,751)
Other adjustments	3,168	6,069
Transfer to Current Assets	(4,000)	(2,711)
Total Capital Works	54,950	192,401

a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in council's asset base.

c) Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

Note 41 Financial Ratios (Performance Indicators)

	2013	2012	2011
a) Debt Servicing Ratio The Debt Servicing ratio expresses debt servicing costs (interest and finance charges relating to bank loans and finance leases) as a percentage of total operating revenue, thus identifying the capacity of Council to service its outstanding debt. Council's Debt Servicing ratio is reducing and low, and indicates that Council has a strong capacity to meet financing costs on borrowings. <u>Debt servicing costs</u> Total revenue	1.2%	1.5%	1.6%
b) Debt Commitment Ratio The Debt Commitment ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal, thus indicating Council's debt redemption strategy. Council's Debt Commitment ratio is steady, and indicates that resources are not extensively committed to servicing existing debts. The small increase is due to an additional amount paid to reduce superannuation liability. <u>Debt servicing & redemption costs</u> Rate revenue	6.7%	6.6%	6.3%
c) Revenue Ratio The Revenue Ratio indicates Council's reliance on rate revenue by assessing rate revenue as a proportion of the total revenue of Council; it identifies Council's dependence on non-rate income. Council's Revenue Ratio is consistent with the previous year. <u>Rate revenue</u> Total revenue	63.5%	63.3%	62.4%
d) Debt Exposure Ratio The Debt Exposure ratio expresses the percentage of total liabilities for each dollar of realisable assets, enabling assessment of Council's solvency and exposure to debt. (For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation use; land and buildings on Crown land, restricted assets, and total infrastructure assets are excluded). Council's Debt Exposure increased in 2013 partially due to the revaluation of Land and Buildings 2012. The ratio is consistent and considered low (Council's target measure is <20%), and indicates that Council is not heavily reliant on debt. <u>Total indebtedness</u> Total realisable assets	9.4%	9.0%	9.6%

	2013	2012	2011
e) Working Capital Ratio			
The Working Capital ratio expresses the level of current assets the Council has available to meet its current liabilities, indicating our ability to meet current commitments			
Council's Working Capital ratio has declined due to Councils defined benefits superannuation liability due to be paid in July 2013, and whilst we have no major issues, we need to be careful in managing cash flow.			
<u>Current assets</u>			
Current Liabilities	114.1%	169.1%	163.1%
f) Adjusted Working Capital Ratio			
The Adjusted Working Capital ratio also assesses Councils ability to meet current commitments, however current liabilities have been reduced to reflect the long service leave that is shown as a 'current liability' (because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period).			
When adjusted, the Working Capital ratio indicates that Council has no issues with repaying short term liabilities as they fall due.			
<u>Current assets</u>			
Current Liabilities	135.3%	224.6%	213.9%

Certificate of Financial Statements

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



Principal Accounting Officer
Geoff Emberson, B.Bus (Acc), CPA

Dated: 9 September 2013

STATEMENT BY COUNCILLORS AND CHIEF EXECUTIVE OFFICER

In our opinion the accompanying financial statements present fairly the financial transactions of the Mornington Peninsula Shire for the year ended 30 June 2013 and the financial position of the Council as at that date.

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

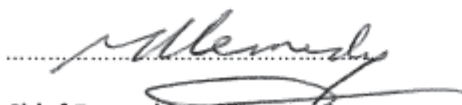
We have been authorised by the Council on 2nd September 2013 to certify the financial statements in their final form.



Councillor Lynn Bowden, Mayor
Dated: 9 September 2013



Councillor Frank Martin
Dated: 9 September 2013



Chief Executive Officer
Dr Michael Kennedy OAM
Dated: 9 September 2013

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Mornington Peninsula Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2013 of the Mornington Peninsula Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cashflows, notes comprising a summary of the significant accounting policies and other explanatory information, and the statement by certificate of financial statements have been audited.

The accompanying standard statements for the year ended 30 June 2013 of the Council which comprises standard statement of income statement, standard balance sheet, standard cash flow statement, standard capital works statement, the related notes and the certificate of standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the Mornington Peninsula Shire Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

Auditing in the Public Interest

Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Mornington Peninsula Shire Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to Note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Mornington Peninsula Shire Council for the year ended 30 June 2013 included both in the Mornington Peninsula Shire Council's annual report and on the website. The Councillors of the Mornington Peninsula Shire Council are responsible for the integrity of the Mornington Peninsula Shire Council's website. I have not been engaged to report on the integrity of the Mornington Peninsula Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
13 September 2013


John Doyle
Auditor-General

2
Auditing in the Public Interest

Mornington Peninsula Shire

Standard Statements

for the year ended
30 June 2013

Notes to the Standard Statements

1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements in its Annual Report. Four statements are required — a Standard Income Statement, a Standard Balance Sheet, a Standard Cash Flow Statement and a Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included in the Annual Report. They have not been prepared in accordance with relevant Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of ten percent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by the Council on 23rd July 2012. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements. The detailed budget can be obtained by contacting Council or through the Council's website. The Standard Statements must be read with reference to these documents.

Standard Income Statement For the Year Ended 30 June 2013

	Budget \$'000	Actual \$'000	Variance \$'000	%	Ref	
Income						
Rates and Charges	122,057	122,784	727	1		
Statutory Fees and Fines	3,692	3,884	192	5		
User Fees	24,342	23,174	(1,168)	(5)		
Contributions - cash	2,624	4,781	2,157	82	1	
Contributed Assets	6,500	10,369	3,869	60	2	
Grants - Recurrent	18,183	21,569	3,386	19	3	
Grants - Capital	4,437	5,135	698	16	4	
Interest	1,700	1,755	55	3		
Total revenues	183,535	193,451	9,916			
Expenses						
Employee Costs	57,793	60,506	(2,713)	(5)		
Materials and Contracts	84,077	85,486	(1,409)	(2)		
Depreciation and Amortisation	20,927	25,433	(4,506)	(22)	5	
Finance Costs	2,347	2,370	(23)	(1)		
Other Expenses	4,498	4,249	249	6		
Assets Written Off	0	324	(324)	100	6	
Total expenses	169,642	178,368	(8,726)			
Net Gain/(Loss) on Sale/Disposal of Assets	0	1,058	1,058	100	7	
Surplus/ (deficit)for the year	13,893	16,141	2,248			
Other comprehensive income						
Net Asset Revaluation	(1)	0	40,257	(40,257)	100	8
Total comprehensive result	13,893	56,398	(38,009)			

(1) It is not likely that a Council would budget for asset revaluations or impairments.

Standard Income Statement

For the Year Ended 30 June 2013

Variance Explanation Report

1 Cash Contributions

Unbudgeted contributions to priority projects \$878k, including Special Charge Promotion Schemes and projects with offsetting expenditure such as 'Economic Benefits – Port of Hastings' and the 'Fire Services Property Levy implementation'. Income was also received for the electoral review \$218k that was not budgeted for. Priority Works contributions were \$550k greater than the original budget, primarily for Martha Cove works, including pedestrian signals. Unbudgeted contributions to capital works projects of \$512k were received, including Alfred Street streetscape and roundabout projects \$285k and Humphries Road Frankston City Council (shared cost) \$130k.

2 Contributed Assets

In-kind contributions from subdivisions were \$3.87m more than budget (\$6.5m), primarily due to Land \$5m and Infrastructure \$5.2m assets now under the control of Council.

3 Grants - Recurrent

Unbudgeted grants for priority projects \$1.749m, including MPS Access to Education and Employment \$1.149m, fully offset by expenditure. As well as \$106k for Hastings Hub Neighbourhood Renewal, with \$34k carried forward to 2013/14. Unbudgeted grants for priority works \$876k were also received, including Integrated Catchment Management \$225k, CCTV Hastings \$200k and the Westernport Ramsar Protection Project \$151k. HACC funding was overall \$325k greater than budget, including a growth funding allocation, one-off project and minor capital works allocations, and a \$155k State Government funding reduction.

4 Grants – Capital

Unbudgeted grants received towards the capital works program including, but not limited to, Roads to Recovery Racecourse Rd Mornington/Tyabb Rd \$955k, Bentons Square Preschool additions \$600k, Sorrento Early Learning Centre \$300k and Mobile Library Refurbishment \$125k. Grant income that was budgeted but not received partially offset these favourable variances including, Roads to Recovery Hodgins Rd/Frankston-Flinders Rd \$700k, Mornington Transit Precinct \$450k and Balnarring Sports Club \$300k.

5 Depreciation and Amortisation

Depreciation was greater than budget due to the revaluation of Infrastructure assets in 2011/12. The Annual Budget was adopted by Council before the 2011/12 Financial Statements were finalised, consequently, actual information was different from budget assumption. The useful life of various infrastructure assets was reassessed during 2012/13. Assets have been brought back on with a new useful life.

6 Assets Written Off

Not included in the Annual Budget. The actual amount is primarily due to the abandonment of Infrastructure assets. Refer to Financial Statements note 8 for details.

7 Net Gain/(Loss) on sale/disposal of assets

Net Gain/(Loss) on sale/disposal of assets was not included in the Annual Budget. The actual amount is primarily as a result of sale of land. Refer Financial Statements note 9 for details.

8 Asset Revaluation

During the year a revaluation of infrastructure assets was undertaken resulting in a \$40,257m increase in the reported value of assets. The nature of the revaluation process means that it is not possible to estimate the outcome of the revaluation as part of the budget process and as such it is not included in the budget.

Standard Balance Sheet

For the Year Ended 30 June 2013

	Budget \$'000	Actual \$'000	Variance \$'000	%	Ref
Current assets					
Cash and cash equivalents	22,904	33,305	10,401	45	1
Trade and other receivables	9,711	12,840	3,129	32	2
Other assets	1,213	1,521	308	25	3
Assets held for sale	5,150	11,121	5,971	116	4
Total current assets	38,978	58,787	19,809		
Non-current assets					
Other financial assets	8	8	0	0	
Trade and other receivables	595	887	292	49	5
Land and buildings	858,033	945,422	87,389	10	6
Plant, furniture and equipment	7,395	7,086	(309)	(4)	
Infrastructure	894,660	1,021,850	127,190	14	7
Intangibles	1,200	1,333	133	11	8
Total non-current assets	1,761,891	1,976,586	214,695		
Total assets	1,800,869	2,035,373	234,504		
Current liabilities					
Trade and other payables	8,872	18,840	(9,968)	(112)	9
Trust Funds and Deposits	4,713	3,895	818	17	10
Interest-bearing loans and borrowings	6,298	16,339	(10,041)	(159)	11
Provisions	11,382	12,469	(1,087)	(10)	12
Total current liabilities	31,265	51,543	(20,278)		
Non-current liabilities					
Interest-bearing loans and borrowings	27,761	26,060	1,701	6	
Provisions	2,662	3,599	(937)	(35)	12
Total non-current liabilities	30,423	29,659	764		
Total liabilities	61,688	81,202	(19,514)		
Equity					
Accumulated surplus	883,528	874,333	9,195	1	
Reserves	855,653	1,079,838	(224,185)	(26)	13
Total equity	1,739,181	1,954,171	(214,990)		
Total liabilities and equity	1,800,869	2,035,373	(234,504)		

Standard Balance Sheet

Variance Explanation Report

For the Year Ended 30 June 2013

1 Cash and Cash Equivalents

Budget assumed that all capital works would be complete by 30 June. The cash balance was greater than budgeted primarily due to projects being incomplete at balance date due to planning issues, weather delays and extended consultation, that have been carried forward into 2013/14, Council retains the cash in short term deposits until required.

2 Receivables

Budget assumed a lower level of receivables as at year end. The most significant receivables includes Rate instalments outstanding \$4.7m, Government Grants \$2.6m and GST Refund \$1.7m. Refer Financial Statements note 17 for details.

3 Other

Budget assumed a lower level of other as at year end. Other assets include Inventories \$122k, Accrued income \$691k and prepayments \$624k. Refer Financial Statements note 18 for details.

4 Assets held for sale

The conversion of assets is greater than budget primarily to fund the acquisition of the Rosebud Shopping Centre.

5 Receivables

Budget assumed a lower level of non-current portion of Special Charge Schemes receivables as at year end. Refer Financial Statements note 17 for details.

6 Land and Buildings

The budget did not allow for the revaluation of land and buildings as at 30 June 2013.

7 Infrastructure

The budget did not allow for the revaluation of infrastructure as at 30 June 2013.

8 Intangibles

Budget assumed a lower level of intangibles as at year end. Refer Financial Statements note 24 for details.

9 Payables

Budget assumed a lower level of payables at year end. All amounts accrued are expected to be paid or refunded in the next 12 months. The level of accruals was higher than anticipated partly due to the settlement of the Rosebud Shopping Centre \$4.5m occurring in July 2013 and SIMS \$1.7m contract payments applicable to June 2013. Refer Financial Statements note 25 for details.

10 Trust Funds and Deposits

Budget assumed a higher level of Trust Funds and Deposits. Major movement for the 2013 year was Subdivision Maintenance Deposits \$528k. Refer Financial Statements note 26 for details.

11 Interest-bearing Liabilities

Budgeted Balance Sheet did not allow for the recognition of defined benefits superannuation liability \$10.8m due in July 2013.

12 Provisions

The Annual Budget was adopted by Council before the 2011/12 Financial Statements were finalised, consequently, actual information was different from budget assumption

13 Reserves

The increment \$40,258m is due to Infrastructure asset revaluations, refer to note 29.

Standard Cash Flow Statement
For the Year Ended 30 June 2013

	Budget \$'000	Actual \$'000	Variance \$'000	Ref	%
Cash flows from operating activities					
<i>Receipts (inclusive of GST, wherever applicable)</i>					
Rates and charges	122,058	123,496	1,438	1	
User charges and other	28,034	29,568	1,534	5	
Cash contributions	2,624	4,781	2,157	82	1
Government grants	22,619	26,045	3,426	15	2
Interest	1,700	1,830	130	8	3
Net GST refund	7,196	7,936	740	10	4
	184,231	193,656	9,425		
<i>Payments (inclusive of GST, wherever applicable)</i>					
Employee costs	57,793	59,441	(1,648)	(3)	
Materials and consumables	90,803	92,596	(1,793)	(2)	
Other expenses	4,858	4,228	630	13	5
	153,454	156,265	(2,811)		
Net cash Inflows / (outflows) from operating activities	30,777	37,391	6,614		
Cash flows from investing activities					
<i>Payments for</i>					
Property	7,396	7,316	80	1	
Infrastructure assets	30,497	19,699	10,798	35	6
Plant, furniture and equipment	1,648	1,802	(154)	(9)	
	39,541	28,817	10,724		
<i>Proceeds from</i>					
Sale of property	6,150	1,985	(4,165)	(68)	7
Sale of plant, furniture and equipment	75	12	(63)	(84)	8
Sundry receivables	0	1	1	100	
	6,225	1,998	(4,227)		
Net cash inflows / (outflows) from investing activities	(33,316)	(26,819)	6,497		
Cash flows from financing activities					
Finance costs	(2,346)	(2,450)	(104)	(4)	
Proceeds from borrowings	1,000	0	(1,000)	(100)	9
Repayment of borrowings	(4,189)	(4,200)	(11)	(0)	
Repayment of finance leases	(515)	(479)	36	7	
Repayment of unfunded superannuation	(1,122)	(1,121)	1	0	
Movement in deposits and bonds	0	741	741	(100)	10
Net cash inflows / (outflows) from financing activities	(7,172)	(7,509)	(337)		
Net increase / (decrease) in cash held	(9,711)	3,063	12,774		
Cash and cash equivalents at the beginning of the financial year	32,615	30,242	(2,373)		
Cash and cash equivalents at the end of the financial year	22,904	33,305	10,401		

Standard Cash Flow Statement

Variance Explanation Report

For the Year Ended 30 June 2013

1 Cash Contributions

Refer to Standard Income Statement note 1.

2 Government Grants

Unbudgeted grants for priority projects \$1.749m, including MPS Access to Education and Employment \$1.149m and \$106k for Hastings Hub Neighbourhood Renewal. Unbudgeted grants for priority works \$876k were also received, including Integrated Catchment Management \$225k, CCTV Hastings \$200k and the Westernport Ramsar Protection Project \$151k.

HACC funding was overall \$325k greater than budget, including a growth funding allocation, one-off project and minor capital works allocations, and a \$155k State Government funding reduction.

The adjusted 2012/13 Grants Commission allocation was \$130k greater than budget.

Unbudgeted grants received towards the capital works program including, but not limited to, Roads to Recovery Racecourse Rd Mornington/Tyabb Rd \$955k (fully offset by related expenditure), Bentons Square Preschool Additions \$600k, Sorrento Early Learning Centre \$300k and Mobile Library Refurbishment \$125k.

3 Interest

During the year Council had additional funds to invest due to incomplete priority project and capital works programs.

4 Net GST Refund

Refunds for payments made were more than anticipated.

5 Other Expenses

Due to a number of variations across the organisation, for example, Building Maintenance Services insurance excess and small claims paid being less than budget.

6 Infrastructure Assets

Payments less than budget due to capital projects carried forward to 2013/14. Refer Standard Statement of Capital Works.

7 Sale of Property

Some properties that were intended for disposal during 2012/13 will not be finalised until 2013/14.

8 Sale of Plant, Furniture and Equipment

Not all budgeted trade-ins were proceeded with.

9 Proceeds from Borrowings

The Shire's planned borrowing of \$1m in 2012/13 for the acceleration of the Pavilion Upgrade Strategy, was deferred to 2013/14 due to timing associated with construction following extensive consultation regarding design and functionality requirements with user groups.

10 Movement in Deposits and Bonds

Budget assumed no movement in the level of Trust Funds and Deposits at year end. Major movement for the 2013 year was Subdivision Maintenance Deposits \$528k.

Standard Capital Works Statement For the Year Ended 30 June 2013

	Budget \$'000	Actual \$'000	Variance \$'000	%	Ref
Capital expenditure areas					
Land	50	7,060	(7,010)	(14,020)	1
Buildings	8,573	4,787	3,786	44	2
Infrastructure - Roads	18,896	11,130	7,766	41	3
Infrastructure - Drainage	5,651	5,570	81	1	
Infrastructure - Other	4,617	3,137	1,480	32	4
Plant	218	223	(5)	(2)	
Furniture and Equipment	299	203	96	32	5
Information Technology	0	186	(186)	(100)	6
Artworks	37	39	(2)	(5)	
Library Bookstock	1,200	1,166	34	3	
Total capital works	39,541	33,501	6,040		
Represented by					
Asset expansion	2,696	2,219	477	18	a
Asset upgrade	11,084	7,353	3,731	34	b
New assets	3,797	9,966	(6,169)	(162)	
Asset renewal	21,964	13,963	8,001	36	c
Total capital works	39,541	33,501	6,040		
Reconciliation of net movement in property, infrastructure, plant and equipment					
Total capital works	39,541	33,501	6,040	15	
Depreciation and amortisation	(20,297)	(25,326)	5,029	(25)	
Assets written off	0	(324)	324	(100)	
Granted assets	6,500	10,356	(3,856)	(59)	
Movement in asset revaluation	0	40,257	(40,257)	100	
Disposals	0	(2,682)	2,682	(100)	
Other adjustments	0	3,168	(3,168)	(100)	
Transfer to current assets	0	(4,000)	4,000	(100)	
Net Movement in property, infrastructure, plant and equipment	25,744	54,950	(29,206)		

a) Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in council's asset base.

c) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

Standard Capital Works Statement Variance Explanation Report For the Year Ended 30 June 2013

1 Land

Unbudgeted land acquisitions (land component of Rosebud Shopping Centre).

2 Buildings

Projects incomplete at balance date due to planning issues, weather delays and extended consultation, were carried forward into 2013/14, including Toilet Strategy Implementation \$1.038m, Bentons Square Preschool Additions \$582k, Sports Pavilion Strategy Implementation \$264k and Baxter Preschool \$238k.

The Shire's planned borrowing of \$1m in 2012/13 for the acceleration of the Pavilion Upgrade Strategy (Elsie Dorrington Sports Pavilion) was deferred to 2013/14 due to timing associated with construction following extensive consultation regarding design and functionality requirements with user groups.

Major building renovations were less than budget by \$3.386m primarily due to incomplete works included as part of the carry forwards identified above (Sports Pavilion and Toilet Strategy Implementations). In addition, the early completion of works for the Rosebud Air Conditioning project in 2011/12 has resulted in a favourable variance \$641k.

3 Infrastructure - Roads

Safer Local Roads accelerated works program was \$2.789m less than budget (offset operating result). In addition, \$2.790m was carried forward for the Black spot projects; Sorrento Seawall project less than budget \$505k with the project delayed due to planning and scoping works, this project will be funded over two years through carry forward funds; Footpath Strategy Implementation \$478k less than budget; Urban Road Contributory schemes \$469k less than budget; Rehab – Walkways/bike paths/footpaths \$383k less than budget; and Mornington Transit Precinct \$346k.

4 Infrastructure – Other

Projects were carried forward to 2012/13 due to being incomplete or not yet started including, the Implementation of Recreation Master Plans \$622k, Skate Parks \$291k, Playground developments \$197k, Netball Strategy \$119k and Neighbourhood Activity Centre Structure Plan \$100k. The Balnarring Sports Club contribution \$300k did not occur but is offset by income not received.

5 Furniture and Equipment

Enterprise Management System implementation budgeted for as Furniture and Equipment, but expenditure was coded to Information Technology category during the year.

6 Information Technology

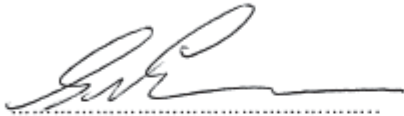
As above.

It should be noted that 2012/13 Annual Budget was adopted by Council before the 2011/12 Financial Statements were finalised.

Certificate of Standard Statements

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

In my opinion the accompanying standard statements of the Mornington Peninsula Shire Council in respect of the 2012/2013 financial year have been prepared in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.



Principal Accounting Officer
Geoff Emberson, B.Bus (Acc), CPA

Dated: 9 September 2013

STATEMENT BY COUNCILLORS AND CHIEF EXECUTIVE OFFICER

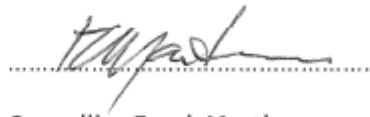
In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

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

We have been authorised by the Council on 2nd September 2013 to certify the standard statements in their final form.



Councillor Lynn Bowden, Mayor
Dated: 9 September 2013



Councillor Frank Martin
Dated: 9 September 2013



Chief Executive Officer
Dr Michael Kennedy OAM
Dated: 9 September 2013

Mornington Peninsula Shire

Performance Statement

for the year ended
30 June 2013

Performance Statement

Explanatory Information

The Council is required to prepare and adopt an Annual Budget and monitor the achievement of Key Strategic Activities contained in the budget against targets. These targets are used to monitor the achievement of the plan are determined in accordance with legislation at the beginning of the Annual Budget year.

For the 2012/13 year, Council has prepared a Performance Statement which compares these targets set at the beginning of the year with the actual results at the end of the year and shows the extent to which those targets have been met.

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Liveable Peninsula			
A sustainable development pattern	Endorse Mornington Peninsula Planning Statement Position Paper	Report to Council	Endorsement by December 2013
Status: Achieved			
Comment: The Metropolitan Strategy Discussion paper – “Melbourne – let’s talk about the future” was released on the 26th October and details are available on the DPCD website. The closing date for submissions in response to the discussion paper was the 28th March. Council adopted the Shire’s position response on March 12 2013.			
Well planned townships	Exhibition of the Housing and Sustainable Settlement Strategy	Report to Council and Public Exhibition	Exhibition by June 2013
Status: ‘On hold’ due to changes in State government directives			
Comment: The Housing Growth Requirements Program was established by the Department of Planning and Community Development (DPCD) in the context of population growth rates which have been higher than anticipated in the Melbourne 2030 strategy. Housing growth requirements were intended to be considered in the preparation of municipal housing strategies and any associated planning scheme amendments. It appears that Housing Capacity Assessments will now be incorporated into the preparation of the new Melbourne Metropolitan Planning Strategy, which is due to be completed towards the end of 2013, and in the implementation of the new Residential Zones. The Local Housing and Sustainable Settlement Strategy (LHSSS) is intended to follow on from the State government’s Housing Growth Requirements project (discussed above), and to provide a more detailed examination of housing issues, needs and trends at the local level. However, having regard to the delay in the release of Housing Capacity Assessments it is considered appropriate to proceed with work at the local level in advance of the State project. The study brief is under review and preliminary data collection has been commenced with pilot work in Somerville.			

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Protecting heritage assets	Completion of Stage 5 Heritage Review	Report to Council	Exhibition by June 2013
Status: Achieved.			
Comment: In conjunction with the Shire Heritage Review the 'thematic environmental histories' that form part of each existing Shire heritage study are being combined into a new Mornington Peninsula Thematic History. This is a necessary step in assessment of new heritage places and supporting any new heritage overlays that may be recommended by the Heritage Review. The Heritage Review has also been completed. A final list of places recommended for heritage overlays has been completed. The Review will be reported to Council in September 2013.			
Enhancing Public Places and Spaces			
Managing Environmental Systems	Adoption of Tootgarook Wetland Management Plan	Report to Council	Adoption by June 2013
Status: Achieved. Note: In accordance with post-budget Council resolution (see below note).			
Comment: At its meeting on 27 August, 2012, Council considered a range of issues raised in the Tootgarook Wetlands Discussion Paper and resolved to undertake a series of actions, predominantly to investigate RAMSAR nomination and listing and broader stakeholder consultation. The Shire has completed Parts B, C, D and E insofar as writing to these persons/organisations. The Working Party has met in November and December 2012 and March 2013; and Council has formed the Tootgarook Wetlands Stakeholder Advisory Committee consisting of 19 community representatives. A meeting was held at the Tootgarook Community Hall on 16 April, 2013. Council is currently investigating a RAMSAR nomination of the Tootgarook Wetland. Three consultant briefs have been prepared for: • facilitation of the Working Group, • pre-european cultural heritage assessment, and • mapping and updating of mapping of native vegetation A report to Council outlining the current status and future approach was tabled and adopted on 13 May 2013			
Improved path networks	Implementation of Footpath Strategy (Somerville to Hastings Cycle Path refurbishment)	Completed Project	Completion by 30 June 2013
Status: Achieved.			
Comment: Project satisfactorily completed.			

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Improved road networks	Implementation of Safer Local Roads Program (Pavement Condition Index for local access roads)	Three yearly pavement condition assessment	PCI score of > or = 89
Status: Achieved			
Comment: Improved performance at 89.82. The Shire's local road network has continued to improve as a result of our Safer Local Road's contract with recent condition measurements showing an overall improvement to the network over the last three years. The finalised outcomes are that the overall average condition of the entire network has been improved over the 2008/9 – 2011/12 period with a slight increase in condition apparent in Hierarchies, B, C1, C2 and D and the entire network generally. Following Cure Plan works, the entire average condition of the network will have improved by 0.6% during the last three year measurement period, and by 1.2% since the commencement of the Safer Local Roads contract in 2005/6.			
Enhanced open spaces	Implementation of Playground Strategy (Mornington Regional Park Upgrade)	Completed Project	Completion by June 2013
Status: Significantly completed			
Comment: The final construction documents are 90% complete. The project will take eight (8) weeks to tender. During the community engagement process, where all local primary schools were contacted, a submission was received from students at St Macartans Parish Primary. The children had some great suggestions. Shire officers visited the school and ran a workshop with students from Grades 5 and 7. As a result the Schnapper Point Playground will include some artwork from a local primary school. The project has received coastal consent from DSE. Work is proposed to commence in August 2013.			
Improving Community Facilities			
Improving community buildings	Implementation of Sports Pavilion Strategy (completion of planned capital works)	Monthly Report	Completion by June 2013
Status: In progress.			
Comment: Council has provided funds for sporting club facilities to be upgraded to meet the changing standards and this will see an immediate improvement to sporting facilities that will have their needs addressed as a high priority under the pavilion strategy. The acceleration of the Pavilion Upgrade Strategy, has been partially deferred to 2013/14 due to timing associated with construction following extensive consultation regarding design and functionality requirements with user groups.			
Dallas Brooks Park (Beleura Junior Football Club) The building works were awarded to Joven Building Service. Works commenced on the 17th September 2012. This project reached practical completion 1 March 2013.			

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Elsie Dorrington Netball Pavilion, Mornington – Pavilion Strategy As part of the planning permit process Council has received objection to the Notice of Decision to grant a permit for the works. The planning process allows for any affected residents to seek a resolution through the planning tribunal, VCAT, to discuss and consider their concerns before making a decision. A date for VCAT has been set for 16 August 2013 and has delayed the project for up to three months. Fruit Growers Reserve, Somerville – Pavilion Strategy Architectural firm MSM Architects and Associates has been appointed to undertake the detailed design. Meetings with the user groups have commenced to advance this project through the detailed design process. A Heritage Report has also been commissioned to identify the heritage significance of the site. This investigation has delayed the progress of this project. Mount Martha Tennis Pavilion, Mount Martha Architectural firm Williams Kaye Hofer has been appointed to undertake the detailed design. Meetings with the user groups have commenced to advance this project through the detailed design process. A Heritage Report has also been commissioned to identify the heritage requirements of the site. This investigation has delayed the progress of this project. Citation Reserve, Mount Martha – A concept plan has been developed in consultation with the project steering committee and in accordance with the facilities entitlement schedule adopted by Council on the 23 July 2012. Balnarring Reserve, Balnarring A concept plan has been developed in consultation with the project steering committee and in accordance with the facilities entitlement schedule adopted by Council on the 23 July 2012.			
Improving community facilities	Implementation of Toilet Strategy (completion of planned capital works)	Monthly Report	Completion by June 2013
Status: Partially achieved			
Comment: This program is at the stage of developing scoping, design and specification documents to allow for tendering to be undertaken. These documents are almost complete and it is expected that refurbishment works can begin in June 2013. Tenders have been invited for the refurbishment of foreshore toilets at Bishop Reserve, Dromana and Rye east of the pier car park entrance. These two projects are the first projects to commence under a Shire-wide program to upgrade the standard of public conveniences. Significant progress made on both new and existing facilities. Achievements include: - Detailed architectural assessments and scope of works plans prepared for each of the 48 existing Stage 1 locations. - Detailed designs and tender documents have been prepared for major upgrades at the Rye and Dromana foreshore facilities. - Community engagement has commenced for the Mother's Beach facility rebuild. - The new Mornington Bus Interchange toilet to be completed in the coming months. - Detailed designs are being prepared for the new Hillview Community Reserve public toilet. There will need to be a significant carryover of funds as most contract payments will be made in the new financial year.			

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Supporting community sporting clubs	Implementation of Sporting Facilities Lighting Program (completion of planned capital works)	Monthly Report	Completion by June 2013
Status: Achieved			
Comment: The Shire has implemented the sports lighting strategy successfully in 2012/13 undertaking key projects and responding to risk management issues. The Shire also delivered the additional project at Graham Myers that was funded part funded through a State Government Grant.			
Leading Change on Climate change			
Sustainable Land Management	Implementation of Land Sustainability Rebate Scheme	Annual Report	Take up of >700 applications per annum
Status: Achieved			
Comment: There are 2462 eligible properties in 2012/2013. 751 claimed the rebate which is 30.5% of eligible properties.			
Flood mitigation and prevention programs	Implementation of Integrated Flood Management & Drainage Strategy (Fisherman's Creek Catchment drainage works)	Completed Project	Completion by 30 June 2013
Status: Achieved			
Comment: Nil			
Water Management	Implementation of Integrated Water Management Plan	Monthly Report	Completion by 30 June 2013
Status: Substantially achieved.			

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Comment: The implementation of the Shire's Water Resources Management Plan 2008-2012 builds on the Shire's reduction in potable water usage. The Plan identifies opportunities to maximise alternative water usage; improve stormwater quality to the bays and ensure water security. This year's projects: • Water metre mapping project (To link billing data for water use and to rationalise our current metering infrastructure. This information will be captured and stored in our GIS system to link metering information with property data). • Water usage audits for Shire buildings and campground facilities • Water tank installations at community buildings and campground facilities • Stormwater quality master planning for key catchments (modelling program to identify opportunities for stormwater treatment assets across Council infrastructure) • Developed Environmental Sustainable Design Policy and guidelines (in progress) • Developed Water Sensitive Urban Design Policy and Guidelines Project (in progress) The Shire has also continued work on the draft Smart Water Strategy, developed in consultation with the community and industry stakeholders and integrates the review of the Shire's Stormwater Strategy (2002) and Water Resource Management Plan (2008). Council feedback on the draft Plan was sought on 24 July 2013.			
Waste Management	Reduced Waste Diversion Rates	Monthly Report	Resource recovery target of 50% by 2014
Status: Achieved			
Comment: Our new waste contracts included a target of 20% of hard waste to be diverted from landfill in year one. This diversion target will increase by 7.5% annually over the next five years to a required diversion rate of 50% in year five. Since the commencement of the new Shire-wide maintenance contract (SIMS2) contract, the targets have not only been met, but greatly exceeded. Council achieved auditor verified diversion rates of 58% within the first twelve months – a result far in excess of the initial target of 20%. This contract won the 'Innovation in Service Provision' Award from the Institute of Public Administration Australia			
Enhancing the Coastal Experience			
Managing our coastline	Adoption of Mornington Harbour Precinct Plan	Report to Council	Adoption by 30 June 2013
Status: Ongoing			
Comment: Consultants are currently preparing a number of plans and reports to reflect the wide range of issues and options that have been discussed. The project has been delayed due to the ongoing and extensive consultation process required to develop a precinct plan, in a complex coastal environment that is subject to a high level of public interest. The Mornington Harbour Precinct Working Group held 5 meetings throughout 2012/2013. These meetings involved issue identification and a review the Project Plan and the Consultation Plan for the project, to provide for the involvement of the wider group of stakeholders and the community. The draft Mornington Harbour Precinct Plan (or Options Report) is expected to be completed for consideration by Council and public exhibition later in 2013.			
Enhancing the coastal experience	Completion of foreshore camping amenity block refurbishments	Monthly Report	Completion by 30 June 2013

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Status: Achieved.			
Comment: Audits were conducted at the 25 amenity blocks at the foreshore camping grounds to assess the condition of the water infrastructure and determine opportunities for water savings and efficiencies at these sites. Leak detection was conducted and leak repair works implemented, and water pressure tested at each site. The water infrastructure assets along the foreshore have been mapped and a plan for water conservation and improved water efficiency at the site is being developed. The first step towards improving water efficiency is an extensive rollout of water saving showerheads at all 25 amenity blocks. The program of new capital works was finished prior to peak season this includes the re-opening of Section 10A for campers where power and water has been reinstalled allowing over 150 additional families to experience the Mornington Peninsula foreshore camping summer experience. New outdoor showers were installed at key amenity blocks providing a great resource for the whole community and all shower heads have been replaced throughout all amenity blocks to assist in improving water savings across the Foreshore.			
Healthy Safe & Connected Communities			
Fostering a culturally enriched community	Implementation of Arts and Culture Strategy actions	Monthly Report	Completion by 30 June 2013
Status: Achieved.			
Comment: Creative Peninsula: Arts and Culture Strategy 2012/13-2014/15 was adopted by Council on 10 September 2012. Key actions implemented for 2012/13 included planning for the establishment of an Arts and Culture Advisory Panel, development of a Communications and Marketing Plan, expansion of Arts Stream funding and the establishment of the inaugural Mornington Winter Jazz Festival in partnership with the Mornington Chamber of Commerce.			
Optimising Health and Wellbeing for all ages	Implementation of Health & Well Being Plan actions	Monthly Report	Completion by 30 June 2013
Status: Achieved			
Comment: The implementation of the Health and Wellbeing Plan relates to the 2003-2006 document. Strategic partnerships have been formed with Medicare Local, Primary Care Partnerships and other stakeholder to ensure the effective planning, delivery and evaluation of identified key priorities over the next four years. Other strategic community planning documents which focus on the overall health and wellbeing outcomes for the community are presently nearing completion or recently completed. These include the Rooming House Policy, Food Access Strategy and the Reconciliation Plan 2013. Work is currently underway for the MPS Health and Wellbeing Plan for 2003-17, due to be adopted in November 2013 in line with State government legislative requirements. The Plan comprises of three separate strategic documents including a background paper which includes an overview of the extensive data set captured in the Population Health Atlas, an Action Plan and Summary Report outlining the 10 key contributors identified through wide-ranging consultation and linked to the Council Plan.			
Optimising the accessibility and use of community facilities	Adoption of Ten Year Kindergarten Strategy	Report to Council	Adoption of by 30 June 2013
Status: Ongoing			

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Comment: The development of ten year Kindergarten Strategy was not able to be progressed as a result of several mitigating factors, including the change in Government policy regarding the increased number of preschool hours, education department interest in relocation of preschools to government school sites and construction of additional kinder rooms at preschools to meet the changed policy requirements, together which made development of a 10 year strategy unable to be completed with any certainty in the 2012/13 year. This was also compounded by unplanned extended staff absence during the year. The development of the Strategy will be progressed during 2013/14 and reported to Council during this period.			
Supporting diverse community events	Roll-out of Shire's 3-year Community & Special Events Program	Report to Council	Completion by 30 June 2013
Status: Complete			
Comment: The Triennial Funding Program for community events saw over ninety (90) detailed applications submitted for a vast array of exciting community events. Assessment of these applications has taken place and funding recommendations presented to Council in July.			
Supporting an active, connected and informed community	Implementation of Literacy Villages Partnership Project	Report to Council	Completion by 30 June 2013
Status: Achieved			
Comment: Project satisfactorily completed.			
Making Communities safe	Installation of new ticketing machines at boat ramps	Installations complete	Completion by 30 June 2013
Status: In progress (see note).			
Comment: It has been decided to install a pay by phone/cashless system to complement the aging ticket machines and to eventually replace the ticket machines. All sites have been reviewed and the project is expected to be operational by the end of August. The Shire has refined the use of technology with Park Mobile International (PMI) and their local agents from PayTech solutions. A trial will take in July. Installation of signage will also take place in August.			
Supporting a Sustainable Economy			
Foster Innovative business community	Completion Marine Industry Precinct Planning	Report to Council	Adoption by 30 June 2013
Status: Achieved			
Comment: Nil			

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Marketing the Peninsula as a tourism destination	Promotion & Marketing of Mornington Peninsula to the national conference industry	Annual Health of Tourism Survey	10% increase in business events delegates, expenditure and bookings at Peninsula accommodation and conference venues by June 2013
Status: In progress (due to be reported late August 2013).			
Comment: The Annual Health of Tourism Survey was undertaken in June 2013. The findings are currently being analysed by consultants and findings available end-August 2013.			
Coordinated Port Planning	Adoption of Port Strategy Implications Study	Report to Council	Adoption by 30 June 2013
Status: Achieved.			
Comment: Further planning for port area development is ongoing. In addition, the Port and Environs Advisory Committee has submitted a report to the Minister on land use issues in the areas around Victoria's ports. A new Port Zone has been recommended with opportunity to tailor the provisions for Hastings and other port areas. <i>The Shire</i> is currently awaiting advice from DPCD on the new draft Port Zone proposals. This project is being undertaken by Melbourne's South East with the Mornington Peninsula Shire as the lead council. Consultants GHD have been engaged to undertake this project. To date the consultants GDH have undertaken a 'state of play' for what is the south east regions economy and how it interacts with port related activity. The next stage currently being undertaken is the consultation phase with key businesses on what would be the economic benefits to them for the development of the Port of Hastings. The report is expected to be completed in early July 2013.			
Innovative, Responsive, Value for Money Service Delivery			
Building a competent and healthy workplace	Number of lost time/injury days	Monthly Report	Ten percent reduction by 30 June 2013
Status: Achieved.			
Comment: The number of workplace compensatable workcover claims continues to fall. At the end of June 2012 there were 27 active claims which fell to 21 active claims by the end of June 2013. The reduction exceeded the target.			
Demonstrating good corporate and democratic operations	Completion of Council Election Process	New Council inducted	November 2012
Status: Achieved.			
Comments: Council elections were successfully undertaken and a new Council formally elected on 12 November 2012 (Annual Meeting). Councillor induction took place on 1 November 2012			

Key Strategic Activity	Performance Measure	How Data is reported	Performance Target
Engaging with the community	Implementation of new Shire web site	Web site implemented	Implementation by 30 June 2013
Status: Achieved			
Comment: Council new website was launched in March 2013 see www.mornpen.vic.gov.au			
Sustainable managing our finances	Victorian Auditor General's assessment of financial sustainability	Victorian Auditor General Report to Parliament	Council Overall Rating = Low Risk
Comment: Achieved			

Certificate of Performance Statement

STATEMENT BY COUNCILLORS AND CHIEF EXECUTIVE OFFICER

In our opinion the accompanying performance statement of Mornington Peninsula Shire Council in respect of the 2012/2013 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the key strategic activities and performance targets and measures specified under section 127 in respect of that year as described in Council's adopted budget and describes the extent to which the key strategic activities were met in that year having regard to those targets and measures.

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

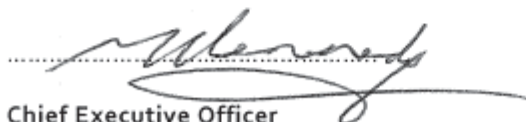
On 2nd September 2013 we have been authorised by the Council to certify the performance statement in its final form.



Councillor Lynn Bowden, Mayor
Dated: 9 September 2013



Councillor Frank Martin
Dated: 9 September 2013



Chief Executive Officer
Dr Michael Kennedy OAM
Dated: 9 September 2013

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Mornington Peninsula Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Mornington Peninsula Shire Council which comprises the statement and the statement by certificate of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Mornington Peninsula Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Mornington Peninsula Shire Council in respect of the 30 June 2013 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Mornington Peninsula Shire Council for the year ended 30 June 2013 included both in the Mornington Peninsula Shire Council's annual report and on the website. The Councillors of the Mornington Peninsula Shire Council are responsible for the integrity of the Mornington Peninsula Shire Council's website. I have not been engaged to report on the integrity of the Mornington Peninsula Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
13 September 2013



John Doyle
Auditor-General

Auditing in the Public Interest

