Annual Report

2022-23

MORNINGTON PENINSULA
Shire

Acknowledgement of Country

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

Offices and Contact Details

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90 Besgrove Street (Mel ref: 170 A4)

Mornington
2 Queen Street (Mel ref: 104 D10)

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About our Annual Report

Mornington Peninsula Shire is proud to present its Annual Report for the 1 July 2022 to 30 June 2023 financial year.

Mornington Peninsula Shire Council is committed to transparent reporting and accountability to the community. Alongside our Quarterly Community Report, the Annual Report 2022-23 is the primary means of advising our community about Council's operations and performance during the financial year.

The Annual Report is an overview of Council's performance in the 2022-23 financial year against the three strategic themes set out in our Council and Wellbeing Plan 2021-2025. The report details Council's operations and performance during the financial year, including the State Government's Local Government Performance Reporting Framework, which can also be found at knowyourcouncil.vic.gov.au

The report highlights achievements and challenges in key operational areas, provides comprehensive corporate governance information as well as audited financial statements and includes our financial and sustainability performance.

Mornington Peninsula Shire is responsible for more than 100 community services, from Child and Family Health, Climate Emergency Action, Open Space, Youth Support, Waste Management and Community Development; to matters concerning economic development and recovery, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure for residents support the wellbeing and prosperity of our community. Refer to the section on Our Performance for more information about Council services.

Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council and Wellbeing Plan and the annual Budget and reported in this document.

Economic Factors

Council's revenue raising capability is limited by the rate cap and is set at 1.75 percent in 2022-23 under the Fair Go Rates System.

Major Achievements and Capital Works/Major Projects

Please see our Highlights of the Year section.

About our Shire

The Mornington Peninsula is a boot-shaped promontory separating Port Phillip Bay and Western Port. 'The Peninsula', as it is affectionately known to local residents, contains a diversity of scenic landscapes and is almost surrounded by the sea, with coastal boundaries of more than 190 kilometres and approximately 10 per cent of Victoria's coastline. It is a mixture of urban areas, townships, natural reserves and rural land.

Approximately 70 per cent of the Shire is retained as rural within the Green Wedge planning zone, while the other 30 per cent is towns and villages. Within the Green Wedge there are areas of highly productive agricultural land as well as highly significant landscapes and ecosystems.

A uniquely biodiverse region, the Peninsula is home to an incredible range of plants and animals, including species and areas of national and international conservation significance. The diverse natural environments on the Peninsula provide a range of habitats for wildlife with more than 400 species of native animals recorded here, including 293 species of birds, 34 mammals, 31 fish and 25 reptiles.

With a diverse local economy including tourism, agriculture, retail, manufacturing, construction and business services, the Peninsula has a distinguished agricultural history. Many of our existing food and wine producers are recognised as world class and industry leaders in their respective fields.

The Mornington Peninsula is also home to one of Australia's most vibrant tourism industries, offering an ever-expanding range of attractions and events. The local economy continues to grow despite the many challenges of the national economy.

About the Mornington Peninsula

Data below is taken from our Shire website

mornpen.vic.gov.au/ourregion

169,600 ABS Estimated Residential Population as at 30 June 2022

48YRS Median age: 48

M/F 48.3% male 51.7% female

1% Aboriginal and Torres Strait Islander peoples

7.9% speak a language other than English at home

44,572 people with a disability

76.4% of residents that feel high or very high life satisfaction

How you engaged with us

How you engaged with us July 2022 to June 2023

140,179 Calls taken
40% of enquiries resolved at first contact

25,524 Customers visiting our Customer Service Centres

39,550 Correspondence received
83% of enquiries resolved on time
(Includes letters and emails)

81,860 Service Requests received
(Includes Snap Send Solve requests)
57% of enquiries resolved on time
(response within 12 days)

16,784 Webchats
86% of enquiries resolved at first contact

4.6M Web pages viewed

Snapshot Health & Wellbeing

1,996 1996 family violence incidents in 2022-23 (3.3% decrease from previous year)

6.9% 6.9% of residents ran out of money to buy food in the last 12 months (was 5% in 2014)*

13 13 heat health alerts were issued from 2018–2020

7.83 7.83 adolescent births per 1,000 teenage women per 2 year period Jan 2019–Dec 2020

26.2% 26.2% of people experienced high or very high psychological distress in 2020 (was 14.8% in 2017)*

70% 70% of residents have increased lifetime risk from alcohol consumption*

38.9% 38.9% of residents are insufficiently physically active*

17.2% 17.2% of residents were current smokers in 2020 (was 25.8% in 2017)*

* Victorian Population Health Survey

Our Vision and Mission

Our Shared Community Vision

Welcome (Wominjeka) to the Mornington Peninsula, bound by green spaces and sea.

We honour and pay respects to the Traditional Owners of this beautiful land – the Bunurong people. We also pay our deepest respects to their Ancestors and Elders. We are inspired to protect and enhance our distinct region that values its diverse community, environments and townships. Our community spirit thrives, with safe, accessible and inclusive spaces for all. Together we continue to create a sustainable, vibrant and prosperous future that values innovation and shared compassion.

Our Mission

We will achieve this by:

- Providing effective leadership and representation by democratically elected Councillors
- Listening and reflecting your collective aspirations in our plans
- Helping you create a resilient, inclusive community that can respond to challenges
- Bringing new ideas to discussions that create new opportunities
- Encouraging you to get involved in your community
- Working hard to provide the best possible service and value
- Keeping you up to date with what is happening across the Shire in an open and direct way.

Our Organisational Values

The Shire is committed to the highest standards of performance, behaviour and service.

To guide us in the delivery of exceptional community outcomes, we have five CORE values that are integral to everything we do:

- Integrity
- Openness
- Courage
- Respect
- Excellence.

Our Core Values set the framework for how we work together to achieve outstanding outcomes for our customers and our community.

Our values guide us in clearly defining and communicating:

- How we do things at the Shire
- How we make decisions in the best interests of the community we serve, and
- How we hold ourselves and each other accountable the highest standards of performance and conduct.

Our Values set our organisational culture and articulate the shared behaviours we are all required to live by when making decisions in the course of our work.

In living our values, we build a collective culture committed to high performance, and send a clear message to our colleagues and our community about how we go about our business.

Our Values

Integrity

We take ownership and responsibility for our decisions; keep our promises; and hold each other accountable to the highest standards of performance.

Courage

We give honest advice; make tough calls with conviction; stand by our decisions; admit if we get it wrong; and challenge ourselves to explore new ways of thinking.

Openness

We share knowledge and learning for the benefit of all; actively engage with our community; and are transparent in our decision making.

Respect

We treat everyone with dignity, fairness and empathy; look out for our safety and wellbeing; and nurture positive and inclusive relationships.

Excellence

We provide exceptional customer service; strive for innovative team outcomes for the betterment of our community; and step up to lead where we recognise an opportunity for improvement.

The year in Review

Mayor's Message

Over the past year our community has continued to emerge from the shadow of the pandemic, and it has been terrific to see our local businesses beginning to bounce back after a difficult two years. A major focus area for Council this year has been engaging with and listening to our business operators about what they need from their Shire. From that we have developed an extensive program of support designed to help our small businesses thrive and prosper. This includes the inaugural Business Excellence Awards, to be held in October.

Council directly contributed $1.48 million worth of grants to our community this year to boost wellbeing and create local jobs. One of these programs – our Business Development Grants – saw just over $128,000 provided to 27 local businesses to enable them to grow and improve. We also provided $25,000 worth of grants for business improvements for people with disabilities.

This year has seen Council take its advocacy to the next level. With the Victorian election looming in November, we launched a community advocacy campaign – Shout Out for the Peninsula – encouraging our community to let local political candidates know what was important to them. We highlighted a range of issues such as the housing crisis and recycled water access, as well as the need for better public transport, safer roads and improved mobile and broadband coverage.

Our residents engaged with this campaign like never before. They sent 4,000 emails to candidates, viewed our candidate forums more than 3,600 times and visited our 'Shout Out' webpages more than 13,000 times. Our Better Buses advocacy led the State Government to announce a cross-Peninsula bus service. Our advocacy for the Peninsula Trail resulted in the first section – Baxter to Somerville – being fully funded. We also received a $15 million commitment for upgrades to Emil Madsen Reserve in Mount Eliza. We continue to work hard to secure a better deal for the Peninsula from both state and federal governments.

I'd like to thank everyone who made a submission about what should be prioritised in our Budget planning this year. We received 3,263 submissions – a huge number and higher even than last year's record. You gave us a wealth of feedback to digest as we worked toward the adoption of the 2023-24 Budget in May.

I'm pleased to report that our efforts to reduce the road toll on our rural roads received national recognition in June, when we were announced as the overall winner in the Australian Road Safety Awards at Parliament House in Canberra. We won the award for our Safer Speeds project, which saw a reduction in road trauma on 33 Shire-managed rural roads.

An important project given the go-ahead this year was a Visitor Paid Parking Pilot. With more than 7.5 million visitors a year to the Peninsula, there is increasing pressure on our foreshore areas. Our residents (via their rates) are currently footing the $8 million annual bill to maintain foreshore facilities such as toilets, car parks and access paths. We don't think this is fair. To share these costs more fairly, we plan to run a Visitor Paid Parking Pilot at three locations commencing in the 2023-24 summer. While visitors will pay, our residents will be exempt from paying to park at these locations. If the pilot is successful, Council will consider rolling out the system across other foreshore locations.

This year we focussed attention on one of our important economic sectors: agriculture, food and beverage – worth close to $1.3 billion a year. We launched our Food Economy and Agroecology Strategy, a first for local government in Australia, which aims to position the Peninsula as a leader in regenerative farming and sustainable food production. Our vision is for the Peninsula to become renowned as a producer of high quality, sustainable produce.

To help realise this vision, we brought more than 20 local producers together at the Red Hill Show to showcase their wares under our Mornington Peninsula Produce (MPP) trademark. The MPP brand is a guarantee of fresh, high-quality produce that is sustainably sourced and grown, and we aim to use this brand to further strengthen and promote the reputation of our food producers.

To further cement our reputation as Melbourne's food bowl, we are advocating to the State Government for access to Class A recycled water, which would be a game changer, allowing the sector to grow and securing the future of sustainable food production on the Peninsula.

I'd like to thank my councillor colleagues for their hard work and support throughout the year, and our CEO, senior executive team and Shire staff for their many outstanding achievements in what has been a busy and productive year.

Steve Holland
Mayor

Chief Executive Officer's **Message**

It is no secret the past 12 months have been tough, not just for Mornington Peninsula Shire but for all councils. There have been a host of significant challenges to navigate – steeply rising energy costs, key skills shortages, inflation, a housing crisis and damaging weather events to name just a few. Coupled with the perennial issues of rate capping, cost shifting and ageing infrastructure, it's fair to say we live in interesting times.

In the midst of this multitude of challenges, it's a source of great pride to me that the Shire has continued to maintain a balanced budget, one that provides value for money for our ratepayers while continuing to be responsive to the priorities and needs of our community. And we do all of this as a council with the eighth lowest rates in Victoria.

Despite the challenging economic environment, we achieved a surplus and maintained a strong cash position while also paying down our loan liability. This financial resilience in such an environment means we are in the best shape possible to weather the inevitable challenges the coming year will bring.

We have spent time this year planning for the future of our organisation, looking at how best to accommodate our changing workforce and improve customer experience. Our investigations found the best model for the future is one consolidated main office with smaller satellite offices spread throughout the Shire. This will improve our ability to serve our community, create positive economic impact and be affordable and sustainable over the long term. We are now seeking expert advice to identify the best locations for the new main office and satellite offices.

Sadly, over the course of the past 12 months we've seen attempts by far-right activists to threaten and intimidate local councils, including ourselves, into backing away from support for our LGBTIQA+ community. Our Mornington Peninsula Community Vision makes clear that respect for diversity and inclusiveness are central to who we are. I am proud we were able to show our support for the LGBTIQA+ community in a range of different ways throughout the year.

In a more positive vein, hot on the heels of our new Yawa Aquatic Centre being named Community Facility of the Year at the 2022 Parks and Leisure Australia National Awards of Excellence, we have now turned our attention to another much-needed community infrastructure project: a new Performing Arts Centre for Hastings.

The Peninsula community is intensely engaged with the creative arts – we have the fourth highest participation rate in arts and culture in Victoria. Despite this, we lack the facilities to showcase and grow this important part of our economy. A feasibility study has confirmed the Peninsula is under-serviced in this important area compared to other municipalities, and we are now developing a business case and concept plan. In the meantime, we continue to advocate strongly to decision-makers in both the state and federal governments for much-needed investment in this important community project.

A major highlight for the year was the Australian Local Government Women's Association (ALGWA) 2023 National Conference. Councillors and local government officers from around Australia came together for the conference, held at the RACV Cape Schanck Resort in May. It was an opportunity for women working in local government to network, share experiences, take part in meaningful and career-orientated workshops and learn from the many high-calibre presenters and panellists, including former Foreign Affairs Minister Julie Bishop.

With one third of the 180 delegates from interstate and a mix of rural and regional councils present, the event also showcased the Mornington Peninsula to the rest of Australia. We were excited to host this important national conference and proud that it was such an amazing success.

We are also very proud and excited to have been chosen as the destination for this year's Archibald Prize tour. Mornington Peninsula Regional Gallery has been named as the sole Victorian venue for the 2023 tour, with the exhibition to run from September to November 2023. This high-profile exhibition will provide a welcome off-season boost for our tourism sector.

I'd like to finish by thanking our Mayor, Cr Steve Holland, and all our councillors for their leadership and support over the past year. And, of course, our staff. Their daily dedication, care and commitment to serving our community is outstanding.

John Baker
Chief Executive Officer

This year's
Highlights

This year's **Highlights**

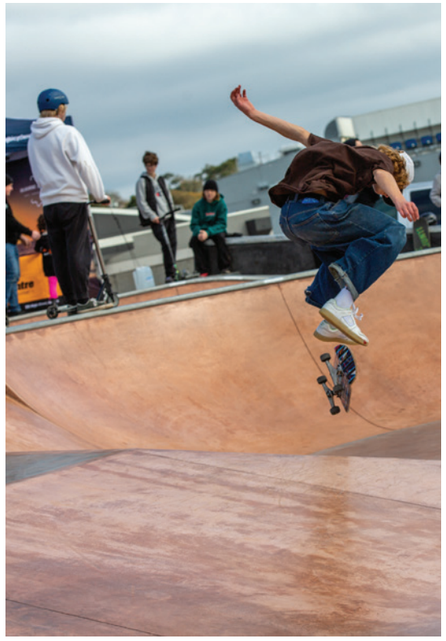
Strategic theme 1: A healthy natural environment and well-planned townships

Vibrant and unique townships balanced with a natural environment that is protected now and into the future, accelerating climate action and celebrating cultural heritage.

See the Our Performance section for more progress against our Council and Wellbeing Plan.

Major Achievements

- Council successfully obtained $500,000 from Round 1 of the Australian Government's Community Battery funding. The funds will be used to install a community energy storage battery in Flinders later this year. The project is a collaborative effort with Flinders Zero Carbon Community and Yarra Energy Foundation.
- We continued to work with the South East Councils Climate Change Alliance, which is undertaking a Regional Carbon Sink Study to investigate the opportunities for carbon sequestration across the southeast region of Melbourne.
- Council endorsed an amended Carbon Neutral Policy for public exhibition during 2022-23. The policy was revised to support a stronger focus on emissions reductions within the municipality and value chain to offset Council's residual emissions.
- Council participated in the Western Port Biosphere Blue Carbon Study with Deakin University's Blue Carbon Lab. The study will assess Blue Carbon stocks and future opportunities for Blue Carbon projects (to capture and store carbon dioxide) in Western Port and Port Phillip Bays.
- We implemented our Summer Litter Prevention Strategy, which was tailored to residents, day visitors and short-stay visitors. The strategy involved the use of QR codes to allow our community to report overflowing bins, increasing the collection frequencies of public bins in high-profile precincts, and increasing our physical litter enforcement presence and educational signage.
- Council adopted Amendment C232 on 21 February, which has been submitted to the Minister for Planning for approval. C232 proposes to introduce a new local planning policy into the Mornington Peninsula Planning Scheme to provide guidance for achieving Environmentally Sustainable Development/ Design. Due to the Shire's unique development profile, that includes a high number of single dwelling applications, Council included a trigger for single dwellings in the amendment.
- We successfully secured $5.74M in grants through the Victorian Government's Growing Suburbs Fund: $2.9 million was secured for Alexandra Park Pavilion Redevelopment at Mornington, $2.6 million for the Hillview Community Reserve Upgrade at Dromana and $247,000 for the new playground at Olivia Way, Hastings.
- We completed the Somerville Active Hub. The hub includes a large skate/scooter/BMX area, parkour equipment, basketball half court and other ball game areas.



Strategic theme 2: A robust, innovative and diverse economy

A community with abundant and varied education and local employment opportunities. We are open to new ideas and work with our partners to grow a strong, diverse and future-focused economy.

See the Our Performance section for more progress against our Council and Wellbeing Plan.

Major Achievements

- The Shire partnered with local businesses to establish a small-scale farming training program that will provide guidance to aspiring farmers for a duration of 12 months. The program received funding from Agriculture Victoria and Council, and received in-kind support from three local farms – Torello, Uncommon Folk and Barragunda.
- We rolled out our Youngsters program at the Mornington library. This initiative pairs Year 12 students from Mornington Secondary College with seniors who need technical assistance with their digital devices, such as iPads, laptops and smartphones. The initiative was such a great success that we have expanded the program to include students from local secondary colleges at the Rosebud and Hastings libraries later this year.
- During the year, finalists for this year's Victorian Top Tourism Town Awards were announced with Sorrento and Red Hill South successfully moving to the next stage. Now in its third year, the Victorian Top Tourism Town Awards aim to highlight the value of tourism to the towns and communities across Victoria and celebrate the diversity and outstanding regional destinations of our state. Red Hill South and Sorrento took out silver and gold medals in their respective categories.
- The Shire joined the Hidden Sunflower Disability Awareness Program, an initiative that aims to improve the skills of businesses and organisations in supporting individuals with disabilities. Grants, subsidies and sponsorships were opened on 13 July 2023.
- We launched our new Food Economy and Agroecology Strategy 2022-2028 on 3 March with more than 50 people attending. The strategy aims to drive sustainable growth in the agriculture, food and beverage sector while preserving and enhancing the region's ecology and biodiversity through agroecological approaches to farming and production.
- The Shire's inaugural 2022 Business Excellence Awards were held on 19 October, featuring nine categories, 101 applications, 29 finalists and 200 attendees. The Business of the Year award went to Red Gum BBQ who demonstrated excellence in every aspect of their business, from planning to developing new products and their unquestionable commitment to sustainability.
- We released a tender, inviting submissions for a detailed Business Case and Concept Development for a Performing Arts Centre and Future Arts Precinct. A site in Hastings was deemed the most suitable site for a 300–400 seat contemporary theatre.
- Between 11-12 February we exhibited at the Asia Pacific Incentive and Meetings Event (AIME) held in Melbourne. AIME is the leading trade event for the meetings and event industry in Asia Pacific and was celebrating its 30th year in operation. Over the course of two days, we met with 32 event organisers looking at the Mornington Peninsula as a potential destination for their next business event.

Strategic theme 3: A flourishing, healthy and connected community

An inclusive and creative community that values safety, physical and mental health and wellbeing. A community with accessible services and transport to keep us connected.

See the Our Performance section for more progress against our Council and Wellbeing Plan.

Major Achievements

- As a result of Council advocacy and the success of our Better Buses campaign, a cross-Peninsula bus connecting Hastings to Mornington is one step closer. The Minister for Public Transport announced an extra $36.4 million was allocated to this year's budget to deliver the service as part of Victoria's Bus Plan.
- In the lead up to the State and Federal elections Council advocated to local candidates and government departments on the top 10 issues and projects we believed would have the biggest impact on the Peninsula community. We released a 'Shout out for the Peninsula' advocacy campaign focusing on Homelessness, Coastal Management, Peninsula Trail, Performing Arts Centre, Public Transport, Recycled Water, Road Safety, Rosebud Hospital Upgrade, Mobile coverage and Peri-Regional status.
- Mornington Peninsula Shire continued to offer a range of grants in support of our community and to ensure the Peninsula's lasting resilience and renewal. Our Community Investment Funding for the 2022-23 financial year was $1.48 million.
- Our Safer Speeds project to reduce speed and road trauma on 33 Shire-managed rural roads won the Australian Road Safety Awards at Parliament House in Canberra.
- We launched our 2023 Citizens' Panel at the Safety Beach Sailing Club on 29 March. After sending out 10,000 invitations across the Peninsula asking for expressions of interest, 50 lucky people were randomly selected to represent the community and help Council make better and more informed decisions on some of the big issues facing the Peninsula.
- We hosted the Australian Local Government Women's Association 2023 National Conference to more than 180 delegates from across Australia. The conference, held at the RACV Cape Schanck Resort, was an opportunity for women working in local government to network, share experiences, take part in meaningful and career-orientated workshops, and learn from the many high-calibre presenters and panellists, including former Foreign Affairs Minister Julie Bishop.
- Peninsula Trail continues to edge a step closer with funding, advocacy, and community engagement successes achieved throughout the year. Stage one of the Peninsula Trail – from Baxter to Somerville – is fully funded and has now progressed to the detailed design and approvals phase.
- We launched our DRIFT Arts Festival with approximately 80 per cent of the program supporting local artists and stories. The festival supported almost 100 events across live music, visual arts, dance, theatre, circus, cabaret, writing and literature, multimedia installations and more over 10 days in April.
- On World Older Persons Day, 1 October, we kicked off our Seniors Festival with a comedy show by comedian Monica Dullard, followed by afternoon tea. The event was run in partnership with the Respecting Seniors Network. A month-long program followed the festival, including activities for seniors such as open days at seniors' clubs, concerts, and classes offered at community houses.

Briars ward: Alexandra Park Pavilion (total value $10,200,000).

The sports pavilion at Alexandra Park required a significant upgrade. This pavilion is highly utilised and caters to four sports clubs: the Mornington Football Netball Club, Mornington Junior Football Club, Peninsula Raiders Super Rules Football Club and Mornington Cricket Club.

This project is being delivered by Mornington Peninsula Shire in partnership with and supported by the Victorian Government's Growing Suburbs Fund, The Federal Government through The Bays Healthcare Group, AFL Victoria, and the Alexandra Park Project Group. The project will create a multiuse pavilion, which will include consulting suites and a rehabilitation centre for the local community hospital (The Bays Hospital) within the two-storey sports pavilion.

Works progressed during the year include:

- Demolition of the existing pavilion
- Relocation of Optus and Telstra underground services
- Asbestos removal
- Site cut and benching in progress.

The building works are expected to be completed by April 2024.

Cerberus ward: Hastings Boat Ramp Upgrade Stage 3 (total value $2,900,000).

In partnership with Better Boating Victoria, we delivered a four-ramp facility with a 40.4 metre length that extended deeper into the bay than the previous structure. The four-ramp facility provides all-tide access to Western Port Bay and was officially opened on 20 November 2022.

Works completed over the year include:

- Dredging
- Installation of the second pontoon at the Southern side of the ramp
- Line marking the carpark
- Installing safety steps between the new pontoon and the ramp
- Installing solar-powered lights.

Nepean ward: Sorrento: Pt Nepean Rd/Hotham Rd Intersection improvements ($2,500,000).

Mornington Peninsula Shire secured $2.5 million from the State Government through the Department of Jobs, Precincts and Regions Infrastructure Stimulus Fund as part of the Sorrento Ferry Terminal Upgrade Project.

This fully funded project aims to improve the roads close to the Sorrento ferry terminal with the construction of a roundabout at Point Nepean/ Hotham Road, upgrades to Hotham Road and a 40km/h speed zone on Ocean Beach Road and surrounding areas. The Shire is working with Searoad Ferries, the Department of Transport (VicRoads) and the Department of Jobs, Precincts and Regions to deliver this project.

Works progressed over the year include:

- Contractor mobilisation to site
- Site survey and set out
- Drainage investigations for soakage pits
- Installation of drainage pipe and pits.

As part of the design process, Council collaborated with several design and approvals teams from within the Department of Transport to streamline the overall design and approvals process. The project is scheduled for completion by December 2023, just in time for the summer tourist season.

Seawinds ward: Southern Peninsula Youth Hub (total value $13,010,000).

The Shire secured $4.3 million from the Victorian Government's Growing Suburbs Fund and $1.5 million from the Australian Government for our Southern Peninsula Integrated Youth Services Hub project. The new Youth Hub will help close the health, support and services gap for the youth of the Southern Peninsula and deliver a two-storey fully accessible building offering a one-stop-shop for the region's youth. Adopting the No-Wrong-Door initiative, the Youth Hub will offer a drop-in centre, classrooms, art and craft space, clinical support services, recreational spaces, holiday programs, employment and education assistance, meeting rooms, workspaces, IT hub and more.

As of 30 June 2023, works were continuing ahead of schedule with the ground floor blockwork wall installation and the upper floor temporary support framing complete. The upper floor concrete slab had been poured and was in the process of curing.

The construction phase of the project is still on track to be completed by early 2024.

Red Hill ward: Shoreham: Blackspot Program Shoreham Road Safety Upgrade (total value $1,800,000).

We completed construction of the sealed shoulders along the entire length of Shoreham Road, installing Chevron Alignment Markers at necessary curves in the road and guard rails where required.

Works completed over the year include:

- New sealed shoulders along the length of Shoreham Road
- New edge linemarking to support the increased shoulder width
- Audio Tactile linemarking installed along shoulder edges
- Full width road rehabilitation completed in specific sections of poor condition roadway
- Chevron Alignment Markers installed on road bends
- Guard Rail installed in areas requiring additional level of protection and safety initiatives for road users.

The project was completed in April 2023, ensuring a safer stretch of road for the community.

Watson ward: Tyabb: Bunguyan Reserve Sport Pavilion Upgrade (total value $1,510,000).

The existing sporting pavilion at Bunguyan Reserve was replaced to meet current facility guidelines and to provide fresh and modern change rooms for all users. Jointly funded, including an in-kind club works contribution from the sporting user groups, the works completed over the year include:

- New home and away change rooms and amenities including an all-abilities accessible cubicle
- Umpires and Medical rooms
- Fit out of a new kitchenette
- Enhanced office and storage areas
- A larger and more welcoming entry to the building and social space
- Public toilet facilities.

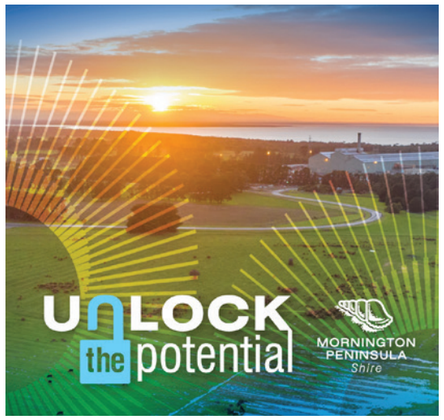
Advocacy, communications and engagement
Overview

The Shire is committed to open, transparent and clear communication with our community and stakeholders. Our communications reflect the Shire's values and voice and align with strategic goals across our three themes. We strive to:

- convey information in a clear, accessible and inclusive way
- promote our many projects, services and events
- advocate on behalf of our community
- engage genuinely with our community
- raise awareness of issues that affect our community.

Our stakeholders include:

- residents and ratepayers
- community groups and volunteers
- businesses and traders
- schools
- partners
- visitors
- government
- Shire staff.



ADVOCACY

Every day Council makes decisions that affect our community. We represent our residents and ratepayers and work to deliver on the things they tell us are important.

To achieve the goals of our community, we actively work with and strive to influence all levels of government and a range of other organisations. One of the ways we do this is by seeking financial support or policy change to deliver local projects.

Council delivers around 100 services for our community, but when it comes to our more ambitious projects, we need the support of Victorian and Australian governments.

In the lead-up to the Federal election in May 2022, we created an online pledge tracker to document funding commitments made by the political candidates in the Federal seats of Flinders and Dunkley.

The Shire also developed a high-profile advocacy campaign ahead of the Victorian election in November 2022. The **Shout Out campaign** (Demand Better, Act Now) ran over 11 weeks to highlight and promote Council's top 10 advocacy priorities we believed would have the biggest impact. The campaign was a strong call to action for the Peninsula community to join the Shire's campaign, by contacting election candidates directly and seeking their support.

The campaign utilised a variety of tactics to encourage election candidates to make funding pledges, including advertising, media releases and community election forums, some of which generated significant national media coverage.

Based on what our community have told us during consultation sessions, Council has decided to focus on three advocacy projects, over the next year:

- a new **Performing Arts Centre** in Hastings
- Rezone of surplus land at the **Port of Hastings** to develop plans for housing, new industry, agriculture and environmental protection
- **Recycled Water Infrastructure** upgrades, to support our agriculture sector and ensure our farmers can grow food all year round.

In addition to these three projects, Council will continue to advocate for our other priorities, as these are projects we know will deliver real benefits and improve the quality of life for everyone on the Peninsula.

mornpen.vic.gov.au/advocacy

COMMUNICATION

Tailor-made communication support was provided for more than 187 projects across all areas of the Shire throughout 2022-23

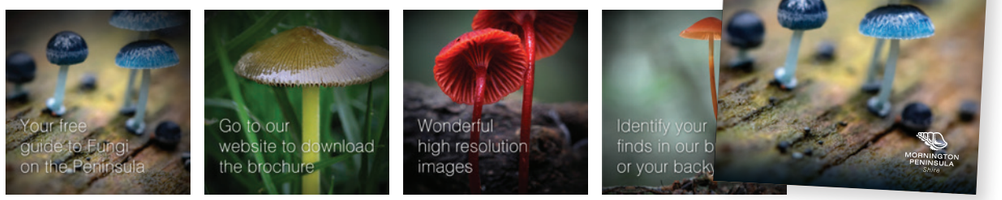
We have many tools and channels at our disposal, including:

- 249 media releases
- 2,348 social media posts
- 43 videos made and distributed across our online channels
- 4,000 graphic design layouts ranging from strategy and policy documents, social tiles, email signatures, advertisements, signage and other branding
- advertisements in the local paper and magazines
- six full-page advertorials in the local newspaper
- 66 speeches written for Councillors.

Additionally, 169 media responses were supplied to strengthen the Shire's reputation, promote our narrative and deliver key messages.

Major projects included:

- Budget 2022-23
- Housing Partnership Project
- Outdoor dining initiative
- Southern Peninsula Youth Hub development
- Mountain bike and BMX strategy
- New food waste collection.



External publications

Peninsula Buzz has been soaking up the sweetest stories every month and carrying them direct to inboxes across our Peninsula and beyond. Our e-publication has all the latest Shire news, exclusive interviews, offers and events. With more than 65,000 subscribers, it's a valuable and effective communication channel. Our community has told us they love it, and we love making a beeline to them delivering fun, informative and interesting news.

mornpen.vic.gov.au/peninsulabuzz

Peninsula Wide magazine continues as our flagship publication and is delivered to all residents and ratepayers across the Peninsula and abroad. More than 120,000 copies are distributed three times a year.

mornpen.vic.gov.au/peninsulawide

The Summer Guide – Summer is for everyone – is an annual guide that provides holiday news and information for visitors and locals. It is distributed with Peninsula Wide magazine, to shops and retail outlets across the Peninsula and is popular with tourism operators and accommodation services.

mornpen.vic.gov.au/summerguide

Digital

Through our digital communication channels, we connect with thousands of residents, communities, businesses and stakeholders.

The core platform is the Shire website – providing information, services and transactions to our community, plus several specialist community websites, such as arts and culture, our libraries, youth services and community houses.

In 2022-23 we managed more than 8,000 web pages, which attracted more than 10.3 million views. Email communication continues to be a key channel for keeping our community updated, with more than 400 e-newsletters sent in the past year.

Social media

Facebook

- Council increased its social media presence in 2022-2023 with a 24.34 per cent increase in Facebook followers from 23,262 to 28,925
- Total Posts – 1,141
- Engagement [likes, comments, shares] – 466,708

Instagram

- Council also increased its presence on Instagram with an increase of 18.01 per cent from 5,362 to 6,333 followers
- Total posts – 364

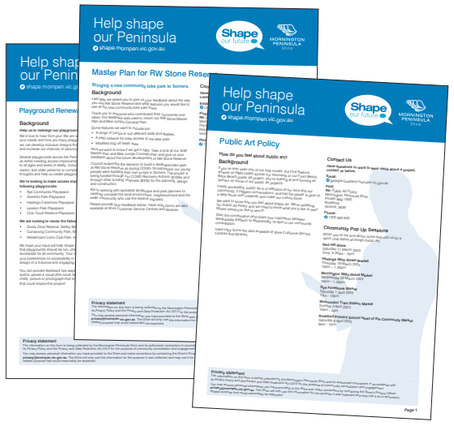
LinkedIn

- Our LinkedIn page has increased from 8,828 to 10,484 followers, an increase of 18.75 per cent
- Total posts – 843

Community engagement

The Shire is committed to engaging with the community to ensure everyone has the opportunity to give their feedback and opinion on issues, projects and services that affect them. Inclusivity is at the core of our conversations so that our decision-making truly reflects the needs of the whole Peninsula.

We strive to engage genuinely with all stakeholders, knowing that collaboration and consultation lead to better outcomes for all. We are always working to improve how we engage and interact with community and stakeholders.



In 2022-23 the Shire undertook more than 50 community engagement projects that included both online and face-to-face interactions across the Peninsula. Our outreach program has enabled us to engage with our community at markets and other spaces to seek feedback and conversations to inform Council decision-making.

Citizens' Panel Alumni

Citizens' Panel

Following the success of our first Citizens' Panel in 2021, Council committed to recruit a new panel each year to help them make better and more informed decisions. The 2023 Citizens' Panel comprises a cohort of 50 independently chosen community members that is representative of the Peninsula's population. The panel meets monthly to discuss a range of important and often challenging issues, providing feedback and insights which are used to inform some of the Shire's plans and programs. Our Citizens' Panel has been nominated for a number of local government awards.

Budget 2022-23

Following the success of the budget consultation in 2021, we went back to the community for the 2022-23 budget consultation.

We received a huge amount of community feedback including 3,263 contributions via our online portal and 582 written submissions that helped shape Council's approach to Budget discussions.

Overview of our

Climate Emergency Plan

Annual Achievements	Total	Impact
Number of solar systems on Shire operated buildings	52	1,667 tonnes of carbon dioxide equivalent (CO_2-e)
Number of solar systems on Shire-owned tenanted facilities	47	305 tonnes of CO_2-e avoided
Number of take ups of Solar and Energy Bulk Buy Program	68	
Number of consultations with energy heroes	15	
Energy Savvy Upgrades completed	79 upgrades for 73 households	566 tonnes CO_2-e saved over the life of the products
Number of Shire EV chargers installed	14	2.38 tonnes of CO_2-e avoided in the last 12 months
Number of public fast EV charger installations facilitated	4	Public charging facilities at Flinders, Mornington, Sorrento and Hastings
Area of biolinks created	132 ha	46,409 trees and shrubs planted
Number of Food Organics Garden Organics (FOGO) bins or caddies delivered to households	19,531	Almost 22,000 tonnes of mixed FOGO material has been collected during the past year
Number of farmers undertaking shire funded regenerative farming training	51 farmers	Covering 4,172 ha of land
Number of Solar Installations on the Mornington Peninsula	23,255	22.4 per cent of buildings and 139,000 tonnes of CO_2-e avoided annually

Climate Change Education:

- 8 schools participating in education program
- 1,598 students educated
- 2,276 community members attended environmental workshops.

Community Energy Consultations

Twenty-five volunteer Energy Heroes have now been trained to offer free advice on energy saving initiatives within the home, such as insulation and draught-proofing, energy efficient heating and cooling, efficient hot water, solar and batteries, electrification and much more. More information:
mornpen.vic.gov.au/energyconsultation.

Repower Mornington Peninsula

Supported Repower Mornington Peninsula to grow their membership and hold community forums. Repower are close to achieving their goal of full representation across the Peninsula with seven established satellite groups: Mount Martha, Flinders, Red Hill/Main Ridge/Arthurs Seat, Balnarring/Somers, Mount Eliza, Rosebud, Mornington and two soon to be launched in Southern Peninsula and Shoreham. Repower have more than 100 paid members and have a rolling plan of events across the Peninsula reminding everyone of the need to decarbonise their homes and businesses. Several of their members have undertaken training as Energy Heroes and conducted valuable 1:1 sessions with community members.

Carbon neutrality

The Beyond Carbon Neutral Plan has been delayed until the Carbon Neutral Policy has been reviewed. The Policy review was deferred by Council in July 2023 pending establishment of a community reference group to design a solution. Meanwhile, implementation of the existing policy and our commitment to reduce emission continues.

Solar Incentivisation Program for Tenanted Buildings

The Shire launched its Solar Incentivisation Program to facilitate installation of solar systems on Shire-owned tenanted facilities. The program offers a low-cost, co-funding pathway to promote the uptake of renewable energy in our community. The first project stage, planned to start in August, is expected to deliver almost 10 solar PV systems and 150kW of solar capacity, delivering approximately $30,000 in energy bill reductions annually.

Community buildings

The Shire has upgraded the energy performance of four community buildings in Mount Eliza and Sorrento, with funding split between Sustainability Victoria and the community groups. The upgrades include solar, lighting, kitchen upgrades and heat pumps, expecting to reduce $13,000 and 29 tonnes of CO_2-e for the groups each year.

Save Energy: Save Money trial program

Working in close collaboration with Mornington Peninsula Shire's Support Centres and local business Want a Heat Pump, this trial program has offered high-quality hot water heat pumps at no cost to vulnerable households. To date, 22 hot water heat pumps have either been installed or are pending installation. This trial will be evaluated with a view to delivering an expanded program next financial year.

Electric Vehicle Charging Roadmap

The Shire, in collaboration with the South East Councils Climate Change Alliance (SECCCA) and four neighbouring Councils, completed an Electric Vehicle Charging Roadmap for the southeast region. The roadmap will identify the number and locations of EV charging infrastructure required over the next 10–15 years. The Shire has continued to work with EV charging providers to see the installation of DC fast chargers in most major townships on the Mornington Peninsula. The rollout is exceeding the number of chargers identified for installation in the EV Charging Roadmap.

Sustainability Victoria Waste to Bioenergy Feasibility Study

The Shire successfully secured funding through Sustainability Victoria to conduct a waste to bioenergy feasibility study. The study aims to provide detailed quantification of commercial food and agricultural organics material streams being produced within our Green Wedge zone. Ideally, the study will guide our recommendations for potential organics resource recovery from within this zone for alternative processing to bioenergy and high quality digestate. The Shire is committed to understanding and supporting the development of long term, viable end-markets for products such as recycled compost, and to ensuring high quality bio-feedstock input for this processing. Our potential to contribute to Victoria's capacity for bioenergy production will also be addressed as part of this exciting and important study/options analysis. (Project set to commence in October 2024 and be completed mid-2025).

Mornington Peninsula Shire Council adopted Ensuring our Future: Our Climate Emergency Response Plan on 25 August 2020. Our Climate Emergency Plan provides clear priorities across seven summits and 21 actions to guide the Peninsula towards net zero carbon emissions by 2040. It is a collaborative plan that can only be achieved by the community, the Shire and other levels of government working together.

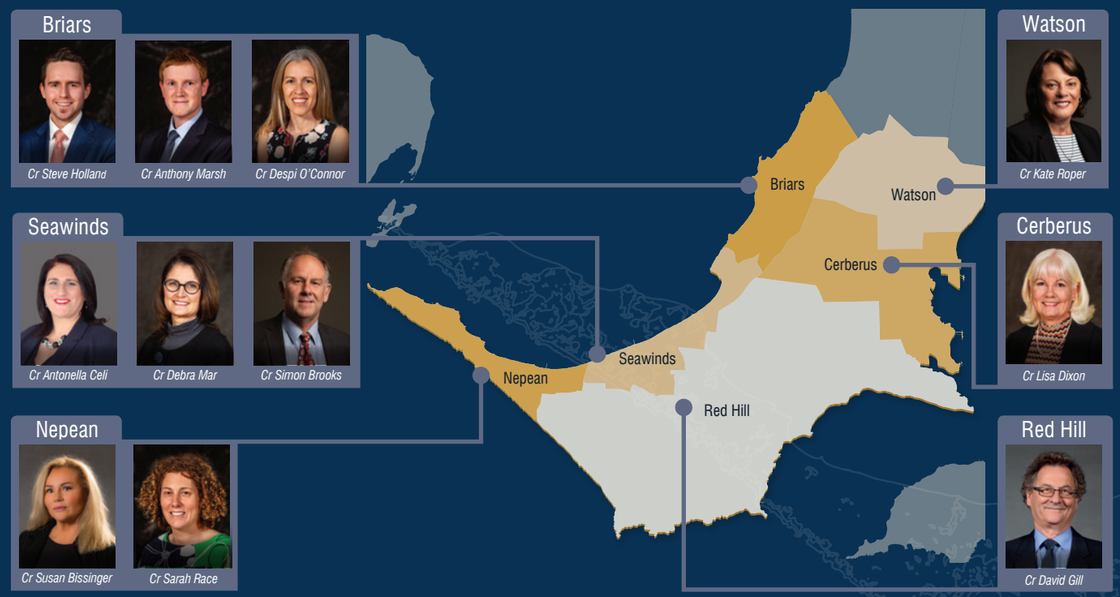
Climate Emergency Plan Delivery Status

Of the 172 tasks within the plan, 150 (87 per cent) of the tasks are in progress, ongoing or completed. This is compared to 2021-2022 when 138 (78 per cent) of tasks were in progress, ongoing or completed.

In the 2022-23 financial year, we:

- Commissioned a climate change mural in Hastings by artist Julian Clavijo.
- Awarded a total of $86,486 in community climate action grants across 15 community-led initiatives.
- Secured $500,000 from the Federal Government's Community Batteries for Household Solar program for the purchase and installation of a community battery in Flinders.
- Secured funding through DEECA's Energy Resilience Program to instal solar, batteries and generators to community hubs in townships at high risk of extreme weather events and prolonged outages. Installations are underway in Red Hill, Balnarring and Flinders.
- Electrified six council buildings, installed four Solar PV systems on tenanted buildings and installed two battery systems (58kW capacity).
- Supported, through the Shire's Biolink Support Grant Program, 36 hectares of Biolinks and planting of more than 7,000 indigenous species.
- Started a Virtual Energy Network trial across 19 sites to maximise value further and eliminate barriers to all sites being able to access solar power
- Completed a review of the Carbon Neutral Policy that is awaiting council approval.
- Established an Agroecology Taskforce to progress sustainable initiatives outlined in our Food Economy and Agroecology Strategy.
- Completed the Biosphere Blue Carbon Sink Study, assisting Western Port Biosphere to secure $700k from DEECA to develop carbon feasibility studies and restoration projects in Western Port and eastern Port Phillip Bay from July until November 2024.
- Supported Repower Mornington Peninsula to reach 112 volunteer members and three new satellite groups in Balnarring, Mornington and Rosebud.
- Installed a solar tree sculpture in Mornington Park designed to trigger conversations and help to strengthen community understanding of renewable energy.
- Launched the Save Energy Save Money Program, providing free hot water heat pump installations for vulnerable households.
- Trained 25 volunteers to deliver free and impartial energy advice to residents.

Our Council



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Cr Debra Mar – Deputy Mayor
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Cr Anthony Marsh
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Cr Kate Roper
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Cr Susan Bissinger
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Our People

Organisational Structure

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of operations in accordance with the Council and Wellbeing Plan. Details of the CEO and senior officers reporting directly to the CEO are set out below.

As at 30 June 2023

Chief Executive Officer
John Baker

Senior officers reporting directly to the CEO

Director Corporate Strategy and Business Improvement
Samantha Stanton

Director Planning and Infrastructure
Mike McIntosh

Director Community Strengthening
Tanya Scicluna

Chief Financial Officer
Bulent Oz

Manager of Legal and Governance
Amanda Sapolu

Organisational Structure

Chief Executive Officer
John Baker

Community Strengthening

Director
Community Strengthening
Tanya Scicluna

Acting Manager
Arts, Culture and Community
Kate Hills

Manager
Community Facilities and Precincts
Rebecca Levy

Manager
Community Partnerships
Chris Munro

Manager
Community Safety and Compliance
Dale Gilliate

Manager
Economic Development, Tourism and Investment
Jayde Hayes

Corporate Strategy and Business Improvement

Director
Corporate Strategy and Business Improvement
Samantha Stanton

Manager
Advocacy, Communications and Engagement (ACE)
Randal Mathieson

Manager
Information Technology
Jarod Burridge

Manager
Programs and Project Management Office (PPMO)
Davey Smith

Manager
People and Culture
Kelly Gillies

Manager
Customer and Transformation
Patrick Dillon

Customer Experience Manager
Kylie Peterson

Office of the CEO

Chief Financial Officer
Bulent Oz

Acting Manager
Procurement and Contracts
Casey Russell

Manager
Finance
Mark Schubert

Acting Manager
Property and Commercial Services
Gail Mifsud

Manager
Legal and Governance
Amanda Sapolu

Planning and Infrastructure

Director
Planning and Infrastructure
Mike McIntosh

Manager
Climate Change and Sustainability
Melissa Burrage

Manager
Development Services
David Simon

Manager
Infrastructure Projects
Derek Rotter

Acting Manager
Infrastructure Services
Nicole Young

Manager
Strategic and Infrastructure Planning
Katanya Barlow

Future Maintenance Services Strategy Manager
Tom Haines-Sutherland

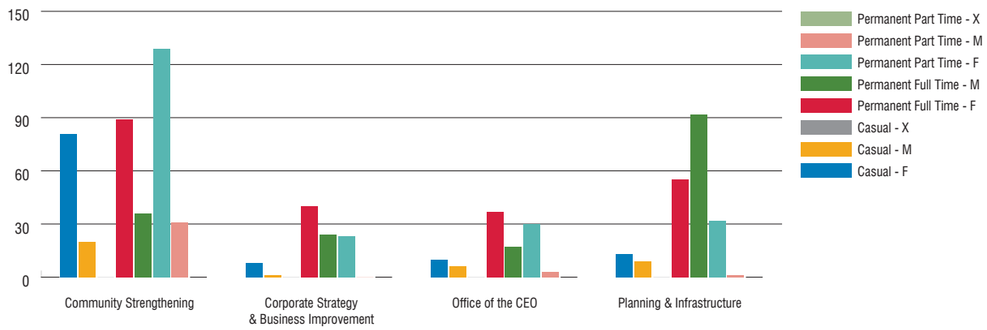
Council staff

A summary of the number of full time equivalent (FTE) Council staff by organisation directorate, employment type and gender is set out below.

FTE by Status by Directorate	Community Strengthening	Corporate Strategy and Business Improvement	Office of the CEO	Planning and Infrastructure	Total
Casual – F	81	8	10	13	112
Casual – M	20	1	6	9	36
Casual – X	0	0	0	0	0
Permanent Full Time – F	89	40	37	55	221
Permanent Full Time – M	36	24	17	92	169
Permanent Full Time – X	0	0	0	0	0
Permanent Part Time – F	129	23	30	32	214
Permanent Part Time – M	31	0	3	1	35
Permanent Part Time – X	0	0	0	0	0
Grand Total	**386**	**96**	**103**	**202**	**787**

* Casual FTE based on total hours worked during 2022-23 financial year

Note: Permanent figures are based on contracts for the year ending 30 June 2023; casual figures are based on actual hours worked over the year 2022-23.



Note: Permanent figures are based on contracts for the year ending 30 June 2023; casual figures are based on actual hours worked over the year 2022-23.

Our Inclusive Workplace

The Shire is committed to a diverse and inclusive workplace for all. The Shire's Gender Equality Action Plan (GEAP) continues to guide our work in having a united, respectful and safe workplace that models and promotes gender equality and enables dignity and fairness for all staff. At the conclusion of year 1 of the plan, we have made real progress in implementing our actions, including:

- Conducting comprehensive mandatory internal training and broader programs to educate staff on inappropriate conduct
- Reviewed and updated our Sexual Harassment and Workplace Behaviours policies
- Conducted a deep review into our gender pay gap to understand the root cause and areas of focus to minimise the pay gap
- Established a cross-organisational Diversity and Inclusion working group to support the implementation and monitoring of the GEAP strategies
- Developed and implemented a plan to celebrate diversity internally at the Shire.

Developing our People

We are proud to be a development focused organisation. This year we implemented our Leadership Framework, including programs for our senior leaders. We will implement remaining programs for people leaders and emerging leaders in 2023-24.

With tertiary study assistance and a wide range of programs in our 'Learning Curve' program, we continue to invest heavily in the core skills and job specific capabilities of our entire workforce. Additionally, the Shire has invested in improving our online learning programs and preparing for the implementation of a new Learning Management System in 2024.

Celebrating our People

We celebrate the service milestones of our Shire team members and their contributions to the community. This year, 69 team members were celebrated, with four reaching 30 years of service. We also hold an annual Values Awards celebration to recognise exceptional efforts of our staff. The celebration acknowledges behaviours and actions that align with our values of Integrity, Courage, Openness, Respect and Excellence. We thrive on celebrating the extraordinary service and contributions that our Shire team members make to our organisation and the community.

Building an Engaging and High-Performing Culture

We conducted a staff engagement survey and received responses from 76 per cent of our team members, providing both quantitative and qualitative feedback. The survey, titled 'Love where you work', gave us valuable insights into our team members' work experiences at the Shire. 70 per cent of our staff rated the Shire as a Great Place to Work, but also provided feedback on challenges such as the impact of change, workloads, ineffective systems, new ways of working, and uncertainty about the future. We have developed an action plan to address these issues and ensure that the Shire remains a place where people love to work.

Gender Equality Strategy 2020 – 2030

The Shire has a long-standing commitment to promoting and improving gender equality and acknowledging and responding to the link between gender inequities and family violence. In February 2020, the Shire launched its first Gender Equality Strategy 2020-30 (adopted by Council in November 2019). Over thirty actions have been achieved in the Gender Equality Strategy in 2023.
Highlights include:

- In partnership with Mornington Chamber of Commerce an International Women's Day (IWD) was held on 8th March in Main Street Mornington. The event celebrated female musicians, children's entertainment and a live radio broadcast. The event recognised and promoted women-owned businesses and businesses supporting local women and girls across the Peninsula. The libraries promoted and recommended female authors and had IWD book displays.
- Embedded gender equity considerations into emergency management planning for relief Centres, with Standard Operating Procedures document now giving regard to safety of women and considerations of mothers/ primary carers in set up of these centres. eLearning modules have been developed to build competency of staff who respond to the community after an emergency event regarding considerations for priority population groups.
- The Shire is implementing obligations under the newly legislated Gender Equality Act 2020. The Workplace Gender Equality Action Plan (GEAP) 2021-2025 has been developed and is now being implemented. Gender Impact Assessments (GIAs) are being implemented across the organisation with eleven being completed. The GIAs are being conducted with Staff whose roles represent priority populations (Aboriginal and Torre Strait Islanders, LGBTIQA+, people with a disability, and culturally and linguistically diverse, etc) to gain an intersectional approach, these assessments are now called Equity Impact Assessments (EIA).
- Arts and Culture team have promoted and supported gender equity through programs and funding including, forty-seven women writers and artists in the Artist in Residence program, sixty-two women entered the Mayor's Short Story Writing Awards and four were winners, fifteen projects are being led by women funded under the Creative Economy Grants and Performing Arts Fund, eighty-five women participated in Arts Workshop series and eighteen articles in the e-news highlighted women and their projects.

Our
Performance

Our Performance

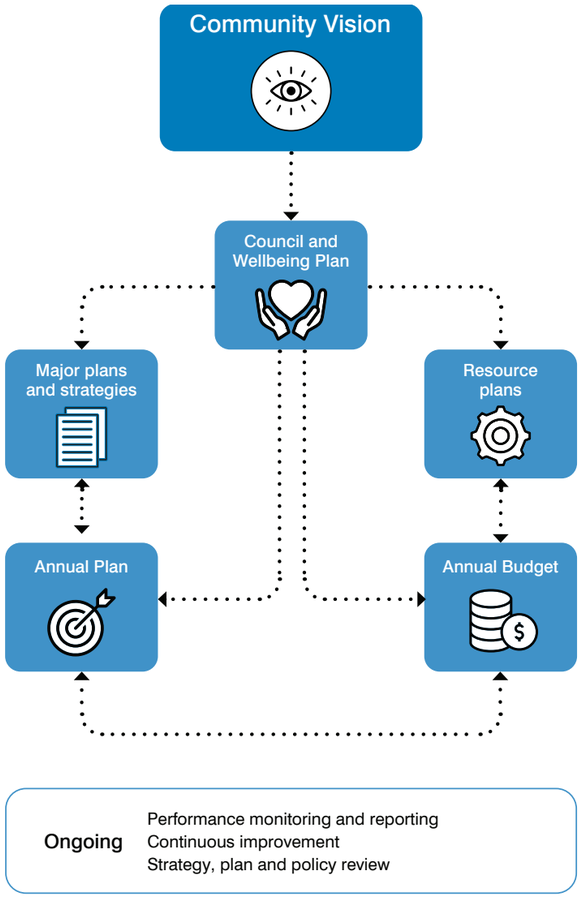
Planning and Accountability Framework

The Integrated Strategic Planning and Reporting Framework provides an overview of the relationship between Council's key planning and reporting documents. These documents are needed to support strategic decision making and ensure accountability to local communities in the performance of functions and exercise of powers under the Local Government Act 2020.

This section describes how the Annual Report, links to the achievement of the Community Vision and Council Plan within an overall integrated strategic planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term through the Community Vision, Financial Plan and Asset Plan; medium term through the Council and Wellbeing Plan, Workforce Plan and Revenue and Rating Plan; and short term via the Budget and Annual Report.

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

How we deliver your vision



Development of Council and Wellbeing Plan

How our Council and Wellbeing Plan was developed

Our Council and Wellbeing Plan 2021-2025 was informed by our Community Vision.

The Community Vision was developed from our Imagine: Peninsula 2040 survey, which received submissions from 3,600 community members. The key community priorities from the survey were:

- Our natural environment
- Our connected community and relaxed lifestyle
- Local attractions, facilities and experiences
- Moving easily around our Peninsula
- Support services and opportunities for community wellbeing
- A responsibly developed Peninsula
- Our local economy and business development
- Effective Council processes and quality services.

An independent and randomly selected Citizens' Panel then met over several sessions to develop the following principles to support our Community Vision. These principles were:

- Climate – Addressing climate change
- Transport – Integrated public transport and accessible infrastructure
- Community – Support an inclusive, connected and safe society
- Economy – Innovative planning and development of the local economy
- Opportunity – Encourage and expand education, sport and arts opportunities
- Nature – Protect and enhance all elements of our natural land, sea and biodiverse environments
- Housing – Plan and regulate responsible and innovative housing development.

Health priorities, as reflected in the State Government Victorian Public Health and Wellbeing Plan, were also identified:

- Climate Impacts – Tackling the climate emergency and its impact on health
- Stop Violence – Preventing all forms of violence
- Healthy Eating – Increasing healthy eating
- Active Living – Increasing active living
- Mental Health – Improving mental wellbeing
- Sexual Health – Improving sexual and reproductive health
- Reduce Tobacco – Reducing tobacco–related harm
- Reduce Harm – Reducing harmful alcohol and drug use.

Mornington Peninsula Shire's Council and Wellbeing Plan 2021-2025 has the following components:

- Themes: Sets Council's strategic direction to work towards the Community Vision.
- Strategic Objectives: Outlines what the future looks like.
- The Strategies Council will put in place to reach the strategic objectives: What we will do to achieve our objectives.
- The Strategic Indicators that monitor the achievement of objectives: How we measure our progress.

The following Themes, Strategic Objectives, Strategies and Strategic Indicators from the Council and Wellbeing Plan were developed using the thoughts and ideas our community shared with us during preparation of our Community Vision, and outline Council's priorities and how we will work towards fulfilling our community's vision for the future.

Theme
One

A healthy natural environment and well-planned townships

Vibrant and unique townships balanced with a natural environment that is protected now and into the future, accelerating climate action and celebrating cultural heritage.

- 107,773m² garden beds maintained
- 1,767 pets registered and 28,656 renewals
- 2,545 planning applications completed
- 46,413 tonnes of kerbside waste diverted from landfill
- 13,288 drainage pits cleaned
- 804km of beaches cleaned

Strategic Objective 1.1

An accessible and unique natural environment that helps our community to be healthy and well.

LEGEND ✓ On track ⇕ Increase / decrease ✗ Not on track

Strategic Indicator	Result	Comments
Initiatives are delivered to protect, maintain and enhance natural and cultural heritage	✓	Some of the initiatives delivered over the year include: • Working alongside Friends Groups to protect and enhance biodiversity values. • Making single use plastic grants available to organisations. • Schools Education Program. • Introducing an Education Program at The Briars in partnership with the Bunurong Land Council.
Increased levels of community satisfaction with our environmental sustainability activities	⇩	Community satisfaction with environmental sustainability, conducted by an independent research company that measures the opinions of local people in the community, declined three points from last year to 57.
Maintain Carbon Neutral accreditation for the Shire's Operations.	✓	In February, Council endorsed an amended Carbon Neutral Policy for public exhibition. The policy has been revised to support a stronger focus on emissions reductions within the municipality and value chain to offset Council's residual emissions.
Continue to reduce carbon emissions for Shire facilities and activities and develop local carbon offset opportunities.	✓	The Shire continued to develop local carbon offset opportunities and reduce carbon emissions across our facilities and activities including: • Diverting food waste from landfill. Almost 22,000 tonnes of mixed organic material have been diverted from landfill in the past year and sent to a composting facility. • Electrifying 6 council buildings, including installing 4 Solar PV systems on tenanted facilities, and 2 battery systems.
Work towards the Climate Emergency Plan 2040 target of net zero emissions right across the Peninsula.	✓	The Shire continued to reduce carbon dioxide emissions across our facilities and activities. Over the 2022-23 year, the community added 19,781 kW of solar power to our local system. 22.4 per cent of buildings on the Peninsula now have solar PV systems installed which is estimated to have avoided 22,000 tonnes of carbon dioxide equivalent (CO2-e). This is compared to 21 per cent of buildings with solar PV installed in 2021-22. Total emissions on the Mornington Peninsula were estimated to be 1,912,000 tonnes CO2-e in the 2020-21 financial year. This is a reduction of 3 per cent from the 2019-2020 financial year update of 1,971,000 tonnes CO2-e. The Shire received funding from the State Government to deliver the 40 hectare expansion of the Wildlife Sanctuary at the Briars. This area will be revegetated with indigenous species, supporting the Shire's work to reach net zero emissions.
Strong community participation in the Climate Emergency Plan actions.	✓	We received strong community participation in our Climate Emergency Plan across several initiatives including: • Friends Group working bees • Schools Education program • Energy Heroes Program • Environmental workshops • Repower community group. Community participation in our Climate Emergency Plan across our initiatives is up 17 per cent compared to 2021-22 from 4,320 to 5,185.

Strategy	Key Achievements
1.1.1 Protect natural sites of cultural and Aboriginal and Torres Strait Islander significance	The Shire worked with Traditional Owners to ensure cultural heritage values are integrated into the detailed design of the Somerville to Baxter section of the Peninsula Trail. We also entered a Memorandum of Understanding with the Bunurong Land Council to ensure cultural values are incorporated into the Shire's projects.

Strategy	Key Achievements
1.1.2 Work with our community to raise awareness about the value of our natural environment.	A remarkable new event called Luminosity was successfully launched at The Briars Wildlife Sanctuary. This immersive theatrical night walk allowed visitors to interact with wildlife, performers and lightscapes, creating a unique and imaginative experience. Working in collaboration with the Lanternist and Dreamhouse Theatre Company, this locally produced event showcased the beauty of the land and its inhabitants through four stunning acts, all taking place on a 40-minute journey along the boardwalk. A new education program was launched at The Briars with local schools invited to participate in curriculum-based programs in the natural environment. The Shire hosted the Student Environmental Leadership Summit at Uncommon Folk in Main Ridge on 9 March 2023. One hundred and forty grade 3-6 students from 14 schools across the Peninsula came together to learn, share and develop plans to improve sustainability at their school under the themes of water, waste, biodiversity and energy. The content was delivered by educators from the CERES School of Nature and Climate. We developed a community survey to gauge the impact of climate change on health, adaptation measures undertaken by the community, and the support required. We worked with our community to embed sustainability and raise awareness of our natural environment across a few initiatives, including: • Schools Education Program • Community Environmental Education Program • Resource Smart School Program • Community Energy Consultations • Wastewater Management Plan.
1.1.3 Look after our public spaces through our Open Space Strategy and site-specific plans.	In 2022-23, we sought quotations from suitably qualified and experienced consultants or consortiums to develop a new Open Space Strategy for the municipality. The purpose of the Strategy is to guide the future planning, provision, design and management of existing and future open space for a 15-year period up until 2040. The Shire continued to maintain our public spaces as scheduled with our: • Electric Lines Clearance program • Amenity mowing • Bushfire Risk inspections • Drainage pit inspections • Beach cleaning.

Strategy	Key Achievements
1.1.4 Improve our trail network to achieve connection and advocate for funding	The Shire continues its work towards a connected trail network across the Mornington Peninsula. Throughout 2022-23 the detailed design of the Somerville to Baxter section was completed. The design included details of the final trail alignment, major road crossing treatments, trail construction, vegetation impact and cultural assessments as well as authority approvals. Council continues the planning for several other missing links including working with the Whitecliffs Foreshore Committee to progress sections along the bay coastline between Whitecliffs and the Blairgowrie Yacht Club. The Committee secured a grant to assist in progressing route options. Finding ways to promote First Nations sense of place and identity on the Peninsula is a priority for the Shire. A Walk on Country with Elders and representatives of the Bunurong Land Council explained traditions of navigating land and sea through song and stories and taught us about the locally significant sites along the Peninsula Trail. The Shire continues to work collaboratively with Traditional Owners to ensure cultural heritage values are integrated as the Trail progresses. In partnership with the Mornington Peninsula Rotary Clubs we showcased the Peninsula Trail Project to more than 300 delegates at the Rotary District Conference held in February at the RACV Cape Schanck Resort. Throughout the year we also initiated the development of a Strategic Implementation Plan (SIP) to provide a long-term planning guide, decision making framework and investment prospectus. The development of the SIP has seen Council undertake a number of engagement activities including: • Meeting with the Bunurong Land Council and consultants to start early visioning and cultural values mapping for the broader trail development. • Workshops with a range of key external stakeholders to help shape the vision and strategic framework for the Peninsula Trail. • Collecting insights and feedback from Council, community, stakeholders and Shire employees via workshops and a survey to help inform the development of the project.

Strategy	Key Achievements
1.1.5 Continue putting the Climate Emergency Plan into action and build community resilience to mitigate the effects of climate emergency.	Of the 172 tasks within the Climate Emergency Plan, 150 (87 per cent) tasks were in progress, ongoing or completed as of 30 June 2023. Some of the actions implemented over the year to build community resilience to mitigate the effects of the climate emergency include: • Launching the Save Energy Save Money Program, providing free hot water heat pump installations for vulnerable households. • Training 25 volunteers as 'Energy Heroes' to deliver free and impartial energy advice to residents. • Holding a Business Networking and Sustainability Showcase Event at Commonfolk Café where 48 participants learnt about sustainability initiatives undertaken by local businesses. • Awarding $80,624 in Biolink Support grants which went towards on ground works protecting, restoring and connecting important wildlife corridors across the Mornington Peninsula.
1.1.6 Run programs to reduce the impact of the climate emergency on the health and wellbeing of our community.	Over the year we delivered several programs to reduce the impact of the climate emergency on the health and wellbeing of our community, including: • Participating in the 'Go Electric' media campaign to reduce energy bills and improve health outcomes across the Peninsula. • Conducting 118 surveys and held climate and health popup events at six community gatherings. The insights we gained from this data will help us guide future programs. • Hosting an event at Seawinds Hub to help residents access the Victorian Government's $250 Power Saving Bonus in collaboration with the Brotherhood of St. Laurence and Uniting Energy. • Initiating a pilot program for hot water heat pumps to assist 30 households struggling with energy bills. We provided support in obtaining grants, navigating the administration, identifying the correct system, and offering gap funding. • Holding Community Energy Efficiency Information sessions to support residents and community groups take action in their homes and businesses. • Awarding $86,483 in Climate Action Grants to support small businesses, schools and community groups to undertake projects that contribute to our goal of net zero by 2040 or facilitate climate change adaptation.

Strategic Objective 1.2

A healthy ecosystem, in which our coastline, bushland, wildlife and Green Wedge is resilient to the climate emergency and development.

Strategic Indicator	Result	Comments
Increased levels of community participation and satisfaction with environmental sustainability.	⇩	Community satisfaction with environmental sustainability, conducted by an independent research company that measures the opinions of local people in the community, declined three index points from last year to 57.
Increased levels of community participation and satisfaction with waste management.	⇧	Community satisfaction with waste management, conducted by an independent research company that measures the opinions of local people in the community, increased one index point from last year to 66.
Our community is highly engaged in the Shire's conservation and education programs.	⇧	Community engagement and participation in the Shire's conservation and education programs is up 11 per cent compared to 2021-22, from 3,461 participants to 3,874.
Programs to protect and maintain our biodiversity and wildlife are delivered.	✓	Programs to protect and maintain our biodiversity and wildlife delivered over the year include: • Friends Group working bees • Schools Education program • Energy Heroes Program • Environmental workshops • Repower community group.
Increase in kerbside collection waste diverted from landfill.	⇧	Our total kerbside collection waste diverted from landfill for the 2022-23 year was 58.21 per cent, which is a 1.72 per cent increase from last year.

Strategy	Key Achievements
1.2.1 Work with our community to protect native flora and fauna and coastal foreshores.	The Shire celebrated Biodiversity Month in September by joining the greater Melbourne BioBlitz 2022. We joined nine other councils to encourage everyone across greater Melbourne to record and share observations of their nature finds via the citizen science app iNaturalist. 202,208 observers recorded 3,665 observations of 1,170 species. The Shire worked together with the Friends Group Network to support our volunteers at more than 400 different working bees to preserve and improve the biodiversity of nearby bushland and foreshore reserves. The Shire launched its Watercraft Removal Program in October 2022. Most unauthorised vessels, many of which were damaged or destroyed, have now been removed and our beaches are looking much better for it. We also: • Released our Fungi of the Mornington Peninsula Guide. The guide aims to increase public awareness of local biodiversity values and encourage great positive interaction with nature to build environmental stewardship within the community. • Implemented our Summer Litter Prevention Strategy, which was tailored to residents, day visitors and short–stay visitors. The strategy involved the use of QR codes to allow our community to report overflowing bins, increasing the collection frequencies of public place bins in high-profile precincts, and increasing our physical litter enforcement presence and educational signage. • Hosted a Student Environmental Leadership Summit at Uncommon Folk at Main Ridge where 144 grade 3-6 students from 14 schools across the Peninsula came together to learn, share and develop plans to improve sustainability at their school under the themes of water, waste, biodiversity and energy. • Started our Nature Stewards program, a 10-week program that introduced participants to the natural environment and habitat of the Mornington Peninsula. • Commenced our sanctuary expansion at The Briars. • Partnered with Willum Warrain Aboriginal Association and the Western Port Biosphere Reserve Foundation to hold a Healing Country community planting event in Hastings. • Completed our annual Pest Animal Control Program in the Tootgarook Wetland area.
1.2.2 Implement Coastal and Marine Management Plans, including the Mornington Peninsula Coastal Strategy, to look after our coastal heritage and marine wildlife.	The Coastal and Marine Management Plans for Flinders, Mount Eliza and Portsea were adopted by Council in May 2023 and the Department of Energy, Environment and Climate Action issued three grants to progress implementation of the Coastal and Marine Management Plans over the next two years. These Plans have now been endorsed by the Minister for Planning. The final Hastings Foreshore Master Plan was adopted by Council in February 2023. The plan will be implemented in stages over the next 10 years. The Coastal and Marine Management Plans were put out for public consultation in the year with feedback from our community shaping the final plans. The plans will help guide appropriate, effective and sustainable management of these valued and sensitive areas, and the many facilities, infrastructure and activities that support them.

Strategy	Key Achievements
1.2.3 Protect the Green Wedge using the Green Wedge Management Plan and advocate for maintaining its special role and character.	Council adopted and submitted amendment C270 to the Minister for Planning for approval on 15 November 2022. Amendment C270 proposes to protect the Peninsula's highly valued Green Wedge from inappropriate development by rezoning eight properties located outside the Urban Growth Boundary to the Green Wedge Zone and fixing irregularities in the Mornington Peninsula Planning Scheme. Land affected by the amendment includes the site of Ryman Healthcare's proposed aged care and retirement village in Kunyung Road, Mount Eliza. The Minister for Planning has approved the amendment with changes, including not rezoning the site in Kunyung Road, Mount Eliza to the Green Wedge Zone.
1.2.4. Protect our biodiversity and wildlife in both urban and bush settings in the face of the climate emergency by implementing the Biodiversity Conservation Plan with the community and partners.	Some of the actions delivered over the year in the implementation of the Biodiversity Conservation Action Plan include: • Completing our annual biodiversity works program to control high-threat environmental weeds and restore habitat across 970 hectares of bushland within 130 bushland reserves across the Peninsula. • Starting the Swamp Skink Project in the Tootgarook Wetland. Engaging with an expert herpetologist (reptile scientist) to deliver workshops with our on-ground bushland crews, our crews learned about swamp skink ecology and habitat needs. • Launching a Tree Ledger tool to track and assess trees and canopy cover across the Peninsula. This tool will be used to inform future capital works, street tree programs and township planning to improve canopy coverage and urban heat island effects, prioritising areas with the most need. • Allocated funding for an Urban Forest Strategy in the FY2022-23 budget. Development of the strategy will start in the new year. • Started our Nature Stewards program, a 10-week program that introduced participants to the natural environment and habitat of the Mornington Peninsula. • Released our Fungi of the Mornington Peninsula Guide. The guide aims to increase public awareness of local biodiversity values and encourage great positive interaction with nature to build environmental stewardship within the community. • Growth of the Gardens for Wildlife Program.
1.2.5. Implement the Domestic Animal Management Plan to promote responsible animal management.	The Dogs in Public Places Policy was adopted in May 2023. The Policy will have a direct impact on dog controls, such as the need to change daylight savings controls to seasonal controls. These updates will be presented to the Council for adoption in September 2023.

Strategy	Key Achievements
1.2.6. Continue towards our goal of zero waste to landfill by 2030, by strengthening our circular economy as part of our Beyond Zero Waste Strategy.	The Shire continued to work towards our goal of zero waste to landfill, committing to several initiatives that support waste avoidance and reuse principles. These include: • Working with our community and businesses to phase out single-use plastic items through our Plastic Free Mornington Peninsula program in partnership with Plastic Free Spaces. The program works directly with food retailers and assists them to switch from single-use plastics to better alternatives. • Partnering with Brainwave Bikes, a not-for-profit social enterprise that provide training and employment for people with a disability, to refurbish used bikes that are donated to families in need or sold. • Providing a mobile recycling trailer and community resource recovery hub at our libraries. • Offering rebates to the community to support the low-cost installation of home composting systems and to avoid single-use nappy and sanitary products. • Growing our opt-in FOGO kerbside collection service. More than 52,900 residents are now using a green waste bin at home. • Continuing to embed Environmental Sustainability Design principles into our capital works and construction with approximately 180 tonnes of recycled material used in our civil projects, including recycled plastic, rubber, asphalt and fly ash.

Strategic Objective 1.3

A sustainable built environment that respects the natural environment and protects the community from the impacts of the climate emergency.

Strategic Indicator	Result	Comments
Increase adaptation to the impacts of the climate emergency.	↑	The Mornington Peninsula Shire continued to increase our adaptation to the impacts of the climate emergency through the implementation of our Climate Emergency Plan. As of 30 June 2023, 150 (87 per cent) of 172 tasks in our plan are in progress, ongoing or completed.
Our building and assets are constructed with environmentally sustainable design principles.	✓	The Shire continues to implement Environmentally Sustainable Design (ESD) into the design and construction of Council buildings and civil works. Council adopted Amendment C232 on 21 February 2023, which has subsequently been submitted to the Minister for Planning for authorisation. Amendment C232 seeks to introduce a new local planning policy to provide guidance for ESD and ensure that development on the Mornington Peninsula achieves best practice in environmental sustainability, from the design stage through to construction and operation.

Our resilience to flood is strengthened and we have more responsible use of water on the Peninsula.	✓	Council adopted our Integrated Water Management Plan in 2021-22. The plan addresses climate change, urbanisation, population growth, greater demands for food and water and changing land use. Following the November 2022 flooding event, we formed a Drainage Action Working Group to investigate the cause of flooding and work towards drainage resolutions. As of 30 June 2023, we had reviewed 75 flooded properties. We also collaborated with Melbourne Water to update the flood modelling and mapping.

Strategy	Key Achievements
1.3.1 Invest in renewable energy and energy efficiency programs.	Council successfully obtained $500,000 from Round 1 of the Australian Government's Community Battery funding. The funds will be used to install a community battery in Flinders later this year and is a collaborative effort with Repower satellite group Flinders Zero Carbon Community. We also: • Started a trial for a Virtual Energy Network, which involves the use of renewable solar systems, monitoring equipment and Battery Energy Storage Systems at the Hastings Library and Mornington Community House. • Launched the Solar Incentivisation Program to facilitate installation of solar systems on Shire-owned tenanted facilities. The program offers a low-cost, co-funding pathway to promote the uptake of renewable energy in our community. The first project stage, planned to commence in August, is expected to deliver almost 150kW of solar capacity delivering approximately $30,000 in energy bill reductions annually. • Installed an additional five 7kW EV charging stations at our staff offices, which will help us transition towards a zero-emission fleet supported by solar energy.
1.3.2 Encourage responsible use of water sources on the Peninsula by implementing the Smart Water Plan.	Council adopted our Integrated Water Management Plan, which addresses climate change, urbanisation, population growth, greater demands for food, water and changing land use. The Plan brings together the Shire, collaborative partners, and our communities in overcoming current and future challenges in line with local and state directions and with the Flood and Stormwater strategy. During the year we also: • Finalised the design of The Briars Recycled Water project with South East Water. The project went out to tender in April 2023. The project will reduce reliance on potable water for the various land pastures in The Briars and will provide Class A water supply to the storage tank at The Briars. • Restored 10 raingardens in Hastings residential streets to working order with new filter media and plants installed. Raingardens capture runoff and remove pollutants before stormwater enters waterways.
1.3.3 Incorporate Indigenous culture in all project planning and design.	The Shire worked with Traditional Owners to ensure cultural heritage values are integrated into the detailed design of the Somerville to Baxter section of the Peninsula Trail. The Traditional Owners were consulted about the future of the culturally – significant Police Point Shire Park on several occasions. We also entered a Memorandum of Understanding with the Bunurong Land Council to ensure cultural values are incorporated into the design of the Shire's projects.

1.3.4 Implement the Environmentally Sustainable Design Policy for Shire buildings and civil works.	Our Environmentally Sustainable Design Policy for Council buildings and civil works continues to be implemented within our capital works program.
1.3.5 Advocate for environmentally sustainable design principles to be integrated into the Mornington Peninsula Planning Scheme.	Together with 23 other councils across Victoria and led by the Council Alliance for a Sustainable Built Environment (CASBE), Council lodged a planning scheme amendment request with the Victorian Minster for Planning to introduce a new planning provision into the planning schemes of all participating councils. The amendment seeks to facilitate carbon neutral and climate-resilient development and is a key action in Council's adopted Climate Emergency Plan. Council adopted Amendment C232 on 21 February. Amendment C232 was approved by the Department of Transport and Planning (DTP) under delegation from the Minister for Planning on 9 August 2023. The amendment introduces a local policy into the Mornington Peninsula Planning Scheme to guide ESD outcomes in new residential and non-residential (i.e. commercial and industrial) development across the Shire. Importantly, while Council adopted and submitted the amendment for approval on the basis that it applied to single dwellings, the DTP has ultimately agreed with the independent Planning Panel's recommendations that the amendment is not applied to single dwellings. Therefore, the policy will only apply to residential developments of two or more dwellings. Our Environmentally Sustainable Design Policy for Council buildings and civil works continues to be implemented within our capital works program and we held a seminar on low-carbon concrete to provide education and resources in reducing the environmental impact of installing concrete footpaths and other infrastructure. Further internal sessions are planned for 2023 with the learnings and experience to be shared with the community and businesses as appropriate.
1.3.6 Manage stormwater and build resilience to flood as it affects our community, our environment and infrastructure.	Council adopted our Integrated Water Management Plan, which addresses climate change, urbanisation, population growth, greater demands for food, water and changing land use. The Plan brings together the Shire, collaborative partners, and our communities in overcoming current and future challenges in line with local and state directions and with the Flood and Stormwater strategy. During the year we also: • Collaborated with Melbourne Water to update the flood modelling and flood mapping to ensure predicted flood extents are based on current industry standards. • Investigated stormwater options for Dallas Brooks soccer field development. • Reviewed water usage and stormwater harvesting sites for irrigation. • Reviewed 75 flooded properties following the November 2022 event to ensure drainage and issues within the Shire reached a resolution. • Cleaned 13,288 drainage pits.

1.3.7 Revise the planning scheme with consideration to our vulnerability to flooding and bushfires and the protection of native vegetation.	Planning Scheme Amendment C271 was submitted to the Minster for Planning and we are awaiting a decision. Amendment C271 proposes changes to planning controls affecting coastal and inland areas around Western Port Bay and the coastline bordering Bass Strait. The changes are based on recommendations from Council's adopted Western Port Coastal Villages and Surrounding Settlements Strategy (2019). During the year we also advocated to State Government for changes to the State-wide Bushfire Protection exemptions to better reflect local conditions. As a result of this, a Shire-wide Bushfire Risk Assessment was completed and reviewed by the Country Fire Authority.
1.3.8 Deliver strategies to minimise the impact of the climate emergency on our built assets.	Together with 23 councils across Victoria and led by the Council Alliance for a Sustainable Built Environment, we lodged a planning scheme amendment request with the Victorian Minster for Planning to introduce a new planning provision into the planning schemes of all participating councils. This 'Elevating ESD Targets' amendment seeks to facilitate carbon neutral and climate-resilient development and is a key action in our adopted Climate Emergency Plan. Council adopted Amendment C232 on 21 February, which has been submitted to the Minister for Planning for approval. Due to the Shire's unique development profile, which includes a high number of single dwelling applications, Council included a trigger for single dwellings in the amendment. Our Environmentally Sustainable Design Policy for Council buildings and civil works continues to be implemented within our capital works program and we held a seminar on low-carbon concrete to provide education and resources in reducing the environmental impact of installing concrete footpaths and other infrastructure.

Strategic Objective 1.4

An accessible built environment that supports diverse, current and future community needs.

Strategic Indicator	Result	Comments
80 per cent of annual capital works budget delivered.	✓	The Capital Works Program for 2022-23 was made up of over 230 projects and programs with a total budget of $103.8 million. Of that total budget, we expended $45 million, committed into contracts $32.7 million and commenced the procurement phase for $7.4 million. This totals 82% of the Capital Works Program being well progressed or delivered for our community. Our annual expenditure of $45 million equates to 95% of the $47.6 million adopted Annual Capital Works Budget.
Shire asset renewal targets are met.	✓	The Shire's asset renewal expenditure for 2022-23 was approximately $23.6 million. This is above our target renewal spend of $17.8 million as renewal projects generally require some form of upgrade or additional work/costs to bring our assets up to today's legislated standards.

Increased levels of satisfaction with appearance of public areas.	⇩	Community satisfaction with Council's appearance of public areas performance, conducted by an independent research company that measures the opinions of local people in the community, declined seven index points from last year to 59.
Increased levels of satisfaction with recreation facilities.	⇩	Community satisfaction with Council's Recreational Facilities Performance, conducted by an independent research company that measures the opinions of local people in the community, declined two index points from last year to 65.
Increase in number of Shire assets that incorporate universal design principles.	⇧	Since adopting our Universal Design policy in early 2022, which is designed to ensure we deliver inclusive and equitable spaces and services for everyone in our community, we have installed more all-access assets that incorporate universal design principles into our projects, buildings and assets.
Initiatives delivered to decrease financial stress and homelessness in the community.	✓	Several initiatives were delivered over the year, including: • Council owned land released via an Expression of Interest process for affordable housing development at Hastings and Mornington, targeting women experiencing family violence and older women. • Subsidising support or grants to organisations providing food distribution, meals, material assistance and other support to people in need. • Supporting a case review group of local services and agencies who facilitate coordinated outreach to people who are sleeping rough. • Partnering with the Southern Peninsula Community Support SPLaSh program to provide facilities for the engagement of people who are sleeping rough. • Supported a series of three forums hosted by Peninsula Voice to increase community awareness and action to address homelessness on the Mornington Peninsula.

Strategy	Key Achievements
1.4.1 Apply universal design principles in the construction, refurbishment and use of Shire owned facilities, public spaces, and open spaces.	Since adopting our Universal Design policy in early 2022, which is designed to ensure we deliver inclusive and equitable spaces and services for everyone in our community, we have installed more all-access assets that incorporate universal design principles into our projects, buildings and assets. Achievements include: • Incorporating Universal Design Principles into all our projects. • Working with architects to apply the universal design principles to our buildings. • Agreeing on a new standard picnic table design based on Universal Design principles, in consultation with the community and the Disability Advisory Committee. • Launching our new accessible hoist at Hastings Pontoon to enable wheelchair users to transfer safely from the pontoon into a boat. • Submitting two funding applications to the Victorian Government to upgrade the Rye Foreshore playground and toilet facilities at the Mana Reserve netball courts in Dromana.
1.4.2 Build and maintain Shire infrastructure and facilities based on community needs and facility condition.	During the year we developed tenders for four main areas of community asset maintenance that will help us provide improved services, while also ensuring we get the most value for our money. These areas are Road Corridor Maintenance, Bushland Management, Tree Management and Open Space Maintenance. Additionally, we have commenced planning for the upcoming service contracts and tender documentation related to building and facilities maintenance as well as cleaning services. Despite the recent announcements in the Victorian State Budget suggesting there may be future funding cuts, Council is actively pursuing grants for infrastructure from both the Victorian and Australian governments and successfully secured grants for: • Hastings Boat Ramp Northern Pontoon ($271k) • Alexandra Park Pavilion Redevelopment, Mornington ($2.9M) • Hillview Community Reserve Upgrade, Dromana ($2.6M) • Olivia Way – new playground, Hastings ($247K). Additionally, due to the continuous efforts of both the community and Council, the Victorian Government granted $930,000 to fund the necessary Pedestrian Safety Improvements at the Frankston-Flinders Rd/Eramosa Rd Roundabouts in Somerville. Please see the Capital Works highlights for 2022-23 projects.
1.4.3 Develop a Community Facilities Infrastructure Strategy, to plan for shared community facilities that meet the current and future needs of our communities.	The development of our Community Facilities Infrastructure Strategy started with an audit of community facilities and identification of key issues and opportunities to explore in the Strategy.
1.4.4 Continue to implement the Triple A Housing Plan.	During the year we formed a new partnership with Registered Housing Agencies for Council owned land parcels in Hastings and Mornington. This will ensure we pursue support housing for women including older women and victims of family violence. We also started drafting our submission to the Inquiry into the Rental and Housing Affordability Crisis. As part of our 'Shout out for the Peninsula' advocacy campaign, we placed particular focus on the housing crisis, and we asked political candidates for: • Urgent investment in social and affordable housing • Urgent support for crisis accommodation on the Peninsula • Mandatory inclusionary zoning for developer contributions to social or affordable housing • Support for key worker accommodation • Improved public transport • Measures to balance short-term and long-term rentals.
1.4.5 Develop an Affordable Housing Policy to facilitate contributions in private developments.	The Shire appointed SGS Economics and Planning to assist in the preparation of our Affordable Housing Development Contributions Strategy. The purpose of the Strategy is to assist the Shire in procuring developer contributions via the planning system to help increase the supply of affordable housing on the Peninsula.

Strategy	Key Achievements
1.4.6 Advocate to state government for additional social and affordable housing and better housing support services.	As part of our 'Shout out for the Peninsula' advocacy campaign, we placed particular focus on the housing crisis, and we asked political candidates for: • Urgent investment in social and affordable housing • Urgent support for crisis accommodation on the Peninsula • Mandatory inclusionary zoning for developer contributions to social or affordable housing • Support for key worker accommodation • Improved public transport • Measures to balance short-term and long-term rentals.
1.4.7 Improve our unique townships and villages by developing and maintaining accessible public spaces.	The Shire sought to improve our unique townships and villages by developing and maintaining our accessible public spaces through: • Progressing planning scheme amendment C219 to an independent planning panel hearing. This amendment proposes to update our residential zones and simplify our planning controls to meet the diverse range of housing needed for our community, direct future housing to appropriate areas, and ensure the special values and character of the Peninsula are protected and enhanced. • Investigating concerns raised by our community following the public exhibition of amendment C286. The amendment proposes to apply permanent, mandatory building design controls to the Ocean Beach Road Commercial Precinct in Sorrento to protect and enhance the valued character, heritage, and amenity of the area.
1.4.8 Advocate for stronger universal design guidance in the State Planning Scheme and encourage best practice for privately owned buildings.	We adopted amendment C232 on 21 February, which has subsequently been submitted to the Minister for Planning for authorisation. As a result of the Shire's unique development profile, which includes a high number of single dwelling applications, Council included a trigger for single dwellings in the amendment. C232 proposes to introduce a new local planning policy into the Mornington Peninsula Planning Scheme to provide guidance for achieving Environmentally Sustainable Development/Design. During the year we also advocated to State Government for changes to the State-wide Bushfire Protection exemptions to better reflect local conditions and as a result of this a Shire-wide Bushfire Risk Assessment was completed and reviewed by the Country Fire Authority.

Strategy	Key Achievements
1.4.9 Deliver actions in the Housing and Settlement Strategy and Neighbourhood character Study to manage demand for housing and population growth.	The independent Planning Panel hearing for Planning Scheme amendment C219 was held in February. The Panel's report with recommendations will be considered by Council in 2023-24 before a decision is made on whether to adopt Amendment C219. Amendment C219 proposes to update our residential zones and simplify our planning controls to meet the diverse range of housing needed for our community, direct future housing to appropriate areas, and ensure the special values and character of the Peninsula are protected and enhanced. As part of our 'Shout out for the Peninsula' advocacy campaign, we placed particular focus on the housing crisis and we asked candidates for: • Urgent investment in social and affordable housing • Urgent support for crisis accommodation on the Peninsula • Mandatory inclusionary zoning for developer contributions to social or affordable housing • Support for key worker accommodation • Improved public transport • Measures to balance short-term and long-term rentals. We also started drafting our submission to the Inquiry into the Rental and Housing Affordability Crisis.
1.4.10 Protect built sites and features of cultural significance and history.	The Shire is continually looking at protecting built sites and features of cultural significance and history. During the 2022-23 year we inspected sites to verify works, before the heritage grants are issued and reviewed nominations for the 2023 Heritage Awards Night, which was held in June. The purpose of our Heritage grants is to preserve and restore places listed in the Heritage Overlay in the Mornington Peninsula Planning Scheme. We also: • Prepared a dilapidation report for Pioneer's Cottage at Hastings Museum. • Developed and distributed to our Visitor Centres and information points new local history brochures mapping local heritage places. • Started community consultation on the draft citations for the Area 4 Heritage Review, which includes Western Port and hinterland areas and several other properties not addressed in previous studies. • Commissioned a condition report for cottage 1 at Police Point Shire Park. • Completed one of the final stages of restoration of The Briars Heritage Homestead. In March, we exhibited Amendment C239, which seeks to apply a new Heritage Overlay (HO543) over Fenton Hall in Merricks North and extend the existing Heritage Overlay (HO127) over the former Camp Buxton site to include the open-air memorial chapel and fire pit. During the year we received the Planning Panel Report for proposed Planning Scheme Amendment C239. The Panel concluded that the amendment is worthy of support subject to minor changes. Council will decide at the end of 2023 whether to adopt the amendment (with or without changes recommended by the Panel) and send it to the Victorian Minister for Planning for final approval.

Budget funded services

The following services and its description provide information in relation to the services funded in the 2022-2023 budget.

Service	Description		
Animal Management	Our Animal Management service develops and manages the Domestic Animal Management Plan through registration, enforcement, and compliance of domestic animals, animal-related businesses, and livestock. Council manages an Animal Shelter.	Actual	1,047
		Budget	1,488
		Variance	(440)
Building Safety	Our Building Safety service maintains a record of all permits and investigates illegal building activities to keep the Peninsula's built environment safe.	Actual	(811)
		Budget	(663)
		Variance	(148)
Climate Emergency Action	Our Climate Emergency Action service focuses on achieving net zero-emissions right across the Peninsula and preparing our community for the change already occurring.	Actual	(2,204)
		Budget	(1,969)
		Variance	(235)
Environment Management	Our Environment Management service manages planning and regulation activities so that our natural environment and biodiversity remain healthy, valued, and protected.	Actual	(4,374)
		Budget	(5,204)
		Variance	829
Fire and Emergency Management	Our fire and emergency management service provide mitigation, preparedness, and execution of emergency response, relief, and recovery activities to ensure a safe and resilient community.	Actual	(3,708)
		Budget	(3,487)
		Variance	(221)
Land-use Planning	Our Land Use Planning service guides planning decisions to help build well-designed communities that meet regulatory requirements.	Actual	(3,523)
		Budget	(4,656)
		Variance	1,134
Open Space	Our Open Space manages our diverse range of open spaces to protect natural areas that people of all ages and abilities can enjoy.	Actual	(7,262)
		Budget	(8,148)
		Variance	887
Public Safety	Our Public Safety service ensures the public safety and amenity for Shire community members are protected through the management, enforcement and community education and awareness of local laws and other shire safety services including School Crossing safety.	Actual	(4,057)
		Budget	(5,478)
		Variance	1,421
Public Works Safety	Ensures management, enforcement and community education and awareness for activities that take place on public space and assets or private developments that may affect public safety. Focused on public safety and the protection of Shire owned assets, as well as development impacts on the public realm and Shire assets.	Actual	2,271
		Budget	44
		Variance	2,227
Waste Management	Our Waste Management service provides all residents and visitors with access to sustainable waste disposal options and strives to ensure a circular economy.	Actual	(27,936)
		Budget	(27,943)
		Variance	7

Grants awarded in support of the Community

Each year, Council awards grant funding to support local community groups to provide a range of services, programs and activities. Grants provided in 2022–2023 are listed below.

Grant	Applicant	Value
Biolinks Support	Mornington Peninsula Koala Conservation (MPKC)	$8,400.00
	Main Creek Catchment Landcare Group	$5,000.00
	Shoreham Foreshore Reserve CoM	$8,400.00
	Crib Point Stony Point Foreshore Committee of Management Inc	$10,000.00
	Willum Warrain Aboriginal Association	$10,000.00
	Friends of Flinders Coastline	$8,400.00
	South West Mornington Peninsula (SWaMP) Landcare	$8,400.00
	Sunshine Reserve Conservation and Fireguard Group Inc	$9,624.00
	Balcombe and Moorooduc Landcare Group	$8,400.00
	Merricks Beach Foreshore Committee of Management	$4,000.00
Climate Action	Sorrento Golf Club	$10,000.00
	Mt Eliza Secondary College	$4,798.00
	Red Hill Consolidated School	$10,000.00
	Toorak College	$1,500.00
	Hastings Primary School	$4,225.00
	Flinders Christian Community College	$5,164.00
	Presentation Family Centre Inc. trading as Saltbush, Balnarring Beach	$10,000.00
	Repower Mornington Peninsula Inc.	$4,575.00
	Mornington Secondary College	$4,617.00
	St Mary's Catholic Primary School	$7,112.00
	Wool2yarn	$6,930.00
	Flinders Zero Carbon Community	$3,000.00
	St Joseph's Catholic Primary School	$3,500.00
	The Revillaging Project	$6,062.00
	Crib Point Primary School	$5,000.00
Total		$167,107.00

Service performance indicators and measures: A healthy natural environment and well-planned townships

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of material variations.

Service/indicator/measure		2020	2021	2022	2023	Material variations and comments
Animal Management						
AM1	Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	3.80	2.34	3.29	2.38	A 36% decrease in animal requests and a return to normal staffing levels have reduced the number of days to respond to requests. Last year COVID affected our staffing and our ability to respond to some animal matters over the 2021-22 year.
AM2	Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	73.56%	68.17%	68.88%	63.51%	Despite collecting a similar number of animals as the previous year, fewer animals were reclaimed by their owners, which resulted in an overall decrease.
AM5	Animals rehomed [Number of animals rehomed / Number of animals collected] x100	19.75%	11.09%	13.39%	21.13%	Because there were fewer animals reclaimed by their owners this year, we were able to rehome more animals. In the event that animals cannot be reunited with their owners we always try our best to find them good homes.
AM6	Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	$16.93	$16.89	$12.86	$12.75	The slight decrease in cost can largely be attributed to a decrease in administration costs, salaries/wages and overtime penalties across our local law enforcement and animal shelter teams. This is the result of staff shortages due to the continued impact of COVID–19.
AM7	Health and safety [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	98.98%	100.00%	100.00%	100.00%	Council is committed to protecting the safety of the community and the health and safety of animals on the Peninsula by instituting prosecution only where appropriate and necessary. Council prosecuted 43 Animal Management matters over the year.
Statutory Planning						
SP1	Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	95.00	84.00	105.00	72.00	We've been able to reduce the number of days taken with additional resources and process improvements, which have lowered application processing times.
SP2	Service standard Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	70.80%	63.47%	44.56%	42.22%	Whilst we received fewer planning applications compared to the previous years, we were unable to increase our planning applications decided within timeframes result due to the backlog of applications, shortages in the labour market and an inability to fill vacancies, until recently.

Service/indicator/measure		2020	2021	2022	2023	Material variations and comments
SP3	Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	$2,495.26	$2,278.65	$1,815.93	$2,522.15	The cost of the statutory planning service has increased and is comparable to pre-COVID results. During COVID, the cost of labour stayed the same or decreased due to labour shortages while the number of applications received was higher, which decreased the cost per application. The cost of the service is expected to stabilise and return to pre-COVID levels now that staff shortages have been addressed and if the number of applications remains stable or decreases.
SP4	Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	39.13%	51.28%	68.85%	72.92%	The increase in VCAT decisions upheld from 2021 is due in part to the emphasis on refined and informed decision-making across the planning unit, resulting in more easily defended decisions at VCAT.
Waste Collection						
WC1	Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	121.54	129.94	157.63	136.07	The decrease is primarily associated with a reduction of missed bin requests (rubbish), requests for a change in bin capacity (rubbish and recycling), stolen bins (rubbish) and damaged bins (rubbish and recycling).
WC2	Service standard Kerbside collection bins missed Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.86	4.61	5.99	3.01	The decrease can be attributed to services returning to normal after the COVID–19 pandemic and the inclusion of additional service categories to ensure that partially emptied bins and bins that were not presented for collection, are not counted as missed bins.
WC3	Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	$64.78	$65.63	$77.60	$87.57	A change to the contract rates for kerbside garbage bin collection and an increase in the landfill levy from $105.90 to $125.90 have increased the cost of our service.
WC4	Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	$36.51	$37.69	$34.30	$42.78	This year's increase reflects an annual adjustment to the rates for kerbside recycling bin collection and the introduction of a summer weekly recycling program, which was not offered last year.
WC5	Waste diversion Kerbside collection waste diverted from landfill Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	55.31%	54.73%	57.21%	58.19%	The increase from last year is due to the increase in the number of residents opting into our Food Organics and Garden Organics service, which resulted in an increase in kerbside green/ food waste and a reduction in household waste collected.

Theme
Two
A robust, innovative and diverse economy

A community with abundant and varied education and local employment opportunities. We are open to new ideas and work with our partners to grow a strong, diverse and future-focused economy.

180 businesses mentored

1,834 food safety inspections

75 business associations / groups worked with

$1.488 million in grants awarded in support of the community

Strategic Objective 2.1

A community that has access to world class local learning opportunities through all stages of life.

LEGEND On track | Increase / decrease | Not on track

Strategic Indicator	Result	Comments
Initiatives to increase education and employment pathways supported.	✓	The Shire continued to support education and employment pathways including: • Working with Chisholm TAFE, Frankston Mornington Peninsula Local Learning and Employment Network and the Brotherhood of St. Laurence to develop and promote hospitality training. • Working with Chisholm Institute to address local workforce needs and access via the Rosebud campus. • Partnering with local businesses to establish a small-scale farming training program that will provide guidance to aspiring farmers for 12 months.
Level of community participation in Shire delivered life-long learning opportunities.	✓	The Shire experienced good community participation in Shire delivered learning opportunities, including: • 305 new language learners through Mango. • 376 STEM (Science, Technology, Engineering and Math) program participants. • 52 new student sign-ups through Studiosity. (on-demand tutoring) • 124 LinkedIn Learning participants.

Strategy	Key Achievements
2.1.1 Connect schools, education providers and business to improve social and economic outcomes.	The Shire attended meetings of the Frankston Mornington Peninsula Local Employment and Skills Working Group as well as the South East Metropolitan and Peninsula Jobs Taskforce. The working group organised a 'jobs expo' to be held in August 2023 as part of the Mornington Peninsula Small Business Festival. This event is being conducted in collaboration with Workforce Australia and the Frankston Mornington Peninsula Skills and Jobs Network. We also: • Worked with Chisholm Institute to address local workforce needs and access via the Rosebud campus. • Partnered with local businesses to establish a small-scale farming training program that will provide guidance to aspiring farmers for 12 months. • Worked in partnership with Chisholm Institute, Frankston Mornington Peninsula Local learning and Employment Network and the State Government Training and Employment Taskforce to develop and promote hospitality training.
2.1.2 Advocate for additional training and education services and centres of excellence.	We officially launched our Food Economy and Agroecology strategy on 3 March with more than 50 people attending an educational and inspirational day of activities at Barragunda. Through the actions identified in the strategy, the Mornington Peninsula Shire will aim to become a leading region in regenerative agriculture and sustainable food production education. A Centre of Excellence will be developed in collaboration with locally based TAFEs in Rosebud and Frankston, local schools, as well as Melbourne based tertiary education organisations. We also: • Partnered with local businesses to establish a small-scale farming training program that will provide guidance to aspiring farmers for 12 months. The program has received funding from Agriculture Victoria and Council and has also received in-kind support from three local farms - Torello, Uncommon Folk and Barragunda. The trial run of the program is scheduled to start in September 2023.

2.1.3 Work in partnership with a wide range of education providers to promote lifelong and inclusive learning opportunities.	The Shire continued to work with a wide range of education providers to promote lifelong and inclusive learning opportunities such as: • Working in partnership with Chisholm Institute, Frankston Mornington Peninsula Local Learning and Employment Network and the State Government Training and Employment Taskforce to develop and promote hospitality training. • Organising, in collaboration with the Frankston Mornington Peninsula Local Employment and Skills Working Group, a 'jobs expo' to be held in August as part of the Mornington Peninsula Small Business Festival. We started a new program in partnership with Youngsters (an organisation that works with secondary schools) and Mornington Secondary College to support seniors in attaining digital literacy at our Mornington Library. In partnership with School Focused Youth Service Programs, we delivered several programs within our local primary and secondary schools that included: • Equine therapy through Racing Hearts. Equine assisted therapy focuses more on somatic experience and behaviour change and less on the counselling process or mental health diagnosis Image: Ready, Set, Read. • Canine Comprehension offers dog-assisted learning interventions to improve behavioural problems, increase emotional well-being, ease anxiety around learning difficulties, and support young people with autism spectrum disorders. • Drumbeat – involves up to 12 participants in 10 x 1-hour sessions with specific themes including self-responsibility, values, emotional expression, identity, peer pressure, harmony and teamwork. • Welcoming Oakwood Alternative School to operate from two of our Youth Centres to support young people who have disengaged from school.

Strategic Objective 2.2

A strong food economy, promoting growth to enhance community access.

Strategic Indicator	Result	Comments
Participation of food businesses engaged in a diverse variety of programs and initiatives.	✓	We had good participation from food businesses that engaged in several programs and initiatives including: • Receiving 91 entries from businesses entering our Best Bites awards. • Showcasing more than 20 local Mornington Peninsula Produce (MPP) branded producers at the Red Hill show. • Bringing together 70 individuals including local growers, food and beverage business owners, chefs, and food enthusiasts to The Mornington Peninsula Food Forum.
Percentage of facilities and events that meet Healthy Choices Guidelines.	↑	The Shire's Healthy Catering Policy was recently reviewed to ensure healthy choices guidelines are achieved at Shire run events. Yawa Aquatic Centre and Mornington Civic Centre are achieving healthy choices guidelines including traffic light labelling on menus. Elements Eatery at Yawa Aquatic Centre recently won the Nutrition and Healthy Eating Award in the Aquatics and Recreation Victoria Industry Awards.
Reduction in residents that require food relief services.	↑	Community Support Centres on the Peninsula reported a growth in demand for food relief services. This can be attributed to the nation-wide rise in the cost of living and the housing crisis. Local services report that community members are prioritising spending on housing first, leaving a shortfall in income for food and therefore an increased reliance on food relief programs.
Increase our food economy contribution to our Gross Regional Product.	↑	The Peninsula's agriculture, food and beverage sector is worth an estimated $1.3 billion and is one of the key growth industries in the local economy.
Number of initiatives delivered encouraging productive and sustainable use of the Green Wedge.	✓	The Shire delivered several initiatives to encourage productive and sustainable use of our Green Wedge, including liaising with Agriculture Victoria to provide input on the National Resource Action Plan. We also provided professional development advice via farm walks, field days and discussion groups.

Strategy	Key Achievements
2.2.1 Foster access to affordable local healthy food options by working with our key partners implementing our Agro-ecology Strategy.	In December 2022, Council endorsed the Food Economy and Agroecology Strategy 2021-2026. The strategy contains a six-year action plan to support the local agricultural economy and build business resilience. During the year, we asked for Expressions of Interest for our Sustainable Food Economy and Regenerative Agriculture Taskforce. This task force aims to involve individuals, businesses, organisations and groups from the Agriculture, Food and Beverage sector located on the Mornington Peninsula and will collaborate with the Council to implement the Council's Food Economy and Agroecology Strategy. A total of 91 businesses entered the Best Bites awards, which were announced across six business categories and over five areas of excellence in October 2022. Overall winners for the Best Bites awards were: • Gold – Foxeys Hangout, Red Hill • Silver – the Kitchen, Bistro, Bar and Courtyard, Tootgarook • Bronze (joint) – Stumpy Gully Dining, Moorooduc • Bronze (joint) – Unica Cucina E Caffe, Capel Sound. We undertook a review of the Best Bites program to improve the efficacy of delivery and identify synergies between Best Bites Food Awards and MP Business Excellence Awards. A workshop was held in February with the report's recommendations on program delivery and resources to be delivered in the new year.

2.2.2 Support and foster the growth of our farmers through a variety of food businesses e.g., farm gates, sea gates, food trucks, local stalls, and local farmers markets.	The 2023 Mornington Peninsula Food Forum brought together 70 individuals including local growers, food and beverage business owners, chefs, and food enthusiasts. The forum addressed significant concerns, opportunities, and informational gaps within our thriving and multifaceted food industry. The themes of the event were Provenance, Procurement and Circularity. We also liaised with Agriculture Victoria to provide input on the National Resource Action Plan and provided professional development via farm walks, field days and discussion group, including: • Hosting a composting field day, a farmer discussion day on regenerative agriculture, and getting aspiring farmers on land. • In conjunction with Victorian Farmer's Federation, held a field day at Kewarra on regenerating pastures and soil.
2.2.3 A strong food economy that supports food relief, rescue and re-distribution programs.	Council provided a $235,764 subsidy in its ongoing support to the three Community Support Centres to support relief efforts across the Peninsula and supported several initiatives including: • Delivery of The Community Plate food systems initiative across Frankston and the Mornington Peninsula. • Continuing our partnership with Deakin University to utilise a Local Food EPI (Environmental Policy Index) which will involve a self-assessment of our policies for creating healthy, equitable and environmentally sustainable food systems. • Engaging with Grow It Local to consider implementation on Mornington Peninsula. Grow It Local has a grassroots, purpose-driven mission to get more people growing, sharing and eating locally-grown foods. • Food for Change continue to develop their site at the Briars. This organisation grows and reclaims food which is distributed to those in need.
2.2.4 Continue to implement the Green Wedge Management Plan prioritising and encouraging productive use of the Green Wedge.	Council is awaiting Victorian Government guidelines for Green Wedge Management Plans before we can implement actions within the plan. We liaised with Agriculture Victoria to provide input on the National Resource Action Plan and provided professional development via farm walks, field days and discussion group, including: • Hosting a composting field day, a farmer discussion day on regenerative agriculture, and getting aspiring farmers on land. • In conjunction with Victorian Farmer's Federation, held a field day at Kewarra on regenerating pastures and soil.

2.2.5 Help our food businesses by delivering programs to grow a circular food economy.	The Shire officially launched our new Food Economy and Agroecology Strategy 2022-2028 on 3 March 2023 with more than 50 people attending an educational and inspirational day of activities at Barragunda. The strategy aims to drive sustainable growth in the agriculture, food and beverage sector whilst preserving and enhancing the region's ecology and biodiversity through agroecological approaches to farming and production. Over the year we ran several programs to support skill and knowledge development in the agriculture and food industries, including: • A forum on Native Bees, held at GroCorp on how to maximise the spread of bees through pollinators and minimise the spread of the Varroa mite infestation. • A field day held by the Victorian Farmer's Federation at Kewarra on regenerating pastures and soil. • Mornington Peninsula Wine information and liaison. • Liaising with Agriculture Victoria to provide input on the National Resource Action Plan. • Partnering with Deakin University to utilise a Local Food EPI (Environmental Policy Index) which will involve a self-assessment of our policies for creating healthy, equitable and environmentally sustainable food systems. • Engaging with Grow It Local to consider implementation on Mornington Peninsula. Grow It Local is grassroots, purpose-driven mission to get more people growing, sharing and eating locally grown foods.
2.2.6 Promote the Mornington Peninsula food economy including promoting the MPP brand.	More than 20 local producers came together at the 95th local Red Hill Show to create a truly local, regional presence at the Mornington Peninsula (MP) Paddock. Our newest Mornington Peninsula Produce (MPP) member was on display selling their wares with 3MP radio broadcasting live from the Show. Local food writer Richard Cornish hosted foodie interviews on the MP Paddock stage with the likes of local chef Simone Watts from Barragunda (Cape Schanck), and Paul Mercurio our guest judge for the sausage judging competition. More than 15,000 people attended the Red Hill Show. Our Best Bites Program finished in October 2022, celebrating another year of excellence in food businesses across the areas of nutrition, accessibility, waste management, water and energy saving, along with going smoke free and alcohol management. We also celebrated the Best Bites Food awards where we: • Reviewed 69 eligible businesses • Celebrated 21 award winners • Recognised 17 highly commended/finalists • Welcomed 50 award ceremony attendees. A total of 91 businesses entered the Best Bites awards, which were announced in six business categories and over five areas of excellence in October 2022. Overall winners for the Best Bites awards were: • Gold – Foxeys Hangout, Red Hill • Silver – the Kitchen, Bistro, Bar and Courtyard, Tootgarook • Bronze (joint) – Stumpy Gully Dining, Moorooduc • Bronze (joint) – Unica Cucina E Caffe, Capel Sound.

Strategic Objective 2.3

A thriving entrepreneurial economy, with a vibrant tourism sector, that provides accessible employment to our diverse community

Strategic Indicator	Result	Comments
Benchmark industry employment and identify barriers to employment.	✓	Our new 10-year Economic Development and Tourism Strategy, to be released in 2023-24, will provide a plan of action to help nurture and support economic development and tourism by providing a sound pathway to prosperity for the Mornington Peninsula's residents and businesses.
Number of initiatives delivered to support Council's commitment to the Small Business Friendly Charter.	↑	Initiatives undertaken in the year to support Mornington Peninsula Shire's commitment to the Small Business Charter include: • Providing $25,000 worth of grants for business improvements for people with disabilities. • Awarding $113,750 in business development grants. • Working with Rosebud Chisholm Institute to address local workforce needs and access. • Selected 12 businesses to participate in the 'Taste of the Mornington Peninsula' showcase at the Australian Local Government Women's Association Conference. • Bringing together 70 individuals including local growers, food and beverage business owners, chefs, and food enthusiasts to the Mornington Peninsula Food Forum.
Strong level of business participation in Shire delivered initiatives.	✓	We experienced a strong level of participation from businesses across the Peninsula in initiatives aimed at strengthening business development and revitalising the Mornington Peninsula economy. Some of the initiatives included: • The Best Bites awards. • Expressions of Interest from local businesses to participate in the 2023 Archibald Prize tourism campaign. • 2023 DRIFT Arts Festival. • Business networking series. • Industry Development Workshop series. • Business engagement and forums for plans and strategies.
Increase in visitor yield, off-peak visitation and dispersal of visitors.	↑	Total visitors to the Mornington Peninsula in the year ending December 2022 reached 6.5 million. This is a 42 per cent increase on the year ending December 2022. Please note, the figures supplied are from Tourism Research Australia and based on visitors to the Mornington Peninsula Local Government Area.
Initiatives delivered that grow the creative economy.	✓	The Shire delivered a series of workshops aimed at more established creative professionals, freelancers, creative businesses and arts organisations with a focus on helping them develop and improve their entrepreneurial abilities, financial literacy and marketing skills. Each workshop built on a topic from the previous series and takes the learning one step forward towards a sustainable and successful professional life in the creative industries. In 2023 this included two workshops on Contract Law and Copyright Law, a Fundamentals of Grant Writing workshop, and a networking event where Dr Marian Hoskings spoke about her trajectory as a maker.
Increase levels of satisfaction with lobbying and advocacy on behalf of the community.	✓	Research conducted by an independent company that measures the opinions of local people in the community, showed satisfaction levels remained steady at 47 index points, the same as last year.
Increased levels of satisfaction with our business and tourism services.	↑	Community satisfaction with Business/Community Development and Tourism Performance, conducted by an independent research company that measures the opinions of local people in the community, increased two index points from last year to 60.

Strategy	Key Achievements
2.3.1 Work closely with all sectors including hospitality, manufacturing, tourism, retail, education, health and agriculture so they are strong and grow through COVID recovery and beyond.	Council adopted the Community Investment Funding Policy and Framework on 12 July 2022 and opened Community and Business Grants to our community the next day. Several grants covering the areas of community, youth development, business, creative economy, climate action, Biolinks, events and heritage were available to our community through our online SmartyGrants process. More than $989,000 was awarded across our Business Development, Creative Economy, Community and Destination Events, and Performing Arts Development grants. The Shire's inaugural 2022 Business Excellence Awards were held on 19 October and featured nine categories, 101 applications, 29 finalists and 200 attendees. The Business of the Year award went to Red Gum BBQ who demonstrated excellence in every aspect of their business, from planning to developing new products and their unquestionable commitment to sustainability. Between 11-12 February we exhibited at the Asia Pacific Incentive and Meetings Event (AIME) held in Melbourne. AIME is the leading trade event for the meetings and event industry in Asia Pacific and was celebrating its 30th year in operation. Over the course of two days, we meet with 32 event organisers looking at the Mornington Peninsula as a potential destination for their next business event. The tradeshow was a great branding exercise for us, resulting in multiple briefs from potential clients. We also attended the Rotary District Conference Local Showcase at RACV Cape Schanck Resort to provide Mornington Peninsula event and activity information to up to 300 attendees from across Victoria. We also: • Joined the Hidden Sunflower Disability Awareness Program, an initiative that aims to improve the skills of businesses and organisations in supporting individuals with disabilities. Grants, subsidies and sponsorships become available from July 2023. • Promoted the Mornington Peninsula region to more than 190 conference and business event organisers at the Business Events Victoria Showcase. • Awarded $113,750 in business development grants to 27 businesses from 82 applications. • Held a Building Better Business Networking event at Tucks Wine with 60 people in attendance. • Provided $25,000 worth of grants for business improvements for people with disabilities. • Undertook community consultation on open air burning.
2.3.2 Deliver a new Economic Development and Tourism Strategy.	Community and stakeholder consultation for our new 10-year Economic Development and Tourism Strategy was completed over the 2022-23 year. A draft strategy will be put out for public exhibition in 2023-24 before it is taken to Council. The strategy will provide a plan of action to help nurture and support economic development and tourism by providing a sound pathway to prosperity for the Mornington Peninsula's residents and businesses.
2.3.3 Work with the Regional Tourism Board and other key stakeholders to deliver a new Tourism Destination Management Plan.	The Tourism destination Management Plan will be replaced by the new 10-year Economic Development and Tourism Strategy.

Strategy	Key Achievements
2.3.4 Work with tourism stakeholders to promote the Mornington Peninsula as a premier tourism destination focussing on encouraging visitation throughout the Peninsula, off-peak visitation, and business and corporate events.	Over the 2022-23 year we worked with major stakeholders to promote the Mornington Peninsula Shire as a premier tourism destination, including: • Exhibiting at the Asia Pacific Incentive and Meetings Event (AIME) held in Melbourne. AIME is the leading trade event for the meetings and event industry in Asia Pacific and was celebrating its 30th year in operation. Over the course of two days, we meet with 32 event organisers looking at the Mornington Peninsula as a potential destination for their next business event. • Promoting the Mornington Peninsula region to more than 190 conference and business event organisers at the Business Events Victoria Showcase. • Holding our inaugural 2022 Business Excellence Awards in October 2022. • Coordinating content from 55 local tourism businesses for the 2023 DRIFT Arts Festival. • Hosting a familiarisation tour with event organisers from across Victoria. • Showcasing 12 businesses at the Australian Local Government Women's Association Conference as part of the 'Taste of the Mornington Peninsula.' Sorrento and Red Hill South were also announced as finalists for this year's Victorian Top Tourism Town Awards. Now in its third year, the Victorian Top Tourism Town Awards aim to highlight the value of tourism to the towns and communities across Victoria and celebrate the diversity and outstanding regional destinations of our state.
2.3.5 Support our creative economy by delivering on the Arts and Culture Plan.	Our Police Point Artist in Residence program received 174 applications for 2023, more than double 2022 with a spread of writers, designers, visual artists, artists with disability and First Nations artists. Over the year we consulted with the Mornington Peninsula Regional Tourism Board to identify opportunities to promote The Briars and Police Point and increased the number of Police Point activities on-site as well as developing a strategic plan, to boost the profile of the region to tourists. After launching our $500,000 Performing Arts Fund in 2021-22 we reviewed it in 2022-23 to ensure it continues to support local creative organisations and individuals to develop new artistic works, grow employment opportunities, and further engage our community with the performing arts. Two rounds of Performing Arts Fund assessments with a total of seven new projects were funded in 2022-23, to the value of $193,981. We also: • Went out to the community for feedback on our new Public Art Policy. • Delivered exhibitions at the Mornington Library. • Secured funding from VicHealth to assist with funding an Arts Officer role for delivery of module 2 of our mentorship program.
2.3.6 Deliver on the Reconciliation Action Plan, supporting Aboriginal and Torres Strait Islander businesses and employment opportunities.	Our 2020-2022 Reconciliation Action Plan finished last year. We have registered our intention for a new Innovate Reconciliation Action Plan with Reconciliation Australia. Over the 2022-23 year we worked with Willum Warrain and Bunurong Land Council to explore economic development opportunities.

Strategy	Key Achievements
2.3.7 Work in partnership with other levels of government and service providers to promote grants, programs and services to encourage inclusive employment and volunteering opportunities.	The Mornington Peninsula Shire continued to work with the Frankston Mornington Peninsula Local Learning and Employment Network, Brotherhood of St Laurence and Chisholm TAFE to promote inclusive employment and delivered monthly eNewsletters and bulletins to businesses with respect to promoting government initiatives, Mornington Peninsula Shire initiatives, programs, assistance and services. Council adopted the Community Investment Funding Policy and Framework on 12 July 2022 and opened Community and Business Grants to our community the next day. Community Information Sessions, Grants Information Sessions and Business Grants Sessions were held to assist community groups, organisations and businesses with the grant guidelines and the online process. The Shire joined the Hidden Sunflower Disability Awareness Program, an initiative that aims to improve the skills of businesses and organisations in supporting individuals with disabilities. Grants, subsidies and sponsorships will become available in 2023-24. We also: • Provided support to 10 local community groups/organisations to build relationships and provide guidance to volunteer committees. • Provided $25,000 worth of grants for business improvements for people with disabilities. • Provided familiarisation tours and a workshop as part of our tourism ambassador training program to enhance visitor centre volunteers' tourism product knowledge and to provide a better customer experience for visitors and residents. • Trained local history volunteers to upskill their professional development and learn museum-grade best practices for the care and interpretation of their collections. • Promoted 'Volunteer Locally', our social media campaign to build up and support volunteers in our community.
2.3.8 Advocate for planning system changes to support affordable housing initiatives in our townships and access to local employment for our businesses.	The independent Planning Panel hearing for Planning Scheme amendment C219 was held in February. The Panel's report with recommendations will be considered by Council in 2023-24 before a decision is made on whether to adopt Amendment C219. Amendment C219 proposes to update our residential zones and simplify our planning controls to meet the diverse range of housing needed for our community, direct future housing to appropriate areas, and ensure the special values and character of the Peninsula are protected and enhanced. As part of our 'Shout out for the Peninsula' advocacy campaign, we placed particular focus on the housing crisis and we asked candidates for: • Urgent investment in social and affordable housing. • Urgent support for crisis accommodation on the Peninsula. • Mandatory inclusionary zoning for developer contributions to social or affordable housing. • Support for key worker accommodation. • Improved public transport. • Measures to balance short-term and long-term rentals. We also started drafting our submission to the Inquiry into the Rental and Housing Affordability Crisis.

Strategic Objective 2.4

A diverse economy, with green and renewable opportunities, encouraging entrepreneurship, investment and innovation.

Strategic Indicator	Result	Comments
Increased levels of satisfaction with our business and tourism services.	⇧	Community satisfaction with Council's Business and Community Development and Tourism Performance, conducted by an independent research company that measures the opinions of local people in the community, rose two index points to 60 from last year.
Model and site identified for a Performing Arts and Cultural Precinct.	✓	As a result of further investigation Council endorsed a site in Hastings as the preferred location for a future contemporary theatre as part of a Performing Arts and Cultural Precinct. A tender, inviting submissions for a detailed Business Case and Concept Development for a Performing Arts Centre and Future Arts Precinct was also released towards the end of the financial year.
Number of initiatives implemented within the Industrial Land Assessment and Rezoning Strategy and Activity Centre Strategy.	✓	We undertook and finished community consultation of amendment C243. The amendment, which proposes to facilitate the use and development of the new Mornington Peninsula (Somerville) Technology, Industry and Business Park, has been completed and we are currently reviewing all submissions.
Increased levels of satisfaction with lobbying and advocacy on behalf of the community.	✓	Community satisfaction with Council's Lobbying on Behalf of the Community. Research conducted by an independent company that measures the opinions of local people in the community, showed satisfaction levels remained steady at 47 index points, the same as last year.

Strategy	Key Achievements
2.4.1 Provide an environment where new and existing businesses are supported to grow and transition to a green economy.	Our Food Economy and Agroecology Strategy was endorsed in December 2022, which will certify regenerative farming practices. We ran a Sustainable Solutions for Your Business panel session and networking night for more than 50 local businesses in conjunction with Sustainability Victoria. A Business Networking and Sustainability Showcase event was also held at Commonfolk Cafe where 48 people learnt about sustainability initiatives undertaken by local businesses. We finalised the detailed design of The Briars recycled water project with South East Water. Irrigation design was currently underway at the end of the 2022-23 year. We also held workshops on regenerative farming.

2.4.2 Investigate and develop a Performing Arts and Cultural Precinct with a specific focus on a performing arts centre, advocating for funding opportunities.	During consultation for the now-adopted Arts and Culture Plan 2020-2024, our community told us of the need to establish a creative precinct and a performing arts centre on the Peninsula. A subsequent investigation and feasibility study confirmed this shortage of professional performing arts and cultural spaces on the Peninsula and looked at recommending future sites. Out of 23 assessed sites, the study recommended a site in Hastings as the most suitable site for a medium sized contemporary theatre. The study also recommended a larger, up to 1200 seats, theatre in Rosebud be considered in the future. We released a tender, inviting submissions for proposals regarding a detailed Business Case and Concept Development for a Performing Arts Centre and Future Arts Precinct. The Business Case provided recommendations to best meet the identified demand, a preferred operating model, funding strategy, construction, and operating costs, with a plan for the future growth of the precinct. To keep our community up to date on this project we launched a dedicated project page on Our Arts and Culture website. We also participated in a round table discussion with the Minister for the Arts, the Honourable Tony Burke MP, about the new national cultural policy called Revive. This policy has allocated $286 million in funding over a five-year period to rejuvenate Australia's arts sector. Among the policy's pillars is the improvement of arts infrastructure, which includes the development of Performing Arts Centres. Council also met with the Member for Hastings, Mr. Paul Mercurio MP to discuss the future Performing Arts Centre and he specifically discussed the importance of this project for the Peninsula during his inaugural speech to Parliament. A motion was included in this year's Australian Local Government Association (ALGA) Conference calling for Federal support of key initiatives, including the Performing Arts Centre and Peninsula Trail projects, to secure adequate funding to enable their future delivery.
2.4.3 Use our industrial and commercial land to aid business growth and attract new and emerging industries to help diversify our economy.	During the year, we undertook and finished community consultation of amendment C243. The amendment, which proposes to facilitate the use and development of the new Mornington Peninsula (Somerville) Technology, Industry and Business Park, has been completed and we are currently reviewing all submissions. A report with recommendations on the next steps in the amendment process will be presented to the Council in 2023–24. We also met with the Minister for Planning in June to advocate for a confirmed future role for the Port of Hastings and the further release of Special Use Zone 1 Port-related land.
2.4.4 Collaborate with the community about the future role of the Port of Hastings and the surrounding port-related land.	Council met with the Minister for Planning in June to advocate for a confirmed future role for the Port of Hastings and the further release of Special Use Zone 1 Port-related land. Community consultation on an options paper for the future role of the Port of Hastings was deferred given the pending commencement of two Environment Effects Statements processes affecting the Port of Hastings - the Victorian Renewable Energy Terminal and the Kawasaki Hydrogen Supply Chain Facility.

Budget funded services

The following services and its description provide information in relation to the services funded in the 2022–2023 budget.

Service	Description		
Arts and Cultural Development	Our Arts and Cultural Development service invests in and supports spaces, events, and experiences to cultivate vibrant, sustainable arts and cultural sector.	Actual	(4,613)
		Budget	(3,306)
		Variance	(1,307)
Economic Development and Support	Our Economic Development service provides support to local industries and businesses for a sustainable economy, local employment opportunities, and a year–round visitor economy.	Actual	(1,454)
		Budget	(1,417)
		Variance	(36)

Grants awarded in support of the Community

Each year, Council awards grant funding to support local community groups to provide a range of services, programs and activities. Grants provided in 2022–2023 are listed below.

Grant	Applicant	Value
Business Development	Michelle Bleazby	$5,000.00
	Ink.Wood.Stone Pty Ltd	$5,000.00
	Au Croissanterie	$5,000.00
	BizAssist Accounting Services	$2,000.00
	Rahona Valley Vineyard	$5,000.00
	Keystone Kids T/A Kickbrick Toys	$5,000.00
	Peninsula Beverage Co Pty Ltd as Trustee for Bradley Family Trust	$3,000.00
	High Tide Boating	$5,000.00
	Elevate Speech Pathology PTY LTD	$3,000.00
	Dance Lab	$5,000.00
	Pier to Pier Heating and Cooling Pty Ltd ATF Iluka Family Trust	$4,850.00
	Rivexe Digital	$4,700.00
	Fitness To You	$5,000.00
	Benjamin Mark Watkins	$3,000.00

Grant	Applicant	Value
	Island Pasta Company	$3,500.00
	Davis Made Building	$2,500.00
	Set Insurance Group Pty Ltd	$2,500.00
	Heyfield Plaster	$2,500.00
	Diamond Plumbing Melbourne Pty Ltd	$5,000.00
	Voller Builders Pty Ltd	$5,000.00
	Janelle Curry	$5,000.00
	Toussaint Building Group	$2,500.00
	Malia Hair and beauty Boutique	$5,000.00
	Yurt Hideaway	$4,700.00
	Tune In To Plants	$5,000.00
	Bayview Care	$5,000.00
	A&B Doors	$5,000.00
Creative Economy	genU	$1,500.00
	Peninsula Writers' Club	$9,000.00
	Simon Eeles	$7,550.00
	Andrea Rowe	$1,700.00
	Rosa Mar Tato Ortega	$7,500.00
	Southern Peninsula Choir Inc.	$7,000.00
	Elisa Howard	$1,000.00
	Tasma Pittock	$6,590.00
	Hastings Uniting Church	$5,000.00
	TD illustrations	$10,000.00
	Baluk Arts	$10,000.00
	Mornington Peninsula Films	$10,000.00
Community Events	Flinders Community Association Inc	$3,375.00
	The Pig and Whistle	$10,000.00
	Snowdome Foundation	$8,000.00
	Flinders Fringe Festival	$10,000.00
	Footstep Events Ltd	$9,740.00
	Somerville Family Day Incorporated	$10,000.00

Grant	Applicant	Value
	Balnarring Primary School	$9,570.00
	Seawinds Community Hub	$7,957.00
	Friends of Coolart	$5,000.00
	The Country Women's Association of Victoria Inc. Mornington Peninsula Group	$700.00
	Rotary Club of Dromana	$4,000.00
	Red Hill Community Association	$5,150.00
	Somers Primary school	$5,911.00
	Peninsula Summer Music Festival	$10,000.00
	Balnarring preschool	$10,000.00
	Dromana Habitat	$9,343.30
	Dreamhouse Theatre Company Inc	$5,272.00
	Rye Sports and Social Club Inc	$5,000.00
	Lions Club of Flinders District Inc	$2,500.00
	Hastings Art Show	$2,375.00
	Rosebud Christmas Carols	$1,000.00
	Western Port Community Care	$1,700.00
	Women in Business Mornington Peninsula	$3,500.00
	Balnarring Pony Club Inc	$10,000.00
	Western Port Chamber of Commerce	$1,480.00
	Mornington Tennis Club	$4,626.00
Destination Events	Dromana Australia Day Committee Incorporated	$25,000.00
	The Mornington Chamber of Commerce	$25,000.00
	Red Hill Agricultural and Horticultural Society	$25,000.00
	Rotary Club of Mt Eliza Inc	$13,000.00
	Scarlett Mac Events Pty Ltd	$25,000.00
	Rosebud Australia Day Association Inc	$25,000.00
	Northern Mornington Peninsula Tourism Inc	$12,000.00
Performing Arts Development	Gabrielle Leah New	$42,000.00
	Icky Sitch	$15,000.00
	Nola Lauch	$14,000.00

Grant	Applicant	Value
	Peninsula Chamber Musicians	$44,083.00
	Indigo McKeon	$32,148.00
	Max Stringer	$19,915.00
	Floodlights	$20,200.00
	Dream house Theatre company	$6,600.00
	Nathaniel Stewart	$55,208.00
	Mornington Peninsula Films Peninsula Films	$49,998.00
	Flinders Fringe Festival	$34,000.00
	Silver Leaf Art Box	$17,920.00
	Jolyon James	$25,000.00
	Tulliah Goldsworthy	$42,266.00
	Velvet Bloom	$37,625.00
	Maddison Wilson	$36,642.00
Total		$989,394.30

Service performance indicators and measures:

Service/indicator/measure		2020	2021	2022	2023	Material variations and comments
Food Safety						
FS1	Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	2.10	2.15	2.56	2.30	Despite a 41 per cent increase in food complaints from the previous year, we have been able to decrease the time taken to action food complaints from 2022 due to improved data management and processes.
FS2	Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	97.36%	94.65%	96.04%	95.72%	The Shire continues to prioritise the community's safety by ensuring that all food premises on the Peninsula receive an annual food safety assessment.
FS3	Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	$688.16	$710.52	$822.69	$474.52	The decrease in the cost from 2022 is mainly due to a review of the resources budgeted against the food safety service to better reflect the actual cost of delivering this service to the community.
FS4	Health and safety Critical and major non-compliance outcome notifications Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	96.40%	92.37%	92.86%	92.25%	To ensure the safety of our community we continue to focus on food safety compliance programs across the Peninsula. Our critical and major notifications followed up result is largely consistent with the previous years, but slightly down from 2020.

Service performance indicators and measures:

Service/indicator/measure		2020	2021	2022	2023	Material variations and comments
Libraries						
LB1	Utilisation Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	5.50	3.15	4.72	6.85	The increase in our physical library usage can be attributed to a rise in the number of loans, which rose 47 per cent against last year, the ongoing success of our book delivery service and participation in literacy programs such as Ready, Set, Read.
LB2	Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	78.63%	70.89%	74.32%	50.67%	The decrease from 2022 is primarily due to the ongoing impacts of COVID, which caused delays in the receipt of new material issues and an increase in the cost of transport as well as print and digital material. These all contributed to a decrease in the number of library collection items purchased compared to previous years.
LB4	Participation Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	15.60%	16.70%	15.07%	15.18%	Whilst the activeness of our library borrowers increased slightly from 2022, the sum of our active library borrowers is still down 8 per cent from 2021. This may be due in part to customer uncertainty in returning to public spaces because of concerns around COVID–19, which is of particular concern to our older-aged members.
LB5	Service cost Cost of library service per population [Direct cost of the library service / Population]	$23.61	$20.32	$22.20	$21.88	The slight decrease from 2022 is largely due to the cessation of COVID–19 Marshals at each library's entrance, which was a requirement of the Victorian Government to ensure customer check-ins and vaccination status.

Theme Three

A flourishing, healthy and connected community

An inclusive and creative community that values safety, physical and mental health and wellbeing. A community with accessible services and transport to keep us connected.

- 41,457 rounds of golf played
- 1,281,113 community library loans
- 101 enrolments in Shire delivered mental health courses
- 13,005km of streets swept
- 968,639 Aquatic Centre visitations
- 1,628km of unsealed roads graded
- 22,392 Young people attending Shire delivered youth programs and activities
- 15,355 potholes filled

Strategic Objective 3.1

A healthy and self-determined community where everyone feels valued, supported and safe.

LEGEND — On track | Increase / decrease | Not on track

Strategic Indicator	Result	Comments
Increased levels of community satisfaction in services we provide to older people.	↓	Community satisfaction with Council's Elderly Support Services performance, conducted by an independent research company that measures the opinions of local people in the community, declined 10 points from last year to 52.
Increased levels of community satisfaction for family support services we provide.	↓	Community satisfaction with Council's Family Support Services performance, conducted by an independent research company that measures the opinions of local people in the community, declined three index points from last year to 58.
Increase in initiatives implemented that support active living and mental health and wellbeing.	✓	The Shire delivered the following initiatives to support active living and promote mental health and wellbeing: Ride 2 School Day, Active Paths and This Girl Can (social media campaign).

Increase in initiatives delivered that support our diverse community.	✓	The Shire continued to deliver initiatives that supported diversity within our community, including: • Marching alongside the Frankston Mornington Peninsula LGBTIQA+ Collaborative in the annual Midsumma Pride March in St Kilda. • IDAHOBIT events – recognising and celebrating the International Day Against LGBTIQA+ Discrimination, including Rainbow Storytime, the Pride Formal, Rainbow Flag raising events and morning teas at the three Shire offices; Hastings, Mornington and Rosebud. • Co-convening the Frankston Mornington Peninsula LGBTIQA+ Collaborative which brings together community members, community groups, service providers and other stakeholders. • Holding a weekly social group for 10-17-year olds from the LGBTIQA+ community and allies, in all three of our youth centres. • Continued running lunchtime diversity programs for young LGBTIQA+ people across schools. • Running Suicide Prevention Training to marginalised priority groups, primarily young people with a disability (Autism) and/or LGBTIQA+ young people, mentors, volunteers and parents/carers.
Implement initiatives that support our Reconciliation Action Plan.	✓	Our 2020-2022 Reconciliation Action Plan was finished last year with most actions completed. During the year, we registered our intention for a new Innovate Reconciliation Action Plan with Reconciliation Australia.

Strategy	Key Achievements
3.1.1 Deliver the Gender Equality Strategy in partnership with community organisations.	As part of our obligations under the Gender Equality Act 2020, we presented an update on the progress of our Gender Impact Assessments (GIA) on all new programs, policies and services with direct and significant impact on the public. We also received our Gender Equity report for the Mornington Peninsula. The report offers an in-depth analysis of the area's demographic and socio-economic characteristics, categorised by gender and based on the 2021 census. It will prove to be extremely useful in carrying out our Gender Impact Assessments, which are required by the Gender Equality Act. During the year we: • Completed our Year 3 Gender Equality Report and Year 4 Plan. • Completed 11 Gender Impact Assessments. • Sent the final report on our Mornington Peninsula Communities Creating Change Project to VicHealth and presented the outcomes from the project to the Municipal Association of Victoria Gender Equality/Prevention of Violence Against Women Network on 7 September 2022 and Women's Health in South East Bayside Region Men and Masculinities Forum on 15 September 2022. In partnership with the Mornington Chamber of Commerce, we celebrated International Women's Day on Main Street, Mornington, with female musicians, children's entertainment and a live radio broadcast on 8 March 2023. The event showcased women-owned businesses and women in creative industries. We also: • Celebrated 16 Days of Activism which ran from 25 November - 10 December, to end gender based violence. • Celebrated This Girl Can week through a competition that encouraged community members to share a photo of themselves Springing into Spring and getting active. Two community members were awarded a three-month Yawa Aquatic Centre membership in recognition of their Action.

Strategy	Key Achievements
3.1.2 Deliver the Reconciliation Action Plan, guided by the Traditional Owners, respecting Aboriginal and Torres Strait Islander peoples.	Our 2020-2022 Reconciliation Action Plan was finished last year with most actions completed. During the year, we registered our intention for a new Innovate Reconciliation Action Plan with Reconciliation Australia.
3.1.3 Deliver the Communities That Care Action Plan increasing connection for young people.	The Shire delivered two workshops for Blended Families and Step Families for the community. We had 22 participants in total. The workshops were successfully delivered by The Seamless Blend to help navigate the complexities faced by blended families and step families. We completed our Digital Speaking series. The series supports young people navigate technology safely and helps parents set healthy boundaries with technology use. Seventy educators and 250 parents and young people attended with positive feedback provided from attendees on the usefulness of information shared by guest speakers. Through our Communities That Care – Mornington Peninsula promoted the health and wellbeing of children and young people on the Peninsula. As part of this approach, we hosted programs that included: • Fathering Program • Mentoring Program • Map your World • Community Speaking Series.
3.1.4 Deliver on a new integrated Lifespan Strategy that will enhance the health and wellbeing of all generations.	A broader inclusion and diversity strategy will be developed instead of a Lifespan Strategy. Consultation with priority population groups will commence in 2023-24.
3.1.5 Support and participate in local and regional programs to improve sexual and reproductive health.	We continued our partnership with Women's Health in the South East to deliver the Good Health Down South Regional Strategy. Activities held during the year include: • Supporting BreastScreen Victoria over May/June 2023. The mobile screening truck offered free breast screens in Rosebud over six weeks. • Running an organic social media campaign to promote this initiative, with a focus on promoting local health services accessible to residents.
3.1.6 Provide a harm minimisation approach to alcohol through our Alcohol Management Policy.	Mornington Peninsula Shire met with VicHealth to plan delivery of Alcohol Harm Minimisation Project and we secured a VicHealth Alcohol Harm Prevention Grant of $10,000 which will: • Aid us in developing a data profile and prevention plan. • Allow us to engage with other local councils working in the Alcohol and Other Drug space. • Help review liquor licence applications. • Help deliver social media content for Feb Fast.

Strategy	Key Achievements
3.1.7 Deliver the Positive Ageing Strategy promoting the respectful inclusion of older people.	We kicked off our Seniors Festival on 1 October, World Older Persons Day, with approximately 150 people attending the show 'Ageing with Attitude' by comedian Monica Dullard, followed by afternoon tea. The event was run in partnership with the Respecting Seniors Network. A month-long program followed the festival, including activities for seniors such as open days at seniors' clubs, concerts, and classes offered at community houses. We held a Positive Ageing Summit on 24 November 2023 at the Peninsula Community Theatre, ageing well and alleviating social isolation were major topics up for discussion. More than 80 people participated in a forum that aimed to bring older community members, community groups and service providers together to connect in person and to share ideas and local experiences of ageing. An evaluation report on the findings and recommendations of our Positive Ageing Summit was released to the community in the year.
3.1.8 Carry out an Active Living Census to better understand people's activity levels and preferences.	The Active Living Census will begin in 2023-24. We have started planning for benchmarking in collaboration with Bendigo City Council.
3.1.9 Healthy eating options are available at Shire owned and managed facilities and events.	The Shire worked in partnership with Deakin University to utilise a Local Food EPI (Environmental Policy Index) which will involve a self-assessment of our policies for creating healthy, equitable and environmentally sustainable food systems. We also took part in the Community Spaces Food Forum, hosted by The Community Plate. This forum discussed the challenges faced by groups/ organisations and provided advice about how the Community Plate could better support work with the community.

Strategic Objective 3.2

A resilient and confident community where everyone connects and is supported.

Strategic Indicator	Result	Comments
Improve level of uptake of community support programs.	✓	The Shire continued good uptake in several programs including: • MCH programs such as First Time Parents Groups, Sleep and Settling, Lactation, Supported Playgroups. • Youth Services centre based programs, in-school programs, School Holiday programs, Equine Therapy programs. • Library programs such as Storytimes, Home Library Service, Click and Deliver services, child, youth and adult activities. • Gallery exhibitions and Young at Art programs. • Early Years and Community Care programs such as Meals on Wheels, Community Transport, Kindergarten Registration, Best Start.
Community support initiatives delivered in partnership with key stakeholders.	✓	The Shire continues to support community initiatives in partnership with key stakeholders through our Grants and Subsidy Program and we also collaborated with: • Dance Wise and Red Frogs during Schoolies 2022, including the 2-day weekend festival for young school leavers. • Chatty Café, through Mornington Community House, Mornington Library and Rosebud Library.
Mental health and wellbeing programs delivered in partnership with key stakeholders.	✓	The Shire coordinated delivery of several initiatives with key partners including: • Regional Suicide Prevention Network and the Suicide Prevention Walk. • Community Mental Health First Aid training through the Youth Services team. • Maternal and Child Health First Time Parent Groups, Sleep and Settling Information Groups and Supported Playgroups.
Reduction of telecommunications and internet black spots on the Peninsula.	✓	In the lead up to the State and Federal elections Council advocated to local candidates and government departments on the top 10 issues and projects we believed would have the biggest impact on the Peninsula community. We released a 'Shout out for the Peninsula' advocacy campaign focusing on ten priorities including Mobile Coverage.

Strategy	Key Achievements
3.2.1 Develop a range of community, creative and business support grants.	Mornington Peninsula Shire Council continued to offer a range of grants in support of our community and to ensure the Peninsula's lasting resilience and renewal. Our Community Investment Funding for the 2022-23 financial year was $1.48 million. Council also continued to support and subsidise the Senior Citizens Club. $76,000 in payments were made in 2022-23.

Strategy	Key Achievements
3.2.2 Collaborate with our community to prepare for the climate emergency.	The Shire collaborated with our community on several key initiatives to prepare for the climate emergency, including: • Developing an Energy Heroes program. Twenty-five energy heroes were trained to offer free advice on energy saving initiatives within the home. • Launched the Save Energy Save Money Program, providing free hot water heat pump installations for vulnerable households. • Delivering community environmental education programs and webinars. • Launched a Solar Incentivisation Program to facilitate installation of solar systems on Shire-owned tenanted facilities through a co-funded solar incentivisation mechanism. • Holding an Emergency Management workshop with 40 Shire and community stakeholders. • Completing our annual Fire Hazard Inspection Program.
3.2.3 Deliver the Shire's COVID–19 recovery program, including grants and key projects.	Mornington Peninsula Shire Council continued to offer a range of grants in support of our community and to ensure the Peninsula's lasting resilience and renewal. Our Community Investment Funding for the 2022-23 financial year was $1.48 million.
3.2.4 Increase social connection and reduce social isolation in our community.	Our community grant program, which includes Placemaking, Community Support and Flexi grants, awarded more than $322,000 in funding support to community programs for social inclusion and connection. We hosted the annual walk for World Suicide Prevention Day on 11 September 2022. Approximately 600 people attended the event, which included speeches from individuals who have experienced suicide loss, as well as suicide survivors. The annual event encourages the community to come together to grieve those lost to suicide, allowing participants to safely acknowledge their loved ones who have died by suicide and focus on hope through action. We also: • Refreshed and promoted our youth service information through the youth website, social media and print media. • Engaged with thousands of young people through our Youth Centres, community outreach, schools and events. • Rolled out Chatty Café to our Rosebud Library. The Chatty Cafe Scheme aims to get people chatting to build and encourage social connections within the local community, and to help reduce social isolation and loneliness. • Continued to help clients remain independent and mobile in their communities through our Dial-A Bus service. • Facilitated more than 90 First Time Parent Groups and Sleep and Settling information sessions, bringing families together to learn, network and reduce social isolation. • Sought quotations for several playgrounds and access improvement projects including Dusky Drive Reserve, Safety Beach, Currawong Community Park, Mornington, and Westernport Lions Club Park, Hastings.

Strategy	Key Achievements
3.2.5 Deliver programs to prevent, recognise and respond to mental health and wellbeing concerns.	Mornington Peninsula Shire continues to offer a range of programs, services and grants to support our community mental health and wellbeing, including: • Supporting families through our Enhanced and Maternal Child Health services, which include referrals to family violence agencies and mental health services. • Hosting online and in-person wellbeing events via our libraries to support the mental health and wellbeing of our community. • Delivering youth and teen Mental Health First Aid training in community settings and schools. • Providing a safe space for LGBTIQA+ young people to celebrate their freedom to express themselves and spend time with their friends. • Partnering with the local Suicide Prevention Network Chasing Change to host Blue Christmas on Sunday 18 December at the Uniting Church in Frankston. This event was hosted in recognition of the difficulties bereaved families have in the lead up to Christmas. • Delivered Youth Services programs, activities and events at our three youth centres, in schools and in the community. Events included R U OK day, the Suicide Prevention Walk and a skate jam at the Somerville Active Park opening.
3.2.6 Develop a Community Strengthening Strategy to improve social inclusion, boost volunteering and build resilience.	Development of a Community Strengthening Strategy progressed during the year with the following key outcomes identified as enablers of building inclusive, cohesive, thriving, resilient communities: • Accessible, restorative community facilities and spaces • Social inclusion and community cohesion • Empowered community leadership and volunteering • Vibrant communities within and across communities • Community resilience.
3.2.7 Support and participate in local and regional initiatives that focus on suicide prevention and positive mental health and wellbeing.	We hosted the annual walk for World Suicide Prevention Day on 11 September 2022. Approximately 600 people attended the event, which included speeches from individuals who have experienced suicide loss, as well as suicide survivors. The annual event encourages the community to come together to grieve those lost to suicide, allowing participants to safely acknowledge their loved ones who have died by suicide and focus on hope through action. The Mornington Peninsula Shire continues to offer a range of programs, services and grants to support our community mental health and wellbeing, including: • Supporting families through our Enhanced and Maternal Child Health services, which include referrals to family violence agencies and mental health services. • Hosting online and in-person wellbeing events via our libraries to support the mental health and wellbeing of our community. • Delivering Youth and Teen Mental Health First Aid training in community settings and schools. • Providing a safe space for LGBTIQA+ young people to celebrate their freedom to express themselves and spend time with their friends. • Partnering with the local Suicide Prevention Network Chasing Change to host Blue Christmas on Sunday 18 December at the Uniting Church in Frankston. This event was hosted in recognition of the difficulties bereaved families have in the lead up to Christmas. • Delivered Youth Services programs, activities, and events at our three youth centres, in schools and in the community. Events included R U OK day, the Suicide Prevention Walk and a skate jam at the Somerville Active Park opening.

Strategy	Key Achievements
3.2.8 Advocate for improved telecommunication networks to ensure a strong digital connection and increase social inclusion.	In the lead up to the State and Federal elections Council advocated to local candidates and government departments on the top 10 issues and projects we believed would have the biggest impact on the Peninsula community. We released a 'Shout out for the Peninsula' advocacy campaign that focused on ten priorities including Mobile Coverage.

Strategic Objective 3.3

A community in which people from all generations, backgrounds and abilities can access local services.

Strategic Indicator	Result	Comments
Implement initiatives that enhance community inclusion and wellbeing outcomes.	✓	The Shire planned, implemented and evaluated several initiatives with a focus on priority populations (e.g. LGBTIQA+, people with disability, children and young people, older people and women) using an intersectional lens.
Increase levels of satisfaction with family, older and disadvantaged support services.	↓	Community satisfaction with Council's Disadvantaged Support Services Performance, conducted by an independent research company that measures the opinions of local people in the community, declined four index points from last year to 51.
Level of community participation in programs that support our community's diverse needs.	✓	The level of community participation in our 2022-23 programs that supported our community's diverse needs was strong, including: • Community participation in our 2022-23 programs was strong, including the LGBTIQA+ Collaborative, the Disability Advisory Committee, PACE and the Youth Advisory Committee. • The establishment, coordination and support of committees, working groups and networks underpins our community engagement model. It provides a formalised method for community members to contribute to community wellbeing and inclusion initiatives.
Implement initiatives to increase awareness and access to social and support services.	✓	Mornington Peninsula Shire published resources to increase people's awareness around accessing housing and homelessness services. They include: • Food and other help guide • Keeping your home and living safely • Connect Up business cards • Integrated Assertive Outreach Tool for workers.
Improved services for Aboriginal and Torres Strait Islander community.	↑	Mornington Peninsula Shire consistently aims to improve services to our Aboriginal and Torres Strait Islander community. This year, the participation rate by Aboriginal children in our Maternal and Child Health service rose by 9.33 per cent to 90 per cent.
Shire owned assets with all-abilities entrances and facilities.	✓	We adopted our Universal Design Policy in 2021-22 to ensure inclusive and equitable access to buildings, services, employment, information, events and public spaces. In 2022-23, we continued to incorporate all-abilities entrances and facilities into our assets.

Strategy	Key Achievements
3.3.1 Remove barriers so people of all abilities can participate and access services.	The Shire met with the self-advocacy group from Focus Disability Services and attended the Victorian Advocacy League for Individuals with Disability Conference in Geelong. The goal was to better understand the needs of people with intellectual disabilities and learn about current best practices. We also: • Supported a local disabled artist to exhibit works at Mornington Library. • Contributed to a study by The University of Melbourne on beach access to better understand the barriers and enablers. • Met with a spinal cord injury support group to hear about the barriers they face and talk about opportunities for improvement. • Supported a Post-Polio group by moving their meeting to the Mornington Community House after the Mornington Information Support Centre was closed due to flooding. • Submitted applications to the Victorian Government for Universal Design grants as well as a Changing Places Toilet. • Completed construction of a Changing Places toilet at Point Leo foreshore. • Installed heating and cooling at Tyabb Community Hall. • Ordered seating arrangements and tables that can be easily moved for several venues. We also introduced new features to improve accessibility at our community facilities including updating photos and information on our website, additional EFTPOS and payment options and purchasing new chairs that can better accommodate older community members.
3.3.2 Explore partnership opportunities for programs that address tobacco-related and gambling harm.	The Shire is working with local community groups and Peninsula Health to make the Peninsula smoke free. The design for smoke free signs was completed and we rolled out Smoke Free Zones across the Peninsula. Signage for the Smoke Free Zones will be installed in 2023-24. We also delivered a social media campaign to support Responsible Gambling Awareness Week, which ran from 17 to 23 October.

Strategy	Key Achievements
3.3.3 Deliver programs, services and events that engage and empower children, young people and their families.	The Shire's Community Services participated in First 1000 Days Australia: Early life strategies for Aboriginal and Torres Strait Islander children and families training. First 1000 Days Australia is a First Nations model aimed at strengthening all families so they can give their children the best start in life and aims to ensure that services recognise and strengthen family resilience while fostering leadership and promoting local innovation. We celebrated Children's Week from 22-30 October with more than 30 activities and events promoted across the Peninsula. We also saw more than 65 families participate in the Community Child Safety workshops, which were delivered in partnership with Body Safety Australia. Additional programs for kinder, children and young people included: • Promotion of Anglicare's ParentZone Summer Series workshops. • Early Years Yarning Circle at Willum Warrain Aboriginal Gathering Place in partnership with the Department of Education, Koorie engagement Support Officers and Frankston City Council..
3.3.4 Engage with LGBTQIA+ community members and deliver programs to support them.	On 5 February 2023 we proudly marched in the Midsumma Pride March alongside Frankston City Council and the Frankston Mornington Peninsula LGBTIQA+ Collaborative. Pride March embodies the Shire's core value of inclusivity, which we advocate strongly for in our community. During May, we hosted a 'rainbow' Storytime at the Saturday Storytime session during IDAHOBIT week. The Storytime focused on acknowledging and celebrating diversity in the community. We also: • Stood in solidarity with our lesbian, gay, bisexual, transgender, queer/questioning and asexual (LGBTIQA+) residents, community friends, family, allies and colleagues at a flag raising ceremony hosted at our Shire offices. • Continued to offer programs for vulnerable young people, mental health, LGBTIQA+ and allies, school leavers, disengaged young people and those with a disability through our three youth centres, schools and in community settings.
3.3.5 Support Aboriginal and Torres Strait Islander community members to self-determine community services and programs as required.	From 27 May to 3 June, we celebrated National Reconciliation Week. A time for all Australians to learn about our shared histories, cultures and achievements, and to explore how each of us can contribute to achieving reconciliation in Australia. This year's National Reconciliation Week theme is Be a Voice for Generations. The theme encouraged all Australians to be a voice for reconciliation in tangible ways in our everyday lives – where we live, work and socialise. For the work of generations past, and the benefit of generations future, act today for a more just, equitable and reconciled country for all. In June, the Shire collaborated with the Willum Warrain Aboriginal Association and the Western Port Biosphere Reserve Foundation to organise a Healing Country community planting event in Hastings, as part of National Reconciliation Week. This initiative aims to enhance the local habitat and bolster the wildlife corridor along Warringine Creek. We also: • Registered our intention for a new Innovate Reconciliation Action Plan with Reconciliation Australia. • Commenced the Rurdinin Identity project, a brand-new pilot program designed in partnership with Headspace and Western Port Secondary College, to support disengaged Indigenous youth.

Strategy	Key Achievements
3.3.6 Advocate for more local services to meet current and future community need.	Council spoke out against the Victorian Government's decision to cut the budget for community health services' health promotion. Council is concerned about the negative impact this reduction will have on the health sector in Victoria, particularly in our local community. Our community health services play a vital role in promoting evidence-based prevention initiatives that keep people healthy, which helps to reduce the burden on hospitals and healthcare costs. In the current context of inflation, rate capping, and budget constraints, it is essential that Peninsula Health receives full support and adequate resources from the Victorian Government. Without this support, the Shire will not have the necessary resources to deliver essential public health and wellbeing initiatives. In the lead up to the State and Federal elections Council advocated to local candidates and government departments on the top 10 issues and projects we believed would have the biggest impact on the Peninsula community. We released a 'Shout out for the Peninsula' advocacy campaign focusing on Homelessness, Peninsula Trail, Performing Arts Centre, Public Transport, Recycled Water, Road Safety, Rosebud Hospital Upgrade and Mobile coverage. Our residents sent 4,000 emails to candidates, viewed our candidate forums more than 3,600 times and visited our 'Shout Out' webpages more than 13,000 times.

Strategic Objective 3.4

A community with vibrant arts, culture, sport and recreational opportunities that foster connections and participation across generations, backgrounds and abilities.

Strategic Indicator	Result	Comments
Increase level of satisfaction with community and cultural activities and services.	↑	Community satisfaction with Council's Community and Cultural Services Performance, conducted by an independent research company that measures the opinions of local people in the community, rose one index point from last year to 63.
Increase participation in arts, cultural, sport and recreational initiatives delivered.	✓	The Shire experienced good participation across our arts, cultural, sport and recreational initiatives over 2022-23.
Increase participation in our diverse services and programs.	↑	The level of community participation in our 2022-23 library programs that supported our community's diverse needs was strong and we reached more than 26,773 people across 1,065 in–person events.
Increase signature events on the Peninsula that utilise local talent.	↑	We launched our DRIFT Arts Festival in March with approximately 80% of the program supporting local artists and stories. The festival supported almost 100 events across live music, visual arts, dance, theatre, circus, cabaret, writing and literature, multimedia installations and more over 10 days in April.

Strategy	Key Achievements
3.4.1 In partnership with our community, using Universal Design Principles, improve access to and promote cultural, sport and recreational opportunities.	Since adopting our Universal Design policy in early 2022 we have worked closely with our community and consultants to improve access to and promote cultural, sport and recreational opportunities, including: • Working with architects to apply universal design principles to our buildings. • Agreeing on a new standard picnic table design based on Universal Design principles, in consultation with the community and the Disability Advisory Committee. • Launching our new accessible hoist at Hastings Pontoon to enable wheelchair users to transfer safely from the pontoon into a boat. • Submitting two funding applications to the Victorian Government to upgrade the Rye Foreshore playground, and toilet facilities at the Mana Reserve netball courts in Dromana. • Rolling out all access beach matting for summer across five beaches across the Peninsula. • Relaunching the Mount Martha House Museum display. • Reactivating our Local History Network and started volunteer training. • Completing several projects that addressed sports capacity issues including new cricket nets at Main Ridge, a new oval in Narambi Reserve in Mornington, and a new soccer field at Emil Madsen Reserve in Mount Eliza. Several other projects were progressing well, including tennis courts at Mount Martha, a new pavilion for athletics and soccer at Civic Reserve in Mornington, a new pavilion and consulting rooms in partnership with The Bays Hospital at Alexandra Park in Mornington and the reconstruction of the oval at Dallas Brooks Reserve. Belgravia Leisure hosted their 'All Abilities Day' at Civic Reserve on 7 December 2022. 100 participants from seven user groups participated in activities such as tennis, table tennis, gymnastics and basketball. We held a Family Fun Day at Crib Point Pool in January, which saw around 150 people participate in recreational swimming and aqua Zumba classes and the Victorian Pickle Ball Championship at Somerville Recreation Centre in mid–March with over 900 people attending the event.
3.4.2 Implement the Shire's Arts and Culture Plan, creating an environment in which the arts thrive.	We released a tender, inviting submissions for proposals regarding a detailed Business Case and Concept Development for a Performing Arts Centre and Future Arts Precinct. The Business Case provided recommendations to best meet the identified demand, a preferred operating model, funding strategy, construction, and operating costs, with a plan for the future growth of the precinct. To keep our community up to date on this project we launched a dedicated project page on Our Arts and Culture website. The Shire planned for the arrival of the Archibald prize at the Mornington Peninsula Regional Gallery (MPRG). The exhibition is planned to run from September to November 2023 and will be a significant attraction for the Peninsula, with MPRG the exclusive Victorian venue for the Archibald prize 2023 tour. We also launched a number of new exhibitions including New Wave 23, Mike Green – Standing on the inside (prints from 1980–1991), Deborah Kelly: Creation, and Julie Blyfield – Flowers of the Sea. We reopened our Peninsula Community Theatre building for community bookings. The building now features an upgraded audio–visual system that can be managed by hirers from an iPad, reducing the need for an AV technician to be on site during an event. We also: • Relaunched the Mount Martha House Museum display • Reactivated our Local History Network and started volunteer training.

Strategy	Key Achievements
3.4.3 Engage with culturally and linguistically diverse communities to share and protect cultural heritage, beliefs, traditions, and stories.	From 27 May to 3 June, we celebrated National Reconciliation Week. A time for all Australians to learn about our shared histories, cultures, and achievements, and to explore how each of us can contribute to achieving reconciliation in Australia. This year's National Reconciliation Week theme was Be a Voice for Generations. The theme encouraged all Australians to be a voice for reconciliation in tangible ways in our everyday lives – where we live, work and socialise. For the work of generations past, and the benefit of generations future, act today for a more just, equitable and reconciled country for all. In June, the Shire collaborated with the Willum Warrain Aboriginal Association and the Western Port Biosphere Reserve Foundation to organise a Healing Country community planting event in Hastings, as part of National Reconciliation Week. We also registered our intention for a new Innovate Reconciliation Action Plan with Reconciliation Australia.
3.4.4 Implement a Libraries Strategy to provide accessible services and programs for our diverse community.	A draft Libraries Strategy was finalised in May 2023 and is planned for release in 2023–24. Feedback from user surveys, which were conducted during the year, shaped the development of the strategy.
3.4.5 Support and deliver inclusive events and festivals.	We launched our DRIFT Arts Festival in March 2023 with approximately 80 per cent of the program supporting local artists and stories. The festival supported almost 100 events across live music, visual arts, dance, theatre, circus, cabaret, writing and literature, multimedia installations and more over 10 days in April. There was a festival hub at the Village Green in Rosebud where one could find laugh–out–loud comedy, experimental circus, dazzling cabaret, live music and family–friendly entertainment. The Shire planned for the arrival of the Archibald prize at the Mornington Peninsula Regional Gallery (MPRG). The exhibition is planned to run from September to November in 2023 and will be a significant attraction for the Peninsula, with MPRG the exclusive Victorian venue for the Archibald prize 2023 tour. We also: • Hosted Peninsula Schoolies and a week–long set of programs at local venues which saw more than 5,000 attendees. • Hosted the Australian Local Government Women's Association 2023 national conference, which aimed to promote female participation in local government and raise awareness about issues faced by women in the sector. The event, held at the RACV Cape Schanck Resort, featured the works of three female local artists and showcased food and wine from across the Peninsula. • Delivered our Summer Event Series to more than 8,000 people who attended the Sunset Cinema and The Briars Markets. • Delivered Anzac Day events across 13 townships on the Peninsula.

Strategic Objective 3.5

A community that is well connected through sustainable, accessible and integrated transport options.

Strategic Indicator	Result	Comments
Improve condition of local roads and footpaths and increase community satisfaction.	⇩	Community satisfaction with Council's Local Streets and Footpaths Services Performance, conducted by an independent research company that measures the opinions of local people in the community, declined seven index points from last year to 44.
Improve parking facilities and increase levels of community satisfaction.	⇩	Community satisfaction with Council's Parking Facilities Services Performance, conducted by an independent research company that measures the opinions of local people in the community, declined one index point from last year to 55.
Number of initiatives delivered to support a connected community.	✓	Council continued to advocate for better public transport on the Peninsula including more frequent and better integrated public transport, upgrades to existing train stations to improve safety and amenity and funding for rail electrification from Frankston to Hastings. We continue to better link our existing footpath network by installing footpaths where there are gaps in the network.
An increase in new and upgraded footpaths, bike lanes and trails so they are accessible and encourage active transport.	⇧	Over the 2022-23 year, the Shire: • Renewed 5,484sqm of footpaths. • Renewed 36 metres of boardwalks.
Progress on peninsula bike safe trial for Victoria on the Mornington Peninsula.	✓	The development of our RideSafe Strategy will start in 2023-24.

Strategy	Key Achievements
3.5.1 Advocate for more accessible and frequent public transport services, including connected pathways, trails, buses and trains for the Mornington Peninsula.	As a result of Council advocacy and the success of our Better Buses campaign, a cross-Peninsula bus connecting Hastings to Mornington is one step closer. The Minister for Public Transport announced an extra $36.4 million was allocated to this year's budget to deliver the service as part of Victoria's Bus Plan. Planning for the cross-Peninsula bus service is underway with the Shire seeking input to accelerate the plan to better connect our community. In the lead up to the State and Federal elections Council advocated to local candidates and government departments on the top 10 issues and projects we believed would have the biggest impact on the Peninsula community. We released a 'Shout out for the Peninsula' advocacy campaign focusing on Peninsula Trail, Public Transport and Road Safety. Our residents sent 4,000 emails to candidates, viewed our candidate forums more than 3,600 times and visited our 'Shout Out' webpages more than 13,000 times.
3.5.2 Improve accessibility to Shire-managed car parking and footpaths.	Council has been exploring all available options to better manage public parking around our foreshore areas. The popularity of our beaches especially during the summer months makes access a challenge and puts increasing pressure on existing public car parks and related infrastructure. In May, Council endorsed a paid parking pilot for visitors to the Mornington Peninsula. The pilot aims to address the increasing demand for limited public foreshore parking and to maintain the foreshore infrastructure to ensure that everyone can enjoy it. The pilot will trial the use of new camera-based technology and software applications, and we are aiming to have it up and running this summer season at the following three locations: • Schnapper Point foreshore carpark, Mornington • Sunnyside Beach foreshore carpark, Mount Eliza • Flinders Pier foreshore carpark, Flinders. As a resident, you won't need to pay for parking. However, you must adhere to any time limits that may be in place. Each household can apply for up to five Foreshore Parking Permits, which will allow for free parking. The pilot program is currently seeking input from key stakeholders, including local businesses, through community consultation to help shape the pilot rules and minimise impact on surrounding businesses. We also reviewed and discussed several questions from our community regarding Visitor Paid Parking at our Citizens' Panel meeting on 7 June.

Strategy	Key Achievements
3.5.3 Deliver on the Pedestrian Access Strategy, creating safe, accessible and connected pedestrian networks.	The Shire successfully secured matched funding from the Victorian Government for three missing links footpaths. The proposed paths connect bus stops to healthcare centres, a primary school and childcare centres and are located on Tanti Avenue, Nepean Highway and Craigie Road. Works on the southern section (stage 1), from The Boulevard to RW Stone Reserve access road, intersection works at Florida Ave and Bonview Ave and the missing footpath link to the east side of Camp Hill Road from Zarah Court to the Somers Primary School, were completed during the year. We also undertook a mapping review of our Principal Pedestrian Network with the outcomes from the review to be presented to Council in 2023-24 and community consultation to follow.
3.5.4 Advocate for an expansion of the electric vehicle charging network and promote the use of electric vehicles.	Our 'Transition to an Electric Vehicle' event was a great success, with more than 300 people attending the day. We're currently working with charging provider, Evie Networks to help expand our local public EV charging network. As of 30 June 2023, we had finalised planning for the delivery of a fourth fast charging Electric Vehicle (EV) station at Mornington with public fast charging services currently available in three townships of the Shire – Flinders, Hastings and Sorrento. All charging station are 50kW DC output units, powered by 100 per cent green electricity and managed by Evie Networks. Continuing our commitment to sustainable transport, we supported the Repower Mornington Peninsula EV day in Mount Martha. The event attracted a crowd of 400 people and a great variety of EVs with the majority of exhibitors' private owners who were able to share their experience of transitioning to an EV. Electric Vehicle cars on display included BYD, Tesla, Kia, Nissan, Polaris and BMW. We also: • Supported the Good Car company to increase the accessibility of second-hand electric vehicles to the community. • Investigated novated leases for Electric Vehicles in response to the Australian Government fringe benefits tax exemption.

Strategy	Key Achievements
3.5.5 Implement the Towards Zero Road Safety Strategy in our continued commitment to zero road deaths and serious injuries towards 2050.	Our efforts to reduce the road toll on our rural roads received national recognition when we were announced as the overall winner in the Australian Road Safety Awards at Parliament House in Canberra. We won the award for our Safer Speeds project to reduce speed and road trauma on 33 Shire-managed rural roads. Our application to the Victorian Department of Transport to make the 80km/h speed limits permanent on all 33 roads are pending with discussions ongoing. We also completed a number of projects as part of the Federal Government's Blackspot Program, including: • The Shoreham Road Safety Upgrade. Construction of the sealed shoulders along the entire length of Shoreham Road was completed with the installation of chevron alignment markers at necessary curves in the road and guard rails put in place where required. • Stage 2 of the Codrington Street and Ligar Street Roundabout in Dromana. Works included construction of a new roundabout, installation of splitter islands, line marking and a full pavement reconstruction around the roundabout, including re-asphalting, line marking and re-installing the speed humps. • Bittern Myers/Henderson Road Roundabout. Works undertaken included the construction of a compact roundabout, installation of raised platforms and improved lighting.
3.5.6 Deliver on the new Integrated Transport Strategy to create a connected, accessible and sustainable transport network.	The review of our Pedestrian Access Strategy has delayed the development of our Integrated Transport Strategy, which will now commence in the 2023-24 financial year.
3.5.7 Deliver on the new RideSafe Strategy to create a safe and accessible cycling network that accommodates the needs of all users.	The review of our Pedestrian Access Strategy has delayed the development of our RideSafe Strategy, which will now start in the 2023-24 financial year.

Budget funded services

The following services and its description provide information in relation to the services funded in the 2022–2023 budget.

Service	Description		
Community Care	Community Care provides supports based on individual needs that help people be safe, active, and independent.	Actual	1,475
		Budget	(1,198)
		Variance	2,673
Community Development	Our Community Wellbeing service provides the opportunities for people to engage and connect within their community.	Actual	(5,350)
		Budget	(5,753)
		Variance	403
Child and Family Health	The Child and Family Health service supports children's health and development from birth until school age through specialist advice, programs and information, targeted assistance for at-risk families and vaccinations.	Actual	(2,135)
		Budget	(1,637)
		Variance	(498)
Early Years	Our Early Years' service provides programs for families with young children so that all children have the best possible start in life.	Actual	(392)
		Budget	(403)
		Variance	11
Libraries	Our Libraries service provides free access to resources and spaces to support community literacy, lifelong learning, education, and social inclusion.	Actual	(3,346)
		Budget	(3,542)
		Variance	196
Public Health	Ensures that the public health for MPSC community members is protected through the management, enforcement and community education and awareness of the Public Health Act 1958 and Food Act 1984.	Actual	(999)
		Budget	(892)
		Variance	(107)
Recreation and Leisure	Our Recreation and Leisure service provides access to a broad range of facilities to support community participation in recreation and leisure activities.	Actual	(928)
		Budget	(3,910)
		Variance	2,982
Transport Connections	Our Transport Connections service provides local roads, footpaths, and parking so that our customers can travel throughout the Peninsula	Actual	(21,662)
		Budget	(18,541)
		Variance	(3,121)
Youth Services	Our Youth Support provides a range of services, programs and information for young people and their families to support an engaged, healthy, and safe journey into adult life.	Actual	(1,592)
		Budget	(1,739)
		Variance	147

Grants awarded in support of the Community

Each year, Council awards grant funding to support local community groups to provide a range of services, programs and activities. Grants provided in 2022–2023 are listed below.

Grant	Applicant	Value
Placemaking	Point Nepean Mens Shed Association	$2,500.00
	Speak and Share Limited	$10,000.00
	Uncle Bobs Club	$8,546.00
	Shoreham Community Assoc. Inc	$10,000.00
	Shoreham Tennis Club Inc.	$9,920.00
	Girl Guides Association of Victoria	$5,440.00
	Rosebud Primary School	$10,000.00
	The Village Uniting Church, Mt Eliza	$10,000.00
	Mt Martha Bowls, Petanque and Social Club	$10,000.00
	Rye Yacht Club Inc	$6,200.00
	Food For Change	$10,000.00
	Balnarring Community Hub Incorporated	$10,000.00
	Ranelagh Residents Association Inc.	$5,000.00
	Mornington Primary School	$9,800.00
	SES Hastings	$10,000.00
	Sorrento Preschool	$8,500.00
Community Support	Red Hill District Lions Club	$5,000.00
	Peninsula Voice Incorporated	$3,353.05
	Southern Peninsula Concert Band Inc.	$3,900.00
	Somerville Business Group Inc	$2,500.00
	Dromana Bay Life Saving Club Inc.	$5,000.00
	Rosebud Secondary College	$840.00
	Rye Primary School	$5,000.00
	Biala Peninsula Inc	$3,500.00
	Rye Cricket Club	$5,000.00
	Somerville Eagles Soccer Club	$4,760.00
	Hastings Police Senior Citizens	$1,500.00
	Mornington Peninsula Dog Rescue Incorporated	$4,600.00

Grant	Applicant	Value
	New Peninsula Men's Shed Mount Martha	$5,000.00
	Frankston Mornington Peninsula Local Learning	$2,000.00
	Employment Network Inc	$5,000.00
	Frankston Peninsula Multiple Birth Association	$740.00
	Combined Mornington Probus Club Inc	$5,000.00
	Tootgarook Senior Citizens Club Inc	$5,000.00
	Mornington Peninsula Family History Society Inc.	$5,000.00
	Australian Volunteer Coast Guard Association Inc	$1,996.00
	Safety Beach Vic	$3,388.00
	Mornington Peninsula Painting and Drawing Group	$5,000.00
	Rosebud and McCrae Life Saving Club Inc	$4,990.00
	Cycling Without Age – Westernport (CWA Westernport)	$5,000.00
	RNB Croquet Club	$2,000.00
	Mornington Youth Club Inc.	$1,141.00
	Peninsula Surfriders Club	$1,490.00
	Peninsula Autism Friendship Group	$5,000.00
	Point Nepean Mens Shed Association	$500.00
	Rotary Club of Hastings Western Port	$4,650.00
	Mornington Clay Target Club	$3,500.00
	Bittern Fire Brigade	$1,750.00
	Hastings Tennis Club Inc	$3,554.00
	Rye Historical Society Inc.	$1,999.00
	Community Kinders Plus Inc.	$5,000.00
	Southern Women's Action Network Inc.	$5,000.00
	West Rosebud Bowls and Croquet Club	$4,803.00
Flexi	Fusion Mornington Peninsula	$2,000.00
	Sorrento Community Centre Inc	$1,339.00
	Mt Martha Uniting Church	$1,994.00
	Kunyung Preschool	$2,000.00
	Rye Community House	$1,500.00
	Presentation Family Centre Inc. trading as Saltbush	$10,000.00
	Balnarring Beach	$867.00
	Somers Tennis Club Inc	$1,004.00

Grant	Applicant	Value
	Rotary Club of Dromana	$2,000.00
	Mornington Peninsula Post-polio Support Group	$964.00
	Lions Club of McCrae and District Inc	$2,000.00
	1st Red Hill Scout Group	$1,505.00
	Rotary Club of Mornington	$2,000.00
	MHSN Australia Incorporated	$1,000.00
	Somerville Community House Incorporated	$1,500.00
	Southern Peninsula Community Support Inc	$2,000.00
	Sorrento Surf Life Saving Club	$1,500.00
	Mornington Peninsula Painting and Drawing Group Inc	$2,000.00
	Blairgowrie Community Garden	$2,000.00
	Abacus Learning Centre	$2,000.00
	Rosebud and McCrae Lifesaving Club Inc.	$1,989.38
	Southern Women's Action Network	$2,000.00
	New Peninsula Men's Shed Mount Martha	$2,000.00
	Fusion Mornington Peninsula	$2,000.00
	Panorama Theatre Company Inc	$2,000.00
	Rosebud Junior Football Club	$2,000.00
	SES Hastings	$2,000.00
	Shoreham Community Assoc. Inc	$2,000.00
	Community Kinders Plus Inc.	$2,000.00
	Red Hill Football Netball Club	$2,000.00
	Presentation Family Centre Inc. trading as Saltbush	$19,000.00
	Balnarring Beach	$1,133.00
	Mornington Clay Target Club	$1,600.00
	Balnarring Pre-school	$952.60
	Crib Point Football and Netball Club	$2,000.00
Youth Development	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$748.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$1,000.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$1,000.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$1,000.00

Grant	Applicant	Value
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$1,000.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$582.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$380.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$749.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$680.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$1,000.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$905.00
	For 10-25-year-old individuals to participate in sport, art, creative and, mental health wellbeing activities	$250.00
Total		$331,506.03

Service performance indicators and measures:

Service/indicator/measure		2020	2021	2022	2023	Material variations and comments
Aquatic Facilities						
AF2	Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	2.50	3.50	0.00	4.00	Shire authorised officers carried out 12 inspections across Council's three aquatic facilities: 6 at Yawa Aquatic Centre, 4 at Pelican Park Recreation Centre and 2 at Crib Point Pool. This includes 10 routine inspections and 2 investigation inspections.
AF6	Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	1.00	0.66	3.50	5.72	The increase in the utilisation of our aquatic centres from 2021 is attributed to strong attendance numbers, an additional aquatic facility and four full trading quarters without any COVID closures, capacity restrictions, or significant facility maintenance/repair closures.
AF7	Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	$7.98	$12.14	$3.06	$1.84	The significant decrease in the costs of our aquatic facilities is mainly attributed to a 64 per cent increase in total visitations compared to last year and Yawa Aquatic Centre performing beyond expectations, which meant that a significant amount of money was returned to Council through our profit share agreement with Belgravia Leisure. Additionally, the lump sum payments for both Pelican Park Recreation Centre and Crib Point Pool were reduced from November 2022 due to the start of the contract extension agreement with Belgravia Leisure.
Maternal and Child Health (MCH)						
MC2	Satisfaction Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	101.03%	100.65%	100.78%	100.86%	The uptake of the service across the Mornington Peninsula remains high, demonstrating a high level of confidence in our maternal and child health services for families with children aged 0-6 years.
MC3	Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	$64.37	$67.87	$67.22	$83.07	The increase from 2022 is mainly due to changes in the administrative resources allocated to the Maternal Child Health service to better reflect the actual cost of service delivery, an increase in Universal casual salaries and wages due to permanent staff leave and increased costs associated with venue and equipment hire.
MC4	Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	74.85%	74.30%	72.58%	73.78%	Participation in the Maternal Child Health (MCH) service has remained consistent since 2020, with slightly higher results this year than in 2022. This is due to the reintroduction of the Preschool/Early learning centre program following COVID, where MCH nurses conduct Key Age and Stage consultations for children unable to attend a MCH centre.

Service/indicator/measure		2020	2021	2022	2023	Material variations and comments
MC5	Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	87.16%	84.25%	82.32%	90.00%	This year's result saw a significant rise in participation from 2022. The rise is due to offering outreach services to childcare centres for Aboriginal families who cannot/do not want to attend a Maternal Child Health Centre, actively contacting clients who are overdue for a Key Age and Stage appointment and creating a welcoming and safe environment.
MC6	Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	99.45%	96.74%	98.31%	98.21%	Participation has remained consistent over time with a slight dip in 2021, which demonstrates a high level of awareness and engagement with the Maternal Child Health service.
Roads						
R1	Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	82.23	78.51	115.00	249.56	With the highest recorded spring rainfall in the past five years the number of sealed local road requests rose dramatically over the previous year. As rainfall adversely affects road pavement, the amount of rain also made it difficult to fix potholes in a timely fashion as any rain heavier than a light sprinkle can ruin the hot-mix asphalt patch, which is a more cost effective and long-term fix than cold-patching asphalt repair. Reported defects decreased substantially in the second half of the year.
R2	Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	99.57%	99.93%	96.76%	96.79%	Of the 1,392 kilometres of sealed local roads across the Shire, 1,348 kilometres were maintained within condition standards.
R3	Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	$86.80	$93.50	$128.41	$79.88	The decrease in the cost from 2022 reflects the minor local road works undertaken during the year. Last year, most of the work undertaken was on local arterial and collector roads, which require greater depths of asphalt and subsequently have a greater cost per square metre.
R4	Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	$9.60	$8.96	$0.00	$11.34	This year's increase is due to the works undertaken, in contrast to none undertaken in 2022, when resources were focused on the Shire's Road Rehabilitation program (sealed local road reconstruction).
R5	Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	51.00	58.00	49.00	38.00	Community satisfaction with sealed local roads, conducted by an independent research company that measures the opinions of local people in the community, declined eleven index points from last year to thirty-eight. The decrease in our community's satisfaction could be attributed to the highest recorded spring rainfall in the last five years, which resulted in an increase in sealed local road requests as rainfall adversely affects road pavement.

Materiality Thresholds

Service/indicator/measure	Measure expressed as:	Materiality threshold:
Aquatic Facilities		
Service Standard		
Health inspections of aquatic facilities	Number of health inspections per Council aquatic facility	Movement of +/ – 1
Utilisation		
Utilisation of aquatic facilities	Number of visits to aquatic facilities per head of municipal population	Movement of +/ – 2 visits
Service Cost		
Cost of aquatic facilities	$ direct cost less any income received of providing aquatic facilities per visit	Movement of +/ – $1

Service/indicator/measure	Measure expressed as:	Materiality threshold:
Animal Management		
Timeliness		
Time taken to action animal requests	Number of days taken to action animal requests	Movement of +/ – 1 day
Service Standard		
Animals reclaimed	% of collected animals reclaimed	Movement of +/ – 7.5%
Animals rehomed	% of collected animals rehomed	
Service Cost		
Cost of animal management service	$ direct cost of the animal management service per head of municipal population	Movement of +/ – $5
Health and Safety		
Animal management prosecutions	% of successful animal management prosecutions	Movement of +/ – 10 prosecutions
Food Safety		
Timeliness		
Time taken to action food complaints	Number of days taken to action food complaints	Movement of +/ – 1 day
Service Standard		
Food safety assessments	% of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment	Movement of +/ – 10%
Service Cost		
Cost of food safety service	$ direct cost of the food safety service per registered food premises	Movement of +/ – $75
Health and Safety		
Critical and major non-compliance notifications	% of critical and major non-compliance outcome notifications that are followed up by Council	Movement of +/ – 10%
Governance		
Transparency		
Council resolutions at meetings closed to the public	% of Council resolutions made at meetings closed to the public	Movement of +/ – 1.5%
Consultation and Engagement		
Satisfaction with community consultation and engagement	Satisfaction rating out of 100	Movement of +/ – 5
Attendance		
Council attendance at Council meetings	% of Council attendance at ordinary and special Council meetings	Movement of +/ – 10%
Service Cost		
Cost of governance	$ direct cost of the governance service per Councillor	Movement of +/ – $5000
Decision-making		
Satisfaction with Council decisions	Satisfaction rating out of 100	Movement of +/ – 5
Libraries		
Utilisation		
Physical library collection usage	Number of physical library collection item loans per physical library collection item	Movement of +/ – 0.5 loans
Resource Standard		
Recently purchased library collection	% of the library collection that has been purchased in the last 5 years	Movement of +/ – 7.5%
Participation		
Active library borrowers in municipality	% of the municipal population that are active library members	Movement of +/ – 5%
Service Cost		
Cost of library service per population	$ direct cost of the library service per population	Movement of +/ – $1
Maternal and Child Health		
Service Standard		
Infant enrolments in the MCH service	% of infants enrolled in the MCH service	Movement of +/ – 5%
Service Cost		
Cost of the MCH service	$ cost of the MCH service per hour of service delivered	Movement of +/ – $10
Participation		
Participation in MCH service	% of children enrolled who participate in the MCH services	Movement of +/ – 5%
Participation in MCH service by Aboriginal children	% of Aboriginal children enrolled who participate in the MCH service	Movement of +/ – 10%
Participation in 4 week Key Age and Stage visit	% of infants enrolled in the MCH service who participate in 4 week Key Age and Stage visit	Movement of +/ – 5%
Roads		
Satisfaction of Use		
Sealed local road requests	Number of sealed local road requests per 100 kilometres of sealed local road	Movement of +/ – 20 requests
Condition		
Sealed local roads below the intervention level	% of sealed local roads that are below the renewal intervention level	Movement of +/ – 5%

Service/indicator/measure	Measure expressed as:	Materiality threshold:
Service Cost		
Cost of sealed local road reconstruction	$ direct reconstruction cost per square metre of sealed local roads reconstructed	Movement of +/ – $15
Cost of sealed local road resealing	$ direct resealing cost per square metre of sealed local roads resealed	Movement of +/ – $2
Satisfaction		
Satisfaction with sealed local roads	Satisfaction rating out of 100	Movement of +/ – 5
Statutory Planning		
Timeliness		
Time taken to decide planning applications	Days between receipt of a planning application and a decision on the application	Movement of +/ – 10 days
Service Standard		
Planning applications decided within required time frames	% of planning application decisions made within required time frames	Movement of +/ – 7.5%
Service Cost		
Cost of statutory planning service	$ direct cost of the statutory planning service per planning application	Movement of +/ – $250
Decision-making		
Planning decisions upheld at VCAT	% of decisions subject to review by VCAT that were not set aside	Movement of +/ – 10%
Waste Collection		
Satisfaction		
Kerbside bin collection requests	Number of kerbside bin collection requests per 1000 kerbside bin collection households	Movement of +/ – 10 requests
Service Standard		
Kerbside collection bins missed	Number of kerbside collection bins missed per 10,000 scheduled kerbside collection bin lifts	Movement of +/ – 5 bins
Service Cost		
Cost of kerbside garbage collection service	$ direct cost of the kerbside garbage bin collection service per kerbside garbage collection bin	Movement of +/ – $10
Cost of kerbside recyclables collection service	$ direct cost of the kerbside recyclables collection service per kerbside recyclables collection bin	Movement of +/ – $5
Waste Diversion		
Kerbside collection waste diverted from landfill	% of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill	Movement of +/ – 10%

Our Governance

Our
Governance

Governance, Management and Other Information

Governance

Mornington Peninsula Shire Council is constituted under the Act to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that council and its administration meet the community's priorities. The community has many opportunities to provide input into council's decision-making processes including community consultation, public forums such as ward meetings and the ability to make submissions to Special Committees of council.

Council's formal decision-making processes are conducted through council meetings and Special Committees of Council. Council delegates the majority of its decision-making to council staff. These delegations are exercised in accordance with adopted council policies.

Meetings of Council

Council conducts open public meetings on the first and third Tuesday of each month. Members of the community are welcome to attend these meetings in person and observe from the gallery or alternatively watch the meeting live via our live steam. Council meetings also provide the opportunity for community members to submit a question to the council, make a submission or speak to an item. For the 2022-23 year council held 25 council meetings.

The following table provides a summary of councillor attendance at council meetings for the 2022-23 financial year.

Councillors	Council Meeting	Unscheduled Council Meeting	Total
Cr Bissinger	21	3	24
Cr Brooks (elected via countback 7/2/2023)	9	0	9
Cr Celi	20	3	23
Cr Dixon	21	3	24
Cr Gill	22	3	25
Cr Holland	22	3	25
Cr Mar	22	3	25
Cr Marsh	16	2	18
Cr O'Connor	21	3	24
Cr Race	21	3	24
Cr Roper (newly elected 4/4/2023)	5	0	5
Cr McCafferty (resigned 20/12/2022)	9	2	11
Cr Mercurio (resigned 8/12/2022)	1	0	1

Delegated Committees

The Act allows councils to establish one or more special committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above

The following table contains a list of delegated committees established by the Council that are in operation and the purpose for which each committee was established.

Special Committee	Councillors	Officers	Other
Planning Services Committee	11	0	0

Purpose

To exercise Council's powers, discretions and authorities to perform Council's functions under the Planning and Environment Act 1987, Planning Scheme Amendments and all Ministerial Directions and policy issues relating thereto, the Subdivision Act 1988, and the Building Act 1993 in accordance with relevant policies and guidelines of the Council and to do all things necessary or convenient to be done for or in connection with the performance of those functions, duties and powers.

Councillor Code of Conduct

The Act requires councils to develop and approve a councillor Code of Conduct within 12 months after each general election. On 4 October 2022, Council adopted a revised Councillor Code of Conduct which is designed to:

- Assist councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders
- Assist the mayor and councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- Roles and relationships
- Dispute resolution procedures.

Conflict of Interest

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires councillors to act in the public interest. When a council delegates its powers to a council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2022-23, 10 conflicts of interest were declared at council and Special Committee meetings.

Councillor Allowances

In accordance with Section 39 of the Local Government Act 2020, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

The Victorian Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance Mornington Peninsula Shire Council is recognised as a category three Council.

The following table contains details of current allowances and superannuation guarantee equivalent paid for the Mayor and Councillors during the year.

Councillor	Allowance $	Superannuation $	Total $
Cr D Gill	36,828	3,867	40,695
Cr A Celi	36,828	3,867	40,695
Cr S Holland	90,830	9,528	100,358
Cr D Oconnor	36,828	3,867	40,695
Cr A Marsh	68,082	7,149	75,231
Cr L Dixon	45,711	4,800	50,510
Cr S Race	36,828	3,867	40,695
Cr K McCafferty	17,986	1,889	19,875
Cr D Mar	52,160	5,477	57,637
Cr P Mercurio	2,998	315	3,312
Cr S Bissinger	36,828	3,867	40,695
Cr S Brooks	14,786	1,553	16,338
Cr K Roper	9,078	953	10,032

Councillor Expenses

In accordance with Section 40 of the Act, council is required to reimburse a councillor for expenses incurred whilst performing their duties as a councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the mayor and councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each councillor and member of a council committee paid by the council.

The details of the expenses including reimbursement of expenses for each councillor and member of a council committee paid by the council for the 2022-23 year are:

Councillor	CM $	PT $	CT $	IC $	CC $	OT $	Total $
Cr D Gill	0	0	0	955	0	0	955
Cr A Celi	5,293	0	3,873	600	0	0	9,766
Cr S Holland	1,605	878	1,677	635	0	175	4,970
Cr D Oconnor	0	160	1,642	878	0	0	2,681
Cr A Marsh	7,111	1,224	5,174	544	0	0	14,053
Cr L Dixon	0	0	227	600	0	30	857
Cr S Race	0	0	6,908	709	0	179	7,796
Cr K McCafferty	0	0	1,062	328	5,824	22	7,236
Cr D Mar	5,357	0	2,221	600	0	0	8,178
Cr P Mercurio	0	0	0	303	0	0	303
Cr S Bissinger	0	0	0	600	0	0	600
Cr S Brooks	348	0	0	240	0	0	589
Cr K Roper	1,530	0	1,273	136	0	285	3,225

Legend:
CM–Car Mileage
PT– Parking and Travel
CT–Conference and Training
IC–Information and Communication
CC–Child Care
OT–Others (including memberships, meals, uniforms and stationery)

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by council. The Act requires council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit and Risk Committee consists of three independent members and two Councillors. The independent members for 2022-23 financial year were:

- Ms Lisa Tripodi (Chair) – Appointed October 2017 for a three-year term and re-appointed for a further three-year term until October 2023. This was extended a further year by Council until October 2024.
- Mr Jonathon Kyvelidis – Appointed 2 February 2022 for a three-year-term until February 2025.
- Mr David Fraser – Appointed 25 August 2022 for a three-year term until August 2025.

The Councillor members for 2022-23 financial year were:

- Cr Antonella Celi Appointed 1 January 2022 for a one-year term and re-appointed for a further one-year term until December 2023
- Cr Sarah Race Appointed 1 January 2022 for a one-year term until 31 December 2022
- Cr Debra Mar Appointed 1 January 2023 for a one-year term until 31 December 2023

The Audit and Risk Committee meets five times a year. The Chief Executive Officer, Director Corporate Strategy and Business Improvement, Chief Financial Officer and Manager Governance attend all Audit and Risk Committee meetings. Other management representatives attend as required to present reports. The external auditors and outsourced internal auditors also attend each meeting. Recommendations from each Audit and Risk Committee meeting are subsequently reported to and considered by Council. Independent members are appointed for a three-year term, with a maximum of two terms.

Internal Audit

Council's internal audit function provides independent and objective external assurance that the appropriate processes and controls are in place across Council. The internal audit function is resourced by an external provider which was Pitcher Partners for the 2022-23 financial year.

Council's Finance team coordinates the process as well as following up the closure of internal audit recommendations. An Internal Audit Plan is endorsed by the Audit and Risk Committee annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, prior audit coverage and management input.

A report is prepared for each Audit and Risk Committee meeting outlining the status of the Internal Audit Plan and an update on the implementation of audit recommendations based on discussions with the responsible managers. The Internal Auditor also presents findings of completed reviews with all audit issues identified being risk rated. The Manager for each area reviewed is required to attend the Audit and Risk Committee meeting to respond to questions in relation to the review. Quality assurance is measured through a client satisfaction survey, the annual Audit and Risk Committee self-assessment and completion of the internal audit plan.

The Internal Audit Plan for 2022-23 was completed with the following reviews finalised:

- Environmental Health (Food Safety)
- Tendering and Contract Management
- IT Governance, Strategy and Environment
- Capital Project Management

The following reviews commenced in 2022-23 and are currently being finalised:

- Child Safe Standards (new standards)
- Building Regulation Compliance (Building Safety and Swimming Pools)
- Asset Management

External Audit

For the 2022-23 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by RSD Audit. The external auditors attend all Audit and Risk Committee meetings and present the annual audit strategy and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk Management

In line with best practice, Council adopted a revised Risk Management Framework on 5 April 2022. The Framework is based upon standards within Australian Standard (AS) / New Zealand Standard (NZS) ISO 31000: 2018 - Guidelines. Council's Risk Management Framework includes a Risk Management Policy, Risk Management principles, processes, guidelines and a Risk Management Plan.

During 2022-23 Council conducted a series of actions based on the Risk Management Framework, including the following:

- Quarterly review and update of Council's Strategic Risk Register
- Prepared a series of Operational Risk Registers
- Revised Council's Risk Control Effectiveness methodology
- Prepared Risk Management Registers for major projects.

Council continues to progress its Enterprise Risk Management Improvement Plan, enabling Officers to effectively identify and accurately rate potential threats and effectively mitigate these risks in pursuit of the Shire's strategy.

Governance Service Performance Indicators

Service/indicator/measure		2020	2021	2022	2023	Material variations and comments
Governance						
G1	Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	3.36%	9.62%	9.27%	6.79%	Nineteen decisions were made at meetings closed to the public. Of these, two related to Council business information that would prejudice the Council's position in commercial negotiations if prematurely released; four were for legal privileged information, being information to which legal privilege or client legal privilege applies; eight were for personal information that if released would result in the unreasonable disclosure of information about any person or their personal affair and five included private commercial information (being information provided by a business, commercial or financial). Of the 19 decisions, 12 decisions were released to the public following the meeting and only seven were retained as confidential items.

Service/indicator/measure		2020	2021	2022	2023	Material variations and comments
G2	Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	55.00	54.00	50.00	50.00	Community satisfaction with Council consultation and engagement, conducted by an independent research company that measures the opinions of local people in the community, is on par with our 2022 result. We hope to address the decline from 2020 by improving how we consult and engage with our community to support their needs.
G3	Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	93.75%	96.65%	93.36%	86.78%	Councillor attendance has decreased slightly due to our move back to face-to-face meetings and a Councillor's leave of absence, from 13 July to 27 November 2022, to contest the 2022 Victorian State Election.
G4	Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	$55,561.73	$42,914.18	$55,205.18	$65,475.91	Overall costs are significantly up from 2021 due to an increase in external consultants and catering expenses due to an increase in physical Council meetings and events. An increase in Councillor workshops, training and development and Councillors claiming car mileage as we emerge from a COVID–19 environment also contributed.

Service/indicator/measure		2020	2021	2022	2023	Material variations and comments
G5	Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	55.00	49.00	46.00	Community satisfaction with Council decisions, conducted by an independent research company that measures the opinions of local people in the community, declined three index points from last year to 46. We hope to address the decline by better communicating our decision-making to the community.

Governance and Management Checklist

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

Governance and Management Items		Assessment
1	**Community engagement policy** (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of Adoption: 23 March 2021
2	**Community engagement guidelines** (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation Date of Adoption: 8 December 2020
3	**Financial Plan** (Strategic Resource Plan) (plan under section 91 of the Act outlining the financial and non–financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date of Adoption: 28 October 2021
4	**Asset Plan** (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years).	Adopted in accordance with section 92 of the Act Date of Adoption: 14 June 2022
5	**Revenue and Rating plan** (strategy setting out the rating structure of Council to levy rates and charges	Adopted in accordance with section 93 of the Act Date of Adoption: 10 March 2022
6	**Annual budget** (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act Date of Adoption: 30 May 2023
7	**Risk policy** (policy outlining Council's commitment and approach to minimising the risks to Council's operations	Current policy in operation Date of adoption: 5 April 2022

Governance and Management Items		Assessment
8	**Fraud and Corruption policy** (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of commencement of current policy: 17 August 2022
9	**Municipal emergency management plan** (plan under section 60ADB of the Emergency Management Act 2013 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 60ADB of the Emergency Management Act 2013 Date of preparation: 19 November 2021 Last amended: 6 December 2021
10	**Procurement policy** (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date of Adoption: 14 December 2021
11	**Business continuity plan** (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of Adoption: 27 March 2023
12	**Disaster recovery plan** (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of Preparation: 17 January 2022
13	**Risk management framework** (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of Adoption: 5 April 2022
14	**Audit and Risk Committee** (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date of establishment: 11 June 1996
15	**Internal audit** (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Current auditor engaged: Pitcher Partners Date commenced: 1 July 2020
16	**Performance reporting framework** (a set of indicators measuring financial and non–financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation Date of operation of current framework: 1 July 2015
17	**Council Plan reporting** (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report on the Council Plan is included in the Quarterly Community Report to Council Date of reports: 31 October 2022 (Q1), (Q2) 21 February 2022, (Q3) 16 May 2023 and 22 August 2023 (Q4)

Governance and Management Items		Assessment
18	**Quarterly budget reports** (quarterly statements to the Council under section 97(1) of the Local Government Act 2020, comparing actual and budgeted results and an explanation of any material variations)	Report on the Council Plan is included in the Quarterly Community Report to Council Date of reports: 31 October 2022 (Q1), (Q2) 21 February 2022, (Q3) 16 May 2023 and 22 August 2023 (Q4)
19	**Risk reporting** (six–monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Date of Risk reports prepared and presented to Audit and Risk Committee: 31 August 2022, 24 Nov 2022, 23 February 2023, 25 May 2023
20	**Performance reporting** (Six–monthly reports of indicators measuring financial and non–financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	Bi–annual reports to the Audit and Risk Committee Date of reports: 1 September 2022 and 23 February 2023
21	**Annual report** (annual report under sections 98, 99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements).	Presented at a meeting of Council in accordance with section 100 of the Act Date statements presented: 31 October 2023
22	**Councillor Code of Conduct** (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Code of conduct reviewed and adopted in accordance with section 139 of the Act Date of review: February 2022 Date of adoption: 4 October 2022
23	**Delegations** (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11 (7) of the Act and a register kept in accordance with sections 11 (8) and 47 (7) of the Act. Dates of review: 16 May 2023 Council to Officers 16 May 2023 S5 Instrument Council to CEO Registration of delegations under sections 11(8) and 47(7) of the LGA 2020 is published on the website.
24	**Meeting procedures** (Governance rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance rules adopted in accordance with section 60 of the Act Date of adoption: 24 August 2021

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

John Baker
Chief Executive Officer
Dated: 19/9/2023

Cr Steve Holland
Mayor
Dated: 20/9/2023

Statutory Information

The following information is provided in accordance with legislative and other requirements applying to Council.

Documents Available for Public Inspection

Council makes information available through a range of options. Publishing this information reflects Council's commitment to transparency and openness. It also meets the commitments outlined in Council's Public Transparency Policy, the Local Government Act 2020 and the Freedom of Information Act 1982.

What information do we make available and where?

Information is available through:

- Council websites, social media and printed publications.
- Documents at our customer service centres (both on display and available by request).
- Release under the Freedom of Information Act 1982.
- Key Council budget briefings open to the public.
- Any other appropriate means as determined by Council, the Chief Executive Officer, or the Manager – Legal and Governance.
- All information is publicly available unless it is confidential, or its release would not be in the public interest.

Publicly available information includes:

- Agendas and minutes of Council meetings
- Adopted plans, policies and strategies
- Financial and non-financial performance reports
- Information on complaint handling processes:
    - Customer Service
    - Environmental nuisance complaints
    - Noise complaints
    - Barking dog complaints
- Community engagement processes
- Statutory registers.

Domestic Animal Management Plan

The Domestic Animal Management Plan 2021-2025 was adopted by Council on 1 November 2021 and will remain in force until December 2025. The following actions were implemented during the 2022-23 period:

- Community Safety Officers/Rangers continued to develop their skills by attending animal handling and investigation training.
- The Dogs in Public Places Policy was adopted by Council in May 2022. This Policy supports a strategic and consistent approach to assess the suitability of leash free and dog prohibited areas and ensures clarity and consistency of dog controls across the municipality. The implementation of the Policy has commenced and will continue throughout 2023-24.
- Patrols of Council owned/managed beaches and reserves to ensure compliance with dog controls continued. During these patrols officers engaged with the community to enhance education and improve compliance.
- A Positive Ageing Free Pet Desexing Initiative has been introduced that provides free desexing of entire pets registered with the Shire to pet owners over the age of 60 years. This initiative will continue throughout 2023-24 until allocated funding is exhausted.
- Premises where declared dogs are kept have been inspected to ensure compliance with regulations.
- All Domestic Animal Businesses have been audited to ensure compliance with legislation.

Contracts

This year, Mornington Peninsula Shire Council engaged 2 contractors where the accumulative value over 12 months was over $300,000 for services and did not comply to section 108 of the Local Government Act 2020.

Supplier	Accumulative value	Rationale
Infodot Pty Ltd	350,000.00	Ongoing works bringing accumulative value above tender threshold
Quadracon Building Pty Ltd	$303,111.78	Ongoing works on single project bringing accumulative value above tender threshold

Food Act Ministerial directions

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any Ministerial Directions received during the financial year in its Annual Report. No such Ministerial Directions were received by Council during the 2022-23 financial year.

Road Management Act Ministerial directions

In accordance with section 22 of the Road Management Act 2004, a council must publish a copy or summary of any Ministerial direction in its annual report. No such Ministerial Directions were received by Council during the 2022-23 financial year.

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the Freedom of Information Act 1982, council is required to publish certain statements in their annual report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the Freedom of Information Act 1982.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the Freedom of Information Act 1982 and in summary as follows:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information regarding FOI can be found at www.foi.vic.gov.au and on the Mornington Peninsula Shire Council website.

Freedom of Information Requests

Requests Received	69
Access granted in full (no exempt material)	8
Access granted in part (some exempt material)	43
Access denied in full (all material exempt)	0
Other:	
Withdrawn	1
Not proceed with	0
Act does not apply	0
Not processed	1
No documents	8
Outside the act	4
Not yet finalised	4

Protected Disclosure Procedures

In accordance with section 69 of the Public Interest Disclosure Act 2012 a council must include in their annual report information about how to access the procedures established by the council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The Public Interest Disclosure Act 2012 aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on council's website.

During the 2022-23 year no disclosures were notified to council officers appointed to receive disclosures, or to the Independent Broad–based Anti–corruption Commission (IBAC).

Development contributions

Total DCP levies received in 2022-23

DCP name (Year approved)	Levies received in 2022-23 financial year $
Creswell Street Crib Point East DCP (2019)	1,448
Total	**1,448**

DCP land, works, services or facilities accepted in–kind in 2022-23

DCP name (Year approved)	Project ID	Project description	Item purpose	Project value $
Creswell Street Crib Point East DCP (2019)				N/A
Total				**N/A**

Total DCP contributions received and expended to date (for DCPs approved after 1 June 2016)

DCP name (Year approved)	Total levies received $	Total levies expended $	Total works–in–kind accepted $	Total DCP contributions received (levies and works–in–kind) $
Creswell Street Crib Point East DCP (2019)	45,018	–	–	45.018
Total	**45,018**	**–**	**–**	**45,018**

Land, works, services or facilities delivered in 2022-23 from DCP levies collected

Project description	Project ID	DCP name (Year approved)	DCP fund expended $	Works–in–kind accepted $	Council's contribution $	Other contributions $	Total project expenditure $	Percentage of item delivered
The Creswell Street Crib Point East Development Contributions Plan requires new development and/ or subdivision to pay a levy towards the cost of upgrading road and drainage infrastructure.		Creswell Street Crib Point East DCP (2019)	–	–	–	–	–	0%
Total			**–**	**–**	**–**	**–**	**–**	

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Mornington Peninsula Shire Council

Opinion	I have audited the accompanying performance statement of Mornington Peninsula Shire Council (the council) which comprises the: • description of municipality for the year ended 30 June 2023 • sustainable capacity indicators for the year ended 30 June 2023 • service performance indicators for the year ended 30 June 2023 • financial performance indicators for the year ended 30 June 2023 • other information and • certification of the performance statement. In my opinion, the performance statement of Mornington Peninsula Shire Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020*.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the performance statement	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation. I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
10 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

Performance
Statement

For the year ended 30 June 2023

Description of Municipality

Mornington Peninsula Shire covers 723 square kilometres of land with a coastline that extends for 192 kilometres (approximately 10 per cent of Victoria's total). The region is one of Victoria's premier holiday and retirement destinations and has magnificent landscapes, coasts and beaches that are of state significance and attract 7 million visitors every year.

Our Community

The Shire has 40 towns and villages spread across the peninsula, with most of the residential population living along the coastline. The Shire has an estimated permanent resident population of 169,600 as well as a non-resident population who spend part of the week, or their holidays, on the peninsula. Many beach holiday houses are based along the Port Phillip coastline, with the population swelling by up to 30 per cent in the summer months.

Our Environment

Approximately 70 per cent of the Shire is retained as rural land within the Green Wedge planning zone, whilst the other 30 per cent is taken up by towns and villages. Within the Green Wedge, there are areas of highly productive farmland as well as highly significant landscapes and ecosystems. The Mornington Peninsula and Western Port have become part of the world-wide network of biosphere reserves recognised by the United Nations. The region has been recognised for its: high biological diversity; many significant, rare native plants and vegetation; wetlands; sites of geomorphological significance; remnant indigenous vegetation; highly scenic landscape values; and sites of historic importance.

Our Economy

The Shire has a strong local economy, with $9.536B in Gross Regional Product. There are over 17,200 businesses from a diverse range of industries including retail, manufacturing, construction, and business services. The region also has a distinguished agricultural history, including beef, viticulture (grapes) and horticulture (fruit, vegetables, and flowers), with the existing food and wine producers being recognised as world class and industry leaders in their respective fields. Tourism is also another sector that plays a significant role in our local economy.

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Sustainable Capacity Indicators

For the year ended 30 June 2023

	Results				
Indicator / measure / formula	2020	2021	2022	2023	Material Variations and Comments
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	$1,391.75	$1,434.22	$1,550.19	$1,643.69	Council always seeks to deliver the highest quality services in the most efficient way and has contained expenditure per head of municipality through its goal for ongoing savings. The increase in 2023 is largely attributed to CPI, indexation of the Shire's contracts and increased landfill capping provision.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	$8,587.23	$8,592.21	$8,972.15	$10,131.82	Investment in Infrastructure is impacted by the delivery of the Capital Works Program ($42 million) and the revaluation of infrastructure assets.
Population density per length of road [Municipal population / Kilometres of local roads]	97.92	98.58	98.52	99.01	The population per density of local road resulted in a slight increase from last year to an increase in the 2022-23 municipal population.
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	$1,273.29	$1,312.65	$1,411.32	$1,485.29	Growth in own source revenue is in line with budget expectations and driven by the rate cap and supplementaries during the year.

Indicator / measure / formula	Results 2020	2021	2022	2023	Material Variations and Comments
Recurrent Grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	$128.42	$136.86	$127.39	$125.20	There is no material change in recurrent grants received in 2022-23 compared to prior year and a slight population increase resulting in a reduction of this indicator.
Disadvantage					
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	8.00	8.00	8.00	8.00	Mornington Peninsula's Relative Socio-Economic Disadvantage Index from the 2021 Census was in the eighth decile. The first decile indicates the most disadvantaged and the tenth decile indicates the least disadvantaged.
Workforce Turnover					
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.6%	9.5%	32.5%	16.5%	69% of terminations for the 2023-24 financial year were related to resignations. This measure was impacted by the 2022 worldwide trend in increased turnover following the COVID–19 pandemic. This is reflected by 70% of these resignations occurring in the first half of the financial year, with voluntary turnover rates reducing from 10.4% in the first half of 2022-23 to 4.4% in the second half of 2022-23. Retirement rates continue to be steady at approximately 19% of total terminations.

Definitions

adjusted underlying revenue means total income other than:

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to above

infrastructure means non-current property, plant and equipment excluding land

local road means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

population means the resident population estimated by council

own-source revenue means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

relative socio-economic disadvantage, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

SEIFA means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

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

Service Performance Indicators

For the year ended 30 June 2023

Service / indicator / measure	Results 2020	2021	2022	2023	Material Variations and Comments
Aquatic facilities					
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	1.00	0.66	3.50	5.72	The increase in the utilisation of our aquatic centres from 2021 is attributed to strong attendance numbers, an additional aquatic facility and four full trading quarters without any COVID closures, capacity restrictions, or significant facility maintenance/repair closures.
Animal Management					
Health and safety Animal management prosecutions [Number of successful animal management prosecutions/ Number of animal Management prosecutions] x100	99%	100%	100%	100%	Council is committed to protecting the safety of the community and the health and safety of animals on the Peninsula by instituting prosecution only where appropriate and necessary. Council prosecuted 43 Animal Management matters over the year.
Food Safety					
Health and safety Critical and major non-compliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	96.40%	92.37%	92.86%	92.25%	To ensure the safety of our community we continue to focus on food safety compliance programs across the Peninsula. Our critical and major notifications followed up result is largely consistent with the previous years, but slightly down from 2020.
Governance					
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54	55	49	46	Community satisfaction with Council decisions, conducted by an independent research company that measures the opinions of local people in the community, declined three index points from last year to 46. We hope to address the decline by better communicating our decision-making to the community.

Service / indicator / measure	Results 2020	2021	2022	2023	Material Variations and Comments
Libraries					
Participation Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	15.60%	16.70%	15.07%	15.18%	Whilst the activeness of our library borrowers increased slightly from 2022, the sum of our active library borrowers is still down 8% from 2021. This may be due in part to customer uncertainty in returning to public spaces because of concerns around COVID–19, which is of particular concern to our older-aged members.
Maternal Child Health					
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	74.85%	74.30%	72.58%	73.78%	Participation in the Maternal Child Health (MCH) service has remained consistent since 2020, with slightly higher results this year than in 2022. This is due to the reintroduction of the Preschool/ Early learning centre program following COVID, where MCH nurses conduct Key Age and Stage consultations for children unable to attend an MCH centre. 139 Aboriginal children attended the MCH service at least once in the year.
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	87.16%	84.25%	82.32%	90.00%	This year's result saw a significant rise in participation from 2022. The rise is due to offering outreach services to childcare centres for Aboriginal families who cannot/do not want to attend a Maternal Child Health Centre, actively contacting clients who are overdue for a Key Age and Stage appointment and creating a welcoming and safe environment.
Roads					
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	51	58	49	38	Community satisfaction with sealed local roads, conducted by an independent research company that measures the opinions of local people in the community, declined eleven index points from last year to thirty-eight. The decrease in our community's satisfaction could be attributed to the highest recorded spring rainfall in the last five years, which resulted in an increase in sealed local road requests as rainfall adversely affects road pavement.

Service / indicator / measure	Results 2020	2021	2022	2023	Material Variations and Comments
Statutory Planning					
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application/ Number of VCAT decisions in relation to planning applications] x100	39.13%	51.28%	68.85%	72.92%	The increase in VCAT decisions upheld in comparison to 2021 is due in part to the emphasis on refined and informed decision-making across the planning unit, resulting in more easily defended decisions at VCAT. 48 VCAT decisions in relation to planning applications were made in the year.
Waste Management					
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	55.31%	54.73%	57.21%	58.19%	The increase from last year is due to the increase in the number of residents opting into our Food Organics and Garden Organics service, which resulted in an increase in kerbside green/food waste and a reduction in household waste collected.

Definitions

Aboriginal child means a child who is an Aboriginal person

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

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

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

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

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

critical non-compliance outcome notification means a notification received by council under section 19N(3) or (4) of the Food Act 1984 , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

food premises has the same meaning as in the Food Act 1984

local road means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

major non-compliance outcome notification means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

MCH means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

population means the resident population estimated by council

Financial Performance Indicators

For the year ended 30 June 2023

	Results				Forecasts				
Dimension/indicator/measure	2020	2021	2022	2023	2024	2025	2026	2027	Material Variations and Comments
Efficiency									
Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	$2,290.41	$2,351.31	$2,521.89	$2,645.18	$2,691.52	$2,743.31	$2,845.35	$2,941.61	Council always seeks to deliver the highest quality services in the most efficient way and has contained expenditure per property assessment through its goal for ongoing savings. The increase in 2023 is largely attributed to CPI, indexation of the Shire's contracts and increased landfill capping provision.
Revenue level Average rate per property assessment [Total rate revenue (general rates and municipal charges) / Number of property assessments]	$1,452.06	$1,483.22	$1,510.44	$1,526.53	$1,586.61	$1,643.59	$1,696.07	$1,746.83	Council's rates, our primary source of income that delivers essential services to our community, is limited by the rate cap, under the Fair Go Rates System, which was set at 1.75% for 2022-23. Increasing waste costs have also seen waste service charge increase 9% and supplementary income is 0.4% of the total rates revenue in 2023, which is growth of our rates income in 2023.
Liquidity									
Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	229.34%	216.33%	193.01%	232.72%	135.37%	181.21%	167.84%	147.86%	Increase in current assets due to higher cash and term deposit balances due to delayed expenditure for capital works and high interest rates, have increased our working capital.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	119.58%	71.84%	70.52%	-40.60%	106.23%	124.46%	121.39%	102.69%	The negative result has arisen as Council has allocated cash to term deposits in order to maximise the return on Council funds. The term deposits are reported as Other financial assets and total $100.5M at 30 June 2023. If the term deposits were considered as Cash and Cash equivalents, then the Unrestricted cash ratio would have been +49.06%.
Obligations									
Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	19.37%	23.15%	20.08%	17.33%	16.40%	14.80%	13.41%	12.09%	No new loans drawn during the year and $4M principal loan re-payments as the rates revenue increase resulted this ratio to reduce.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.51%	3.06%	2.85%	2.43%	1.80%	1.38%	1.23%	1.20%	Increase in rate revenue and paying-out of loans that expired resulted in the reduction in this ratio.
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	19.66%	25.51%	21.30%	20.06%	18.46%	17.37%	16.26%	15.11%	Own source revenue has increased by 5.1% due to rate revenue, increasing, higher usage of waste collection and disposal services and prepayment of the 2023-24 financial assistance grant. Non-current liabilities have remained stable, overall improving indebtedness ratio in 2023.

	Results				Forecasts				
Dimension/indicator/measure	2020	2021	2022	2023	2024	2025	2026	2027	Material Variations and Comments
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	102.42%	70.06%	80.58%	64.91%	111.96%	85.02%	92.97%	101.45%	Asset renewal and upgrade are driven by the condition assessment of assets and varies year on year.
Operating position									
Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	2.27%	3.05%	0.27%	–0.78%	–1.92%	–0.89%	–1.54%	–2.01%	The decrease from last year is mainly due to higher expenditure driven by CPI, indexation of the Shire's contracts, increased provisions and asset write-offs, all of which reduced our operating surplus.
Stability									
Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	76.76%	77.08%	75.86%	74.88%	79.92%	80.40%	80.50%	80.56%	Although we have grown other revenue (own-source revenue) Council revenue is still largely dependent on rate revenue to fund services and capital works.
Rates compared to property values Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.20%	0.19%	0.19%	0.15%	0.17%	0.17%	0.18%	0.18%	Property values continue to increase on the Mornington Peninsula and outgrows the rate cap.

Definitions

adjusted underlying revenue means total income other than:

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to above

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

asset renewal expenditure means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

current assets has the same meaning as in the AAS

current liabilities has the same meaning as in the AAS

non-current assets means all assets other than current assets

non-current liabilities means all liabilities other than current liabilities

non-recurrent grant means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

own-source revenue means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

population means the resident population estimated by council

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

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

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

Other Information

For the year ended 30 June 2023

Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its financial plan on 28 October 2021 and which forms part of the council plan. The financial plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General-Purpose Financial Statements. The financial plan can be obtained by contacting council.

Certification of the Performance Statement

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

Bulent Oz, CPA
Chief Financial Officer
Date: 3 October 2023

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

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

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

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

Cr Steven Holland
Mayor
Date: 3 October 2023

Cr Debra Mar
Deputy Mayor
Date: 3 October 2023

John Baker
Chief Executive Officer
Date: 3 October 2023

Financial

Statements

Chief Financial Officer
Message

Mornington Peninsula Shire's financial position remains strong, underpinned by robust cash flows, substantial reserves and a solid balance sheet. For the current year, the Council reported a financial performance of $18.7 million, marking an increase of $6.2 million from the previous fiscal year.

However, the Council posted an adjusted underlying deficit of $2.1 million for the 2022-23 financial year, which is a decrease of $2.8 million compared to the previous year. This deficit is largely due to rising service costs that exceeded council's revenue, which is primarily derived from rates. It underscores the importance for councils to secure sufficient funds, without relying on capital receipts, to ensure service standards meet community expectations.

As detailed in the Comprehensive Income Statement, total income for the year increased by 8% to $297.4 million. User fees increased by 12% on the prior year levels, with waste collection and waste disposal services providing a substantial increase, as well as the golf course income exceeding expectations after being unburdened by Covid impacts. A significant decline in new applications and revenue from infringements were the main contributors to the 30% decline in statutory fees and fines.

Over the past year, material and services costs saw a 9% upswing, primarily due to the indexation applied to the Council's contracts for waste management and general maintenance – this encompasses roads, drainage, and cleansing.

On the personnel front, employee costs reduced by 7%. While the Council grappled with vacancies and extended recruitment periods, this decline was somewhat counterbalanced by rises in superannuation, work cover and wage inflation. It's noteworthy to mention that the previous fiscal year had accounted for redundancy costs associated with the termination of Aged Care Services.

Additionally, depreciation and amortisation costs swelled by $6 million, reflecting the addition of new assets and an increase in asset values post–revaluation. Overall, total expenses saw a 6% rise compared to the preceding year.

The table below provides a brief snapshot of the 2022-23 Financial Year:

Financial Results	2022-23 (Actual) ($'000)	2021-22 (Actual) ($'000)
Comprehensive Income Statement Surplus	18,670	11,482
Underlying Result	(2,145)	705
Capital Works	42,114	45,155
Cash and Cash Equivalents	35,462	57,788
Loans	35,885	39,983
Net Assets	3,443,477	3,225,379
Liquidity Ratio	233%	193%

Net assets experienced a surge of $218 million, reaching a total of $3.4 billion. This increase can be largely attributed to a boost in asset valuation, amounting to $198.5 million, predominantly associated with infrastructure elements like roads and drainage (for details, see Note 6.2, Annual Financial Statement). Throughout the year, a substantial $42.1 million was allocated to capital works. Cash assets declined, settling at $35.4 million, predominantly influenced by the transfer of funds to term deposits, which subsequently rose to a total of $100.6 million.

A significant development was the reduction in our total liabilities, which decreased by $10.6 million to finish at $120.6 million by year-end. This decrease signifies that our total liabilities are now only 3% of the overall assets. Additionally, our borrowings decreased by $4.1 million, ending at $35.9 million.

The liquidity ratio of the Shire, an indicator of its fiscal resilience, climbed to an impressive 233%. This increase was fuelled by the deferred capital works valued at $57 million and the procurement of capital grants. These grants are documented in the balance sheet as prospective expenditure–associated unearned income, in alignment with AASB 1058 standards.

From a financial standpoint, the Council stands on solid ground, well-equipped to navigate future challenges and maintain its financial equilibrium in line with its long-term strategic financial roadmap and beyond.

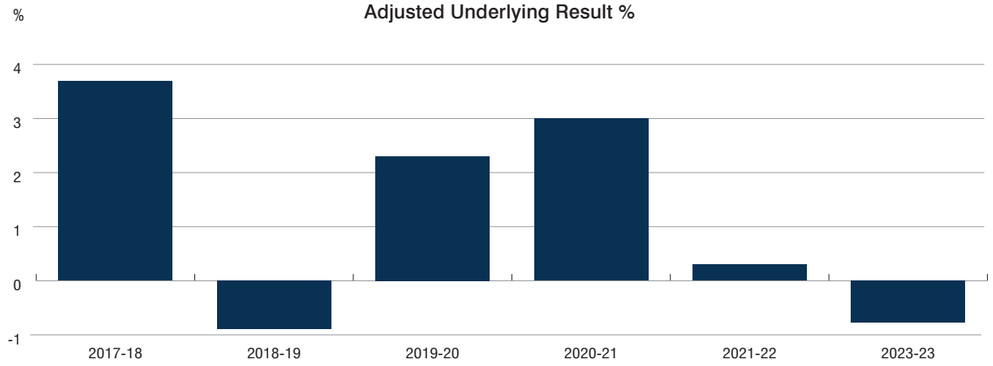
Financial
Summary

Council's financial position continues to remain sound with strong cash flows, reserves and a solid balance sheet. A summary of our performance is outlined below. Detailed information relating to council's financial performance is included within the financial statements and performance statement sections of this report.

Operating position

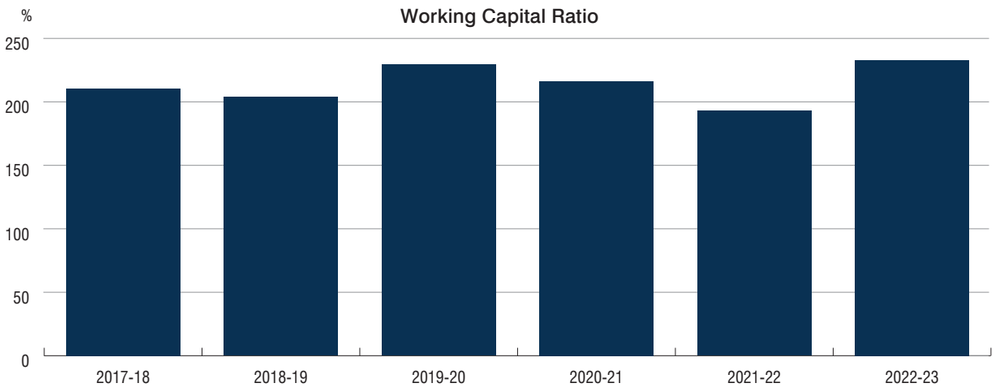
Council achieved a surplus of $18.7 million in 2022-23. This surplus is an increase to the prior year surplus of $11.5 million. The adjusted underlying result of council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a $2.1 million deficit. This compares unfavourably to the prior year surplus of $0.7 million and can be attributed to the rise in the cost of services, which surpassed the council's revenue—primarily reliant on rate income.

It's crucial for councils to generate adequate funds, excluding capital receipts, to maintain service levels in line with community demands and provides the capacity to renew the $3.4 billion of community assets under council's control.



Liquidity

Net movement in cash and cash equivalents and other financial assets has increased $7.7 million compared to prior year. A shift from cash to term deposits over 90 days has resulted in an additional $30 million in term deposit compared to the prior year. The working capital ratio (which assesses council's ability to meet current commitments), is calculated by measuring council's current assets as a percentage of current liabilities. Council's result of 233% is an indicator of a very strong financial position and within the target range of 100% to 400%.

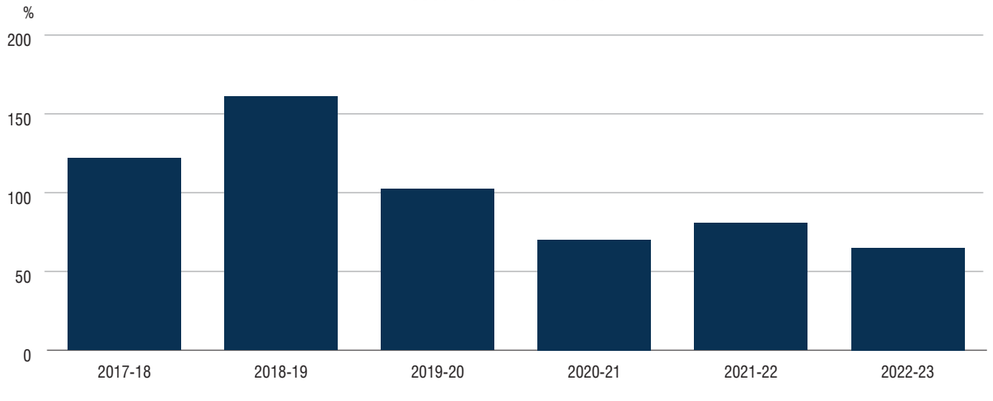


Obligations

Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community.

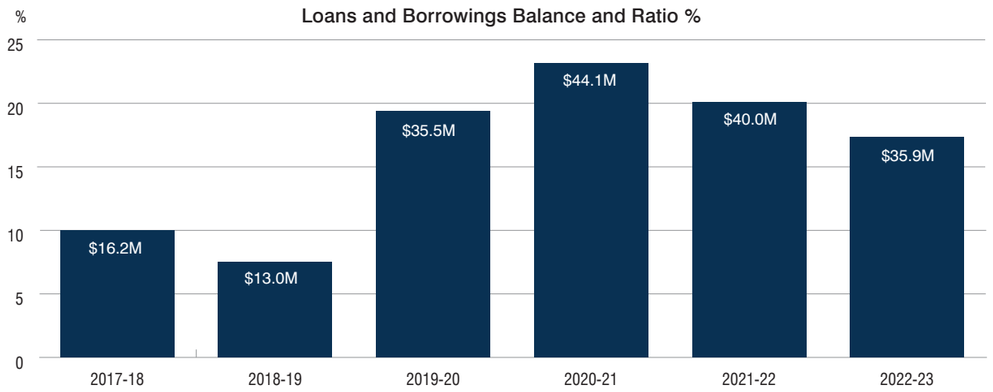
Council's asset renewal ratio which is measured by comparing asset renewal and upgrade expenditure to depreciation was 64.9%, which was within the target range of 40%–130%.

Asset Renewal Ratio %



At the end of the 2022-23 year council's debt ratio (which is measured by comparing interest bearing loans and borrowings to rate revenue) was 17.3% which was within the target range of 0%–70%.

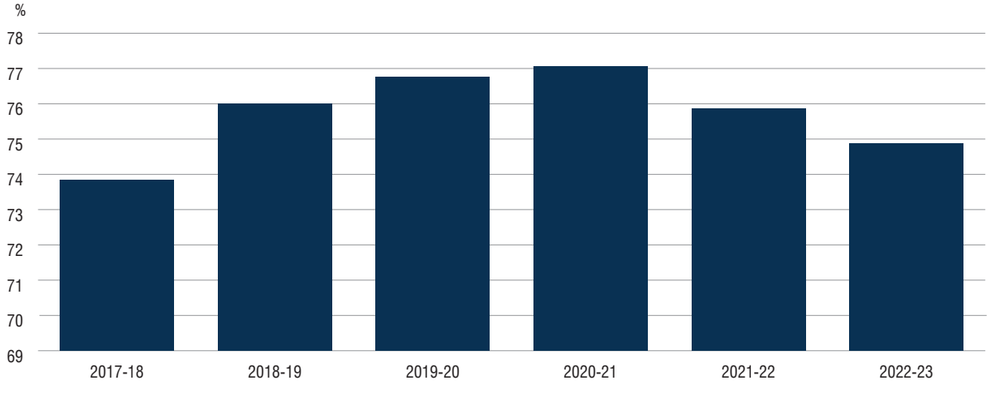
Loans and Borrowings Balance and Ratio %



Stability and efficiency

Council raises revenue from a range of sources including rates, user fees, fines, grants and contributions. Despite this, council's rates concentration (which compares rate revenue to adjusted underlying revenue) was 74.9% for the 2022-23 year, which is toward the top end of the target range of 30%–80% and a slight decrease of 1.0% from the prior year. Although we have grown other revenue (own-source revenue) Council revenue is still largely dependent on rate revenue to fund services and capital works.

Rates Concentration Ratio %



Annual
Report

Mornington Peninsula Shire – Annual Financial Report

For the Year Ended 30 June 2023

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Certification of the Financial Statements

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

Bulent Oz, CPA
Principal Accounting Officer
Date: 3 October 2023
Rosebud Council Chambers

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

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

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

Cr Steven Holland
Mayor
Date: 3 October 2023
Rosebud Council Chambers

Cr Debra Mar
Deputy Mayor
Date: 3 October 2023
Rosebud Council Chambers

John Baker
Chief Executive Officer
Date: 3 October 2023
Rosebud Council Chambers

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Mornington Peninsula Shire Council

Opinion

I have audited the financial report of Mornington Peninsula Shire Council (the council) which comprises the:

- balance sheet as at 30 June 2023
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the financial report

The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
10 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the Year Ended 30 June 2023

	Note	2023 $'000	2022 $'000
Income/Revenue			
Rates and charges	3.1	207,126	199,127
Statutory fees and fines	3.2	7,251	10,258
User fees	3.3	22,390	19,820
Grants – operating	3.4	22,684	22,546
Grants – capital	3.4	14,348	7,641
Contributions – monetary	3.5	951	1,008
Contributions – non monetary	3.5	7,552	3,738
Fair value adjustments	6.4	5,397	4,093
Other income	3.7	9,741	5,023
Total income/revenue		**297,440**	**273,254**
Expenses			
Employee costs	4.1	79,462	85,430
Materials and services	4.2	136,437	124,600
Depreciation	4.3	44,004	36,879
Amortisation – intangible assets	4.4	1,583	2,122
Amortisation – right of use assets	4.5	493	836
Borrowing costs	4.6	1,021	1,051
Bad and doubtful debts		19	–
Finance costs – leases	4.7	14	30
Fair value adjustments		–	1,172
Net loss on disposal of property, infrastructure, plant and equipment	3.6	7,889	3,342
Other expenses	4.8	7,848	6,310
Total expenses		**278,770**	**261,772**
Surplus for the year		**18,670**	**11,482**
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1	199,428	420,895
Adjustment to Marine Asset Revaluation Reserve		–	1,150
Total other comprehensive income		**199,428**	**422,045**
Total comprehensive result		**218,098**	**433,527**

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

Balance Sheet

For the Year Ended 30 June 2023

	Note	2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents	5.1	35,462	57,788
Trade and other receivables	5.1	20,233	21,538
Other financial assets	5.1	100,589	70,585
Inventories	5.2	218	192
Prepayments		3,212	1,572
Non-current assets classified as held for sale	6.1	1,258	2,273
Other assets	5.2	2,092	1,304
Total current assets		**163,064**	**155,252**
Non-current assets			
Trade and other receivables	5.1	21	51
Other financial assets	5.1	46	45
Property, infrastructure, plant and equipment	6.2	3,387,722	3,187,722
Right-of-use assets	5.8	1,052	658
Investment property	6.3	10,280	10,267
Intangible assets	5.2	1,888	2,576
Total non-current assets		**3,401,009**	**3,201,319**
Total assets		**3,564,073**	**3,356,571**
Liabilities			
Current liabilities			
Trade and other payables	5.3	14,293	21,087
Trust funds and deposits	5.3	7,138	6,871
Unearned income/revenue	5.3	29,428	28,888
Provisions	5.5	14,914	18,414
Interest-bearing liabilities	5.4	3,326	4,401
Lease liabilities	5.8	970	777
Total current liabilities		**70,068**	**80,438**
Non-current liabilities			
Trust funds and deposits	5.3	1,407	1,647
Provisions	5.5	16,024	12,986
Interest-bearing liabilities	5.4	32,559	35,582
Lease liabilities	5.8	539	539
Total non-current liabilities		**50,529**	**50,754**
Total liabilities		**120,597**	**131,192**
Net assets		**3,443,477**	**3,225,379**
Equity			
Accumulated surplus		1,094,941	1,076,287
Reserves	9.1	2,348,536	2,149,092
Total Equity		**3,443,477**	**3,225,379**

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

Statement of Changes in Equity

For the Year Ended 30 June 2023

2023	Note	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		3,225,379	1,076,287	2,148,026	1,067
Surplus for the year		18,670	18,670	–	–
Net asset revaluation increment	9.1	199,428	–	199,428	–
Transfers to other reserves	9.1	16	–	–	16
Transfers from other reserves	9.1	(16)	(16)	–	–
		3,443,477	1,094,941	2,347,454	1,083
Balance at end of the financial year		**3,443,477**	**1,094,941**	**2,347,454**	**1,083**

2022	Note	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		2,791,851	1,064,805	1,725,980	1,067
Surplus for the year		11,482	11,482	–	–
Net asset revaluation increment	6.2	420,895	–	420,895	–
Adjustment Marine Revaluation Reserve	6.4	1,151	–	1,151	–
Transfers to other reserves	9.1	22	–	–	22
Transfers from other reserves	9.1	(22)	–	–	(22)
		3,225,379	1,076,287	2,148,026	1,067
Balance at end of the financial year		**3,225,379**	**1,076,287**	**2,148,026**	**1,067**

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

Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 Inflows/ (Outflows) $'000	2022 Inflows/ (Outflows) $'000
Cash flows from operating activities			
Rates and charges		204,932	195,866
Statutory fees and fines		6,697	9,661
User fees		22,940	19,911
Grants – operating		5,638	28,941
Grants – capital		14,348	7,641
Contributions – monetary		6,365	4,490
Interest received		4,957	904
Dividends received		2	3
Trust funds and deposits taken		68	1,568
Other receipts		4,228	3,768
Net GST refund/(payment)		(385)	(47)
Employee costs		(86,191)	(83,472)
Materials and services		(121,375)	(120,064)
Short-term, low value and variable lease payments		(2,352)	(947)
Other payments		(7,369)	(6,103)
Net cash provided by operating activities		**52,503**	**62,120**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(42,226)	(45,148)
Proceeds from sale of property, infrastructure, plant and equipment		2,679	616
Payments for financial assets		(240,004)	(102,109)
Redemption of financial assets		210,000	32,109
Net cash used in investing activities		**(69,551)**	**(114,532)**
Cash flows from financing activities			
Finance costs		(994)	(1,191)
Repayment of borrowings		(4,042)	(4,488)
Interest paid - lease liability		(14)	(30)
Repayment of lease liabilities		(228)	(412)
Net cash used in financing activities		**(5,278)**	**(6,121)**
Net decrease in cash and cash equivalents		(22,326)	(58,533)
Cash and cash equivalents at the beginning of the financial year		57,788	116,321
Cash and cash equivalents at the end of the financial year	5.1	**35,462**	**57,788**
Financing arrangements	5.6		

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

Statement of Capital Works

For the Year Ended 30 June 2023

	2023	2022
	$'000	$'000
Property		
Land	122	290
Buildings	16,008	14,882
Total property	**16,130**	**15,172**
Plant and equipment		
Plant, machinery and equipment	561	242
Fixtures, fittings and furniture	80	130
Computers and telecommunications	(355)	174
Artworks	65	(1)
Library books	1,057	917
Total plant and equipment	**1,408**	**1,462**
Infrastructure		
Roads	8,726	11,507
Bridges	28	139
Footpaths and cycleways	3,036	3,601
Drainage	2,890	2,519
Recreational, leisure and community facilities	4,190	6,275
Parks, open space and streetscapes	3,979	3,582
Marine structures	1,727	898
Total infrastructure	**24,576**	**28,521**
Total capital works expenditure	**42,114**	**45,155**
Represented by:		
New asset expenditure	10,558	14,556
Asset renewal expenditure	21,525	23,930
Asset expansion expenditure	2,991	883
Asset upgrade expenditure	7,040	5,786
Total capital works expenditure	**42,114**	**45,155**

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

Notes to the Financial Report

For the Year Ended 30 June 2023

Note 1 OVERVIEW

Introduction

The Mornington Peninsula Shire was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at 90 Besgrove Street, Rosebud.

Statement of compliance

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

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

Significant accounting policies

1.1 Basis of accounting

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

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements

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

Goods and Services Tax (GST)

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

Note 2 ANALYSIS OF OUR RESULTS

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of $1 million or where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income/Revenue and expenditure

	Budget 2023 $'000	Actual 2023 $'000	Variance $'000	Variance %	Ref
Income/Revenue					
Rates and charges	206,482	207,126	**644**	**0%**	
Statutory fees and fines	10,590	7,251	**(3,339)**	**(32%)**	**1**
User fees	20,098	22,390	**2,292**	**11%**	**2**
Grants – operating	15,174	22,684	**7,510**	**49%**	**3**
Grants – capital	13,080	14,348	**1,268**	**10%**	**4**
Contributions – monetary	591	951	**360**	**61%**	
Contributions – non monetary	3,000	7,552	**4,552**	**152%**	**5**
Fair value adjustments	–	5,397	**5,397**	**0%**	**6**
Other income	3,779	9,741	**5,962**	**158%**	**7**
Total income/revenue	**272,794**	**297,440**	**24,646**	**9%**	
Expenses					
Employee costs	79,711	79,462	**249**	**0%**	
Materials and services	131,940	136,437	**(4,497)**	**(3%)**	**8**
Depreciation	35,656	44,004	**(8,348)**	**(23%)**	**9**
Amortisation - intangible assets	149	1,583	**(1,434)**	**(962%)**	**10**
Amortisation - right of use assets	827	493	**334**	**40%**	
Borrowing costs	1,021	1,021	**-**	**-**	
Bad and doubtful debts	-	19	**(19)**	**100%**	
Finance costs - leases	54	14	**40**	**74%**	
Net Loss on disposal of property, infrastructure, plant and equipment	-	7,889	**(7,889)**	**0%**	**11**
Other expenses	6,617	7,848	**(1,231)**	**(19%)**	**12**
Total expenses	**255,975**	**278,770**	**(22,795)**	**(9%)**	
Surplus/(deficit) for the year	**16,819**	**18,670**	**1,851**	**11%**	

(i) Explanation of material variations

Variance Ref	Item	Variance Fav / Unfav	Explanation
1	Statutory Fees and Fines	Unfav	A significant decline in new applications, compared to previous financial year, caused a (22%) reduction in income of $1.4 million. Revenue from infringements was $0.9 million lower than budget due to an increase in bad debt provision for infringements. Moreover, statutory building applications dropped by (12%) from the prior year and $0.9 million compared to budget.
2	User Fees	Fav	Waste Collection and Waste Disposal services witnessed a substantial 19% increase compared to the previous year, generating $1.5 million more income than budgeted which can be attributed to increased economic activity. The golf course income, unburdened by Covid impacts, exceeded expectations by $0.2 million, achieving a remarkable 22% growth compared to the prior year's actuals.
3	Grants – Operating	Fav	Financial assistance grant payments relating to the 2023-24 financial year were fully disbursed during 2022-23, a significant increase from the 75% disbursed in the previous year. This higher payout resulted in an increase of $2.6 million (39%) above the budgeted amount.
4	Grants – Capital	Fav	Due to delivery of capitals works delayed in the prior year, the grant income received was not able to be recognised in accordance with AASB1058 until works were completed this financial year, in particular Hastings Boat ramp and pontoon upgrade.
5	Contributions – Non Monetary	Fav	Estimating non-monetary contributions may vary significantly from year to year and driven by the development activities for the year. Contributions for Roads experienced a remarkable surge, increasing from $0.8 million to $4.6 million, representing over five times growth.
6	Fair Value Adjustments	Fav	During the year, Council has continued the process of capturing all assets with geospatial techniques in the asset register and further identified and recognised found assets of $5.4 million.
7	Other Income	Fav	Favourable increase in other income has been primarily driven by the higher than expected interest rates throughout the year due to budget being set with rates below 1% but averaging between 3% and 5% throughout the year. Available funds to invest were also higher than budgeted due to capital works carry forwards.

Variance Ref	Item	Variance Fav / Unfav	Explanation
8	Material and Services	Unfav	Materials and Services costs are unfavourable with the main variances including: – Increase in the landfill capping provision $3.1 million above budget due to increased CPI and discount factors applied for future rehabilitation after closure. – Implementation on new corporate technology for $1.3 million which was carry forward funds from the prior years and not in FY23 budget.
9	Depreciation	Unfav	The revaluations for infrastructure in the current year and Land and Buildings in the prior year have had a significant impact on the asset values driving the depreciation expense to be higher than budget.
10	Amortisation – Intangible Assets	Unfav	Landfill airspace amortisation $1.4 million unbudgeted.
11	Net loss on disposal of property, infrastructure, plant and equipment	Unfav	As part of asset renewal, old assets are disposed and are later replaced when the assets are ready for use. This includes loss on disposal of $8.1 million for infrastructure and $0.2 million for buildings. Through the sale of $2.3 million for land a gain of $0.4m was realised.
12	Other Expenses	Unfav	Unspent budget for grants/subsidies from the prior year was carried forward to this financial year which resulted in actuals to be higher than the budget. They are Performing Arts grant fund of ($0.5) million and ($0.3) million CFA subsidy. Volunteer service adjustment in line with accounting standard for recording the cost of volunteer services ($0.3) million is unbudgeted and equal to the same adjustment in other revenue.

2.1.2 Capital works

	Budget 2023 $'000	Actual 2023 $'000	Variance $'000	Variance %	Ref
Property					
Land	1,694	122	**1,572**	**93%**	1
Buildings	18,004	16,008	**1,996**	**11%**	2
Total property	**19,698**	**16,130**	**3,568**	**18%**	
Plant and equipment					
Plant, machinery and equipment	1,053	561	**492**	**47%**	
Fixtures, fittings and furniture	50	80	**(30)**	**(60%)**	
Computers and telecommunications	–	(355)	**355**	**0%**	
Artworks	25	65	**(40)**	**(160%)**	
Library books	915	1,057	**(142)**	**(16%)**	
Total plant and equipment	**2,043**	**1,408**	**635**	**31%**	
Infrastructure					
Roads	8,040	8,726	**(686)**	**(9%)**	
Bridges	50	28	**22**	**44%**	
Footpaths and cycleways	6,195	3,036	**3,159**	**51%**	3
Drainage	4,605	2,890	**1,715**	**37%**	4
Recreational, leisure and community facilities	3,619	4,190	**(571)**	**(16%)**	
Parks, open space and streetscapes	2,965	3,979	**(1,014)**	**(34%)**	5
Marine structures	385	1,727	**(1,342)**	**(349%)**	6
Total infrastructure	**25,859**	**24,576**	**1,283**	**5%**	
Total capital works expenditure	**47,600**	**42,114**	**5,486**	**12%**	
Represented by:					
New asset expenditure	10,710	10,558	**152**	**1%**	
Asset renewal expenditure	24,272	21,525	**2,747**	**11%**	
Asset expansion expenditure	3,536	2,991	**545**	**15%**	
Asset Upgrade Expenditure	9,081	7,040	**2,041**	**22%**	
Total capital works expenditure	**47,599**	**42,113**	**5,486**	**12%**	

(i) Explanation of material variations

Variance Ref	Item	Variance Fav / Unfav	Explanation
	Variances less than $1 million		Typically capital works with overspend budget relates to spend against prior year carry forwards ($54.8 million) and 2022-23 budget. In contrast, underspend against budget will reflect in a carry forward (approx. $57.3 million) for the next financial year.
1	Land	Fav	Land budget has been underspent this financial year with the funding relating to Landfill Capping Rehabilitation Works in Mt Eliza being carried forward to 2023-24 for $1.8 million. It is expected this project will be tendered later this financial year and be completed in the fourth quarter of 2023-24.
2	Buildings	Fav	Buildings expenditure is below budget due to a number of large multi-year projects continuing into 2023-24. These include Southern Peninsula Youth Hub ($3 million) and Community Animal Shelter ($1.3 million). In addition there was expenditure on projects that had been carried forward from 2021-22 and spent this year including Flinders Civic Hall Redevelopment which had a carry forward of $1.3 million along with $3.5 million in the current year budget and $3 million expended in 2022-23.
3	Footpaths and cycleways	Fav	The Trails Program is a significant allocation of this budget which is a multi-year project and has additional funding in 2023-24. $3.3 million of the funding for this project is being carried forward into 2023-24, resulting in the underspend for 2022-23.
4	Drainage	Fav	Drainage projects are lower in expenditure due to projects scheduled to be completed in the current financial year being carried forward into 2023-24. In particular the Briars Recycled Water project which is carrying forward $2 million and due for completion in the fourth quarter of 2023-24.
5	Parks, open space and streetscapes	Unfav	The overspend for Parks is due to the Capital works funding in 2021-22 for Civic Reserve Mornington Athletics/Soccer pavilion of which $3.3 million was spent in the current financial year.
6	Marine structures	Unfav	The overspend for Marine structures is due to the Capital works funding in 2021-22 for Hastings Boat Ramp of which $1.2 million was spent in the current financial year and has been completed.

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Program Descriptions

Office of the CEO

The Chief Executive Office sits over the following three Directorates in an executive function.

Legal and Governance and the Chief Financial Officer including Property and Commercial Services sit within the Office of the CEO, with a focus on supporting the strategic communications, transparency, financial reporting requirements and legal and ethical decision making of Council.

The Executive Team comprises of the Chief Executive Officer, three Directors, Chief Financial Officer and other nominated staff as required, which provides decision–making, leadership and collaboration.

Corporate Strategy and Business Improvement

The CS&BI directorate encompasses the core strategic enabling functions of Council, including:

– People and Culture
– Programs and Project Management
– Information Technology
– Advocacy, Communication and Engagement
– Customer and Transformation

These units enable the timely and effective production of strategic policies, delivery of quality service and effective information management and resource allocation, and support the adherence to regulation and legislative requirements.

Community Strengthening Directorate

The Directorate consists of the following:

– Community Activation
– Community Facilities and Precincts
– Community Partnerships
– Community Safety and Compliance
– Community Services.

Enhancing the community's liveability is at the heart of this directorate; it strives to build capacity and improve wellbeing through an in depth understanding of the community's changing needs and a breadth of services.

Planning and Infrastructure

The Directorate provides a range of services, including a regulatory, maintenance, sustainability, strategic and infrastructure planning service.

– Development Services
– Strategic and Infrastructure Planning
– Infrastructure Services
– Climate Change and Sustainability
– Infrastructure Projects

The Directorate works strategically across the organisation and with business and community to deliver sustainable outcomes in the planning, development and management of the Shire's infrastructure services and the built and natural environments.

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

2023	Income/ Revenue $'000	Expenses $'000	Surplus/(Deficit) $'000	Grants included in income/revenue $'000	Total assets $'000
Office of the CEO	228,807	16,418	212,389	9,281	159,919
Community Strengthening	19,829	50,220	(30,391)	11,104	7,316
Corporate Strategy and Business Improvement	90	21,254	(21,164)	90	1,683,062
Planning and Infrastructure	48,714	190,878	(142,164)	16,557	1,713,776
	297,440	**278,770**	**18,670**	**37,032**	**3,564,073**

2022	Income/ Revenue $'000	Expenses $'000	Surplus/(Deficit) $'000	Grants included in income/revenue $'000	Total assets $'000
Office of the CEO	202,939	23,059	179,880	8,083	154,109
Community Strengthening	23,784	61,515	(37,731)	13,056	7,744
Corporate Strategy and Business Improvement	7,100	14,877	(7,777)	11	1,681,821
Planning and Infrastructure	39,432	162,322	(122,890)	9,038	1,512,896
	273,255	**261,772**	**11,482**	**30,187**	**3,356,570**

	2023 $'000	2022 $'000

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2022-23 was $136.964 billion (2021-22 $101.974 billion).

	2023 $'000	2022 $'000
General rates	159,997	155,468
Waste service charge	38,040	34,901
Service rates and charges (opt-in green waste)	7,201	6,438
Supplementary rates and rate adjustments	881	1,316
Culture and recreational	167	165
Revenue in lieu of rates	840	840
Total rates and charges	**207,126**	**199,127**

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

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

	2023 $'000	2022 $'000
Infringements and costs	1,213	2,958
Town planning fees	2,994	3,854
Land information certificates	233	272
Permits	2,372	2,684
Other fees and charges	439	490
Total statutory fees and fines	**7,251**	**10,258**

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

		2023	2022
		$'000	$'000
3.3	**User fees**		
	Aged and health services	764	1,404
	Animal shelter fees	31	39
	Art gallery fees	33	89
	Building services	1,110	1,129
	Child, youth and family care services	48	27
	Events and festivals fees	56	28
	Foreshore camping fees	3,130	2,536
	Halls and community centres	328	151
	Legal reimbursement	53	10
	Leisure centre and recreation	1,157	880
	Library fees and fines	13	12
	Nursery and homestead	138	121
	Parking and boat ramp	58	59
	Planning fees	837	860
	Registration and other permits	3,711	3,315
	Valuations and property	469	735
	Waste management services	9,888	8,383
	Other fees and charges	566	41
	Total user fees	**22,390**	**19,820**
	User fees by timing of revenue recognition		
	User fees recognised over time	–	–
	User fees recognised at a point in time	22,390	19,820
	Total user fees	**22,390**	**19,820**

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

		2023	2022
		$'000	$'000
3.4	**Funding from other levels of government**		
	Grants were received in respect of the following :		
	Summary of grants		
	Commonwealth funded grants	16,764	16,674
	State funded grants	20,268	13,513
	Total grants received	**37,032**	**30,187**

	2023	2022
	$'000	$'000
(a) Operating Grants		
Recurrent – Commonwealth Government		
Financial Assistance Grants	9,122	8,149
Aged care	3,709	4,637
Indigenous Programs	–	49
Other	–	23
Total Recurrent – Commonwealth Government	**12,831**	**12,858**
Recurrent – State Government		
Aged care	1,575	2,102
School crossing supervisors	569	475
Libraries	1,095	1,081
Maternal and child health	1,787	2,033
Community safety	280	296
Family and Children	747	579
Indigenous Programs	–	30
Vegetation	59	88
Other	254	359
Total Recurrent – State Government	**6,367**	**7,044**
Total recurrent operating grants	**19,198**	**19,902**
Non-recurrent – Commonwealth Government		
Events – Regional Gallery	150	300
Total Non-Recurrent – Commonwealth Government	**150**	**300**
Non-recurrent – State Government		
Aged Care	123	96
Waste management services	333	–
Environmental planning	280	604
Community Safety	1,388	723
Outdoor dining	–	575
Libraries	68	29
Family and children	252	465
Vegetation	572	24
Working For Victoria	–	(222)
Other	321	51
Total non-recurrent operating grants	**3,336**	**2,344**
Total operating grants	**22,684**	**22,546**

	2023	2022
	$'000	$'000
(b) Capital Grants		
Recurrent – Commonwealth Government		
Roads to recovery	1,610	1,610
Recurrent – State Government		
Black Spot	426	–
Total recurrent capital grants	**2,036**	**1,610**
Non-recurrent – Commonwealth Government		
Recreation	–	300
Local roads and community infrastructure program	1,747	1,607
Non-recurrent – State Government		
Community Safety	229	–
Libraries	20	20
Recreation	5,011	1,411
Roads and Intersections	231	1,084
Drainage	119	415
Buildings	3,482	1,282
Marine	1,257	(141)
Township	20	54
Other	196	–
Total non-recurrent capital grants	**12,312**	**6,031**
Total capital grants	**14,348**	**7,641**

(c) Recognition of grant income

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

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.
- Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income of Not–for–Profit Entities*.

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

	2023	2022
	$'000	$'000
Income recognised under AASB 1058 *Income of Not-for-Profit Entities*		
General purpose	19,769	10,575
Specific purpose grants to acquire non-financial assets	13,841	7,355
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	3,422	12,257
	37,032	**30,187**
(d) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	3,149	71
Received during the financial year and remained unspent at balance date	915	3,149
Received in prior years and spent during the financial year	(3,149)	(71)
Balance at year end	**915**	**3,149**
Capital		
Balance at start of year	18,269	11,558
Received during the financial year and remained unspent at balance date	6,900	8,763
Received in prior years and spent during the financial year	(9,539)	(2,052)
Balance at year end	**15,630**	**18,269**

Unspent grants are determined and disclosed on a cash basis

3.5 Contributions

Monetary	951	1,008
Non-monetary	7,552	3,738
Total contributions	**8,503**	**4,747**

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

Land	–	1,096
Roads	4,738	836
Land under roads	–	171
Drainage	2,720	1,089
Footpaths and cycleways	21	208
Parks and open spaces	73	338
Total non-monetary contributions	**7,552**	**3,738**

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

		2023	2022
		$'000	$'000
3.6	**Net loss on disposal of property, infrastructure, plant and equipment**		
	Proceeds of sale	2,679	616
	Written down value of assets disposed	(10,568)	(3,958)
	Total net loss on disposal of property, infrastructure, plant and equipment	**(7,889)**	**(3,342)**

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

3.7	**Other income**		
	Interest	5,221	1,020
	Dividends	2	3
	Investment property rental	2,303	2,224
	Merchant Sales	489	478
	Volunteer services	292	231
	Festivals and events	168	256
	Other	1,266	811
	Total other income	**9,741**	**5,023**

Interest is recognised as it is earned.

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

Note 4 THE COST OF DELIVERING SERVICES

4.1	**(a) Employee costs**		
	Wages and salaries	56,987	59,992
	WorkCover	2,009	2,087
	Casual staff	3,118	3,070
	Superannuation	7,412	7,172
	Fringe benefits tax	11	298
	Annual leave and long service leave	8,630	5,764
	Redundancies	1,295	7,045
	Total employee costs	**79,462**	**85,430**
	(b) Superannuation		
	Council made contributions to the following funds:		
	Defined benefit fund		
	Employer contributions to Vision Super	60	153
		60	**153**
	Employer contributions payable at reporting date.	–	–

	2023	2022
	$'000	$'000
Accumulation funds		
Employer contributions to Vision Super	3,413	3,778
Employer contributions – other funds		
Australian Super	1,064	552
Hostplus	1,038	431
Hesta Super	506	260
First State Super	562	256
Rest Super	644	247
Other	125	1,495
Total Accumulation Funds	**7,352**	**7,019**
Employer contributions payable at reporting date.	296	155

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

4.2	**Materials and services**		
	Contract payments		
	Waste management services	37,776	34,181
	Sport and recreational	51	1,870
	Other	(29)	1,318
	Landfill rehabilitation*	3,266	(597)
	Building maintenance	11,140	9,249
	General maintenance		
	Furniture and signs	3,454	4,204
	Roads, drainage and cleansing	26,015	22,426
	Parks and roadsides	11,646	15,823
	Natural systems	5,993	5,037
	Other	1,220	1,286
	Utilities	3,972	3,650
	Parking and travel	187	569
	Operating leases	1,189	1,100
	Information technology	6,118	5,671
	Insurance	1,892	1,961
	Legal	1,930	1,439
	Consultants	11,046	7,292
	Other	9,570	8,120
	Total materials and services	**136,437**	**124,600**

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

* See note 5.5(b) for provision balance.

		2023	2022
		$'000	$'000
4.3	**Depreciation**		
	Property	10,105	7,948
	Plant and equipment	1,256	1,108
	Infrastructure	32,642	27,824
	Total depreciation	**44,004**	**36,879**

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4	**Amortisation – Intangible assets**		
	Software	149	149
	Landfill air space	1,434	1,973
	Total Amortisation – Intangible assets	**1,583**	**2,122**
4.5	**Amortisation – Right of use assets**		
	Property	–	33
	Information technology	167	167
	Vehicles	326	636
	Total Amortisation – Right of use assets	**493**	**836**
4.6	**Borrowing costs**		
	Interest – Borrowings	1,021	1,051
		1,021	**1,051**

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.7	**Finance Costs – Leases**		
	Interest – Lease Liabilities	14	30
	Total finance costs	**14**	**30**
4.8	**Other expenses**		
	Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	68	68
	Auditors' remuneration – Internal Audit	185	121
	Councillors' allowances	601	549
	Community grants, contributions and subsidies paid	3,903	3,455
	Indirect recruitment costs (recruitment, staff training and uniforms)	1,266	664

		2023	2022
		$'000	$'000
	Insurance excess and small claims	302	105
	Operating lease rentals	187	246
	Training, conferences and seminars	106	43
	Volunteer services	292	231
	Others	938	830
	Total other expenses	**7,848**	**6,310**
Note 5	**OUR FINANCIAL POSITION**		
5.1	**Financial assets**		
	(a) Cash and cash equivalents		
	Cash on hand	7	7
	Cash at bank	35,455	57,781
	Total cash and cash equivalents	**35,462**	**57,788**
	(b) Other financial assets		
	Current		
	Term deposits – current	100,589	70,585
	Total current other financial assets	100,589	70,585
	Non-current		
	Shares	46	45
	Total non-current other financial assets	46	45
	Total other financial assets	**100,635**	**70,630**
	Total financial assets	**136,096**	**128,418**

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

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

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

	2023	2022
	$'000	$'000
(c) Trade and other receivables		
Current		
Statutory receivables	–	–
Rates debtors	8,460	7,156
Rates pensioner	987	(1)
Special rate assessment	338	340
Infringement debtors	4,244	3,691
Provision for doubtful debts – infringements	(3,682)	(2,488)
Grants – Government and statutory bodies	1,111	4,568
Net GST receivable	2,371	1,985
Non statutory receivables	–	–
Other debtors	6,405	6,286
Provision for doubtful debts – other debtors	–	–
Total current trade and other receivables	**20,233**	**21,538**
Non-current		
Statutory receivables		
Special rate scheme	21	51
Total non-current trade and other receivables	**21**	**51**
Total trade and other receivables	**20,254**	**21,589**

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

(d) Ageing of Receivables

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

Current (not yet due)	4,515	5,565
Past due by up to 30 days	150	280
Past due between 31 and 180 days	1,576	441
Past due between 181 and 365 days	164	–
Past due by more than 1 year	–	–
Total trade and other receivables	**6,405**	**6,286**

	2023	2022
	$'000	$'000
(e) Ageing of individually impaired Receivables		

At balance date, other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default.

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

Current (not yet due)	–	–
Past due by up to 30 days	–	–
Past due between 31 and 180 days	–	–
Past due between 181 and 365 days	727	–
Past due by more than 1 year	2,955	2,488
Total trade and other receivables	**3,682**	**2,488**

5.2 Non–financial assets

(a) Inventories

Inventories held for distribution	218	192
Total inventories	**218**	**192**

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

(b) Other assets

Accrued income	2,092	1,304
Total other assets	**2,092**	**1,304**

(c) Intangible assets

Software	453	602
Landfill air space	1,435	1,974
Total intangible assets	**1,888**	**2,576**

	Software	Landfill	Total
	$'000	$'000	$'000
Gross carrying amount			
Balance at 1 July 2022	2,760	9,072	11,833
Revaluation during the year	–	896	896
Other additions	–	–	–
Balance at 30 June 2023	**2,760**	**9,968**	**12,729**
Accumulated amortisation and impairment			
Balance at 1 July 2022	(2,159)	(7,099)	(9,258)
Amortisation expense	(148)	(1,434)	(1,582)
Balance at 30 June 2023	**(2,307)**	**(8,533)**	**(10,840)**
Net book value at 30 June 2022	602	1,974	2,576
Net book value at 30 June 2023	**453**	**1,435**	**1,888**

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

	2023	2022
	$'000	$'000
5.3 Payables, trust funds and deposits and unearned income/revenue		
(a) Trade and other payables		
Current		
Non-statutory payables		
Trade payables	1,241	2,695
Accrued expenses	13,053	18,391
Total current trade and other payables	**14,293**	**21,087**
(b) Trust funds and deposits		
Current		
Refundable deposits	3,878	3,338
Fire services levy	(121)	(185)
Retention amounts	225	163
Bank guarantees	261	259
General	498	614

	2023	2022
	$'000	$'000
Hillview Quarries restoration fund	477	477
Rate recoveries	341	341
Subdivision maintenance deposits	1,580	1,863
Total current trust funds and deposits	**7,138**	**6,871**
Non-current		
Refundable deposits	1,407	1,647
Total Non-current trust funds and deposits	**1,407**	**1,647**
(c) Unearned income/revenue		
Current		
Grants received in advance – operating	915	3,149
Grants received in advance – capital	15,630	18,269
Developer Contributions	12,883	7,470
Total current unearned income/revenue	**29,428**	**28,888**

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of community services and construction of a non-financial asset. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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

Purpose and nature of items

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

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

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

Subdivision maintenance deposits – Council has the discretion on developments or subdivisions that create new roads, footpath, drainage, large landscaped areas, etc. to take a maintenance bond, generally 5% of the cost of the civil works. This is held for a prescribed maintenance period. This is to cover Council for any outstanding maintenance works that might occur over the initial period of 3 months after construction/statement of compliance is issued.

		2023	2022
		$'000	$'000
5.4	**Interest-bearing liabilities**		
	Current		
	Bank overdraft	355	392
	Treasury Corporation of Victoria borrowings – secured *	545	711
	Borrowings – secured *	2,426	3,297
	Total current interest-bearing liabilities	**3,326**	**4,401**
	Non-current		
	Treasury Corporation of Victoria borrowings - secured *	7,699	8,244
	Borrowings - secured *	24,860	27,338
	Total non-current interest-bearing liabilities	**32,559**	**35,582**
	Total	**35,885**	**39,983**
	*Borrowings are secured by general rates.		
	(a) The maturity profile for Council's borrowings is:		
	Not later than one year	3,326	4,401
	Later than one year and not later than five years	10,632	10,632
	Later than five years	21,927	24,950
		35,885	**39,983**

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method. The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

	Employee	Landfill restoration	Native vegetation management	Total
	$'000	$'000	$'000	$'000
5.5 Provisions				
2023				
Balance at beginning of the financial year	20,023	10,796	583	31,401
Additional provisions	8,126	2,823	(126)	10,823
Amounts used	(11,899)	–	–	(11,899)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	169	443	–	612
Balance at the end of the financial year	**16,419**	**14,062**	**457**	**30,937**
Provisions – current	14,828	–	86	14,914
Provisions – non–current	1,590	14,062	371	16,024

	Employee	Landfill restoration	Native vegetation management	Total
	$'000	$'000	$'000	$'000
2022				
Balance at beginning of the financial year	18,221	11,393	666	30,280
Additional provisions	11,036	–	–	11,036
Amounts used	(8,591)	–	(83)	(8,674)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(643)	(597)	–	(1,240)
Balance at the end of the financial year	**20,023**	**10,796**	**583**	**31,401**
Provisions – current	18,313	–	102	18,415
Provisions – non–current	1,710	10,796	480	12,986

	2023	2022
	$'000	$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	4,605	4,378
Long service leave	1,479	1,035
Redundancies	173	5,034
	6,257	**10,447**
Current provisions expected to be wholly settled after 12 months		
Annual leave	2,380	1,910
Long service leave	6,191	5,957
	8,571	**7,867**
Total current employee provisions	**14,828**	**18,314**
Non-current		
Long service leave	1,591	1,710
Annual leave	–	–
Total non-current employee provisions	**1,591**	**1,710**
Aggregate carrying amount of employee provisions:		
Current	14,828	18,314
Non-current	1,591	1,710
Total aggregate carrying amount of employee provisions	**16,419**	**20,024**

	2023	2022
	$'000	$'000

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:
– nominal value if the Council expects to wholly settle the liability within 12 months
– present value if the Council does not expect to wholly settle within 12 months.

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

Long service leave

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

Key assumptions:

– discount rate	4.36%	2.38%
– index rate	4.35%	3.85%

(b) Landfill restoration

Non-current		
Rye Landfill	11,804	10,155
Tyabb Landfill	2,258	641
	14,062	**10,796**

Council is obligated to restore the Rye and Tyabb landfill sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

– discount rate	4.21%–5.51%	3.61% – 5.57%
– inflation rate	5.60%	4.50%
– estimated cost to rehabilitate	7,963	4,271

	2023	2022
	$'000	$'000

(c) Native vegetation management

Current	86	102
Non-current	371	480
	457	**582**

5.6 Financing arrangements

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

Bank overdraft	5,000	5,000
Bank loans	39,590	39,590
Credit card facilities	200	200
Asset Finance – Leasing	3,000	3,000
Other facilities	100	100
Total facilities	**47,890**	**47,890**
Used facilities	39,185	39,983
Unused facilities	**8,705**	**7,908**

5.7 Commitments

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

(a) Commitments for expenditure

2023	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					
Cleansing	14,397	–	–	–	14,397
Parks and Roadside	15,824	–	–	–	15,824
Furniture and Signs	4,857	–	–	–	4,857
Buildings Maintenance	10,287	–	–	–	10,287
Safer Local Roads	16,404	–	–	–	16,404
Garbage Collection	4,790	–	–	–	4,790
Utilities	–	–	–	–	–
Green Waste	3,610	190	612	218	4,631
Landfill and Transfer Station Management	11,507	–	–	–	11,507
Recycling	20,199	–	–	–	20,199
Natural Systems	2,179	–	–	–	2,179
Recreational and Leisure	960	–	–	–	960
Telecommunications and IT	2,725	1,388	2,713	–	6,827
Consulting	2,403	467	–	–	2,870
Internal Audit	194	–	–	–	194
Home and Community Care Services	735	376	–	–	1,111
Total	**111,071**	**2,422**	**3,325**	**218**	**117,036**
Capital					
Buildings	9,377	–	–	–	9,377
Recreational Facilities	11,159	–	–	–	11,159
Footpaths and Street Scapes	1,932	–	–	–	1,932
Total	**22,468**	**–**	**–**	**–**	**22,468**

2022	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					
Cleansing	14,210	–	–	–	14,210
Parks and Roadside	12,138	–	–	–	12,138
Furniture and Signs	4,542	–	–	–	4,542
Buildings Maintenance	8,124	–	–	–	8,124
Safer Local Roads	16,122	–	–	–	16,122
Garbage Collection	3,304	–	–	–	3,304
Utilities	335	–	–	–	335
Green Waste	1,301	184	591	211	2,287
Landfill and Transfer Station Management	8,969	–	–	–	8,969
Recycling	13,372	–	–	–	13,372
Natural Systems	376	268	–	–	644
Recreational and Leisure	1,881	79	–	–	1,960
Telecommunications and IT	3,231	1,398	4,102	–	8,730
Consulting	749	106	–	–	855
Internal Audit	69	–	–	–	69
Home and Community Care Services	601	574	376	–	1,552
Total	**89,323**	**2,609**	**5,069**	**211**	**97,212**
Capital					
Buildings	4,594	–	–	–	4,594
Recreational Facilities	6,528	–	–	–	6,528
Footpaths and Street Scapes	644	–	–	–	644
Total	**11,766**	–	–	–	**11,766**

(b) Operating lease receivables

Operating lease receivables

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

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

	2023	2022
	$'000	$'000
Not later than one year	1,439	1,577
Later than one year and not later than five years	2,778	2,823
Later than five years	3,256	3,099
	7,473	**7,499**

5.8 Leases

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

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

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

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

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

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

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

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

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

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

Councils reliance of peppercorn leases are insignificant in terms of materiality due to the nature (restricted use) and quantity of the leases.

Currently our peppercorn leases relate to:

- 7 CCTV and Transmitter Facility Leases – Relating installation of CCTV equipment on site. Lease terms ranging from 10 to 20 years.
- 6 Recreation Leases – Relating to open spaces for reserves. Lease terms ranging between 5 and 40 years.
- Remaining leases relating to leases for mens shed/community group/pre-school and school ground and carpark. Lease terms ranging from 5 to 40 years.

Right–of–Use Assets	Property	Vehicles	IT	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2022	–	477	181	658
Additions	–	887	–	887
Amortisation charge	–	(326)	(167)	(493)
Balance at 30 June 2023	**–**	**1,038**	**14**	**1,052**

Lease Liabilities	2023	2022
Maturity analysis – contractual undiscounted cash flows	$'000	$'000
Less than one year	983	964
One to five years	546	422
More than five years	–	–
Total undiscounted lease liabilities as at 30 June	**1,529**	**1,386**

Lease liabilities included in the Balance Sheet at 30 June

Current	970	777
Non-current	539	539
Total lease liabilities	**1,509**	**1,316**

Short-term and low value leases

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

	2023	2022
Expenses relating to:	$'000	$'000
Short-term leases	411	–
Leases of low value assets	1,941	947
Total	**2,352**	**947**

Variable lease payments are those that depend on an index or a rate, for example payments linked to the consumer price index, a benchmark interest rate or changes in market rental rates.

Non–cancellable lease commitments – Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

	2023	2022
Payable:	$'000	$'000
Within one year	477	651
Later than one year but not later than five years	178	506
Total lease commitments	**655**	**1,157**

Note 6	ASSETS WE MANAGE	2023	2022
6.1	**Non current assets classified as held for sale**	$'000	$'000
	Property held for sale	1,258	2,273
	Total non current assets classified as held for sale	**1,258**	**2,273**

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

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2022	Found assets	Additions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Carrying amount 30 June 2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property	1,877,560	–	–	–	–	(10,105)	(2,433)	18,025	1,883,047
Plant and equipment	5,786	–	121	–	–	(1,255)	(10)	1,847	6,489
Infrastructure	1,237,419	5,396	–	7,551	198,532	(32,644)	(8,126)	14,180	1,422,308
Work in progress	66,957	–	42,115	–	–	–	–	(33,194)	75,878
	3,187,722	**5,396**	**42,236**	**7,551**	**198,532**	**(44,004)**	**(10,569)**	**858**	**3,387,722**

Summary of Work in Progress	Opening WIP	Additions	Write–off	Transfers	Closing WIP
	$'000	$'000	$'000	$'000	$'000
Property	24,375	16,130	–	(17,167)	23,338
Plant and equipment	1,341	1,407	–	(1,847)	901
Infrastructure	41,240	24,578	–	(14,180)	51,638
Total	**66,957**	**42,115**	**–**	**(33,194)**	**75,878**

(a) Property

	Land – specialised	Land – non specialised	Land Under Roads	Total Land and Land Improvements	Buildings – specialised	Buildings – non specialised	Total Buildings	Work In Progress	Total Property
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2022	1,665,979	3,279	3,381	**1,672,639**	442,004	279	**442,283**	24,375	**2,139,297**
Accumulated depreciation at 1 July 2022	–	–	–	**–**	(237,127)	(226)	**(237,353)**	–	**(237,353)**
	1,665,979	**3,279**	**3,381**	**1,672,639**	**204,877**	**53**	**204,930**	**24,375**	**1,901,944**
Movements in fair value									
Additions	–	–	–	**–**	–	–	**–**	16,130	**16,130**
Contributions	–	–	–	**–**	–	–	**–**	–	**–**
Revaluation	–	–	–	**–**	–	–	**–**	–	**–**
Disposal	(2,273)	–	–	**(2,273)**	(2,834)	–	**(2,834)**	–	**(5,107)**
Transfers	(1,001)	–	–	**(1,001)**	16,908	–	**16,908**	(17,167)	**(1,260)**
	(3,274)	**–**	**–**	**(3,274)**	**14,074**	**–**	**14,074**	**(1,037)**	**9,763**
Movements in accumulated depreciation									
Depreciation expense	–	–	–	**–**	(10,105)	–	**(10,105)**	–	**(10,105)**
Accumulated depreciation of disposals	–	–	–	**–**	2,673	–	**2,673**	–	**2,673**
	–	–	–	**–**	(7,432)	–	**(7,432)**	–	**(7,432)**
At fair value 30 June 2023	1,662,705	3,279	3,381	**1,669,365**	456,078	279	**456,357**	23,338	**2,149,060**
Accumulated depreciation at 30 June 2023	–	–	–	**–**	(244,559)	(226)	**(244,785)**	–	**(244,785)**
Carrying amount	**1,662,705**	**3,279**	**3,381**	**1,669,365**	**211,519**	**53**	**211,572**	**23,338**	**1,904,276**

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Artworks	Library books	Work In Progress	Total plant and equipment
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At fair value 1 July 2022	6,018	4,159	140	2,652	4,585	1,341	**18,896**
Accumulated depreciation at 1 July 2022	(5,533)	(3,715)	(138)	–	(2,385)	–	**(11,771)**
	485	444	2	2,652	2,200	1,341	**7,124**
Movements in fair value							
Additions	–	32	–	9	80	1,407	**1,528**
Disposal	(4,209)	–	–	–	(636)	–	**(4,845)**
Transfers	31	637	52	49	1,078	(1,847)	**–**
	(4,178)	669	52	58	522	(440)	**(3,317)**
Movements in accumulated depreciation							
Depreciation expense	(105)	(284)	(5)	–	(861)	–	**(1,255)**
Accumulated depreciation of disposals	4,199	–	–	–	636	–	**4,835**
	4,094	(284)	(5)	–	(225)	–	**3,580**
At fair value 30 June 2023	1,840	4,828	192	2,710	5,107	901	**15,579**
Accumulated depreciation at 30 June 2023	(1,439)	(3,999)	(143)	–	(2,610)	–	**(8,191)**
Carrying amount	**401**	**829**	**49**	**2,710**	**2,497**	**901**	**7,388**

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Parks open space and streetscapes	Marine Structures	Work In Progress	Total Infrastructure
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2022	956,502	2,282	157,267	701,183	40,798	105,113	8,950	41,240	**2,013,335**
Accumulated depreciation at 1 July 2022	(314,454)	(819)	(84,922)	(244,936)	(22,361)	(63,558)	(3,621)	–	**(734,671)**
	642,048	**1,463**	**72,345**	**456,247**	**18,437**	**41,555**	**5,329**	**41,240**	**1,278,664**
Movements in fair value									
Additions	–	–	–	–	–	–	–	24,578	**24,578**
Contributions	4,738	–	20	2,720	–	73	–	–	**7,551**
Found Assets	4,273	–	1,123	–	–	–	–	–	**5,396**
Revaluation	227,232	205	23,777	62,106	2,130	4,710	539	–	**320,699**
Disposal	(9,952)	–	(1,822)	(535)	(881)	(757)	–	–	**(13,947)**
Transfers	5,533	–	2,718	3,447	341	2,141	–	(14,180)	**–**
	231,824	**205**	**25,816**	**67,738**	**1,590**	**6,167**	**539**	**10,398**	**344,277**
Movements in accumulated depreciation									
Depreciation expense	(16,440)	(32)	(3,520)	(7,953)	(1,449)	(3,077)	(173)	–	**(32,644)**
Accumulated depreciation of disposals	3,056	–	1,372	208	562	623	–	–	**5,821**
Revaluation	(87,910)	(74)	(9,860)	(21,524)	(874)	(1,750)	(175)	–	**(122,167)**
	(101,294)	**(106)**	**(12,008)**	**(29,269)**	**(1,761)**	**(4,204)**	**(348)**	**–**	**(148,990)**
At fair value 30 June 2023	1,188,326	2,487	183,083	768,921	42,388	111,280	9,489	51,638	**2,357,612**
Accumulated depreciation at 30 June 2023	(415,748)	(925)	(96,930)	(274,205)	(24,122)	(67,762)	(3,969)	–	**(883,661)**
Carrying amount	**772,578**	**1,562**	**86,153**	**494,716**	**18,266**	**43,518**	**5,520**	**51,638**	**1,473,951**

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit $'000
Land and land improvements		
Land	–	1
Land improvements	–	1
Buildings		
Buildings	10 – 200 years	5
Plant and Equipment		
Plant, machinery and equipment	3 – 10 years	2
Furniture and fittings	3 – 10 years	2
Information technology	3 – 10 years	1
Library books	3 – 5 years	1
Infrastructure		
Roads – pavements, substructure, formation and earthworks	21 – 400 years	15
Roads – kerb, channel and minor culverts and other	29 – 100 years	15
Drainage	10 – 100 years	15
Bridges – deck and substructure	50 – 80 years	15
Bridges – others	100 years	15
Footpaths and cycleways	10 – 93 years	15
Recreational, leisure and community facilities	2 – 70 years	15
Parks, open space and streetscapes	4 – 116 years	15
Marine structures	30 – 100 years	15
Intangible assets		
Software	3 – 15 years	1
Airspace	1 – 10 years	1
Right of use assets	1 – 5 years	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 3 to 10 year period.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Valtec Property Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date and type of the current valuation is detailed in the following table. A full revaluation of these assets will be conducted in 2023-24. The independent valuer advised that for Council owned and controlled properties a "market movement" rate of a 6% decrease for the period 1 July 2022 to 30 June 2023 is appropriate. As this rate is considered to be immaterial in nature there has been no adjustment made to the Council's land and buildings as at 30 June 2023.

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

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land – Specialised	–	–	1,662,705	Jun–23	Index
Land – Non Specialised	–	3,279	–	Jun–23	Index
Land Under Roads	–	–	3,381	Jun–23	Index
Buildings – Specialised	–	–	211,519	Jun–23	Index
Buildings – Non Specialised	–	53	–	Jun–23	Index
Total	**–**	**3,332**	**1,877,605**		

Valuation of infrastructure

Valuation of infrastructure assets has been undertaken by Council's Asset Management Team in accordance with the valuation methodology. Council undertakes a formal revaluation of land and buildings every 2 (two) years, and infrastructure assets every 4 (four) years with an annual interim review in the year they are not due for full revaluation. The valuation is performed by experienced council officers.

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

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

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

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	–	–	772,578	Jun–23	Full
Bridges	–	–	1,562	Jun–23	Full
Footpaths and cycleways	–	–	86,153	Jun–23	Full
Drainage	–	–	494,716	Jun–23	Index
Recreational, leisure and community facilities	–	–	18,266	Jun–23	Index
Parks, open space and streetscapes	–	–	43,518	Jun–23	Index
Marine Structures	–	–	5,520	Jun–23	Index
Total	**–**	**–**	**1,422,313**		

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between $7.97 and $7,015 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from $175 to $6,500 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 2 years to 400 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets

.

	2023	2022
Reconciliation of specialised land	**$'000**	**$'000**
Land under roads	3,381	3,381
Parks and reserves	1,662,705	1,665,979
Total specialised land	**1,666,086**	**1,669,360**

6.3 Investment property

Balance at beginning of financial year	10,267	10,288
Additions	13	–
Disposals	–	–
Fair value adjustments	–	(21)
Balance at end of financial year	**10,280**	**10,267**

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation, as at 30 June 2023, by Valtec Property Pty Ltd who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

Shares

Balance at beginning of financial year	45	47
Fair value adjustments	1	(2)
Balance at end of financial year	**46**	**45**

6.4 Fair value adjustments

Investments

Investment property	–	(21)
Shares	1	(2)
	1	**(22)**
Found assets	5,396	4,093
Marine Structure opening balance reserve adjustment	–	(1,150)
Total	**5,397**	**2,920**

Note 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Mornington Peninsula Shire is the parent entity.

Subsidiaries and Associates

Mornington Peninsula Cemetery Trust

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, this entity is considered to be a controlled entity under AASB 10: Consolidated Financial Statements. Its 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) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors

Councillor Steve Holland
Councillor Debra Mar
Councillor Anthony Marsh
Councillor Despi O'Connor
Councillor Lisa Dixon
Councillor Sarah Race
Councillor Susan Bissinger
Councillor Antonella Celi
Councillor David Gill
Councillor Kate Roper (Commenced 4 April 2023)
Councillor Simon Brooks (Commenced 7 February 2023)
Councillor Kerri McCafferty (Ended 29 December 2022)
Councillor Paul Mercurio (Ended 9 December 2022)

Chief Executive Officer
Director – Community Strengthening (Commenced 12 December 2022)
Director – Corporate Strategy and Business Improvement (Commenced 15 August 2022)
Director – Planning and Infrastructure
Chief Financial Officer

	2023	2022
	No.	No.
Total Number of Councillors	**13**	**11**
Total of Chief Executive Officer and other Key Management Personnel	**7**	**6**
Total Number of Key Management Personnel	**20**	**17**

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2023	2022
	$'000	$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,963	1,975
Other long-term benefits	11	65
Post-employment benefits	192	148
Termination benefits	6	218
Total	**2,172**	**2,406**

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

$0 - $9,999	1	–
$10,000-$19,999	3	–
$30,000 - $39,999	–	8
$40,000 – $49,999	5	–
$50,000 – $59,999	2	1
$60,000 – $69,999	–	1
$70,000 – $79,999	1	–
$90,000 – $99,999	1	1
$100,000 – $109,999	1	–
$110,000 – $119,999	1	–
$160,000 – $169,999	1	–
$220,000 – $229,999	–	1
$230,000 – $239,999	1	1
$260,000 – $269,999	1	–
$270,000 – $279,999	–	1
$280,000 – $289,999	–	1
$300,000 – $309,999	1	–
$410,000 – $419,999	–	1
$420,000 – $429,999	1	–
$490,000 – $499,999 *	–	1
	20	**17**

* These amounts include paid out annual leave, long service leave and termination payments.

(d) Remuneration of other senior staff

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

	2023 $'000	2022 $'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	5,120	5,050
Other long-term employee benefits	19	30
Post–employment benefits	489	477
Termination benefits	153	–
Total	**5,781**	**5,557**

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

	2023	2022
Income Range:	**No.**	**No.**
$0 – $99,999	2	2
$110,000 – $119,999	2	3
$130,000 – $139,999	1	–
$140,000 – $149,999	1	1
$150,000 – $159,999	2	2
$160,000 – $169,999	3	–
$170,000 – $179,999	2	2
$180,000 – $189,999	1	1
$190,000 – $199,999	6	8
$200,000 – $209,999	3	1
$210,000 – $219,999	1	–
$220,000 – $229,999	–	3
$230,000 – $239,999	3	3
$250,000 – $259,999	1	–
$260,000 – $269,999	1	1
$290,000 – $299,999	–	1
$300,000 – $309,999	1	–
$310,000 – $319,999	1	–
$370,000 – $379,999	–	1
	31	**29**

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

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into transactions, in relation to administration costs incurred by Council, with the following related parties.

Mornington Peninsula Cemetery Trust Trustees

Councillor Antonella Celi
Councillor Lisa Dixon
Councillor Steve Holland

(b) Outstanding balances with related parties

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

Mornington Peninsula Cemetery Trust

Amount receivable from the Mornington Peninsula Cemetery Trust at 30 June 2023 is $193,124.

(c) Loans to/from related parties

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

Nil

(d) Commitments to/from related parties

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

Nil

Note 8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Landfill

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

Liability Mutual Insurance

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

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

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

	2023	2022
	$'000	$'000
The Mornington Peninsula Shire has guaranteed loans of: *	Loan Balance	Loan Balance
Mornington District Basketball Association $650,000	0	48
Rosebud Beach Community Bowls Club $130,000	79	92
Mt Martha Bowls Club Inc. $240,000	15	94
Total	**94**	**234**

*Note: Terms of guarantee do not allow redraw of loan.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

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

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

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

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

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

To help reduce these risks Council:

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

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

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

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

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

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

- A parallel shift of –0.93% and +0.47% in market interest rates (AUD) from year-end rates of 5.08%.

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

8.4 Fair value measurement

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

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

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

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

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

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

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

Revaluation
Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

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

Asset class	Revaluation frequency
Land	1 to 2 years
Buildings	1 to 2 years
Roads	1 to 4 years
Bridges	1 to 4 years
Footpaths and cycleways	1 to 4 years
Drainage	1 to 4 years
Recreational, leisure and community facilities	1 to 4 years
Parks, open space and streetscapes	1 to 4 years
Marine structures	1 to 4 years

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

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

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

Note 9 OTHER MATTERS

9.1 Reserves

(a) Asset revaluation reserves	Balance at beginning of reporting period	Increment	Adjustment	Balance at end of reporting period
	$'000	$'000	$'000	$'000
2023				
Property				
Land and land improvements	1,430,559	–	–	1,430,559
Land under road	1,922	–	–	1,922
Buildings	73,469	–	–	73,469
	1,505,950	**–**	**–**	**1,505,950**
Infrastructure				
Roads	239,044	139,322	–	378,366
Bridges	636	130	–	766
Footpaths and cycleways	40,035	13,918	–	53,953
Drainage	339,643	40,580	–	380,223
Recreational, leisure and community facilities	9,381	1,257	–	10,638
Parks, open space and streetscapes	12,984	2,961	–	15,945
Marine structures	356	364	–	720
	642,079	**198,532**	**–**	**840,611**
Intangible asset				
Landfill air space	–	896	–	896
Total asset revaluation reserves	**2,148,027**	**199,428**	**–**	**2,347,457**

	Balance at beginning of reporting period	Increment (decrement)	Adjustment	Balance at end of reporting period
	$'000	$'000	$'000	$'000
2022				
Property				
Land and land improvements	1,063,048	367,511	–	1,430,559
Land under roads	1,239	683	–	1,922
Buildings	63,768	9,701	–	73,469
	1,128,055	**377,895**	**–**	**1,505,950**
Infrastructure				
Roads	216,321	22,723	–	239,044
Bridges	579	57	–	636
Footpaths and cycleways	37,177	2,858	–	40,035
Drainage	326,848	12,795	–	339,643
Recreational, leisure and community facilities	8,100	1,280	–	9,381
Parks, open space and streetscapes	10,052	2,932	–	12,984
Marine structures	(1,149)	355	1,150	356
	597,928	43,000	1,150	642,079
Total asset revaluation reserves	**1,725,983**	**420,895**	**1,150**	**2,148,027**

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

(b) Other reserves	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	$'000	$'000	$'000	$'000
2023				
Sustainability energy fund	585	–	–	585
Recreation land reserve	39	–	–	39
Municipal emergency reserve	400	–	–	400
Developer Contribution Plan Reserve	43	2	–	45
Storm Water in-lieu Contribution Reserve	–	14	–	14
Total Other reserves	**1,067**	**16**	**–**	**1,083**
2022				
Sustainability energy fund	585	–	–	585
Recreation land reserve	39	–	–	39
Municipal emergency reserve	400	–	–	400
Developer Contribution Plan Reserve	43	22	(22)	43
Total Other reserves	**1,067**	**22**	**(22)**	**1,067**

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.

Recreation Land Reserve

The purpose of this reserve is to provide for the purchase of land and/or improvements to places of recreation.

Municipal Emergency Reserve

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

Developer Contribution Plan Reserve

Developer Contribution Plan Reserve (DCP) accumulates developers funds paid to Council in respect of developments within particular plan areas and is used to contribute towards payment of a multi year capital works program.

Storm Water in-lieu Contribution Reserve

The purpose of the Storm Water in-lieu reserve is to hold voluntary contributions received from developments/subdivisions for future investment in the municipality in the form of stormwater management works to protect the environment and meet obligations under the Victorian Planning Policy.

9.2 Reconciliation of cash flows from operating activities to surplus	2023 $'000	2022 $'000
Surplus for the year	18,670	11,482
Depreciation/amortisation	46,080	39,837
Loss on disposal of property, infrastructure, plant and equipment	7,889	3,342
Fair value adjustments	(5,397)	(2,920)
Contributions – Non–monetary assets	(7,552)	(3,738)
Other	(7,537)	(3,896)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,335	(1,740)
Increase/(decrease) in Other assets	1,413	(282)
Increase/(decrease) in trade and other payables	(6,792)	4,800
(Decrease)/increase in unearned income	542	13,271
(Increase)/decrease in inventories	(26)	(5)
(Decrease)/increase in provisions:		
Increase in Landfill rehabilitation provision	3,266	(597)
Decrease in Employee provisions	(3,604)	1,802
Decrease in Native vegetation management	(126)	(83)
Increase in GST on capital purchases	4,211	4,515
Increase/(decrease) in Trust funds and deposits	131	(3,669)
Net cash provided by operating activities	**52,503**	**62,120**

9.3 Superannuation

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

Accumulation

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

Defined Benefit

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

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

Funding arrangements

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

A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

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

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

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

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

Vision Super has advised that the estimated VBI at June 2023 was 104.1%.

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

Employer contributions

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

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

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

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

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

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

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

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

The 2022 interim actuarial investigation surplus amounts

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

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

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

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

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

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

The 2023 triennial actuarial investigation

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

	2023	**2020**
	Triennial investigation	**Triennial investigation**
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.50% pa	2.50% pa for the first two years and 2.75% pa thereafter
Price inflation	2.8% pa	2.0% pa

Superannuation contributions

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

			2023	2022
Scheme	**Type of Scheme**	**Rate**	**$'000**	**$'000**
Vision super	Defined benefits	10.5% (2022:10.0%)	60	153
Vision super	Accumulation	10.5% (2022:10.0%)	3,413	3,778

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023.

Note 10 CHANGE IN ACCOUNTING POLICY

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