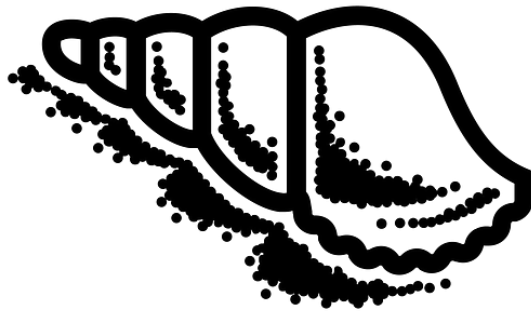




**Mornington
Peninsula Shire**

COUNCIL MEETING – ATTACHMENT BOOK

TUESDAY, 17 MARCH 2026

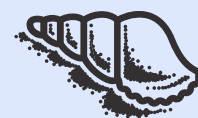
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**MOUNT ELIZA COMMUNITY HALL
90-100 CANADIAN BAY RD, MOUNT ELIZA**

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
2	PROCEDURAL MATTERS	
2.4	Councillor Briefing & Workshop Sessions	
Attachment 1	Council Workshop Session – 3 February 2026	3
Attachment 2	Council Briefing Session – 3 March 2026.....	5
4	OFFICE OF THE CEO	
4.1	2025/26 Mid-Year Reforecast	
Attachment 1	2025/26 Q2 Financial Performance Statement.....	9
4.4	Instruments of Appointment and Authorisation	
Attachment 1	Instrument of Appointment and Authorisation P&E Act_Land Act	10
4	CHIEF OF STAFF	
4.6	Quarterly Reports October–December 2025	
Attachment 1	Quarterly Community Report October to December 2025	12
Attachment 2	Quarterly Financial Report October to December 2025	54
4.7	Jet Ski Regulation Enforcement – Shire motion to MAV State Council, May 2026	
Attachment 1	Draft MAV Motion – Jet Ski Enforcement	82
4	ASSETS & INFRASTRUCTURE	
4.8	Proposed Sale of Land – Part of 93 Watt Road, Mornington	
Attachment 1	Proposed Sale of Land Site Plan.....	84
Attachment 2	Proposed Sale of Land Community Engagement Summary – Part 93 Watt Rd Mornington (Woodbyne)	85
4.9	Kerbside Waste Service Changes	
Attachment 1	Open Letter to the Minister	87
4	PLANNING & LIVEABILITY	
4.10	Stormwater Quality In-Lieu Contribution Scheme	
Attachment 1	Water Sensitive Asset Masterplan	93
Attachment 2	Stormwater In-Lieu Contribution Scheme Feasibility Report.....	146

Councillor Workshop Sessions



Mornington
Peninsula Shire

Workshop Date: 3 February 2026

Time: 5.30pm

Location: Mornington Council Chamber

Councillors Present (please tick)

☒ Cr Allen	☒ Cr Batty	☒ Cr Binyon	☒ Cr Gill	☒ Cr Marsh
☒ Cr Patton	☒ Cr Pingiaro	☒ Cr Ranken	☒ Cr Roper	
☒ Cr Stephens	☒ Cr Williams	☒ Prue Digby	☒ Rebecca McKenzie	

The matters listed below were presented at the Councillor Workshop Session

Item No Item

1 Aged Care Act 2024

Councillors attended a workshop on the Aged Care Act 2024 to understand new legal obligations that now apply to Council as a registered provider of Commonwealth Home Support Program (CHSP) services. External legal experts outlined key reforms, including the introduction of "responsible persons," annual suitability assessments, and statutory duties for governance and oversight. The workshop also covered CHSP transitions toward the Support at Home program, compliance expectations and risk management. Shire officers are continuing to analyse Council's strategic position in the context of broader aged care reform, including the 2027 transition from block grants to consumer-directed funding.

2 Mornington Peninsula Planning Scheme Review 2026

Councillors attended a session on the 2026 Planning Scheme Review, which is required every four years. Shire officers outlined the purpose, methodology and timeline of the review, including analysis of planning activity, consultation with stakeholders, and identifying emerging issues. Councillors discussed key planning themes such as housing capacity, neighbourhood character, environmental risks, transport integration, vegetation loss, and State Government reforms. Priorities for high-, medium- and long-term strategic planning work were considered to guide the final review report due in October 2026.



Mornington
Peninsula Shire

01

3 Property Strategy Workshop

Councillors attended a workshop on the development of a new Property Strategy designed to provide a clear, transparent and legally sound framework for managing Council's extensive land and property portfolio. The session covered Council's legislative responsibilities, differences between freehold and Crown land, encroachment challenges, leasing and licensing improvements, and the need for updated policies on leasing, land acquisition, land sale, road discontinuances and bathing boxes. Councillors discussed strategic objectives, such as sustainability, governance, community benefit and risk management to guide future decision-making and property planning.

Conflict of Interest Disclosures:

No conflicts were declared

Responsible Officer completing this form:

Name: Tegan Lewis

Signature: *Tegan Lewis*

Position: Coordinator - Council Reports

Councillor Briefing Sessions



Briefing Date: 3 March 2026

Time: 6.15pm

Location: Mornington Council Chamber

Councillors Present (please tick)

☒ Cr Allen	☒ Cr Batty	☒ Cr Binyon	☒ Cr Gill	☐ Cr Marsh
☒ Cr Patton	☒ Cr Pingiaro	☒ Cr Ranken	☒ Cr Roper	
☒ Cr Stephens	☒ Cr Williams	☒ Prue Digby	☐ Rebecca McKenzie	

The matters listed below were presented at the Councillor Briefing Session

Item No	Item
1	BN2168 – Mid-year Reforecast Councillors were briefed on the organisation’s mid-year financial reforecast, outlining actual income and expenditure for July–December and revised projections for the remainder of the financial year. The briefing highlighted: • Key drivers behind operating losses, including part-year impacts from organisational review savings and one-off redundancy costs. • Changes in waste service charge management, including the proposal to establish a waste reserve to capture unders/overs and support future capital works. • Movements across capital works, operating projects, and land sales assumptions. • Ongoing challenges relating to depreciation modelling, long-term financial planning, and rising construction costs. Councillors discussed transparency, future financial practices, and strategies to enhance forecasting and asset planning.
2	BN2170 – Road Safety and School Advocacy Program Councillors were presented with an update on the Road Safety and School Advocacy Program, including investigations into school-related traffic, congestion, and safety

concerns.

Key points included:

- Community feedback identifying significant issues around school pick-up/drop-off congestion, parking shortages, and speed environments.
- A proposal to trial 30 km/h school zones subject to consultation with affected schools.
- Advice that any speed limit changes require formal approval from the Department of Transport and Planning.
- Estimated signage costs, likely in the range of \$2,000–\$5,000 per school depending on the size of the area.
- Clarification that 30 km/h limits are for safety, particularly for pedestrians, rather than congestion relief.

Councillors also queried footpath gaps, trial duration (likely one year), enforcement responsibilities, and examples of 30 km/h zones in other municipalities.

3 BN2169 – Melbourne Water Flood Mapping Update

Councillors were briefed on updated flood modelling and the Greater Melbourne Flood Information Program by guest representatives from Melbourne Water, including senior specialists in flood strategy and planning and technical modelling. The session outlined:

- Melbourne Water's role as floodplain manager and the shift to more comprehensive modelling that includes local stormwater systems, updated topography, climate change scenarios, and 2100 planning horizons.
- The flood modelling approach including validation and robust quality assurance processes and community ground-truthing as part of the community engagement.
- The upcoming community engagement phase, including public release of draft maps, hazard categories (H1–H6) and consultation approaches.
- A summary of information available in the Flood Mapping Hub and anticipated community concerns such as property values, insurance implications, and new areas being identified as flood-affected.

Councillors asked questions on modelling assumptions, seasonality of rainfall, insurance modelling differences, and how sea level rise is factored into future planning.

4 **BN2171 – Motorcycle Safety Levy Infrastructure Projects**

Councillors were presented with the outcomes of community consultation on the proposed motorcycle safety projects funded through the State Governments Motorcycle Levy Program. Key points included:

- Proposed treatments such as road safety barriers and signage in high-risk motorcycle routes.
- Significant community concern about the visual impact of barriers, particularly on Main Creek Road and potential effects on wildlife.
- Resulting design revisions that reduced the number of barriers and signs where feasible while still addressing identified safety risks.
- Clarification that Motorcycle Levy funding cannot be redirected to road resurfacing or other general road maintenance.
- Discussion of aesthetic options (e.g., painting barriers), noting these are not eligible for grant funding and would need council investment.
- Next steps include presenting revised project scopes for council endorsement in April.

Councillors queried reputational implications of rejecting levy funding, safety rationale for certain treatments, and options for further discussion prior to the April decision.

The matters listed below were provided as non-verbal updates

Item No	Item
1	BN2173 – Quarterly Reports October–December 2025 Councillors were provided with a briefing note on the FY26 Q2 Community and Financial Reports. The Community Report shows 75% of Annual Actions on track and includes highlights such as major awards, road upgrades and new Pelican Park facilities. The Quarterly Financial Report outlines a net operating position of \$129.4 million, a \$107.3 million cash position, \$28 million in capital works delivered, and borrowings reduced to \$29 million. Reports will proceed to the 17 March 2026 Council Meeting for publication.
2	BN2174 – Proposed Jet Ski Safety Municipal Association of Victoria State Council Motion Councillors were provided with a briefing note on a proposed Municipal Association of Victoria (MAV) State Council Motion seeking stronger State enforcement of jet ski (PWC) regulations. The Shire is building support from coastal councils, consistent with ABM's strategic position. The motion aims to elevate concerns about unsafe jet

ski behaviour and advocate for improved enforcement measures such as increased patrols, CCTV and clearer markers. Submission of the motion is *due to the MAV* by 30 March 2026.

3 BN2175 – Response to Notice of Motion 504 – Pedestrian Link between Jetty Road and Cleek Crescent, Rosebud

Councillors were provided with a paper on the assessment of the missing pedestrian link along Old Cape Schanck Road. The link is outside the Urban Growth Boundary and would rank mid-range (57/118) if included in the priority list of missing links for the Principal Pedestrian Network. Significant constraints – environmental, structural, cultural heritage and safety, make the pathway project complex and costly (approx. \$1.5 million). A community-initiated Special Charge Scheme is the most feasible way for progression of the project considering the ranking and cost constraints through Council's budgets.

4 BN2176 – Proposed Lease to Telstra at Citation Reserve Mount Martha

Councillors were provided with a briefing note on a proposed three-year lease with Telstra for a 30m² equipment shelter at Citation Reserve, co-located with the existing Indara telecommunications facility. Engagement returned no submissions, and internal assessments raised no issues after arboriculture review. The lease supports efficient land use and improved network reliability.

5 BN2177 – Proposed Sale of Land – 71-75 High Street, Hastings

Councillors were provided with a paper on a proposal to begin community engagement on selling three small parcels of Council land to adjoining owners. The land has no strategic value and is already maintained by adjoining properties. Market valuations support potential sale, subject to removal of reserve status and statutory processes. The preferred approach is to proceed to community engagement before any final decision is made.

Conflict of Interest Disclosures:

No conflicts were declared

Responsible Officer completing this form:

Name: Tegan Lewis

Signature: *Tegan Lewis*

Position: Coordinator – Council Reports



Mornington
Peninsula Shire



Mornington Peninsula Shire - Financial Performance Statement YTD

	Actuals YTD Dec FY26 \$'000	Approved Forecast \$'000	Full Year Q2 Forecast \$'000	Variance Fav/(Unfav) \$'000	Actual FY25 \$'000
Rates and Charges	237,495	237,913	237,277	(636)	226,750
Grants and subsidies	5,730	7,499	8,714	1,215	8,568
User Charges	17,936	34,247	36,791	2,544	35,323
Grants Commission	1,957	7,845	7,894	49	11,574
Other Income	4,872	5,837	8,314	2,477	7,513
Total Operating Income	267,989	293,341	298,990	5,649	289,727
Employee Costs	(55,769)	(97,091)	(103,843)	(6,752)	(98,377)
Materials and Services	(18,031)	(56,619)	(48,123)	8,496	(39,555)
Materials and Services - Contracts	(58,751)	(121,987)	(123,909)	(1,922)	(104,882)
Other Expenses	(6,022)	(10,062)	(10,339)	(277)	(9,016)
Total Operating Expenditure	(138,573)	(285,759)	(286,214)	(455)	(251,830)
Net Operating Income/ Funds Available	129,416	7,582	12,776	5,194	37,897
Capital Works (Net)	(17,424)	(56,452)	(58,347)	(1,895)	(33,947)
Operating Projects (Net)	(490)	(6,250)	(4,354)	1,895	(4,292)
Land acquisitions	-	(659)	(659)	-	-
Land sales	149	7,393	149	(7,244)	515
Interest Income	3,225	3,000	5,869	2,869	6,634
Interest Expense	(469)	(739)	(800)	(61)	(964)
Debt Servicing Principal	(1,329)	(2,668)	(2,665)	3	(2,707)
New Borrowings	-	5,160	3,467	(1,693)	-
Lease liability repayments	(324)	(961)	(968)	(7)	-
Total Other Income/ Expenditure	(16,662)	(52,175)	(58,308)	(6,133)	(34,762)
Surplus/ (Deficit)	112,754	(44,593)	(45,532)	(939)	3,135
FY27 unallocated budget				5,159	
Create WSC Reserve				4,220	
surplus / (Deficit)				0	



INSTRUMENT OF APPOINTMENT AND AUTHORISATION
(Planning and Environment Act 1987)

In this instrument “**Officer**” means –

- **Danika Henderson-Morunga – Graduate Planner**

By this Instrument of Appointment and Authorisation, the Mornington Peninsula Shire Council –

1. Under Section 147(4) of the *Planning and Environment Act 1987* – authorises the officer to carry out the duties or functions and to exercise the powers of an authorised officer under the *Planning and Environment Act 1987* and

It is declared that this Instrument of Appointment and Authorisation –

- A. Comes into force immediately upon its execution; and
- B. Remains in force until varied or revoked.
- C. Is revoked when the officer is no longer employed or engaged by Council.

This Instrument of Appointment and Authorisation is authorised by a resolution of the Mornington Peninsula Shire Council on 17 March 2026.



INSTRUMENT OF APPOINTMENT AND AUTHORISATION
(Land Act 1958)

In this instrument “**Officer**” means –

- **Karina Charlesworth – Property Administration Officer**

By this Instrument of Appointment and Authorisation, the Mornington Peninsula Shire Council, acting in its role as the Committee of Management for land reserved pursuant to Section 4 of the *Crown Land (Reserves) Act 1978* –

1. Under Section 188A of the *Land Act 1958* – in its capacity as a Committee of Management authorises the Officer for the purposes of Section 188A of that Act; and

It is declared that this Instrument of Appointment and Authorisation –

- A. Comes into force immediately upon its execution; and
- B. Remains in force until varied or revoked.
- C. Is revoked when the officer is no longer employed or engaged by Council.

This Instrument of Appointment and Authorisation is authorised by a resolution of the Mornington Peninsula Shire Council on 17 March 2026.

Community Report

October to December 2025



Mornington
Peninsula Shire



Contents

Mayor's Message	2
Our Councillors	3
Our Wards	4
Our Engagement	5
Council Plan Update	6
Place	7
People	15
Prosperity	22
Performance	28
Capital Works Projects	35

Mayor's Message



Welcome to this Community Report for October to December 2025. Among the numerous highlights of this quarter was substantial progress in the areas of safety, wellbeing and long-term planning.

Road safety is a key focus for Council, so I'm very proud Mornington Peninsula Shire was named the winner of the 2025 ACRS Excellence in Road Safety Award. This prestigious Australasian award was for our innovative work on rural compact roundabouts – projects that deliver life-saving infrastructure at a fraction of the traditional cost.

This recognition highlights the importance of our increased investment in local roads – a huge priority for Council – and our ongoing improvements to safety across the road network. Building on this, we are developing a draft *Towards Zero Road Safety Strategy*, which will set out a long-term pathway to reducing road trauma on the Peninsula. Community input will be essential as we shape this vision for the future.

We continued making significant infrastructure improvements across our region this quarter, including the completion of Stage

2 of the Broadway Road and Drainage Upgrade in Capel Sound. This delivered a new roundabout and street lighting, as well as a pedestrian crossing at the Broadway/Truemans Road intersection – supporting safer travel and better local amenity for residents and visitors.

We were thrilled to welcome the community back to our newly revamped Pelican Park Recreation Centre, after we completed a major renewal of the facility. It was particularly exciting to officially open the new Wellness Centre, which will support an active, healthy lifestyles for all ages for many years to come.

The wellbeing of our community was likewise a priority when allocating \$4.3 million in Community Investment Funding. Support was awarded to local organisations through grants, subsidies and sponsorships. Among these initiatives, the Biolink Support Grant round delivered \$100,000 in on-ground environmental works, restoring habitat, protecting waterways and strengthening biodiversity connections across the Peninsula.

We are keenly aware that our community's wellbeing is

underpinned by a strong local economy. On the Peninsula, this foundational support is predominantly provided by small businesses. This quarter, I'm thrilled we could recognise the innovation and leadership of those local businesses that help drive our prosperity, with the holding of the 2025 Mornington Peninsula Business Excellence Awards.

I'd like to finish by mentioning our Long-Term Financial Plan, adopted by Council on 30 October. It was a huge piece of work, informed by more than 3,500 community voices. It sets a sustainable financial direction for the next decade and ensures we can continue delivering vital services and infrastructure while preparing responsibly for the future.

Thank you to everyone who contributes to making the Mornington Peninsula such a connected, caring and forward-looking community. I am genuinely excited to be continuing this work together in the year ahead.

**Councillor Paul Pingiaro,
Deputy Mayor
Mornington Peninsula Shire
Council**

Our Councillors



Cr. Anthony Marsh
(Mayor)
Briars Ward



Cr. Paul Pingiaro
(Dep. Mayor)
Tanti Ward



Cr. Kate Roper
Beek Beek Ward



Cr. Max Patton
Benbenjie Ward



Cr. Patrick Binyon
Brokil Ward



Cr. David Gill
Coolart Ward



Cr. Stephen Batty
Kackeraboite Ward



Cr. Bruce Ranken
Moorooduc Ward



Cr. Andrea Allen
Nepean Ward



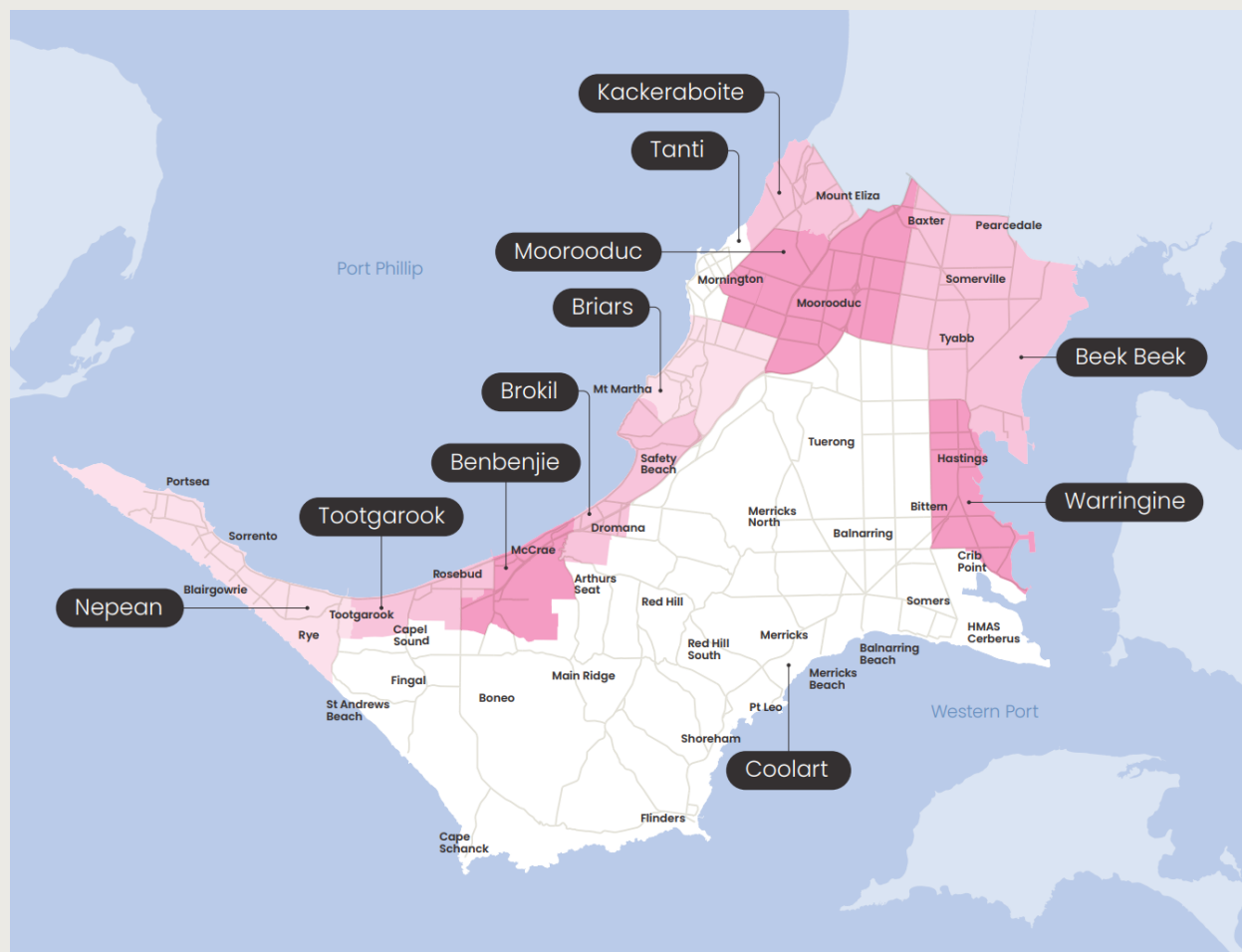
Cr. Cam Williams
Tootgarook Ward



Cr. Michael Stephens
Warringine Ward

For more information visit:
mornpen.vic.gov.au/ourcouncillors

Our Wards



Our Engagement

Fast Facts – How You Engaged With Us



25,556 Calls taken
55% resolved at first contact



3,301 customers attended on of our
service centres



1,933 correspondence received
79% responded to within
10 business days



29,106 service requests received
(includes Snap Send Solve requests)
77% of enquiries resolved on time



3,388 webchats



1.3M web page views

Major Engagements – Have Your Say

There were 12 community engagement projects open for Q2:

- Arts and Culture Strategy
- Sorrento Parking Upgrades
- Dromana Shared Path
- Somerville Draft Recreation Reserve Master Plan
- Crib Point Public Art
- Lease and Licence Policy
- Mount BMX
- Red Trail Signage
- Water Safety Plan
- Woodbyne proposed land sale
- Rating Review
- Coastal Strategy.



Council Plan Update

Place

Strategic Direction 1



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

Community Focus Place

Shire scoops major road safety award

Each year, the Australasia College of Road Safety (ACRS) recognises exceptional leadership, research and innovation in road safety, highlighting individuals and organisations committed to reducing road trauma across Australasia.

Mornington Peninsula Shire Council has been named the winner of the 2025 ACRS Excellence in Road Safety Award.

For more information, click on

mornpen.vic.gov.au/roadsafetyaward

Mornington Peninsula named Victoria's Tidy Town for 2025

The Mornington Peninsula community has plenty to celebrate after being named Tidy Town of Victoria 2025 at Keep Australia Beautiful VIC's Tidy Towns and Cities Sustainability Awards.

The awards recognise the passion and dedication of local people working together to make their communities stronger, more connected and more vibrant places to live.

For more information, click on

mornpen.vic.gov.au/tidytown2025

Strategic Objective 1.1

Protected, resilient and enhanced natural environments.

Performance Measures

-  **110** bushland working bees supported this quarter.
281 year to date.
(Annual target – 500)
-  **No** trees planted under the Urban Forest Strategy this quarter due to seasonality.
860 trees planted year to date
(Annual target – 2,000)
-  **1,009 km** of beaches cleaned
(Quarterly target – 1,000km)
-  **6,487** drainage pits inspected with **448** cleaned
(Quarterly target – 6,000 inspections)
-  **9,802 tonnes** of kerbside waste diverted from landfill
8,125 tonnes diverted last quarter
(Target – increase)

Annual Actions

1.1.1.1 Deliver the Biodiversity Conservation Plan.

On Track ●

The Shire's Bushland Contractor delivered priority spring/summer works under the annual Biodiversity Works Program. Activities focused on the control of high-threat environmental weeds across 80 priority bushland and foreshore reserves throughout the Peninsula.

The Fuel Hazard Reduction Works Program continued with inspections of fire management zones. Fuel reduction efforts are being implemented across the Peninsula to mitigate bushfire risk and enhance community safety.

The Natural Systems Pest Animal Control Program was delivered at key sites, including Tootgarook Wetland, to protect significant threatened species present in the area. These include Swamp Skinks, Glossy Grass Skinks and Australasian Bitterns. The Shire's Natural Systems team also conducted spring monitoring of threatened orchid populations within bushland and foreshore reserves to guide ongoing conservation management.

We also initiated another round of Koala monitoring, enhancing our understanding of local populations and habitat use to inform future planning and biodiversity outcomes.

Promotion for the next round of the Nature Stewards program started, with outreach activities underway to encourage community participation and build local capacity for environmental stewardship.

1.1.1.2 Deliver the Biolinks Support Grants Program.

On Track ●

This year's Biolink Support Grant round funded 17 projects, delivering a total investment of \$100,000 into on-ground environmental works across the Mornington Peninsula. Collectively, these projects will provide:

- 13 hectares of revegetation, including the planting of 5,700 tube stock
- 15 hectares of environmental weed control
- 480 metres of creek line restoration
- 12 hectares of remnant vegetation protection and enhancement.

These outcomes will play a vital role in strengthening habitat connectivity, improving waterway health and safeguarding remnant native vegetation throughout the region. All project applicants have been notified of their results.

1.1.1.3 Plan and deliver the first year of the Urban Forest Tree Planting program.

Monitor ●

The Shire is working through the recruitment process to engage an Urban Forest Arborist with interviews set to begin in mid-January. Tree planting is planned for the autumn and winter of 2026 to ensure their successful establishment.

1.1.2.1 Develop Stages 5-7 (Part B) of 'Our Coast Our Future' Coastal Strategy.

Monitor ●

We have finalised the preliminary adaptation actions for each priority township and will put them out for community consultation, which will be held in the next quarter. We will be seeking community input on which adaptation actions they think would work best for their townships.

This feedback will help inform the draft Our Coast, Our Future Coastal Strategy, which we plan to finalise for public exhibition before the end of the financial year, with adoption now planned for early in the 2026-27 financial year.

1.1.3.1 Develop the Open Space Strategy.

On Track ●

The draft Open Space Strategy and draft Open Space Contributions Report were placed on public exhibition for six weeks from 25 August to 3 October 2025. Council was briefed on 9 December 2025 on the feedback obtained through public exhibition and provided with copies of the updated documents. Officers will schedule a Council workshop in early 2026, prior to seeking a decision to adopt the draft Open Space Strategy and the draft Open Space Contributions Report.

1.1.4.1 Advocate to State Government regarding reforms to Green Wedge Planning Policy.

On Track ●

At its meeting on 23 September 2025, Council approved Green Wedge protection as a Tier 2 advocacy priority for 2025-26. Council continues to monitor the State Government's progress in delivering supported recommendations from the Inquiry Report on Securing the Victorian Food Supply, as well as implementing its Planning for Melbourne's Green Wedges and Agricultural Land Action Plan (2024).

1.1.5.1 Develop an updated Landslide Susceptibility Assessment.

On Track ●

The initial review of the previous landslide susceptibility work undertaken in 2012 has been undertaken and an interim Erosion Management Overlay has been introduced. The specialist geotechnical engineering consultant is undertaking additional work to refine the mapping to remove anomalies where retaining walls and other minor earthworks with an artificially steep slope have been picked up as being highly susceptible to landslides. This work is anticipated to be completed by March 2026 and then will inform a planning scheme amendment to revise the interim EMO.

Additionally, two specialist roles who will oversee the update of the landslide susceptibility assessment that will underpin a permanent EMO will commence in January 2026.

1.1.5.2 Plan and deliver renewable energy and asset efficiency projects on Shire facilities.

On Track ●

The Foreshore Camping Heat Pump Upgrade Program has been completed with hot water heat pump upgrades to 20 foreshore camping amenity blocks. This has reduced operating costs and improved system reliability.

A 22-kilowatt system consisting of Solar PV panels and batteries was installed at the Mornington Community Animal Shelter.

Other work includes:

- Yawa Energy Performance Optimisation Project. This project aims to establish an energy performance baseline and investigate opportunities to improve financial sustainability, reduce operational emissions and enhance facility amenity through optimisation of Building Management System controls. The project is on track to be completed by June 2026.
- Solar and Batteries for Council Facilities Project. A business case was completed to support a submission for additional battery storage and solar PV for Shire facilities (Stage 1) in the upcoming 2026–27 budget bid cycle. The rollout of solar and batteries is an ongoing project. New facilities are being designed and constructed with solar PV, batteries and energy-efficient appliances and systems as per Council's ESD Policy, including the design of Emil Madsen Eastern Pavilion.
- Domestic Hot Water Efficiency Upgrade Project. A business case was completed to support a submission in the upcoming 2026–27 budget bid cycle for delivery of the next stage of the hot water system upgrade program. These upgrades improve energy resilience of Council facilities, reduce operating costs and support best practise asset management.
- Electrification of Rosebud Memorial Hall. The upgrade of the gas stove and removal of redundant gas space heating for full electrification. This will reduce costs and improve energy efficiency and energy resilience.

1.1.6.1 Utilise flood mapping to mitigate and adapt to flood risk.

On Track ●

Melbourne Water has completed flood mapping for all of the Shire's water catchments. This information has been presented to the Executive team with a Council briefing scheduled for the upcoming quarter. Following this, Melbourne Water will undertake community consultation later in 2026. Additionally, our annual average damage assessments are set to begin in early 2026.

1.1.7.1 Prepare for the rollout of the State's Recycling Victoria's mandated four-bin household waste and recycling system.

Monitor ●

The kerbside transition plan has been finalised and submitted to the Department of Energy, Environment and Climate Action.

The project to transition to the mandated four-bin household waste and recycling system is underway, although we are still awaiting the release of the final standards from the state government which is delaying implementation.

1.1.7.2 Finalise the Rye landfill closure subject to the Environment Protection Authority's approvals and post-closure requirements.

Monitor ●

The design work for the final cap is in progress and is currently under review by an Environmental Protection Authority (EPA) auditor, following which it will be submitted to the EPA for approval.

The landfill is expected to close in mid to late 2026.

Strategic Objective 1.2

Connected townships with integrated and accessible transport and well-maintained infrastructure.

Performance Measures



80 days, on average, for planning applications (Target – <90 days)

61% of planning applications decided within target timeframes



94,845m² of roads resurfaced and/or rehabilitated in the quarter.

232,252m² year to date
(Annual target – 200,000m²)

Annual Actions

1.2.1.1 Finalise the residential height planning controls review.

Off Track ●

Both the Background Report (Literature Review) and the Shire-wide Landscape Character Assessment Report were completed in the last quarter.

Data from the Landscape Character Assessment will be integrated with the Victorian Government's Vic3D platform in the next quarter. Detailed site testing, modelling and analysis will then be undertaken to inform recommended changes to height controls before commencing community engagement.

1.2.1.2 Deliver planning scheme amendments across Mornington Peninsula in support of population growth and maintaining neighbourhood character.

On Track ●

Upon receiving the report from the independent Planning Panel about Amendment C295morn (Creswell Street Crib Point Development Contributions Plan Review) in the previous quarter, Council resolved on 16 December 2025 to adopt the amendment and submit it to the Minister for Planning for approval with changes.

These changes will investigate whether two Manna Gums in the Cooma Street Road Reserve can be retained with an alternative road sealing treatment. If an alternative design cannot preserve the trees, the Development Contributions Plan will be updated to delete sealing that section of Cooma Street to ensure the trees can be retained. These investigations will commence in January, with the final DCP and Amendment C295morn to be submitted to the Minister for approval in early 2026.

A Planning Panel hearing was held in October 2025 for Amendment C247morn (Woodbyne Crescent, Mornington North). The Panel delivered its report to Council in November 2025. Council will consider the Panel's report and decide whether to adopt the amendment in the following quarter.

Amendments sitting with the Minister for Planning:

- Amendment C219morn (Housing on the Peninsula). We continue to liaise with the State Government to try to progress the assessment and approval of the amendment, noting that significant recent planning reforms (namely the new Single Dwelling Code and Townhouse and Low-Rise Code) will likely impact the amendment. The amendment was adopted by Council in August 2024 and submitted to the Minister for Planning in September 2024.
- Amendment C302morn (Heritage Review Area 4 and Stage 5, including permanent Heritage Overlays and Sorrento Incorporated Document Review). Council is awaiting approval from the Minister for Planning to publicly exhibit the amendment.
- Amendment C286morn (Ocean Beach Road Sorrento Built Form Controls). Council adopted the amendment on 23 September 2025.

1.2.2.1 Deliver the Community Facilities Infrastructure Strategy through development of Community Infrastructure Action Plans. *On Track* ●

The local area action plans for Western Port are almost complete, with assessments of all 94 facilities conducted.

A Community Facilities Delivery and Management Model Framework, which will guide the recommendations, has been developed and we are currently undertaking engagement and consultation on the recommendations.

The draft Framework will be presented to Council in early 2026.

1.2.2.2 Review the Public Amenity Strategy. *On Track* ●

The review of our Public Amenity Strategy is nearing completion, with a significant amount of work completed, including audits of all facilities, the development of a prioritisation matrix and consideration of key data and information. Upon completion, the Plan will be presented to the Project Control Group and the Executive.

1.2.2.3 Develop the Property Strategy. *On Track* ●

The development of a new Property Strategy is underway. A Councillor workshop is planned for 3 February 2026 to discuss the strategic property framework with councillors, and to agree on timelines, including community consultation.

1.2.2.4 Develop the Long Term Capital Works Plan. *Monitor* ●

We started planning for and incorporating a 4-year and 10-year financial planning outlook for capital budget submissions in November 2025.

We also undertook priority Councillor sessions to outline the process and inputs as part of the Long Term Capital Works Program and facilitated recurring program sessions. This will help us understand the planning and necessary information required for a 10-year outlook.

1.2.3.1 Develop the Integrated Transport Strategy. *On Track* ●

The draft Integrated Transport Strategy is progressing and nearing completion. A series of workshops with internal stakeholders was held with recommendations informing the draft. Workshops with Councillors will be held in the coming quarter, before finalising the draft for public exhibition by June 2025.

1.2.3.2 Review the Towards Zero Road Safety Strategy. *Monitor* ●

The draft strategy is currently in development. To inform its development, a workshop with key stakeholders was held on 11 November 2025 to discuss options for improving road safety on the Mornington Peninsula.

The workshop provided valuable input into the road safety strategy development. An expert road safety consultant has been engaged to refresh the Shire's road safety strategy. The first stage of the road safety strategy refresh (crash data analysis) is almost complete. The next stage is development of road safety actions.

1.2.4.1 Deliver the annual Road Rehabilitation and Resurfacing Programs. *On Track* ●

The Mornington Peninsula community can look forward to smoother, safer journeys, with the Shire's annual Road Resurfacing and Rehabilitation Program (RRRP) now underway. As part of the scheduled program of works, these programs will be delivered throughout the 2025–26 year with some works, including Uralla Road, Mount Martha, already completed.

Pre-works have been completed for remaining locations, which include:

- Wooralla Drive, Mount Eliza
- Canadian Bay Road, Mount Eliza
- Old White Hill Road, Dromana
- Point Leo Road, Point Leo
- Verdon Street, Dromana
- Heales Street, Dromana
- Coryule Street, Shoreham.

1.2.4.2 Review the Road Management Plan. *Completed* ●

Our Road Management Plan (RMP) was adopted on 14 October 2025.

As part of delivery of the RMP we filled in 1,866 potholes this quarter from 548 requests received.

1.2.5.1 Deliver the Peninsula Trail Masterplan. *On Track* ●

The Peninsula Trail project has made good progress this quarter, particularly in the areas of branding, wayfinding, and design. A Branding Strategy has been completed, incorporating the MPS logo and aligning with the corporate Style Guide. Extensive engagement, including workshops with the Bunurong Land Council, Parks Victoria, community stakeholders, and internal experts, has informed the Strategy and identified five brand pillars: Country & Culture, Diversity & Discovery, Inclusivity & Connection, Healthy Living & Wellbeing, and Sustainability & Care. These pillars will guide functional wayfinding, interpretive storytelling, and engagement campaigns.

Concepts have been completed in time for the new visual identity to first appear on signage for the nearly completed Somerville to Baxter link.

Planning progress continues on the Mornington to Moorooduc section, with an updated concept design completed in draft pending the outcome of a biodiversity assessment. The biodiversity assessment is also currently in draft form and undergoing internal reviews before finalisation. Once complete, a decision on a preferred route through the rail corridor will be able to be made to progress the section to detailed design.

A design package for the next four highest priority missing links will go to market shortly to engage a suitably qualified consultant to undertake detailed design.

Looking ahead to the 2025–26 financial year, priorities will include progressing key sections through design to be funding-ready and collaborating with the Advocacy team to support funding opportunities.

People

Strategic Direction 2



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

Community Focus People

Seniors Festival highlights the vibrant spirit of our community

Throughout October, Mornington Peninsula senior residents got out and about to enjoy close to 100 events across our region. Spanning themes such as music, nature, home making, intergenerational gathering, art, exercise, 'come and try' days, films and more, there was something for everyone to enjoy.

For more information, click on
mornpen.vic.gov.au/seniorsfestival2025

This is what community looks like at Christmas

When a grandmother walked into a local community support centre last year, she didn't think anyone could help her provide Christmas gifts for her 12 grandchildren. She walked out with a car full of toys and tears in her eyes.

For more information, click on
mornpen.vic.gov.au/communitychristmas



Strategic Objective 2.1

A safe, accessible, inclusive and healthy community.

Performance Measures



50 preventative health and wellbeing initiatives delivered



2 Equity impact assessments undertaken on Shire projects and/or services
(Quarterly target – 4)



1,602 new youth participating in Shire provided programs



3,104 new compliance investigations received.

1,897 compliance investigations closed.

Annual Actions

2.1.1.1 Deliver the Public Health and Wellbeing Plan.

On Track ●

Significant progress has been made in promoting safety, inclusion and wellbeing through the implementation of the Public Health and Wellbeing Plan across the Mornington Peninsula. Between 25 November and the 10 December, we successfully delivered the 16 Days of Activism campaign, with six impactful events held across the Shire. Highlights included a community march at Hastings Foreshore, a Youth Theatre Project, and respectful relationships sessions for men and secondary school boys, reinforcing the Shire's commitment to preventing gender-based violence.

Capacity-building initiatives were also prioritised. Elder Abuse training was delivered to 25 frontline staff on 4 December, enhancing skills to recognise and respond to abuse. Additionally, Ageism training was provided to staff working directly with older residents, supporting inclusive service delivery.

Community engagement remained strong through intergenerational programs and community-led events, such as the Blue Christmas event for families impacted by suicide and our ongoing All Abilities golf days. The Shire also advanced diversity and inclusion by partnering with First Nations, multicultural, disability and LGBTQIA+ communities to deliver programs and advocacy initiatives.

Other notable achievements include:

- Maternal and Child Health outreach, delivering 54 Key Ages and Stages consultations to improve early childhood health access.
- Breastfeeding support, with 85 lactation consultations provided.
- Progress on Make a Move Your Way campaign, promoting active living with over 46,700 online impressions.
- Implementation of smoke-free signage, with 128 signs installed at beaches and 40 at sporting reserves.

2.1.2.1 Deliver the We All Belong Strategy. On Track ●

The Shire continued delivery of inclusive programs and initiatives to support priority populations and key life stages across the Mornington Peninsula. Highlights delivered include:

- Engaging young people, older people and diverse communities through inclusive arts, culture, recreation and community programs.
- Supporting community connection through youth activities, intergenerational programs, neighbourhood houses and All Abilities Golf.
- Strengthening multicultural engagement through the Multicultural Community Network and planning for the Multicultural Storytelling Project and Harmony Week.
- Increasing visibility and support for LGBTIQ+ communities through regional collaboration, Pride flag displays and inclusion training.
- Improving recreation access through ongoing beach matting, all abilities equipment and accessible recreation initiatives such as the Hansa C Crane Hoist at Hastings Floating Pontoon.
- Progressing the Accessible Events Guide to embed inclusive practice across Council activities.
- Introducing Easy English versions of the Council plan and Public Health and Wellbeing Plan.
- Supporting children and families through maternal and child health services, supported playgroups and grandparent groups.
- Engaging young people through youth hubs, leadership programs and creative initiatives.
- Supporting older people through the Seniors Festival, age-friendly programs and Ageism Awareness training.

2.1.2.2 Deliver the Gender Equality Strategy.

On Track ●

Implementation of the Year 6 Action Plan from our Gender Equality Strategy began with the organisation of community events for the 16 Days of Activism against Gender-Based Violence campaign.

We submitted our Gender Equality Workforce Audit submission on 1 December 2025 and completed an Equity Impact Assessment for the Dromana Shared Path Project. We also started planning for International Women's Day and conducted an Equity Impact Assessment on the Arts, Culture and Events Plan.

Other activities include a local walk against violence in Hastings, supporting a Youth Theatre Project, holding an Author Talk at Mornington Library and training front-line staff to recognise elder abuse.

2.1.3.1 Implement the Innovate Reconciliation Action Plan.

On Track ●

Highlights delivered in support of the Innovate Reconciliation Action Plan include:

- Delivering the Junior Ranger program in collaboration with the Bunurong Land Council Aboriginal Corporation. This program has now completed its first year of supporting over 90 First Nations primary and secondary students. An additional two years of funding to continue engaging with First Nations youth on the Peninsula was successfully secured.
- Coordinating the successful recruitment of a First Nations Trainee within the Shire's Traineeship Program.
- Collaborating with Willum Warrain and First Nations ally groups, Walking Together and Southern Peninsula Allies for First Nations Justice to deliver 3 First Nations Seniors Festival events during October. All three events were attended with over 60 First Nations people and allies alike.

- The Mornington Peninsula Regional Gallery's exhibition 'Unfolding: First Nations works on paper' is a result of the cultural and curatorial guidance of First Nations artist-curator Jenna Mayilema Lee. Jenna reviewed the collection and guided the Gallery in selecting the appropriate works and themes to meaningfully express the artist's story through art. The Gallery also commissioned 16 other First Nations artists to write about each other's work, create in-exhibition engagement touchpoints, deliver floor talks, in-conversations and engage with the gallery to create a purposeful, meaningful and engaging outcome for the whole community.

2.1.4.1 Develop the Local Water Safety Plan.

Monitor ●

The draft Local Water Safety Plan was completed and went live on our SHAPE page for community consultation and feedback on December 8, 2025. The consultation period will close on January 30, 2026.

Signage was installed at Mills Beach, Gunnamatta and 16th Beach as part of the research project. A real estate board-sized water safety message was also installed on Peninsula Link (southbound), with further signage being arranged.

2.1.5.1 Implement the Triple A Housing Plan.

On Track ●

The Mornington Peninsula has the highest proportion of people experiencing sleeping rough under the Functional Zero program, including those in Melbourne's CBD. We remain committed to advocating for and providing homelessness services in the Shire.

We are partnering with WPI and YWCA to develop women's housing on four parcels of land in Hastings and Mornington. Both projects have been successfully funded through State Government funding, with construction in Hastings to start in 2026.

A working group has commenced to oversee the Rosebud Women's Housing project. Housing Choices Australia and Good Shepherd will partner with the Shire to apply for Federal Government funding to progress this project in early 2026.

The Triple A Housing Advisory Committee meet quarterly and provides advice to the Shire on current issues, local challenges and potential opportunities. Priorities for the upcoming year have been identified with the committee to continue working on these in 2026, in accordance with the Triple A Housing Plan.

2.1.6.1 Develop the Community Disaster Resilience Plan.

Completed ●

Council adopted the Community Disaster Resilience Plan and Year 1 Action Plan at the 2 December 2025 Council meeting.

2.1.6.2 Emergency Relief Hub Energy Resilience Upgrade.

Monitor ●

The project to upgrade the Emergency Relief Energy Hub is nearly back on track, with the working group established and meeting in December. The Terms of Reference have been adopted, the suitability criteria have been distributed for feedback and meetings have been scheduled throughout June 2026.

Strategic Objective 2.2

An engaged and connected community.

Performance Measures



82 programs delivered via Community Houses
76 last quarter
(Target – increase)



63 community-led events and projects, supported by Council, that promote social connection
75 last quarter
(Target – increase)



11,081 community members participated in Library programs
8,364 last quarter
(Target – increase)



12 new engagement projects



64,912 followers and subscribers across communication mediums
3.3% increase from last quarter

Annual Actions

2.2.2.1 Develop the Sports Capacity Plan V2 and 3. Completed ●

The Sports Capacity Plans were finalised and adopted by Council on 5 November 2025. All recommendations from the strategies will be prioritised and delivered as part of Council's Capital Works Program, subject to future funding as part of Council's Budget process.

2.2.2.2 Develop the Playspace and Outdoor Exercise Strategy. Off Track ●

The development of the strategy is currently in progress. The project brief has been completed and we expect to finalise the appointment of consultants by the end of January 2026.

2.2.2.3 Develop the Pavilion Strategy. Monitor ●

We are currently finalising the draft of the Pavilion Strategy. This strategy will include the sports facility development standards outlined in the recently adopted Sport Capacity Plan. We expect to present the draft Pavilion Strategy to Council for public exhibition in early 2026. Additionally, we have created a priority list of pavilion projects based on an audit of our existing pavilions, which will form the basis of future capital works projects as part of Council's budget process.

2.2.3.1 Develop the Arts, Culture and Events Strategy 2026–2036. On Track ●

Community consultation took place over four weeks in October and November. This included engagement with key stakeholders, members of the Arts and Culture Advisory Panel, and Councillors. We have now completed the draft background paper, which will guide the development of the Draft Arts, Culture, and Events Strategy for 2026–2036.

The Draft Strategy is scheduled to be presented to the Executive in March, followed by a Council Briefing Workshop later that month and adoption later in 2026.

2.2.4.1 Implement the Library Strategy. *On Track* ●

Actions delivered in support of the Library Strategy in the last quarter included:

- Seniors' month, multiple events held over all branches focusing on positive ageing and learning.
- New chute at Somerville Library installed and completed.
- Collaboration with Smart Gardens, Little Sprouts workshop planting workshop for Children's Week.
- Delivery of Digital Literacy Classes and one on one tech help.

Actions scheduled for next quarter include:

- Holding a Community Engagement Survey in February.
- Summer at the Library – Big Summer read program.
- New OLIV, Our Library Van schedule/roster, programs to be included.
- International Women's Day displays and events across branches.

2.2.5.1 Improve community engagement process for Shire projects and commence review of Community engagement Strategy. *On Track* ●

A review of the Community Engagement Policy has commenced. Recommendations for the Policy, including a Framework and operational Terms of Reference for staff, are on schedule to be presented to the Executive for approval by the end of the upcoming quarter.

Prosperity

Strategic Direction 3



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

Community Focus Prosperity

Local businesses celebrated at the 2025 Business Excellence Awards

The Shire is delighted to announce the winners of the 2025 Mornington Peninsula Business Excellence Awards following a vibrant celebration that took place this week at The National Golf Club in Cape Schanck.

More than 140 local business owners, industry leaders and community supporters came together for an inspiring evening recognising the leadership and talent that form the backbone of our local economy.

For more information, click on mornpen.vic.gov.au/celebratebusinesses

Shire celebrates regional partnership to support local

Local farmers are getting support to adopt more regenerative and climate resilient practices, thanks to a regional collaboration helping producers strengthen their operations for the future.

The Climate-Smart Agriculture Project brings together farmers, councils, landcare and agricultural groups across the region to support sustainable farming.

For more information, click on mornpen.vic.gov.au/supportfarming



Strategic Objective 3.1

A vibrant, innovative and thriving local economy.

Performance Measures



47 business events and workshops led or supported
(Quarterly target – 8)



34 community events held or supported
22 events last quarter
(Target – increase)



55 days, on average, for event applications
45 days last quarter
(Target – decrease)



48,008 visitations to Shire destinations

Annual Actions

3.1.1.1 Create a dedicated business permit support process.

Off Track ●

A working group has been established to map the current procedures that businesses must follow when seeking permit information from the Council. Officers are collaborating with the Municipal Association of Victoria (MAV) and several other councils to explore the potential of an AI-driven business concierge service.

3.1.1.2 Deliver the Western Port Futures Project.

On Track ●

Officers are actively engaged in working group meetings with the State Government to advance initiatives concerning the Surplus Port Land. A comprehensive land use plan is currently under development and will subsequently be presented to Council for endorsement. Furthermore, preliminary work has commenced on the Vision and Opportunities Paper.

3.1.2.1 Deliver initiatives, in collaboration with stakeholders, to increase local learning opportunities.

On Track ●

Shire officers supported the implementation of several initiatives, including the Mornington Peninsula Business Excellence Awards program, a series of agribusiness workshops and field days, an Emergency Preparedness workshop attended by 24 businesses, and the 'Work for Money and Enjoyment' forum, which was designed for more than 60 seniors looking to re-enter the workforce.

The Best Bites program provides opportunities for businesses to enhance their skills in sustainability, accessibility, and health and wellbeing. At the end of 2025, the program had successfully assessed 64 businesses, which was a 20 per cent increase on last year. Additionally, program officers participated in regular meetings with various organisations, including the Frankton Mornington Peninsula Skills and Jobs Network, the South Eastern Melbourne and Peninsula Taskforce, the FMP Youth Employment Body, Chisholm TAFE, and Advance College.

3.1.4.1 Deliver planning scheme amendments in support of increasing commercial and industrial land.

On Track ●

Planning Scheme Amendment C243morn (Somerville Technology, Industry and Business Park) was adopted by Council on 23 September 2025 and submitted to the Minister for Planning on 6 October 2025. It seeks to rezone surplus Port-related land at 79 and 83 Bungower Road in Somerville to create a new precinct for general industrial use with a focus on emerging strategic manufacturing, research and development, and start-up enterprises.

Planning Scheme Amendment C294morn (Hastings Industrial Precinct) is yet to be lodged with Council for assessment. The privately led amendment is intended to create a new industrial precinct on surplus Port-related land north of Graydens Road, generally between Frankston-Flinders Road, Boes Road and Olivers Creek South.

3.1.5.1 Deliver the Food and Agroecology Strategy.

On Track ●

The Sustainable Food Economy and Agroecology Taskforce engaged Sustain to prepare a progress report on the 2-year Action Plan, to run a priority setting workshop in December, and to develop a forward-looking priority action plan for the next 2 years.

Delivery of the 3-year Climate Smart Agriculture grant through Melbourne Water has started. This funding will assist in progressing the project to measure the baseline for agroecological farming practices on the Mornington Peninsula. A launch event was held in the quarter with farmers registering their interest.

The Future Farmers Pathway program, to develop the next generation of small-scale farmers on Mornington Peninsula land, is continuing.

Additionally, communication and education to the Mornington Peninsula farming and landholding community were enhanced through the Agribusiness newsletter and business website resources in the previous quarter.

Strategic Objective 3.2

Valued partnerships and empowered community groups and volunteers.

Performance Measures



\$1,990,645 of funding provided through Community Investment Funding YTD
(Annual Target – \$4,360,000)



23 days, on average, for approval of community capital projects
Previous quarter was 80 days
(Target – decrease)

Annual Actions

3.2.1.1 Deliver the Community Investment Funding programs.

On Track ●

Our Community Investment Funding opened on 13 July 2025. The following Sponsorships, Grants and Subsidies were awarded this quarter:

- 7 Sponsorships
- 69 Grants
- 33 Subsidies.

3.2.2.1 Develop and deliver the Community Volunteering Strengthening Plan to expand and promote volunteering opportunities across the Shire.

On Track ●

Volunteer Engagement included a Get Active Expo during the Seniors' Festival Week and a Volunteer Pop-up at Rosebud. Thirty volunteer vacancies for services and programs opportunities across the Mornington Peninsula were promoted through the volmornpen.com.au website and shared through digital media.

A draft Volunteer Strengthening Strategy has also been developed.

3.2.2.2 Implement annual Volunteer Training to build the capacity and capability of volunteering based groups and organisations and develop a governance guide for volunteer committees of management.

On Track ●

Three training sessions for volunteers were conducted, engaging a total of 35 participants. The sessions included Psychological First Aid Training and 'How to Get Involved in Volunteering,' aimed at enhancing the capacity and capability of the sector. Additionally, two separate Governance Guides were developed to assist volunteer management committees—one for those employing staff and another for committees without staff.

3.2.3.1 Review the Community Capital Infrastructure Policy.

Off Track ●

The review of the Community Capital Infrastructure Policy is progressing. An internal stakeholder group is scheduled to be consulted in the next quarter before we begin developing the draft Community Capital Infrastructure Policy.

A new Community and Engagement Project Lead has been appointed to oversee the update of the Community Capital Infrastructure Policy and the benchmarking and community engagement efforts. The objective of the policy review is to simplify the process for the community and to potentially increase the number of projects.

A revised target end date for the policy's adoption by Council is now set for November 2026. This timeline will allow for the completion of benchmarking and a more thorough stakeholder engagement process to take place before the policy is updated. Officers will provide a briefing to Councillors on our approach to reviewing and updating the policy on 31 March.

3.2.5.1 Determine and position the Shire's advocacy priorities ahead of the 2026 Victorian State election.

On Track ●

Following an advocacy workshop with Councillors in May 2025 and a Council Briefing in July 2025, our 2025–26 advocacy priorities have been determined, with Council adopting our priorities on 23 September 2025. These advocacy priorities will be the focus and position of the Shire until the Victorian election in November 2026. Advocacy collateral has been updated for existing priorities and developed for new priorities.

A dedicated state election campaign to highlight and promote these advocacy priorities to local political candidates is currently being developed and will be launched closer to the election. Our priorities have been split into two tiers.

Tier One Advocacy priorities:

- Port of Hastings Surplus Land
- Rosebud Hospital
- Housing
- Homelessness
- Coastal Infrastructure
- Road Maintenance.

Tier Two Advocacy priorities:

- Green Wedge Protection
- Public Transport
- Personal Watercraft Regulation and Compliance.

The Shire's other ongoing advocacy projects include Peninsula Trail, Emil Madsen Reserve, Performing Arts Centre, Digital Connectivity and Family Violence.

Performance

Strategic Direction 4



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

Community Focus Place

Community voices shape Council's long-term plans for the Peninsula

More than 3,500 community members have helped shape the Mornington Peninsula Shire's long-term plans, giving Council a clear direction for the Peninsula's future.

On 30 October, Council adopted the Financial Plan 2025–26 to 2035–36 and Asset Plan 2025–26 to 2035–36. Together with the Council Plan and Public Health and Wellbeing Plan, these plans outline the outcomes the community wants and how Council will deliver them.

For more information, click on mornpen.vic.gov.au/peninsulafuture

Tell us what you think about proposed rate changes

Rates help pay for the services and facilities our community uses every day – including things like roads, parks, waste services, libraries and community centres.

We're reviewing the way we calculate rates to make sure the system stays up to date and reflects how properties are used across the Shire.

For more information, click on mornpen.vic.gov.au/ratechanges



Strategic Objective 4.1

A financially sustainable, high-performing and well-governed Council.

Performance Measures

-  **\$138,573,000** Net Operating Expenses (YTD forecast \$137.6M)
-  **\$28.1M** Expenditure on Capital works projects (YTD forecast \$28.3M)
-  **75%** of Annual Action Plan actions completed or on track (Target – 80%)
-  **14.7%** of Council decisions made at meetings closed to the public (Target – <10%)
-  **97%** of Freedom of information requests resolved within statutory timeframes (Target – >95%)
-  **2.4%** Voluntary staff turnover for the quarter (Annual target – <10%)
-  **8.4%** Position vacancy rate (no target)

Annual Actions

4.1.1.1 Develop the Financial Plan with identified levers for achieving financial sustainability. Completed ●

On 30 October 2025, following community consultation, Council adopted the 10-year financial plan with 3 levers to achieve financial sustainability.

4.1.1.2 Develop the Revenue and Rating Strategy. On Track ●

Community consultation on the Revenue and Rating Plan began in December 2025. Feedback will close on 15 February 2026 with the Revenue and Rating Plan scheduled to be presented to the Council for adoption in March 2026.

4.1.1.3 Review the Procurement Policy. Completed ●

Council adopted the Procurement Policy 2025–2029 on 2 December 2025.

4.1.1.4 Progress the Future Workplace Project. On Track ●

Officers have completed a business case evaluating the delivery of a consolidated workplace in Hastings, in accordance with the resolution on 11 March 2025.

The business case indicates that the capital costs of developing a facility that meets the endorsed functional requirements are significant. Considering the Council's current financial position and future commitments, the project is not expected to deliver a net financial benefit over a 20-year period.

As a result, Council will undertake a strategic reset and project review to form new recommendations for how best to proceed. A workshop was held with Councillors in November 2025 to realign the problems Council are trying to solve with this project and undertake a new investment logic mapping exercise.

This was completed successfully with the outputs from this session forming the basis of the next stage of work. This includes a Council asset review, an options design process, possible market testing and a business case. This work will be undertaken over the second half of the financial year.

4.1.1.5 Explore key commercial opportunities to increase revenue.

Monitor ●

The exploration of key commercial opportunities is in progress. A capital works bid has been submitted for the expansion of the golf course and Budget bids have been submitted for the conversion of outdoor spaces at the recreation centres.

4.1.1.6 Implement Contract Management Plans across all contracts.

On Track ●

Contract Management Plans in TechnologyOne are currently undergoing an audit to ensure that best practice contract management has been implemented and to ensure compliance with the established Contract Management Framework. The results from the audit will be presented to the executive management team.

4.1.2.1 Implement the Good Governance and Decision making Framework.

On Track ●

Benchmarking against eight councils has been completed and a draft Good Governance and Decision-Making Framework is in development. Once completed, this draft Framework will be presented to the Executive for review in early 2026.

4.1.2.2 Review the Enterprise Risk Management Framework.

On Track ●

Work is ongoing with the Executive and Leadership Team to profile Council's strategic risks. In early 2026, Councillors will be engaged on the Profile and the Risk Appetite Statement, which will be reviewed in relation to the implementation of the Council Plan.

4.1.3.1 Implement the Integrated Strategic Planning and Reporting Framework including a review and consolidation of Council Strategies and Plans.

On Track ●

We have continued implementing the new approach to Integrated Strategic Planning and Reporting. This included the delivery of Community and Quarterly Financial Reports, implementing a unified process for business planning and budgeting, and reviewing the Integrated Strategic Planning and Reporting Framework to better align it with Council's strategic direction, which is outlined in the Council Plan.

As part of the review of the Framework, we have completed an assessment of the current strategies and plans. This has led to the creation of a new Outcome Strategy hierarchy, which will better guide the development of Council plans and strategies, ensuring alignment back to the Council Plan 2025-2029 and Community Vision. This will be presented to the Executive in February 2026 for endorsement, alongside the results from the Framework Review.

Work in the upcoming quarter will focus on further improving internal performance reporting, as well as establishing a Policy and Strategy Committee to oversee and monitor the development of policies and strategies within Council.

4.1.4.1 Review the Shire's Workforce Plan.

On Track ●

Preparatory efforts and strategic planning for the Shire's Workforce Plan are underway. This background work aims to ensure that all actions and consultations are aligned with the Organisational Plan and Strategy in March and April of 2026.

4.1.4.2 Review and deliver a new Gender Equality Action Plan.

On Track ●

The audit was submitted at the end of November. We are currently reviewing the key items that will inform actions for the new Gender Equality Action Plan with drafting of the new plan due to commence in the coming quarter.

4.1.5.1 Develop and deliver the IT and Digital Strategy.

On Track ●

The IT and Digital Strategy is now in the delivery phase of Year 1 actions. Some of the key initiatives that are underway include:

- Upgrading the current telephone system, which is due for completion by the end of the financial year. This will help support improved call flow, analytics and customer experience when engaging with Council.
- Uplifting cybersecurity and disaster recovery processes and technology to further enhance protection against current and emerging threats.
- Delivering 'Act Now, Stay Secure' workshops across Rosebud, Hastings and Mornington for senior residents to uplift their cybersecurity skills as part of the Department of Home Affairs cyber safety grant.
- Consolidating IT systems with the rollout of the TechnologyOne platform.
- Undertaking pilot technology projects that leverage AI to support service delivery, including internal knowledge assistants and an AI camera road defect trial.

Strategic Objective 4.2

Community-centred, responsive and fit-for-purpose services.

Performance Measures



77% of Customer requests actioned within timeframe
(Target – 80%)



14.8 days, on average, for customer requests to be completed
19.9 last quarter
(Target – decrease)



3.9 out of 5 for voice of customer satisfaction score
4.2 last quarter
(Target – increase)



55% First contact resolution for telephone calls
50% last quarter
(Target – increase)



1,338,125 customer interactions across all channels (in person, phone, correspondence, webchat and web page visits)
(No target)

Annual Actions

4.2.1.1 Implement the Service Review program.

Monitor ●

The IT Strategy and Service Review has been completed. Final recommendations on the Customer Stakeholder Management Service Review are scheduled to be presented to the Executive in January 2026. Due to the impact of the Organisational Strategy Review, a Capability Matrix has been developed to support the reprioritisation of service reviews for the new review schedule.

4.2.2.1 Implement the Customer Strategy. On Track ●

Our Customer Strategy remains on track with good progress across key priority areas. Key actions delivered in support of the Customer Strategy include:

- Service Review program implementation. The Customer Stakeholder Relationship Management Service Review recommendations for strategic options 1 and 5 are due to return to the Executive again in the next quarter for a final decision on the preferred options. A Service Review capability matrix has been developed and is being used by Service Owners and Managers to prioritise and create a new Service Review Schedule. The schedule is being redesigned to address a backlog of reviews resulting from the organisational restructure and to allow time for the new structure to stabilise.
- Telephony System Improvement. The upgrade of the Telephony system has progressed with an RFQ being developed for potential vendors. The system improvement is expected to commence in Q3 and will provide a significantly more efficient service and enhanced customer experience.
- Customer Experience Data. Performance data is regularly shared across the organisation to ensure transparency, drive accountability and to support continuous improvement in delivering on our commitments to customers. Six key performance metrics are on track with trend lines included in the charter report to monitor monthly progress.

4.2.3.1 Implement a Continuous Improvement Program.

On Track ●

Key actions delivered to support our Continuous Improvement Program across the quarter include:

- Continuing our A3 problem solving projects. A3 problem solving is a structured, collaborative, and visual lean manufacturing method that uses a single sheet of A3-sized paper to document a problem's analysis, root cause, potential solutions and implementation plan. Key problems being investigated include:
 - Complex correspondence
 - Council reports and agendas
 - Parking challenges across the Peninsula
 - Occupational violence and aggression
 - Communications processes and protocols
- Developing the Obeya Room. An Obeya room is a centralised physical or digital space for cross-functional teams to collaborate, manage projects and make decisions quickly using visual management principles.



Capital Works Projects

Peninsula Trail Somerville to Baxter

Total Project Value \$7,700,000

We're creating a new, scenic way to walk or ride between Somerville and Baxter, connecting communities as part of the Peninsula Trail project.

Stage 1 of the Somerville to Baxter project, which started in early January 2025 from Baxter-Tooradin Road to Golf Links Road (approximately 1.2km), was completed earlier in the year. This section is now open and safe for public use.

Stage 2 of the project between Baxter-Tooradin Road to Eramosa Road West sections (approximately 3.4km) was completed by December 2025.

Stage 3 of the project, which involves the detailed design of the culvert underpass at the crossing of Frankston-Flinders Road near Hawkins Road in Baxter, is ongoing. The design will be shared with the community once it is finished. Works completed include the pavement base and rail delineation fence from Eramosa Road East to Frankston-Flinders Road, and the asphaltting and boardwalk near Somerville.



Mornington: Community Animal Shelter Redevelopment

Total Project Value \$2,428,116

The new Community Animal Shelter and Pound includes a community-focused adoption space, enhanced dog kennels that exceed welfare standards, a dedicated cat isolation room to provide required medical care for infectious felines, and spacious new habitats for pocket pets such as guinea pigs and rabbits, ensuring all our animals receive the highest standard of care and comfort.

Work on the redevelopment of the community animal shelter and animal pound in Mornington was finalised and handed over to our Animal Shelter Team in October 2025.



Safety Beach: Access Upgrades

Total Project Value \$283,125

We are working to make Safety Beach more accessible. Due to the high levels of visitation throughout the year and only one suitable ramp near the Safety Beach Club, we identified the need for improved beach access for people with disabilities.

This project will deliver an accessible ramp opposite Victoria Street and the design for an accessible footpath opposite Prescott Avenue.

Construction of the Victoria Street Beach Access Ramp was completed in October 2025. Works included the installation of support piles, support structure, ramp decking, stair treads and handrail. The design for beach access across from Prescott Avenue is also completed and awaiting funding for construction.



Capel Sound: Broadway Road and Drainage Upgrade

Total Project Value \$1,600,000

After receiving additional funding from the Roads to Recovery grant, which supports the construction and maintenance of the nation's local road infrastructure assets, the Shire is progressing with Stage 2 works of the Broadway Road and Drainage Upgrade project.

Stage 2 of the project involved the construction of a roundabout, new street lighting and a pedestrian crossing at the Broadway and Truemans Road intersection. All works were completed by December 2025.



Dromana: Hillview Reserve Footpath and Playground

Total Project Value \$3,900,000

The new playground, footpath and carpark at Hillview Reserve will enhance accessibility while maintaining natural features such as picnic areas, leash-free dog zones, and local biodiversity. This project aims to revitalise the reserve to meet the growing population demands in the area.

The playground, parking lot, and path network have now been completed. Additional vegetation planting and minor works throughout the reserve are continuing into early 2026 to finalise the project.



Pelican Park Recreation Centre Renewal

Total Project Value \$5,700,000

Since January 2025, we've been working hard to upgrade and renew Pelican Park Recreation Centre—replacing vital equipment and making improvements to enhance your experience. We're thrilled to share that we are ready to welcome you back.

From 8 September 2025, the pool, hall and gym reopened to members and guests. The group fitness studio reopened alongside the exciting new Wellness Centre, which was completed in November 2025.





**Mornington
Peninsula** Shire

Quarterly Financial Report

October to December 2025

Contents

Finance message	3
Finance highlights	4
How to read the financial statements	6
1. Financial Performance	7
1.1 Financial Performance Statement	8
1.2 Capital Works	10
1.3 Treasury	11
2. Financial Statements	12
2.1 Income Statement	13
2.2 Balance Sheet	14
2.3 Cash Flow	15
Appendix	
A. Capital Works Listing	16
B. Operating Projects Listing	24
C. Contracts and Tenders	27

Finance Message

The Mornington Peninsula Shire Council's financial position continues to remain sound during our 2nd quarterly financial report, covering 1 October – 31 December 2025. Within the quarter, our long-term financial plan and annual report was approved and adopted by council. In December, we have gone out to the community to seek feedback on our Rates Strategy Review. The review looks at how rates are calculated, ensuring the approach reflects community needs, aligns with long-term financial planning and is compliant with State requirements. Community feedback will play an important role in shaping future planning and decision making. We appreciate the feedback received to date.

Key highlights:

- **Operating Income:** \$268M year-to-date, we are aligned with the Approved Forecast and 4% higher than the same period last year. Rates and charges contributed 88.6% of total income.
- **Net Operating Income:** Currently at \$129.4M, aligned with approved forecast.
- **Capital Works Spend:** At \$28M year-to-date,

this is aligned with Approved Forecast. To date, we spent 46.9% of capital works against our FY26 planned expenditure budget of \$60M.

- **Loan repayments:** \$1.3M, reducing the principal balance to \$29M as scheduled.
- **Cash and Financial Assets:** Our cash and financial assets as of 31 December 2025 stand at \$107.3M. This amount is driven by prior year capital works carry forwards and collection of the 1st & 2nd rate instalment. There is \$40.6M invested in term deposits, \$55.9M held in at-call accounts, and \$10.8M held in Trust. The Shire reviews its treasury position monthly to optimize interest on cash assets.

In summary, we are tracking on-par to Approved Forecast. We are committed to sustaining our sound financial performance, ensuring solid reserves and cash flows. Our focus continues to be on delivering optimal financial outcomes for our community. Thank you for your continued support and trust in our endeavours.

Finance Highlights – 2nd Quarter

Sound Financial Performance compared to Approved Forecast



Our Net Operating position of \$129.4M is 1.3M over the approved forecast \$128.1M.



Year to date spend on capital works is \$28M, representing 46.9% of FY26 Forecasted Expenditure.



\$1.3M in loan repayments year to date has reduced total borrowings to \$29M.



Spend in Materials and Services – Contracts of \$58.7M is above forecast by \$1.5M.

The overall Financial Performance has continued to remain stable. The key indicators contributing to this assessment include:

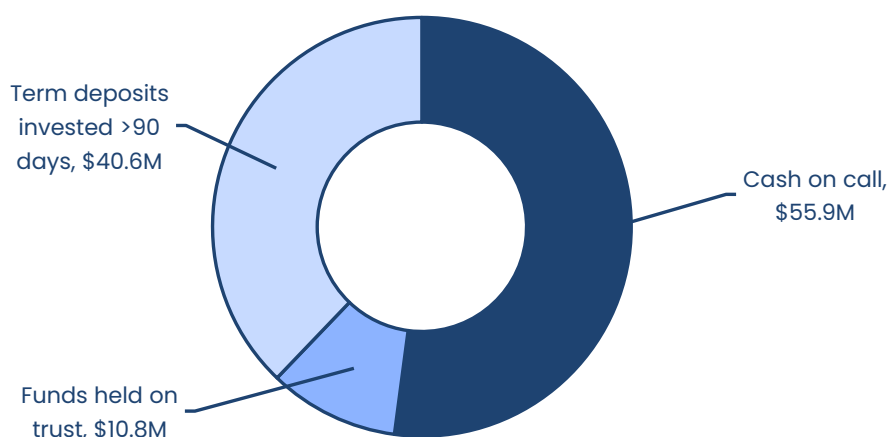
- Net Operating position aligns with budget .
- Materials and Services – Contracts: Expenditure exceeded the forecast by 3%, indicating higher operational costs.
- Spend on Capital Works Projects is in line with forecast budget.
- Loan repayments reducing loan balance to \$29M.
- Liquidity Ratio 283% demonstrates a strong capacity to meet short-term obligations.

Cash Position

Our Cash Position remains steady, encompassing term deposits, cash on call, and Funds held on Trust.

Cash and Cash Equivalents – **\$66.7M**

Other Financial Assets – **\$40.6M**



Project Performance



196 funded capital works projects and programs.



46.9% Capital works expenditure against planned expenditure.



41 funded operating projects.



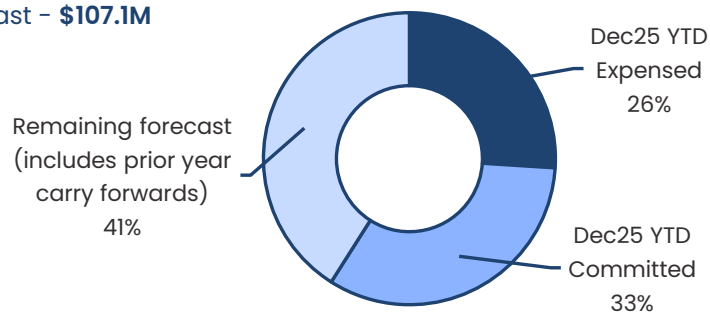
7.8% Operating project expenditure against approved forecast.

Key activities impacting the financial performance include:

- Capital Works Projects – FY26 Planned expenditure on Capital Works Projects is \$60M – year to date spend represents 46.9%.
- Total capital works program (including carry forwards) equates to \$107.1M.
- Operating Projects – Year to date net spend currently at \$0.5M compared to \$0.9M forecast. Full year forecast equates to \$6.4M.
- Grants, Subsidies and Sponsorships – Full year forecast is \$4.1M with \$3.1M paid year to date, reflecting strong grant activity.

FY25 Capital Works Expenditure

Full program forecast – **\$107.1M**

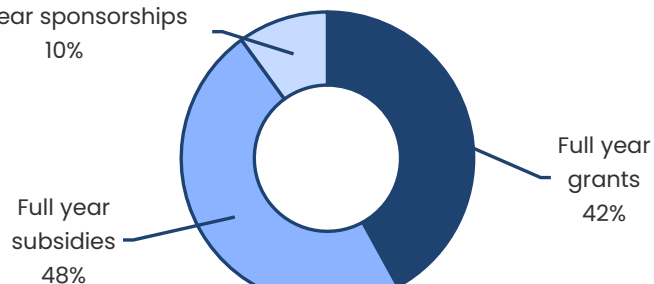


FY25 Grants, Subsidies & Sponsorships

Paid – **\$3.1M**

Forecast – **\$4.1M**

Full year sponsorships
10%



How to Read the Financial Statements

Account Name	1 July 2025 to 31 December 2025				1 July 2025 to 30 June 2026					
	Actuals FY26 \$'000	Approved Forecast \$'000	Variance Fav/(Unfav) %	Year to Date Adopted Budget \$'000	Variance Fav/(Unfav) %	Actual FY25 \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Full Year Adopted Budget \$'000	Variance Fav/(Unfav) %
The account description in line with the Annual Financial Statements.	Amounts recieved or paid during the period from 1 July 2025 to 31 December 2025. This period is referred to as 'Year to Date'.				Represents the budget adjusted for the period from 1 July 2025 to 31 December 2025.			The difference between the Actual FY26 amount and the Approved Forecast. Shown as a percentage. 'Favorable' is an improvement from the Approved Forecast and 'Unfavorable' is a decline from the Approved Forecast. The reason for the variance may be due to timing during the full year or may be due to a permanent future variance affecting the full year. The material variances are reported in Section 1.2.		
	The portion of the Full Year Adopted Budget allocated for the Year to Date period.				The difference between the Adopted Budget and the Actual FY26 amount for the Year to Date period. Shown as a percentage. 'Favorable' is an improvement from the Adopted Budget and 'Unfavorable' is a decline from the Adopted Budget.			The Approved Forecast represents the Full Year Adopted Budget adjusted for carry forwards and updated variances.		
	Amounts recieved or paid during the last financial year for the same reporting period				The difference between the Actual FY25 amount and the Actual FY26 amount for the Year to Date period. Shown as a percentage. 'Favorable' is an improvement from the prior year and 'Unfavorable' is a decline from the prior year.			The Adopted budget represents the Full Year Budget approved by Council.		
								The difference between the Full Year Approved Forecast and the Adopted Budget. Shown as a percentage. 'Favorable' is an improvement from the Adopted Budget and 'Unfavorable' is a decline from the Adopted Budget.		

Financial Performance

Section 1.1 Financial Performance Statement

	Year to Date							Full Year		
	Actuals	Approved	Variance	Adopted	Variance	Actual	Variance	Approved	Adopted	Variance
	FY26	Forecast	Fav/(Unfav)	Budget	Fav/(Unfav)	FY25	Fav/(Unfav)	Forecast	Budget	Fav/(Unfav)
	\$'000	\$'000	%	\$'000	%	\$'000	%	\$'000	\$'000	%
Rates and Charges	237,495	236,986	<1%	236,986	<1%	226,277	5%	237,913	237,913	-
Grants and subsidies	5,730	5,024	14%	4,295	33%	5,510	4%	7,499	7,499	
User Charges	17,936	16,629	8%	16,492	9%	16,299	10%	34,247	34,247	-
Grants Commission	1,957	3,267	(40)%	3,923	(50)%	7,031	(72)%	7,845	7,845	-
Other Income	4,872	3,863	26%	2,863	70%	2,285	>100%	5,837	5,837	-
Total Operating Income	267,989	265,768	1%	264,559	1%	257,403	4%	293,341	293,341	-
Employee Costs	(55,769)	(54,019)	(3)%	(53,179)	(5)%	(50,692)	(10)%	(97,091)	(96,504)	(1)%
Materials and Services	(18,031)	(20,019)	10%	(21,389)	16%	(18,080)	<1%	(56,619)	(38,453)	(47)%
Materials and Services - Contracts	(58,751)	(57,208)	(3)%	(57,741)	(2)%	(50,954)	(15)%	(121,987)	(115,401)	(6)%
Other Expenses	(6,022)	(6,361)	5%	(5,335)	(13)%	(5,146)	(17)%	(10,062)	(8,879)	(13)%
Total Operating Expenditure	(138,573)	(137,607)	(1)%	(137,645)	(1)%	(124,872)	(11)%	(285,759)	(259,237)	(10)%
Net Operating Income/ Funds Available	129,416	128,162	1%	126,915	2%	132,531	(2)%	7,582	34,104	(78)%
Capital Works (Net)	(17,402)	(21,074)	17%	10	>(100)%	(9,823)	(77)%	(57,161)	(25,206)	>(100)%
Operating Projects (Net)	(490)	(895)	45%	-	-	(2,196)	78%	(6,250)	(2,371)	>(100)%
Land acquisitions	-	-	-	-	-	-	-	(659)	-	
Land sales	149	-	-	-	-	-	-	7,393	-	-
Interest Income	3,225	2,290	(41)%	1,500	>100%	3,107	(4)%	3,000	3,000	-
Interest Expense	(469)	(475)	1%	(369)	(27)%	(417)	(12)%	(739)	(739)	-
Debt Servicing Principal	(1,329)	(1,337)	1%	(1,334)	<1%	(1,387)	4%	(2,668)	(2,668)	-
New Borrowings	-	-	-	-	-	-	-	5,160	-	-
Lease liability repayments	(324)	(349)	7%	(481)	33%	-		(961)	(961)	-
Total Other Income/ Expenditure	(16,640)	(21,841)	24%	(674)	>(100)%	(10,716)	(55)%	(52,884)	(28,945)	(83)%
Surplus/ (Deficit)	112,776	106,321	6%	126,241	(11)%	121,815	(7)%	(45,303)	5,159	>(100)%

Section 1.1 Financial Performance Statement

The Shire produces a balanced budget each year. The deficit arises due to carry-forward capital works, not overspending. When the budget is adopted, the Financial Performance Statement effectively balances to zero. The Shire is not spending more than its revenue – the Financial Performance Statement figures reflect how capital works are accounted for.

Year to date net operating income (as per FPS) is \$129.4M which is 1.3M (1%) ahead of Approved Forecast YTD. Major YTD operating income and expense variances against Approved Forecast are detailed below.

Category	Permanent Variance \$'000 Fav/(Unfav)	Timing Variance \$'000 Fav/(Unfav)	Commentary
Operating income variances against approved forecast			
User Charges	721	586	Favourable permanent variance mainly relates to waste disposal fee income above budgeted levels due to higher volumes and lower uptake of tip vouchers. The remaining variance mainly relates to timing of income received across the organisation. This will be monitored closely to assess the full year impact.
Grants Commission		(1,311)	50% of FY26 Grant funding was received in FY25.
Other Income	790	219	Favourable permanent variance relates to strong Yawa performance and Container Deposit Scheme income above budget.
Operating expense variances against approved forecast			
Employee Costs		(1,749)	Following the Organisational review there is a timing variance for employee costs that will be re-phased during the mid-year re-forecast.
Materials and Services		1,988	Materials and Services are favourable due to timing of expenditure paid across the Organisation including IT Projects, ESVF & other initiatives, all of which will be spent during the year.
Materials and Services – Contracts	(1,249)	(294)	Materials and Services – Contracts are unfavourable due to higher volumes of processing through the waste contracts and costs higher than budgeted for our leisure & recreation centres. This will be monitored closely to assess the full year impact as part of our mid-year reforecast.

Section 1.2 Capital Works

Capital Works items have an annual gross forecast expenditure of \$107.1M. The number of projects able to be physically delivered by Council every year is dependent on a number of internal and external factors, such as seasonality, external authority approvals, as well internal and external capacity constraints. In order to provide

transparency to the community an exercise has been undertaken to forecast when all the projects currently underway (2025/26 adopted budget and previous budgets) will be completed. The forecasted expenditure for 2025/26 is \$60M

	Actuals FY26	Approved Forecast	Year to Date Variance Fav/ (Unfav) %	Actual FY25	Variance Fav/ (Unfav) %	Full Year Approved Forecast
	\$'000	\$'000		\$'000		\$'000
Income						
Grants - capital	9,152	5,563	(65)%	9,860	8%	35,888
Contributions - monetary	1,594	1,642	3%	239	(85)%	14,043
Special Charge Scheme	-	-	-	-	-	-
Total Income	10,746	7,205	(49)%	10,099	(6)%	49,931
Expenditure						
Land	(1,158)	(1,155)	<(1)%	(80)	(93)%	(10,455)
Buildings	(9,063)	(9,859)	8%	(10,348)	14%	(29,738)
Plant, machinery and equipment	(153)	(408)	63%	(116)	(24)%	(804)
Fixtures, fittings and furniture	(50)	(69)	27%	(131)	162%	(338)
Artworks	-	-	-	(31)	-	-
Library Books	(690)	(546)	(26)%	(581)	(16)%	(1,123)
Roads	(6,969)	(6,074)	(15)%	(2,986)	(57)%	(22,157)
Drainage	(1,436)	(1,513)	5%	(1,337)	(7)%	(8,575)
Bridges	-	(30)	100%	(98)	-	(100)
Footpaths and cycleways	(3,033)	(3,297)	8%	(1,609)	(47)%	(8,161)
Recreational, leisure and community facilities	(1,641)	(2,082)	21%	(1,100)	(33)%	(15,660)
Parks, open space and streetscapes	(3,917)	(3,111)	(26)%	(1,467)	(63)%	(9,390)
Marine structures	(38)	(134)	72%	(39)	1%	(591)
Total Expenditure	(28,148)	(28,279)	<1%	(19,922)	(29)%	(107,092)
Net Total	(17,402)	(21,074)	17%	(9,823)	(44)%	(57,161)

Section 1.3 Treasury

As detailed below, MPS has paid \$1.3M in scheduled principal debt repayments year to date (YTD). Full year principal debt repayments are on schedule, with a forecasted closing position of \$32.8M. Interest expense for the full year is forecasted at \$0.7M with a weighted average interest rate of 2.50%.

MPS has \$40.6M in term deposits earning an average interest rate of 4.21%. As term deposits mature, funds will be reinvested where appropriate & equitable with longer maturity dates (>90 days) to more efficiently

manage the Shire's funding requirements dependent on favorable interest rates.

Funds held in trust consists of holding bonds and deposits for works subdivisional maintenance, hall hire bonds, asset protection bonds, contract retentions etc.

The Shire reviews its treasury position monthly to optimise interest on cash assets. Surplus funds are invested in accordance with Council's Investment Policy.

	Q4				Full Year			
	Opening Balance	Principle Repaid	New Borrowings	Closing Balance	Opening Balance	Forecasted Repayments	Forecasted New Borrowings	Forecasted Closing Balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans Maturing								
Current Loans	3,067	(1,329)	-	1,738	3,067	(2,667)	5,160	5,560
Non Current Loans	27,236	-	-	27,236	27,236	-	-	27,236
Total	30,303	(1,329)	-	28,974	30,303	(2,667)	5,160	32,796

Financial Assets

Cash on call

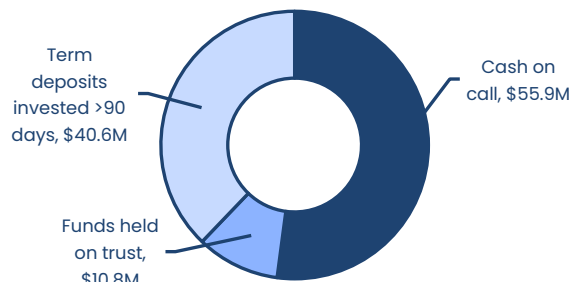
\$55.9M

Funds held on trust

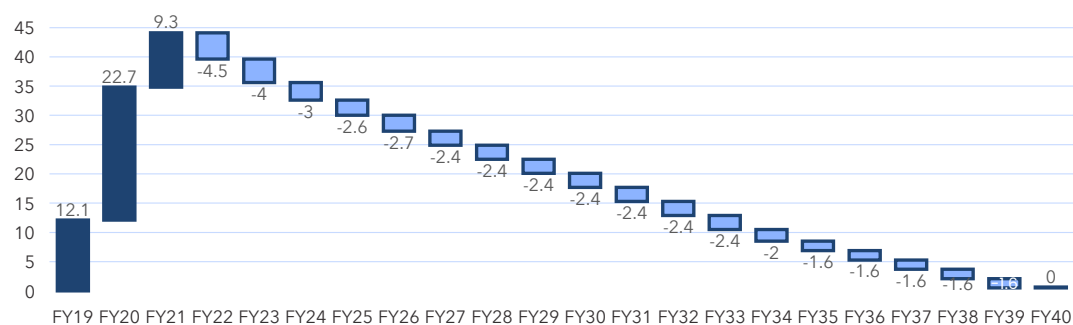
\$10.8M

Term deposits invested >90 days

\$40.6M



Debt Repayment Schedule (FY26-FY40)



Financial Statements

Section 2.1 Income Statement

	Year to Date							Full Year		
	Actuals FY26 \$'000	Approved Forecast \$'000	Variance Fav/(Unfav) %	Adopted Budget \$'000	Variance Fav/(Unfav) %	Actual FY25 \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) %
Revenue										
Rates and charges	237,495	236,986	<1%	123,965	92%	226,277	5%	237,913	237,913	-
Statutory fees and fines	4,711	4,534	4%	4,695	<1%	4,147	14%	10,378	10,378	-
User fees	13,225	12,095	9%	11,797	12%	12,242	8%	23,868	23,868	-
Grants - operating	7,710	8,331	(7)%	8,218	(6)%	12,585	(39)%	15,468	15,344	1%
Grants - capital	9,152	5,563	65%	-	-	9,860	(7)%	35,888	16,445	>100%
Contributions - monetary	2,344	2,200	7%	236	>100%	1,347	74%	14,549	9,537	53%
Contributions - non-monetary	-	-	-	-	-	-	-	4,474	4,474	-
Other Income	7,324	5,587	31%	4,137	77%	4,692	56%	8,382	8,382	-
Total Revenue	281,961	275,295	2%	153,048	84%	271,151	4%	350,920	326,342	8%
Expenses										
Employee costs	56,011	54,148	(3)%	53,178	(5)%	51,029	(10)%	97,220	96,502	(1)%
Materials and services	77,034	78,028	1%	79,130	3%	71,092	(8)%	184,847	156,225	(18)%
Depreciation	25,716	24,193	(6)%	23,695	(9)%	23,343	(10)%	47,389	47,389	-
Amortisation - intangible assets	46	45	(1)%	45	(1)%	46	-	91	91	-
Amortisation - right of use assets	827	400	>(100)%	313	>(100)%	82	>(100)%	627	627	-
Bad and doubtful debts	-	21	100%	-	-	10	100%	-	-	-
Borrowing Costs	337	425	21%	363	7%	410	18%	726	726	-
Finance costs - leases	132	50	>(100)%	7	>(100)%	7	>(100)%	13	13	-
Fair value adjustments	-	-	-	-	-	-	-	-	-	-
Net loss on disposal of Assets	(149)	-	-	-	-	-	-	-	-	-
Other Expenses	6,295	6,365	1%	5,335	(18)%	5,176	(22)%	10,067	8,879	(13)%
Total Expenses	166,248	163,678	(2)%	162,066	(3)%	151,196	(10)%	340,979	310,452	(10)%
Surplus	115,713	111,618	4%	(9,018)	>100%	119,955	(4)%	9,941	15,890	(37)%

Section 2.2 Balance Sheet

	Year to Date							Full Year		
	Actuals FY26 \$'000	Approved Forecast \$'000	Variance Fav/(Unfav) \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000	Actual FY25 \$'000	Variance Fav/(Unfav) \$'000	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000
Assets										
Current Assets										
Cash and cash equivalents	66,794	20,000	46,794	31,689	35,105	49,983	16,811	20,000	25,159	5,159
Trade and other receivables	210,310	190,683	19,627	80,388	129,922	181,652	28,657	15,755	19,234	3,479
Other financial assets	40,603	77,327	(36,724)	63,135	(22,531)	75,597	(34,994)	73,659	92,982	19,322
Inventories	272	272	0	192	80	192	80	272	192	(80)
Non current assets classified as held for sale	444	444	0	868	(424)	868	(424)	444	-	(444)
Other assets	4,455	3,016	1,438	7,177	(2,723)	5,244	(789)	3,016	7,177	4,161
Total Current Assets	322,877	291,742	31,135	183,448	139,429	313,536	9,341	113,146	144,743	31,597
Non-Current Assets										
Other financial assets - NC	46	46	-	45	1	45	1	46	45	(1)
Property, infrastructure, plant and equipment	3,756,570	3,758,529	(1,959)	3,659,005	97,565	3,679,278	77,292	3,811,227	3,710,512	(100,715)
Right of use assets	5,119	4,908	211	1,997	3,122	2,228	2,891	4,681	2,089	(2,593)
Investment Property	9,759	9,721	38	10,041	(282)	10,041	(282)	9,721	10,041	320
Intangible assets	536	536	(0)	985	(450)	985	(449)	491	791	301
Total Non-Current Assets	3,772,030	3,773,740	(1,710)	3,672,073	99,957	3,692,577	79,453	3,826,166	3,723,478	(102,688)
Total Assets	4,094,907	4,065,482	29,425	3,855,521	239,386	4,006,113	88,794	3,939,313	3,868,222	(71,091)
Liabilities										
Current Liabilities										
Trade and other payables	24,406	24,198	209	14,195	10,211	19,824	4,583	6,487	16,000	9,513
Trust funds and deposits	43,914	19,973	23,942	19,179	24,735	32,583	11,332	9,973	9,179	(793)
Unearned income	29,097	30,788	(1,691)	26,751	2,346	28,925	172	30,788	25,607	(5,181)
Provisions	13,375	13,302	73	13,282	92	13,341	33	13,302	13,286	(16)
Interest bearing liabilities	1,738	1,730	8	1,781	(43)	1,724	14	5,560	2,668	(2,891)
Lease liabilities	1,615	1,270	345	348	1,267	732	883	657	902	245
Total Current Liabilities	114,145	91,259	22,886	75,538	38,607	97,129	17,016	66,766	67,643	876
Non-Current Liabilities										
Trust funds and deposits - NC	222	196	27	159	63	104	118	196	159	(37)
Provisions - NC	15,566	15,302	264	15,243	323	15,214	352	15,302	15,243	(59)
Interest bearing liabilities - NC	27,236	27,236	-	29,904	(2,668)	29,903	(2,668)	27,236	30,284	3,048
Lease liabilities - NC	3,659	3,809	(150)	1,785	1,874	1,800	1,859	3,809	817	(2,992)
Total Non-Current Liabilities	46,683	46,542	141	47,091	(408)	47,021	(338)	46,542	46,503	(39)
Total Liabilities	160,828	137,802	23,027	122,629	38,199	144,150	16,678	113,308	114,146	837
Net Assets	3,934,079	3,927,681	6,398	3,732,892	201,187	3,861,963	72,116	3,826,004	3,754,076	(71,929)
Equity										
Accumulated surplus	1,135,421	1,133,756	1,666	1,121,818	13,604	1,121,835	13,587	1,133,756	1,118,186	(15,570)
Reserves	2,682,944	2,682,308	637	2,620,093	62,852	2,620,173	62,771	2,682,308	2,620,000	(62,308)
Net Income	115,713	111,618	4,096	(9,018)	124,731	119,955	(4,242)	9,941	15,890	5,949
Total Equity	3,934,079	3,927,681	6,398	3,732,892	201,187	3,861,963	72,116	3,826,004	3,754,076	(71,929)

Section 2.3 Cashflow Statement

	Year to Date			Full Year		
	Actuals FY26	Approved Forecast	Variance Fav/ (Unfav)	Approved Forecast	Adopted Budget	Variance Fav/ (Unfav)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Rates and charges	92,840	72,532	20,308	237,913	237,913	-
Statutory fees and fines	4,711	4,534	177	10,378	10,378	-
User fees	9,629	27,269	(17,639)	39,537	30,720	8,817
Grants - operating	7,541	8,331	(790)	15,468	15,344	124
Grants - capital	7,870	5,563	2,307	26,427	15,301	11,126
Contributions - monetary	1,870	2,200	(330)	8,049	9,537	(1,488)
Interest received	2,987	2,290	698	3,000	3,000	-
Dividends Received	5	-	5	3	3	-
Trust funds and deposits received	2,460	-	2,460	-	(0)	-
Other receipts	4,094	3,297	797	5,379	5,379	-
Net GST refund/payment	362	-	362	-	-	-
Employee costs	(56,790)	(54,148)	(2,641)	(97,220)	(96,499)	(721)
Materials and services	(75,478)	(78,849)	3,372	(187,087)	(180,135)	(6,952)
Short term low value lease	(363)	(572)	209	(1,289)	(1,284)	(5)
Other payments	(5,948)	(6,274)	319	(9,882)	(8,699)	(1,183)
Cash provided by/(used in) operating activities	(4,208)	(13,829)	9,614	50,676	40,959	9,718
Cash flows from investing activities						
Payments for property infrastructure plant & equipment	(28,019)	(28,279)	260	(72,294)	(50,734)	(21,560)
Proceeds from sale of assets	149	-	149	7,393	-	7,393
Net movement in financial assets	59,997	23,273	36,724	(5,830)	7,613	(13,443)
Net cash provided by/(used in) investing activities	32,127	(5,006)	37,133	(70,731)	(43,121)	(27,610)
Cash flows from financing activities						
Finance Costs	(337)	(425)	88	(726)	(726)	-
Proceeds from Borrowings	-	-	-	3,426	-	3,426
Repayment of Borrowings	(1,329)	(1,337)	8	(2,668)	(2,668)	-
Interest Paid - lease liability	(132)	(50)	(82)	(13)	(13)	-
Repayment of Lease Liabilities	(324)	(349)	25	(961)	(961)	-
Net cash provided by/(used in) financing activities	(2,122)	(2,162)	40	(941)	(4,367)	3,426
Net increase/(decrease) in cash & cash equivalents	25,797	(20,996)	46,787	(20,996)	(6,530)	(14,466)
Cash and cash equivalents at the beginning of the financial year	40,996	40,996	-	40,996	31,689	9,308
Cash and cash equivalents at the end of the period	66,794	20,000	46,787	20,000	25,159	(5,158)

Appendix A

Capital Works Listing

Capital Works Listing

		Expenditure					Income		
		Year to date Actuals \$'000	Year to date Commitments \$'000	Actuals Plus Commitments \$'000	Annual Budget \$'000	Annual Forecast %	Remaining Forecast \$'000	Year to date Actuals \$'000	Annual Forecast \$'000
Land									
300048	Land Acquisition	-	-	-	-	659	659	-	-
300224	Landfill Capping Rehabilitation Works - Crib Point	976	501	1,477	330	1,352	(125)	-	-
300049	Landfill Capping Rehabilitation Works, Mt. Eliza	16	39	55	-	55	(0)	-	-
300124	Leachate Infrastructure Upgrade - Rye Landfill	149	-	149	-	404	255	-	-
300204	Rye Landfill - Cell 2 Capping Layer	2	51	53	6,500	6,995	6,942	-	6,500
300569	Mt Eliza Landfill Flare	1	9	10	200	200	190	-	-
300570	Hastings Landfill Capping Remediation	12	50	62	170	170	108	-	-
300576	Mt Eliza Landfill Leachate Management	1	-	1	620	620	619	-	-
Land Total:		1,158	650	1,808	7,820	10,455	8,648	-	6,500
Buildings									
300001	Alexandra Park Redevelopment	34	-	34	-	85	51	-	-
300020	Community Animal Shelter Redevelopment	1,961	473	2,434	3,050	2,428	(6)	-	-
300023	Design works for Kindergarten Strategy	-	-	-	-	6	6	-	-
300032	Emil Madsen Reserve Soccer and Netball Pavilion	871	6,236	7,107	8,375	8,870	1,762	466	8,786
300033	Fenton Hall - OH&S Infrastructure Improvements	0	-	0	-	-	(0)	-	-
300034	Flinders Civic Hall Redevelopment	0	-	0	-	0	0	-	-
300039	Foreshore Camping Renewal and Improvement Works	0	10	10	60	118	108	-	-
300055	Marna Reserve Dromana - Pavilion Renewal and Upgrade	0	-	0	-	0	-	-	-
300060	Civic Reserve Mornington Athletics/Soccer Pavilion	82	16	97	-	96	(2)	-	-
300068	Portable Change Facilities	1	73	74	-	75	2	-	-
300071	Public Toilet - Mount Martha North Foreshore	667	182	849	-	840	(9)	-	-
300076	Red Hill Recreation Reserve Pavilion Upgrade	22	35	58	-	78	20	20	1,001
300077	Red Hill Recreation Reserve - Pavilion Upgrade (Show Sheds)	-	16	16	-	17	2	-	-
300082	Southern Peninsula Youth Hub	28	24	52	-	186	135	-	-
300090	Shire Office OHS and Compliance Works	237	67	304	170	1,383	1,080	-	-
300097	Sorrento Museum Storeroom Addition and Essential Works	71	936	1,007	-	1,040	33	-	-
300110	Connect Shire Facilities (Buildings) to Sewerage	85	8	93	75	114	21	-	-
300130	Emil Madsen - West Pavilion	25	413	438	-	1,043	605	-	402
300132	Community Capital	55	8	63	320	369	306	-	-
300133	Building Compliance and Risk Management Works	418	105	524	450	1,834	1,310	-	-
300134	Minor Renewal Works - Community Facilities	602	325	927	1,199	2,157	1,230	-	-
300198	Wallaroo Preschool Upgrade	375	41	416	-	418	2	363	507
300201	Bittern Public Hall Amenity Block Renewal	1	-	1	-	1	-	0	-
300207	Briars Restaurant - Critical improvements	8	-	8	-	216	208	-	-
300209	Rosebud Library public toilet refurbishment	-	-	-	-	40	40	-	-

Capital Works Listing

		Expenditure					Income		
		Year to date Actuals \$'000	Year to date Commitments \$'000	Actuals Plus Commitments \$'000	Annual Budget \$'000	Annual Forecast %	Remaining Forecast \$'000	Year to date Actuals \$'000	Annual Forecast \$'000
300210	Pelican Park Rec Centre - Facility Upgrade and Asset Renewal	2,082	252	2,334	-	2,404	70	-	-
300213	Dromana Community Hub	51	12	63	30	65	3	-	-
300244	Foreshore Camping Amenity Renewal Program	450	2	452	300	509	58	-	-
300245	Briars Homestead Occupancy Permit Works	62	31	93	-	459	366	-	-
300246	Solar Incentivisation for Tenants Program	-	-	-	-	139	139	16	202
300247	Foreshore Camping Electrical Upgrade Program	298	4	302	-	387	85	-	-
300251	Hastings Club Electrical Compliance Upgrade	54	321	374	260	438	63	-	-
300264	Fishermans Beach South Renewal of Public Amenity	-	11	11	-	20	10	-	-
300265	Civic Reserve Rec Centre - Stadium Renewal	10	7	16	300	350	334	-	-
300269	Citation Army Hall Heritage and Relocation Investigations	3	9	11	-	31	19	-	-
300270	Due Diligence Investigation Kindergarten Funding Submissions	12	-	12	-	40	28	-	-
300289	Rosebud Memorial Hall - Infrastructure Improvements	49	12	61	-	478	417	-	-
300312	Emil Madsen Reserve Sewer Connection & Services Upgrade	46	82	128	-	1,833	1,705	30	1,800
300316	Roof Renewal Program	253	246	499	400	719	220	-	-
300351	Civic Rec Centre Gym – Minor Works	(11)	-	(11)	-	-	11	-	-
300434	MRRC - Green Waste Disposal Area Upgrade	-	53	53	45	53	-	-	-
300573	MPRG Permanent Multi-Purpose Room	-	-	-	215	215	215	-	215
300605	Hastings Seniors Learning Hub	160	10	170	50	180	10	-	-
Buildings Total:		9,063	10,018	19,081	15,299	29,738	10,657	895	12,914
Plant, machinery and equipment									
300002	Aquatic & Recreation - Pool Plant & Equipment	-	60	60	200	231	171	-	-
300012	Briars fleet management	3	4	7	-	11	4	-	-
300109	Community Halls - Equipment Renewal/Replacement	13	45	58	50	53	(5)	-	-
300250	YAWA Pool Plant & Equipment Renewal	112	117	230	300	413	184	-	-
300296	Flinders Community Battery	-	-	-	-	-	-	43	43
300487	Energy Efficient Pelican Park	-	-	-	70	70	70	-	35
300552	140 Watt Rd - Electricity Isolation	-	-	-	35	-	-	-	-
300450	Traffic VMS Sign - Wildlife & School Pgm	24	-	24	26	26	2	-	-
Plant, machinery and equipment Total:		153	226	379	681	804	425	43	78
Fixtures, fittings and furniture									
300079	Replacement of library assets	2	-	2	65	67	65	-	-
300318	Dromana Modular Kindergarten Fit Out	7	-	7	-	65	57	-	-
300321	Maternal Child Health Asset Replacement	2	42	44	50	53	9	-	-
300565	Somerville Library Return Chute	25	-	25	16	24	(1)	-	-
300575	Library External Lockers	0	-	0	38	104	104	-	61
300598	Non Standard Lightpoles	14	-	14	25	25	11	-	-

Capital Works Listing

		Expenditure					Income		
		Year to date Actuals \$'000	Year to date Commitments \$'000	Actuals Plus Commitments \$'000	Annual Budget \$'000	Annual Forecast %	Remaining Forecast \$'000	Year to date Actuals \$'000	Annual Forecast \$'000
Fixtures, fittings and furniture Total:		50	42	92	194	338	246	-	61
Library Books									
300050	Library Book Stock Non Print Materials	52	16	68	100	102	34	-	-
300051	Library Book Stock Print Materials	220	174	394	475	500	106	-	-
300052	Library eAudio and eBooks	409	91	500	500	500	(0)	-	-
300116	Premier's Reading Challenge	9	5	15	21	20	6	20	20
Library Books Total:		690	287	977	1,096	1,123	146	20	20
Roads									
300014	Capital Works Program Design	6	45	51	50	127	76	-	-
300015	Car Park Accessibility Works, Shire Wide - Improvements	17	-	17	20	40	23	-	-
300047	Kerb and Channel Renewal	523	40	563	400	738	175	-	-
300059	Minor Road Infrastructure Risk Reduction Works	83	24	108	150	166	58	4	4
300105	Unsealed road investigations	6	4	10	20	20	10	-	-
300300	Black Spot Data Analysis Reporting and Council Contribution	71	-	71	80	80	9	-	-
300302	Safer Speed Limits	8	2	10	60	77	67	-	-
300113	Guard Rail Renewal and Upgrade	-	-	-	296	156	156	-	-
300120	Safer Local Roads Contract Works	3,847	1,409	5,256	5,512	5,866	611	-	-
300128	Creswell Street East Crib Point Development Cont Plan	37	39	77	200	356	279	-	-
300135	Sorrento Ferry Terminal Road Works	12	4	17	-	92	75	12	644
300138	Black Spot Hodgins/Stumpy Gully Rd Intersection Upgrade	-	-	-	-	-	-	-	0
300141	Mount Martha Landslip	37	3,517	3,554	2,761	4,389	835	11	2,186
300144	Black Spot Mount Eliza Pedestrian Safety Improvement	41	-	41	-	42	1	-	-
300162	Canadian Bay Carpark & Surround	77	2	78	900	1,892	1,814	-	-
300164	Patterson Grove - Flinders Road/Vegetation Project	2	-	2	-	3	1	-	-
300303	Finance Project	-	-	-	-	827	827	-	-
300177	Black Spot Craigie Rd and Osborne Dve Mt Martha	4	1	5	-	263	258	-	-
300178	Black Spot Rye and Tootgarook Local Area	65	-	65	-	56	(9)	-	-
300297	Black Spot - Dunns Road Mt Martha	1	-	1	-	10	10	-	-
300298	Black Spot - Arthurs Seat Road	11	-	11	-	11	0	-	-
300299	Black Spot - Tucks Rd Shoreham	-	-	-	-	0	0	-	-
300317	Guard Rail End Terminal Upgrade Program	-	-	-	-	100	100	-	-
300320	Hastings Boat Ramp Car Park	20	3	23	-	42	19	-	-
300375	Somerville - Road Safety Improvements	852	252	1,104	-	1,132	28	1,229	1,229
300376	Rye - Road Safety Improvements	9	-	9	-	109	100	-	242
300378	Watt Rd & Bruce St int Improvements	186	20	206	-	234	28	-	284
300527	Motorcycle Road Safety	42	3	46	-	47	1	250	250
300549	R2R Arthurs Seat Road - Civil Works	49	20	69	-	178	109	-	265
300536	R2R Broadway, Capel Sound - Stage 2	714	153	867	50	890	23	546	476

Capital Works Listing

		Expenditure						Income	
		Year to date Actuals \$'000	Year to date Commitments \$'000	Actuals Plus Commitments \$'000	Annual Budget \$'000	Annual Forecast %	Remaining Forecast \$'000	Year to date Actuals \$'000	Annual Forecast \$'000
300537	R2R Mt Eliza Way Road Rehabilitation	4	-	4	850	849	845	-	850
300541	R2R Eramosa Rd, Somerville - Road Rehab	35	3	38	1,575	1,587	1,549	-	1,675
300596	R2R Bungower Rd, Somerville - Road Rehab	24	4	28	100	142	114	-	200
300584	Golf Parade Land Remediation - Stage 01	-	-	-	130	130	130	-	-
300619	Guard Rail Renewal and Upgrade (Contract)	8	286	294	-	296	2	-	-
300622	BSpot- Browns Road and Jetty Road	19	76	95	-	106	12	-	106
300623	BSpot- Mornington Area-Wide LATM	26	4	30	-	435	405	-	435
300624	BSpot- Tucks Road and Shands Road	27	23	50	-	80	30	-	80
300625	BSpot- Capel Sound Area-Wide LATM	9	20	28	-	110	82	-	110
300626	BSpot- Wilsons Road - Road Safety	30	27	56	-	50	(6)	-	50
300627	BSpot- Colchester Road-Road Safety	20	165	185	-	191	6	-	191
300628	BSpot- Forest Drive - Road Safety	49	179	228	-	240	12	-	240
Roads Total:		6,969	6,323	13,293	13,155	22,157	8,864	2,051	9,518
Drainage									
300007	Bike Safe Pit Lids Replacement	42	-	42	50	84	42	-	-
300019	Civic Reserve, Mornington- Wetland and rain gardens	-	10	10	-	89	79	-	-
300024	Development engineering minor works contributions	-	-	-	-	6	6	-	-
300027	Drainage design and investigation	61	-	61	200	317	256	-	-
300028	Drainage soak pit upgrades	232	68	299	150	462	163	3	-
300031	Emergency Drainage Works	534	99	634	1,100	705	71	3	-
300123	Briars Recycled Water Project	14	2,378	2,392	-	2,342	(50)	12	946
300192	WSUD Rectification Works	19	15	33	-	114	81	-	-
300242	Drainage Flood Mitigation Program	0	-	0	-	67	67	-	-
300255	Stormwater Outfall Upgrade Program	7	-	7	-	42	36	-	13
300256	Mt Arthur Road Drainage	-	-	-	-	26	26	-	-
300259	Tyabb Landfill Stormwater and Leachate Mgmt	25	11	36	-	2,049	2,013	-	-
300263	Mt Martha Public Golf Course - Mains Water Renewal	-	-	-	-	50	50	-	-
300268	Portsea Pier Stormwater Outfall Repair	40	-	40	-	245	206	-	-
300271	Dromana Bowls Subsidence Rectification	1	23	25	890	906	881	-	-
300272	Ferrero Reserve Irrigation System Replacement	134	36	169	170	170	1	-	170
300488	Second Avenue Drainage, Rosebud	20	-	20	80	80	60	-	-
300489	Shoreham Drainage, Marine Parade	5	-	5	40	40	35	-	-
300490	Warranilla Ave Drainage, Rosebud	2	8	10	45	45	35	-	-
300606	Beleura Cliff Drainage	-	-	-	33	33	33	-	-
300617	Emergency Drainage Works (Contract)	301	520	821	-	701	(120)	-	-
Drainage Total:		1,436	3,167	4,604	2,758	8,575	3,972	18	1,129
Bridges									

Capital Works Listing

		Expenditure					Income	
		Year to date Actuals \$'000	Year to date Commitments \$'000	Actuals Plus Commitments \$'000	Annual Budget \$'000	Annual Forecast %	Remaining Forecast \$'000	Year to date Actuals \$'000
								Annual Forecast \$'000
300118	Road Bridges and Major Culvert Repairs	-	-	-	100	100	100	-
Bridges Total:		-	-	-	100	100	100	-
Footpaths and cycleways								
300008	Boardwalk Replacement	45	21	66	250	279	214	-
300091	Small missing pathlink projects	129	0	129	-	129	(0)	-
300094	Peninsula Trail - Somerville to Baxter	1,826	1,856	3,682	2,450	4,586	904	2,907
300112	Footpath Renewal for Risk Management	277	102	379	600	617	237	-
300155	Footpath Renewal Program	0	34	34	150	90	56	-
300165	Priority Footpath - Nepean Hwy Mornington to Mt Eliza	7	11	18	-	54	36	-
300180	Beleura Cliff Path Stability Assessment	-	-	-	-	25	25	-
300186	Safety Beach Access Upgrades	262	-	262	-	283	21	-
300205	Peninsula Trail - Masterplan and Designs	88	8	96	-	877	781	-
300282	Alma and Field Street Footpath - Stage 2	0	-	0	-	0	-	338
300284	Briars Boardwalk Replacement	-	-	-	-	185	185	-
300286	Dromana Shared Path along Boundary Road (connection to DSC)	0	-	0	-	50	50	-
300287	Mt Martha Village Parking & Watsons Road Footpath	71	19	89	-	112	22	-
300330	Sunnyside Beach Path	-	-	-	-	0	0	-
300603	South Beach Road Footpath Renewal	-	-	-	-	8	8	299
300435	Birdrock Beach Access Restoration Works	148	9	157	407	557	400	67
300545	Flinders Foreshore Pedestrian Safety	16	22	38	55	85	47	-
300618	Footpath Renewal for Risk Mgt (Contract)	163	110	273	-	223	(50)	-
Footpaths and cycleways Total:		3,033	2,191	5,224	3,912	8,161	2,937	2,974
Recreational, leisure and community facilities								
300021	Cricket Nets Renewal Program	85	168	252	215	720	468	79
300022	Dallas Brooks Reserve Upgrade	459	8,907	9,366	-	9,718	353	2,727
300063	Playspace Strategy Planning & Design	12	18	29	-	45	16	-
300115	Playspace Component Renewal Works	1	96	97	200	389	291	-
300121	Sorrento Netball Courts	202	922	1,124	1,287	1,498	374	202
300156	Dromana Recreation Reserve - New Netball Court	16	4	20	-	87	67	-
300172	RW Stone Recreational MTB & BMX Park	-	8	8	-	39	31	-
300199	Playground access improvements	0	13	13	-	20	7	-
300214	Tennis Court Lighting Main Ridge	-	-	-	-	-	-	9
300241	Tyabb Oval 2 Lighting Project	-	-	-	-	-	-	33
300252	Netball Court Resurfacing	154	115	269	-	329	60	-
300290	Rye Skate Park Renewal and Upgrade	8	733	740	1,000	992	251	-
300295	Somerville Cricket Nets	-	-	-	-	-	-	25
300306	Mountain Bike & BMX Implementation	16	38	54	50	105	51	-

Capital Works Listing

		Expenditure					Income		
		Year to date Actuals \$'000	Year to date Commitments \$'000	Actuals Plus Commitments \$'000	Annual Budget \$'000	Annual Forecast %	Remaining Forecast \$'000	Year to date Actuals \$'000	Annual Forecast \$'000
300319	Irrigation Renewal Program	-	-	-	165	169	169	-	-
300336	Tennis Court Lighting Renewal Program	355	52	407	190	675	267	380	380
300525	MMPGC Golf Simulators	24	-	24	-	24	-	-	-
300480	Rail Trail Directional Signage	1	-	1	-	294	293	22	46
300561	Repurposing Childcare Room at PPRC	250	-	250	250	250	-	-	-
300563	Repurposing Childcare Room at SRC	5	-	5	250	250	245	-	-
300629	Bunguyan Reserve Rabbit Proof Fencing	53	-	53	-	55	2	-	-
Recreational, leisure and community facilities Total:		1,641	11,073	12,713	3,607	15,660	2,947	3,410	12,057
Parks, open space and streetscapes									
300045	Hillview Reserve Pathway	244	327	571	-	1,238	667	249	564
300078	Regulatory and Directional Signage	29	7	36	30	32	(5)	-	-
300084	Rye Township Plan - Growing Suburbs	2,982	560	3,542	840	3,559	17	802	840
300088	Safety Beach Master Plan Implementation	6	-	6	-	241	235	-	-
300096	Sorrento Foreshore Master Plan Implementation	8	4	12	-	69	57	-	-
300100	Timber Structures Renewal	45	47	91	150	286	195	-	-
300102	Township Placemaking Implementation	-	7	7	-	266	260	-	-
300106	Urgent lighting requests	4	3	7	-	32	25	-	-
300111	Corporate Signage upgrade/renewal	-	-	-	-	22	22	-	-
300117	Resource Recovery Centre Renewal and Upgrades	-	-	-	-	32	32	-	-
300189	Foreshore Camping Fire Services Project	307	12	318	350	574	256	-	-
300197	Hastings Foreshore Masterplan Implementation	3	49	51	-	159	108	-	-
300208	Smoke Free Environments policy implementation	20	0	20	-	180	160	-	-
300215	Briars Sanctuary Expansion	238	44	282	-	1,772	1,490	277	1,380
300260	Car Parking Signage Renewal and Improvements	12	18	30	20	68	38	-	-
300285	Crib Point - Playground/Skate Park Upgrade	-	44	44	-	56	11	-	-
300332	Dogs in Public Places Policy Signage	0	-	0	-	184	184	-	-
300502	Fawkner Ave, Blairgowrie Retaining Wall	-	-	-	250	250	250	-	-
300517	Trueman's Road Reserve Leash-Free Dog Park	2	-	2	75	75	73	-	-
300585	Beleura Path Reinstatement	16	6	22	297	297	275	-	-
Parks, open space and streetscapes Total:		3,917	1,127	5,045	2,012	9,390	4,346	1,328	2,784
Marine structures									
300054	Marine Structure Renewal	0	32	32	100	302	269	-	-
300188	Fishermans Beach Retaining Wall Replacement	-	-	-	-	178	178	-	-
300216	Mothers Beach and Fishermans Beach Boat Ramps	38	47	84	-	112	27	-	-
300288	Pontoon Upgrade Hastings Boat Ramp	-	-	-	-	-	-	6	6
Marine structures Total:		38	79	117	100	591	474	6	6

Capital Works Listing

	Expenditure						Income	
	Year to date Actuals \$'000	Year to date Commitments \$'000	Actuals Plus Commitments \$'000	Annual Budget \$'000	Annual Forecast %	Remaining Forecast \$'000	Year to date Actuals \$'000	Annual Forecast \$'000
Grand Total	28,148	35,183	63,331	50,734	107,092	43,761	10,746	49,931

Appendix B

Operating Projects Listing

Operating Projects Listing

		Expenditure					Income		
		Year to date Actuals \$'000	Year to date Commitments \$'000	Actuals Plus Commitments \$'000	Annual Budget \$'000	Annual Forecast %	Remaining Forecast \$'000	Year to date Actuals \$'000	Annual Forecast \$'000
Community Spaces & Recreation									
510550	Community Facilities Framework	82	28	110	150	226	116	-	-
510599	Commercial Services Asset Mgmt Plans	2	21	23	-	52	29	-	-
510600	Community/Neighbourhood House Program Strategic Review	15	-	15	-	20	5	-	-
510603	Public Amenity Strategy 2023	8	17	25	-	26	0	-	-
510605	Rec & Aquatic New Mgmt & Operation Contract	0	3	4	-	10	6	-	-
510621	Dromana and Arthurs Seat Plan	-	-	-	-	91	91	-	-
Community Spaces & Recreation Total:		108	69	177	150	426	248	-	-
Economic & Cultural Development									
510539	Briars Masterplan Implementation	0	-	0	-	31	30	-	-
510598	Arts & Culture Strategy 2025-2028	9	20	29	-	31	2	-	-
511015	Western Port Futures Project	-	-	-	150	150	150	-	-
Economic & Cultural Development Total:		9	20	30	150	212	183	-	-
Infrastructure & Waste Services									
510543	Biodiversity Action Plan Implementation	-	16	16	-	-	(16)	-	-
510544	Tootgarook Wetland Management Plan	7	-	7	-	7	-	-	-
511020	Briars Macropod Management	-	-	-	-	190	190	-	-
Infrastructure & Waste Services Total:		7	16	23	-	197	174	-	-
Projects & Engineering Services									
510538	Visitor Paid Parking	6	-	6	-	6	-	-	-
510547	Performing Arts Centre/Precinct	22	-	22	-	878	856	-	-
511007	Future Workplace Tier 1 & 2	85	195	280	570	615	335	-	-
511008	Future Workplace Tier 3 Pilot	6	2	8	-	439	432	-	-
511017	Landslide Susceptibility Assessment - MPS	-	-	-	436	436	436	-	-
511019	Future Workplace Tier 3 Facilities	-	-	-	255	-	-	-	-
Projects & Engineering Services Total:		118	197	316	1,261	2,374	2,058	-	-
Strategic Planning, Transport & Environment									
510540	Integrated Water Management Strategic Plan	-	-	-	-	5	5	-	-
510541	Mornington Peninsula Coastal Strategy	46	250	296	-	327	31	(23)	(1)
510552	Heritage Review - Area 2	-	-	-	-	150	150	-	-

Operating Projects Listing

		Expenditure					Income	
		Year to date Actuals \$'000	Year to date Commitments \$'000	Actuals Plus Commitments \$'000	Annual Budget \$'000	Annual Forecast %	Remaining Forecast \$'000	Year to date Actuals \$'000
								Annual Forecast \$'000
510553	Transport to 2050	22	8	29	-	62	33	-
510555	Boundary Road Quarry EES - Experts	4	4	8	-	134	126	-
510560	Sorrento Parking and Transport Plan	0	0	0	-	1	1	-
510606	Municipal Major Roads Streetlight Upgrade	12	25	37	-	515	478	-
511003	Review of Height Planning Controls	25	51	76	40	139	64	-
511009	Industrial Rezoning Implementation	43	-	43	-	195	152	-
511010	Towards Zero Road Safety Strategy	-	-	-	-	50	50	(50)
511011	Floor Level Survery Flooding Properties	-	-	-	80	80	80	-
511014	YAWA Energy Performance Optimisation	-	20	20	60	60	40	-
511016	Parking Management Policy	-	-	-	-	324	324	-
511018	Community Safety Project	-	479	479	500	500	21	-
Strategic Planning, Transport & Environment Total:		151	836	987	680	2,541	1,553	(23)
Regulatory Services								
511012	Emergency Relief Hub Energy Resilience Upgrade	-	-	-	25	25	25	-
Regulatory Services Total:		-	-	-	25	25	25	-
Strategic and Infrastructure Planning								
510551	Sporting Assessment & Stadium Strategy	8	25	33	-	41	8	-
510556	Mornington Peninsula Open Space Strategy	4	18	22	-	133	111	-
510623	Somerville Soccer Club Facilities Investigation	26	-	26	-	57	30	-
511002	Somerville Recreation Reserve Masterplan	15	6	21	-	24	3	(50)
511013	Playspace & Outdoor Exercise Strategy	-	-	-	85	85	85	-
Strategic and Infrastructure Planning Total:		53	49	102	85	340	238	(50)
Chief of Staff								
511001	Council & Wellbeing Plan Financial & Asset Plans Development	64	-	64	-	115	52	-
511005	MPS Website Redevelopment (Stage 1)	-	4	4	-	107	104	-
Chief of Staff Total:		64	4	67	-	223	156	-
Community Safety, Health and Compliance								
511004	Municipal Disaster Resilience Strategy	3	9	11	20	3	(9)	-
Community Safety, Health and Compliance Total:		3	9	11	20	3	(9)	-
Grand Total		513	1,201	1,714	2,371	6,340	4,626	(23)
								(101)

Appendix C

Contracts and Tenders

Contracts and Tenders

Contracts Awarded at Council

Contract Number and Name	Award Date	Contract Type	Supplier	Contract Term	Estimated Contract Value (EX GST)	Estimated Contract Value (inc GST)
CN2867: Dallas Brooks Soccer Fields and Carpark Works	08/12/2025	Works	VICTORIAN SPORTS GROUP PTY LTD	1 year	\$7,743,328.40	\$8,517,661.24
003288: Library Collections, Furniture, Equip. & Associated Reqs	9/23/2025	Services	PROCUREMENT AUSTRALIA	4 years	\$2,000,000.00	\$2,200,000.00

Contract Over Expenditure – Approved by Council

Contract Number and Name	Date Approved	Awarded Contract Value	Revised Contract Value (Previous Variations)	Variation	Revised Contract Value	% increase
Nil						

Contracts Awarded under Delegation

Contract Number and Name	Award Date	Contract Type	Supplier	Contract Term	Estimated Contract Value (ex GST)	Estimated Contract Value (inc GST)
CN2837: Pest Animal Control for Biodiversity Conservation	07/10/2025	Services	TIMBERSCOPE	3 years	\$615,125.00	\$676,637.50
CN2831: Rye Cricket Net Upgrade	09/07/2025	Works	HENDRIKSEN CONTRACTORS PTY LTD	5 months	\$318,384.65	\$350,223.12
003280: Powerfront Subscription - Webchat Service	09/10/2025	Services	POWERFRONT PTY LTD	1 year	\$95,340.00	\$104,874.00
CN2873: Food Services Agreement	8/19/2025	Services	RANAHANS PTY LTD	5 years	\$7,754,465.00	\$8,529,911.50
003284: Provision of Landfill Services	09/09/2025	Services	DEPARTMENT OF ENERGY ENVIRONMENT AND CLIMATE ACTION (DEECA)	15 years	\$938,763.00	\$1,032,639.30
CN2874: After Hours Business Support	8/27/2025	Services	Oracle	3 years	\$170,227.00	\$187,249.70

Contract Over Expenditure – Approved under Delegation

Contract Number and Name	Date Approved	Awarded Contract Value	Revised Contract Value (Previous Variations)	Variation	Revised Contract Value	% increase
Nil						

Mornington Peninsula Shire Council – Draft Motion for 29 May 2026 MAV State Council

Motion Title – Increased enforcement of personal watercraft (PWC) regulations – specifically jet skis – by the Victorian Government.

Motion (250 word limit)– That the MAV advocate to the Victorian Government to:

- Implement increased enforcement measures to ensure regulation of the five-knot PWC speed limit within 50 metres of swimmers, vessels or structures and 200m of the shoreline in coastal/enclosed waters (specifically regarding jet skis).
- Boost surveillance and increase police patrolling during summer to ensure speed limit compliance, targeted CCTV pilots and drone monitoring in high-use areas and establish a reporting hotline for inappropriate use.
- Enhanced licensing and education to ensure safe and enjoyable use of the state's waterways, including coastal, inland lakes and marine environments.

This motion supports theme three of the MAV's strategic plan 2024-27 – Health and Wellbeing.

Given the significance of coastal councils and inland waterways across Victoria and the impact on community safety and amenity, enforcement of PWC regulations are of strategic relevance across the state.

Rationale (350 word limit)

As the level of government responsible for regulating and enforcing personal watercraft (PWC) conduct, councils supporting the MAV motion have advocated to the Victorian Government for several years to introduce stronger enforcement measures.

With the growing popularity and increasing capability of jet skis, there is an urgent need for enhanced police enforcement and greater physical separation between PWCs and swimmers.

Councils continue to receive rising community complaints about the safety risks posed by unsettling and reckless behaviour, particularly during summer, and the impacts on residents, visitors and marine life.

Each summer, dangerous jet ski behaviour attracts national media attention across Bayside municipalities and generates strong community backlash, often resulting in petitions to local Members of Parliament.

The size of Bayside municipalities' coastlines and their large tourist populations heighten these risks, making local beaches frequent high-conflict zones for swimmers and jet ski riders.

The Association of Bayside Municipalities (ABM) supports a Mornington Peninsula Shire-led motion, through the ABM Strategic Plan 2025–2029, which includes advocating for improved PWC licensing, enforcement and education. The plan was endorsed in September 2025 by all eight member councils: Bayside, Frankston, Greater Geelong, Hobsons Bay, Kingston, Port Phillip and Wyndham City councils and Mornington Peninsula Shire.

The Plan's 'Human Use and Safety' pillar calls for a coordinated approach to maintaining safe, sustainable environments that support community enjoyment of the Bay, including stronger licensing requirements, targeted education and more visible enforcement.

By the end of January 2026, the Water Police Squad had responded to more than 500 incidents, prompting a public water safety warning ahead of the Australia Day long weekend. One hundred callouts involved dangerous jet ski behaviour, including speeding and travelling too close to swimmers.

Recent examples include jet skis hooning near swimmers at St Kilda Pier and exceeding speed limits in Mount Martha. 280 infringement notices were issued, most relating to jet skis, with the Mornington Peninsula identified as a key offending location.

With increasing near-miss incidents and escalating community concern, unsafe PWC practices will continue to endanger public safety and harm marine life.

Attachment 1

Map depicting part of the land at 93 Watt Road, Mornington which is approximately 1,625 square metres (approximately 10 metres wide by 163 metres long) and sits between 8 and 10 Woodbyne Crescent.



Proposed Sale of Land – Part 93 Watt Rd, Mornington

Community Engagement Responses – Themed feedback and Council Response

Themes	Explanation	Council Response
Do not support the proposed Woodbyne Residential Precinct Development	Consider the sale is linked to the proposed development and rezoning	The proposed land sale and Amendment C247morn are related but they are not the same thing. The proposed land sale is separate from any rezoning or other planning decisions, including Amendment C247morn. That is, Council is acting as the landowner when deciding whether to sell the land. Rezoning and planning decisions are made separately by Council in its role as the Planning Authority under the <i>Planning and Environment Act 1987</i>.
Traffic Congestion and Road Network Capacity	Traffic concerns are overwhelming the strongest theme. Local roads already beyond capacity and road upgrades need to occur prior to development	Council recognises that the road network in this area is under significant pressure. Any development plans would be subject to planning considerations including comprehensive traffic impact assessments under the Mornington Planning Scheme.
Lack of Supporting Infrastructure	Local infrastructure is inadequate and not keeping pace with growth. Lack of existing infrastructure including footpaths, poor pedestrian safety, insufficient public transport and parks	Council acknowledges the existing infrastructure gaps in the Mornington area. The proposed replacement of open space in Woodbyne Crescent would be more accessible and functional than the current site

Proposed Sale of Land – Part 93 Watt Rd, Mornington

Community Engagement Responses – Themed feedback and Council Response

Governance and Transparent	Clarity on plans, valuation, timelines and details on the replacement open space	If Council decides to sell the land to an adjoining property owner, the purchaser must provide replacement open space in Woodbyne Crescent totalling at least the same amount of land as the land sold by Council. Details of the replacement open space location and design will form part of the contract conditions of sale.
Loss of Green Space and Local Character	Desire to maintain Mornington's rural feel and concern of change in neighbourhood character	Council recognises the importance of protecting vegetation, wildlife corridors, and neighbourhood character. The proposed new open space would include protection of existing high value vegetation and installation of park infrastructure to Council's standards.
Overdevelopment and Density	Too many houses in what is viewed as an already congested area, and fear negative impacts on property values, noise, and general amenity	Any development plans would be subject to planning considerations including density, built form, traffic generation, and amenity under the Mornington Planning Scheme.
Conditional Support	Small minority would support the sale if it delivers community value – social housing, genuine accessible and designed open space or reinvestment into roads and infrastructure	Council will receive a replacement open space area, built to Council's requirements, which would be delivered and paid for by the purchaser of the Council owned land.

In partnership with the Councils listed below, we are writing this advocacy letter to express our collective concerns regarding the kerbside glass service:



Contact us

Phone 1300 88 22 33 or 9298 4598 Fax 9298 4345

maroondah@maroondah.vic.gov.au | www.maroondah.vic.gov.au | PO Box 156, Ringwood 3134 | DX 38068, Ringwood

ABN 98 606 522 719



20/12/24

The Hon Steve Dimopoulos

Minister for Environment

Sent via email: steve.dimopoulos@parliament.vic.gov.au

Dear Steve Dimopoulos,

RE: Request to reconsider the kerbside glass only service

Maroondah City Council and 14 other local governments from across regional, metro and interfacing local government areas, are writing to respectfully request a reconsideration of the kerbside glass only recycling service in our communities. Whilst this collective of Councils understands the importance of glass recycling and commend the Victorian Government on their commitment to increasing resource recovery rates, we believe there are alternative approaches that can achieve the desired outcomes more cost effectively and environmentally efficiently.

Specifically, we would like to draw your attention to the following points:

1. Cost of a kerbside glass bin service: A recently completed research and modelling project, conducted by 22 Victorian local governments, which collectively represents over a quarter of all local governments in Victoria, has found that implementing a glass only service would come at a significant cost to local communities. The modelling that was completed using Council-provided data was unable to replicate the benefits outlined in the Regulatory Impact Statement (RIS) for the glass only service and found that the data underpinning the RIS does not reflect the real-life implications of the policy to local government or industry. The modelling also showed a combined implementation cost for these Councils estimated at \$75 million, with an additional average ongoing collection and processing cost of \$27 per household, per annum. Unfortunately, the funding assistance offered from the Victorian Government would only offset a small portion of this cost burden. Comparatively, an alternative method of collecting glass is already in place via the Container Deposit Scheme (CDS). The modelling found that expanding the CDS to include wine and spirit bottles would have similar benefits to a kerbside glass service but would be less of a financial burden to Councils as existing infrastructure can be utilised and collections would be funded via the producers of the bottles and containers, rather than local communities.
2. Circularity outcomes: Councils serviced by major Materials Recovery Facilities (MRFs) in Melbourne are already achieving bottle-to-bottle recycling through their mixed recycling service and would see very minimal circularity benefit for the investment made. Two of the three major MRFs servicing metropolitan Melbourne have reported that separate glass collections are not resulting in increased value of other recycle. It was also noted that paper and cardboard commodity price increases are unlikely to be actualised unless paper and cardboard is collected separately from all other materials, regardless of glass being separated. Concerningly, the glass only service was found to come at a significant cost to the community, yet the research found there were minimal differences found in the quantity of glass collected when comparing a kerbside glass only service to an expanded CDS.
3. Success of the Container Deposit Scheme: The Victorian Government's CDS has proven to be highly successful, with record numbers of glass containers collected in its first year of operation. The state-wide scheme has easy-to-access infrastructure and clear educational messaging, making it widely embraced by the community.

Contact us

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4. Benefits of an expanded CDS: The CDS operates as a product stewardship scheme, funded by the producers of the materials, rather than local communities. Utilising the existing infrastructure and processes of the CDS results in recovery of already sorted, uncontaminated and high value glass. In comparison, a household glass only service still requires mechanical processing to remove contamination, resulting in no gate fee reduction from the separated collection. Additionally, utilising the CDS infrastructure and existing transport fleet would result in less transport emissions when compared to a kerbside glass only service. Expanding the CDS to include wine and spirit bottles also aligns with the National Environment Ministers' agreement to a nationally harmonised CDS by the end of 2025.
5. Declining volumes of glass: It is important to consider the declining volumes of glass being collected. Investing in new infrastructure to collect increasingly smaller portions of glass limits our capacity to utilise the infrastructure for other materials and increase our overall resource recovery rate across the state. It is crucial to explore alternative approaches that can maximise resource recovery and minimise costs to the community.

In light of these points, Maroondah City Council, and the local governments signed below, kindly request the reconsideration of the mandatory implementation of a kerbside glass only recycling service. By focusing on expanding the highly successful Container Deposit Scheme to include wine and spirit bottles, and exploring other cost-effective alternatives, we can achieve our shared recycling goals while minimising the financial burden on households and local communities during the current cost of living crisis.

We anticipate that more Victorian local governments will be reaching out with similar requests in the new year once they have had time to brief their new Councils on the research findings and the cost impacts of the kerbside glass only service.

Thank you for your attention to this matter. I am available for further discussion or to provide any additional information that may assist in your decision-making process. The collective of Councils would welcome a meeting to discuss further and look forward to hearing from you soon.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Kylie Spears', with a stylized flourish at the end.

Signed by: Kylie Spears
Date & Time: 19 Dec, 2024 10:23:46 AEDT

Cr Kylie Spears
Mayor
Maroondah City Council

Contact us

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**Banyule City Council**

A handwritten signature in blue ink, appearing to read 'Allison'.

Signed by: Allison Beckwith
Date & Time: 18 Dec, 2024 17:39:59 AEDT
Allison Beckwith
Chief Executive Officer

Bayside City Council

A handwritten signature in blue ink, appearing to read 'Mick Cummins'.

Signed by: Mick Cummins
Date & Time: 19 Dec, 2024 08:53:54 AEDT
Mick Cummins
Chief Executive Officer

Cardinia Shire Council

A handwritten signature in blue ink, appearing to read 'Jack Kowarzik'.

Signed by: Jack Kowarzik
Date & Time: 19 Dec, 2024 16:22:03 AEDT
Cr Jack Kowarzik
Mayor

East Gippsland Shire Council

A handwritten signature in blue ink, appearing to read 'Fiona Weigall'.

Signed by: Fiona Weigall
Date & Time: 19 Dec, 2024 17:01:02 AEDT
Fiona Weigall
Chief Executive Officer

City of Greater Geelong

A handwritten signature in blue ink, appearing to read 'Alison Wastie'.

Signed by: Alison Wastie
Date & Time: 19 Dec, 2024 16:20:00 AEDT
Ali Wastie
Chief Executive Officer

Knox City Council

A handwritten signature in blue ink, appearing to read 'Bruce Dobson'.

Signed by: Bruce Dobson
Date & Time: 20 Dec, 2024 09:57:08 AEDT
Bruce Dobson
Chief Executive Officer

Latrobe City Council

A handwritten signature in blue ink, appearing to read 'Steven Piasente'.

Signed by: Steven Piasente
Date & Time: 20 Dec, 2024 11:02:40 AEDT
Steven Piasente
Chief Executive Officer

Manningham City Council

A handwritten signature in blue ink, appearing to read 'Andrew Day'.

Signed by: Andrew Day
Date & Time: 19 Dec, 2024 15:26:03 AEDT
Andrew Day
Chief Executive Officer

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ABN 98 606 522 719

**Maroondah City Council**

A handwritten signature in blue ink, appearing to read 'Kylie Spears'.

Signed by: Kylie Spears
Date & Time: 19 Dec, 2024 10:23:46 AEDT
Cr Kylie Spears
Mayor

Moorabool Shire Council

A handwritten signature in blue ink, appearing to read 'Derek Madden'.

Signed by: Derek Madden
Date & Time: 19 Dec, 2024 10:34:21 AEDT
Derek Madden
Chief Executive Officer

Mornington Peninsula Shire

A handwritten signature in blue ink, appearing to read 'Bulent Oz'.

Signed by: Bulent Oz
Date & Time: 19 Dec, 2024 16:11:07 AEDT
Bulent Oz
Acting Chief Executive Officer

Stonnington City Council

A handwritten signature in blue ink, appearing to read 'Dale Dickson'.

Signed by: Dale Dickson
Date & Time: 19 Dec, 2024 11:09:50 AEDT
Dale Dickson
Chief Executive Officer

Whitehorse City Council

A handwritten signature in blue ink, appearing to read 'Simon McMillan'.

Signed by: Simon McMillan
Date & Time: 19 Dec, 2024 13:54:43 AEDT
Simon McMillan
Chief Executive Officer

Wyndham City Council

A handwritten signature in blue ink, appearing to read 'Stephen Wall'.

Signed by: Stephen Wall
Date & Time: 19 Dec, 2024 15:52:02 AEDT
Stephen Wall
Chief Executive Officer

Yarra Ranges Council

A handwritten signature in blue ink, appearing to read 'Tammi Rose'.

Signed by: Tammi Rose
Date & Time: 19 Dec, 2024 11:35:28 AEDT
Tammi Rose
Chief Executive Officer

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CC:

Ms Sonja Terpstra
Mr Nick McGowan
Mr Richard Welch
Mr Aiv Puglielli
The Hon David Hodgett
Mr John Mullahy
Mr Will Fowles
Mrs Nicole Werner
The Hon Vicki Ward
The Hon Colin Brooks
The Hon Anthony Carbines
Ms Emma Vulin
The Hon Jason Wood
The Hon Shaun Leane
Mr Brad Rowsell
Mr James Newbury
Mr Jackson Taylor
The Hon Darren Chester MP
The Hon Matthew Guy
Ms Michaela Settle
The Hon Michael O'Brien
Ms Daniela De Martino
Ms Bridget Vallence
Ms Cindy McLeish
Mr Paul Hamer
Mr Matt Fregon

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ABN 98 606 522 719

WATER
ENERGY
DESIGN

E2DESIGNLAB

Mornington Peninsula Shire Council

Water Sensitive Assets (WSA) Masterplan

Version 01 / January 2022

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Signed	
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CONTENTS

Executive Summary	iv
1. Introduction	1
2. Project Objectives	4
3. Mornington Peninsula’s Context	5
4. Project Opportunity Identification	7
5. Priority Projects	13
6. Conclusion	24
Attachment A– Top 60 Site Opportunities	26
Attachment B– Concept Design Sites	30

List of Figures

Figure 1a. Example of rain garden in a park.....	2
Figure 1b. Examples of precinct scale and streetscape WSUD assets.....	3
Figure 2. Project identification 'decision tree'.....	7
Figure 3. Recycled water opportunities in Southern Peninsula	14
Figure 4. Recycled water opportunities in Western Port.....	16
Figure 5. Location of top 12 stormwater opportunities.....	19
Figure 6. Location of top 60 stormwater opportunities.....	29
Figure 7. Proposed concept plan of Olympic Park Reserve (Site ref # 1024)	33
Figure 8. Proposed concept plan of Morell Reserve (Site ref #1256).....	36
Figure 9. Proposed concept plan of Murrowong Reserve (Site ref # 1023).....	39
Figure 10. Proposed Concept Design Plan of Dromana Parade Reserve (Site ref #1031b).....	42
Figure 11. Proposed Concept Design of Dromana Recreation Reserve (Site ref #1075)	45

List of Tables

Table 1. Index of Stream Condition (ISC).	5
Table 2. Summary of site identification process for stormwater projects.....	8
Table 3. Measures used to assess the projects quantitative objectives	11
Table 4. Data sources used to assess the projects qualitative objective.....	11
Table 5. Summary of recycled water projects in Southern Peninsula	13
Table 8. Summary of recycled water projects in Western Port.....	15
Table 9. Top 12 projects based on prioritisation assessment.....	18
Table 10. Summary of concept design performance (coloured bars represent relative result)	20
Table 11. Establishing a price for Council's Voluntary Stormwater In-lieu Scheme	21
Table 11. Establishing a rate for Council's Voluntary Stormwater In-lieu Scheme.....	22
Table 12. Summary of top 60 stormwater opportunities	26
Table 13. Indicative concept design construction cost breakdown for Olympic Park Reserve.....	32
Table 14. Concept design establishment cost breakdown for Morell Reserve.....	35
Table 15. Indicative capital cost breakdown for Murrowong Reserve	38
Table 16. Indicative capital cost breakdown for Dromana Parade Reserve	41
Table 17. Concept design establishment cost breakdown for Dromana Recreation Reserve	44

Executive Summary

This water sensitive assets (WSA) masterplan provides Council with a solid evidence base for the effective implementation of priority stormwater projects. This document provides a crucial technical background and decision-making framework to inform a costed capital works program that achieves Council's Integrated Water Management (IWM) targets and guides investment of funds collected from the Shire-run Stormwater In-lieu Contribution Scheme.

This WSA masterplan aims to identify, quantify, and rank medium to large scale WSUD treatment and/or stormwater harvesting projects across Mornington Peninsula Shire (existing and proposed urban areas). The masterplan outputs include a clear action plan for future Council investment in precinct projects that deliver:

- Improved waterway health and stormwater quality—i.e. through pollutant load reductions
- Increased alternative water sources to support resilient sports fields and provide potable water savings
- Improved urban amenity achieved by identifying multifunctional assets that enhance the urban landscape

The assessment captures stormwater assets together with the existing and planned recycled water network and consideration of proximity to open space (including active open spaces identified in the Sports Capacity Plan). This requires consideration of the following key project objectives:

1. Cost effective investment
2. Improved stormwater quality
3. Increased alternative water use / reduced potable water use
4. Reduced risks and maximised opportunities

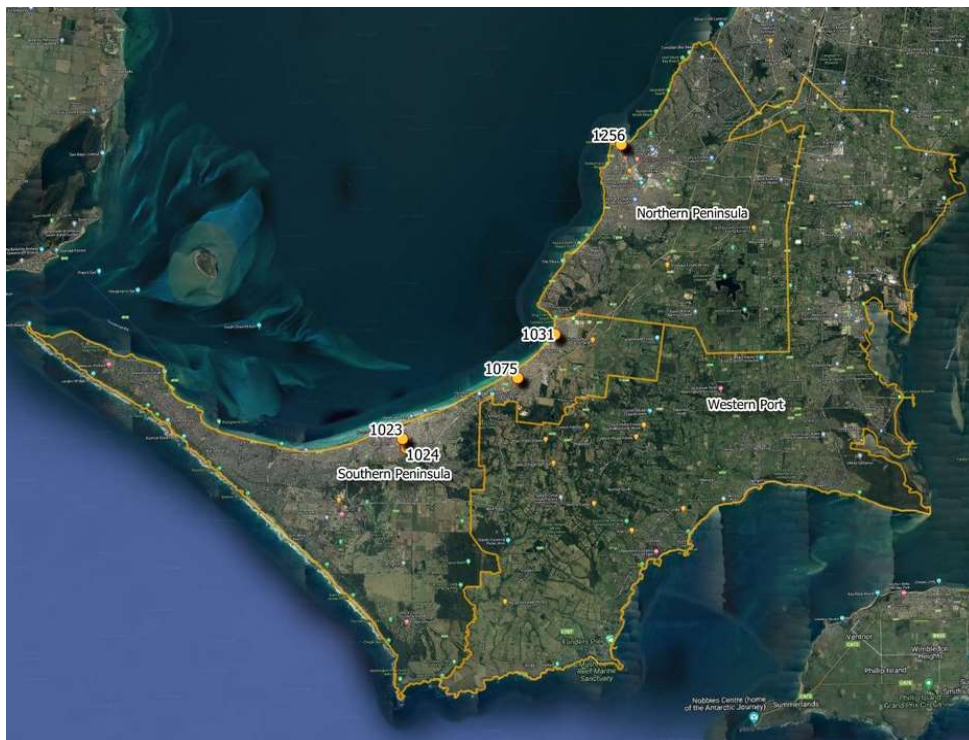
The medium and large-scale IWM opportunities include stormwater treatment wetlands, sediment basins, bioretention systems and stormwater harvesting schemes. A 3-stage process was undertaken to identify, refine, assess and project opportunities across Mornington Peninsula Shire.

- **Stage 1 site identification:** a long list of opportunities (60 sites) was identified. The identified sites were reviewed with internal council stakeholders, Melbourne Water and

water authorities, drawing on local knowledge of site use constraints. **Stage 2 detailed project assessment:** a ranking of the top 12 WSUD projects was developed by undertaking a high-level cost and benefits assessment of the long list of 60 assets/sites. Key council staff responsible for the planning and delivery of future active open spaces, including representatives from sports and recreation and strategic planning were consulted with.

Stage 3 concept design development: To confirm the physical features and feasibility of the top 12 sites, a site investigation was conducted on 26 November 2021 with representatives from council and E2Designlab. Risks associated with each site were identified during the site visit and five sites were identified to progress concept designs are summarised below. A concept design for each site is provided in Appendix B. These are sufficiently detailed to take forward to functional/detailed design and allow Council to apply for funding opportunities.

The costs associated with the top 12 sites (excluding future sports fields) we used to calculate a rate for a Shire-run Stormwater In-lieu Contribution Scheme. We recommend adopting a rate of **\$16 per m² of impervious area** as Councils minimum or baseline rate.



Location of top 5 WSUD projects

Name	Township	Benefit Cost Ratio (BCR)	Project Type	Benefits		Total cost (\$NPV 2021)
				TN Reduction	Potable water use reduction	
Olympic Park Reserve (#1024)	Rosebud	1.3	Treatment Only	●	●	\$573,000
Dromana Parade Reserve (#1031b)	Dromana	1.2	Treatment Only	●	●	\$498,000
Murrowong Reserve (#1023)	Rosebud	1.2	Treatment Only	●	●	\$478,000
Dromana Recreation Reserve (#1075)	Dromana	1.1	Treatment and Stormwater Harvesting	●	●	\$1,169,000
Morell Reserve (#1256)	Mornington	1	Treatment Only	●	●	\$456,000

● – High contribution to outcome

● – No contribution to outcome

Summary of top 5 WSUD projects

Next steps

The next steps for the implementation of this WSA masterplan are outlined in the table below. The plan will be used by the Shire for planning and budgeting purposes, and to help inform the Shire's capital works program for WSUD.

The implementation plan for the WSA masterplan and future precinct scale WSUD projects

No	Action	High priority 1-3 yrs	Medium priority 5-8 yrs	Low priority 8-10 yrs
1	Integrate the WSA masterplan (5 concept designs) into the Long-Term Capital Works Plan (LTCWP) over the next 10 years. Consider the following funding mechanisms: 1. Council budget 2. External funding – e.g., Melbourne Water's Liveable Waterways Liveable Communities Incentive Program 3. Shire-run Stormwater In-Lieu Contribution Scheme income reserve. Review charging rates for the Stormwater In-Lieu Contribution Scheme based on the estimated base rate cost (\$32 per m² of impervious area), or consider taking the upper end of the top 12 projects to allow for cost increment in the future years.	X		
2	Progress a minimum of 2 of the 5 concept designs to community consultation, functional and detailed design, and	X		

No	Action	High priority 1-3 yrs	Medium priority 5-8 yrs	Low priority 8–10 yrs
	construction every 5 years , starting with the following opportunities in Y22/23: - Olympic Park Reserve, Rosebud - Dromana Parade Reserve, Safety Beach OR Morell Reserve, Cook St, Mornington			
3	Use the water quality outcomes from the WSUD opportunities identified to inform the Integrated Water Management Plan 2021 stormwater quality 2030 targets (a placeholder is currently placed on these targets)	X		
4	In consultation with internal stakeholders, review the top 60 Site Opportunities (Attachment A) to identify projects with favourable BCR (>0.8) to progress towards concept design as other open space projects progress. This should include but not be limited to the following projects: - Future sports field (including District Soccer Southern Planning and Western Port Planning Area which are in the top 12 WSUD priority list) – liaise with the sports and recreation team - Foreshore Masterplans – Rosebud Foreshore Masterplan and Hasting Foreshore Masterplan (to be investigated) - Other masterplans as they are developed	X	X	
5	For opportunities with less favourable BCR (<0.8), quantify/semi-quantify other benefits that have not been considered to further evaluate WSUD opportunities as well as challenge assumptions where open space projects progress. For example, reconsider stormwater harvesting at David Macfarlane Reserve as part of the broader site masterplan investigation.	X	X	X
6	Future WSUD master planning to consider the following: - Identify further opportunities in the Westernport region where sites deemed feasible for recycled water were not considered for WSUDs - Identify opportunities outside of council managed land		X	X
7	Revisit recycled water opportunities as demand for irrigation arises, for example during the selection of future greenfield sports field site.			

Note: Actions across Low to High Priority denote ongoing actions

1. Introduction

Mornington Peninsula Shire Council (MPSC) is committed to the protection and sustainable management of potable water, groundwater, stormwater and receiving waters. Faced with the challenges of population growth, increased urban water demand, and the need to improve stormwater quality discharge to its waterways (Port Phillip and Westernport Bays), Council has recently updated its Integrated Water Management (IWM) Strategy. The IWM Strategy supports the delivery of large, medium and small-scale water sensitive urban design (WSUD) initiatives, as a means to support a range of IWM outcomes, including potable water reduction, alternative water supply, stormwater quality improvement, urban heat island amelioration, and enhanced amenity and liveability.

Ongoing improvement in stormwater management is required across Mornington Peninsula Shire Council to address the historical and ongoing impacts of urbanisation on the region's waterways. Urbanisation dramatically alters the natural water cycle by increasing the proportion of hard surfaces (i.e. impervious areas) and reducing vegetation cover. This decreases the volume of water evaporated and transpired into the atmosphere (called evapotranspiration) and infiltrated into groundwater. Urbanisation significantly increases stormwater runoff. This results in more frequent and severe flows and flooding, altered stream hydrology and increased pollutant transportation and deposition.

Water Sensitive Urban Design (WSUD) and stormwater harvesting can be implemented to address the impacts of urbanisation and restore some balance to the Shire's urban water cycle. WSUD is an approach to design that integrates water management into the landscape and built form to create attractive, multi-functional spaces and improve environmental outcomes. Common WSUD treatments include wetlands, raingardens (also referred to as bioretention systems), swales and tree pits. These technologies can be implemented at a range of scales. For examples of precinct and streetscape scale WSUD assets see Figure a and 1b below. It is noted that the focus of this project is the medium to large scale WSUD assets at a larger precinct scale.

Stormwater harvesting also helps improve waterway health by reducing the volume of water and amount of pollution that reaches urban waterways. In addition to its environmental benefits, stormwater harvesting provides an alternative water source to recycled water providing resilient water supply for irrigation of sporting fields.

E2Designlab was engaged by Council to develop a Water Sensitive Assets (WSA) Masterplan to guide Council's future capital investment in on-ground projects that effectively deliver on the IWM targets. This strategic project identifies and prioritises precinct scale projects to deliver:

- Improved water way health (i.e. through flow volume and pollutant load reductions)

- Increased alternative water source use for resilient sports fields and potable water savings.

This strategic project seeks to:

- Identify, quantify and prioritise medium to large scale water sensitive urban design (stormwater treatment and/or harvesting) projects across MPSC's urban areas and to identify recycled water opportunities where it is more favourable than stormwater harvesting as an alternative water source
- Inform Council's future capital works program
- Enable a price to be established for Council's voluntary stormwater in-lieu scheme for the delivery of precinct scale WSUD assets

Each stormwater project identified has been carefully assessed in terms of costs, benefits and risks to ensure future stormwater works are based on a robust and detailed knowledge-base. Key outputs from each stage this project include:

- Stage 1: long list of top 60 project opportunities
- Stage 2: prioritised list of top 12 WSUD opportunities
- Stage 3: 5 detailed concept designs that provide Council with site specific information regarding key stormwater treatment and harvesting projects opportunities

Successful implementation of these projects will contribute towards council's integrated water management targets.



Figure 1a. Example of rain garden in a park

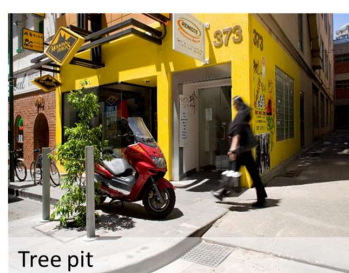


Figure 1b. Examples of precinct scale and streetscape WSUD assets

2. Project Objectives

This project's is aimed at identifying and prioritising medium to large scale stormwater projects across Mornington Peninsula Shire Council. This requires consideration of the following key project objectives:



(1) Cost effective investment: To make the most of limited resources only the most cost-effective stormwater projects should be progressed. This requires consideration of the full lifecycle costs of projects, including upfront capital and ongoing maintenance and renewal costs.



(2) Improved stormwater quality: Urban areas generate nutrients, heavy metals and sediments which are washed into our drains and harm our waterways. Stormwater treatments such as wetlands and rain gardens systems improve stormwater quality through natural processes. These systems are typically designed to achieve the Best Practice Environmental Management Guidelines objectives¹, including the following reductions in mean annual loads: 80% of Total Suspended Solids (TSS), 45% of Total Nitrogen (TN), 45% of Total Phosphorus (TP) and 70% of litter.



(3) Increased alternative water use / reduced potable water use: Stormwater is increasingly recognised as a valuable resource that, once appropriately treated, can be utilised as an alternative water supply. Treated stormwater is currently used throughout Melbourne to irrigate sports ground and other public open spaces. This improves the resilience of the regions potable water supply system and supports improved liveability. For instance, in drought years water restrictions may restrict irrigation with potable mains water. However, harvested stormwater continues to be available whenever rainfall occurs due to the high imperviousness of urban catchments. This allows the community to continue to enjoy the activities they value in green sports grounds and parks across the city. Treated stormwater can be used for a diverse range of uses including irrigation, toilet flushing and industrial processes.

(4) Reduced risks and maximised opportunities: Reduce the risk of project failure and maximise the opportunity for multiple benefits. In terms of risks, stormwater projects can be complicated by a variety of factors including land contamination, cultural and natural heritage, biodiversity, geological features, site flooding and incompatible land use etc. In terms of opportunities, stormwater projects can deliver a variety of benefits in addition to treatment and reuse, including localised flooding improvements, urban greening and cooling, increased habitat, and amenity benefits.

¹ VSC, 1999. *Victoria Stormwater Committee, Best Practice Environmental Management Guideline*. Melbourne: CSIRO Publishing.

3. Mornington Peninsula's Context

A summary of Mornington Peninsula Shire's physical characteristics is provided below.

Waterways: The Mornington Peninsula Shire comprises approximately 190 km of coastline, constituting >10% of Victoria's total littoral region. Additionally, the Shire has 440 km of waterways with 18 creek catchments, collectively forming part of the broader Bunyip Basin (Port Phillip Catchment). These waterways support significant plant and animal species including 301 birds, 29 fish and 11 amphibian species. The ecological health of MPS's coastal and waterway environments is paramount to the Shire's environmental, recreational, traditional owner and eco-tourism values, and provide important linkages across the municipality's open space network.

Stream condition assessments undertaken for a subset of the Shire's waterways indicate that the majority are in poor to moderate condition, exhibiting elevated turbidity, nutrient and salinity levels² (Table 1). This is largely attributed to historical land clearing (highly fragmented, generally low cover of trees and shrubs), urban development and agricultural activities within the region.

Table 1. Index of Stream Condition (ISC) (sub-index scores (out of 10) for monitored waterways within the Mornington Peninsula Shire) Adopted from DELWP³.

Waterway name	Reach Length (Km)	Hydrology	Physical Form	Streamside Zone	Water Quality	Aquatic Life	ISC Score	Condition
Drum Creek	12.1	5	10	7	4	3	23	Poor
Main Creek	23.4	2	10	8	5	8	27	Moderate
Manton Creek	9.4	6	10	7	NA	NA	36	Good
Stony Creek	11.5	4	10	9	6	8	32	Moderate
Dunns Creek	14.7	3	9	7	3	NA	23	Poor
Warringine Creek	9.5	5	10	7	3	NA	26	Moderate
Balcombe Creek	18.6	2	10	7	3	4	19	Very Poor
Baxter Creek	12.9	NA	9	5	3	3	13	Very Poor

Data collected from 6 creeks over a six-year period from 2004 to 2010.

Land use: The Peninsula covers approximately 720 square kilometres comprising a variety of land uses including natural vegetation, agricultural, residential, commercial and industry. Approximately 70% of the Shire resides within the green wedge planning zone and is rural land comprising farmland,

² DELWP. *ISC Port Phillip Region. Index of Stream Condition - The Third Benchmark of Victorian River Condition*. s.l. : Department of Environment, Land, Water and Planning, 2010.

³ DELWP. *ISC Port Phillip Region. Index of Stream Condition - The Third Benchmark of Victorian River Condition*. s.l. : Department of Environment, Land, Water and Planning, 2010.

low-density residential lots and natural vegetation/bushland (**Green wedge management plan**). The remaining 30% is primarily medium-density residential land use distributed across >20 separate settlements ranging in size from larger centres to smaller villages and towns (**MPSC Planning Scheme**⁴). A minority of land use (~40 ha) is industrial (**Rezoning Strategy**⁵). The Shire's major retail and economic centres include Somerville, Mornington, Rosebud, Hastings/Somers and Point Nepean (Sorrento, Portsea and Blairgowrie).

Open space: MPS comprises significant areas of public open space including bushland, foreshore areas, parks, roadside reserves, sporting grounds, trails and undeveloped areas. Substantial areas of the Shire are of high conservation value and support sites of national and international significance. To date, approximately ~16.8 sq. km (~2.3%) of the Shire's land use constitutes Council-managed public open space (POS). This is not inclusive of POS overseen by other governing bodies (e.g. private land or national/state parks or POS such as Arthur's Seat State Park, Western Port Coastal Reserve, Mornington Peninsula National Park etc.). Prominent sites include Devil Bend Reservoir, The Briars Park, Main Ridge Flora Reserve and Warringine Park. Of Council-managed POS, the majority (~46%) lies in the northern region of the Shire, while the southern and Western Port regions possess smaller areas (28% and 27%, respectively). Where Council-managed POS could be discerned as active or passive POS, ~24% constituted active POS while the remaining ~76% was passive POS.

Council's Open Space Strategy sets out a plan forward for making upgrades to existing reserves (e.g. Briar's Park and Dunn's Reserve), playgrounds, outdoor public sports facilities and walking/bicycle trails. Among other actions, the Strategy also establishes a plan to preserve natural bushland, promote revegetation of nature strips and private land, and develop management plans for high priority open spaces (e.g. Port Estate, Hanns Creek, Goolgowie St. Reserve, Peninsula Gardens, Woods Reserve, Buxton Reserve, Red Hill South Trail, Mt. Martha Park, Lorna's Triangle, Koala Reserve).

⁴ Mornington Peninsula Planning Scheme (1999; updated 2021). Planning and Environment Act 1987.

⁵ Mornington Peninsula Shire Council (2020). Industrial Land Use and Infrastructure Assessment and Rezoning Strategy. Prepared by Hansen Partnership, Urban Enterprise, Irwin Consult & WSP.

4. Project Opportunity Identification

To be able to effectively identify suitable sites for alternative water use and treatment, a project identification 'decision tree' was developed to identify the projects across Mornington Peninsula Shire Council, which is described in Figure .

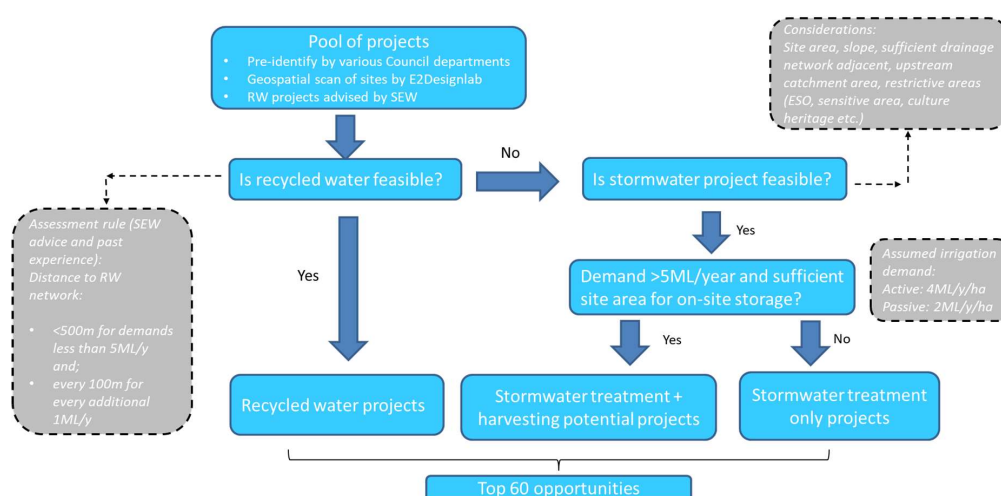


Figure 2. Project identification 'decision tree'

The sites in the previous Stormwater Treatment Strategies for Mornington and Somers 2013 were considered in this study. A collection of projects was pre-identified by Council internal stakeholders. Open space networks across MPSC were also reviewed geo-spatially to determine suitable sites for alternative water reuse and stormwater treatment.

It is noted that South East Water recycled water networks are available in the MPSC area. The existing recycled water networks are from Somers Treatment Plant and Boneo Treatment Plant. It is understood that South East Water have planned recycled water network in Tyabb-Somerville area, as well as The Briar recycled water scheme. If the recycled water network is readily available, it generally provides a more cost-effective alternative water supply to provide open space irrigation, compared to a stormwater harvesting scheme. As such, recycled water from both existing and planned networks for irrigation to adjacent open space were explored.

Step 1: High level feasibility assessment for access to recycled water

Based on E2Designlab's past project experience and early advice from South East Water, open space were deemed feasible for recycled water access where:

- If the irrigation demand is less than 5ML/year, the open space is less than 500m away from the recycled water network⁶
- If the irrigation demand is greater than 5ML/year, the open space is less than 100m away from the recycled water network for every 1 ML/year in addition to the 5ML/year

Step 2: Stormwater opportunities

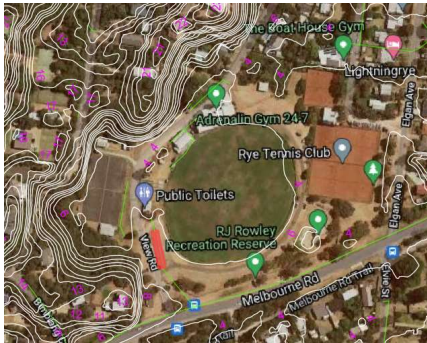
Stage 1: Site identification

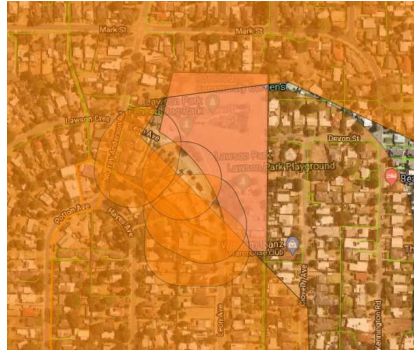
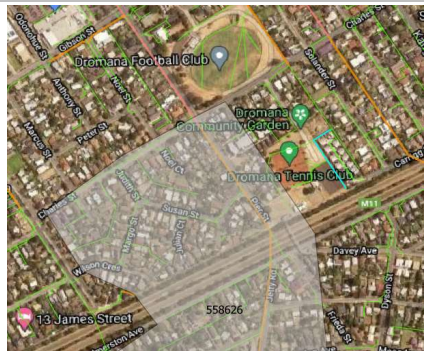
A spatial analysis with a Global Information System (GIS) was used to identify suitable stormwater sites based on an assessment of land ownership, slope, proximity to drainage and reuse opportunities, potential land use conflicts and upstream catchment. The process used and example outputs are summarised below in Table 2.

Table 2. Summary of site identification process for stormwater projects

Analysis	Example
Land ownership: For a site to be considered in the assessment it needed to be owned or managed by Council preferably. Planning zones and parcel data were used to identify Council land suitable for stormwater projects.	 Example of Council owned land (light green)

⁶ It is noted that the distance refers to road distance of an approximate recycled water extension along road alignment

Analysis	Example
Slope Contours information was used to filter out sites that are too steep for WSUD. WSUD assets have generally been considered on the flatter sites.	 Example of a relatively flatter site
Proximity to drainage MPSC's drainage network consists of Council and Melbourne Water pipe networks. The proximity of each site to the drainage network was considered to reduce diversion cost.	 Example of a site with underground drainage pipe (pink line) across the street
Proximity of drainage to reuse opportunities The proximity of each site to Council owned active and passive public open spaces (POS) was considered to identify potential stormwater reuse projects. The demand at each site was determined based on existing usage data and Council input. The following irrigation rates were assumed: • 4 ML/yr/ha for active open space • 2 ML/yr/ha for passive open space Sites with irrigation demands greater than 5ML/year were considered for stormwater harvesting, whereas those with less than 5ML/year demand were considered for treatment only.	 Example of an active open space (oval) with surrounding passive open space (grass)

Analysis	Example
Potential land use conflicts Wherever possible, treatment and reuse opportunities were limited to areas with no obvious conflict with existing land use. For example, priority was given to areas of passive open space without conflict with existing trees, infrastructure (e.g. buildings, sports grounds and playgrounds) and areas of significant site contamination, cultural or natural heritage. It was often difficult to avoid areas of potential cultural heritage due to the extent of overlays and proximity of sites to waterways.	 Example of site with potential land use conflicts (orange: Environmental Significance Overlay; pink: landfill)
Upstream catchment size Upstream catchment areas were identified based on contour information and drainage network (pipes and pits etc.)	 Upstream catchment area (in grey colour) for a potential WSUD site

Stage 2: Detailed project assessment

An initial assessment of medium to large scale stormwater projects was conducted to estimate project costs (capital costs and operating costs), nitrogen reduction and alternative water use volumes. The treatment and reuse potential of each site was modelled and quantified in MUSIC v6.3. The results were used to create a preliminary ranking of projects. The full list of top 60 projects is shown in Attachment A. Top 23 sites were selected to present to the stakeholder group on a workshop held on 14 October 2021 (see Figure 2 for project identification decision tree). This was followed by a memorandum issued to Council which outlined the top 17 sites with preliminary Benefit-Cost Ratio (BCR) above 0.85 for further Council internal consultations to determine the final top 12 sites. Relevant risks and opportunities unique to each site were also identified during this process.

For the detailed assessment every site was modelled using MUSIC v6.3. Each site was modelled according to their appropriate climate template that the site falls in. Catchment for each site was

determined based on available contour and drainage information, and fraction imperviousness of the catchment was estimated based on MUSIC Guidelines⁷. This provided accurate estimates of pollutant reduction loads and the volume and reliability of stormwater harvesting systems. Detailed modelling provided accurate estimates of the size of storage tanks required for stormwater harvesting, an important input for both design and costing of projects.

Following detailed modelling, all sites were assessed using the three quantitative project objectives (see Table 3). This data was then used to calculate the benefit cost ratio (BCR) for each project. The BCR summarises the overall value for money of each project and is calculated as (Measure B + Measure C) / Measure A. A BCR of <1 indicates the costs of a project outweigh the benefits, a BCR of 1 indicates the benefits equal the costs, and a BCR >1 indicate the benefits outweigh the costs.

Qualitative data related to the final project objective was also collected for each site. This data consists of information from Council's GIS database (see Table 4) as well as feedback from Council during and post workshops. Projects were prioritised based on their quantitative BCR, which allows for a clear ranking for each project. However, project selection based on this prioritisation also considered the unique risks and opportunities involved with each project,

Table 3. Measures used to assess the projects quantitative objectives

Project Objective	Measure*
Cost effective investment	(A) The net present value (NPV) of WSUD and stormwater harvesting life cycle costs (including capital, operational/maintenance and renewal).
Increased alternative water use / reduced potable water use	(B) The NPV of potable water savings based on a cost of \$3,144 per ML
Improved stormwater quality	(C) The NPV of nitrogen abatement based on a cost of \$11,390 per kg. This cost is based on an estimate of the capital, operating and renewal cost of Melbourne Water's regional stormwater investments.

* Net present value (NPV) analysis was conducted over 50 years with a 5.5% discount rate.

Table 4. Data sources used to assess the projects qualitative objective

	Category
Reduced risks and maximised opportunities	Landfill
	Cultural heritage
	Environmental Significance Overlay (ESO)
	Land Ownership
	Other risks and opportunities unique to each site as identified by Council Stakeholders (e.g., WSUD assets being incorporated into other masterplans under development)

⁷ Melbourne Water (2018). MUSIC Guidelines. Available: <https://www.melbournewater.com.au/sites/default/files/2018-03/Music-tool-guidelines.pdf>

Stage 3: Further refinement

To confirm the physical features and feasibility of the top 12 sites, a site investigation was conducted on the 26 November 2021 with representatives from Council and E2Designlab. Qualitative risks associated with each site was identified during the site visit as well as the follow-up internal Council stakeholders consultation. These were considered in further prioritisation process to determine the priority sites to progress to a concept design level.

Out of the top 12 sites, 5 were identified as high priority sites by Council and were subsequently progressed through to concept designs. The site locations are below and the detailed description of each concept design plans are shown in Attachment B.

- Site 1024: Olympic Park Reserve, Rosebud
- Site 1256: Morell Reserve, Mornington
- Site 1031b: Dromana Parade Reserve, Dromana
- Site 1023: Murrowong Reserve, Rosebud
- Site 1075: Dromana Recreation Reserve, Dromana

5. Priority Projects

The priority projects for this water sensitive asset (WSA) masterplan are identified and described in this section.

5.1 Feasibility assessment for access to recycled water

Northern Peninsula

The following sites in the Northern Peninsula area were initially identified to be feasible for access to the future Briar Recycled Water Scheme. However, it was noted from Workshop 1 with Council and external stakeholders that the feasibility of the Briar Recycled Water Scheme was low.

Therefore, the following sites were subsequently explored for access to stormwater.

- Ferrero Reserve (combined with adjacent Balcombe Sanctuary Reserve/Gary Walson Oval): reference site ID 1007
- Mace Oval: reference site ID 1010
- Mornington Cemetery: reference site ID 1011
- Citation Reserve: reference site ID 1003

Southern Peninsula

The sites deemed to be feasible for recycled water access from the Boneo Recycled Water Plant (Boneo RWP) in the Southern Peninsula are summarised in Table 5 and shown in Figure 2 below.

Table 5. Summary of recycled water projects in Southern Peninsula

Site ID	Location	Opportunity	Type of open space	Current irrigation	Site Area, ha	Irrigation demand, ML/year ⁸
1077	Trumans Rd Recreation Reserve	Recycled water feasible via extension of existing Boneo recycled water scheme	Active	No	52.0	86.0
1078	Vern Wright Reserve	Recycled water (feasible if combined with Trumans Rd Rec Reserve)	Active	No	4.8	9.6
1018	Boneo Reserve	Recycled water feasible via existing Boneo recycled water scheme	Active	No	3.2	7.8

⁸Irrigation demand assumed

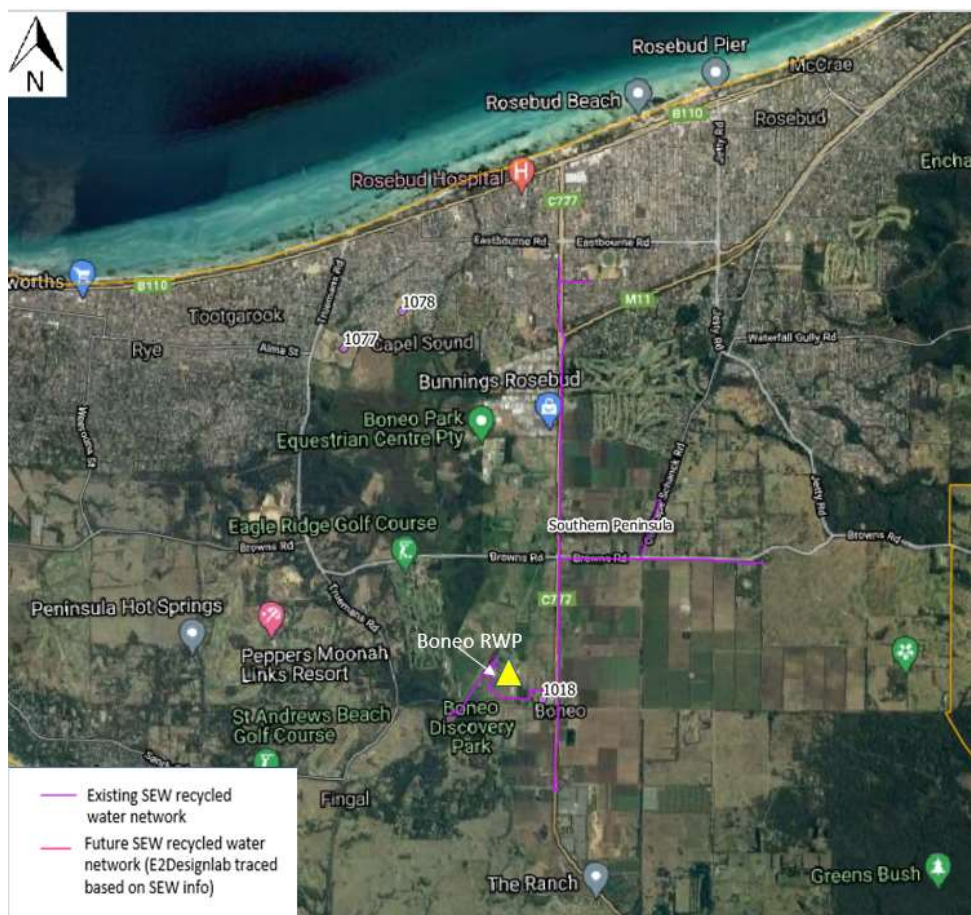


Figure 2. Recycled water opportunities in Southern Peninsula

Western Port

The sites deemed feasible for recycled water access from the existing Somers Treatment Plant (Somers TP) and the proposed Tyabb-Somerville Recycled Water Scheme are summarised in Table 6 and shown in Figure 8 below.

Table 6. Summary of recycled water projects in Western Port

Site ID	Location	Opportunity	Type of open space	Site Area (ha)	Current irrigation	Irrigation demand, (ML/year) ⁹
1037	Balnarring Racecourse and Emu Plains Reserve	Recycled water via Somers TP	Passive	63.5	No	180
1051	King Creek Reserve	Recycled water via Somers TP	Passive	32.6	No	64
1050	Warringine Heritage Park	Recycled water via Somers TP	Passive	29.4	No	58
1071	Lornas Triangle Natural Bushland	Recycled water via Somers TP	Passive	24.7	No	49
1048	Hastings Foreshore Reserve & Fred Smith Reserve	Recycled water via Somers TP	Active	25.5	No	48
1041	Bunguyan Reserve	Recycled water via Tyabb-Somerville Recycled Water Scheme	Active	12.5	Bore	28.6
1049	Hastings Park (plus Thomas Barclay Oval)	Recycled water via Somers TP	Active	8.8	Bore - Thomas Barclay Oval	18
1040	Bullecourt Rd Recreation Reserve	Recycled water via Somers TP	Passive	7.7	No	18
1046	Haig Street Reserve plus Rosyth Rd Reserve	Recycled water via Somers TP	Active	5.8	No	11.6
1053	Mullet St Foreshore Reserve (feasible if combined with Hastings Foreshore #1048)	Recycled water via Somers TP	Passive	5.0	No	10
1056	Tyabb Central Reserve	Recycled water via Tyabb-Somerville Recycled Water Scheme	Active	2.8	No	7.6
1070	Graham Myers Reserve	Recycled water via Somers TP	Active	4.7	No	3.4
1047	Harold Reid Reserve	Recycled water via Tyabb-Somerville Recycled Water Scheme	Active	2.0	No	2

⁹ Irrigation demand assumed

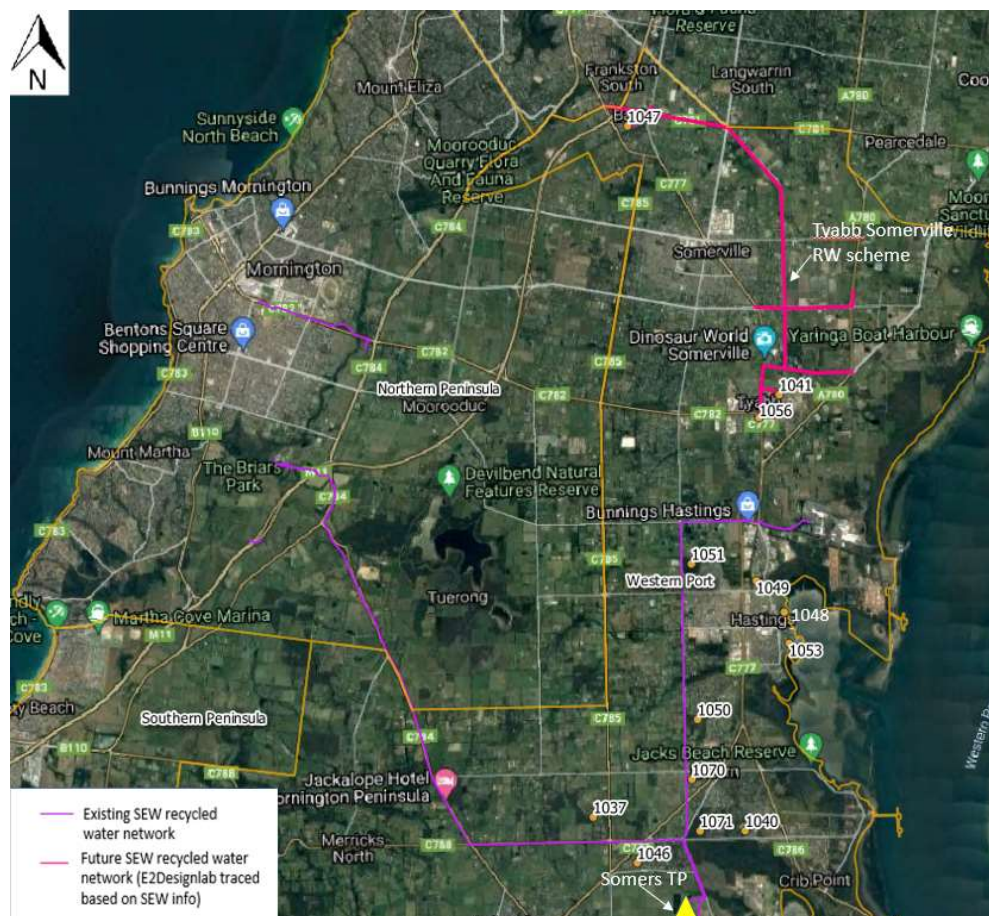


Figure 3. Recycled water opportunities in Western Port

Sites deemed feasible for accessing recycled water as an alternative water supply were not considered from stormwater harvesting perspective. It is noted the recycled water sites that are sufficiently large with a large stormwater drainage catchment may still be provide water quality improvement opportunity in the future. This is particularly the case in the Western Port region.

5.2 Prioritised precinct scale stormwater projects

A long list of potential medium to large scale projects was identified and assessed. The projects were ranked in order of priority based on their Benefit Cost Ratio (BCR). The BCR provides a quick comparison of the relative economic merits of each project.

The top 12 projects from this assessment are summarised in Table 7 to proceed with a physical site investigation, with their locations shown in Figure 4. The top 12 were selected from the long list of projects based on their preliminary BCR (a priority project has a BCR greater than 0.85) as well as risk and opportunity considerations. This is because it is important to consider other factors for the final selection, including the following:

- The BCR only considers benefits that can be monetised (i.e. potable water savings and nitrogen load reductions based on alternate treatment costs).
- There are other potential benefits of stormwater projects, including flow reduction and attenuation, urban cooling through increased evapotranspiration, habitat creation, environmental protection, flood mitigation and others. These benefits are difficult to quantify and have not been monetised.
- Other Council drivers, objectives, projects, and potential opportunities for synergies with other works should be pursued.
- Site specific risk and challenges have been qualitatively captured but have not been monetised within this project

Table 7. Top 12 projects based on prioritisation assessment¹⁰

Rank	#	Name	Township	Benefit Cost Ratio (BCR)	Project Type
1	1024	Olympic Park Reserve	Rosebud	1.3	Treatment Only
2	1028	RJ Rowley Recreation Reserve	Rye	1.2	Treatment Only
3	1031b	Dromana Parade Reserve	Dromana	1.2	Treatment Only
4	1255	Dromana Racecourse Reserve	Dromana	1.2	Treatment and Stormwater Harvesting
5	1023	Murrowong Reserve	Rosebud	1.2	Treatment Only
6	1075	Dromana Recreation Reserve ¹¹	Dromana	1.1	Treatment and Stormwater Harvesting
7	1256	Morell Reserve	Mornington	1	Treatment Only
8	1308	District soccer Southern Planning (future sports field)	Southern district	1	Treatment and Stormwater Harvesting
9	1030	Rosebud Foreshore	Rosebud	1	Treatment Only (with Stormwater Harvesting potential)
10	1011	Mornington Cemetery (with treatment upstream at Clarkes Avenue Reserve)	Mount Martha	0.9	Treatment and Stormwater Harvesting
11	1042	Clarendon Drive Park	Somerville	0.9	Treatment and Stormwater Harvesting
12	1306	District soccer Western Port Planning area (future sports field)	Western district	0.9	Treatment and Stormwater Harvesting

¹⁰ For confidentiality reason of locations, the full names of future sports fields are not shown. Due to uncertainty the future sports field (ref #1308 and ref #1306) were not visited during site investigation. It was advised by Council that the high-level plans on these sites were sufficient at this stage.



Figure 4. Location of top 12 stormwater opportunities

Concept Designs

Five sites were selected for further concept design. These were decided based on learnings from the physical site visit and consideration of the prioritisation ranking in combination with other intangible factors drawing on staff knowledge of sites and related opportunities for collaboration. The concept designs provide Council with additional information regarding preferred stormwater treatment and harvesting projects for the following sites:

- Olympic Park Reserve: reference site ID #1024
- Morell Reserve: reference site ID #1256
- Dromana Parade Reserve: reference site ID #1031b
- Murrowong Reserve: reference site ID #1023
- Dromana Recreation Reserve: reference site ID #1075

Each design consists of three components:

- A table listing conceptual design features and performance
- A concept design plan of the proposed works and key design elements, including existing features such as existing services / utilities.
- Summary of costs

MUSIC modelling (v6.3) was used to assess treatment and reuse performance. Dial-before-you-dig was used to identify the presence of relevant services at each site. Both upfront capital, ongoing maintenance and renewal costs were assessed. The concept designs are based on desk top analysis and site inspections, but not based on site survey, geotechnical testing or earthworks modelling. Further site surveys and geotechnical testing will be required during the functional design stage if wished to proceed with sites.

The performance of the concept designs in terms of annual yield and nutrient removal, costs and benefits. A full description of each concept design is provided in Attachment B.

Based on the benefit cost ratios of the top 12 sites, council could proceed with concept designs for additional sites to deliver on council's aspirations for integrated water management.

Table 8. Summary of concept design performance (coloured bars represent relative result)

#	Name	Treatment type	Capital cost (\$)	Reuse volume (ML/yr)	Levelised Cost of Supply (\$/ML)	TN reduction (kg/yr)	Cost of abatement (\$/kg)	Benefit Cost Ratio (BCR)
1024	Olympic Park Reserve	Bioretention	\$442,000	-	N/A	67.0	\$8,552	1.33
1031b	Dromana Parade Reserve	Bioretention	\$387,000	-	N/A	54.0	\$9,222	1.24
1023	Murrowong Reserve	Bioretention	\$372,000	-	N/A	50.0	\$9,560	1.19
1075	Dromana Recreation Reserve	Bioretention with SW harvesting	\$989,000	5.8	\$12,554	82.0	\$14,256	1.05
1256	Morell Reserve	Bioretention	\$354,000	-	N/A	41.0	\$11,122	1.02

Establishing a Price for Council's Voluntary Stormwater In-lieu Scheme

For each of the site in the top 60 list (see Attachment A), the Total Nitrogen (TN) removal (kg/year) was quantified through modelling in MUSIC v6.3. Net Present Costs (\$), taking into account capital, maintenance and renewal costs over 50 years with a discount rate of 5.5%, were also quantified. The cost of nitrogen abatement (\$/kg per annum) was then calculated for each project by dividing the Net Present Cost by TN removal per year.

As part of this project, a price for Council's Voluntary Stormwater In-lieu Scheme was established. The calculation of this price is based on the average cost of nitrogen abatement for the top 12 projects, excluding the two future sports fields due to their uncertainty.

The mean, 75th and 95th percentile costs of nitrogen abatement for the capacity to remove one kilogram of TN per year were estimated as shown in Table 9 below. This provides potential base rates for the cost of nitrogen offsets. Council administration costs are not included in this rate.

Council may wish to set a higher voluntary rate between this rate and the amount that developers may be willing to pay to ensure that they recover the full life cycle costs in future allowing for

uncertainties and increases in costs in future. Experience with the Melbourne Water rate has indicated that the rate and early conceptual cost estimates tend to under-estimate the actual costs of implementation. In this respect it is recommended that the 75th percentile rate be considered for adoption.

Table 9. Establishing a price for Council's Voluntary Stormwater In-lieu Scheme

#	Name	Treatment type	Net Present Cost (\$2021)	TN reduction (kg/year)	Cost of abatement (\$/kg)
1024	Olympic Park Reserve	Bioretention	\$573,000	67.0	\$8,552
1028	RJ Rowley Recreation Reserve	Bioretention	\$717,000	78.0	\$9,192
1031b	Dromana Parade Reserve	Bioretention	\$498,000	54.0	\$9,222
1255	Dromana Racecourse Reserve	Wetland with SW harvesting	\$3,219,000	170.0	\$18,935
1023	Murrowong Reserve	Bioretention	\$478,000	50.0	\$9,560
1075	Dromana Recreation Reserve	Bioretention with SW harvesting	\$1,169,000	82.0	\$14,256
1256	Morell Reserve	Bioretention	\$456,000	41.0	\$11,122
1308	District soccer Southern Planning area (future sports field)	Wetland with SW harvesting	\$1,834,000	85.0	\$21,576
1030	Rosebud foreshore	Bioretention	\$601,000	53.0	\$11,340
1011	Mornington Cemetery	Bioretention with SW harvesting	\$1,505,000	85.0	\$17,706
1042	Clarendon Drive Park	Wetland with SW harvesting	\$1,537,000	81.0	\$18,975
1306	District soccer Western Port Planning area (future sports field)	Wetland with SW harvesting	\$2,419,000	101.0	\$23,950
Mean cost of nitrogen abatement		Based on top 12 sites, excluding two future sports fields (i.e. site ref #1308 & #1306)			\$12,886
75 th percentile cost					\$16,843
90 th percentile cost					\$18,939

This may be converted into a rate per m² of impervious surface area. This needs to take into account the expected nitrogen (TN) load generated from 1 m² of impervious surface area for the relevant

climate region. In Mornington there are three climate regions, Melbourne City, Koo Wee Rup and Dandenong North.

Table 10. Establishing a rate for Council's Voluntary Stormwater In-lieu Scheme

#	Melbourne City	Koo Wee Rup	Narre Warren North
TN loading rate (kg/m ² /year)	0.000757853	0.000820272	0.00103112
Mean	\$9.77	\$10.57	\$13.29
Median	\$8.51	\$9.21	\$11.58
75th percentile	\$12.76	\$13.82	\$17.37
90th percentile	\$14.35	\$15.54	\$19.53

It can be seen that the rate may vary significantly depending on the statistical parameter chosen (which is relatively arbitrary but should err on the side of being conservative). Furthermore, it can also vary significantly with climate region.

We recommend adopting a rate of **\$16 per m² of impervious area** as Councils minimum or baseline rate. This would cover the mean and median rate for Narre Warren North, 90th percentile rate for Koo Wee Rup and 90th percentile rate for Melbourne City providing a reasonable rate that will cover Councils project costs with good confidence while not being excessive.

A higher rate would likely then be adopted, considering what it would cost developers to do on-site works and their willingness to pay an offset rate. This should seek to balance:

- Incentivising developers to pursue practical and cost effective on-site responses first
- Enabling developers facing higher on-site costs to choose a more attractive offset rate
- Ensuring there are sufficient offset projects to meet projected demands from future development
- Providing sufficient critical mass of offset payments to establish a viable offsets program

Streetscape Scale WSUD Projects

Outside of the catchment areas drainage to precinct scale stormwater treatment or harvesting projects streetscape scale WSUD projects opportunities to provide a more distributed approach to stormwater management. Streetscape opportunities include rain gardens and tree pits, passive landscape watering, and porous pavements. These treatments typically treat significantly smaller catchments than precinct scale treatments (e.g. < 1 ha). Potential benefits include:

- Cooling through provision of shade and irrigated vegetation
- Improved amenity and urban greening
- Stormwater treatment

Vegetation and trees that receive passive irrigation from stormwater are much more effective for cooling. A passively irrigated tree in a rain garden or a tree pit with appropriate soil volume can potentially develop as much as 8 times more canopy cover than a standard streetscape tree in a tree pit with constrained soil volume.

It is advantageous to implement streetscape WSUD along with other council streetscape projects to realise cost efficiencies. Council undertakes a range of streetscape projects that may facilitate the delivery of WSUD responses including:

- Road upgrades and re-sheeting
- Kerb and channel rehabilitation
- New or existing kerb bump-outs at intersections
- Drainage renewal
- Street tree planting and replacements.

6. Conclusion

This masterplan identified precinct scale WSUD across the whole municipality of Mornington Peninsula Shire Council. It also identified potential sites for access to alternative water via both the existing and planned recycled water scheme/s in the Council area. A long-list of 60 sites was assessed and prioritised using a quantitative method and evaluated qualitatively. In consultation with Council staff, 12 sites were selected as the prioritised sites for further investigation. Subsequently, five of twelve sites were developed into concept designs. As an outcome of this project, a price was established for Council's Voluntary Stormwater In-lieu Scheme.

Next Steps

This section describes an implementation plan for this WSA masterplan and future precinct scale WSUD projects. The plan will be used by the Shire for planning and budgeting purposes, and to help inform the Shire's capital works program for WSUDs.

No	Action	High Priority 1-3 years	Medium Priority 5- 8 years	Low Priority 8 – 10 years
1	Integrate the WSA masterplan (5 concept designs) into the Long-Term Capital Works Plan (LTCWP) over the next 10 years and beyond. Consider the following funding mechanisms: 1. Council budget 2. External funding – e.g., Melbourne Water's Liveable Waterways Liveable Communities Incentive Program 3. Shire-run Stormwater In-Lieu Contribution Scheme income reserve. Review charging rates for the Stormwater In-Lieu Contribution Scheme based on the estimated base rate cost (\$32 per m² of impervious area) or consider taking the upper end of the top 12 projects to allow for cost increment in the future years.	X		
2	Submit a budget bid to progress 2 of the 5 concept designs to community consultation, functional and detailed design, and construction every 5 years, starting with the following opportunities in Y22/23: 1. Olympic Park Reserve, Rosebud 2. Dromana Parade Reserve, Safety Beach or Morell Reserve, Cook St, Mornington	X		

No	Action	High Priority 1-3 years	Medium Priority 5- 8 years	Low Priority 8 – 10 years
3	Use the water quality outcomes from the WSUD opportunities identified to inform the Integrated Water Management Plan 2021 stormwater quality 2030 targets (a placeholder is currently placed on these targets)	X		
4	In consultation with internal stakeholders, review the top 60 Site Opportunities (Attachment A) to identify projects with favourable BCR (>0.8) to progress towards concept design as other open space projects progress. This should include but not limited to the following projects: 1. Future sports field (including District Soccer Southern Planning and Western Port Planning Area which are in the top 12) – liaise with the sports and recreation team 2. Foreshore Masterplans – Rosebud Foreshore Masterplan and Hasting Foreshore Masterplan (to be investigated) 3. Other masterplans as developed	X	X	
5	For opportunities with less favourable BCR (<0.8), quantify or qualitatively assess other benefits that have not been considered to further evaluate WSUD opportunities as well as challenge assumptions where open space projects progress. For example, to reconsider stormwater harvesting at David Macfarlane Reserve as part of the broader site masterplan investigation	X	X	X
6	Future WSUD master planning to consider the following 1. Identify treatment opportunities that could be further investigated in the Westernport region where sites deemed feasible for recycled water were not considered for WSUD. 2. Identify opportunities outside of council managed land.		X	X
7	Revisit recycled water opportunities as demand for irrigation arises. Scenarios where this may be applicable is during the selection of future greenfield sports field site.			

Note: Crosses noting Low to High Priority identify ongoing actions

Attachment A– Top 60 Site Opportunities

The list of the top 60 site opportunities is shown in Table 11¹². Top 12 sites are in blue. Top 5 sites progressed to concept designs are shaded grey. Location of the top 60 sites are shown in Figure 5.

Table 11. Summary of top 60 stormwater opportunities

					MPSC WSUD Projects Prioritisation Performance						
#	Name	Region	Active or Passive	Treatment type	Capital cost (\$)	Reuse volume (ML/yr)	Levelised Cost of Supply (\$/ML)	TN reduction (kg/yr)	Cost of abatement (\$/kg)	Benefit Cost Ratio (BCR)	Ranking based on BCR
1024	Olympic Park Reserve	Southern Peninsula	Active	Bioretention	\$442,000	-	N/A	67.0	\$8,552	1.33	1
1058	Rye Foreshore	Southern Peninsula	Passive	Bioretention	\$251,000	-	N/A	35.0	\$9,171	1.24	2
1028	RJ Rowley Recreation Reserve	Southern Peninsula	Active	Bioretention	\$554,000	-	N/A	78.0	\$9,192	1.24	3
1031b	Dromana Parade Reserve	Southern Peninsula	Passive	Bioretention	\$387,000	-	N/A	54.0	\$9,222	1.24	4
1255	Dromana Racecourse Reserve	Southern Peninsula	Active	Wetland with SW harvesting	\$2,924,000	39.1	\$5,174	170.0	\$18,935	1.21	5
1023	Murrowong Reserve	Southern Peninsula	Passive	Bioretention	\$372,000	-	N/A	50.0	\$9,560	1.19	6
1075	Dromana Recreation Reserve	Southern Peninsula	Active	Bioretention with SW harvesting	\$989,000	5.8	\$12,554	82.0	\$14,256	1.05	7
1026	Portsea Recreation Reserve	Southern Peninsula	Active	Bioretention with SW harvesting	\$1,177,000	7.5	\$11,441	91.0	\$15,022	1.03	8
1256	Morell Reserve	Northern Peninsula	Passive	Bioretention	\$354,000	-	N/A	41.0	\$11,122	1.02	9
1308	District soccer Southern Planning area – 3/4 pitches Balnarring / Red Hill.(Future Sports Field).	Western Port	Active	Wetland with SW harvesting	\$1,630,000	17.8	\$6,471	85.0	\$21,576	1.01	10
1030	Rosebud foreshore	Southern Peninsula	Passive	Bioretention	\$474,000	-	N/A	53.0	\$11,340	1.00	11
1011	Mornington Cemetery	Northern Peninsula	Passive	Bioretention with SW harvesting	\$1,298,000	8.5	\$11,180	85.0	\$17,706	0.92	12
1042	Clarendon Drive Park	Western Port	Passive	Wetland with SW harvesting	\$1,279,000	9.9	\$9,785	81.0	\$18,975	0.92	13
1306	District soccer Western Port Planning area – 3/4 pitches – (Future Sports Field).	Western Port	Active	Wetland with SW harvesting	\$2,080,000	19.1	\$7,937	101.0	\$23,950	0.87	15
1022	Leonard St Recreation Reserve	Southern Peninsula	Passive	Bioretention	\$301,000	-	N/A	29.9	\$13,110	0.87	16
1200	Bentons Square Reserve	Northern Peninsula	Passive	Wetland	\$533,000	-	N/A	57.0	\$13,421	0.85	17
1029	Romney Park	Southern Peninsula	Passive	Bioretention	\$331,000	-	N/A	31.3	\$13,546	0.84	18

¹² Note site IDs starting with ‘13’ refer to future sports field. The full names of these sites are hidden due to confidentiality.

					MPSC WSUD Projects Prioritisation Performance						
#	Name	Region	Active or Passive	Treatment type	Capital cost (\$)	Reuse volume (ML/yr)	Levelised Cost of Supply (\$/ML)	TN reduction (kg/yr)	Cost of abatement (\$/kg)	Benefit Cost Ratio (BCR)	Ranking based on BCR
1304	District level AFL /Cricket development Southern Planning area – 2 ovals (Future Sports Field).	Southern Peninsula	Active	Wetland with SW harvesting	\$1,663,000	15.8	\$7,419	66.0	\$28,242	0.83	19
1307	District soccer Western Port Planning area – 3/4 pitches – (Future Sports Field).	Western Port	Active	Wetland with SW harvesting	\$2,314,000	18.3	\$9,343	110.0	\$24,755	0.80	20
1008	Howard Parker Reserve	Northern Peninsula	Active	Bioretention with SW harvesting	\$989,000	4.7	\$15,333	59.0	\$19,542	0.79	21
1016	RM Hooper Oval	Northern Peninsula	Active	Bioretention with SW harvesting	\$961,000	4.7	\$14,889	55.3	\$19,946	0.78	22
1004	Dallas Brooks Reserve	Northern Peninsula	Active	Wetland	\$473,000	-	N/A	46.0	\$14,587	0.78	23
1003	Citation Reserve	Northern Peninsula	Active	Bioretention with SW harvesting	\$1,614,000	12.7	\$8,882	64.0	\$28,078	0.76	24
1034	Stringer Road Reserve	Southern Peninsula	Active	Bioretention with SW harvesting	\$1,159,000	7.9	\$10,512	51.0	\$26,039	0.74	25
1006	Emil Madsen Reserve	Northern Peninsula	Active	Bioretention	\$365,000	-	N/A	30.2	\$15,530	0.73	26
1007	Ferrero Reserve (combined with adjacent Balcombe Sanctuary Reserve/Gary Walson Oval)	Northern Peninsula	Active	Wetland with SW harvesting	\$1,786,000	15.7	\$8,078	60.0	\$33,567	0.73	27
1055	Somerville Recreation Reserve	Western Port	Active	Bioretention with SW harvesting	\$1,383,000	6.6	\$15,446	74.6	\$21,903	0.72	28
1300	Regional Sports Precinct (Future Sports Field)	Northern Peninsula	Active	Wetland with SW harvesting	\$6,649,000	54.3	\$8,413	200.0	\$36,370	0.69	29
1057	Unthanks Reserve	Western Port	Passive	Wetland	\$301,000	-	N/A	25.0	\$16,920	0.67	30
1021b	Lawson Park Option b	Southern Peninsula	Passive	Wetland with SW harvesting	\$1,177,000	5.2	\$17,721	63.0	\$23,079	0.67	31
1015	Oakridge Reserve	Northern Peninsula	Passive	Wetland	\$319,000	-	N/A	26.0	\$17,346	0.66	32
1302	District soccer Southern Planning area – 4 pitches Option 2 – (Future Sports Field)	Southern Peninsula	Active	Wetland with SW harvesting	\$2,051,000	14.1	\$10,231	70.0	\$32,786	0.65	33
1010	Mace Oval	Northern Peninsula	Active	Bioretention with SW harvesting	\$1,137,000	5.0	\$16,667	53.0	\$24,849	0.65	34
1009	Lorikeet Reserve	Northern Peninsula	Passive	Bioretention with SW harvesting	\$1,530,000	10.5	\$10,366	51.3	\$33,704	0.64	35
1017	Walara Reserve	Northern Peninsula	Passive	Bioretention	\$268,000	-	N/A	19.5	\$17,795	0.64	36
1012	Tanti Creek Reserve	Northern Peninsula	Passive	Wetland	\$395,000	-	N/A	30.6	\$18,431	0.62	37
1036	AR And F Ditterich Reserve (as part of Main Ridge Precinct)	Western Port	Active	Bioretention with SW harvesting	\$975,000	5.3	\$13,124	31.9	\$34,608	0.57	38
1258	Dorothy Cres Reserve	Northern Peninsula	Passive	Bioretention	\$239,000	-	N/A	15.0	\$20,533	0.55	39
1257	Dromana Foreshore Reserve	Southern Peninsula	Passive	Bioretention	\$196,000	-	N/A	12.0	\$20,667	0.55	40
1005	Dunns Road Reserve	Northern Peninsula	Active	Wetland with SW harvesting	\$1,494,000	9.8	\$11,010	39.8	\$43,191	0.55	41
1039	Barber Reserve	Western Port	Active	Wetland with SW harvesting	\$701,000	-	N/A	45.0	\$20,978	0.54	42

					MPSC WSUD Projects Prioritisation Performance						
#	Name	Region	Active or Passive	Treatment type	Capital cost (\$)	Reuse volume (ML/yr)	Levelised Cost of Supply (\$/ML)	TN reduction (kg/yr)	Cost of abatement (\$/kg)	Benefit Cost Ratio (BCR)	Ranking based on BCR
1254	Lord Somers Camp Playing Field	Western Port	Passive	Bioretention	\$291,000	-	N/A	17.0	\$22,294	0.51	43
1044	Flinders Recreation Reserve	Western Port	Passive	Bioretention	\$418,000	-	N/A	22.9	\$22,795	0.50	44
1309	District soccer Southern Planning area – 3/4 pitches Balnarring / Red Hill. (Future Sports Field)	Western Port	Active	Wetland with SW harvesting	\$1,691,000	9.6	\$12,462	41.0	\$46,341	0.50	45
1043	Colchester Park	Western Port	Passive	Bioretention	\$288,000	-	N/A	16.2	\$23,395	0.49	46
1021a	Lawson Park Option a	Southern Peninsula	Passive	Wetland	\$493,000	-	N/A	25.0	\$26,120	0.44	47
1014	Oakhill Gallery / Civic Hall/ Mornington Stake Park	Northern Peninsula	Passive	Wetland	\$436,000	-	N/A	22.0	\$26,636	0.43	48
1019	French Street Reserve	Southern Peninsula	Passive	Bioretention with SW harvesting	\$1,124,000	6.1	\$12,904	20.0	\$62,794	0.43	49
1301	District soccer Southern Planning area – 4 pitches Option 1 (Future Sports Field)	Southern Peninsula	Active	Wetland with SW harvesting	\$1,930,000	9.0	\$15,005	40.0	\$54,025	0.42	50
1054	Red Hill Reserve	Western Port	Active	Bioretention with SW harvesting	\$1,695,000	8.5	\$13,791	29.8	\$62,819	0.41	51
1310	District soccer Southern Planning area – 3/4 pitches Balnarring / Red Hill. Option 3. (Future Sports Field)	Western Port	Active	Wetland with SW harvesting	\$1,604,000	8.0	\$14,221	29.0	\$62,345	0.40	52
1033	David MacFarlane Rec Reserve (Sorrento Recreation Reserve)	Southern Peninsula	Active	Wetland with SW harvesting	\$1,012,000	8.0	\$10,095	6.8	\$190,147	0.37	53
1252	Crib Point Recreation Reserve	Western Port	Active	Bioretention with SW harvesting	\$1,006,000	3.9	\$19,025	18.0	\$65,167	0.34	54
1303	District soccer Southern Planning area – 4 pitches Option 3 - Future Sports Field	Southern Peninsula	Active	Wetland with SW harvesting	\$1,613,000	6.2	\$18,425	20.8	\$87,356	0.30	55
1305	District level AFL /Cricket development Southern Planning area – 2 ovals Option 2 (Future Sports Field)	Southern Peninsula	Active	Wetland with SW harvesting	\$1,613,000	6.2	\$18,425	20.8	\$87,356	0.30	55
1251	B A Cairns Reserve	Western Port	Active	Bioretention with SW harvesting	\$1,537,000	4.5	\$24,885	18.0	\$99,333	0.24	57
1253	R W Stone Reserve	Western Port	Active	Bioretention with SW harvesting	\$1,043,000	3.2	\$23,892	11.0	\$109,000	0.24	58
1250	C B Wilson Reserve	Northern Peninsula	Active	Bioretention with SW harvesting	\$1,186,000	3.4	\$25,442	12.0	\$114,167	0.22	59
1032	Sorrento Foreshore Reserve	Southern Peninsula	Passive	Bioretention	\$181,000	-	N/A	2.0	\$114,356	0.10	60



Figure 5. Location of top 60 stormwater opportunities

Attachment B– Concept Design Sites

Site details			
Name: Olympic Park Reserve (ref #1024)		Region: Southern Peninsula	Township: Rosebud
Treatment type	Bioretention	Treatment area (m ²)	270
Catchment area (ha)	29	Fraction Impervious (FI)	74%
Site description			
This site is located near Mornington Peninsula Council Shire office in Rosebud. The proposed WSUD asset location is at the northeast corner of the reserve, west of Parks Victoria Rosebud. The proposed location also offers an opportunity for potential integration with the Parks Victoria Office Rosebud and the future Southern Peninsula Youth Hub to deliver further aesthetic and wellbeing benefits. The reserve itself currently has access to recycled water from Boneo Recycled Water Plant. Therefore, only stormwater treatment was considered as stormwater harvesting would be more costly than accessing recycled wastewater. The proposed design involves diversion of stormwater from a Council pipe (900mm) for treatment. A low flow by-pass of 7L/s is provided. Stormwater will be pumped from the existing Council drainage at 65L/s. The proposed WSUD treatment is a bioretention system, with a treatment footprint of 270 m². The treatment system removes 8,900 kg/year of Total Suspended Solids (TSS), 13kg/year of Total Phosphorus (TP), and 67kg/year of Total Nitrogen (TN) Capital costs include diversion works, pump, electrics and power, gross pollutant trap (GPT), WSUD Treatment asset, WSUD establishment cost and services. Operating costs include maintenance of the pump, GPT and WSUD treatment required to maintain the functionality of the asset. WSUD asset is assumed to have a life span of and to be renewed every 20 years.			
Estimate of costs and benefits			
Economic costs and benefits		Quantified benefits	
Capital cost (\$)	\$442,000	Nitrogen abatement (\$NPV 2021)	\$763,130
Operating cost (\$/year)	\$5,200	Potable substitution (\$NPV 2021)	\$0
Renewal cost (\$/20year)	\$94,000	Total benefit (\$NPV 2021)	\$763,130
Total cost (\$NPV 2021)	\$573,000		
Benefit Cost Ratio (BCR)	1.3		
Treatment performance			
Runoff reduction (ML/yr)*	1	TSS reduction (kg/yr)	8,900
Reuse volume (ML/yr)	N/A	TP reduction (kg/yr)	13
Reliability (%)	N/A	TN reduction (kg/yr)	67
Other risk factors			
Note: This is a high level risk assessment based on GIS analysis, stakeholder workshops and internal Council consultations. All risks need to be verified as part of functional design.			
Landfill sensitive area	-		
Cultural heritage	Cultural Heritage Sensitivity		
Site ownership	Mornington Peninsula Shire		
Environmental Significance Overlay (ESO)	-		
Other factors	- Tree adjacent to the proposed WSUD location expected to be removed unless design and construction considerations allow retention. - Adjacent South East Water sewer to be avoided.		

*Infiltration conservatively assumed to be minimal, this may be higher

Table 12. Indicative concept design construction cost breakdown for Olympic Park Reserve

Components	Capex
Diversion works	\$7,000
Pump	\$82,047
Pipes	\$10,902
WSUD Treatment	\$117,247
Inlets, outlets, and pits	\$7,000
GPT	\$35,322
Storage	-
Electrics, power and disinfection (UV)	\$35,000
Retrofitting allowance (relocation of services, working in urban areas)	\$5,000
Establishment	\$4,725
Base capital costs	\$304,243
Total capital costs with design and contingencies	\$442,000

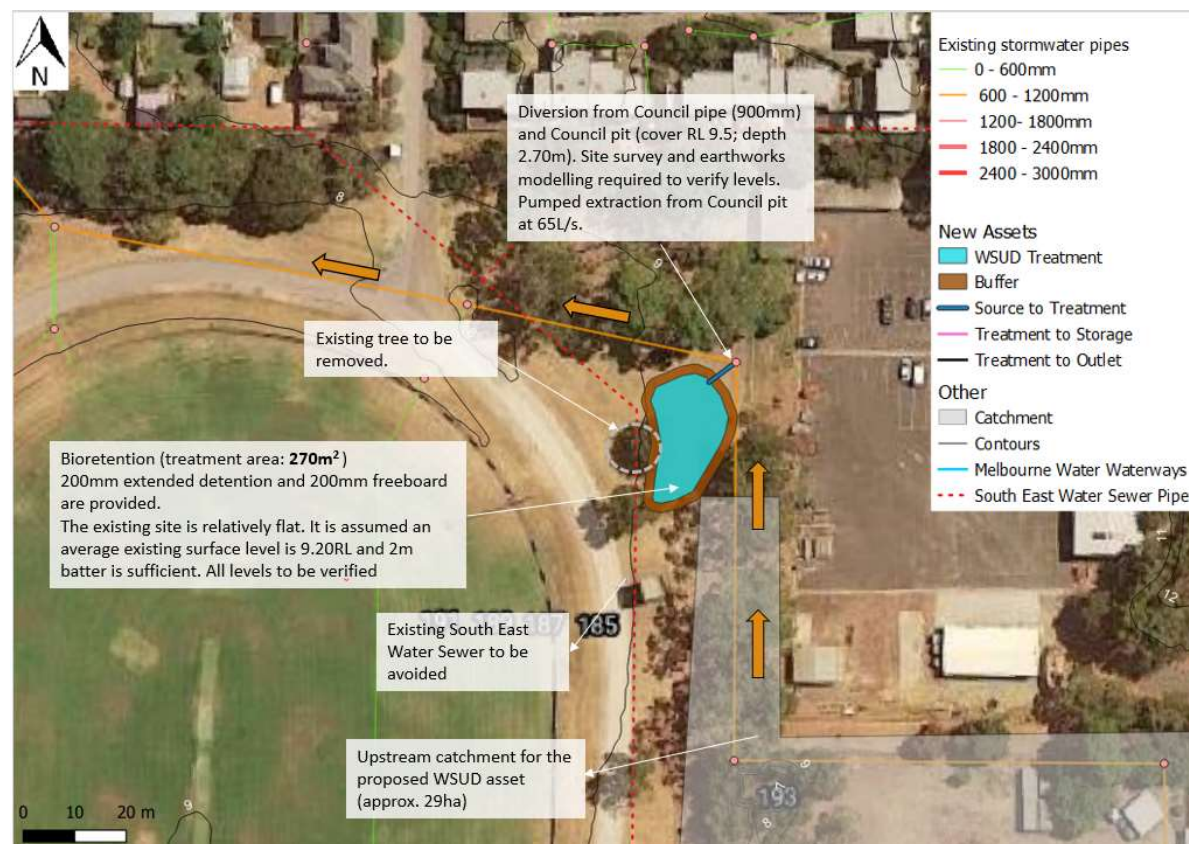


Figure 6. Proposed concept plan of Olympic Park Reserve (Site ref # 1024)

Site details			
Name: Morell Reserve (ref #1256)		Region: Northern Peninsula	Township: Mornington
Treatment type	Bioretention	Treatment area (m ²)	180
Catchment area (ha)	57	Fraction Impervious (FI)	72%
Site description			
The proposed site is located in Morell Reserve on Cook St, Mornington. The proposed WSUD site is approximately 180m² in size. This is proposed to be a pumped system whereby stormwater is diverted from the existing Council drainage pipe (1,350mm in diameter) along Cook St. The pump extraction rate is at 30L/s. The reserve would be redesigned to integrate the WSUD and also better position the playground. Capital costs include diversion works, pump, electrics and power, gross pollutant trap (GPT), WSUD Treatment asset, WSUD establishment cost and services¹³. Operating costs include maintenance of the pump, GPT and WSUD treatment required to maintain the functionality of the asset. WSUD asset is assumed to have a life span of 20 years and to be renewed every 20 years. While not included in this assessment, this project also offers some potential benefits for erosion issues caused by higher flows at the beach and managing stormwater issues at Grange Rd. Bioretention can effectively reduce peak runoff during more frequent and heavier events. The next design phase should consider additional detention basins that can deliver potential beneficial outcomes to reduce peak stormwater events.			
Estimate of costs and benefits			
Economic costs and benefits		Quantified benefits	
Capital cost (\$)	\$354,000	Nitrogen abatement (\$NPV 2021)	\$466,990
Operating cost (\$/year)	\$4,100	Potable substitution (\$NPV 2021)	\$0
Renewal cost (\$/20year)	\$71,000	Total benefit (\$NPV 2021)	\$466,990
Total cost (\$NPV 2021)	\$456,000		
Benefit Cost Ratio (BCR)	1		
Treatment performance			
Runoff reduction (ML/yr)*	0	TSS reduction (kg/yr)	5,400
Reuse volume (ML/yr)	0	TP reduction (kg/yr)	8
Reliability (%)	N/A	TN reduction (kg/yr)	41
Other risk factors			
Note: This is a high level risk assessment based on GIS analysis, stakeholder workshops and internal Council consultations. All risks need to be verified as part of functional design.			
Landfill sensitive area	-		

¹³ Open space must be redesigned to integrate WSUD and reposition the playground.

*Infiltration conservatively assumed to be minimal, this may be higher

Cultural heritage	Cultural Heritage Sensitivity
Site ownership	Department of Sustainability and Environment
Environmental Significance Overlay (ESO)	-
Other factors	- Existing trees east of the proposed WSUD location to be retained and protected. - A temporary closure of dog unleashed areas is recommended during the implementation phase. - Using appropriate planting around the boundary to discourage dogs from entering the WSUD sites.

Table 13. Concept design establishment cost breakdown for Morell Reserve

Components	Capex
Diversion works	\$7,000
Pump	\$49,969
Pipes	\$9,798
WSUD Treatment	\$88,382
Inlets, outlets, and pits	\$14,000
GPT	\$30,839
Storage	-
Electrics, power and disinfection (UV)	\$35,000
Retrofitting allowance (relocation of services, working in urban areas)	\$5,000
Establishment	\$3,150
Base total	\$243,138
Total with contingencies and design	\$354,000

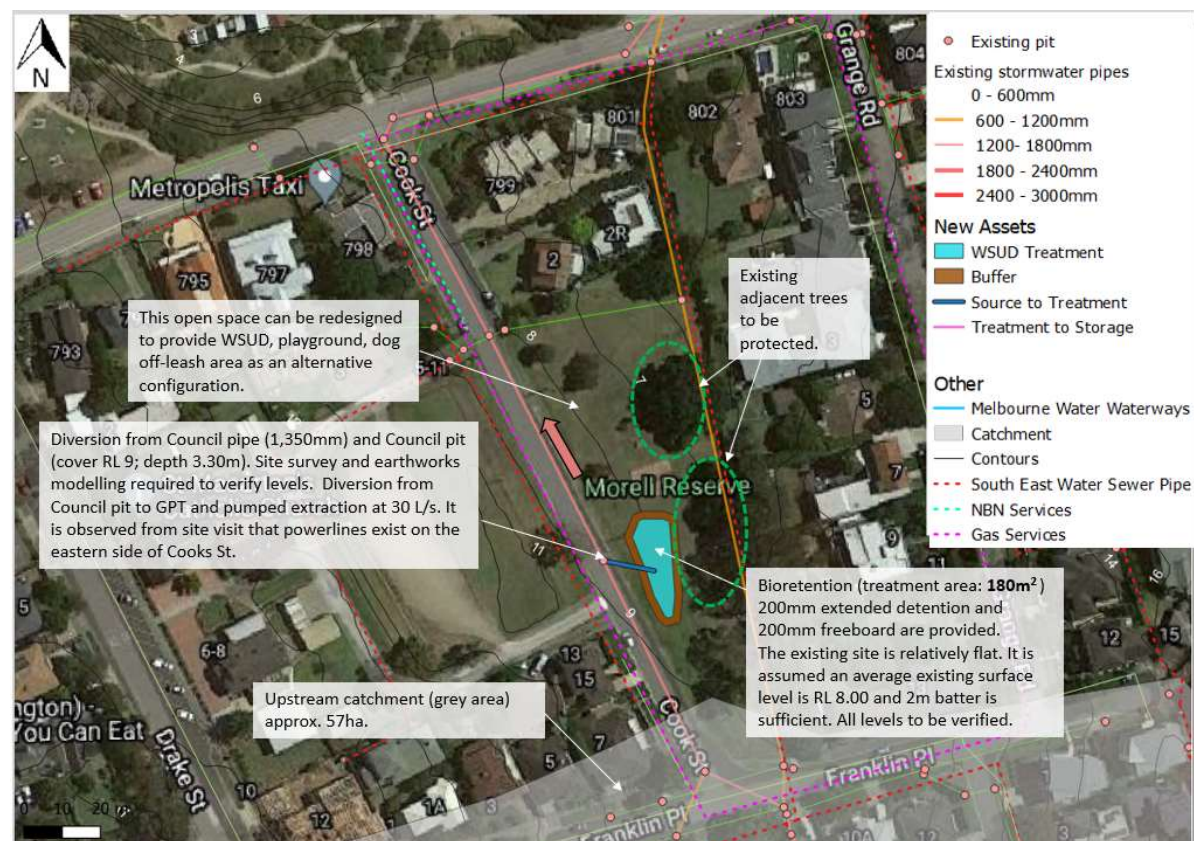


Figure 7. Proposed concept plan of Morell Reserve (Site ref #1256)

4.10 (Cont.)

Site details			
Name: Murrowong Reserve (ref #1023)		Region: Southern Peninsula	Township: Rosebud
Treatment type	Bioretention	Treatment area (m ²)	190
Catchment area (ha)	40	Fraction Impervious (FI)	75%
Site description			
This site is proposed in Murrowong Reserve in Rosebud. The proposed asset is a bioretention system on the southern end of the reserve, with 190m² proposed treatment footprint. It is proposed to divert stormwater flows from the 1050mm Melbourne Water Drain at 40 L/s, as shown in Figure 8. It is noted that there is an existing hollow in the southern side of the reserve. This acts as an informal flood storage. The subsequent functional design needs to consider maintaining the flood storage volume with the opportunity to integrate the WSUD asset and overlying flood storage. The existing playground in the northwest end of the reserve is proposed to be re-located to the southern end, closer to the proposed WSUD asset, allowing interaction between the playground and the WSUD asset. A fence would be used to create separation between the dog park and playground. Capital costs include diversion works, pump, electrics and power, gross pollutant trap (GPT), WSUD Treatment asset, WSUD establishment cost and services. Operating costs include maintenance of the pump, GPT and WSUD treatment required to maintain the functionality of the asset. WSUD asset is assumed to have a life span and renewal timeframe of 20 years.			
Estimate of costs and benefits			
Economic costs and benefits		Quantified benefits	
Capital cost (\$)	\$372,000	Nitrogen abatement (\$NPV 2021)	\$569,500
Operating cost (\$/year)	\$4,300	Potable substitution (\$NPV 2021)	\$0
Renewal cost (\$/20year)	\$73,000	Total benefit (\$NPV 2021)	\$569,500
Total cost (\$NPV 2021)	\$487,000		
Benefit Cost Ratio (BCR)	1.2		
Treatment performance			
Runoff reduction (ML/yr)*	0	TSS reduction (kg/yr)	6,600
Reuse volume (ML/yr)	0	TP reduction (kg/yr)	10
Reliability (%)	0%	TN reduction (kg/yr)	50
Other risk factors			
Note: This is a high level risk assessment based on GIS analysis, stakeholder workshops and internal Council consultations. All risks need to be verified as part of functional design.			
Landfill sensitive area	-		
Cultural heritage	Cultural Heritage Sensitivity		
Site ownership	Mornington Peninsula Shire		
Environmental Significance Overlay (ESO)	-		
Other factors	- Flood storage volume to be maintained - Some existing trees in the reserve to be removed (see Figure 8)		

*Infiltration conservatively assumed to be minimal, this may be higher

4.10 (Cont.)

Table 14. Indicative capital cost breakdown for Murrowong Reserve

Components	Capex
Diversion works	\$7,000
Pump	\$60,625
Pipes	\$7,314
WSUD Treatment	\$91,777
Inlets, outlets, and pits	\$14,000
GPT	\$32,188
Storage	-
Electrics, power and disinfection (UV)	\$35,000
Retrofitting allowance (relocation of services, working in urban areas)	\$5,000
Establishment	\$3,325
Base total	\$256,229
Total with design and contingency	\$372,000

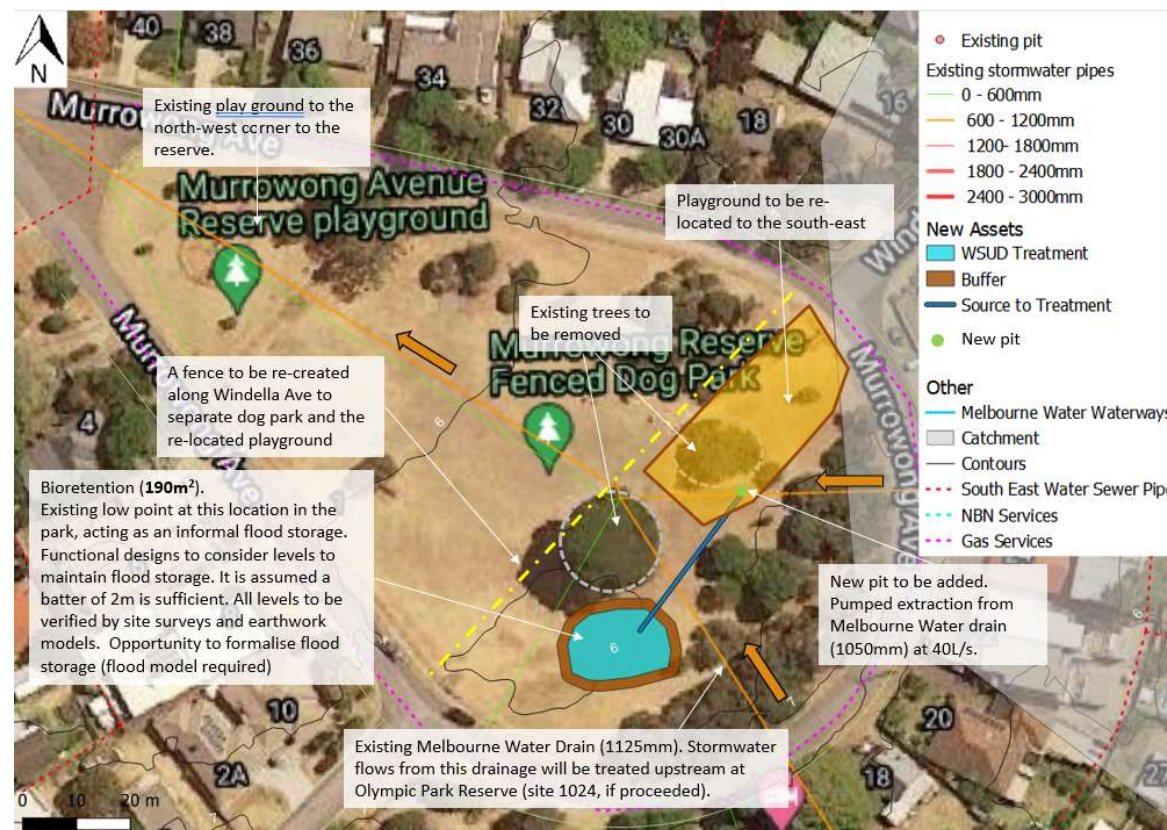


Figure 8. Proposed concept plan of Murrowong Reserve (Site ref # 1023)

Site details			
Name: Dromana Parade Reserve (ref #1031b)		Region: Southern Peninsula	Township: Dromana
Treatment type	Swale	Treatment area (m ²)	210
Catchment area (ha)	56	Fraction Impervious (FI)	75%
Site description			
The proposed site is located in Dromana Parade Reserve. The proposed WSUD is a swale system whereby flows are pumped out from the existing Melbourne Water underground drainage pipe at 40L/s. It is noted that the site is closer to the foreshore, and therefore, salinity issues may present. It is proposed that a one-way return valve is to be installed in the drainage system to prevent saline backwaters (see Figure 9). An infiltration trench can be proposed in the next design phase as an alternative to the clay soils that limit the stormwater infiltration. The flows are pumped to the swale system for treatment. As currently understood, the existing soil condition on site is swamp clay. This may imply low infiltration (soil condition and permeability to be tested during functional design). To address this, more vegetation, including trees, can be planted to maximise evapotranspiration from the asset to increase stormwater flow volume reductions. There may also be potential to augment capacity with sub-surface infiltration trenches, albeit at increased cost. The overflows return to the drainage system through an overland flow path, as shown in Figure 9. The footpath to the west of the proposed system is to be retained to provide walking opportunities along the swale system in the park. Capital costs include diversion works, pump, electrics and power, gross pollutant trap (GPT), WSUD Treatment asset, WSUD establishment cost and services. Operating costs include pump operation (electrical energy consumption), maintenance of pump¹⁴, GPT and WSUD treatment required to maintain the functionality of the asset. The WSUD asset is assumed to have a life span of 20 years and to be renewed every 20 years while components such as pumps will require more frequent renewal. Works within the reserve will need to be planned and designed to accommodate both increased population growth in the area and corresponding recreational needs as well as supporting stormwater management through WSUD.			
Estimate of costs and benefits			
Economic costs and benefits		Quantified benefits	
Capital cost (\$)	\$387,000	Nitrogen abatement (\$NPV 2021)	\$615,060
Operating cost (\$/year)	\$4,400	Potable substitution (\$NPV 2021)	\$0
Renewal cost (\$/20year)	\$79,000	Total benefit (\$NPV 2021)	\$615,060
Total cost (\$NPV 2021)	\$498,000		
Benefit Cost Ratio (BCR)	1.2		
Treatment performance			
Runoff reduction (ML/yr)*	1	TSS reduction (kg/yr)	7,100
Reuse volume (ML/yr)	0	TP reduction (kg/yr)	11
Reliability (%)	N/A	TN reduction (kg/yr)	54
Other risk factors			
Note: This is a high level risk assessment based on GIS analysis, stakeholder workshops and internal Council consultations. All risks need to be verified as part of functional design.			

¹⁴ The next design phase should consider suitable arrangements for operation concerns and maintenance liability of assets.

*Infiltration conservatively assumed to be minimal, this may be higher

Landfill sensitive area	-
Cultural heritage	Cultural Heritage Sensitivity
Site ownership	Mornington Peninsula Shire
Environmental Significance Overlay (ESO)	-
Other factors	- Existing soil condition in the site is swamp clay - Potential salinity issues being close to the foreshore – one way return valve is required to prevent saline backwaters from entering the system (see Figure 9) - Existing South East Water sewer pipe adjacent - The site is susceptible to flooding. - The site is also used as an overflow car park during the peak summer period (a few days a year). - Potential to reduce upstream flooding (existing kerb will need to be lowered) - The need to allow access for maintenance purposes - Permissions from Melbourne Water required as well as clear delineation of Council/Melbourne Water assets

Table 15. Indicative capital cost breakdown for Dromana Parade Reserve

Components	Capex
Diversion works	\$7,000
Pump	\$60,798
Pipes	\$9,936
WSUD Treatment	\$98,407
Inlets, outlets, and pits	\$14,000
GPT	\$32,211
Storage	-
Electrics, power and disinfection (UV)	\$35,000
Retrofitting allowance (relocation of services, working in urban areas)	\$5,000
Establishment	\$3,675
Base total	\$266,028
Total with design and contingency	\$387,000

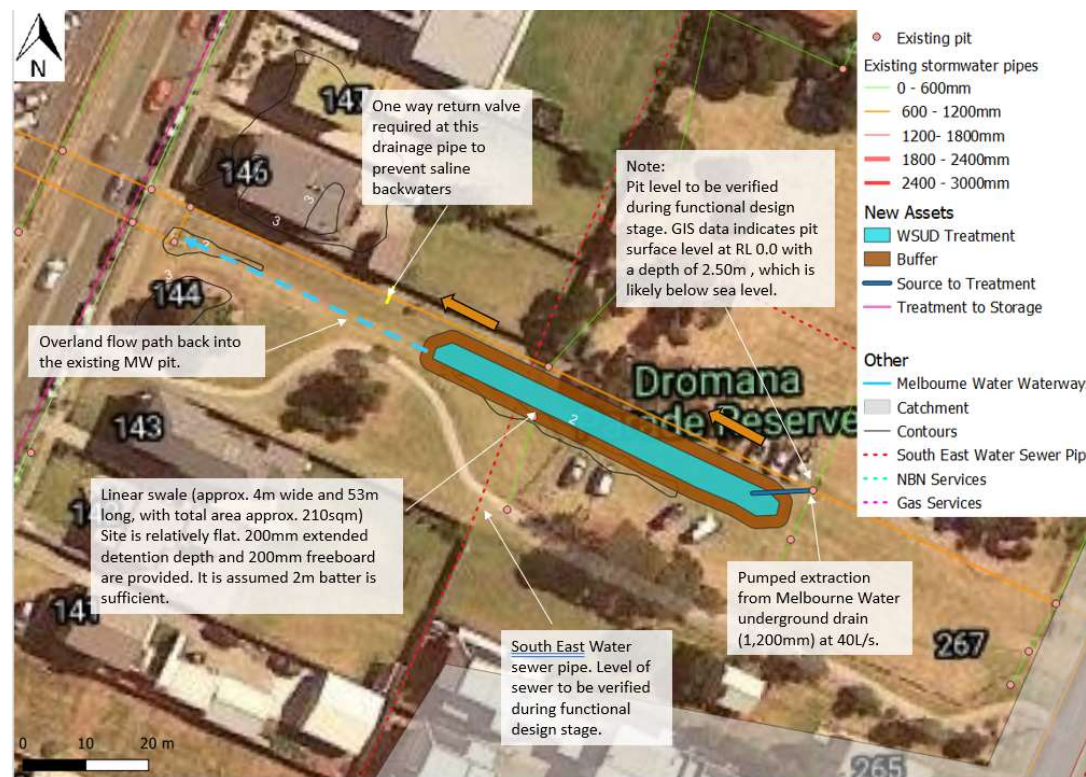


Figure 9. Proposed Concept Design Plan of Dromana Parade Reserve (Site ref #1031b)

Site details			
Name: Dromana Recreation Reserve (Site ref #1075)		Region: Southern Peninsula	Township: Dromana
Treatment type	Bioretention with stormwater harvesting ¹⁵	Treatment area (m ²)	300
Catchment area (ha)	56	Fraction Impervious (FI)	75%
Site description			
The proposed WSUD asset is located within the site at the corner of Pier St and Charles St. The stormwater harvesting system will support irrigation of a highly valued local sportsground. The system involves diversion from the existing Melbourne Water drainage system on the western side of Pier St. A new pit is to be installed near the proposed asset location. Stormwater will be treated through a gross pollutant trap and pumped from this pit at 60L/s to the bioretention system. Stormwater pumped to the bioretention system is treated to Best Practice Environmental Management Guidelines (BPEMG) standards to ensure treated water is fit for harvesting and reuse and to minimise sediment entry and corresponding maintenance of the storage tank. Treated water is stored in an underground tank prior to further UV treatment and irrigation¹⁶. The tank may be located beneath the oval or potentially in the surrounding landscaped area subject to further investigations. Capital costs include diversion works, pump, electrics and power, gross pollutant trap (GPT), WSUD Treatment asset, WSUD establishment cost, storage tank and services. Operating costs include maintenance of the pump, GPT and WSUD treatment required to maintain the functionality of the treatment and harvesting assets. WSUD asset is assumed to have a life span of 20 years and to be renewed every 20 years.			
Estimate of costs and benefits			
Economic costs and benefits		Quantified benefits	
Capital cost (\$)	\$989,000	Nitrogen abatement (\$NPV 2021)	\$933,980
Operating cost (\$/year)	\$7,900	Potable substitution (\$NPV 2021)	\$293,000
Renewal cost (\$/20year)	\$101,000	Total benefit (\$NPV 2021)	\$1,226,980
Total cost (\$NPV 2021)	\$1,169,000		
Benefit Cost Ratio (BCR)	1.1		
Treatment performance			
Runoff reduction (ML/yr)*	7.0	TSS reduction (kg/yr)	10,200
Reuse volume (ML/yr)	5.8	TP reduction (kg/yr)	16
Reliability (%)	75%	TN reduction (kg/yr)	82
Other risk factors			
Note: This is a high level risk assessment based on GIS analysis, stakeholder workshops and internal Council consultations. All risks need to be verified as part of functional design.			

¹⁵ An application must be submitted to Melbourne Water for a take and use licence for stormwater extraction. Cost for license not included.

¹⁶ UV treatment is used for pathogen removal and effectively reducing the levels of E. coli in surface irrigation water. This ensures water can be flexibly and safely used with surface irrigation and mitigates potential health risks and liabilities. Alternately controlled access may be used with no access allowed during irrigation overnight or sub-surface irrigation.

*Infiltration conservatively assumed to be minimal, this may be higher

Landfill sensitive area	-
Cultural heritage	Cultural Heritage Sensitivity
Site ownership	Mornington Peninsula Shire
Environmental Significance Overlay (ESO)	-
Other factors	• Removal of existing tree/s adjacent to the proposed asset location • Gas and Optus services along Pier St. Levels to be verified during the functional design stage. • Potential for tree removals to maximise the size of the basin.

Table 16. Concept design establishment cost breakdown for Dromana Recreation Reserve

Components	Capex
Diversion works	\$7,000
Pump	\$78,289
Pipes	\$21,666
WSUD Treatment	\$126,181
Inlets, outlets, and pits	\$14,000
GPT	\$34,734
Storage	\$326,113
Electrics, power and disinfection (UV)	\$60,000
Retrofitting allowance (relocation of services, working in urban areas)	\$5,000
Establishment	\$5,250
Base total	\$678,233
Total with design and contingency	\$989,000

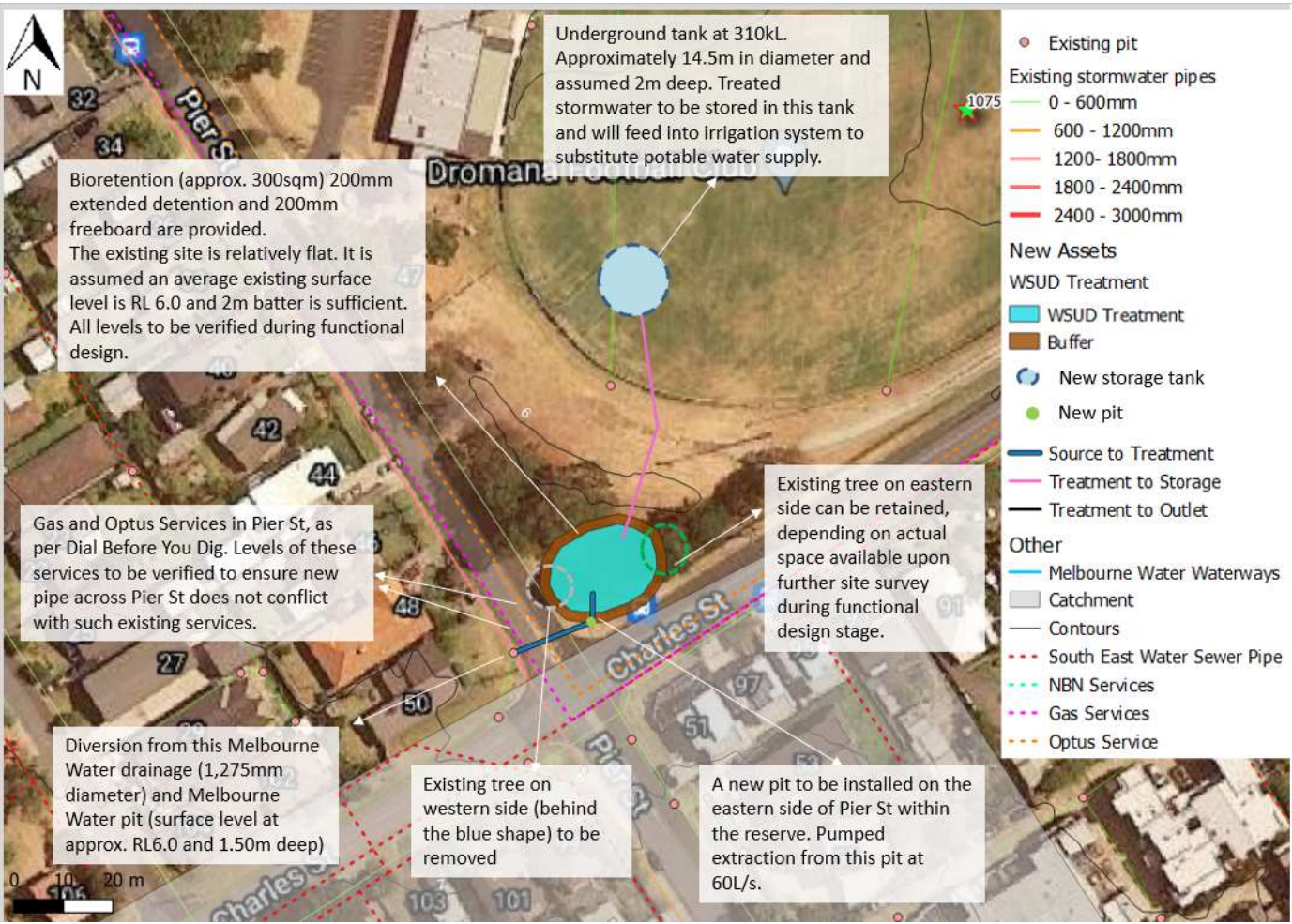


Figure 10. Proposed Concept Design of Dromana Recreation Reserve (Site ref #1075)

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economics
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Mornington Peninsula Shire Council
In-Lieu Stormwater Treatment Developer Contribution Scheme
Feasibility Study

A Marsden Jacob Report

I

Prepared for Mornington Peninsula Shire Council
October 2020
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Executive summary

In this report we propose a low-risk voluntary contribution mechanism to fund precinct scale water sensitive urban design (WSUD) projects in Mornington Peninsula. The voluntary contribution mechanism will help developers meet their stormwater compliance obligations, and Mornington Peninsula Shire Council improve the quality of their stormwater runoff.

Mornington Peninsula Shire Council has committed to improving the quality of stormwater entering the Port Phillip and Western Port Bays by requiring private developers to comply with on-site Water Sensitive Urban Design (WSUD) requirements. Clause 53.18 (Stormwater Management in Urban Development) of the Mornington Peninsula Planning Scheme applies to applications for:

- new buildings and works in most urban zones. Exempted zones are stated in Clause 53.18-1
- extensions which are 50 square metres in floor area or greater to existing buildings
- subdivisions in commercial and industrial zones

The provision implements the best practice performance objective outlined in the *Urban Stormwater Best Practice Environmental Management Guidelines*, Victorian Stormwater Committee 1999 (as amended) (BPEMG) to achieve the objectives of the State Environment Protection Policy (Water of Victoria).

For some developers, achieving compliance with Clause 53.18 is difficult because of site constraints, and / or because on-site solutions to achieve full compliance are costly. More environmentally, socially, and economically beneficial outcomes may be achieved by Council treating a portion of the developer's on-site obligations off-site through capital works, with the developer contributing financially towards these public assets.

Helping Mornington Peninsula Shire Council deliver a voluntary in-lieu stormwater quality contribution scheme and provide flexibility for developers

Mornington Peninsula's stated purpose for the stormwater quality WSUD voluntary contribution mechanism is to provide an alternative pathway for development in Mornington Peninsula to meet stormwater management obligations under Clause 53.18. For reasons we discuss in this report, the proposed mechanism:

- provides flexibility for new developments in Mornington Peninsula to meet Clause 53.18 obligations, where on-site treatment to meet best practice standards would be impractical or cost prohibitive
- achieves Clause 53.18 outcomes at an equivalent or lower cost than on-site works
- better facilitates appropriate WSUD asset management by Council to increase the likelihood of long-term WSUD asset function
- provides Council the opportunity to raise revenue from one or more sources towards the costs of providing precinct-scale WSUD projects
- is flexible so that the mechanism can respond to changes in policy and market conditions
- is practical to estimate, simple to implement, minimises green tape, and is fair and transparent for Council, developers and the community.

Key features of the proposed WSUD voluntary contribution mechanism

Key features of the proposed voluntary mechanism are that:

- the mechanism is available to all developers required to ensure their development complies with on-site WSUD requirements under Clause 53.18. Council retains the right to reject applications and require developers to achieve full compliance on site.
- the contribution mechanism is a voluntary 'opt-in' mechanism. This means developers can elect to either comply with Council's stormwater management requirements fully through on-site works, or they can contribute to Council's WSUD voluntary contribution mechanism in-lieu of a proportion of on-site works, including up to 100% contribution.
- the voluntary contribution mechanism will allow developers the option to transfer a proportion of their Clause 53.18 compliance obligation to Mornington Peninsula Shire Council. Council may decide that developers will be required to meet a minimum of requirement of their Clause 53.18 obligation on-site. Council may specify the minimum requirement. For example, it may be a minimum requirement that developers install rainwater tanks and have the option to offset the remaining obligation.
- the pricing schedule for the voluntary contributions is based on total developed impervious area, which is the key factor that determines stormwater runoff from development sites. The percentage of treatment to be carried out by the developer is determined by the STORM score. Currently, to meet best practice, developers must provide on-site treatment assets to achieve a STORM score of 100% for the total site impervious area. If developers are required to construct the minimum requirements on site (e.g rainwater tanks), a portion of the STORM score will be met by provision of the minimum requirements. The opt-in mechanism will allow developers the option to voluntarily transfer the remaining amount of their total site impervious area treatment obligation to Mornington Peninsula, in exchange for a financial contribution. Alternatively, developers can choose to deliver the 100% compliance on-site.
- the transfer fee is calculated based on the cost required to meet the remaining proportion of the STORM score. The fee is calculated on a 'per square meter' cost for the impervious area of the sub-catchment transferred to Council.
- The calculation of the fee is illustrated by the example provided in section 2.8.

Proposed WSUD voluntary contribution rates

- We are proposing a single per square meter (of total impervious area) schedule for residential, commercial and industrial developments because it is equitable (developers creating the same stormwater impact face the same cost of meeting their compliance obligations), it is simple to implement, transparent, and can be easily understood.
- The voluntary contribution prices are calculated with reference to the costs that developers in Mornington Peninsula may incur in meeting best practice on-site. The initial fees have been set to match the representative cost to developers in meeting best practice treatment on-site (i.e. achieve a 100% STORM rating on site).
- We proposed that Council carry out an engagement program with developers to test the proposed fees as a key next step in the project. The intent is to understand the willingness to pay from the developers' perspective. Based on feedback, Council may adjust the proposed fee schedule. Council may also adjust the fee schedule on an annual basis to manage opt-in fees.
- Contributions collected will be used to fund the full range of costs incurred by Council to implement and manage the new WSUD assets, including costs associated with planning, project managing, design, construction and maintenance. The in-lieu fee also includes an 8.9% administrative charge, which is currently based on Melbourne Water's offset administration fee. This administrative fee is a starting point,

and Council should periodically revise this based on advice from the Council's Finance team and the first 12 months of experience with administration costs actually incurred after the process is implemented.

Proposed WSUD voluntary contribution fee schedule

Table 1 outlines examples of the WSUD voluntary contribution fee for applicable developments in Mornington Peninsula, calculated at 10 metre increments for impervious areas less than 100 square metres and 100 metre increments for impervious areas greater than 100 square metres. The basis for the per square meter charge calculation and how this was estimated is discussed in the main body and annexes of the report.

The WSUD voluntary contribution fee is a per square meter impervious area-based charge. Theoretically, we would expect that the per square metre charge decreases with increasing impervious area. This is consistent with other samples we studied for Moonee Valley and Kingston. The reason the per square metre charge decreases with increasing impervious area is because as the area of hard (impervious) surface increases, the cost to treat stormwater on-site also increases, but at a decreasing rate.

The sample of developer applications we studied for this project exhibited a slight reduction in cost as the impervious area increased, however it was not very different to a linear relationship. Our work with Moonee Valley and Kingston revealed that a linear rate is easier to understand and communicate with developers rather than a variable rate. Moonee Valley used a linear rate in their scheme for this reason. For these reasons, we recommend a linear rate impervious charge for Mornington Peninsula Shire Council.

The proposed in-lieu fee is calculated by the formula below:

$$\text{In-lieu fee \$} = 29 \times A_i \times S\%$$

Where A_i = total development impervious area in square metres, $S\%$ = the percentage obligation to be offset through the in-lieu scheme

Table 1: Proposed WSUD voluntary contribution fees. Fees shown in stepped increments for ease of illustration, the formula, as presented in Appendix 2, is used to calculate the in-lieu fee.

Remaining impervious area required to be treated to achieve a 100% STORM rating (sqm) after on-site works (A x 5%)	WSUD voluntary contribution
10	\$290
20	\$580
30	\$870
40	\$1,160
50	\$1,450
60	\$1,740
70	\$2,030
80	\$2,320
90	\$2,610
100	\$2,900
200	\$5,800
300	\$8,700
400	\$11,600
500	\$14,500

Key outcomes of the proposed funding mechanism

Increased speed in delivery of WSUD projects

Additional funding fast-tracks delivery of Council's WSUD capital works program, delivering greater environmental and social outcomes quicker and providing greater certainty for construction and ongoing maintenance.

Cost effective funding of Mornington Peninsula's best practice stormwater quality targets

Our financial modelling shows that, subject to assumptions around development and opt-in rates being met, the proposed in-lieu contribution mechanism will raise an estimated \$5 million in funding to be allocated to Mornington Peninsula WSUD investments within the next 6 years assuming a 40% opt-in rate to the contribution mechanism. This assumes that developers can offset their total treatment obligation to Mornington Shire Council and on average only 40% choose to do so.

Greater certainty of environmental outcomes

A key risk of on-site WSUD is that the assets may not be maintained to achieve their stormwater compliance objective. By transferring compliance to Council, Council can build and maintain assets to ensure they do achieve their stormwater compliance objectives over the long run.

The flexibility provided by the mechanism will also reduce the risk of perverse environmental outcomes from inappropriate/impractical on-site WSUD used to meet best practice requirements.

Developers will have more choice

Because the funding mechanism is voluntary / opt-in, it gives developers the choice of meeting some of their stormwater quality requirements on-site or off-site via the WSUD voluntary contribution. Compulsory funding mechanisms such as Developer Contributions and specific fees do not afford developers the same freedom of choice.

More flexibility for Mornington Peninsula Shire Council in the future

The WSUD voluntary contribution mechanism affords Mornington Peninsula Shire Council more flexibility to alter fees and / or other elements of the in-lieu mechanism than is offered by alternative funding mechanisms, including Developer Contribution Plan (DCP). The funding mechanism will cost less to implement than a DCC and can be implemented faster than a DCP. The mechanism is unlikely to be successfully challenged in VCAT because it is a voluntary opt-in arrangement. The voluntary contribution mechanism has more flexibility in how fees are set, and infrastructure delivery is not locked in the same way as in a DCP.

Understanding the interaction with the Melbourne Water Scheme

It is important to understand how the proposed stormwater quality in-lieu mechanism will interact with the existing process. We understand that developers currently have the option of achieving their stormwater quality treatment obligation on site or to transfer their obligation by paying a contribution to the Melbourne Water Scheme.

Our consultation with Melbourne Water has confirmed that they provide their scheme as an opportunity for developers to achieve their stormwater quality obligation and they exist as a referral agency that Mornington Peninsula Shire Council can refer the developers to in the absence of a local in-lieu scheme.

Our research and review of developer applications for this study revealed that most applicants take up the option to offset their obligation either partially or fully through the Melbourne Water scheme.

In terms of the planning process, there are no barriers for introducing the local Mornington Peninsula Shire local scheme. Legal advice sought by Mornington Shire Council has confirmed that implementation on the basis of this report is valid and poses a low risk of objection based on process. The process allows the Council to refer the developer to the available options for achieving their stormwater quality treatment obligation.

With the introduction of the local scheme, Mornington Peninsula Shire Council could offer developers the option of achieving their stormwater quality obligation on site or by offsetting through the local scheme.

The key element that requires further consideration and consultation is the fact that the local in-lieu scheme rate is higher than the existing Melbourne Water rate. We discuss later in this report why the local rate is a more accurate representation of the costs to achieve stormwater quality treatment. Further, we note that the Melbourne Water offset rate is currently under review.

However, at present, the rate estimated for the local Mornington Peninsula Shire local in-lieu scheme is higher than the existing Melbourne Water rate. As it is a voluntary scheme our understanding is that developers cannot object through VCAT. This has also been confirmed by legal advice sought separately by Mornington Shire Council. However, we recommend that it is prudent to test the acceptance of the scheme with

developers prior to implementation. For example, Moonee Valley City Council consulted with developers and then implemented the local scheme as a pilot for one year to test adoption.

The comparative rates between the Melbourne Water scheme and the proposed Mornington Peninsula Shire Council rate is provided below.

	Melbourne Water Rates	On Lot Cost	Council Cost
Cost per kg N removal	\$6,600	\$22,000 to \$73,000	Avg \$16,700
Equivalent cost per m ² of total impervious area	\$6	Avg \$29	

The Mornington Peninsula Shire Council in-lieu mechanism is set based on the average on lot cost of treatment of \$29 per square metre of impervious area.

Next steps

Adopting the proposed in-lieu contribution mechanism entails setting up robust governance and administrative processes to ensure that it operates transparently, streamlines statutory compliance, and is cost-neutral for Council.

To implement the proposed in-lieu contribution mechanism, the next steps are:

- **seek Council approval to proceed with implementation of the mechanism.** We note that the Mornington Peninsula Shire Council team will outline the next steps in communicating the outcomes of this study with Council.
- **consult with developers and other stakeholders.** As an initial step, Council will consider consulting with developers and stakeholders about the proposed charging mechanism and the proposed schedule of charges. Consultation will provide insights on whether the marginal reduction in cost and effort to developers in transferring their treatment obligation is an attractive proposition.
- **modify existing WSUD compliance guidelines for developers** to include guidance on how developers can achieve compliance off-site through the Mornington Peninsula WSUD voluntary contribution mechanism. These modifications can be modelled on Kingston City Council's guidelines.
- **set an administrative charge** for Mornington Peninsula Shire Council to administer the program in consultation with Finance.
- **consult with Moonee Valley City Council and Kingston City Council** to gain insights from their implementation process including engagement and implementation requirements.
- **set up funds administration, reporting, governance** and other arrangements to support the mechanism, consistent with local government requirements. These mechanisms can be modelled on Kingston City Council's approach.
- **review WSUD voluntary contribution fees over time as more information about on-site costs is accumulated.** This information can be gathered from developers as part of their WSUD response. This information can be used to review and re-set the in-lieu contribution charges as required in the future.

The approach set out above will allow time for better information about the cost of on-site stormwater projects to be gathered, which will improve price setting. It will also allow Council to test the prices and feedback from developers. If uptake is lower than desired, Mornington Peninsula Shire Council can change fees to increase participation.

Contents

Executive summary	3
1. Introduction	13
1.1 This report	14
1.2 Approach	15
1.3 Relationship to other documents	15
2. The WSUD voluntary contribution mechanism	16
2.1 Purpose of the WSUD voluntary contribution mechanism	16
2.2 Funding policy	16
2.3 Funding principles	17
2.4 Applicable development	17
2.5 Applicable charging area	18
2.6 Minimum onsite compliance requirement	18
2.7 Unit of charge	19
2.8 Proposed WSUD voluntary contribution rates	19
2.9 Inclusion of vacant land sub-divisions in the scheme	21
3. Possible outcomes	24
3.1 Assumptions and inputs	24
3.2 Opt-in rate of 40%	25
3.3 Opt-in rate of 80%	27
3.4 Opt-in rate of 20%	29
4. Implementation and administration	31
4.1 Consult with Kingston City Council and Moonee Valley	31
4.2 Consult with developers, Council planners, and other stakeholders	31
4.3 Get Council approval to proceed	32
4.4 Prepare a Planning Mechanism amendment (possible) and a stormwater quality WSUD voluntary contribution policy	32
4.5 Prepare stormwater management guidelines and forms for developers	32
4.6 Update planning application process and revise administrative charge if required	32
4.7 Inform Melbourne Water	35
4.8 Administrative matters	35
4.9 Review the WSUD voluntary contribution schedule as information on on-site and off-site costs improves	36
4.10 Other matters	36
Appendix 1 Mornington Peninsula Shire's list of stormwater quality capital works projects	38
A1.1 Key assumptions	38
Appendix 2 Voluntary contribution calculation and inputs	40

Appendix 3 Development forecasts	42
Appendix 4 Stormwater Quality Analysis	44
A4.1 Relationship nitrogen load and catchment area	44
A4.2 Typical on-lot stormwater quality infrastructure sizes	45

Figures

Figure 1 40% opt-in cash flow scenarios (gold points highlight when WSUD assets are delivered)	26
Figure 2 40% opt-in kg annual TN removal (gold points highlight when WSUD assets remove nitrogen)	27
Figure 3 80% opt-in cash flow scenarios (gold points highlight when WSUD assets are delivered)	28
Figure 4: 80% opt-in kg annual TN removal (gold points highlight when WSUD assets remove nitrogen)	28
Figure 5 Sensitivity Scenario – 20% opt-in cash flow (gold points highlight when WSUD assets are delivered)	29
Figure 6 20% opt-in annual kg TN removal (gold points highlight when WSUD assets remove nitrogen)	30
Figure 7: application and administrative steps involved in the Mornington stormwater in-lieu mechanism	34
Figure 8: Graphical representation of the in-lieu fee as a function of impervious area sqm	41
Figure 9 Additional Dwellings by development type	42
Figure 10 Additional impervious area per development type	43

Tables

Table 1: Proposed WSUD voluntary contribution fees. Fees shown in stepped increments for ease of illustration, the formula, as presented in Appendix 2, is used to calculate the in-lieu fee.	6
Table 2 Sub-catchment example	20
Table 3: Example contribution rates Fees shown in stepped increments for ease of illustration, the formula as presented in Appendix 2 is used to calculate the in-lieu fee.	21
Table 4 Assets delivered under the 40% opt in scenario	26
Table 5 Assets delivered under the 80% opt in scenario (\$2019/20)	27
Table 6 Assets delivered under the 20% opt in scenario (\$2019/20)	29
Table 7 Proposed Regional WSUD assets –	39
Table 8 Typical Impervious area per development type	43
Table 9 Total nitrogen unit rates	44
Table 10 Developments and infrastructure size summary	45

1. Introduction

In this report we propose a low-risk and cost neutral offset approach for Mornington Peninsula Shire Council (Council) to raise revenue to fund the construction of water sensitive urban design (WSUD) projects in the Shire of Mornington Peninsula.

Changes made in 2018 to the Victoria Planning Provisions (VPP) and all planning schemes by [Amendment VC154](#) introduced new stormwater management provisions for urban development and amended State planning policies related to integrated water management.

Changes introduced by [Amendment VC154](#) mean that all stormwater generated from all forms of urban development, not just residential subdivision and apartment developments, now need to comply with Victorian urban stormwater management objectives. This includes all commercial and industrial subdivisions and developments, all public use developments, and all residential multi-dwelling developments. A new Integrated water management (IWM) clause in the state's Planning Policy Framework (PPF) has been put in place to embed IWM objectives and strategies into urban land-use planning.

Combined, the provisions will help to ensure that stormwater in Victoria is managed in an integrated way to mitigate the impacts of stormwater runoff on the environment, property and public safety, and to provide cooling, local habitat, and amenity benefits.

To support the effective and cost-efficient implementation of [Amendment VC154](#) the Stormwater [Ministerial Advisory Committee](#) recommended establishing effective voluntary stormwater quality in-lieu (offset) schemes across Victoria in major metropolitan and regional centres that:

- allow developers and owners to voluntarily meet some or all stormwater quality obligations off-site rather than on-site
- enable Councils, Melbourne Water, and other water corporations to provide off-site stormwater solutions funded by stormwater in-lieu schemes.
- tie payments to off-site stormwater management infrastructure that delivers the same or better environmental outcomes than on-site infrastructure.

The Victorian Government and Melbourne Water support stormwater offsetting, and Melbourne Water supports Councils establishing their own local schemes in preference to using the [Melbourne Water scheme](#). Some Victorian Councils, including [City of Kingston](#), [City of Moonee Valley](#) have established successful stormwater in-lieu schemes over the last several years. Under these schemes, developers pay a financial contribution towards stormwater management works in another location within the respective municipality. These works offset the impacts of stormwater not treated in their development.

Councils and Melbourne Water run their stormwater in-lieu schemes for lots of reasons. In some situations, stormwater management on-site can be less efficient, more difficult to construct and more difficult to maintain than off-site management. Incorrect siting or poor construction of on-site stormwater management measures can result in poorly performing stormwater management. In other cases, Councils prefer to own, manage and operate stormwater management schemes because it helps to ensure the asset is running the way they are meant to. MPSC currently uses the Melbourne Water Scheme for stormwater offset to satisfy Clause 56.07 of the Planning Scheme.

1.1 This report

Mornington Peninsula Shire Council (MPSC) is looking to establish its own stormwater in-lieu scheme. MPSC engaged [Marsden Jacob Associates](#) (Marsden Jacob) and [DesignFlow](#). Marsden Jacob and DesignFlow worked with Councils to develop the [City of Kingston](#), [City of Moonee Valley](#), and City of Melbourne stormwater in-lieu schemes, with team members having also been members of the stormwater [Ministerial Advisory Committee](#). This means (1) the stormwater in-lieu scheme approach developed in this report aligns with stormwater in-lieu schemes that other leading Melbourne Councils are now operating (2) is supported by Melbourne Water and (3) reflects best-practice in-lieu design principles supported by the Victorian Government.

The stormwater in-lieu mechanism developed in this report will mean MPSC can accept voluntary contributions from developers to fund WSUD projects that will be delivered by MPSC as the means for developers to achieve compliance with up to 100% of [Amendment VC154](#) stormwater management requirements on-site. The main purpose of the WSUD voluntary contributions mechanism is to provide some flexibility to developers to ensure on-site WSUD implementation under planning requirements is appropriate, and achieves the desired outcomes.

The funding mechanism proposed in this report pays for all costs incurred by MPSC to implement and manage the new WSUD assets. Costs covered include the costs associated with MPSC WSUD planning, project management, design, construction and maintenance over one asset life cycle. The funding mechanism is linked to the impact of new development that contributes to stormwater runoff in Mornington Peninsula, which in turn degrades Mornington Peninsula's waterways and Port Phillip and Westernport Bays.

We have developed a funding mechanism that achieves MPSC key objectives for stormwater offsetting. Mornington Peninsula's purpose for the stormwater quality WSUD voluntary contribution mechanism is to provide an alternative pathway for development in Mornington Peninsula to meet stormwater management obligations. The mechanism should:

- support delivery of the MPSC Integrated Water Management Plan (IWM). A key objective of the MPSC IWM Plan is to improve the environmental management of stormwater within the Shire. Improvements in stormwater quality are necessary to meet the community's expectations and values regarding the health of the local receiving environments.
- provide flexibility for new developments in Mornington Peninsula to meet [Amendment VC154](#) requirements, where on-site treatment to meet best practice standards would be impractical, too costly, or lead to perverse environmental outcomes
- achieve [Amendment VC154](#) outcomes at an equivalent or lower cost than on-site works
- better facilitate appropriate WSUD asset management to increase the likelihood of long-term WSUD asset function
- provide Council the opportunity to raise revenue from one or more sources towards the costs of providing precinct-scale WSUD projects
- be flexible so that the mechanism can respond to changes in policy and market conditions
- be practical to estimate, simple to implement, and be fair, transparent, and easily understood by all stakeholders, including developers, the community and Council.

1.2 Approach

The proposed stormwater in-lieu mechanism set out in this report has been developed by MPSC, Marsden Jacob and DesignFlow working together to:

- evaluate the typical additional impervious area created by proposed new developments in the Shire. The developments were segmented into two categories based on a sample of applications received by Mornington Peninsula Shire Council. We investigated twelve applications and estimated the on-site cost for treatment.
- evaluating the total additional impervious area by using the development forecast provided by Council
- evaluating the cash flow required to implement Council's proposed off-site WSUD projects and prioritising the stormwater projects using a common performance measure based on the incremental cost to Council per kilogram of nitrogen removal and net potable water savings to the Shire where relevant. We note that the assets evaluated for this study do not include stormwater harvesting. . This calculation procedure is discussed in this report
- completing financial modelling of funding mechanisms and structures using Council development forecasts and testing these changes for a range of opt-in scenarios as well as WSUD infrastructure delivery scenarios
- presenting the interim evaluation findings and incorporating participant views at a workshop at Mornington Peninsula Shire Council offices on 29th January 2020
- refining the draft charging mechanisms and forming proposals leading to this report.

1.3 Relationship to other documents

This report should be read in conjunction with other publications including [Amendment VC154](#), IWM Plan, current stormwater management requirements for developers¹.

¹ [https://www.mornpen.vic.gov.au/Building-Planning/Engineering/On-site-Stormwater-Detention?BestBetMatch=stormwater\[d13b95b2-5146-4b00-9e3e-a80c73739a64\]4f05f368-ecaa-4a93-b749-7ad6c4867c1f\[en-AU](https://www.mornpen.vic.gov.au/Building-Planning/Engineering/On-site-Stormwater-Detention?BestBetMatch=stormwater[d13b95b2-5146-4b00-9e3e-a80c73739a64]4f05f368-ecaa-4a93-b749-7ad6c4867c1f[en-AU)

2. The WSUD voluntary contribution mechanism

A WSUD voluntary contribution mechanism will accelerate delivery of Council's proposed WSUD works program in Mornington Peninsula Shire. This chapter sets out the framework and instruments of the voluntary WSUD mechanism.

For the mechanism to be sustainable and effective, the WSUD voluntary contribution mechanism needs to raise enough funds to cover the cost to Council of implementing and maintaining the WSUD projects identified for delivery by Mornington Peninsula Shire Council. Costs of administering the stormwater funding mechanism also need to be recovered.

MPSC will use collected contributions to fund the full range of costs incurred by Council to implement and manage the new WSUD assets, including costs associated with planning, project managing, design, construction and maintenance as well as the cost of administering the mechanism.

The lifecycle capital costs of the six potential MPSC WSUD projects total \$10.5 million in total lifecycle cost (refer to Appendix 1 for line-item project costings). We have used investments and the project ordering in Appendix 1 as the grounds for undertaking a robust analysis of the potential revenue stream and cash flow requirements of the funding mechanism.

2.1 Purpose of the WSUD voluntary contribution mechanism

Council's purpose for the stormwater quality WSUD voluntary contribution mechanism is to provide an alternative pathway for development in Mornington Peninsula to meet stormwater management obligations and deliver benefits locally within the municipality. The mechanism should:

- support delivery of the MPSC Integrated Water Management Plan (IWMP). The MPSC SMP was developed to improve the environmental management of stormwater within the Shire. Improvements in stormwater quality are necessary to meet the community's expectations and values regarding the health and quality of the local receiving environments.
- provide flexibility for new developments in Mornington Peninsula to meet the requirements of [Amendment VC154](#), where on-site treatment to meet best practice standards would be impractical, too costly, or lead to perverse environmental outcomes
- achieve [Amendment VC154](#) outcomes at an equivalent or lower cost than on-site works

2.2 Funding policy

Council's funding policy objective is for the capital and maintenance costs of the WSUD projects identified to be funded using money specifically raised for the purposes of funding the WSUD projects.

At a minimum, the funding program should achieve full cost recovery – that is, the funding mechanism should recover all costs incurred by Council for the off-site WSUD projects and their ongoing maintenance, plus the costs of running the funding mechanism, the return of capital so this can be used for asset renewal, and any debt financing costs.

Depending on the availability of alternative funding sources (Council budget or external), Council WSUD projects may be partly or fully funded by the WSUD voluntary contribution mechanism.

2.3 Funding principles

Any future funding mechanism for stormwater quality WSUD works needs to ensure that the cost of providing new off-site stormwater infrastructure delivered by Mornington Peninsula is distributed between future developments on a fair and reasonable basis. This requires that the charging mechanism should, in principle²:

- have regard to the incremental stormwater quality infrastructure and associated costs created by the development
- have regard to any future incremental revenues that will be earned by Mornington Peninsula Shire Council from the development, or costs avoided
- be greater than the avoidable cost of the stormwater infrastructure works to MPSC and less than the standalone cost of stormwater infrastructure on-site to the developer (in order to be financially sustainable and attractive to developers). In principle, this means Council can price the stormwater charge between what it costs them to build and maintain the stormwater assets over the lifecycle and what it would cost the developer to achieve equivalent stormwater detention and treatment on-site.
- Mornington Peninsula Shire Council will be required to establish a monitoring program to demonstrate achievement of stormwater quality treatment objectives of the scheme. Where it is not possible to monitor the performance of the asset directly, for example the Rye bio-infiltration basin, MUSIC modelling will be relied on to determine effectiveness. In principle, the assets delivered by Mornington Peninsula Shire Council under the scheme should provide at least the same level of treatment that was offset by the developers. The matching of treatment obligation will be based on the delivery of assets by the Mornington Peninsula Shire. This can be optimised and revised as new information on proposed assets are available.

2.4 Applicable development

The WSUD voluntary contribution mechanism will be available to all developments required to comply with Stormwater management planning policies. Council will retain the discretion to not approve contribution applications if an offset is deemed inappropriate. The applicable developments and subdivisions include planning permit applications for:

- All integrated residential subdivision and apartment developments
- All commercial and industrial subdivisions and developments
- All public use developments

Exemptions apply to several application types including:

- developments where the developer fully complies with their [Amendment VC154](#) requirements in Mornington Peninsula through on-site works
- areas where it can be demonstrated that previous arrangements or contribution payments, appropriate to the type of subdivision or development now taking place have been made to Mornington Peninsula
- VicSmart applications
- Applications to alter a building resulting in an increase of less than 50m²

² Essential Services Commission (2013), New Customer Contributions, Explanatory Note, December 2013

2.5 Applicable charging area

All applicable developments where Clause 53.18 applies will be eligible under the proposed mechanism.

Mornington Peninsula can be treated as a single contribution area under the mechanism or as separate contribution areas, either sub-catchments or Planning Areas. We recommend that the stormwater quality WSUD voluntary contribution mechanism should treat Mornington Peninsula Shire as one contribution area because:

- **Mornington Peninsula's proposed stormwater quality treatment investments are distributed throughout the municipality.** The assets are mainly located in public spaces, will generally occupy currently underutilised land, and will likely add to amenity in Mornington Peninsula (either by creating 'attractive' assets such as wetlands or by providing irrigation water for public open spaces). The assets will provide community benefits that are not confined to a planning area or sub-catchment. In cases where there is a widespread community benefit from the asset, a common charge area is a fair and reasonable approach.

If charging areas are set at the catchment or precinct level, the rate of Mornington Peninsula's stormwater quality infrastructure development will be slower than if Mornington Peninsula is treated as a single charging area. This is because construction of stormwater quality assets within a precinct can only occur once enough funds have been collected from developments within that precinct. Construction of the WSUD assets does not commence until there are sufficient funds to fully pay for the infrastructure.

- **Developing WSUD assets at a slower rate will mean that there is a potentially significant delay between when the development impact occurs, and when the offset occurs.** Ideally, investments in stormwater quality WSUD assets should happen as close as practical to the time the development occurs. Doing this means the impacts of development are offset by the stormwater assets in a timely way. If Mornington Peninsula is a single charging area, then the lag between the development and the delivery of stormwater assets to offset the development will be less than if a precinct-based approach is used.

2.6 Minimum onsite compliance requirement

We recognise that Mornington Peninsula Shire Council may decide to include a minimum on-site treatment requirement. This issue was discussed at the project workshops and there was agreement that setting a percentage requirement on-site is problematic as it is difficult for developers to achieve the exact treatment amount with assets. For example, if a minimum requirement of 80% is set, then the developer will install a number of on lot assets seeking to achieve 80% compliance. However, due to the modular nature and standard sizing of assets such as rainwater tanks, it can be challenging to achieve the exact treatment percentage.

Instead, we discussed the potential appropriateness of recommending the installation of a minimum treatment asset on-site. For example, Council may state that all new developments must install rainwater tanks. This will achieve a portion of the treatment obligation. The remaining obligation can be transferred to Mornington Peninsula Shire Council.

We recommend that the developers should be allowed to transfer up to 100% of the obligation. The attractiveness of the transfer mechanism will be based on the in-lieu fee and whether that represents a better option for developers than building assets on site. Typically, developers may construct assets such as rainwater tanks on-site as these are required to meet the Six Star home standard.

Our analysis of cashflow below assumes that Council will not require that applicable developments meet a minimum requirement on site.

2.7 Unit of charge

The proposed unit of charge is a per square meter contribution based on total developed impervious area including any retained impervious surfaces. The unit of charge is the same for residential, industrial and commercial developments subject to [Amendment VC154](#). A common per square meter unit of charge is recommended as:

- developed impervious area is the main measurable factor that contributes to stormwater runoff and degrades water quality in Mornington Peninsula's waterways and ultimately Port Phillip and Westernport Bays. The relative cost of providing facilities to manage the impact of development on the waterways, water quality and drainage systems is linked to the change in stormwater runoff because of the change in developed impervious area.
- We have estimated the typical impervious area per development type based on the sample of development applications evaluated for this project. The forecast of developments was estimated as per data available in the Mornington Peninsula Housing and Settlement Strategy, 2017.³
- Preference has been to keep the unit of charge simple, easy for developers to understand, and efficient for the purposes of implementation and administration (for both Council and developers). This approach is consistent with Council's objectives for the funding mechanism. Greater accuracy in the voluntary contribution calculation would come at the cost of more administrative complexity for Council and developers.

2.8 Proposed WSUD voluntary contribution rates

The proposed WSUD voluntary contribution rate is formula based. Appendix 2 includes data used to calculate the voluntary contribution rates, and the calculation method.

The pricing schedule for the voluntary contributions is based on total developed impervious area, which is the key factor that determines stormwater runoff from development sites. The STORM score determines the percentage of treatment to be carried out by the developer. Currently, to meet best practice, developers must provide onsite treatment assets to achieve a STORM score of 100% for the total site impervious area. The opt-in mechanism will allow developers the option to provide treatment assets on site to meet a STORM score of up to 100% for the total site impervious area by transferring treatment obligation to Mornington Peninsula. Alternatively, developers can choose to deliver up to the 100% compliance on-site. Council retains the right to reject applications and require developers to achieve full compliance on site.

The calculation of the fee is illustrated by the example below.

Consider a development with a total impervious area of 200m². The development consists of three sub-catchments. The required STORM score of 100 for the site is derived by calculating the weighted average of the treatment of each sub-catchment.

The sample of development applications studied for this project show that some sub-catchments are over treated, and others are under treated, however the weighted average treatment of the sub-catchments must achieve a minimum STORM score of 100. The example below shows that sub-catchment A is over treated, B is undertreated and C achieves the required level of treatment. Together, the sub-catchments achieve a weighted average treatment score of 100, represented by the STORM score. It should be noted that there may be multiple combinations of sub-catchment treatment levels to achieve a weighted average of 100. Only one is shown here for the purpose of the example.

³ <https://www.mornpen.vic.gov.au/files/assets/public/new-website-documents/building-and-planning/strategic-planning/docs/mornington-peninsula-housing-and-settlement-strategy-december-2017.pdf>

Table 2 Sub-catchment example

Sub Catchment	Sub Catchment Impervious Area m ²	Sub Catchment Treatment %	STORM
Total	200		100%
D	100	125%	63%
E	60	57%	17%
F	40	100%	20%

Through the in-lieu contribution scheme, the developer has the option to achieve up to 100% of the STORM score on site or through transfer to Council. For example, the developer may choose to treat catchments D and F on-site, and transfer responsibility for E to Council by purchasing an offset. In this case, the in-lieu fee is calculated by multiplying the remaining impervious area required to be treated to achieve 100% by the per square metre in-lieu rate.

In this example, the developer treats sub-catchment D and F on-site, then the remaining treatment obligation is 17%. The equivalent impervious area that requires treatment to reach 100% is 34 square metres (17% multiplied by the total impervious area of 200 sqm).

The in-lieu fee is calculated by multiplying 34sqm by the rate as shown below. In this example, the in-lieu fee would be \$986 (34sqm multiplied by \$29).

Table 3 shows examples of the proposed WSUD voluntary contribution fees for applicable developments in Mornington Peninsula at 10 metre increments for impervious areas less than 100 metres, and 100 metre increments for impervious area greater than 100 metres. The contribution rates shown in Table 3 are example rates based on the calculations in Appendix 2 and included to demonstrate the rate for different development offset requirements. The actual fee is calculated on actual area, that is unrounded. The in-lieu fee is calculated based on the formula shown below where Ai is the total impervious area and S% is the percentage obligation to be offset through the in-lieu scheme.

$$\text{In-lieu fee \$} = 29 \times A_i \times S\%$$

Table 3: Example contribution rates Fees shown in stepped increments for ease of illustration, the formula as presented in 4.10Appendix 2 is used to calculate the in-lieu fee.

Developed impervious area to be offset (sqm) (Ai x S%)	Total in-lieu fee payable
10	\$290
20	\$580
30	\$870
40	\$1,160
50	\$1,450
60	\$1,740
70	\$2,030
80	\$2,320
90	\$2,610
100	\$2,900
200	\$5,800
300	\$8,700
400	\$11,600
500	\$14,500

2.9 Inclusion of vacant land sub-divisions in the scheme

We note that vacant land subdivisions are currently not included within Clause 53.18. Therefore, vacant lot subdivisions would not automatically be included within the scheme.

Vacant lot subdivisions are currently covered under Clause 56. Through the current process, developers have the option to offset through the Melbourne Water in-lieu scheme. Developers may also choose to provide stormwater treatment on site at time of development if the type of development is known. If so, the proposed future stormwater quality treatment on lot is agreed with Council through a Section 173 agreement. Through this agreement, the stormwater quality requirements to be built on site are included on the title as a condition.

At time of development, Council checks that the original conditions on title are met prior to issuing a planning permit.

The key issue arising from this is that development applications to construct a building or construct or carry out works associated with one dwelling on a lot are not included in Clause 53.18. This means, after subdivision application is approved, development applications for one dwelling on a lot will not be included within Clause 35.18 unless it is captured through Clause 56 at time of subdivision and included as a condition on the title.

The other challenge in including vacant lot subdivisions is that there is no certain way of knowing the planned development at time of subdivision and therefore no accurate indication of the additional impervious area.

A key element of the in-lieu scheme is the ability for developers to opt-in voluntarily. This is possible with development applications as the developer at time of application has the option to choose the in-lieu scheme or provide stormwater quality treatment on site.

Our recommendation to Mornington Peninsula Shire Council is to conduct further analysis to ascertain the typical number of vacant lot subdivision applications then result in development application of one dwelling on a lot. This will inform whether there is merit in including vacant lot subdivisions within the in-lieu scheme and amending the process accordingly.

Mornington Peninsula Shire Council indicated that there is value in further investigating suitable approaches to include vacant lot subdivisions within the scheme. We discussed possible approaches for including vacant lot subdivisions resulting in single dwelling per lot developments and these are summarised below.

- **A Victorian variation to the Building Code of Australia.** Currently, residential developments that are single dwellings are not subjective to planning approval and are not subject to VPP requirements. Marsden Jacob addressed this exclusion in their final report to the [Stormwater Management Advisory Committee](#).

Planning experts on the Stormwater Management Advisory Committee, and expert stakeholders consulted with, were of the view that there is no easy way to incorporate single dwellings and sub-divisions into the VPP amendments. The best way they could be included in scope was through a Victorian variation to the Building Code of Australia.

Recommendation 4 of the report suggests DELWP progress, through a regulatory impact statement, amendments to the Victorian variation of the Building Code of Australia and supporting regulations, to ensure that consistent stormwater requirements apply to all development types.

We understand no action on Recommendation 4 has been taken yet. One way this issue could be progressed would be through Victorian Councils supporting this recommendation and pressing for progress with DELWP and IWM forums.

- **Establishing an LPP.** Mornington Peninsula Shire Council could potentially establish a Local Planning Policy that requires sub-division and single dwelling developments to comply with BPEM. This approach should be discussed and developed within the Council planning team.
- **Establishing a BPEM compliance gateway condition.** Mornington Peninsula Shire Council could determine a gateway point where residential developments not covered by VPPs need approval from Council to proceed. Council could establish a BPEM compliance gateway condition at that point. Feasibility of this strategy would need to be tested within MPSC.
- **Potential to set in-lieu fee for vacant lot subdivisions based on Melbourne Water offset approach.** As part of the stakeholder engagement for this project, we investigated the possibility of setting an in-lieu fee for vacant lot subdivisions based on the same process used by Melbourne Water. Our consultation with Melbourne Water revealed that they are currently reviewing this process as they sought to clarify how that process interacts with existing planning overlays.

In theory, Mornington Peninsula Shire Council could develop an in-lieu rate based on the total subdivision area as shown below. This method aligns with current Melbourne Water offset approach.

Vacant land sub division in-lieu fee = \$29 x At x S x 0.6 x D where

- At is total area of subdivision
- S is the balance of the Storm Calculator Rating
- D is Relative Density Ratio as published by Melbourne Water
(https://www.melbournewater.com.au/building-and-works/developer-guides-and-resources/conditions-and-policies/contributions-16#Development_densities)
- 0.6 is the 5-year ARI coefficient of runoff for a standard residential subdivision

Our overall recommendation, however, is to conduct further analysis to quantify the number of subdivision applications that result in development applications for one dwelling on a lot. If there is a significant number of these applications, then Mornington Peninsula Shire Council could seek to include a separate fee.

3. Possible outcomes

The cash flow generated by the MPSC WSUD voluntary contribution mechanism is dependent on the attractiveness of the mechanism to developers. A lower than expected opt-in rate is a key risk that needs to be managed. Sensitivity analysis at lower opt-in levels shows that fewer WSUD assets can be funded within the analysis period up to 2040.

This chapter sets out possible cashflow, WSUD asset delivery and stormwater quality abatement outcomes of the proposed stormwater quality WSUD voluntary contribution mechanism. The possible outcomes presented in this chapter are based on assumptions and modelling detailed in Appendix 2 to Appendix 4.

The possible outcomes about cashflow, WSUD asset delivery and stormwater quality abatement are forward-looking statements. These statements are based on the current expectations and assumptions developed by the project team and provided by MPSC. The outcomes are subject to several risks, uncertainties and factors that may cause actual outcomes and achievements to vary from those described in this chapter.

Key risks and uncertainties that will impact on cashflow, WSUD asset delivery and abatement include:

- Development rates, sizes and type
- Opt-in rates (including percentage of developments opting into the scheme, and how much they offset under the scheme (up to a maximum of 100% of their STORM score), and
- Actual life cycle cost of WSUD assets.

Whilst these risks may affect revenue and therefore timing of capital works delivery, they do not present a financial risk to Council if Council is flexible about delivery timing.

3.1 Assumptions and inputs

Key data inputs and assumptions underpinning the scenarios in this Chapter include:

- **three rates of opt-in to the mechanism by developers** –40%, 80% and 20%. For example, the 40% opt-in assumes 40% of all developers who are required to comply with [Amendment VC154](#) requirements opt-in to the voluntary contribution mechanism and offset the 100% maximum treatment obligation they can transfer to Council. Varying opt-in rates allows us to look at the impacts of different opt-in levels on revenue collected and the delivery of regional WSUD works by Mornington Peninsula Shire Council. The scenarios are provided to show possible estimates of cash inflow. These estimates can be revised once the proposed scheme is tested through engagement with developers.
- **the total area within Mornington Peninsula is treated as a single charging area** and the WSUD voluntary contribution rate in Table 3.
- **development forecasts to 2040 based on Council forecasts**. These were used to estimate average site size and impervious area for new developments based on two development segments and forecast total developed area and developed impervious area that is subject to the in-lieu contribution mechanism.
- **an 8.9% administrative charge**. This administration charge is for administering the WSUD contribution mechanism. All other relevant costs relating to the WSUD infrastructure (design capital, operating, project management) are included in the WSUD contribution rate. The 8.9% charge is indicative and based on the

Melbourne Water scheme administration charge. Council will need to establish its own administration charge rate.

- **contributions received by Council would be held in a dedicated reserve** that is used to fund the next highest priority stormwater treatment asset (or an alternative project opportunity, as these arise) when funds accumulate. Operations and maintenance funding would be deducted from the reserve, for the first lifecycle.
- **potable water savings (avoided Council expenditure)** are included in the whole of life cost calculation of regional WSUD assets.
- **environmental benefits are measured by total annual Nitrogen impact mitigated.** We have used nitrogen as the common currency for prioritisation because it is the currency for the Melbourne Water Stormwater Scheme. If Nitrogen targets are achieved, then the Phosphorus and suspended solids objectives for urban stormwater BPEMG are typically also achieved. Amenity and potentially beneficial environmental impacts (improved urban ecology, greening/cooling, etc) are not measured.

3.2 Opt-in rate of 40%

Our view is that a 40% opt-in rate (with 100% offset) is used as the 'most likely' case, based on experience by Kingston and Moonee Valley Councils. Under a 40% opt in rate approximately 230 kg of annual Nitrogen treatment obligation would be transferred to Council by 2035. With the funds collected through the in-lieu scheme, MPSC could develop WSUD assets that would remove around 340 kg Nitrogen from MPSC waterways and receiving Bays (Figure 2). This result shows how the MPSC operated WSUD assets can be far more cost effective at treating Nitrogen, Phosphorous and Suspended Solids than developers undertaking on-site works, in many cases.

Figure 1 40% opt-in cash flow scenarios (gold points highlight when WSUD assets are delivered) shows the projected funds generated under a 40% opt-in by developers. Based on the modelled assumptions, we estimate that approximately \$4 million will be generated by 2024 and a total of \$9.06 million could be generated by the voluntary contribution mechanism by 2032.

Figure 1 40% opt-in cash flow scenarios (gold points highlight when WSUD assets are delivered) also shows how the funds generated can be utilised to deliver WSUD assets where projects are invested in when MPSC accumulates enough funds. This is shown by the account balance line on the chart. The chart shows that the funds generated allows the delivery of three assets over the period up to 2030. The account balance line is developed by calculating the funds required to deliver a particular asset, including capital expenditure and operational expenditure over the 25-year asset life.

Assets delivered under the 40% opt in scenario are shown in Table 4. Bittern Wetland is the first asset developed (in 2025) at a lifecycle cost of around \$3.84 million, followed by Koala Reserve in 2028. Delivery of Bittern wetland was prioritised based on the importance communicated by Council. The delivery of the remaining assets in Table 4 was determined by the funds generated. It is assumed that assets can be delivered at a rate of one every three years (based on staff resource capacity, etc.) and that the asset with the highest affordable value was constructed following Bittern Wetland's construction.

Figure 2 shows the annual Nitrogen obligation transferred to Council, and the rate of Council removal via WSUD assets. Under a 40% opt in assumption, MPSC takes on around 125 kg of Nitrogen offset obligation from developers before Bittern Wetland is built. By the time the Koala Reserve development is operational, MPSC is ahead in terms of its annual Nitrogen treatment obligation.

The forecasts show a flat line after 2031 as we have assessed growth up to this time period. In reality, growth is likely to continue beyond this period and can be updated when further information is available.

Table 4 Assets delivered under the 40% opt in scenario

No.	Project	Year of Construction	Net Lifecycle Cost 25 Years	Kg of TN treatment
Total			8,767,000	341
3	Bittern Wetland	2025	3,177,000	50
6	Koala Reserve	2028	1,751,000	240
1	Civic Reserve	2031	3,839,000	51

Figure 1 40% opt-in cash flow scenarios (gold points highlight when WSUD assets are delivered)

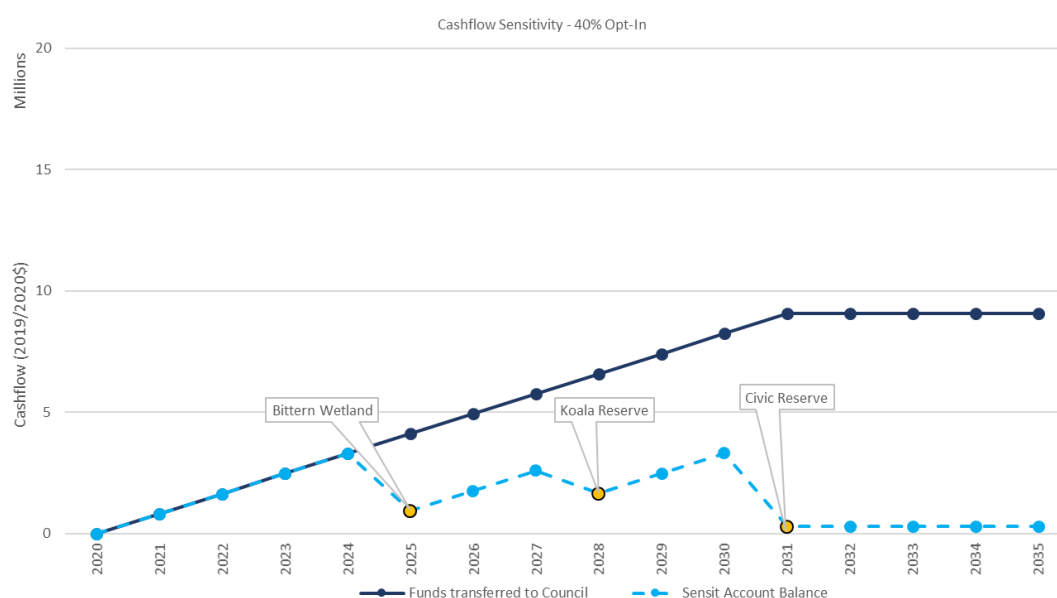
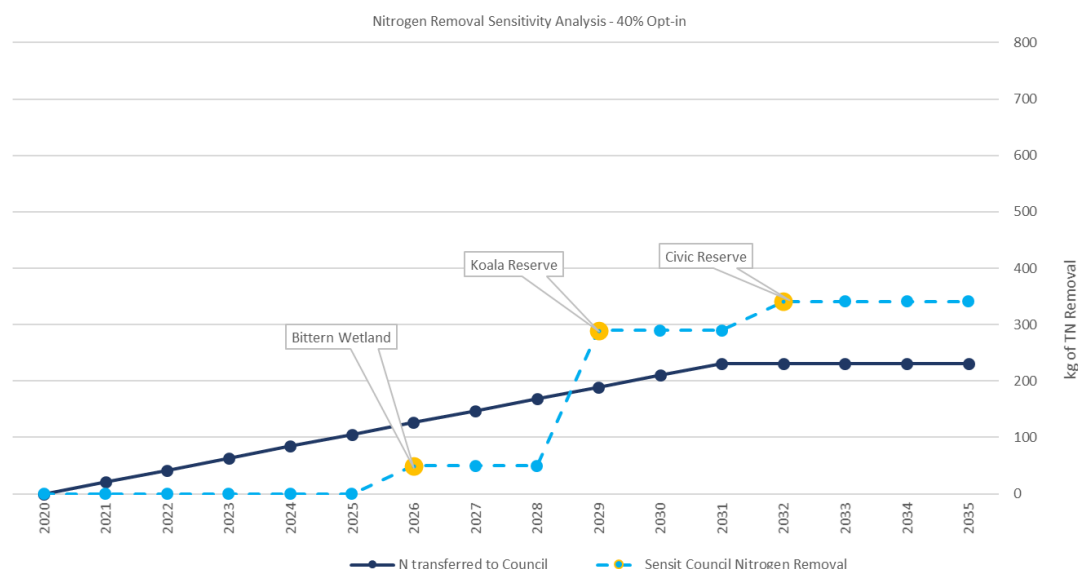


Figure 2 40% opt-in kg annual TN removal (gold points highlight when WSUD assets remove nitrogen)



3.3 Opt-in rate of 80%

If the opt-in rate is around 80% (our 'high' opt-in scenario), approximately \$18 million would be raised by the voluntary developer mechanism by 2032, including around \$5 million by 2023 (Figure 3). With the funds collected through the in-lieu scheme, MPSC could develop WSUD assets that would remove around 500 kg Nitrogen from MPSC waterways and receiving Bays, compared to an obligation to remove around 465 kg (

Figure 4). This result again shows how the MPSC operated WSUD assets can be far more cost effective at treating Nitrogen, Phosphorous and Suspended Solids than developers undertaking on-site works, in many cases.

Council would deliver 4 assets in the order shown in Table 5 Assets delivered under the 80% opt in scenario (\$2019/20). Note that asset lifecycle cost varies in each scenario based on the year of construction. The net lifecycle cost is calculated by discounting the future costs to present value in real terms.

Table 5 Assets delivered under the 80% opt in scenario (\$2019/20)

No.	Project	Year of Construction	Net Lifecycle Cost 25 Years	Kg of TN treatment
Total			9,595,000	511
3	Bittern Wetland	2023	3,177,000	50
1	Civic Reserve	2026	3,839,000	51
6	Koala Reserve	2029	1,751,000	240
2	Rye Foreshore Bio-infiltration	2032	828,000	170

Figure 3 80% opt-in cash flow scenarios (gold points highlight when WSUD assets are delivered)

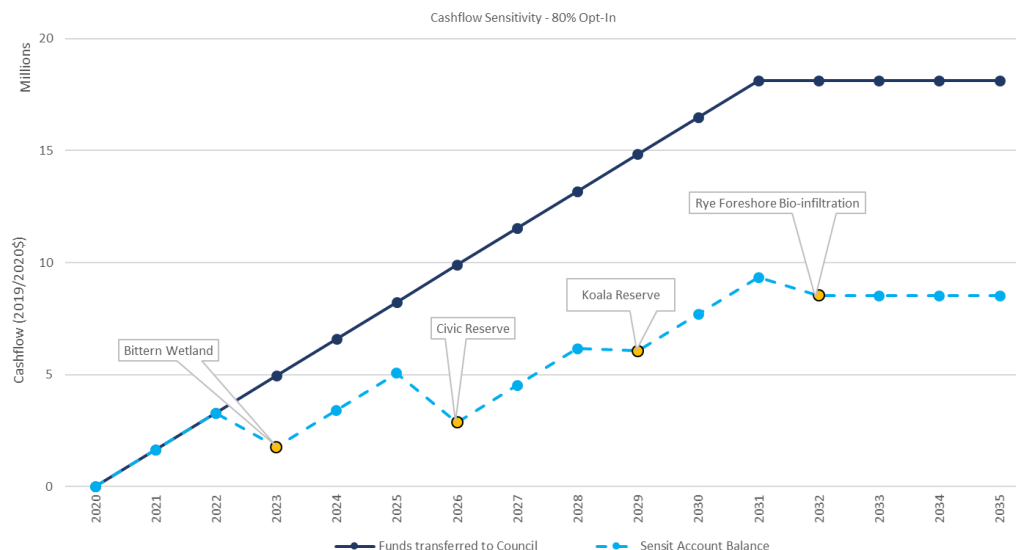
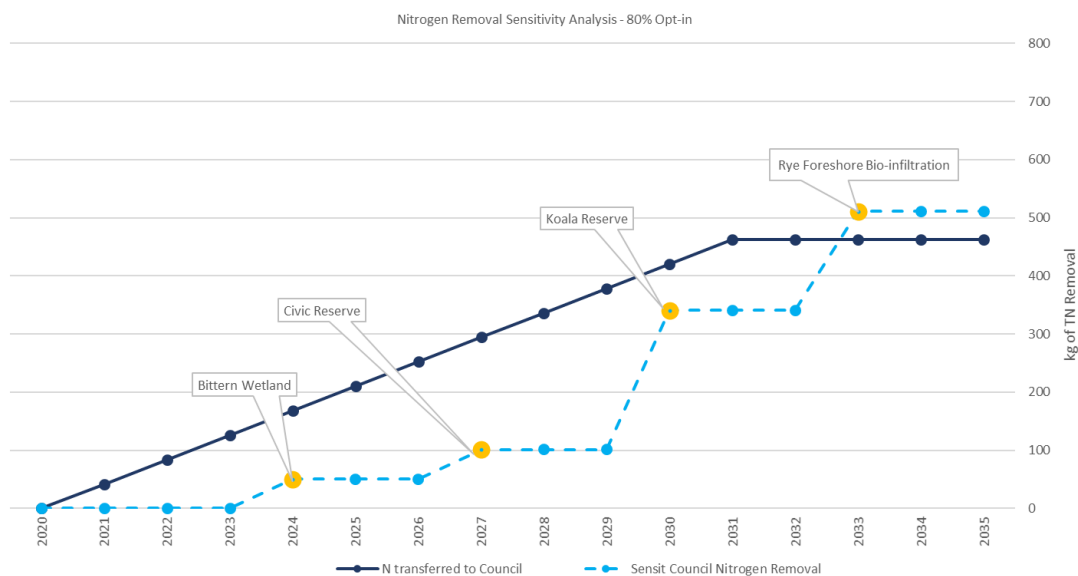


Figure 4: 80% opt-in kg annual TN removal (gold points highlight when WSUD assets remove nitrogen)



3.4 Opt-in rate of 20%

We tested a 'low case' of funds transferred through the voluntary contribution mechanism assuming 20% of new developers choose to opt-in at 100%. Under a low opt-in scenario, approximately \$4.5 million would be raised by the voluntary developer mechanism by 2032, including around \$1.65 million by 2024 (Figure 3). With the funds collected through the in-lieu, MPSC could develop WSUD assets that would remove around 220 kg Nitrogen from MPSC waterways and receiving Bays, compared to an obligation to remove around 115 kg Nitrogen (

Figure 4). This result again shows how the MPSC operated WSUD assets can be far more cost effective at treating Nitrogen, Phosphorous and Suspended Solids than developers undertaking on-site works, in many cases.

Council would deliver two assets in the order shown in Table 6.

Table 6 Assets delivered under the 20% opt in scenario (\$2019/20)

	Project	Year of Construction	Net Lifecycle Cost 25 Years	Kg of TN treatment
	Total		\$4,021,000	220
3	Bittern Wetland	2029	\$3,177,000	50
2	Rye Foreshore Bio-infiltration	2032	\$828,000	170

Figure 5 Sensitivity Scenario – 20% opt-in cash flow (gold points highlight when WSUD assets are delivered)

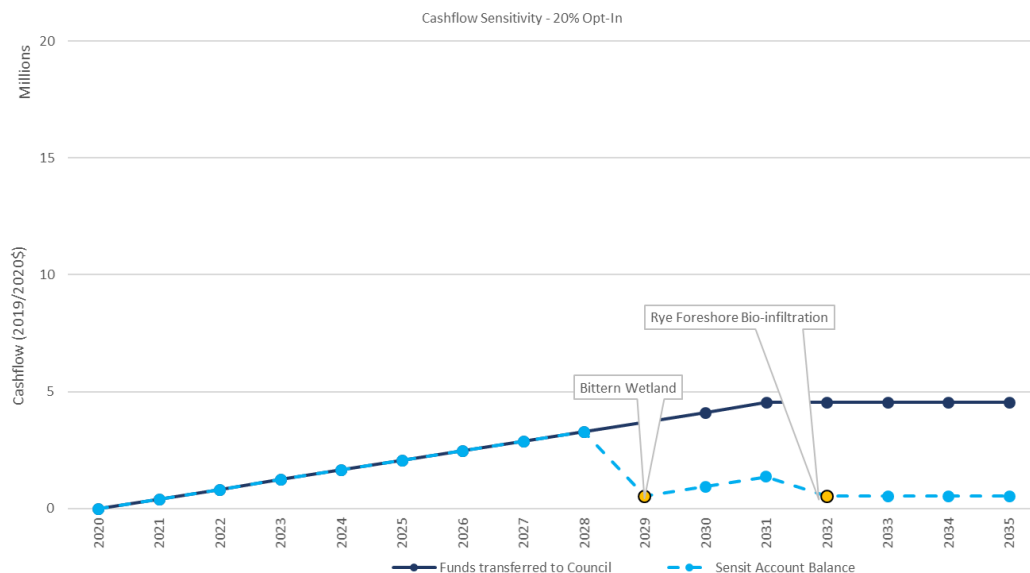
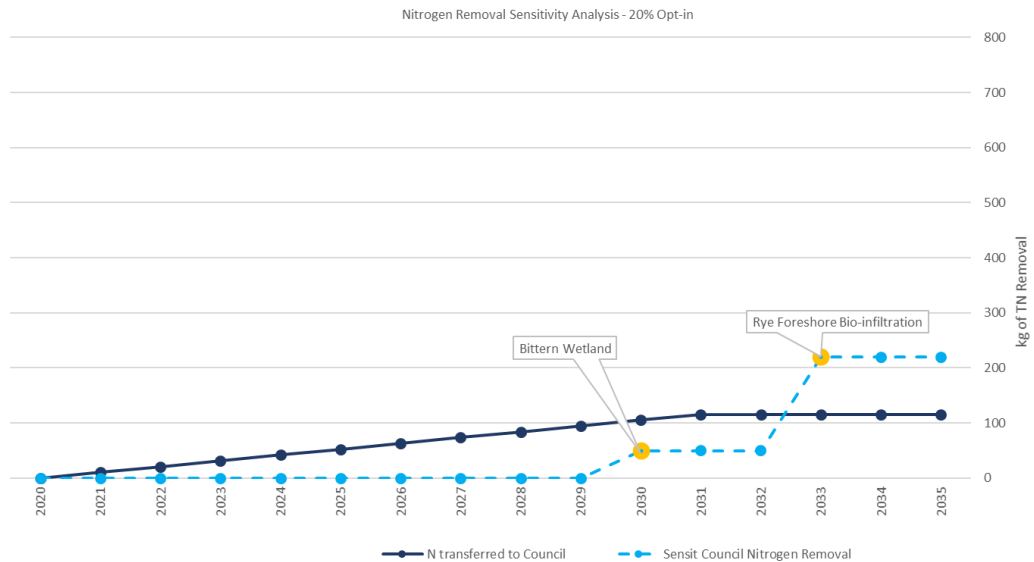


Figure 6 20% opt-in annual kg TN removal (gold points highlight when WSUD assets remove nitrogen)



4. Implementation and administration

Key steps to implementing the proposed stormwater quality WSUD voluntary contribution mechanism are drafted at a high-level in this chapter, drawing on MPSC processes our experience with Kingston and Moonee Valley City Council's in implementing their stormwater in-lieu mechanisms.

4.1 Consult with Kingston City Council and Moonee Valley

As noted earlier, Kingston City Council (KCC) commenced its stormwater quality in-lieu mechanism with the support of Melbourne Water and DELWP in mid-2017. Moonee Valley (MVCC) commenced their in-lieu scheme in mid-2019.

As a result of implementation, KCC and MVCC has significant and practical experience in implementing stormwater quality voluntary contribution mechanisms. Kingston and Moonee Valley have offered to help support MPSC in the implementation of their voluntary contribution mechanism. This offer includes access to resources, forms, guidelines and tools developed by the Councils as part of implementing their in-lieu mechanism⁴. MPSC can modify these resources to suit requirements.

Parts of the implementation steps and key lessons from KCC and MVCC are included in this Chapter. Because Kingston's implementation is ongoing their processes for managing their stormwater in-lieu mechanism are evolving. For this reason, we do not provide significant detail on many of the steps. Rather, we recommend that Council engage with KCC and MVCC when ready for support with implementation. This approach means Council will use the most up-to-date best practices adopted by these Councils.

4.2 Consult with developers, Council planners, and other stakeholders

As an initial step, Council may consider consulting with developers and external stakeholders about the proposed charging mechanism and the initial rates.

This approach worked well when MVCC developed its in-lieu mechanism. Having early buy-in from key developers in Mornington Peninsula Shire will ease the implementation of the mechanism.

Kingston did not undertake early consultation with developers. They believe their application process would have been streamlined and some confusion avoided (for example that developers were still required to meet their stormwater flood requirements on site even when they paid the in-lieu fee) if they had been consulted with earlier in the development of their stormwater in-lieu mechanism.

Kingston also recommends that Council planners who are involved in approving development applications are engaged early in the implementation process. This is because these staff are the 'front line' in implementing the WSUD voluntary contribution mechanism and are the key interface with developers. Planners should be involved in developing the process that will be used to inform developers about the voluntary contribution mechanism, and to design the application and approvals process. Council staff from the finance and accounting team will also need to be involved to develop the fund receipt and accounting processes. Kingston has offered access to their planning and accounting staff to help support this process.

⁴ <http://www.kingston.vic.gov.au/Community/Sustainability-Workshops/Sustainability-in-Council/Water-Management>

4.3 Get Council approval to proceed

A formal Council resolution needs to be sought to trial the charging mechanism for a three-year period.

4.4 Prepare a Planning Mechanism amendment (possible) and a stormwater quality WSUD voluntary contribution policy

Our understanding is that Mornington Peninsula Shire Council will not need to draft an amendment to the Mornington Peninsula Planning Scheme given to the VPP. The WSUD voluntary contribution mechanism can be offered as an option to help developers meet their obligations under Clause 53.18 of the Mornington Peninsula Planning Scheme, and implemented as a condition of planning approval (ie. by a suitably drafted planning permit condition). This should be confirmed with legal advice.

4.5 Prepare stormwater management guidelines and forms for developers

Council should prepare new stormwater management guidelines for developers for the WSUD voluntary contribution mechanism. These guidelines should outline key steps if developers choose to pay the WSUD voluntary contribution to Council to fund off-site WSUD projects developed and operated by Council. It should also link with existing Council guidance on meeting best-practice targets on site, including how this relates to the planning application process.

The guidelines should set out the conditions under which the WSUD contribution mechanism will expire.

Kingston City Council and [MVCC](#) has developed guidelines and forms for developers that we recommend Mornington Peninsula Shire adapt. This will provide consistency across Councils and simplify procedures for developers working across Councils. These guidelines include:

- [Information Session for Developers – Presentations](#)
- [Water Sensitive Urban Design Voluntary Contribution Scheme brochures](#)
- [Guidelines for planning applicants - WSUD Voluntary Contribution Schemes](#)
- [WSUD Voluntary Contribution Purchase Agreements.](#)

4.6 Update planning application process and revise administrative charge if required

A key step involves establishing streamlined administration processes for receiving and processing applications for the WSUD voluntary contributions. This includes providing clarity around the process for receiving and approving voluntary contributions.

MPSC and Marsden Jacob have mapped the proposed process for developers in Figure 7: application and administrative steps involved in the Mornington stormwater in-lieu mechanism. We developed this process in consultation with Mornington Peninsula Shire Council. The development process involved interviews with Mornington Peninsula Shire Council Staff, Melbourne Water staff and research of current development process documentation.

Our research provided these key insights:

- Mornington Shire Council can specify the appropriate mechanisms to achieve stormwater treatment compliance.
- Currently there are two options available to developers. These are; provide full or partial treatment on site and/or transfer treatment obligation through the existing Melbourne Water scheme. Melbourne Water are supportive of Councils establishing their own in-lieu schemes and do not see any objections. In

our interviews, Melbourne Water indicated that they offer their in-lieu scheme as an option for developers to meet the targets. Typically, developers are referred to the Melbourne Water scheme by Council.

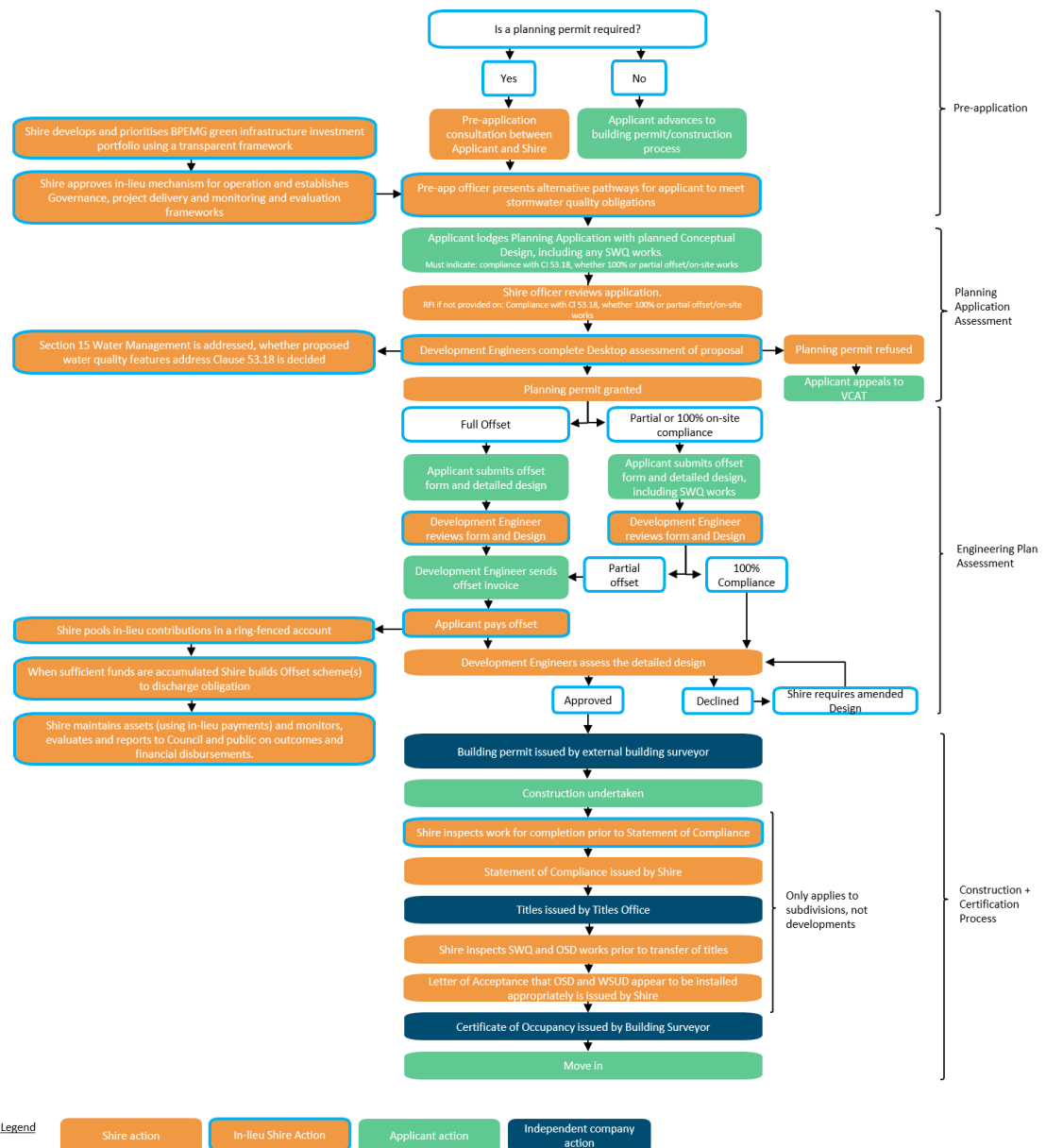
- Based on the sample of developer applications, it was clear that most applications used the existing Melbourne Water stormwater scheme at least in part. About 64% chose to transfer the full treatment obligation to Melbourne Water and on average the remaining applications offset approximately half the obligation. Several larger developments were able to satisfy 100% of their Stormwater Quality Treatment on-site.
- With the introduction of the Mornington Peninsula In- lieu scheme, Council can set planning permit conditions that direct the developers to the MPSC in-lieu scheme instead of the Melbourne Water scheme.
- Our recommendation is that Mornington Peninsula Shire Council revise the development application process so that the requirements to meet stormwater treatment are discussed upfront with the developers in the pre-application stage as outlined in Figure 7: application and administrative steps involved in the Mornington stormwater in-lieu mechanism.

We have outlined the proposed process in Figure 7: application and administrative steps involved in the Mornington stormwater in-lieu mechanism. This is intended to provide Mornington Shire Council with a guide on how the new scheme may be implemented. Mornington Shire Council may refine this process upon further internal consultation.

Council may choose to apply an administration charge for development applications using the WSUD contribution mechanism. Whether Council implements an administration charge depends on existing charging policies, and how council currently charges developers.

By way of comparison, Melbourne Water charges an 8.9% administration fee for its stormwater in-lieu mechanism. Kingston estimates that administration costs per application to date are typically in the range of 3-10% of the cost of the WSUD voluntary contribution. The actual cost depends on multiple factors, including how well the developer understands the application process, and their development experience. Application costs are often higher for developers with little development experience and limited technical support ('mum and dad' developers). For this study we have included an administration charge of 8.9% in estimating the in-lieu rate. So, the administrative charge is included in the in-lieu fee. Council can update this.

Figure 7: application and administrative steps involved in the Mornington stormwater in-lieu mechanism



4.7 Inform Melbourne Water

As stated above, our research highlighted that Melbourne Water supports the establishment of a Mornington Shire Council In-Lieu scheme.

Stormwater in-lieu principals require that impacts should be offset where the impacts occur. The current use of Melbourne Water scheme by developers within the Mornington Shire Council does not strictly satisfy the in-lieu principles as the investment of funds is at Melbourne Water's discretion and may not necessarily be within the Mornington Shire Peninsula catchments.

We note that MWC stormwater scheme is currently under review as part of MWC price submission. Our understanding is that the MWC scheme price may increase effective from 1 July 2021. We currently do not know how much the MWC price will increase by.

MPSC has been in discussion with MWC about in-lieu scheme implementation. MWC has advised that (1) MPSC needs to change paperwork to say that developers need to opt in to the MPSC scheme. Once the local scheme is in place, the rewording of the planning permit condition will not refer to the Melbourne Water scheme and (2) in the rare occasion that it may occur, MWC will refer any development applications that go around council back to MPSC. I.e. they will flag in their systems that they will not accept offsets in MPSC.

4.8 Administrative matters

Liability for in-lieu contributions

Proponents of new development types in Mornington Peninsula's applicable area and applicable development types are liable to pay in-lieu contributions if they do not undertake stormwater treatment works on site that meet urban stormwater BPEMG requirements.

If a development proposal falls within a [Melbourne Water drainage scheme area](#), then it will be subject to the conditions of that scheme. If that scheme includes Stormwater Quality (SWQ) contributions and the developer meets those contributions or carries out equivalent works to the satisfaction of Melbourne Water, then the SWQ provisions in the Planning Scheme will be deemed to be met by MPSC.

Method of payment

Payment for WSUD voluntary contributions will be made by electronic transfer or cash.

Council, at their discretion, may consider accepting works or land in-lieu of payment, provided the independently assessed value of the works / land in question does not exceed the cash liability of the developer charging mechanism. Kingston and MCVV have included this option in its guidance to developers.

Unless otherwise agreed by the Council, payment of the WSUD voluntary contribution should be made before building and works on site start. Council can request that contributions are paid prior to approval of engineering plans.

Funds administration

The contributions received by Council will be held in a specific interest-bearing reserve account. When enough funds are accumulated in the reserve account, funds will be released to fund the next stormwater treatment asset. Maintenance funding will be deducted from the reserve. Council will need to establish some form of audit process to validate items are being drawn from the reserve.

Funds collected and administered will be managed in accordance with financial management (Part 7) and planning and accountability (Part 3) requirements of the *Local Government Act 1989*. All money in this account will be used solely for the provision of WSUD infrastructure investments and maintenance assets. Council may

choose to implement the WSUD assets listed in Appendix 1 of this report but are not required to implement these assets or assets in any particular order.

Mornington Peninsula Shire Council will need to provide regular monitoring, reporting and review of the monies received and expended through a separate set of annual audited financial statements. Council will determine the timing of these audits. These audits could occur as part of Council's other auditing requirements.

If Council does not proceed with any of the infrastructure projects listed in 4.10Appendix 1, the funds collected for these items will required to be utilised to deliver stormwater quality treatment elsewhere in the catchment. The key premise of the in-lieu mechanism is that the equivalent nitrogen generated by new development is treated.

Reporting requirements

Stormwater management service charge carries the responsibility to report on expenditure and stormwater management related activities and outcomes. This provides a valuable method of engaging with the community and other stakeholders on improvements made to local stormwater management.

Council currently reports performance through the Year to Date Quarterly Performance Report to Council and the community. This report measures Council's performance against the Council Plan goals and strategies as well as performance against the identified "Success Indicators" and their targets.

As part of the trialling of the funding mechanism, Council will set up quality assurance and reporting processes to demonstrate value-for-money and the achievement of objectives which could potentially link to existing performance monitoring processes.

4.9 Review the WSUD voluntary contribution schedule as information on on-site and off-site costs improves

As discussed earlier, the WSUD voluntary contribution rates in Table 3 have been calculated with reference to the costs that developers incur in meeting best practice obligations on-site, and the lifecycle costs to MPSC of developing and maintaining WSUD assets.

The proposed schedule of charge calculations in Table 3 are guided by the best data MPSC currently has access to for on- and off-site WSUD investments. As noted earlier in this report, the fee schedule can be further refined as council collates information regarding on-site works over time.

Council should collate information on costs incurred by developers to implement stormwater works on site as part of the Water Sensitive Urban Design Response. Council should also look to further develop and refine their cost and abatement estimates for off-site WSUD assets. Similar information can be sought from other Councils and Melbourne Water. This information can be used to calibrate the stormwater charges in the future.

Our recommendation is that MPSC reviews the WSUD voluntary contribution rates in Table 3 every 18 months in the first three years of operation.

4.10 Other matters

Best Practice Environmental Guidelines review

Environmental Protection Authority Victoria is currently running a review of the [BPBM guidelines](#). Public consultation should begin in 2020, but this may be delayed by COVID-19. A draft guideline will be published, and stakeholders will be given the opportunity to provide feedback.

We understand the revised BPBM guidelines may (1) increase the TN, TP, TSS stormwater quality standards and / or (2) introduce stormwater flow based targets. When BPBM guidelines are amended, developers and

Councils will need to comply with these quality and flow standards to comply with stormwater management policies.

In terms of practical implications for MPSC's in-lieu scheme:

- **Changing stormwater quality targets (TN, TSS, TP) should not materially impact on the scheme, but will likely increase demand for offsets:**
 - Council will still deliver the same WSUD assets, at the same lifecycle cost.
 - Developers will be required to achieve more rigorous stormwater quality standards on-site. This will involve retaining more dissolved Nitrogen and stormwater on-site. This will likely drive up on-site costs for developers. The viability of the scheme depends on the relative cost efficiency of treatment delivered by the Council assets compared to on lot development.
 - The increase in on-site compliance costs may increase demand from developers for the MPSC in-lieu scheme.
- **Changing stormwater flow targets will require separate stormwater flow offsets** our current understanding is that stormwater flow and stormwater quality are not always linked. For example, achieving a stormwater flow target may be achievable without achieving the stormwater quality targets on-site through the same actions. This means that a separate flow offset framework will need to be developed. Our expectation is that this framework will be developed by Melbourne Water, Councils, Victorian Government, and other key stakeholders working together to develop the framework as the EPA BPEM standards progress to implementation. This means Councils should be in a position to implement stormwater flow offsets when the new BPEM standards become legislation.

MPSC can register for updates on the review by emailing UrbanStormwaterBPEM@epa.vic.gov.au or calling 1300 372 842 (1300 EPA VIC). Registered parties will be notified when EPA publishes a draft guideline for public comment.

Appendix 1 Mornington Peninsula Shire's list of stormwater quality capital works projects

Mornington Peninsula's public realm WSUD projects require a significant level of investment in stormwater quality infrastructure as summarised in the table below. These investments have been prioritised using the levelised cost per kilogram of nitrogen.

For the purposes of this evaluation and estimating the nitrogen removal achieved for the scenarios modelled, we have assumed that infrastructure investment occurs in this order of priority shown. Mornington Peninsula Shire may change the order of infrastructure delivered, and this will change the benefits achieved. Changing the order or delivery will not create any obligation to alter the collection rate or contribution price schedule.

A1.1 Key assumptions

The key input assumptions used in the calculation of the whole of life WSUD asset costs are as follows:

- Asset life: 25 years
- Whole of life cost includes the capital, maintenance, and renewal cost for one asset lifecycle.
- Capital Expenditure: As per information provided by Mornington Peninsula
- Operational expenditure: As per information provided by Mornington Peninsula, where operational cost was not available, assumed to be 2% of capital cost per annum. This is consistent with the assumptions used in other similar infrastructure projects including Moonee Valley City Council, Moreland City Council, and various Victorian water retailers.
- Land cost: cost of land is included in the capital cost of each project at \$190 per square metre. This information is consistent with the valuation land valuation assessment provided by Mornington Peninsula for parks and open space land. (by contrast, residential land cost is \$700 per square metre.)
- Council administration cost: 8.9%
- Discount rate 4.5%
- All dollar values shown are 2019/2020(real)

Table 7 Proposed Reginal WSUD assets –

Council Life cycle cost with potable benefit Expenditure		
	2019/20 \$ discounted by 4.5%	Annual TN removal (KG/yr)
Civic Reserve wetland & raingarden (detailed design)	\$3,838,895	51
Rye foreshore bio-infiltration (detailed design)	\$828,122	170
Bittern wetland (feasibility study)	\$3,177,165	50
Dr Morell Reserve bioretention (2013 concept)	\$463,180	133
Miramar Reserve bioretention (2013 concept)	\$381,068	62
Koala Reserve wetland (2013 concept)	\$1,751,426	240

Appendix 2 Voluntary contribution calculation and inputs

Data used to calculate the stormwater quality WSUD voluntary contribution are summarised in this Appendix, along with the calculation method.

The initial stormwater quality voluntary contribution rates in this report were set using on-site stormwater quality compliance costs for small, medium, and large residential, industrial, and commercial infill developments in the Mornington Peninsula Shire.

The compliance costs were developed by analysing a sample of 12 development applications received by Council (refer Appendix 4).

An important inclusion in the cost of onsite treatment assets is the cost of the required land take. This rate for land on developed sites was developed by analysing the valuations dataset provided by Mornington Peninsula and identifying the rate suitable for developable land.

The on-site costs were estimated based on rates used in previous studies and collected datasets used for treatment asset design. The input rates used are shown in Appendix 4.

The stormwater quality voluntary in-lieu contribution rate is estimated by regressing the total cost of providing the required treatment at each development against developed impervious area for each development. We investigated several functional forms and modelled specifications to arrive at this final functional form. The functional form was selected because it:

- is simple to estimate, requiring only impervious area and the total estimated cost of development
- will be simple to implement, because it uses a common approach for commercial, industrial, and residential developments
- accurately reflects the fact that as the area of hard (impervious) surface developed increases, the cost to treat stormwater on-site also increases.

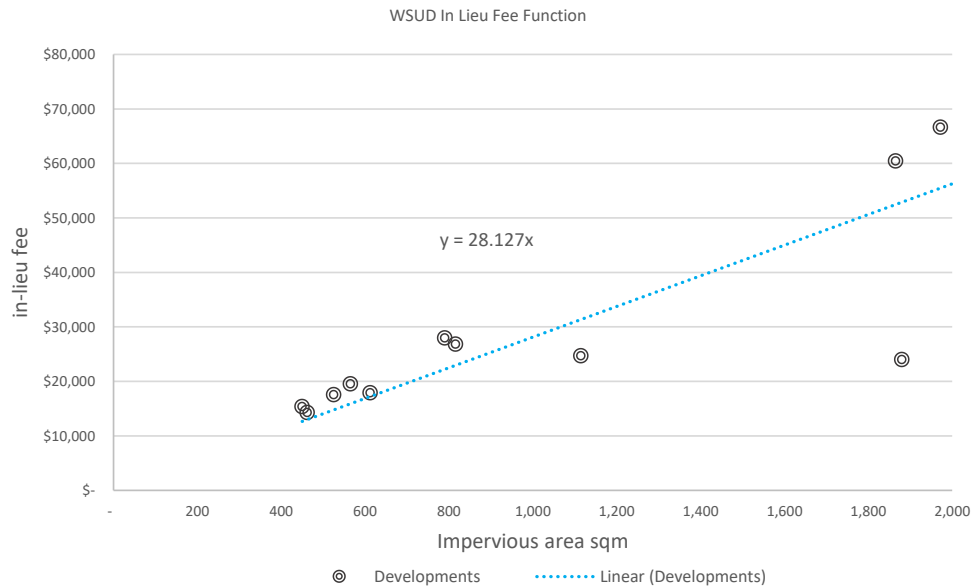
The in-lieu contribution function is defined by the equation

$$\text{In-lieu fee \$} = 29 \times A \times S\%$$

Where A is the total impervious area and S% is the percentage obligation to be offset through the in-lieu scheme.

This rate has been developed based on a linear line of best fit for the development sample as shown below. The multiplier was rounded up to 29 for simplicity.

Figure 8: Graphical representation of the in-lieu fee as a function of impervious area sqm



Appendix 3 Development forecasts

Identifying the proposed development forecast is a key element of developing the voluntary contribution mechanism. We held meetings with Mornington Peninsula Shire Council to discuss the appropriate approach and defined the development forecast based on the Morning Peninsula Shire Council Housing and Settlement Strategy⁵.

The information available enabled us to segment the development into the following two categories:

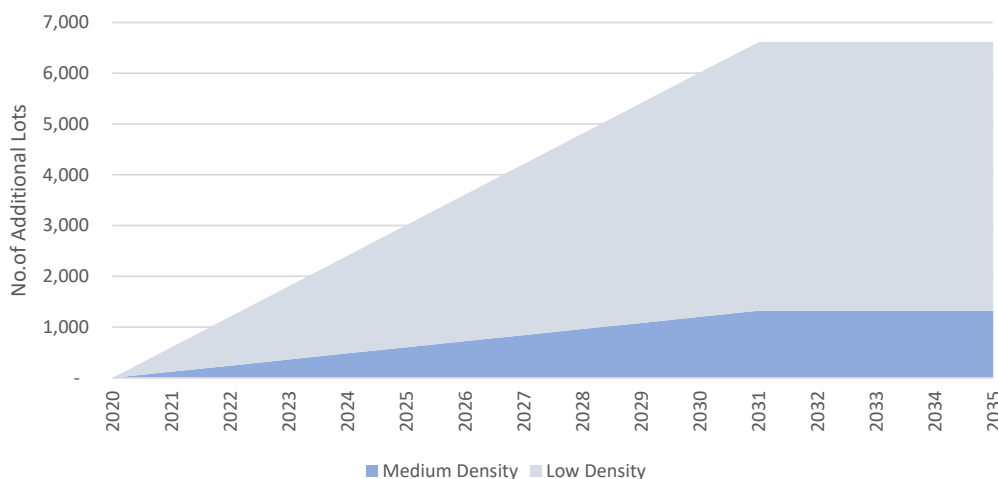
- medium density mixed use residential, 7-20 dwellings
- low density residential with less than 7 dwellings

Figure 9 shows the total development forecast as well as the segmentation between the two development types. It demonstrates that a total of 6,613 additional dwellings are forecast to be created by 2031 with the majority, 80%, forecast to be low density residential developments with less than 7 dwellings.

The available data provides forecasts to 2031. For this analysis we have capped the dwelling growth beyond this year. In reality, it is likely that growth will continue beyond this year and this forecast can be updated when new information is available.

It is important to note that the dwelling forecast is based on available information and it is used to estimate the potential cash flow generated from the scheme based on the in-lieu rate and the level of opt in from developers. This estimate assumes that all development applications as forecast below qualify for the scheme. The estimated cash inflow will reduce if the development applications that qualify for the scheme are less than what is estimated here.

Figure 9 Additional Dwellings by development type



⁵ <https://www.mornpen.vic.gov.au/Building-Planning/Strategic-Planning/Strategic-Planning-Projects/Housing-and-Settlement-Strategy>

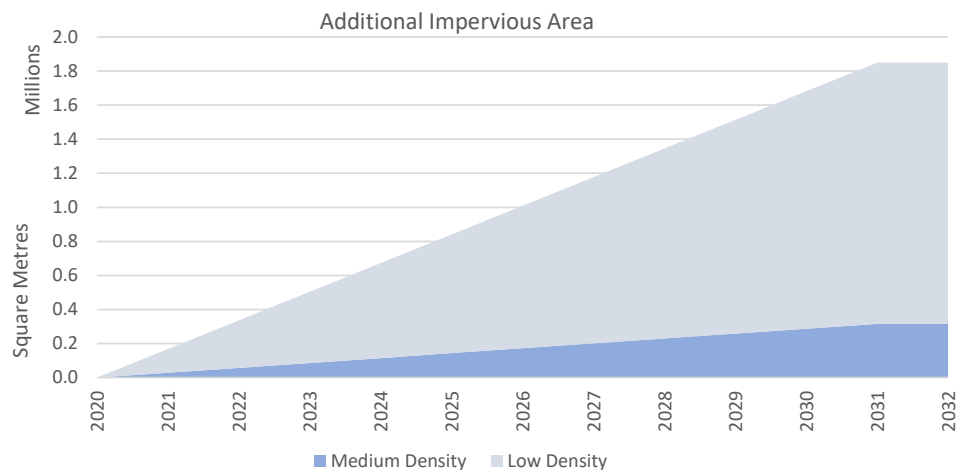
The relevant impervious area created by each development type was analysed by using the sample of 12 developments as discussed in Voluntary contribution calculation and inputs. The typical impervious area per development type is summarised in Table 8.

Table 8 Typical Impervious area per development type

Results Summary- Including Land Cost	Medium Density	Low Density
Typical Impervious Area Per Lot (m ²)	203.3	290

The resulting total impervious area was derived by multiplying the forecast dwellings by the typical impervious area per development type. This is illustrated in Figure 10 below. Notice that a total of just under 1.8 million square metres of additional impervious area will be created by 2031.

Figure 10 Additional impervious area per development type



Appendix 4 Stormwater Quality Analysis

A4.1 Relationship nitrogen load and catchment area

Clause 53.18 of the Victorian Planning provisions states that “the stormwater management system should be... designed to meet the current best practice performance objectives for stormwater quality as contained in the *Urban Stormwater Best Practice Environmental Management Guidelines* (Victorian Stormwater Committee 1999)”. The *Urban Stormwater Best Practice Environmental Stormwater Management Guidelines* require 45% reduction in the load of total nitrogen (TN) discharged from a development.

The Model for Urban Stormwater Improvement Conceptualisation (MUSIC) was used to estimate the TN load generated from impervious surfaces in the Mornington Peninsula Shire and therefore the TN load that must be removed to comply with the 45% reduction requirement (Table 9). The TN loads were generated for the three rainfall stations that the Melbourne Water MUSIC Guidelines recommend for the Mornington Peninsula Shire. For simplicity, the nitrogen offset rate is calculated based on the mid rainfall station (Koo Wee Rup rainfall station was selected as the basis for

Table 9 Total nitrogen unit rates

Rainfall station	TN generated per square meter of impervious surface (kg/yr)	TN that must be removed (kg/yr) (45% of the load generated)
Melbourne City (recommended for Mornington, Mount Eliza etc)	0.0017	0.00077
Koo Wee Rup (recommended for Hastings, Sommersville etc)	0.0018	0.00081
Narre Warren North (recommended for Red Hill South, Balnarring etc)	0.0023	0.0010
ADOPTED	0.0018	0.00081

A4.2 Typical on-lot stormwater quality infrastructure sizes

MPSC provided excerpts from 44 recent planning application for developments that Clause 53.18 of the Victorian Planning Provisions apply to. 27 of these applications chose to use the Melbourne Water offset scheme to meet 100% of their stormwater quality obligations and 17 of the applications chose to use a rainwater tank to meet a portion of their stormwater obligations and use the Melbourne Water offset scheme for the remainder.

The planning application excerpts included the proposed development location and layout. The consultant team selected 12 developments that are spread across the municipality and represent the range of development scales.

The online STORM Calculator was used to determine infrastructure sizes required to achieve a STORM Score of 100% within the development boundary (Table 10). The analysis assumed

- developments would use rainwater tanks and/or raingardens to meet their stormwater quality requirements
- rainwater tanks are always used for developments that include a roof and a toilet flushing demand
- rainwater tanks are sized to meet 90% of the toilet flushing demand
- raingardens are sized to provide the remainder of pollutant removal required to achieve a STORM Score of 100%.

Table 10 Developments and infrastructure size summary

Development	Type	Impervious Area	Rainwater tank volume	Raingarden area
1 (Mornington)	Two lot residential	460 m ²	2 * 2.5 kL	1.5 m ²
2 (Crib Point)	Two lot residential	1,120 m ²	2 * 3 kL	7 m ²
3 (Rosebud)	Eight lot residential	1,870 m ²	5 * 2.5 kL 3 * 2 kL	9 m ²
4 (Somerville)	Four lot residential	790 m ²	4 * 2.5 kL	4 m ²
5 (Tyabb)	11 lot residential	1,970 m ²	11 * 2 kL	5 m ²
6 (Rosebud)	Warehouse	1,880 m ²	1 * 2 kL	11 m ²
7 (Dromana)	Two lot residential	450 m ²	2 * 3 kL	1.5 m ²
8 (McCrae)	Four lot residential	820 m ²	4 * 2.5 kL	2 m ²
9 (Mt Martha)	Two lot residential	610 m ²	2 * 3 kL	3 m ²
10 (Hastings)	Three lot residential	570 m ²	2 * 2.5 kL 1 * 2 kL	1.5 m ²
11 (Baxter)	Three lot residential	530 m ²	3 * 2 kL	1 m ²
12 (Balnarring)	Eight lot residential	3,030 m ²	8 * 3.5 kL	20 m ²