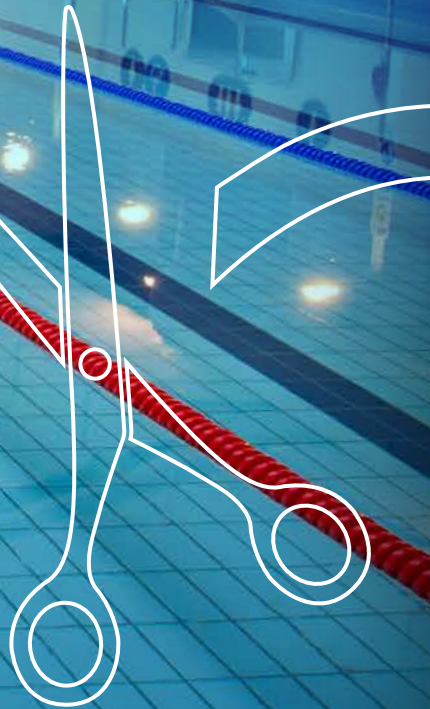


# Annual Report

2020 – 2021



MORNINGTON  
PENINSULA  
*Shire*

## Acknowledgement of Country

Mornington Peninsula Shire acknowledges and pays respect to the Bunurong/BoonWurrung people, the Traditional Custodians of these lands and waters.

## Offices and Contact Details

### Rosebud

90 Besgrove Street (Mel ref: 170 A4)

### Mornington

2 Queen Street (Mel ref: 104 D10)

### Hastings

21 Marine Parade (Mel ref: 154 K11)

### Somerville

1085 Frankston-Flinders Rd (within Somerville Library)

Telephone: 1300 850 600 or 5950 1000

Fax: 5986 6696

Email: [customerservice@mornpen.vic.gov.au](mailto:customerservice@mornpen.vic.gov.au)

Website: [www.mornpen.vic.gov.au](http://www.mornpen.vic.gov.au)

Postal address:

Private Bag 1000

Rosebud VIC 3939

Front Cover: Yawa Aquatic Centre

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# Mornington Peninsula Shire Profile

## Fast Facts

### FY 2020/21 Finance Highlights

\$264 million income

\$242 million expense

\$52 million capital expenditure

\$2.8 billion property, infrastructure & equipment

### Customer service

475,167 calls received

7,704 people visited our branches

49,630 webchat conversations took place

54,542 emails received

19,981 letters / pieces of correspondence received

1,000,531 users on our website

111,776 visitations to Recreation & Aquatic Centres

Population  
168,862  
ABS estimated resident population 30 June 2020

46  
median age (census 2016)

2.4 people  
average household size

Region  
723km<sup>2</sup> area

192km  
of coastline (10% of Victoria)

1,712kms  
of roads

70%  
Green Wedge

Workforce  
15,800  
businesses

82,232  
labour force

Volunteers  
2,200+  
volunteers across the organisation

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

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

Mornington Peninsula Shire has an estimated residential population of 168,862 people (as at 30 June 2020) with a median age (46) 10 years older than Greater Melbourne's (36). Compared with Greater Melbourne, Mornington Peninsula Shire has:

- A larger percentage of 'seniors' aged 70-84 (14% compared to 7.7%);
- A larger percentage of 'empty nesters and retirees' aged 60-69 (14.1% compared to 9.3%);
- A smaller percentage of 'young workforce' aged 25-34 (8.7% compared to 16.3%); and
- A smaller percentage of 18-24 year-olds (7% compared to 10%).

# Our Vision and Mission

To value, protect and improve the unique characteristics and way of life on our Peninsula

"Valuing our unique Peninsula"

### Our Mission

We will achieve this by:

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

### Our Strategic Themes

Our Place  
Our Connectivity  
Our Prosperity  
Our Wellbeing

### Health and Wellbeing Priorities


- Community Safety and Harm Minimisation
- Social Inclusion, Information & Local Democracy
- Employment and Education
- Environment and Climate Change
- Food & Other Essential Goods
- Health & Social Services
- Leisure, Recreation and Arts
- Transport & Walkability
- Housing
- Gender Equality


### Current Strategies and Plans include:


- Activity Centres Strategy
- Arts and Culture Plan 2020-2024
- Biodiversity Conservation Plan 2019
- Climate Emergency Plan – Ensuring Our Future: Our Climate Emergency Response
- Disability Inclusion Plan
- Domestic Animals Management Plan
- Footpaths and Pedestrian Access Strategy
- Gender Equality Strategy
- Green Wedge Management Plan
- Hastings Town Centre Structure Plan
- Health and Wellbeing Plan 2017-2021
- Housing and Settlement Strategy
- Mornington Coastal Management Plan
- Mornington Peninsula Activity Centres Strategy
- Playspace Strategy 2015 – 2020
- Reconciliation Action Plan Innovate 2020 – 2022
- Road Improvement Strategy
- Rosebud Activity Centre Structure Plan
- Rye Foreshore Master Plan
- Sports Capacity Plan
- Sustainable Transport Strategy
- Smart Water Plan
- Towards Zero 2020-2025 Our Road Safety Strategy
- Triple A Housing Plan 2020 – 2030
- Tootgarook Wetland Management Plan


# Our Values




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

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

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

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

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

The year in **review**



# Mayor's Message

It has been an extraordinary year, which began and ended with lockdowns. It was also a year that saw the election of a new Council, including nine first-time councillors. We were sworn in just as our community was emerging from last year's extended COVID-19 lockdown. Our most urgent priority was – and remains – supporting our community and local businesses through the pandemic.

First up, I'd like to say how proud I am of how our community members have helped each other through this pandemic, making significant sacrifices to protect the vulnerable and our health system. I would also like to thank those volunteers who joined Shire staff members to deliver the Caring for our Community initiative, which delivered more than 3,000 care packages to those in need last year. The program wound up in December, but we continue to support three community centres in Hastings, Rosebud and Mornington to provide emergency relief.

In February we offered relief and recovery grants to help support our community through the impacts of COVID-19. The grants were made available in three categories: immediate relief, business recovery and community recovery. We subsequently awarded close to \$238,000 to 52 individuals, not for profit organisations, community groups and business associations.

The grants came at the end of an extremely busy summer period during which we rolled out our popular outdoor dining and trading program. The program helped local businesses make the most of the busy summer period and stay COVID-safe by trading outdoors. The 2021-22 Council Budget, adopted in June, has a further \$10 million package of business supports, including funding to re-establish outdoor dining this summer.

Earlier this year we embarked on our most ambitious community engagement project ever – to create a shared vision for the future. We began by asking our community a simple question: what do you want life to look like on the Mornington Peninsula in 2040? More than 3,000 people shared their ideas. Responses from surveys, online workshops, township pop-ups, postcards and drawings were given to an independent Citizens Panel, which did an amazing job of distilling it into a compelling picture of what our community wants for the future. This wonderful Community Vision will now guide the development of all Council's policies and priorities over the coming years.

One of the major themes to emerge from the Community Vision was climate change. We were

one of the first municipalities in Australia to declare a climate emergency and we adopted our climate emergency response plan, Ensuring Our Future, in August last year. This plan provides a 10-year roadmap to guide the Peninsula towards zero emissions by 2040.

As part of this plan, we committed to helping our community become more energy efficient. I'm delighted to report in June we launched an exciting new Bulk Buy program for households across the Peninsula. This program will help put solar power and energy efficient appliances within reach of many of our residents. It offers free advice on which products suit individual circumstances and budgets, help with applying for State Government rebates and discounted prices on a range of products such as solar panels.

I'd like to finish by mentioning two instances where our advocacy achieved an outstanding result for the community. In August 2019 we launched a campaign for better public transport on the Mornington Peninsula. We had an incredible 92,500 engagements with the community on this issue, who joined our call for more frequent buses, more direct bus routes and an expansion of the network. I'm pleased to say many of those changes will now take place thanks to a State Government funding boost announced in December 2020. There are still further improvements to be made and Council will continue to advocate for these on behalf of our community, especially for better cross-Peninsula transport connections.

Our second advocacy success came in March, when Victorian Planning Minister Richard Wynne decided to reject AGL's proposed floating gas plant and pipeline at Crib Point. It's no exaggeration to say our community was overjoyed at this news. Council had serious concerns about the potential threats posed by the gas project to the precious environment of Western Port and we worked side by side with community organisations to mount an unprecedented campaign against it.

I'd like to thank my councillor colleagues, our CEO John Baker and all our Shire staff for their ongoing support, and for their hard work, stoicism and commitment in what has been a tumultuous and unforgettable year.

**Cr Despi O'Connor**  
Mayor



# CEO Message

The past 12 months have been incredibly busy and challenging but ultimately rewarding because we've learned so much. The COVID-19 pandemic requires us to be more responsive and connected to our community than ever before, and to find creative alternatives to business as usual. It demands a huge degree of flexibility and resilience from our staff and has been something of a stress test for the organisation as a whole. I'm proud of how we've risen to meet the many challenges and of the work we have achieved under difficult circumstances.

Repeated lockdowns mean we've learned to be nimble when it comes to service delivery. We had to find ways to safely deliver essential services such as Personal Care, Respite Care and Meals on Wheels to vulnerable clients, as well as doing phone welfare checks to ensure our 5,000 community care clients were okay and had support in place.

Implementing our Businesses Support Actions Roadmap involved a huge amount of work, especially the rolling out of our outdoor dining and trading program. We set this up in record time in townships across the Peninsula, enabling local businesses to maximise their trade over summer under State Government density requirements. We closed part of Mornington's Main Street to traffic and opened it to pedestrians to enjoy outdoor dining. Extra outdoor dining and retail space was also made available in Blairgowrie, Mount Eliza, Mount Martha, McCrae, Rosebud, and Sorrento. This initiative attracted widespread community support and we hope to refine and repeat the program this year.

It's been a big year for infrastructure. This year has seen us successfully secure funds and/or start work on a significant number of high-profile community projects, including the Flinders Civic Hall redevelopment, the Hastings boat ramp upgrade, the McCrae Lighthouse restoration and a new Southern Peninsula Integrated Youth Services Hub.

In addition, work is either well underway or complete on the extension of the Tyabb Kindergarten, the restoration of the heritage-listed Superintendent's Cottage at Police Point, Boneo Reserve Cricket Pavilion public toilets and new netball courts at Dromana Football and Netball Club.



April saw the official opening of the new Seniors Learning Hub at Hastings, a \$1.4 million transformation of the former Hastings Senior Citizens centre. And in May, we officially opened the doors to the brand new \$4.6 million Mornington Community House.

In the most exciting news of all, work on our Yawa Aquatic Centre at Rosebud was completed at the end of June. At \$50 million, Yawa is our biggest infrastructure project ever and took years of planning. It has a 50-metre indoor pool, a warm water pool, an aqua play zone, a steam room and sauna. It also features a large gym, cycle studio, group fitness studio, Pilates studio and a host of other features, including a cafe. I'd like to thank all our staff who worked on this project and who did an outstanding job of bringing it to fruition. Yawa will have a beneficial effect on the health and wellbeing of our community for generations to come.

In the midst of all this activity, we undertook a review of many of our key services and completed a significant transformation of our organisational structure. We spent many months designing a structure that is more efficient, flexible and customer-focused, as well as more financially sustainable. Our new structure came into being on 1 July this year and I'm confident it will allow us to provide a better service and even better value for money for our ratepayers.

Despite the many challenges this year has brought, our financial position remains strong, with an increased surplus and a good liquidity ratio. This financial resilience in a difficult economic environment underpins our ability to support our community through the pandemic.

I'd like to finish by thanking our Mayor, Despi O'Connor, and all our councillors for their leadership and guidance over the past year. And, of course, all our staff, whose professionalism and dedication never fails to impress me.

**John Baker**  
Chief Executive Officer

# CFO Message



The 2020-21 financial year presented many challenges to our way of life and our ways of working, as all three levels of government strived to reduce the impact of the evolving COVID-19 pandemic. But as this report shows, we were able to continue delivering essential services and capital works for our community throughout this challenging period.

The Shire generated an underlying surplus of \$7.6 million in the 2021 financial year. This is an increase of \$2.2 million on the previous year. This result indicates we performed well, despite lockdowns and the challenging economic environment.

We provided support to businesses and the wider community affected by the pandemic, while delivering essential community services and spending \$52.5 million on 250 capital works projects.

As detailed in the Comprehensive Income Statement, total income for the year increased by 3.5 per cent to \$264.4 million. This increase was due to an increase in rates and supplementary valuations, and additional funding from the State Government to support specific projects related to the pandemic. Income from user fees decreased by \$3.7 million as some services were restricted or closed due to lockdowns.

We were able to mitigate the risk of a reduction in income and its impact on council services by reviewing our operational expenses. We controlled employment costs and were able to achieve savings of 2 per cent in this area. Further savings include 24 per cent on other expenses. Both of these savings

were achieved against budget.

An increase in depreciation and amortisation costs of \$4.6 million is the result of an increase in depreciation for property and infrastructure assets (\$1.4 million) and amortisation of the landfill airspace (\$2 million), which has been recognised in the accounts for the first time this financial year.

Our overall financial position continues to remain sound, with strong cash flows and reserves, and a solid balance sheet. Due to uncertainty about COVID and its impact, the State Government enabled councils to extend their budget adoption date. Our budget was adopted in August 2020 – two months later than usual – and showed our financial assets increasing by \$36 million to \$116 million during the financial year. This increase was mainly driven by \$69 million of capital works being carried forward to the 2021-22 financial year, due to a combination of lockdowns and the late adoption of the budget.

The increase in total assets (\$269.8 million) was largely driven by an increase in property, infrastructure, plant and equipment (refer Note 6.1, AFS) – the main factor being an increase in Land (\$212.5 million) due to a revaluation of land assets over 19 per cent. Total liabilities represent 4.2 per cent of total assets. At year end, total borrowings increased by \$9.3 million to \$44.1 million. This was due to the final drawdown of borrowings for the construction of the Yawa Aquatic Centre.

Financial Results	2020/21 Actual (\$'000)	2019/20 Actual (\$'000)
Comprehensive Income Statement Surplus	22,189	22,141
Underlying Result	7,610	5,421
Capital Works	52,455	66,125
Cash and Cash Equivalents	116,321	67,727
Loans	44,572	35,495
Net Assets	2,791,851	2,553,728
Liquidity Ratio	216.3%	229.3%

The Shire's liquidity ratio, which measures its financial strength, reduced to 216.3 per cent as a result of \$11.5 million received for capital grants, which was reported in the balance sheet as unearned income as it relates to future expenditure – as per AASB 1058.

The overall result is a strong balance sheet to move into the new financial year. This will allow us to continue to provide exemplary services and deliver on our planned infrastructure needs, as well as continue to support the community through the COVID-19 pandemic.

**Bulent Oz**  
Chief Financial Officer

# Financial Summary

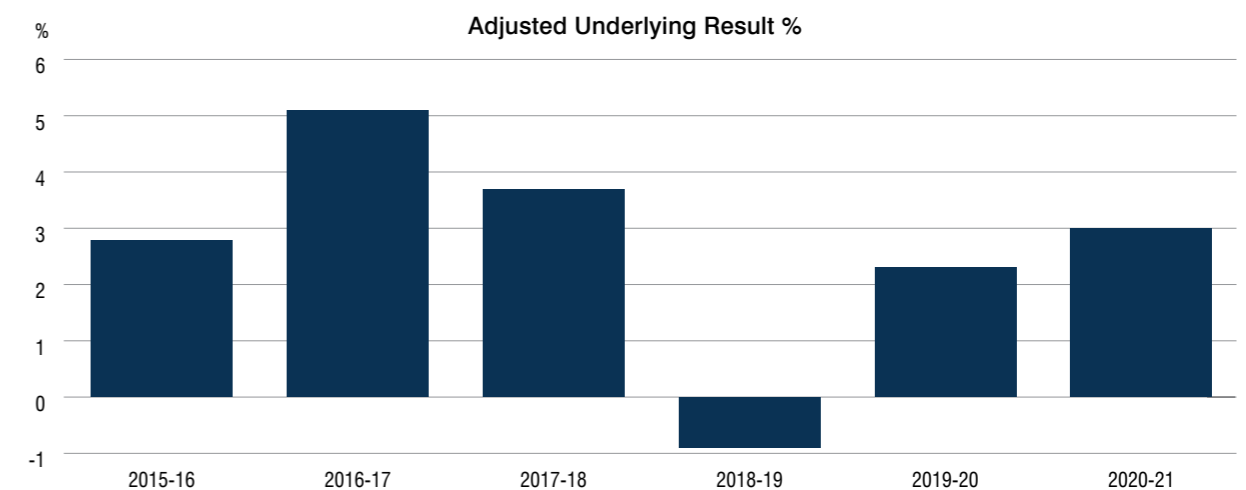
Council's financial position continues to remain sound with strong cash flows, reserves and a solid balance sheet. A summary of our performance is outlined below. Detailed information relating to council's financial performance is included within the financial statements and performance statement sections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

## Operating position

Council achieved a surplus of \$22.2 million in 2020/21. This surplus compares inline to the

prior year surplus of \$22.1 million. The adjusted underlying surplus of council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a surplus of \$7.6 million. This compares favourably to the prior year surplus of \$5.4 million.

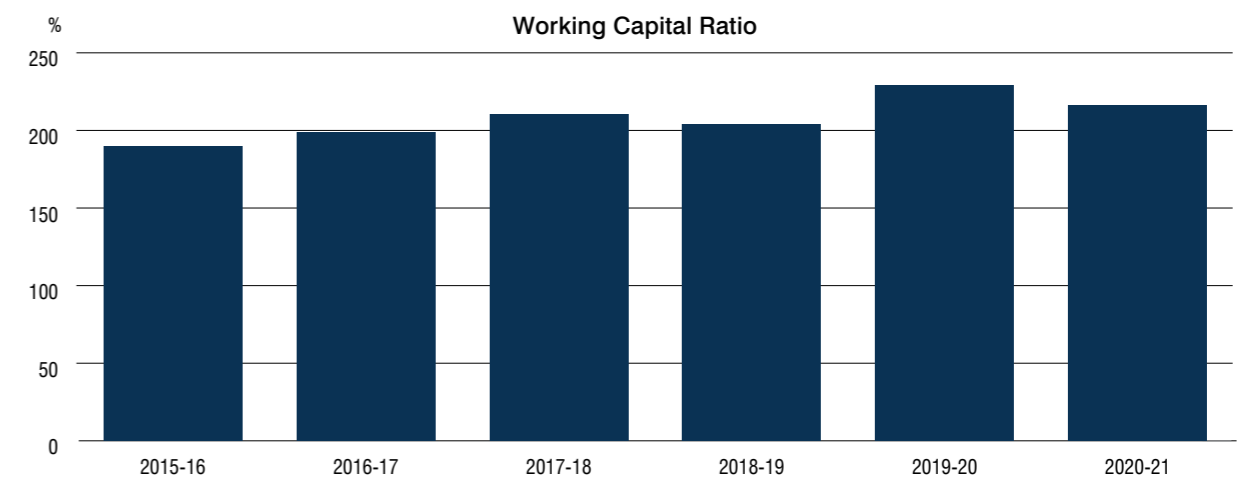
Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$2.8 billion of community assets under council's control.



## Liquidity

Net movement in cash and cash equivalent and other financial assets has increased \$36.6 million compared to prior year. A shift from term deposits over 90 days to cash has moved by \$15 million from the prior year, with no term deposits due to

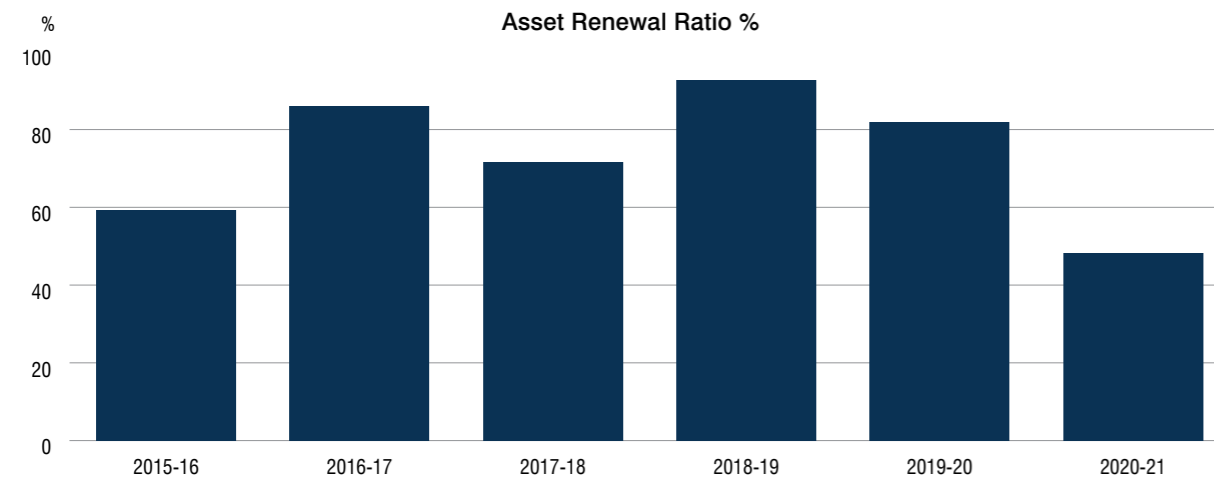
low interest rates on offer. The working capital ratio (which assesses council's ability to meet current commitments), is calculated by measuring council's current assets as a percentage of current liabilities. Council's result of 216% is an indicator of a strong financial position and within the Target of 100% to 400%.



**Obligations**

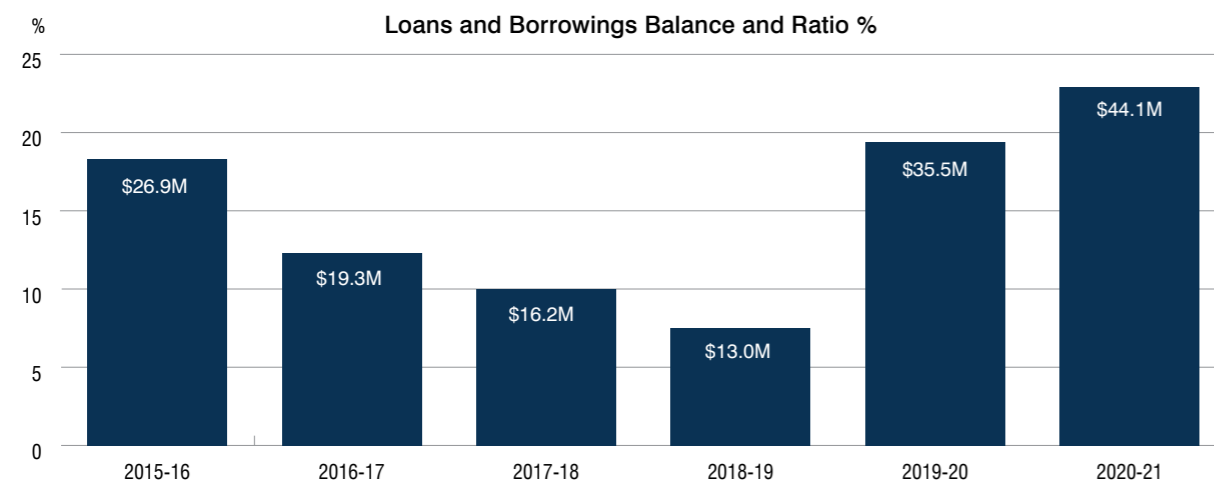
Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community.

Council's asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation was 48.1% which was within the Target of 40%-130%.



At the end of the 2020/21 year council's debt ratio (which is measured by comparing interest bearing loans and borrowings to rate revenue) was 22.9% which was within the Target of 0%-60% despite

increasing from prior year 19.4% due to the borrowings for Yawa Aquatic Centre now being fully drawn down.

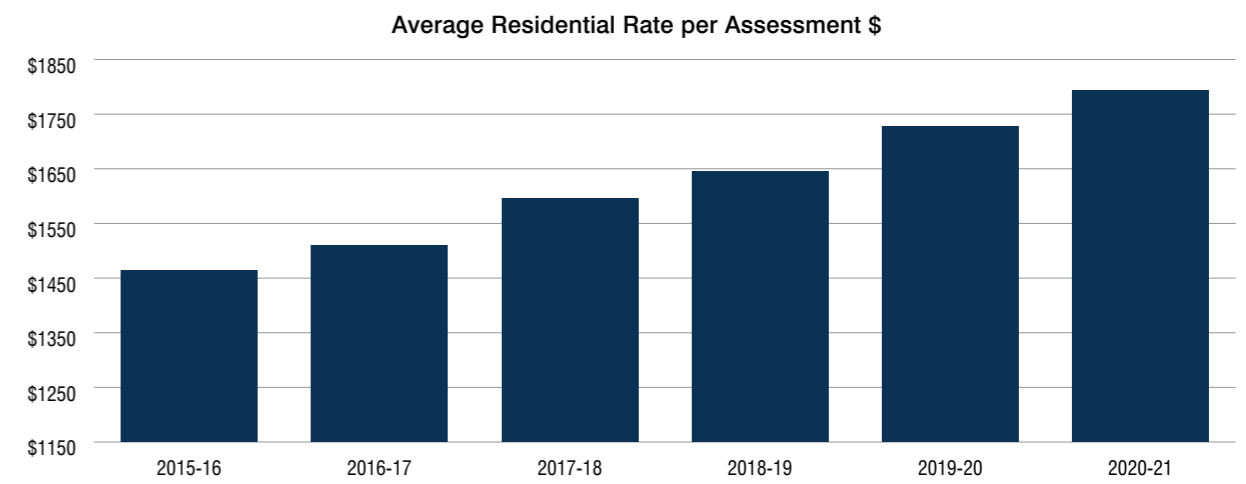
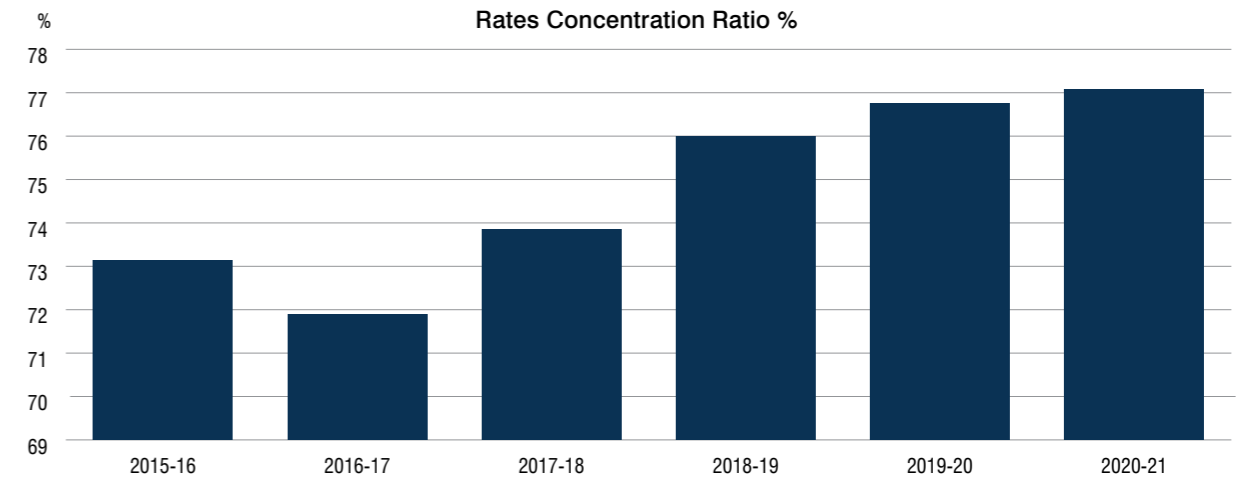


**Stability and efficiency**

Council raises revenue from a range of sources including rates, user fees, fines, grants and contributions. Despite this, council's rates concentration (which compares rate revenue to adjusted underlying revenue), was 77.1% for the

2020/21 year which is toward the top end of the Target of 40%-80% and a slight increase of 0.3% from the prior year.

The average residential rate per residential assessment is \$1,793.



# Description of Operations

Mornington Peninsula Shire is responsible for more than 70 community services, from family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure for residents support the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan and the annual Budget and reported on in this document. Refer to the section on Our Performance for more information about Council services.

## Economic Factors

Council's revenue raising capability is limited by the rate cap, under the Fair Go Rates System, which was set at 2.00 percent for 2020/21.

## Major Changes

Please see our Business Transformation and Organisational Structure Review and Realignment report.

## Major Achievements and Capital Works

Please see our Highlights of the Year section.

# Road to COVID-19 recovery

The COVID-19 pandemic made 2020/21 an extremely challenging time for many in our community.

Since the pandemic was declared in March 2020, we have worked to reshape public spaces and services to accommodate people safely, while also prioritising the most vulnerable in our community. Our recovery program is in full swing as we work with community and business towards recovery and resilience.

## Our rapid response

As the level of government closest to community, Council responded swiftly to support community, businesses and our most vulnerable through four lockdowns and a range of restrictions.

Throughout 2020/21 we adapted many of our services, including:

- 'Click and Collect' for library items
- Made changes to community transport
- Moved our first-time parents' groups online
- Connected volunteers through the We Volunteer campaign
- Provided vital care packages to affected community members
- Facilitated 'ready for work' training
- Upgraded footpaths for walking, wheelchair, scooter and pram connectivity
- Reimagined our Seniors festival and hosted it online for the first time

We provided crucial support to local business through:

- Delivering more industry-specific free online business training and mentoring
- Facilitating more job readiness training
- Encouraging the community to shop local through our local business directory and do so ourselves where possible
- COVID-19 relief (quick response) grants
- Extended outdoor dining areas and parklets to welcome the community back safely
- Reinvigorating townships through activating shopping strips

We supported our arts and culture sector and helped connect our townships with:

- Art and music programs
- Public art trails

- Augmented reality trails
- Community Bin Art project
- Carols by Headlight
- Peninsula Culture Collective
- Local history projects.

We made the entire organisation COVID-19 focused by:

- Activating the Municipal Emergency Management Plan and protocols
- Establishing the COVID-19 Relief and Recovery Committee
- Establishing the Strategic Recovery Office.

We supported our community by:

- Advocating for social housing and referring at risk clients
- Facilitating the family violence Collective Impact Awareness initiative
- Delivering more devices to the elderly and socially isolated under the Lumin outreach project
- Delivering more mental health first aid training with our partners
- Supporting more chasing change suicide prevention advocacy and events
- Checking in at home with those most at risk
- Advocating for Mornington Centrelink
- Launching Working for Victoria funded roles for social inclusion officers and others

“

...we have worked with community, service providers and business to take significant, additional steps towards the Mornington Peninsula's recovery...

”

### Our recovery actions

In the year to June 2021, we have worked with community, service providers and business to take significant, additional steps towards the Mornington Peninsula's recovery, including:

- Securing funding for the 'game changing' Southern Peninsula Youth Hub for integrated and accessible youth services on the Southern Peninsula
- Extending the parklets and slow streets to September 2021, with planning underway for a new and improved program for Summer 2021/22
- Hosting business round tables for local businesses to help facilitate our economic recovery
- Launching targeted advocacy campaigns for projects of regional importance, including missing links in the Bay Trail network, Stage 1 of the Briars Master Plan and Hillview Community Reserve playground and trail
- Advocating to draw policy attention to the Mornington Peninsula's unique "peri-regional" attractions and challenges as a Metropolitan Melbourne Local Government Area, and
- Dedicating more than \$10 million in the 2021-22 budget directly to recovery projects, programs and initiatives.

The \$10 million investment allocated to recovery for 2021-22 will be used this year to:

- Waive fees and charges to the value of \$1 million. This relief will be provided across the community and business sector and to our most vulnerable
- Use \$650,000 to re-establish the Outdoor Dining and Township Activation program from October 2021 – April 2022, streamlining processes to ensure the repeat success of this initiative for our hospitality industry
- Ensure a green recovery and rebuild our local economy with a focus on transitioning to a net zero carbon energy sector with \$500,000 to fast track priority Climate Emergency Actions. This will facilitate environmental/solar upgrades and retrofits, investigate solar and battery farms and a community led Virtual Energy Network and fund community Climate Change
- Build disaster resilience with \$250,000 to enhance Emergency Management capability and preparedness of the Peninsula

- Scope and implement an 'on demand' bus service trial to the value of \$110,000
- Roll out \$2.2 million to empower those most in need and our community with grants for:
  - Community support and activation
  - Community service providers
  - Events and festivals
  - Business and economy, and
  - Extra Biolinks funding
- Plan for long term changes in our community through funding key migration and social connection research (\$155,000)
- Spend \$250,000 to support community-built bike tracks where kids and adults can connect, enjoy themselves and get active
- Use \$490,000 to progress the Bay Trail construction readying necessary concept designs, approvals and advocacy
- Fast track and expand our social housing planning and advocacy by allocating \$100,000
- Use \$125,000 to expedite the rezoning required to establish a Mornington Peninsula Technology Park
- Continue the 'Communities That Care' implementation using \$35,000
- Allocate \$52,000 to host a new Mornington Peninsula Festival and help our community celebrate and reconnect
- Invest \$142,000 to prioritise the 'First 1000 Days Program' which provides a coordinated and comprehensive approach to strengthen resilience, leadership, and innovation in Aboriginal and Torres Strait Islander families, giving their babies the best start to life
- Fast track \$2.2 million in capital projects that will support vital infrastructure and community connections including design of Southern Peninsula Youth Hub and The Briars Master Plan and delivery of priority small missing link footpaths
- Be best placed to receive stimulus grants from state and federal governments by reserving \$1,815 million 'matched funds' for Civic Reserve athletics/soccer pavilion, Emil Madsen Reserve main soccer field, Sorrento Tennis Court lighting, Fruit Growers Reserve scoreboard and a major recovery event in Balnarring.

We will continue to work throughout 2021/22 with local businesses, the community, service providers and other levels of governments to plan for the Peninsula's lasting resilience and renewal.

# Business Transformation

Our Business Transformation enables us to work strategically together to become a sustainable and innovative organisation that puts our community at the heart of everything we do.

In year 1 of Business Transformation our Shire went 'live' with Phase 1 of our new technology suite (Oracle), implementing new Finance, HR, Procurement, Fixed Asset Register and Project financial modules to improve our internal systems and processes and enhance the performance of our internal teams. A Shire-wide Change Network was also established to embed and sustain change throughout the organisation, and we defined our organisation's target operating model and service catalogue.

Year 2 of our Business Transformation built on these achievements and aimed to embed a focus on customer experience, whilst also looking at how we could move from Business Transformation to a process of ongoing continuous improvement throughout the organisation. This has been achieved through:

- Progressing further technology improvements including a new Library Management System, event booking system and clearly identifying requirements for a new Customer Relationship Management system and payments and billing system.
- Refreshing our Service Management Framework, developing Service Profiles and commencing Service Reviews
- Implementing technology and process improvements – reviewing the use of smart forms and improving our online portals and points of contact for customers across Shire services.

- Commencing our Customer Experience Project, including the creation of four customer experience principles
  - We provide a consistent and professional customer experience in all interactions across Mornington Peninsula Shire
  - We deliver on our commitments and resolve customer queries
  - We are accessible and responsive
  - We take pride in our customer-focused approach

To date, our Business Transformation program has realised numerous efficiencies and financial benefits, realising savings of close to \$1million, including:

- Optimisation of vehicle fleet for efficiency (\$250k increasing to \$500k in FY22)
- Reducing technology costs by decommissioning legacy systems (\$260k approx.)
- Rationalising senior leadership roles (\$500k)

Additional financial benefits are expected in the next year with further fleet optimisation and organisational efficiencies, as well as technology and direct service improvements estimated to achieve \$1.4million net savings in 2021/22.

“To date, our Business Transformation program has realised numerous efficiencies and financial benefits, realising savings of close to \$1million.”

# Organisational Structure Review & Realignment

We also spent the early part of 2021 discussing and designing how can we be a better, more collaborative, and efficient organisation that is agile, customer-focused, effective, and financially sustainable and adaptable to the outcomes from our Community Vision, Council Plan and aligns to our key services.

To achieve these goals, a comprehensive 'co-design' process was undertaken with our entire workforce to identify opportunities. Our workforce responded with great ideas and feedback that was impactful, well considered and formed the basis for our re-aligned structure.

This new structure saw a move from four-directorates down to three, changes in unit portfolios and a reduction in the number of management roles and the alignment of functions and teams that make sense to our community and allow for greater collaboration to achieve great outcomes.

The new structure was implemented on 1 July 2021.

“

Our workforce responded in high numbers with ideas and feedback were impactful, well considered and formed the basis of our re-aligned structure.

”



## YAWA Aquatic Centre

*new facility completed!*

Work on our new Yawa Aquatic Centre at Rosebud was completed at the end of June 2021. At \$50 million, Yawa is the biggest infrastructure project we've ever undertaken and the culmination of many years of planning. With a 50-metre pool, large gym, cycle studio, group fitness studio, Pilates studio and a host of other features, Yawa will have a beneficial effect on the health and wellbeing of our community for generations to come.

“

Yawa is the biggest infrastructure project we've ever undertaken and the culmination of many years of planning.

”



## Say No to AGL proposal

*protecting the waterways*



One of the biggest highlights of the year was Victorian Planning Minister Richard Wynne's decision to reject AGL's proposed floating gas plant and pipeline at Crib Point. It's no exaggeration to say our community was overjoyed at this news. Council had serious concerns about the potential threats posed by the gas project to the precious environment of Western Port and we worked side by side with community organisations

to mount an unprecedented campaign against it. We now hope the Victorian Minister for Energy, Environment and Climate Change and the Federal Minister for the Environment will also reject the proposal. One of Council's objections to the AGL plan was that it represented a large scale investment in fossil fuels at a time when we urgently need to transition to renewable energy.

## Advocacy

*calling for support*

Following on from the Victorian Government's announcement in the State Budget regarding improvements to Mornington Peninsula buses, Nepean State MP Chris Brayne announced details of what those improvements would like with planning for these changes to begin in early 2021. We advocated strongly for more frequent buses, more direct bus routes and an expansion of the network and many of those changes will now take place. There are still further improvements to be made and Council will continue to advocate for these on behalf of our community, especially for better cross-Peninsula transport connections.

We continued advocating to Victorian and Australian Governments on our 'shovel-ready' projects and wrote to all relevant Commonwealth and State Members of Parliament to promote these important initiatives and sought (virtual) meetings to further discuss their benefits to the community. Included in the package was support for:

- New technology park
- Recycled Water
- The Briars
- The Bay Trail
- Community and Sporting facilities
- Support for our homeless residents



Over the 2020/21-year, Council made a submission to the Victorian Minister for Planning calling for the proposed Secondary Dwelling Code to prohibit secondary dwellings from being used for short stay accommodation.

We successfully advocated to the Minister for Planning for changes to specific bushfire protection provisions within the Mornington Peninsula Planning Scheme. These changes will ensure that vegetation removal is not used to gain a development advantage and to explore more bespoke defensible space provisions that align with the bushfire risk of specific vegetation classes.

And we continued to advocate for consideration by the Minister for Planning of its adopted Industrial Rezoning Strategy, which seeks to ensure an adequate supply of industrially zoned land into the future, providing employment opportunities for the Peninsula's growing population.

“...providing employment opportunities for the Peninsula's growing population.”

## IMAGINE Peninsula 2040

In April we launched our biggest community engagement project ever! From April to June 2021 over 3,000 people shared their ideas to help shape our future. We asked you:

- What do you want life to look like on the Mornington Peninsula in 2040?
- What do you love most about the Mornington Peninsula and want to protect?
- When you think about the future of the Peninsula, what is most important to you?
- If it were up to you, what would you change about the Peninsula?

Feedback from surveys, online workshops, township pop-ups, postcards and drawings were shared with us and given to an independent and randomly selected Citizens Panel of more than 30 people who represent the community. They were tasked with taking all the community feedback and distilling it down into a shared community vision.

Coming together in June, our Citizen's Panel consolidated your feedback and distilled it down into a shared Community Vision that will help shape the Peninsula's future and guide the development of the Council Plan and the next four years of work at the Shire.



*community vision*

## Parklets and Slow Streets

*covid recovery*

In response to COVID-19, Mornington Peninsula Shire activated our 'Parklets and Slow Streets Program'. In townships across the Peninsula, outdoor dining and retail spaces were created to allow businesses to maximise their trade under the State Government's ongoing density limitations.

The program is designed to help local economies recover from the effects of COVID. Local councils across the state were provided with Victorian Government funding to implement the outdoor dining and trading program, where there is demand from local businesses.

The roll out of extended outdoor dining and parklets was a huge success over summer. Extended outdoor dining and parklets continued up until after Easter.



## Caring for our Community

*care packages*

Over the 2020/21 year, the Mornington Peninsula Shire continued with the 'Caring for our Community' initiative and ensured that those vulnerable and isolated within our community due to COVID-19 had the chance to receive

care packages. In all, a total of 3,186 care packages were delivered to those in need before we transitioned the Caring for our Community program to the three local community information and support centres in December 2020.

## Support Local Campaign

*covid recovery*

As part of the Business Recovery Roadmap we also expanded our Support Local campaign which is designed to encourage the community, businesses, and organisations on the Peninsula to think, spend and recommend locally. The campaign encourages the community, other businesses, and local organisations to think about procuring goods and services locally, buying locally, and recommending locally.



## Climate Emergency Plan

*ensuring our future*

Our climate emergency response plan, Ensuring Our Future, was adopted on 25 August. The plan provides a 10-year roadmap which will guide the Peninsula towards a target of zero emissions by 2040.

Council adopted its 2021/22 Budget in June, which features \$500,000 to fast track priority Climate Emergency actions. As part of that, we started making available Climate Action Grants, of up to \$10,000 for community projects, that will help us reach the targets outlined in our Climate Emergency Plan.

We continued to reduce our own greenhouse gas emissions through upgrades to energy efficient lighting and appliances in Shire buildings. We installed new electric vehicle charging stations for pool cars, and solar systems at Shire-owned facilities such as at the Dromana Community Hall.

As a result of this, the Mornington Peninsula Shire is close to achieving its goal of becoming Carbon Neutral Certification under the Climate Active Carbon Neutral Standard. Carbon offsets were purchased, and our final application submitted to Climate Active before the end of the financial year. A third-party audit of the Shire's carbon inventory will be completed in the 2021/22 year.



## Solar and Energy Bulk Buy

*climate solutions*

The Shire partnered with The Australian Energy Foundation to offer a Solar and Energy Bulk Buy for our community. The program offers residents access to free energy advice via the Energy Advice Service and webinars, obligation free quotes from vetted suppliers, products at reduced rates and assistance in navigating State government rebates. The program was launched online on 24 June 2020 and includes solar, hot water heat pumps and reverse cycle air conditioners (batteries will also be offered in future).



## Senior's Learning Hub

*a place to gather*

The Shire also officially launched our new multipurpose Senior's Learning Hub in April, a \$1.4 million transformation of the former Hastings Senior Citizens centre. The Hon. Jane Garrett joined Mayor Cr Despi O'Conner and Cr Lisa Dixon to officially open the new facility and celebrate the project's completion. The new hub is now home to both the Senior Citizens Club and the Hastings U3A, and offers adult education classes, learning programs and an IT room, plus indoor and outdoor recreation, and social spaces.



## Southern Peninsula Youth Hub

*no wrong door*

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



## Towards Zero Road Safety

*safer roads*

In response to the challenge of reducing road trauma on the Mornington Peninsula, Council adopted the Mornington Peninsula Towards Zero Road Safety Strategy 2020–2025 on 8 September 2020. The Strategy was developed with extensive community engagement and leading road safety expertise and provides a systematic and strategic framework to guide the Shire's policies and actions at reducing road trauma on the Mornington Peninsula. It aims for zero deaths and serious injuries by 2050.



## Safer Speeds Trial

*help save lives*

The results of a survey commissioned by the Victorian Department of Transport, who are independently evaluating the Shire's Safer Speeds trial was published in the 2022/21 year, showed significant community support for changing speed limits to match the road environment. The two-year trial into 33 Shire-managed, high risk sealed rural roads had speed limits set at 80km/h. Many of these roads with previous speed limits of 100km/h and 90km/h have a significant crash history and high crash risk rating. The interim report from the community survey of 1,000 Shire residents provided some early insights into community feedback about the trial. Key findings included:

- Support for the speed trials
  - 59% support, 21% oppose (7% strongly oppose), 20% neutral.
- The reduced speed limits will help reduce the level of road trauma on the Peninsula”
  - 59% agree, 21% disagree.
- “The reduced speed limits are appropriate”
  - 54% agree, 26% disagree.
- “My local journeys will have minimal time difference because of the trial”
  - 59% agree, 23% disagree.
- “Make Safer Speeds trial permanent”
  - 51% agree, 29% disagree.

“ My local journeys will have minimal time difference because of the trial

”



# Our Council

## Our Councillors

The Council was elected to provide leadership for the good governance of the municipal district and the local community. On 24 October 2020, the Mornington Peninsula community elected this Council for a four-year term. The municipality is divided into six wards, represented by one Councillor each in Watson, Cerberus, and Red Hill Wards; two Councillors in Nepean Ward; and three

each in Seawinds and Briars Wards. The 11 Councillors are the elected representatives of all residents and ratepayers across the Shire. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The Councillors are listed below:

Ward	Councillor Name	Contact Number
Briars	Cr Steve Holland	0410 905 085
	Cr Anthony Marsh	0435 610 745
	Cr Despi O'Connor	0435 569 710
Seawinds	Cr Antonella Celi	0408 974 143
	Cr Debra Mar	0466 255 385
	Cr Kerr McCafferty	0435 457 769
Nepean	Cr Susan Bissinger	0401 297 978
	Cr Sarah Race	0466 237 655
Watson	Cr Paul Mercurio	0435 457 773
Cerberus	Cr Lisa Dixon	0435 630 007
Red Hill	Cr David Gill	0437 129 016

# Our People

## Organisational Structure

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

As at 30 June 2020

**Chief Executive Officer**  
John Baker



### Senior officers reporting directly to the CEO

**Corporate Services**  
Mark Brady



**Governance and Legal**  
Amanda Sapolu



**Communications and Events**  
Randal Mathieson



**Place**  
Jessica Wingad (Acting)



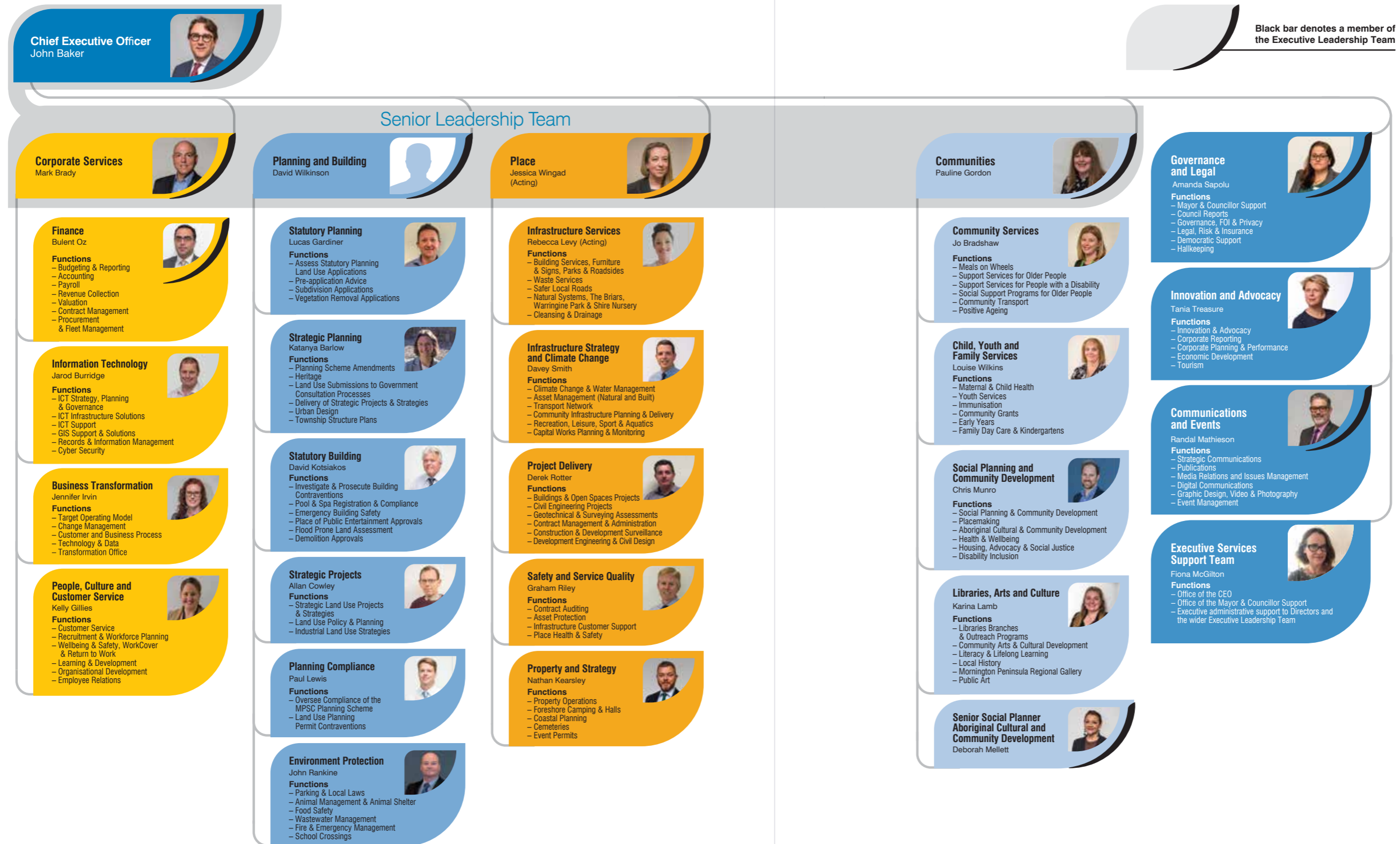
**Planning and Building**  
David Wilkinson



**Communities**  
Pauline Gordon



# Organisational Structure



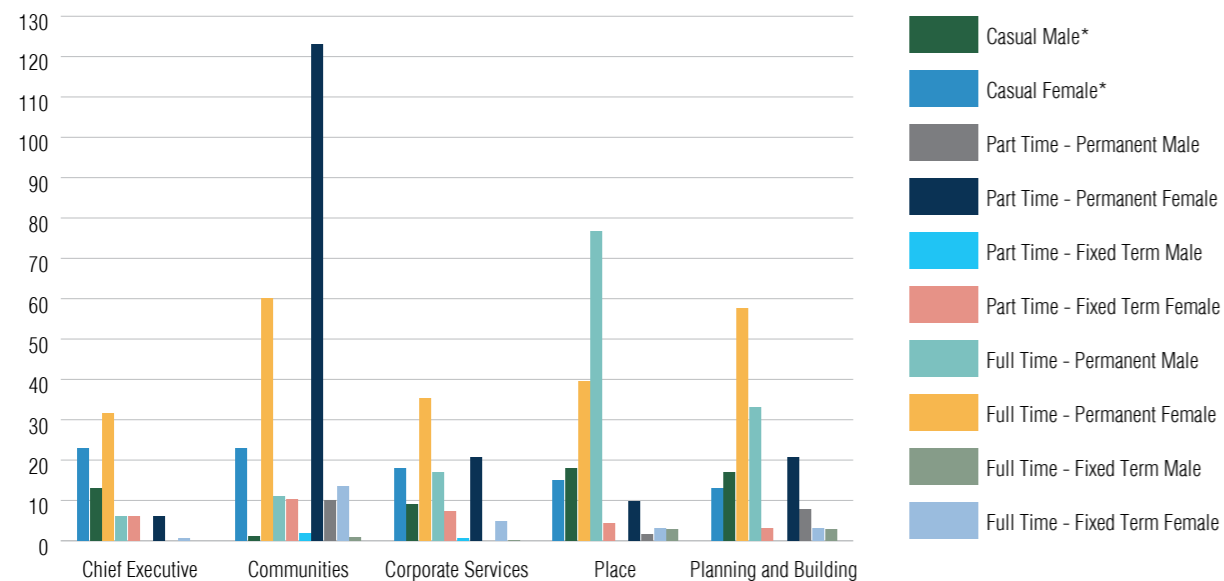
## Council staff

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

FTE by Status by Directorate	Chief Executive	Communities	Corporate Services	Place	Planning and Building	Total
Full Time – Fixed Term Female	23.00	22.85	18.00	15.00	13.00	91.85
Full Time – Fixed Term Male	13.00	1.00	9.00	18.00	17.00	58.00
Full Time – Permanent Female	31.50	60.00	35.32	39.42	57.70	223.94
Full Time – Permanent Male	6.00	11.00	17.00	76.59	33.00	143.59
Part Time – Fixed Term Female	6.00	10.18	7.23	4.46	3.20	31.07
Part Time – Fixed Term Male		1.93	0.50			2.43
Part Time – Permanent Female	6.13	123.13	20.78	9.86	20.75	180.65
Part Time – Permanent Male		10.12		1.70	7.93	19.75
Casual Female*	0.55	13.60	4.89	3.02	3.05	25.11
Casual Male*		0.75	0.04	2.84	2.84	6.47
<b>Total</b>	<b>86.18</b>	<b>254.56</b>	<b>112.76</b>	<b>170.89</b>	<b>158.47</b>	<b>782.86</b>

\* Casual FTE based on total hours worked during 2020/21 financial year

Note: Permanent figures are based on contracts for the year ending 30 June 2021; casual figures are based on actual hours worked over the year 2020/2021.



Note: Permanent figures are based on contracts for the year ending 30 June 2021; casual figures are based on actual hours worked over the year 2020/2021.

## Equal Employment Opportunity Program

The objective of Council's Equal Employment Opportunity (EEO) Program is to ensure there is no discrimination relating to the characteristics listed under the Equal Opportunity Act 2010 and to ensure the workplace is free from bullying and harassment.

The indicator that measures the effectiveness of the program is: the number of discrimination, harassment, victimisation and/or bullying complaints, with a zero target. During 2020/21 there were 4 complaints under the EEO program related to one respondent, with 4 of these being substantiated.

This year, Council changed the way we reviewed equal opportunity under our new organisational structure and requirements of the Gender Equality Act. Our new Diversity committee also commenced work on an equal employment opportunity program designed to eliminate discrimination and promote equal opportunity for women and persons in designated groups in relation to employment matters.

Our recruitment and selection processes focus on attracting individuals with congruent values and behavioural standards. The employee Code of Conduct outlines EEO and behavioural standards which are expected of all Council staff. This

is provided to all new employees of the Shire, included in a Corporate Induction, and made available for all staff.

Actions taken over the past 12 months include:

- Our local Diversity Committee undertaking training in line with the Gender Equality Act.
- Commencing a Gender Audit, which includes analysis of staff experiences via an all staff survey to identify areas for improvement in promoting Gender Equality in the workplace.
- Implementation of a new mandatory online training program for EEO, Bullying and Harassment. To date 46% of staff have completed the EEO module and 39% have completed the bullying and harassment module.
- Adoption of a Sexual Harassment Action Plan in response to the Victorian Auditor General's Office report into Sexual Harassment in Local Government.

Our focus in 2021/22 is to review our Gender Audit and create a Gender Equality Action Plan, along with continued focus, awareness and management of creating a safe and inclusive workplace for all staff.

## Enterprise Bargaining Agreement

The Mornington Peninsula Shire Enterprise Agreement 2021 was voted up in June 2021 with a 93% majority vote and 62.2% participation rate. The Agreement has since been approved by the Fair Work Commission and came into effect 27 July 2021.

This Agreement confirms employment conditions through to 2023 with a financially sustainable index rate and some improved benefits for our Shire Officers.

The negotiation process was collaborative and constructive, the new Enterprise Agreement was supported by our partnered unions and we thank all involved for the successful outcome.

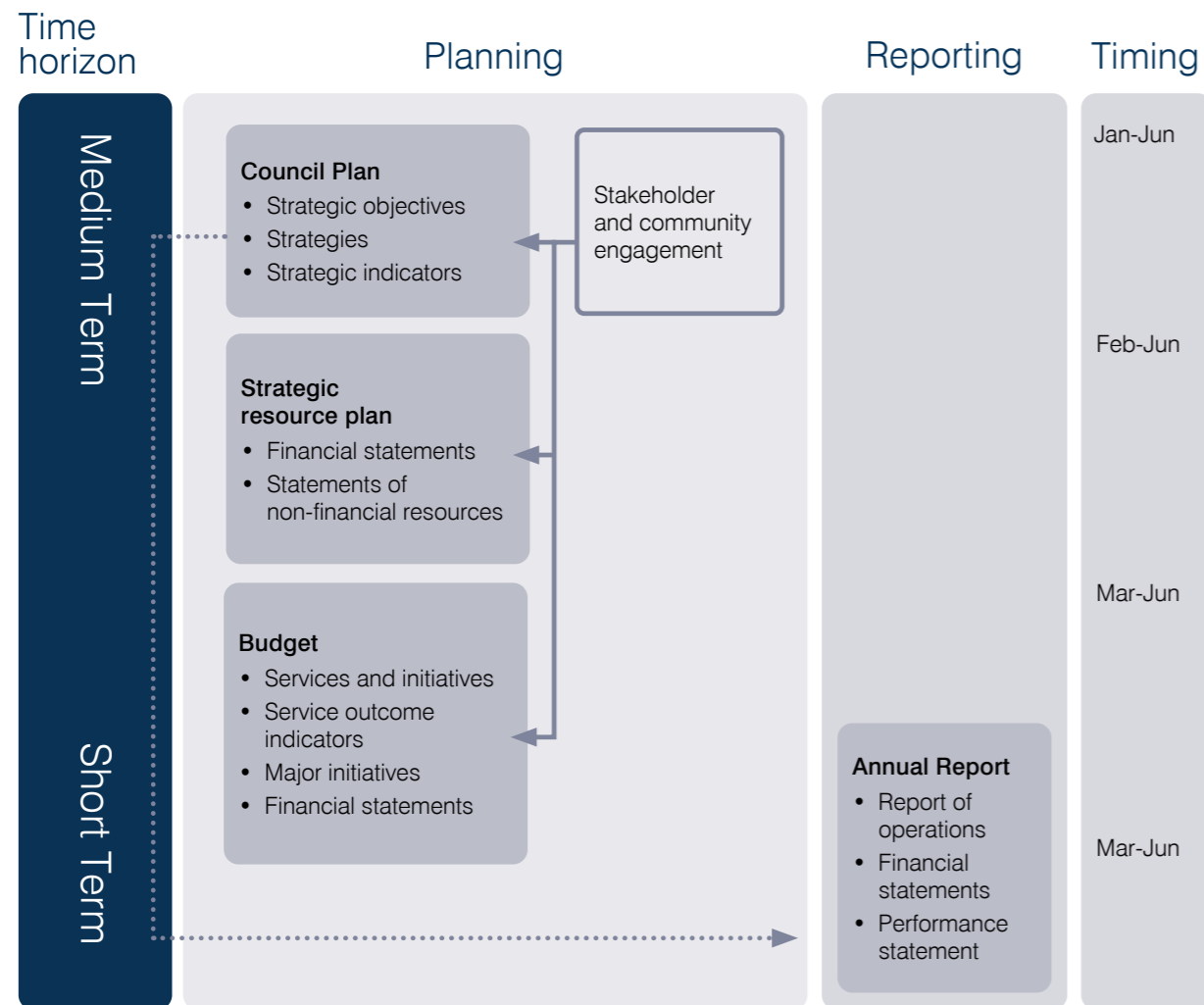
# Our Performance

## Planning and Accountability Framework

The Planning and Accountability Framework is found in part 6 of the Local Government Act 1989 (the Act). The Act requires councils to prepare the following planning and reporting documents:

- A Council Plan within the six months after each general election or by 30 June, whichever is later
- A strategic Resource Plan for a period of at least four years and include this in the Council Plan
- A budget for each financial year
- An annual report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



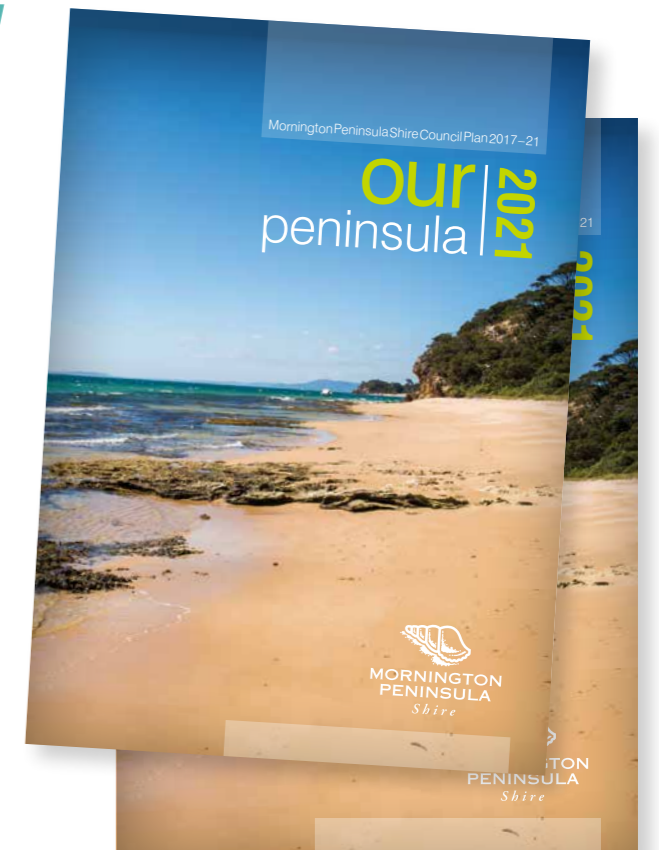
# Our Council Plan

The Council Plan 2017-21 includes strategic objectives, strategies for achieving these for the four-year period, strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan. Four strategic themes underpin the strategic framework for this Council Plan.



These themes are:

- Our **place**
- Our **connectivity**
- Our **prosperity**
- Our **wellbeing**



# Our place




The Mornington Peninsula is one of Melbourne's greatest assets, characterised by unique townships, highly valued green wedge land, areas of national and international conservation significance and featuring around 10% of Victoria's total coastline.

The Mornington Peninsula is critical to the future liveability, sustainability and prosperity of the wider metropolitan region. As an area near to, but with a role distinct from, the growing metropolitan area, there are ever increasing pressures and demands placed on the Mornington Peninsula.




Combined with the challenges of climate change, managing 'place' requires the careful balancing of the community's key values.





## Performance





Council's performance for the 2020/21 year has been reported against key items under each strategic theme as follows:





Major Initiatives to 2021	Progress in FY21	FY21 Status
Review and adopt the Green Wedge Management Plan	<p>The Green Wedge Management Plan was adopted 17 December 2018 and updated in response to further submissions in April 2019.</p> <p>In 2020, Council sought authorisation from the Minister for Planning to prepare Amendment C270 to the Mornington Peninsula Planning Scheme, which seeks to rezone existing Special Use Zone 2 land to Green Wedge Zone to better reflect the land's intended use and important role as Green Wedge. Council is awaiting authorisation from the Minister for Planning.</p> <p>In January 2021, Council made a submission on the State Government's 'Planning for Melbourne's Green Wedges and Agricultural Land Consultation Paper', in line with the adopted Green Wedge Management Plan.</p>	 Complete
Initiate residential character investigation studies to ensure the unique characteristics of the Mornington Peninsula are protected	<p>The Neighbourhood Character Study and Guidelines was adopted on 14 October 2019.</p> <p>Council sought authorisation from the Minister for Planning in July 2020 to prepare Amendment C219 to the Mornington Peninsula Planning Scheme to implement the recommendations of the Study. With authorisation received from the Minister for Planning in May 2021, exhibition of the amendment for community feedback will take place in 2021/22.</p>	 Complete
Deliver and adopt the Activity Centres Strategy and Industrial Land Supply Study Reviews	<p>Council adopted both the Activity Centres Strategy Review and the Industrial Land Supply Strategy on 30 April 2018.</p> <p>A planning scheme amendment to implement the land use planning recommendations of these reviews will commence in the 2021/22 year once the Planning Policy Framework translation is completed by the Victorian Government.</p>	 Complete





# Our place




Major Initiatives to 2021	Progress in FY21	FY21 Status
Develop a Community Infrastructure Framework	<p>The Shire launched the Strategic Planning for Community Buildings project in 2017/18 with the goal to maximise community benefit arising from Shire owned buildings while ensuring the responsible management of community assets to better address increasingly diverse and complex consumer needs. The project sought to:</p> <ul style="list-style-type: none"> <li>Understand the Shire's current building stock, how it is used, the services provided, frequency of use and future needs.</li> <li>Identify new ways to plan for community buildings to optimise the use of buildings, while looking for opportunities to consolidate services and activities where appropriate and consistent with the objectives in the 2017-2021 Council Plan.</li> <li>Take into consideration the future provision of services by Council (currently under review).</li> </ul> <p>Council committed \$75k to the Dromana Community Hub Business Case through the 2020/21 Budget with the outcomes of this feasibility assessment possibly leading to future design works or capital works programs. We engaged k20 Architecture to undertake a pre-feasibility study of the new Dromana Community Hub on four proposed sites and identified all community groups across the Township. This will help identify co-location opportunities for like-minded businesses to pursue and provide advice for networking opportunities. We also sought quotations from suitably qualified and experienced consultants to undertake the preparation of a business case for the Dromana Community Hub Development Project (Community Hub).</p>	 Ongoing
Develop a Community Safety Strategy to guide investment in CCTV and public lighting	<p>Council continues to meet with Victorian Police to discuss community safety priorities and sought funding opportunities over the year to upgrade both the Mornington and Hastings CCTV systems.</p>	 Complete
Develop a Foreshore Camping Strategy to guide future decision making	<p>Following on from significant stakeholder engagement during the 2019/20 year, the Shire commenced drafting of the Foreshore Camping Strategy. Key strategic considerations will be explored in 2021/22 before the draft strategy is presented to the community.</p>	 Ongoing
Implement the Changing Places Public Toilet Program	<p>The Changing Places Public Toilet Program continued throughout 2020/21.</p> <p>Changing Places Public Toilets are Designed for people with disabilities who have high support needs, including requiring the assistance of a hoist and/or height adjustable change table. Over the year, the Shire along with members of the Disability Advisory Committee and local groups advanced plans for proposed upgrades to the Point Leo Kiosk and toilet block and a new Changing Places facility.</p>	 Ongoing




Major Initiatives to 2021	Progress in FY21	FY21 Status
Implement the Accessible Beach Matting Program	The Shire trialled accessible beach matting in Sorrento and asked people with disabilities, residents, and visitors to front beach Sorrento if they'd like to see beach matting rolled out every summer and undertook a beach matting audit at Portsea, Mornington, Rosebud and Flinders beaches. We also explored beach matting and access options at Balnarring Beach.	 Ongoing
Prepare the Housing and Settlement Strategy and establish associated Planning Scheme amendments	The Housing and Settlement Refresh was adopted by Council in 2020. Council sought authorisation from the Minister for Planning in July 2020 to prepare Amendment C219 to the Mornington Peninsula Planning Scheme to implement the recommendations of the Strategy. With authorisation received from the Minister for Planning in May 2021, exhibition of the amendment for community feedback is planned to take place in 2021/22.	 Complete
Implement the Triple A Housing Committee strategic actions and outcomes	<p>The Mornington Peninsula Shire adopted the Regional Local Government Homelessness and Social Housing Charter on 28 July 2020.</p> <p>Over the year, we submitted to the Federal House of Representatives Standing Committee on Social Policy and Legal Affairs Inquiry into Homelessness in Australia, which supplemented an earlier individual submission by Council, and advocated to the Department of Health and Human Services for additional social housing projects on State-owned land. The Mayor also submitted feedback in response to the Consultation Regulatory Impact Statement into the National Construction Code to include minimum accessibility standards for housing on 8 September 2020.</p> <p>Additional actions implemented over the year include: committing to a 30 year lease in support of Fusion in Mount Martha as part of the proposed project for Young Mums Village and partnering with Peninsula Voice, Gambling Help Southern and Self Help Addiction Resource Centre to conduct a community forum: "Is Gambling Harm our Blind Spot?" at the Peninsula Community Theatre, Mornington on 20 May 2021.</p>	 Ongoing
Review the Municipal Public Health and Wellbeing Plan	Council endorsed the plan in April 2018.	 Complete

Major Initiatives to 2021	Progress in FY21	FY21 Status
Undertake the review of the Domestic Animal Management Plan	<p>The Domestic Animal Management Plan 2017-2021 was adopted by Council on 24 October 2017.</p> <p>Highlights from the 2020/21 action plan included: the continuation of a microchipping and de-sexing program for all pets adopted from the shelter and rehomed with rescue groups; an expanded beach patrol and dog control enforcement program (as a result of a Memorandum of Understanding entered into with the Department of Energy, Land, Water and Planning); and continuation of the cat trapping program to address issues caused by feral cats and cats wandering, in contravention of the cat curfew.</p> <p>We also consulted the community on the development of a Dogs in Public Places Policy and commenced development of our Domestic Animal Management Plan 2021-2025, with the draft Plan to be released for community consultation in 2021/22.</p>	 Complete
Develop a Biodiversity Conservation Plan	<p>The Biodiversity Conservation Plan was adopted by Council on 13 August 2019.</p> <p>Implementation of the plan commenced over 2020/21 with development of the Shire's Gardens for Wildlife program, which was rolled out and completed. We also awarded a number of Biolink support grants which will contribute to biodiversity outcomes through wildlife and vegetation corridors across the Peninsula, and translocated a portion of Dwarf Galaxias, a fish species listed as threatened under the Federal Environment and Biodiversity Conservation Act, from the Briars back to their original habitat which has been rehabilitated since the construction of Peninsula link.</p>	 Complete
Support and implement outcomes in Tootgarook Wetland Management Plan	Following the adoption of the plan by Council in May 2018 and adoption of a report defining the extent of the wetland in June 2019, planning scheme amendment C227 was prepared to implement in the land use planning recommendations of this plan and report. Community feedback on C227 was sought in June/July of 2021.	 Ongoing
Support for the Westernport Biosphere Committee and initiatives	Council continues to support the Western Port Biosphere Reserve Foundation and its initiatives with an annual financial contribution and through representation on the advisory board and working group. Advocacy during the last election period resulted in a promise of federal funding to support the Mornington Peninsula and Western Port Biosphere Reserve. A funding agreement with the Australian Government was signed for \$300k over four years, with payments to be staggered and based on progress. To date, we have received \$150k of funding.	 Ongoing

Major Initiatives to 2021	Progress in FY21	FY21 Status
Implement the Municipal Fire Management Plan, including supporting Bushland Reserves, Roadsides and Freeway Reserve fire management plans	<p>Work on the Shire's bushland fire management works program in bushland reserves and road reserves continued throughout the year with works completed to fire access tracks located at Citation Reserve Mount Martha and Dromana Cemetery.</p> <p>The multiagency Municipal Fire Management Planning Committee met on the 17 August 2020. Key items discussed included:</p> <ul style="list-style-type: none"> <li>Committee endorsement of the draft Mornington Peninsula Roadsides Fire Management Plan, a risk-based plan that addresses roadside fire risk, strategic roadside fire management objectives, and appropriate treatments to mitigate roadside fire risk. The plan will be open for Council and community consultation prior to seeking endorsement in 2021.</li> <li>Drafting of the new Terms of Reference for the Committee in line with emergency management planning reforms.</li> <li>Strategic approach to ongoing review and validation of the Victorian Fire Risk Register.</li> </ul>	 <p>Ongoing</p>
Continue our Fire Education Community Awareness Program	Council continued engaging our community on fire education via mail-outs and works delivery engagement programs to promote shared responsibility for fuel management and to inform our community on the Shire's roadside and bushland reserve fuel management program.	 <p>Ongoing</p>
Commit to develop a street tree renewal plan	<p>The Shire continues to maintain all street trees and roadside vegetation in accordance with regulations and local character of towns and to meet community needs.</p> <p>As part of our Biodiversity Conservation Plan and Action Plan delivery, the Shire commenced development of an Urban Forest Strategy. The urban forest strategy incorporates measures to maintain or improve tree canopy cover, particularly in areas affected by die-back; increase the cover of indigenous vegetation; and, increase species and structural diversity in plantings, to improve urban biodiversity.</p>	 <p>Ongoing</p>
Review township amenity service standards including weed management	<p>As a result of COVID-19, additional resources were invested in our Clean Team to practice universal precautions and ensure our amenities and touch points in public places were disinfected.</p> <p>The Shire also supported the State Government initiatives for the CityWide Sanitising Team, which aims to create employment opportunities for COVID-displaced workers for community cleansing programs.</p>	 <p>Ongoing</p>

Major Initiatives to 2021	Progress in FY21	FY21 Status
Conduct the Coastal Villages Study	<p>The Western Port Coastal Villages and Surrounding Settlements Strategy was adopted at the 14 October 2019. The Strategy aims to address potential climate change impacts on the Western Port Bay coastline – specifically inundation and erosion – whilst protecting and enhancing township character in response to pressures for change.</p> <p>Council sought authorisation from the Minister for Planning in September 2020 to prepare Amendment C271 to the Mornington Peninsula Planning Scheme to implement the recommendations of the Strategy. Once approved by the Minister for Planning, the amendment will become part of the Shire's planning scheme which sets out the planning policy and controls against which planning permit applications are assessed. This will ensure that future development respects township character and is responsive to predicted climate change impacts on the coast.</p>	 <p>Complete</p>
Advocacy for Dromana pier upgrade	Over the summer months (November 2020 to January 2021) Parks Victoria sought community feedback on three pier designs. The report was released in May 2021 and a copy can be found here at <a href="https://engage.vic.gov.au/community-vision-dromana-pier">https://engage.vic.gov.au/community-vision-dromana-pier</a> . The report will help to inform Parks Victoria on how and when they will replace their pier.	 <p>Ongoing</p>
Advocacy for boat ramps, jetties and pier improvements across the Mornington Peninsula	<p>Council are continuing to advocate and meet with Better Boating Victoria on opportunities around the Mornington Peninsula. Council has put forward a proposal to upgrade Schnapper Point and Fishermans Beach (Mornington) boat ramps, which includes pricing estimates for detailed design.</p> <p>Stage 1 of the works at Hastings Boat ramp are complete (rebuild and extension of boat ramp) and officially opened on the 20 November 2020. Stage 2 (dredging) and Stage 3 (second pontoon) are in their final phase of planning and will be completed in 2021/22.</p>	 <p>Ongoing</p>
Undertake Stage 4 of the Shire's Heritage Review	The Mornington Peninsula Shire Heritage Review – stage 4 commenced. The review covers the Cerberus, Red Hill and Watson wards with the Review to identify individual places and precincts within these Wards that should have heritage protection. Implementation of Council's adopted Heritage Review Area 3 continued with Amendment C262, which was submitted to the Victorian Government Minister of Planning for approval. The amendment seeks to implement the recommendations of Council's Heritage Review Area 3 by introducing heritage controls to individual places and precincts in Blairgowrie, Portsea and Sorrento.	 <p>Ongoing</p>

Major Initiatives to 2021	Progress in FY21	FY21 Status
Implement the Carbon Neutral Policy	<p>The Shire is in the final stages of our Carbon Neutral Certification process. Before the end of the 2020/21, a third-party audit of our carbon inventory commenced, and we submitted our final submission to Climate Active. Initiatives implemented to achieve carbon neutrality included:</p> <ul style="list-style-type: none"> <li>Street lighting upgrades to energy efficient light-emitting diode (LED) technology (over 2,000 fittings upgraded).</li> <li>Installation of solar photovoltaic (PV) panels on Council buildings (we now have more than 2,440 solar panels installed on Shire buildings, approximately 810 kilowatts).</li> <li>Lighting and appliance upgrades in Shire facilities.</li> </ul>	 <p>Ongoing</p>
Develop the Clean and Green Community Climate Change Plan	<p>Our Climate Emergency Plan: Ensuring Our Future, Our Climate Emergency Response, was adopted on 25 August 2020.</p> <p>Actions from the plan implemented over the year include partnering with The Australian Energy Foundation to offer a Solar and Energy Bulk Buy for the community. The program offers residents access to free energy advice via the Energy Advice Service and webinars, obligation free quotes from vetted suppliers, products at reduced rates and assistance in navigating State government rebates. The program was launched on-line on 24 June 2021 and includes solar, hot water heat pumps, reverse cycle air conditioners. Batteries will be added to the program in the new financial year.</p> <p>We also partnered with the Victorian Government's Department of Environment, Land, Water and Planning to home energy assessments and upgrades to residents on the Peninsula as part of the Energy Savvy Upgrades program. Residents can receive up to \$1,240 to upgrade their insulation, draught proofing, window shading, heating and cooling, lighting, ceiling/pedestal fans or hot water.</p> <p>We also made available Climate Action Grants of up to \$10,000 for community projects that will help us reach the targets outlined in our Climate Emergency Plan.</p>	 <p>Complete</p>
Continue to review and implement the Climate Change Risk Management Action Plan	<p>The Shire regularly reviews the Climate Change Risk Management Action Plan to ensure the plan is aligned with budget requests, new budget commitments and to ensure we mitigate risks and adapt to the impacts of climate change on the Peninsula.</p>	 <p>Ongoing</p>

Major Initiatives to 2021	Progress in FY21	FY21 Status
Continue to implement the Municipal Waste and Resource Recovery Strategy	<p>The Shires Beyond Zero Waste Strategy and Single-Use Plastics policy were both adopted by Council in 2020.</p> <p>We continued to partner with the Metropolitan Waste and Resource Recovery Group (MWRRG) to minimise waste and maximise resource recovery, and to explore alternative waste technologies. Tendering for the Alternative Waste Solutions project continued with preferred tenderers identified.</p> <p>The Shire also entered into an agreement with the MWRRG to ensure future sustainable management of our recyclable waste. The agreement includes participation from all South East Metro Councils.</p> <p>And the preparation for the Food Organics Waste Organics (FOGO) program was completed in time for a July 2021 roll out.</p>	 <p>Ongoing</p>
Review the Smart Water Plan	<p>The draft Integrated Water Management (IWM) Plan was completed and circulated for internal and external stakeholder review before it goes on public exhibition in the new year. Our next step is to incorporate the IWM targets into the 2021-25 Council Plan which is being developed and will be completed by 31 October 2021.</p>	 <p>Ongoing</p>
Continue to implement the Local Integrated Drainage Strategy	<p>The Local Integrated Drainage Strategy, developed in 2009, was reviewed (to be merged with the Integrated Water Management Strategy before the end of 2020) and a draft Integrated Flood Mitigation Strategy developed to help prioritise critical flood risk areas along with improvements in environmental, public health, coastal and other issues related to stormwater drainage. Detailed flood mapping of the peninsula continues in collaboration with Melbourne Water and aims to inform the implementation of land subject to inundation overlays. Works over the year included:</p> <ul style="list-style-type: none"> <li>installing new surface and drainage upgrades at Waterfall Gully Rd</li> <li>improving drainage as part of the Bentons Road Reconstruction and minimising the impact to existing vegetation.</li> <li>Completing drainage works below the car parking bays on the West side of Carmichael Street and South side of Wilkinson Street.</li> <li>Drainage upgrades at the Graydens Road and Loders Road Intersection</li> </ul>	 <p>Ongoing</p>

## Services Funded in FY20/21 Budget

Service area	Description of services provided	Net Actuals Net Budget Variance \$'000	
Animal Shelter	To comply with the Domestic Animals Act 1994 and operate in accordance with our Domestic Animal Management (DAM) Plan by caring for lost pets and endeavouring to re-home all suitable, unclaimed animals. Collaboration with the community to achieve a balance between responsible animal management and welfare and good governance.	Actuals	(1,010)
		Budget	(1,027)
		Variance	17
Asset Management	Collect and use information on Council's infrastructure assets (including roads, bridges, pathways, drainage systems, parks and reserves, recreation spaces and buildings) to optimise the life of the assets within a sound governance framework and in a cost-effective manner.	Actuals	(2,811)
		Budget	(1,531)
		Variance	(1,280)
Asset Protection	To ensure private development and works within road reserves are constructed safely, in accordance with relevant Acts, Regulations and Standards and to preserve the amenity of our natural and built environment.	Actuals	(87)
		Budget	(246)
		Variance	159
Briars Conservation Park	To protect and enhance environmental and heritage values of the park; while successfully marketing The Briars as a destination that provides significant visitor experiences and a range of event spaces in line with the agreed business plan.	Actuals	(1,319)
		Budget	(1,412)
		Variance	93
Building Maintenance Services	To maintain municipal buildings in line with Council's Long-Term Financial Plan/operational budget and to acceptable standards, so that they remain fit for purpose and are compliant with regulations.	Actuals	(7,560)
		Budget	(7,207)
		Variance	(353)
Bushland and Foreshores Reserve Management	Manage fire risk and provide leadership on fire risk reduction. Protect and enhance biodiversity values through weed control and being a key part of the Western Port Ramsar Site and UNESCO Western Port Biosphere Reserve. Community interest and involvement in both biodiversity protection (particularly weed removal) and in fire management is very strong and supporting community action is a key purpose of the service	Actuals	(4,279)
		Budget	(4,653)
		Variance	374
Capital Works Planning and Delivery	Provide Council with planning services to review, prepare and monitor the collation and completion of the Shire's Annual and Long-Term Capital Works Program whilst overseeing and delivering on a diverse range of infrastructure projects and Capital Works programs.	Actuals	(1,801)
		Budget	(1,469)
		Variance	(331)
Climate Change Mitigation and Adaptation	Ensure that State and Federal regulations and policy requirements are adhered to whilst supporting the community to better prepare for the impact of climate change; economic growth through sustainable practices; long term water and energy availability within the Peninsula and reducing ongoing and future costs to Council through mitigation and adaptation.	Actuals	(1,358)
		Budget	(1,840)
		Variance	482
Development Engineering	To ensure privately owned developments are undertaken in accordance with best practices and which preserve the highly valued amenity of our natural and built environment.	Actuals	(700)
		Budget	(703)
		Variance	3

Service area	Description of services provided	Net Actuals Net Budget Variance \$'000	
Domestic Animal Management	To perform the duties of delegated authority in compliance with the Domestic Animals Act 1994, Impounding of Livestock Act 1994, Livestock Management Act 2010 and to operate in accordance with the Domestic Animal Management (DAM) Plan. Provide a safe and protected community and environment from dogs, cats and livestock, and restrict the number of animals allowed per property to protect amenity and animal welfare.	Actuals	1,508
		Budget	1,148
		Variance	360
Environmental Health	As required under the Public Health and Wellbeing Act 2008, the service protects, improves and promotes public health and wellbeing within the Shire by creating an environment which supports the health of members of the local community and strengthens their capacity to achieve better health.	Actuals	(608)
		Budget	(940)
		Variance	332
Facilities Booking and Planning	To provide access for the community to sport and recreation facilities that are fit for purpose, risk free, compliant and meet the expectations, including ensuring access for all genders and abilities.	Actuals	(2,846)
		Budget	(2,094)
		Variance	(752)
Fire Prevention	Comply with the Country Fire Authority Act 1958 to protect life, property and the environment, and operate in accordance with the Municipal Fire Management Plan (MFMP).	Actuals	(665)
		Budget	(494)
		Variance	(171)
Housing Justice Advocacy Social Planning	To facilitate evidence-based planning by the private and public sectors and to provide better coordination and value-added delivery of housing and housing assistance by others in the public and private sectors.	Actuals	(247)
		Budget	(237)
		Variance	(9)
Infrastructure Planning	To ensure Council facilities and infrastructure meet current and future needs of the Community and any activities and services that they support.	Actuals	(917)
		Budget	(973)
		Variance	56
Local Law enforcement	To comply with State legislation and Local Laws to protect the community and local environment and preserve the amenity of our municipality.	Actuals	(1,956)
		Budget	(2,603)
		Variance	647
Planning Compliance	To ensure that planning controls are adhered to and to ensure protection of the amenity and environmental values of the Mornington Peninsula.	Actuals	(2,071)
		Budget	(1,987)
		Variance	(84)
Planning Scheme & Applications	Manage development on the Peninsula by providing appropriate and responsible policy and decision-making provisions that maintain the valued characteristics of the Peninsula, growth, support business and encourage economic development whilst protecting the environment. To ensure that the long-term values of the Mornington Peninsula's natural and built environments, for both the local and wider community, are protected and enhanced through effective strategic (land use and development) planning and the management of the pressures for change.	Actuals	(4,034)
		Budget	(4,976)
		Variance	942

Service area	Description of services provided	Net Actuals	Net Budget	Variance
		(\$'000)		
Property Operations	To ensure that we achieve best value for land and property transactions and comply with all relevant Acts and Regulations.	Actuals	5,280	
		Budget	4,206	
		Variance	1,073	
Public Lighting	Illumination of roads, pathways and public spaces for amenity and safety.	Actuals	(1,790)	
		Budget	(1,909)	
		Variance	120	
Roadside Vegetation & Arboriculture	Maintain vegetation in roadside reserves across the Shire with a primary focus on weed control, biodiversity conservation and reducing fire risk. And the Provision of tree maintenance services within the Shire's public open spaces and road sides, whilst recognising and retaining the Peninsula's valuable and unique "green" landscape.	Actuals	(5,762)	
		Budget	(5,887)	
		Variance	125	
Statutory Building	To ensure the safety and satisfaction of the Shire in relation to their use of buildings, investigate illegal building activity as well as performing the role of repository for building activities within the Shire and making this information available as requested.	Actuals	(1,540)	
		Budget	(1,333)	
		Variance	(207)	
Stormwater Management	To maintain Council's stormwater infrastructure in line with the long-term asset management strategy. Implement the framework to build on the understanding of the Shire's drainage systems and existing extent of flooding, consider the impacts of climate change on the built environment, develop the actions required to plan for future sustainable living and develop Flood Management Plans. Provide information to Building Practitioners in relation to building work that includes stormwater drainage.	Actuals	(2,315)	
		Budget	(2,378)	
		Variance	63	
Strategic Planning Projects	To ensure that the long-term values of the Mornington Peninsula's natural and built environments, for both the local and wider community, are protected and enhanced through effective strategic (land use and development) planning and the management of the pressures for change.	Actuals	(2,123)	
		Budget	(1,582)	
		Variance	(541)	
Street Furniture and Signage Maintenance	Ensure that all operational and maintenance activities that preserve and extend the life of traffic facilities, including guideposts, signage, guard rail and traffic signals and road/park/foreshore furniture meet current standards and ensure the safety of users.	Actuals	(3,346)	
		Budget	(3,572)	
		Variance	226	
Township Beautification and Cleaning	To ensure townships are maintained free from graffiti, litter (clearing of street bins), drainage cleaning, street sweeping and beach cleaning.	Actuals	(7,895)	
		Budget	(8,416)	
		Variance	521	
Urban Design and Coastal Planning	To provide strategic guidance and direction towards the natural and built environment outcomes on the Mornington Peninsula, and to ensure that Council is working in line with relevant acts and regulations.	Actuals	(506)	
		Budget	(1,194)	
		Variance	687	
Waste Services	Cost effective, efficient and sustainable waste management practices, infrastructure and services that protect the environment for present and future generations.	Actuals	(21,489)	
		Budget	(21,404)	
		Variance	(85)	

## Service Performance Indicators

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments
Animal Management					
AM1 Timeliness	2.58	2.75	3.80	2.34	The decrease in time taken to action animal management requests can be attributed to improved system controls that were implemented; these controls significantly improved the accuracy of the recording of response times by Animal Management Officers.
Time taken to action animal management requests					
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]					
AM2 Animals reclaimed	61.81%	74.28%	73.56%	68.17%	The decrease is due to the reduced number of animals collected and is attributed to the effect of COVID-19 restrictions, which led to more pet owners being home to ensure their pets were contained. The Shire's cat trapping program was also suspended for extended periods due to COVID-19 restrictions.
[Number of animals reclaimed / Number of animals collected] x100					
AM5 Animals rehomed	New in 2020	New in 2020	19.75%	11.09%	As per AM2 measure, the decrease is due to the reduced number of animals collected and is attributed to the COVID-19 restrictions, which led to more pet owners being home to ensure their pets were contained.  Note: New measure for 2019-20 financial year.
[Number of animals rehomed / Number of animals collected] x100					

Service/indicator/ measure	2018	2019	2020	2021	Material variations & comments
AM6 Service cost Cost of animal management service per population  [Direct cost of the animal management service / Population]	New in 2020	New in 2020	\$16.93	\$16.89	No material variation.  Note: This measure is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals.
AM7 Health and safety [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	98.98%	100.00%	Council is committed to protecting the safety of the community, and the health and safety of animals on the Peninsula by instituting prosecution where appropriate and necessary.  Note: This measure is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion.
Statutory Planning					
SP1 Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	92.00	90.00	95.00	84.00	A reduction in the complexity of our applications has resulted in a decrease to the median number of days between receipt and a decision on an application.

Service/indicator/ measure	2018	2019	2020	2021	Material variations & comments
SP2 Service standard Planning applications decided within required time frames  [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	67.41%	63.62%	70.80%	63.47%	The decrease in planning application applications decided is mainly attributed to a number of internal staff movements and the absence of immediate replacements to fulfill workload requirements. This has caused a resource shortage across the department at several time points during the year. Other contributing factors include an increase in staff taking leave in the second half of the year, maternity leave and a redundancy due to our organisational restructure.
SP3 Service cost Cost of statutory planning service  [Direct cost of the statutory planning service / Number of planning applications received]	\$2,624.34	\$3,536.39	\$2,495.26	\$2,278.65	The decrease in the cost of service is attributed to a decrease of agency labour, an increase of VCAT advocacy undertaken in-house and a reduced reliance on external consultants.


Service/indicator/ measure	2018	2019	2020	2021	Material variations & comments
SP4 Decision making Council planning decisions upheld at VCAT  [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	64.94%	32.35%	39.13%	51.28%	The increase in the number of decisions upheld by VCAT during 2020/21 is due in part to a relaxation of the Shire's implementation of the Housing and Settlement Strategy. Statutory Planners have been basing decisions on existing policies and controls in the Planning Scheme as opposed to adding too much weight to strategic policy that is yet to be formally adopted as part of the planning scheme.
<b>Waste Collection</b>					
WC1 Satisfaction Kerbside bin collection requests  [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	111.79	114.65	121.54	129.94	The increase in requests is primarily for additional capacity bins and missed bins associated with the continued impact of the COVID – 19 pandemic (lock downs, people continuing to work from home, increased permanent use of holiday homes) and restrictions on access to the Shire's resource recovery centres.
WC2 Service standard Kerbside collection bins missed  Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.63	3.54	3.86	4.61	The slight increase is attributed to the COVID-19 pandemic. With the Shire changing or staggering start collection times to ensure the safety of staff and more people (working) at home and with increased permanent use of holiday homes, there were more bins put out for collection, which meant that residents may have inadvertently missed their bin collection or reported bins missed early due to the modified collection schedule.

Service/indicator/ measure	2018	2019	2020	2021	Material variations & comments
WC3 Service cost  Cost of kerbside garbage bin collection service  [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$62.16	\$64.97	\$64.78	\$65.63	No material variation.
WC4 Cost of kerbside recyclables collection service  [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$26.69	\$28.16	\$36.51	\$37.69	There was an increase in cost this year that is associated with the annual contract adjustment to the bin lift rate and growth in scheduled bin lifts, however the main increase from 2019 is due to collection cost increases associated with the closure of SKM Recycling in July 2019 and the requirement to direct haul to Polytrade, an alternative recycling processor.
WC5 Waste diversion  Kerbside collection waste diverted from landfill  Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	52.53%	53.62%	55.31%	54.73%	Whilst slightly down from last year, the increase from 2018 and 2019 is primarily due to an increase in household waste and an increase in the volume of green waste and recycling received due to the COVID-19 pandemic: more people at home for longer periods and increased permanent use of holiday homes.



# Our connectivity

The Mornington Peninsula Shire is approximately 720 square kilometres in size. Given this factor, many residents choose – or must use – a car as their first choice of travel, and to access major employment, education, health and social support services.


Our road network is critical to the safe and effective travel of our community, whilst improving 'connectivity' and promoting increased public transport and other sustainable active transport options within, across and out of the Shire, also significantly improves the liveability of our Shire.

Major Initiatives to 2021	Progress in FY21	FY21 Status
Advocate for significant improvements across our roads network consistent with the Shire's VicRoads advocacy priority list	<p>The Shire was successful in advocating for investment in several projects on the Peninsula through the 2019 federal election. A 2020/21 update of those projects include:</p> <p>An overpass at the Mornington Peninsula Freeway/Jetty Road intersection: Major Road Projects Victoria is currently undertaking a business case for this project, which includes developing options and understanding the impact on the surrounding road network and environment.</p> <p>Upgrading the intersections of Forest Drive and Uralla Road with Nepean Highway in Mount Martha: The Victorian Department of Transport is in the process of developing conceptual designs for these intersections. Community consultation is expected to occur later in 2021.</p> <p>Pedestrian safety upgrades along Frankston-Flinders Road in Balnarring: The Victorian Department of Transport has developed conceptual designs and has consulted with the community. Works are expected to be completed by December 2021.</p> <p>And road safety barriers have been delivered by the Department of Transport on Moorooduc Highway. This was an important safety upgrade for this key route as Moorooduc Highway has historically had high rates of serious road trauma.</p>	 <p>Ongoing</p>



# Our connectivity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Implement the Sustainable Transport Strategy, including the development of a transport advocacy plan	<p>With the success of Council's advocacy for Better Buses on the Peninsula, the Victorian Government announced a funding boost for public transport on the Peninsula. We advocated strongly for more frequent buses, more direct bus routes and an expansion of the network. Some of those improvements include specific changes to:</p> <ul style="list-style-type: none"> <li>Route 887 between Rosebud and Frankston, which will be realigned via the Mornington Peninsula Freeway.</li> <li>Route 788 from Frankston to Portsea, which will receive an increase from a 40-50 minute frequency to 30 minute frequency on weekdays.</li> <li>An increase to a 40-minute frequency on weekends.</li> <li>Route 781 Frankston to Mt Martha, which will be extended to Dromana.</li> </ul> <p>Council will continue to advocate for sustainable transport improvements across the Peninsula on behalf of our community, especially for better cross-Peninsula transport connections.</p>	 <p>Ongoing</p>
Advocate for increased investment in the arterial network throughout the Mornington Peninsula Shire	<p>The Shire was successful in advocating for investment in several projects on arterial roads through the 2019 federal election. These include:</p> <ul style="list-style-type: none"> <li>An overpass at the Mornington Peninsula Freeway/Jetty Road intersection: Major Road Projects Victoria is currently undertaking a business case for this project, which includes developing options and understanding the impact on the surrounding road network and environment.</li> <li>Upgrading the intersections of Forest Drive and Uralla Road with Nepean Highway in Mount Martha: The Victorian Department of Transport is in the process of developing conceptual designs for these intersections. Community consultation is expected to occur later in 2021.</li> <li>Pedestrian safety upgrades along Frankston-Flinders Road in Balnarring: The Victorian Department of Transport has developed conceptual designs and has consulted with the community. Works are expected to be completed by December 2021.</li> <li>Road safety barriers have been delivered by the Department of Transport on Moorooduc Highway. This was an important safety upgrade for this key route as Moorooduc Highway has historically had high rates of serious road trauma.</li> </ul>	 <p>Ongoing</p>




# Our connectivity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Apply for Federal Black Spot Program funding	<p>Of the submissions for the 2020/21 Black Spot Program presented to the Department of Transport (DoT) in October 2019, Council were successful with two submissions:</p> <ul style="list-style-type: none"> <li>Rye/Tootgarook residential area Local Area Traffic Management – \$1.9 million.</li> <li>Craigie/Osborne roundabout – \$700k</li> </ul> <p>We also received over 15% of Victoria's allocation of Black Spot funding for the 2020/21 financial year. The funded projects are:</p> <ul style="list-style-type: none"> <li>Dromana Township 40 km/h area – \$286,000. Implementation of best-practice area-wide speed limit reduction, including static and electronic signage (at schools if applicable) and threshold treatments including road marking.</li> <li>Codrington/Ligar St Intersection Upgrade, Dromana – \$124,000. Safety treatment at the intersection of Codrington and Ligar streets, Dromana. Works include a compact roundabout with raised platforms on all approaches and associated works.</li> <li>Mount Eliza Pedestrian Safety Improvements – \$1.02 million. Improvements to pedestrian infrastructure in the Mount Eliza Activity Centre. Works include raising and narrowing existing pedestrian crossings, warning lights, 40km/h area and other associated works.</li> <li>Hastings Township 40 km/h area – \$263,000. Implementation of best-practice area-wide speed limit reduction, including static and electronic signage (at schools if applicable) and threshold treatments including road marking.</li> <li>Myers/Hendersons Road Intersection, Bittern – \$735,000. Safety treatment at the intersection of Myers and Hendersons roads in Bittern. Works include a compact roundabout with raised platforms on all approaches and associated works.</li> <li>Hodgins/Stumpy Gully Rd Intersection Upgrade, Tuerong – \$1.57 million. Safety treatment at the intersection of Hodgins and Stumpy Gully roads, Tuerong. Works include a compact roundabout with raised platforms on all approaches and associated works.</li> <li>Shoreham Road Safety Upgrade – \$1.98 million.</li> </ul>	 <p>Ongoing</p>

# Our connectivity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Deliver the annual Roads to Recovery program of works	<p>The Roads to Recovery State and Federal funding program supports the maintenance of local road infrastructure, which facilitates greater access for residents and improves safety and economic and social outcomes. Work commenced on:</p> <ul style="list-style-type: none"> <li>Benton's Road – reconstruction Stage 3 in Moorooduc (between Moorooduc Highway and Derril Road – with the project expected to be delivered by the end of 2021. One of the key aims of the project is to reduce the speed limit on Bentons Road, especially between Moorooduc Highway and Derril Road, from 80 km/h to 70 km/h. A formal application was launched with the Department of Transport (DoT) to reduce existing speed limit for the whole length of Bentons Road between The Esplanade and Derril Road. Subject to DoT approval. the existing 60, 70 and 80km/h Speed limit on Bentons Road will be reduced to 50 km/h and 80 km/h as part of this project.</li> <li>Detailed civil design for a compact roundabout at the intersection of Merricks and Stanleys roads, Merricks, and Stanleys Road Roundabout. Construction is expected to commence by the middle of the 2021/22 Financial Year with the project expected to be completed by the end of 2021/22.</li> <li>Road upgrade project for Wilkinson Street and Carmichael Street in Tootgarook.</li> </ul>	 <p>Ongoing</p>
Deliver the Safer Local Roads contracts to maintain and improve the local roads condition	<p>The Safer Local Roads program continues to deliver road management in accordance with the Shire's adopted Road Management Plan.</p> <p>All services were delivered in line with the agreed services standards with the three yearly pavement condition index demonstrating an overall improvement in the road network, which is over and above the standard of maintenance.</p>	 <p>Ongoing</p>



# Our connectivity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Continue to pursue implementation of the 'Towards Zero Municipality Initiative'	<p>Road safety continues to be a key focus of the Shire with all possible avenues to reduce road trauma being continuously pursued such as road safety programs, federal Black Spot program, Road Improvement Strategy, Shire's capital works budget, advocacy, funding, grants and innovation.</p> <p>We partnered with the Transport Accident Commission to run a grass roots community campaign called 'Drive Safely Because.' The road safety campaign reminds residents and visitors to drive safely because they are not just passing houses and businesses, they are passing people's lives. The campaign involved on-street signs and activations with more than 200 businesses and community organisations, including local farmers' markets, festivals, sports clubs, and schools participating. The unique blue and white signage in priority areas highlighted reasons to drive safely, with messages like: 'because our kids go to school here.'</p> <p>Results from The Department of Transport's survey on our Safer Speed trial also were released, with almost four out of five people surveyed either supporting the trial or neutral about it. The trial which commenced in late 2019, included 33 Shire-managed, high risk sealed rural roads which had their speed limits set at 80km/h, was established to analyse detailed information about crash statistics, vehicle speeds, travel times and the community's views. Data collection will be ongoing until the end of the trial, analysed and then reported back by the Victorian Department of Transport in early 2022.</p>	 <p>Ongoing</p>
Revise and implement the Road Management Plan in accordance with legislative requirements	<p>The Road Management Plan was reviewed and amended in 2017/18 to align with the 2017-21 Council Plan.</p> <p>The Road Management Plan was reviewed with the changes to the plan to be amended once the new 2021-25 Council Plan is adopted in the 2021-22 year.</p>	 <p>Completed</p>
Complete and implement the Road Improvement Strategy	<p>The Road Improvement Strategy is primarily used to inform projects for delivery through the Federal Roads to Recovery Program.</p> <p>Work commenced on developing plans and improvement options for the current priority projects which include Merricks/Stanley's Rd intersection to be implemented through the Roads to Recovery program. Road safety treatments in the Rye/Tootgarook area to be implemented through the Black Spot program and the Shire's Local Area Traffic Management program. Craigie Road/Osborne Drive intersection concept will also be delivered through funding from the 2021/22 Federal Blackspot Program.</p>	 <p>Ongoing</p>

# Our connectivity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Continue to construct Local Area Traffic Management treatments	<p>Throughout the year, Council identified priorities for local area traffic management works based on feedback and requests from our community, traffic count data and proximity to community facilities.</p> <p>We also appointed consultants for an 8-week engagement to investigate and develop Local Area Traffic Management treatments and a number of concept designs for the Rye – Tootgarook area between Truemans Road and Dundas Street due to a numerous fatal and serious injury crashes recorded in this area. We also submitted to the Black Spot Program to fund works in this area which was successful.</p>	 <p>Ongoing</p>
Revise and implement the Footpath Construction Strategy	<p>Council adopted the Pedestrian Access Strategy in March 2019. The Strategy is intended to create safe, accessible, and connected pedestrian networks that facilitate pedestrian movement to key destinations and aims to enhance the pedestrian experience and guide Council in its implementation of pedestrian infrastructure across the Mornington Peninsula. Several actions were completed throughout the year, including:</p> <ul style="list-style-type: none"> <li>• Construction of the Harrap Road footpath.</li> <li>• Plans completed and approval obtained for the installation of footpath along Frankston-Flinders Road / Park Lane Somerville. A civil contractor was engaged with works to be begin construction in 2021/22.</li> <li>• Upgrading the road and footpath in Wilkinson Street/Carmichael Street, Tootgarook. The footpath upgrade was completed using Plastiphalt – an asphalt product using recycled waste plastic that adds performance benefits to the road, meaning longer life and lower maintenance.</li> <li>• Completion of a new footpath on the western side of Carmichael Street, between Wilkinson Street and the school crossing near Darvall Street. The footpath upgrade was completed using Replas' Polyrok, which was trialled for the first time and contains up to 25kg of plastic in every cubic meter of concrete.</li> <li>• Completion of the Haig Street, Mornington footpath.</li> </ul>	 <p>Ongoing</p>
Plan and advocate for the construction of our key bay trail and inland trail missing links	<p>Over the year the Shire advocated to the Victorian and Australian Governments that the Peninsula Bay Trail project is a great candidate for COVID-related stimulus as it would provide infrastructure to support new tourism opportunities, active transport, as well as supporting local contractors during construction. The priority links are:</p> <ul style="list-style-type: none"> <li>• Baxter to Somerville Trail, connecting to the Peninsula Link Trail at Baxter</li> <li>• Mornington to Moorooduc Trail, connecting to the Peninsula Link Trail at Moorooduc</li> <li>• Southern Peninsula Bay Trail missing links.</li> </ul>	 <p>Ongoing</p>

# Our connectivity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Provide accessible coastal paths and bay trails to promote inclusive activities for people of all abilities and ages	<p>The Shire advocated to the Victorian and Australian Governments that the Peninsula Bay Trail project is a great candidate for COVID-related stimulus as it would provide infrastructure to support new tourism opportunities, active transport, as well as supporting local contractors during construction. We allocated \$490k to progress the Bay Trail construction, readying the necessary concept designs, approvals and advocacy of the priority links.</p> <p>We also completed the last of four lookout upgrades at Red Bluff, Mornington.</p>	 <p>Ongoing</p>
Continue to support the work of Peninsula Transport Assist	<p>The Shire continues to support Peninsula Transport Assist (PTA) in providing a door-to-door not for profit transport service to our residents.</p> <p>Over the year, a support payment of \$25,000, including an allowance for a hardship fund was made. In addition, the Shire purchased and donated two buses to PTA at a value of approximately \$75,000.</p>	 <p>Ongoing</p>

## Services Funded in FY20/21 Budget

Service area	Description of services provided	Net Actuals	Net Budget	Variance
		Net Budget Variance \$'000		
Parking Enforcement	Regulate the parking and use of vehicles in the municipality in compliance with the Road Safety Act 1986, Road Safety Road Rules 2009 and Infringements Act 2006.	Actuals	450	
		Budget	417	
		Variance	33	
Road and Pathway Maintenance	Maintain the sealed and gravel road network across the Shire, ensuring a safe environment for road users whilst complying with Council's Road Management Plan.	Actuals	(13,599)	
		Budget	(11,133)	
		Variance	(2,466)	
School Crossings	To ensure the safe crossing of children at identified high-risk locations through the management of traffic at these sites.	Actuals	(1,387)	
		Budget	(1,561)	
		Variance	174	
Transport and Traffic Management	To effectively manage Traffic and Transport within the Shire through strategies, plans and programs to improve road safety, road infrastructure and transport services. Includes the delivery of statutory requirements relating to traffic and transport for Council.	Actuals	(1,232)	
		Budget	(1,449)	
		Variance	217	

# Our connectivity

## Service Performance Indicators

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments	
Roads						
R1	Satisfaction of use	82.21	64.10	82.23	78.51	The decrease in requests is directly linked to rainfall. Although we had a significant increase in the number of requests in June due to high rainfall infiltrating the road pavement and causing defects such as potholes, total rainfall in 2020/21 decreased 15% over the previous year, which resulted in a 4.7% decrease in overall requests.
	Sealed local road requests					
	[Number of sealed local road requests / Kilometres of sealed local roads ] x100					
R2	Condition	100.00%	99.71%	99.57%	99.93%	No material variation.
	Sealed local roads maintained to condition standards					
	[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads ] x100					
R3	Service cost	\$70.06	\$54.28	\$86.80	\$93.50	Whilst only one project was reconstructed this year compared to three last year, reconstruction works are site specific and costs are influenced by their geographical location and traffic volumes. Although the variation in cost has increased slightly, this year's increase in the cost of reconstruction can be attributed to the project's more regional location, Flinders.
	Cost of sealed local road reconstruction					
	[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					
R4	Service Cost	\$8.14	\$10.57	\$9.60	\$8.96	There was less micro-surfacing (more expensive treatment type) works undertaken this year, which resulted in a slight decrease in the cost of resealing local roads.
	Cost of sealed local road resealing					
	[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					

# Our connectivity

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments
R5 Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	53.00	57.00	51.00	58.00	The Community's satisfaction with Council's sealed local roads improved significantly from the previous year and is linked to an overall decrease in 'Sealed Local Road Requests' due to less rainfall compared to 2019/20 and our consistently high 'Sealed Local Roads Maintained to Condition Standards' results over the 4 year period.



# Our prosperity

**Promoting, supporting and enhancing balanced and appropriate economic development within the Mornington Peninsula Shire is a key objective for the community.**

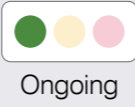
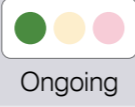
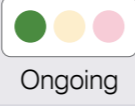
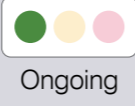
The visitor economy is a key strength of our Shire, with our agricultural sector having a strong connection to the Mornington Peninsula.

Our natural and recreational attractions, food and wine, outstanding educational facilities and health services, and the community culture helps us to be an exceptional place to live and work.

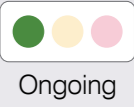
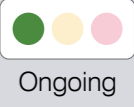
By providing leadership, fostering jobs and proactive conditions for investment, our businesses can be supported to develop and grow for the benefit of the entire community.

Major Initiatives to 2021	Progress in FY21	FY21 Status
Promote business participation in employment program opportunities for all citizens	<p>In regular contact with our business associations and businesses, the Mornington Peninsula Shire focused on promoting government business and employment programs and supporting businesses throughout COVID-19 by providing them with advice and information needed to access grants and navigate restrictions.</p> <p>As part of our Business Recovery Roadmap which we launched in response to COVID-19, we also expanded our Support Local campaign which is designed to encourage the community, businesses, and organisations on the Peninsula to think, spend and recommend locally. The campaign encourages the community, other businesses, and local organisations to think about procuring goods and services locally, buying locally, and recommending locally.</p> <p>In late March, we held an online Business Round Table to take stock of the recovery actions done so far and to discuss further opportunities for the Shire to support the recovery and resilience of local businesses over the next twelve months and beyond.</p> <p>In April, we recruited five Business Liaison Officers, who were employed through the Victorian Government's Working for Victoria program. The officers will spend six months providing confidential assistance to our small businesses, surveying businesses across the Shire, gathering data and information on who they are, what they do, what their business needs are and how they coped over the last twelve months during the COVID pandemic. The information collected will help shape the Shire's strategy for a Peninsula-wide economic recovery.</p>	 Ongoing
Promote education pathways that lead to employment	<p>Council continued to promote education pathways that lead to employment through sponsorship of the Frankston Mornington Peninsula Local Learning and Employment Network annual career expo. We also provided support to the annual Victorian Certificate of Applied Learning cook-off by providing local chefs and farm produce.</p>	 Ongoing




# Our prosperity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Provide workshops to enhance business capability	<p>Council held thirty-two business workshops (some virtual due to COVID-19 restrictions) throughout the year that covered a range of topics that included: Virtual Business Mentoring, Online Marketing and Taking Your Business Online.</p> <p>Our dedicated business newsletter and MPBusiness website also kept businesses up to date; newsletters issued throughout the year included information on:</p> <ul style="list-style-type: none"> <li>• COVID-19 restrictions</li> <li>• Government economic stimulus packages</li> <li>• Support available to businesses such as mental health and financial support</li> </ul> <p>We also had huge demand for mentoring with ninety sessions provided to businesses throughout the year (compared to thirty the previous year). Business mentoring and workshops were transitioned online during COVID-19 restrictions.</p>	 <p>Ongoing</p>
Implement actions from the Home Based Business Audit	From May 2021, Council undertook a new Home-based Business survey as the results from the 2017 Home Based Business Audit have become outdated.	 <p>Ongoing</p>
Support policy in relation to the Port of Hastings	Council continues to actively perform our role as a major stakeholder in the Port of Hastings proposal and in the development of the Victorian Ports Strategy.	 <p>Ongoing</p>
Support the Mornington Peninsula Regional Tourism Board to promote the region as a year round destination for all	<p>Working with the Mornington Peninsula Regional Tourism Board we continued to promote the Peninsula's offerings as restrictions allowed.</p> <p>We implemented and delivered Mornington Peninsula Regional Tourism's four seasonal marketing campaigns via the regional tourism website, social media channels (Facebook and Instagram) and eNewsletters to promote tourism activities, packages and events to experience (when restrictions allowed) throughout the seasons.</p> <p>Tourism businesses were showcased via social media channels, the regional tourism website and digital newsletters. The summer campaign titled 'Hello Again', was launched in early December and focused on celebrating the return of tourism, businesses opening and welcoming back the community and visitors to enjoy the Peninsula's offerings. It also offered Mornington Peninsula's biggest ever giveaway – with \$47,000 worth of prizes donated by local tourism businesses plus the grand prize of a new car.</p> <p>Our Dromana and Fingal submission also made the finalist round of the inaugural Victorian Top Tourism Town Awards. The awards aim to highlight the value of tourism to the local economy and celebrate townships that offer great tourism experiences.</p>	 <p>Ongoing</p>




# Our prosperity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Increase industry participation in the business conferencing and events sector	<p>Council works in partnership with the region's conference bureau, Business Events Mornington Peninsula. Business Events Mornington Peninsula provides a free service offering impartial event planning assistance for businesses and corporate groups.</p> <p>Business Events Mornington Peninsula attracted several Business event enquiries and secured eleven events on the Mornington Peninsula. The service injected \$63,000 into the local economy, bringing in a total of 680 people.</p>	 <p>Ongoing</p>
Develop and support niche commercial, coastal and hinterland sectors and products	<p>The Shire continues to support the growth of key strategic industries on the Mornington Peninsula with:</p> <ul style="list-style-type: none"> <li>• The completion of the Hinterland Environmental Water Scheme community consultation (to understand water needs).</li> <li>• The completion of the Draft Food Economy and Agroecology Strategy.</li> <li>• A Food Forum in May which tackled the topics of regenerative farming, flexible and resilient supply chains and 'growing' new farmers.</li> <li>• A successful application for funding under the Agri-Links Upgrades Program. \$350,000 was awarded to the Mornington Peninsula Shire to allow the upgrading of apron seals on three key agricultural intersections in the Hinterland area.</li> <li>• Two discussion groups held (1 online and 1 in-person) in conjunction with the Western Port Land Care Network on local climate data and pasture identification for the delivery of the Smart Farming grant.</li> </ul> <p>Council also worked closed with our Chambers of Commerce to support our townships through the Special Charge Scheme promotional funds which operated in Mornington, Mt Eliza, Rosebud, Hastings, Sorrento and Rye.</p>	 <p>Ongoing</p>


# Our prosperity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Continue to implement the Local Food Strategy	<p>Council is committed to fostering a thriving local food economy and building resilience to climate change through sustainable farming practices, enhancing biodiversity and adopting circular economy principles.</p> <p>The upcoming Food Economy and Agroecology strategy will provide an analysis of the local agriculture and food industry and develop a five-year plan to drive growth in agriculture and farming productivity whilst preserving the region's ecology and biodiversity. A deep and extensive consultation process was undertaken to develop priorities and draft the strategy. The draft will be on public exhibition in the 2021/22 financial year.</p> <p>We also held a Food Forum in May which tackled the topics of regenerative farming, flexible and resilient supply chains and 'growing' new farmers. The event attracted about 80 people – a mix of new and established growers, local retailers, makers, and organisations from the region who came together to share ideas, learn from each other and forge new connections. Key learnings from the forum included the strong interest in exploring indigenous agriculture and connecting local businesses with other regions and other sectors of the food system.</p>	 <p>Ongoing</p>
Advocate to enhance the productivity of our region throughout the Bunyip Food Belt	<p>The Bunyip Food Belt is a large region south east of Melbourne that contains some of Australia's most fertile and valuable land and produces fresh food for Melbourne's rapidly growing population. Work progressed on the Tyabb Somerville Recycled Water Scheme updated business case with the project being considered by South East Water and the Victorian Government. We also completed the Hinterland Environmental Water Scheme community consultation (to understand water needs) with planning studies carried out over the year and a feasibility study to be completed in the 2021/22 financial year.</p>	 <p>Ongoing</p>
Support the agritourism industry on the peninsula	<p>The Shire continues to support agritourism industry on the Peninsula through promotion on its social media platforms and through initiatives such as the Mornington Peninsula Produce, which had a designated fresh food area at the Red Hill Show (MP Paddock) that showcased and sold Mornington Peninsula produce under the MPP branded banner.</p> <p>We also continued working with the Western Port Land Care Network to enhance the business capability of the sector and ran seasonal marketing campaigns highlighting businesses, including agritourism, over blogs, social media posts via Facebook and Instagram, and e-newsletters that promoted activities, packages and events to experience the Mornington Peninsula.</p>	 <p>Ongoing</p>


# Our prosperity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Support and further the strategy for the Mornington Peninsula Produce (MPP) branding and Food Advisory Boards	<p>The Mornington Peninsula Produce (MPP) certified trademark, developed by the Mornington Peninsula Shire and the Food Industry Advisory Body, gives consumers confidence in the provenance of fresh produce when purchasing from farm gates, farmers' markets and retail outlets.</p> <p>The aim of the trade mark is to strengthen the identity of the Mornington Peninsula as a quality, fresh and innovative food economy, and it provides consumers with a guarantee of authentic provenance from the Mornington Peninsula with the legal backing of the Australian Consumer and Competition Commission.</p> <p>The MPP Facebook page continues to be a key platform to market and promote our food producing businesses. During the COVID-19 restrictions both Facebook and the Mornington Peninsula Shire's website promoted MPP branded and local produce with the Shire, creating and listing a Support Local Business Directory.</p>	 <p>Ongoing</p>
Provide skills development and support to food economy businesses, including our agriculture, agritourism and value-added food production sectors	<p>The Shire continued its work with the Food Industry Advisory Body and the Western Port Land Care Network (WPLCN) to support and develop the local food and agricultural industry. Over the year, we held several discussion groups and farm walks for local producers including:</p> <p>Three online discussion groups, which included selling farm produce online, integrating trees on farms and agroecology principles.</p> <ul style="list-style-type: none"> <li>Two discussion groups held at Cape Schanck and Balharring with a total of 65 participants and a regenerative farming walk was also held onsite with 20 attendees.</li> <li>Two discussion groups held (1 online and 1 in-person) on local climate data and pasture identification.</li> <li>Council also partnered with the WPLCN and the Bass Coast Landcare Network to run a pilot 8-week Regenerative Agriculture training program and film a series of short education videos explaining the key principles of Regenerative Farming.</li> </ul>	 <p>Ongoing</p>
Support rural business through networking and industry development	<p>The Shire continues to work with the Food Industry Advisory Body, Western Port Land Care Network and other bodies to foster and encourage the local food and agricultural industry.</p>	 <p>Ongoing</p>

# Our prosperity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Foster and encourage agriculture and promote the Mornington Peninsula's rural sector	<p>Council continues to support and provide assistance to the Food Industry Advisory Body, the Mornington Peninsula Vignerons Association and the Western Port Land Care Network to support and develop the local food and agriculture industry.</p> <p>Our upcoming Food Economy and Agroecology strategy will provide an analysis of the local agriculture and food industry and develop a five-year plan to drive growth in agriculture and farming productivity whilst preserving the region's ecology and biodiversity. A deep and extensive consultation process was undertaken to develop priorities and draft the strategy.</p> <p>A Food Forum held in May tackled the topics of regenerative farming, flexible and resilient supply chains and 'growing' new farmers. The event attracted about 80 people – a mix of new and established growers, local retailers, makers and organisations from the region who came together to share ideas, learn from each other and forge new connections.</p> <p>The Shire also ran a seasonal marketing campaigns highlighting businesses, including agritourism, over blogs, social media posts via Facebook and Instagram, and e-newsletters that promote fresh produce and farm gates. We continued working with the Vignerons Association and Agriculture Victoria to declare the peninsula Phylloxera free (Phylloxera is an insect that can infest the roots and subsequently kill grape vines, which can have a devastating impact on vineyards).</p> <p>The Shire also advocated for recycled water and access to recycled water to drought-proof the Peninsula, reduce our reliance on potable water supply, protect us from fire and develop economic growth in agriculture for the region (while also protecting and enhancing our natural environment).</p>	 <p>Ongoing</p>

# Our prosperity

Major Initiatives to 2021	Progress in FY21	FY21 Status
Develop and grow local business, including agritourism and intensive agriculture	<p>The Shire continued to support business through the business and economic stimulus package in response to COVID-19. The package included a range of innovative support initiatives including:</p> <ul style="list-style-type: none"> <li>• A Business Concierge Service,</li> <li>• 'Support Local' campaign</li> <li>• Advocacy to State and Federal departments,</li> <li>• Fast tracking of approvals and compliance matters,</li> <li>• Temporary cessation of fees and charges,</li> <li>• Support for local contractors and rate and</li> <li>• Rent relief options for those in Council properties.</li> </ul> <p>The Support Local campaign is ongoing and has evolved into a broader campaign with a business spotlight blog and business experts being profiled.</p> <p>We also expanding outdoor dining and retail spaces including extending footpath trading and access to grassed areas and the introduction of Parklets to repurpose part of the street outside shopfronts, such as adjacent carparks, for extra outdoor dining and public space. The activation of this space created an outdoor plaza with green spaces and places to meet and socialise, whilst showcasing the local businesses in the area.</p> <p>A business association grants program to the value of \$75,000 was announced in early 2021 with Chambers of Commerce, business networks and new business associations being the recipients.</p> <p>We also revamped our business website <a href="http://www.mpbusiness.com.au">www.mpbusiness.com.au</a> and the business directory was updated. It contains links to all current Government support packages as well as free financial and mental health resources are provided. Additionally, the website identified the business services being provided during the quarantine period, including takeaway and no contact delivery, and business to business support such as financial and legal advice were included.</p>	 <p>Ongoing</p>

# Our prosperity




## Services Funded in FY20/21 Budget

Service area	Description of services provided	Net Actuals Net Budget Variance \$'000	
Economic Development	To support the business community by improving productivity and capability, enhance employment growth, support the diversification of the local economy and undertake collaborative projects with business, government, service providers and regional bodies. Also provides timely, accurate and appropriate information and advice to the community, businesses and current and potential investors.	Actuals	(1,135)
		Budget	(973)
		Variance	(162)
Tourism Marketing	Enhance, facilitate and promote existing and new experiences through the quality and diversity of the region. Ensure marketing reflects the diverse visitor appeal of the region and build on shoulder and off-season visitation throughout the whole region. Build capacity, professionalism and improved coordination within the sector by facilitating and growing strategic local and regional tourism partnerships.	Actuals	(793)
		Budget	(794)
		Variance	1





# Our wellbeing

**Positive health and wellbeing is fundamentally important for the community and is a key success factor for the Shire.**

Good physical and mental health, feeling safe, feeling and being empowered and connected to other people in our community, strengthening diversity, respecting the peace and dignity of all, and supporting individuals so they can realise their potential and their aspirations are fundamental elements to making the Mornington Peninsula a great place to live.

Major Initiatives to 2021	Progress in FY21	FY21 Status
Implement the Municipal Public Health and Wellbeing Plan	<p>The Shire undertook research to investigate the local impacts of climate change on health and wellbeing across the Mornington Peninsula and undertook community consultation to support the development of the integrated Council Plan and Municipal Public Health and Wellbeing Plan for 2021-2025. This involved a health and wellbeing phone survey, the inclusion of health and wellbeing questions in the Peninsula 2040 community engagement, a health and wellbeing stakeholder workshop and service provider network survey.</p> <p>And in partnership with Peninsula Health, we implemented phase one of the Shire's new Smoke Free Environments Policy. Phase one saw declarations of smoke free zones at foreshore areas and around Council buildings and recreation centres and new signage installed.</p>	 <p>Ongoing</p>
Undertake the Community Houses and Centres Study	<p>The Community House Review was adopted by Council in July 2020.</p> <p>The Community House Review made several recommendations in relation to financial capability, governance, social impact, and appropriate facilities.</p>	 <p>Completed</p>
Support the Best Bites Program	<p>The Shire continues to support the Best Bites program which aims to support and promote local food business in the areas of food safety, healthy eating, sustainability, reduction of tobacco/alcohol and access and inclusion.</p> <p>Over 130 customers nominated their favourite food businesses as part of the 2021 Best Bites People's Choice Awards. Forty-five businesses were judged by a panel of seven independent judges comprised of representatives from the Shire, Peninsula Health, the Disability Advisory Committee and relevant industry associations / groups assessed the entrants across a wide-ranging criterion.</p> <p>The Blue Mini Café in Rosebud was announced as the overall winner of the 2021 best Bites People's Choice Awards on 29 March. Phat Yaya's Mornington, Homeground Café Mornington, Lilo Café Mornington, R&amp;K Café Bittern, TreAnd at Baxter Valley Estate as well as Spudalicious Hastings were highly commended.</p>	 <p>Ongoing</p>



# Our wellbeing

Major Initiatives to 2021	Progress in FY21	FY21 Status
Implement the Positive Ageing Strategy	<p>The Positive Ageing Strategy 2020-2025 was adopted by Council in August 2020. Over 500 residents contributed to the community consultation process and we received 31 public submissions on the draft strategy during its exhibition period in June 2020.</p> <p>Implementation of the Strategy is overseen and monitored by Council's Positive Ageing Steering Committee with the annual action plan developed and to be reported back to Council in the 2022 Financial Year.</p>	 <p>Ongoing</p>
Upgrade preschool facilities and implement works from the Kindergarten Strategy	<p>Jointly funded by Mornington Peninsula Shire Council and the Victorian Government's Sport and growing Suburbs fund, stage 1 works on the Tyabb Kindergarten upgrade and expansion were completed in the 2020/21 year. The upgrade and extension allow for the inclusion of a second playroom; additional toilet facilities; a meeting room, and a more welcoming entry to the building. The kindergarten is planned for completion at the end of 2021.</p>	 <p>Ongoing</p>
<p>Complete and enact the Early Years Plan</p> <p>Develop a Youth Services Strategy</p>	<p>The Early Years Plan and the Youth Strategic Plan will be merged into one plan titled 'Birth to 25 Years' plan following the end of the Imagine Peninsula 2040 community engagement.</p> <p>Coming together in June, our Citizen's Panel consolidated our communities' feedback and distilled it down into a shared Community Vision that will help shape the Peninsula's future and guide the development of the Council Plan, and strategies such as the 'Birth to 25 Years' plan.</p>	 <p>Ongoing</p>
Implement the Child Safe Policy and initiate appropriate actions to meet requirements under the child safe legislation	<p>Mornington Peninsula Shire (MPS) is committed to be a Child Safe Organisation, assisting in the prevention of child abuse, identifying risks early and removing and reducing these risks. We have implemented robust human resources and recruitment policies (including our Employee Code of Conduct, Child Safe Policy and Employment Checks Policy) and procedures to achieve this commitment.</p> <p>It is now a requirement for all MPS employees to hold a valid Victorian Employee Working with Children Checks and undertake Child Safe Training. All new employees are required to undertake both an Australian Criminal History Check and hold a valid Working with Children Check prior to their commencement with MPS. As part of the ongoing commitment we continue to undertake Child Safe training across the organisation.</p>	 <p>Completed</p>



# Our wellbeing

Major Initiatives to 2021	Progress in FY21	FY21 Status
Implement the Communities That Care Healthy Neighbourhoods Schools Survey	<p>Communities That Care (CTC) Mornington Peninsula is a preventative approach to improving the health and wellbeing of children and young people on the Peninsula. CTC aims to promote the healthy development of children and young people by reducing risk factors and increasing protective factors in order to see favourable change in behaviour over time.</p> <p>The Communities That Care Healthy School survey was completed and received on 28 June 2019 with 4,030 young people participating. The CTC Advisory committee met throughout 2020 to create the CTC Community Action Plan, which was officially adopted by Council and launched in June 2021 with implementation of the plan currently rolled out across the Mornington Peninsula Shire.</p>	 <p>Completed</p>
Support and implement programs and services for parents and families	<p>The Shire continued to support and deliver a number of initiatives and programs that are available to parents and families, including Maternal and Child Health (MCH); Immunisation; first time parent groups; Family Day Care; kindergarten registration; Youth Service; best start partnership; supported playgroups; Social Planning and Community Development; Health and Wellbeing; disability inclusion and walk to school program.</p> <p>Whilst COVID-19 restricted our ability to deliver some services and others were modified in their delivery to ensure our community stayed safe and healthy, MCH and Immunisation services were classified as essential health services in early 2020, and as a result, continued to operate in a face-to-face capacity throughout 2020/21.</p> <p>During COVID-19 lockdowns, the only changes to service provision were for First Time Parent Groups and Sleep and Settling information sessions, which were pivoted via an online platform for the period of the lockdown. For parents with young children who could not access MCH services if they were isolating due to COVID, telehealth was offered as an alternative access point.</p>	 <p>Ongoing</p>




# Our wellbeing

Major Initiatives to 2021	Progress in FY21	FY21 Status
Support and implement preventative and awareness programs to support families and impact on rates of family violence	<p>The Shire continued to support and implement preventative and awareness programs to support families and impact on rates of family violence.</p> <p>We re-affirmed our commitment to the Women's Charter and continue to progress actions in support of the Charters three principles: gender equity, diversity, and active citizenship through the implementation of the Shires Gender Equality Plan 2020-2030. We supported International Women's Day on 8 March 2021 via an online event by celebrating the achievements of women and girls in our workplace and Community with both our CEO, John Baker and our Mayor, Cr Despi O'Conner facilitating a panel discussion. We also held a webinar in March to launch the Mornington Peninsula Communities Creating Change project, aimed at raising awareness of how rigid gender roles prevent men and boys from living healthy, happy lives.</p> <p>The Shire continued to screen all clients for family violence using the Victorian Government's Multi-Agency Risk Assessment Management framework and committed 2 staff to the MORE Project, who will support local Primary schools with development of a targeted Respectful Relationships program.</p> <p>Due to COVID-19 restrictions, the Shire's 'Westernport Takes a Stand' March down High St in Hastings (to raise awareness of Family Violence) was cancelled. An alternative campaign to raise awareness was implemented where young people created colouring in sheets with the theme respect. These were distributed throughout schools, libraries, and the community. Orange ribbons were also placed on trees in High St to represent the March.</p>	 <p>Ongoing</p>
Support and implement strategies and outcomes in the Disability Action Plan	<p>The Shire commenced development of our Universal Design Policy, which aims to address the barriers faced not only by people with a disability but guide efforts to improve accessibility of places, and supported the Municipal Association of Victoria through the sub-group Victorian Local Government Disability Planners Network, to establish a Local Government Universal Design Network across Australia.</p> <p>We engaged an All Access consultant to conduct four beach access audits at Flinders, Portsea, Rosebud and Mornington. The report will help guide enhancements to plans for the foreshores.</p> <p>We supported the Australian Network on Disability with a 12-month Silver Level membership purchase, which includes support for reviewing recruitment and retention policies and procedures, providing training to key staff, bench-marking against other organisations, and potentially support for the development of the next Disability Inclusion Plan.</p> <p>And we also partnered with Belgravia Leisure and other groups to celebrate All Abilities Day virtually, creating a video of all the people who would normally attend All Abilities Day at the Civic Reserve in Mornington, which is available to watch on YouTube.</p>	 <p>Ongoing</p>





# Our wellbeing

Major Initiatives to 2021	Progress in FY21	FY21 Status
Continuous implementation of arts projects and initiatives for all ages and abilities	<p>Over the year, we delivered a range of online and face-to-face workshops, classes and engagement activities including Young at Art, Art &amp; Imagination (Art &amp; Dementia) and a podcast series featuring artists in the MPRG collection.</p> <p>The Mornington Peninsula Regional Gallery (MPRG) delivered thirteen exhibitions, highlights include the MPRG Fifty exhibition, which showcased the development and growth of this significant collection over the past 50 years, and the 2021 National Works on Paper, featuring almost 1200 entries.</p> <p>We published the Mornington Peninsula Regional Gallery 1970-2020, a 124 page major collection publication featuring 70 works reproduced from the MPRG collection, along with artwork statements and two key historical essays.</p> <p>And the Shire also launched the MPRG Connect project, which serves to enhance the relationship between the Gallery and our local visual artists, with the initiative providing time, space, mentorship and support to our creative communities.</p>	 <p>Ongoing</p>
Continue to implement the Mornington Peninsula Shire's Reconciliation Action Plan	<p>The Reconciliation Action Plan Innovate 2020-2022 was adopted by Council on 10 December 2019 and endorsed by Reconciliation Australia on 1 April 2020.</p> <p>As part of the Shire's commitment to young people and our Reconciliation Action Plan, a key stakeholder group with an emphasis on Aboriginal and Torres Strait Islander youth was formed during 2020/21. The group identified that boys entering high school needed additional support to connect to their culture, which would help them reengage with school and stay out of trouble. The formation of the group also allowed us to create connections with other indigenous organisations to provide mentorship opportunities that support and nurture Indigenous values and knowledge growth.</p> <p>We also implemented actions to increase Aboriginal and Torres Strait Islander families and community participation in Early Years programs and services, and to deliver Aboriginal-themed artworks at the Briars.</p>	 <p>Ongoing</p>




# Our wellbeing

Major Initiatives to 2021	Progress in FY21	FY21 Status
Continue to work with partner agencies to update the Municipal Emergency Management Plan	<p>The multiagency Municipal Emergency Management Planning Committee (MEMP) met on the 21 August 2020 through which the MEMP sub plans for bushfire, flood and pandemic were assessed. Key items discussed included:</p> <ul style="list-style-type: none"> <li>Agency reporting on COVID-19 Relief and Recovery actions</li> <li>Review of Flood and Storm Community Emergency Risk Assessment</li> <li>Review of Flood and Storm Subplan, and</li> <li>Emergency Management Planning Reforms – these reforms are legislated to commence from 1 December 2020 and include a review of the Terms of Reference for the Committee and a review of the Municipal Emergency Management Plan (MEMP).</li> </ul> <p>On 29 September 2020, and in partnership with Frankston City Council, Kingston City Council and City of Greater Dandenong, Council presented "Are you prepared for an emergency?" community preparedness booklet at the Emergency Management Conference.</p>	 <p>Ongoing</p>
Build a pool for the community of the Southern Peninsula	<p>Less than three years after the Mornington Peninsula Shire Council accepted the design for 'Our Aquatic Centre' on 27 November 2018 and awarded the construction contract to Buxton Constructions on 24 June 2019, Yawa Aquatic Centre is complete.</p> <p>Yawa is the biggest infrastructure project we've ever undertaken and the culmination of many years of planning. With a 50-metre pool, large gym, cycle studio, group fitness studio, Pilates studio and a host of other features, Yawa will have a beneficial effect on the health and wellbeing of our community for generations to come</p> <p>With continual delays due to COVID-19, the celebration to mark the opening of the YAWA Aquatic Centre was pushed back again and again. The opening ceremony will now be held in the new 2021/22 financial year when restrictions allow.</p>	 <p>Completed</p>
Implement the Playspace Strategy	<p>The Shire is working our way through a review of 215 playgrounds across the Peninsula. Over the course of the year, the Shire completed several actions from the strategy including:</p> <ul style="list-style-type: none"> <li>Upgrades at Lawson Park, Rosebud with a liberty swing added.</li> <li>Completed a minor refurbishment of the Campbell Street, Balnarring playground.</li> <li>Upgrades at Robertson Park, Balnarring.</li> <li>Refresh at Barber Reserve.</li> <li>Detailed designs for R Penman Reserve and is included in the draft budget for construction funding next financial year.</li> <li>Detailed Design for John Butler Reserve with funding for the playground successful through the Parks Revisitation grant program.</li> <li>Detailed designs for Olivia Way and Tarrana with funding yet to be secured, and</li> <li>Through the Parks Revisitation Grant we secured \$80,000 in grant funding for the George Bishop Playground in Dromana and \$300,000 in grant funding for the John Butler playground and amenity block.</li> </ul>	 <p>Ongoing</p>




# Our wellbeing

Major Initiatives to 2021	Progress in FY21	FY21 Status
Implement the Sports Capacity Plan	<p>The Shire was successful with a number of grant applications from the Victorian State Government. Just under \$6 million was secured from the Local Sports Infrastructure Fund, World Game Facilities Fund and the Community Sports Infrastructure Stimulus Program. Funds received will go to the following projects in the 2021/22 capital works program:</p> <ul style="list-style-type: none"> <li>Civic Reserve Integrated Athletics and Soccer Pavilion</li> <li>Tennis Rebound Package</li> <li>Mt Eliza Soccer Pitch Construction</li> <li>Narambi Female Friendly Oval Construction</li> <li>Fruit Growers Electronic Scoreboard.</li> </ul> <p>And over the course of the year the Shire:</p> <ul style="list-style-type: none"> <li>Put Amendment C263 on public exhibition. C263 will facilitate the redevelopment of Alexandra Park Pavilion to make this key sporting facility fit for purpose and enable allied health services such as sports therapies and orthopaedic services to operate from the Pavilion.</li> <li>Completed construction of the netball courts at Marna Reserve.</li> <li>Completed the RM Hooper Reserve Pavilion in Tuerong, and</li> <li>Put out for tender Stage 2 of the Bunguyen Reserve Sport Pavilion Upgrade.</li> </ul>	 <p>Ongoing</p>
Identify, support and develop major events within the municipality to raise awareness for health and wellbeing issues	<p>Council continues to support and participate in events that raises awareness about health and wellbeing. In response to COVID-19 many events were cancelled so we increased our online content to promote and communicate key health and wellbeing messages to our community.</p> <p>We also submitted to the Family Violence Reform Implementation Monitor on identifying progress and areas requiring further attention in the implementation of Victoria's family violence reforms</p>	 <p>Ongoing</p>
Rehabilitate Shire ovals to ensure they can meet the usage demands of the community	<p>The Shire's annual 2020/21 maintenance program was completed.</p> <p>During the year we engaged a rehabilitation expert to undertake an assessment of Red Hill Reserve and provide recommendations to rectify significant condition issues. Recommendations to address the condition of the Reserve included over-sowing and fertilising, which were completed. Further works are planned for 2021/22.</p>	 <p>Ongoing</p>
Undertake an audit of existing sports field lighting and develop a new program	<p>An audit of sports field lighting lux (brightness) levels undertaken in April 2017 highlighted sports fields that needed to be upgraded to meet Australian Standards.</p> <p>At end of the 2020/21 financial year, there were five sports field lighting projects in various stages of completion being undertaken at Main Ridge Recreation Reserve, Barber Reserve, Dromana Recreation Reserve, RM Hooper Reserve and Civic Reserve.</p> <p>We had also completed several Sports Field lighting projects at Olympic Park Soccer, Olympic Park Senior Oval, Hastings Junior and Senior Ovals, Alexandra Park Oval, RJ Rowley Reserve (Rye) and David MacFarlan Reserve in Sorrento.</p>	 <p>Ongoing</p>

# Our wellbeing

Major Initiatives to 2021	Progress in FY21	FY21 Status
Review and implement the Sports Pavilion Strategy	<p>Auditing of existing sporting pavilions to assess condition and functionality is ongoing throughout the year.</p> <p>At the end of June 2021, the Shire had completed all pavilion audits and we had started a final review of the draft audit reports and prioritisation listing.</p> <p>The Sports Pavilion Strategy was nearing completion and will be presented to the Community and Council for public exhibition and adoption in the second half of 2021.</p>	 <p>Ongoing</p>
Following major refurbishments in 2016, continue to update library assets and resources	<p>Council continues to update library assets and resources as appropriate.</p> <p>The Shire implemented Click and Collect and Click and Deliver services during the 2020-2021 financial year in response to COVID-19 stay at home restrictions.</p> <p>Public programs were delivered via a mix of face-to-face and online Zoom options, depending on COVID restrictions in place at any one time.</p>	 <p>Ongoing</p>
Implement the Arts and Culture Plan	<p>The Arts and Culture Plan 2020-2024 was adopted by Council on 21 April 2020. Over the 2020/21 year several initiatives were delivered against the Arts &amp; Culture Plan, including:</p> <ul style="list-style-type: none"> <li>• Three community arts exhibitions in the Mornington Library Foyer Exhibition Space</li> <li>• Launch of the inaugural Mayors Short Story Writing Award</li> <li>• Promoted 8 x Police Point Virtual Residencies offered as a recovery initiative for displaced Police Point Artist in Residencies due to Covid-19 restrictions</li> <li>• NAIDOC Week exhibition at Hastings Shire Offices of local Aboriginal artefacts and traditional works</li> <li>• Summer Live Music program in Rosebud, aligned to the Point Nepean Road Service Lane closure</li> <li>• NAIDOC Week exhibition at Hastings Shire Offices of local Aboriginal artefacts and traditional works</li> <li>• Mornington Library Window Exhibition by Dromana Potters and Focus Life</li> <li>• Business and Recovery Mentoring/Coaching/Support 1:1 for 25 creative and cultural groups/orgs</li> <li>• Footpath Fiction delivered with artist Rondelle and Peninsula Writers Club, 42 x six word mini fiction on theme of Community across the streets of Rosebud</li> <li>• Launch of the Aboriginal Art Node project</li> <li>• Launch of the Augmented Reality Trail</li> <li>• Launched the Freeza Supported Music Program</li> <li>• Delivery of the Police Point Virtual Artist in Residence program</li> <li>• Delivered a range of online engagement and professional development programs for community including business development, Creators Network, social media masterclass and Smartphone Stories</li> </ul>	 <p>Ongoing</p>

# Our wellbeing

Major Initiatives to 2021	Progress in FY21	FY21 Status
Investigate options for the development and siting for the Mornington Peninsula Regional Gallery	The development and siting of a Mornington Peninsula Regional Gallery will continue following the Business Transformation Operating Model Review in 2020/21.	 <p>Ongoing</p>
Continue digitisation program and presentation, and interpretation of material culture and stories of the Shire	<p>The digitisation of important historical documents and images relevant to the peninsula is ongoing. Council assists local history societies with their valuable work, which includes scanning, cataloguing and collections management issues, restoration and repairs.</p> <p>As a result of all the scanning and cataloguing work completed in 2019/20, a collection of archives titled 'Treasures from the Shire Archives' was launched online in January 2021.</p>	 <p>Ongoing</p>
Carry out stage improvements to the Peninsula Community Theatre	No further action required. Completed in 2019.	 <p>Completed</p>

## Services Funded in FY20/21 Budget

Services area	Description of services provided	Net Actuals	Net Budget Variance
		\$'000	
Aboriginal Cultural Heritage Management & Community Development	The service is provided to implement the Council Reconciliation Action Plan Innovate 2020 – 2022, and the new RAP currently under development which identifies Council's commitment to support the traditional and local Aboriginal community through community development, social support and heritage management that reflects current social, cultural, legislative and political contexts.	Actuals	(352)
		Budget	(437)
		Variance	85
Active and Passive Open Spaces Maintenance	To provide the wider Community the opportunities and the facilities for recreational and entertainment-based sporting programs, competitions and activities. Also includes open and passive reserves across the Peninsula.	Actuals	(7,221)
		Budget	(7,470)
		Variance	249
Aquatic and recreational facilities	To provide the wider Community the opportunities and the facilities for recreational and entertainment facilities. Also includes the Mornington Peninsula Golf course.	Actuals	(2,485)
		Budget	(5,269)
		Variance	2,784
Arts and Culture	To provide a culturally enriching experience for the community and visitors to the Mornington Peninsula through arts and culture offerings.	Actuals	(1,667)
		Budget	(1,884)
		Variance	218

# Our wellbeing

Services area	Description of services provided	Net Actuals Net Budget Variance \$'000	
Child and Family Health	To enhance child health, wellbeing, development and safety, whilst supporting parents to improve family functioning. The aim is to build stronger, more resilient families and communities.	Actuals	(2,141)
		Budget	(2,063)
		Variance	(78)
Community Development and Capacity Building	Address economic and social disadvantage through a community consultation process that identifies priority projects, programs, events and initiatives.	Actuals	(1,033)
		Budget	(1,057)
		Variance	24
Communication, Media & Events	To ensure the community is kept informed across major projects and our events; and to act as a platform that brings our community together, celebrating arts, culture and diversity and to attract tourists to the region.	Actuals	(2,150)
		Budget	(2,506)
		Variance	356
Education and care	To provide a high quality and flexible childcare options, provide a central registration process for children attending (3 year and 4 year old) kindergarten, provide high quality child care during the school holiday periods and facilitate Supported Playgroups.	Actuals	(514)
		Budget	(238)
		Variance	(276)
Emergency management	To comply with the Emergency Management Acts of 1986 & 2013; provide statutory roles of Municipal Fire Prevention Officer (MFPO), Municipal Emergency Resource Officer (MERO) and Municipal Recovery Manager (MRM); operate in accordance with our Mornington Peninsula Municipal Emergency Management Plan.	Actuals	(271)
		Budget	(283)
		Variance	12
Grants program	To provide community grant funding to community groups and not-for-profit organisations to support projects, programs and services that respond to identified community need.	Actuals	(1,914)
		Budget	(1,754)
		Variance	(160)
HACC – Aged & Disability Services	To provide support and community transport to older residents over 60, and residents with a disability: with the aim to improve their accessibility and social connectedness to their community.	Actuals	(309)
		Budget	(293)
		Variance	(16)
HACC – Delivered Meals	Meals on Wheels ensures older people, people with disabilities, and their carers who are nutritionally at risk, have access to healthy meals and provides a daily welfare monitoring service. It also delivers much needed social interactions for clients who are socially isolated.	Actuals	(486)
		Budget	(800)
		Variance	314

# Our wellbeing

Services area	Description of services provided	Net Actuals Net Budget Variance \$'000	
HACC Unit assessment service	To provide a broad understanding of a person and their carer's needs, in order to assist the person to manage their individual health and well-being expectations.	Actuals	87
		Budget	(468)
		Variance	555
HACC – Home Based Services	Home Based Services provides minor household maintenance, domestic and personal care to frail older people, people with disabilities and respite care to their carers so they can continue to live safe and active lives, independently in their own home.	Actuals	(4,573)
		Budget	(5,588)
		Variance	1,015
HACC – Senior Citizens	Council demonstrates its support for older residents through the provision of an age friendly community and providing a subsidised venue for seniors groups that offer regular activities (both physical and mental) for social interaction.	Actuals	(649)
		Budget	(747)
		Variance	97
Health and wellbeing	The Public Health and Wellbeing Act 2008 requires local governments to develop Municipal Health & Wellbeing Plans. Each council's approach and strategy is documented in their Municipal Public Health and Wellbeing Plan (MPHWP). The MPHWP sets the broad mission, goals and priorities to enable people living in the municipality to achieve maximum health and wellbeing.	Actuals	(532)
		Budget	(542)
		Variance	10
Libraries	Provide a free lending library and information service to the community. Service aim is to deliver equitable access to the community to meet lifelong educational, informational and recreational needs through the provision of print and digital based resources in a variety of formats; i.e. collection services, e-resources and interactive learning programs.	Actuals	(3,954)
		Budget	(4,670)
		Variance	716
Youth Services	Through support, empower young people to feel happy, healthy and connected.	Actuals	(1,808)
		Budget	(2,197)
		Variance	388

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments	
Aquatic Facilities						
AF2	Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	3.00	3.00	2.50	3.50	Six inspections by authorised officers, within the meaning of the Public Health and Wellbeing Act 2008, were carried out across Council's two aquatic facilities. Additionally, Council engaged BVAQ Science Consultants Pty Ltd to conduct three routine scientific analyses of pool water across the two facilities (two at Pelican Park Recreation Centre; one at Crib Point Pool) as per the Public Health and Wellbeing Regulations 2019.
AF6	Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	1.35	1.31	1.00	0.66	The decline in the utilisation of our aquatic centres is due to attendance rates, which was down across our centres due to the COVID-19 pandemic and restrictions. Facilities were closed for 149 days of 2020/21.
AF7	Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	7.98	\$12.14	Overall costs compared to 2019/20 were very similar with a 1.2% or \$16,564 increase for 2020/21. The increase in the cost of aquatic facilities is mainly attributed to reduced number of visits (33%) compared to 2019/20 due to the COVID-19 pandemic and its restrictions. Our Aquatic facilities were closed for 149 days of 2020/21 and when they were open, experienced heavy trading restrictions and density limits.  Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities'.
Food Safety						
FS1	Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	3.01	3.19	2.10	2.15	The decrease in time taken to respond to food complaints from 2019 can be attributed to continual improvement in data management and processes.

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments	
FS2	Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	87.50%	98.71%	97.36%	94.65%	The decrease in the number of assessments undertaken can be attributed to the COVID-19 pandemic. Many food businesses were closed for some or all of the lockdown period, which made it difficult to arrange assessments. The number of assessments undertaken per day were also limited as a precaution to protect staff and the staff of food businesses.
FS3	Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$675.39	\$721.11	\$688.16	\$710.52	The rise to the cost of the service is due to increased usage of external contractors and agency labour to replace an employee's long-term sick leave and their retirement.
FS4	Health and safety Critical and major non-compliance outcome notifications Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	99.56%	98.51%	96.40%	92.37%	As per FS2 measure, the decrease in the number of follow up inspections undertaken can be attributed to the COVID-19 pandemic. Many food businesses were closed for some or all of the lockdown period, which made it difficult to arrange assessments. The number of assessments undertaken per day were also limited as a precaution to protect staff and the staff of food businesses. Additionally, many premises were closed for significant periods and some did not reopen.

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments	
Libraries						
LB1	Utilisation	7.64	8.57	5.50	3.15	The decline is attributed to the decrease in the physical library collection loans due to COVID restrictions, customer uncertainty in returning to public spaces and a difference in the calculation of parameters, which excluded eBooks and eAudioBooks from 2020.
	Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]					
LB2	Resource standard	78.79%	70.22%	78.63%	70.89%	The result is attributed to a decrease of items purchased in 2020/21 against previous years (apart from 2018/19) and increased weeding (removal) of damaged and worn items.
	Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100					
LB4	Participation	16.73%	15.76%	15.60%	16.70%	The increase is due to a 30% increase in digital loans and a 38% increase of active library borrowers against the same time last year. This means there was an 8.3% increase in the sum of the number of active library borrowers in the last three financial years (compared to last year's sum of the three previous years) whilst the sum of the population in the last three financial years only rose 1.1% (against last year's previous sum of the three previous years).
	Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100					
LB5	Service cost	New in 2020	New in 2020	\$23.61	\$20.32	The decline in the direct cost of the library service is mainly attributed to a decrease in normal salaries and wages, which is due in part to a one-off redundancy payment in 2019/20, and a decrease in utility costs due to COVID-19 restrictions and closures.  Note: This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits.
	Cost of library service per population [Direct cost of the library service / Population]					

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments	
Maternal and Child Health (MCH)						
MC2	Satisfaction	100.82%	100.97%	101.03%	100.65%	Uptake of the service remains high, demonstrating the importance of maternal and child health services for families with children aged 0-6 years across the Peninsula.
	Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
MC3	Service cost	\$61.49	\$59.84	\$64.37	\$67.87	The increase in the cost of the Maternal Child Health (MCH) service can be mainly attributed to the increased use of casual MCH staff employed to cover furloughed staff due to COVID-19, venue and equipment hire, paid maternity leave and the recruitment of new staff to deliver the Victorian Government's new sleep and settling model of care and an expanded Enhanced MCH program.
	Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]					
MC4	Participation	70.98%	75.83%	74.85%	74.30%	Given the restrictions and challenges of the year, this year's result is mainly due to the Shire actively contacting clients who are overdue for 2 and 3.5 year Key Age and Stages appointments and continuing to offer an outreach service to childcare centres, kindergartens and additional home visits.
	Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
MC5	Participation in the MCH service by Aboriginal children	77.93%	89.19%	87.16%	84.25%	The decrease is attributed to the restrictions placed on the service during the COVID-19 pandemic. We continue to monitor client attendance and actively contact clients who are overdue for their appointments and ensure that there is a cultural safe environment in our Maternal Child Health centres.
	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100					
MC6	Satisfaction	New in 2020	New in 2020	New in 2020		Note: This indicator is replacing the previous 'Participation in first MCH Home Visit' which was a measure of first MCH visits as opposed to participation in 4-week Key Age and stage visits.
	Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100					

# Our Governance

## Governance, Management and Other Information

### Governance

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

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

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

such as ward meetings and the ability to make submissions to Special Committees of Council.

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

### Meetings of Council

Council conducts open public meetings on the second and fourth Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the council, make a submission or speak to an item. For the 2020/21-year, Council held the following meetings:

- 16 ordinary Council meetings
- 3 special Council meetings.

The following table provides a summary of Councillor attendance at Council meetings and special Council meetings for the 2020/21 financial year.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Brooks	7	1	8
Cr Celi	16	3	19
Cr Clark	6	1	7
Cr Colomb	7	1	8
Cr Fraser	12	1	13
Cr Gill	16	3	19
Cr Hearn	7	1	8
Cr Martin	7	1	8
Cr Morris	6	0	6
Cr Payne	7	1	8
Cr Roper	7	1	8
Cr Dixon	9	2	11
Cr Holland	9	2	11
Cr Mar	9	2	11
Cr Marsh	9	2	11
Cr McCafferty	9	2	11
Cr Mercurio	8	1	9
Cr O'Connor	9	2	11
Cr Race	9	2	11
Cr Bissinger	3	1	4

### Delegated Committees

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

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

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

Special committee	Councillors	Officers	Other	Purpose
Planning Services Committee <sup>1</sup>	11	0	0	To exercise Council's powers, discretions and authorities to perform Council's functions under the Planning and Environment Act 1987, Planning Scheme Amendments and all Ministerial Directions and policy issues relating thereto, the Subdivision Act 1988, and the Building Act 1993 in accordance with relevant policies and guidelines of the Council and to do all things necessary or convenient to be done for or in connection with the performance those functions, duties and powers.

### Councillor Code of Conduct

The Act requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 23 February 2021, Council adopted a revised Councillor Code of Conduct which is designed to:

- Outline standards of conduct expected of elected representatives.
- Foster good working relationships between Councillors to enable Councillors to work constructively together in the best interests of the local community; and
- Mandate Councillor conduct designed to build public confidence in the integrity of local government.

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

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2020/21, 8 conflicts of interest were declared at Council and Delegated Committee meetings.

### Conflict of Interest

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

A conflict of interest occurs when a personal or private interest might compromise the ability to act

### Councillor Allowances

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

The Victorian Government sets the upper and lower limits for all allowances paid to councillors and Mayors. Councils are divided into three

categories based on the income and population of each Council. In this instance Mornington Peninsula Shire Council is recognised as a category three Council.

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

Councillor	Allowance \$	Superannuation \$	Total \$
Cr S Brooks (end of term: 24 Oct)	10,101	960	11,060
Cr B Colomb (end of term: 24 Oct)	10,101	960	11,060
Cr R Clark (end of term: 24 Oct)	10,101	960	11,060
Cr S Hearn (Mayor, end of term: 24 Oct)	25,810	2,452	28,262
Cr H Fraser (resigned: 09 Mar)	19,866	2,070	21,936
Cr F Martin (end of term: 24 Oct)	10,101	960	11,060
Cr J Morris (end of term: 24 Oct)	10,101	960	11,060
Cr B Payne (end of term: 24 Oct)	10,101	960	11,060
Cr K Roper (end of term: 24 Oct)	10,101	960	11,060
Cr S Bissinger (elected: 20 Apr)	6,102	580	6,682
Cr A Celi	29,649	2,817	32,466
Cr L Dixon (elected: 24 Oct)	19,548	1,857	21,405
Cr D Gill	19,548	1,857	21,405
Cr S Holland (elected: 24 Oct)	19,548	1,857	21,405
Cr D Mar (elected: 24 Oct)	19,548	1,857	21,405
Cr A Marsh (elected: 24 Oct)	19,548	1,857	21,405
Cr K McCafferty (elected: 24 Oct)	19,548	1,857	21,405
Cr P Mercurio (elected: 24 Oct)	19,548	1,857	21,405
Cr D O'Connor (Mayor, elected: 24 Oct)	62,439	5,932	68,370
Cr S Race (elected: 24 Oct)	19,548	1,857	21,405

### Councillor Expenses

In accordance with Section 75 of the Local Government Act 2020, Council is required to reimburse a Councillor for expenses incurred whilst performing her or his duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors.

The details of the expenses including reimbursement of expenses for each Councillor and member of a Council committee paid by Council for the 2020/21 year are:

Councillor	CC \$	CM \$	CT \$	IC \$	TR \$	OT \$	Total \$
Cr S Brooks (end of term: 24 Oct)	0	0	0	246	0	0	246
Cr B Colomb (end of term: 24 Oct)	0	0	0	336	0	0	336
Cr R Clark (end of term: 24 Oct)	0	0	0	230	0	0	230
Cr S Hearn (Mayor, end of term: 24 Oct)	0	0	0	341	0	0	341
Cr H Fraser (resigned: 09 Mar)	0	2,363	0	546	0	143	3,052
Cr F Martin (end of term: 24 Oct)	0	291	0	332	0	0	623
Cr B Payne (end of term: 24 Oct)	0	0	0	213	0	0	213
Cr J Morris (end of term: 24 Oct)	0	0	0	208	0	0	208
Cr K Roper (end of term: 24 Oct)	0	221	0	476	0	0	696
Cr S Bissinger (elected: 20 Apr)	0	0	0	0	0	0	0
Cr A Celi	0	3,585	1,771	626	34	174	6,190
Cr L Dixon (elected: 24 Oct)	0	2,992	787	378	0	145	4,303
Cr D Gill	0	0	0	1,437	0	0	1,437
Cr S Holland (elected: 24 Oct)	0	2,844	0	330	0	0	3,174
Cr D Mar (elected: 24 Oct)	0	2,948	2,237	378	0	85	5,648
Cr A Marsh (elected: 24 Oct)	0	0	0	358	0	0	358
Cr K McCafferty (elected: 24 Oct)	4,175	2,191	1,405	378	0	20	8,169
Cr P Mercurio (elected: 24 Oct)	0	0	0	393	0	0	393
Cr D O'Connor (Mayor, elected 24 Oct)	0	0	1,455	737	100	145	2,437
Cr S Race (elected: 24 Oct)	418	822	2,387	206	0	0	3,834

#### Legend:

TR-Travel CM-Car Mileage CC-Child Care IC-Information and Communication expenses  
CT-Conferences and Training expenses OT Other (including memberships, meals, uniforms and stationery).

### Audit and Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit and Risk Committee consists of three independent members and two Councillors. The independent members for 2020/21 financial year were:

- Ms Lisa Woolmer (Chair) Appointed February 2016 for a three-year term and re-appointed for a further three-year term until February 2022
- Ms Lisa Tripodi Appointed September 2017 for a three-year term and re-appointed for a further three-year term until October 2023
- Mr Tom Kaewkhampa Appointed October 2017 for a three-year term and re-appointed for a further three-year term until October 2023

The Councillor members for 2020/21 financial year were:

- Deputy Mayor, Cr Kate Roper  
27 November 2019 – 24 October 2020
- Cr Bryan Payne  
27 November 2019 – 24 October 2020
- Cr Hugh Fraser (substitute)  
27 November 2019 – 9 March 2021
- Cr Anthony Marsh 23  
November 2020 – 23 November 2021
- Cr Steve Holland  
23 November 2020 – 23 November 2021

Independent members are appointed for a three-year term, with a maximum of two terms.

The Audit and Risk Committee meets five times a year. The Chief Executive Officer, Director of Corporate Services, Chief Financial Officer and Manager – Legal & Governance attend all Audit and Risk Committee meetings. Other management representatives attend as required to present reports. The external auditors and outsourced internal auditors also attend each meeting. Recommendations from each Audit and Risk Committee meeting are subsequently reported to and considered by Council.

### Management

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

### Internal Audit

Council's internal audit function provides independent and objective external assurance that the appropriate processes and controls are in place across Council. The internal audit function is resourced by an external provider which was Pitcher Partners for the 2020/2021 financial year. Council's Finance team coordinates the process as well as following up the closure of internal audit recommendations. An Internal Audit Plan is endorsed by the Audit and Risk Committee annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, prior audit coverage and management input.

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

The Internal Audit Plan for 2020/2021 was completed with the following reviews finalised:

- Business Function Risk Assurance Map
- Information and Records Management
- COVID-19 Control Environment Health Check

The following reviews commenced in 2020/2021 and are currently being finalised:

- Oracle Financials – Controls Assurance
- Occupational Health and Safety – Safety Incident Handling

### External Audit

For the 2020/21 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General. The external auditors attend all Audit and Risk Committee meetings and present the annual audit strategy and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

### Risk Management

On 8 October 2019, Council adopted a revised Risk Management Framework representing Council's commitment to risk management. The Framework has been designed in line with the Australian Standard (AS) / New Zealand Standard (NZS) ISO 1000:2018 Risk management – Guidelines and consists of the following components:

- Risk Management Policy
- Risk Management Principles, Framework Processes, and
- Risk Management Plan

Council adopted this simplified structure in line with best practice, but also as a result of feedback that the prior framework was overly complex.

During 2020/21 Council continued to progress its Enterprise Risk Management Improvement Plan, which enables Officers to confidently anticipate risk and opportunities in pursuit of Shire's strategy.

### Governance Service Performance Indicators

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments
Governance					
G1 <b>Transparency</b>	7.92%	8.67%	3.36%	9.62%	Twenty-three decisions were made at meetings closed to the public. Of these, five related to business information that would prejudice the Council's position in commercial negotiations if prematurely released; four were for legal privileged information; five were for personal information that if released would result in the unreasonable disclosure of information about any person or their personal affairs; five were for private commercial information (being information provided by a business, commercial or financial); three were regarding land use planning information that if prematurely released would likely encourage speculation in land values, and one was confidential meeting information being the records of meetings closed to the public under Section 66(2)(a). Of the twenty-three decisions, fifteen decisions were retained as confidential items with eight being released to the public.
					Council decisions made at meetings closed to the public  [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors ] x100

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments
G2 <b>Consultation and engagement</b>  Satisfaction with community consultation and engagement  Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	57.00	56.00	55.00	54.00	We hope to address our gradual decline since 2017/18 with a better result in the 2021/22 year. Council ramped up consultation and engagement with the community from February 2021 and in April, we launched our biggest Community Engagement project. From April to June 2021, over 3,000 people shared their ideas to help Imagine Peninsula 2040: we asked you what you want life on the Peninsula to look like and what would you change. Coming together in June, our Citizen's Panel consolidated your feedback and distilled it down into a shared Community Vision that will help shape the Peninsula's future and guide the development of the Council Plan, and the next four years of work at the Shire.
G3 <b>Attendance</b>  Councillor attendance at council meetings  [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	88.46%	85.52%	93.75%	96.65%	Councillor attendance at formal Council and committee meetings remains high and has increased since 2019.
G4 <b>Service cost</b>  Cost of elected representation  [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$53,542	\$62,035	\$55,561	\$42,914	The decrease in the cost of elected representation is due to a reduced usage of external consultants, a reduction in childcare/carer services, catering and Councillors claiming less private car mileage (due to reduced travel) in a COVID-19 environment.

Service/indicator/measure	2018	2019	2020	2021	Material variations & comments
G5 <b>Satisfaction</b>  Satisfaction with council decisions  [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	53.00	55.00	54.00	55.00	The Community's satisfaction with how Council has performed in making decisions in the interest of the Community remains consistent. We aim to increase our result in 2021/22 through increased consultation and engagement across the community on key local issues, supporting the local economy through our \$10 million investment allocated to COVID recovery, advancing community interests and concerns and focusing on our customers and delivering key services.

#### Governance and Management Checklist

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

Governance and Management Items	Assessment
1 <b>Community engagement policy</b> (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of Adoption: 23/03/2021
2 <b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation Date of Adoption: 08/12/2020
3 <b>Financial Plan</b> (Strategic Resource Plan) (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date of Adoption: 22/06/2021
4 <b>Asset Plan</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years).	Current Asset framework adopted on 1 September 2020 Asset Plan planned for adoption in accordance with section 92 of the Act: 30 June 2022
5 <b>Revenue and Rating plan</b> (strategy setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date of Adoption: 22/06/2021
6 <b>Annual budget</b> (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act Date of Adoption: 22/06/2021

Governance and Management Items	Assessment
7 <b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of adoption: 18/10/2020
8 <b>Fraud policy</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of adoption: 24/04/2019
9 <b>Municipal emergency management plan</b> (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date of preparation: 05/12/2018 Last amended: 21/09/2020
10 <b>Procurement policy</b> (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by Council)	Adopted in accordance with section 108 of the Act Date of Adoption: 23/10/2018
11 <b>Business continuity plan</b> (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of Adoption: 31/03/2021
12 <b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of Preparation: 05/02/2019
13 <b>Risk management framework</b> (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of Adoption: 08/10/2019
14 <b>Audit and Risk Committee</b> (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date of establishment: 11 June 1996
15 <b>Internal audit</b> (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Current auditor engaged: Pitcher Partners Date commenced: 1 July 2020
16 <b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation Date of operation of current framework: 01/07/2015
17 <b>Council Plan reporting</b> (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report on the Council Plan is included in the Quarterly Community Report to Council Date of reports: 23/11/2020 (Q1), 23/02/2021 (Q2), 18/05/2021 (Q3), 24/08/2021 (Q4)

Governance and Management Items	Assessment
18 <b>Financial reporting</b> (quarterly statements to Council under section 138 (1) of the Local Government Act 1989 comparing budgeted revenue and expenditure with actual revenue and expenditure)	Report on the Council Plan is included in the Quarterly Community Report to Council Date of reports: 23/11/2020 (Q1), 23/02/2021 (Q2), 18/05/2021 (Q3), 24/08/2021 (Q4)
19 <b>Risk reporting</b> (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Strategic Risk Register review: 12/07/2021 Date of Risk reports prepared and presented: 27/08/2020, 1/10/2020, 03/12/2020, 25/02/2021 and 27/05/2021
20 <b>Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the 1989 Act)	Bi-annual reports to the Audit and Risk Committee Date of reports: 27/8/2020 and 25/02/ 2021
21 <b>Annual report</b> (annual report under sections 131, 132 and 133 of the Local Government Act 1989 to the community containing a report of operations and audited financial and performance statements).	Presented at a meeting of Council in accordance with section 134 of the Act Date statements presented: 28/09/2021
22 <b>Councillor Code of Conduct</b> (Code setting out the standards of conduct principles to be followed by Councillors and other matters)	Code of conduct reviewed and adopted in accordance with section 139 of the Act Date of adoption: 23/02/2021
23 <b>Delegations</b> (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11 (7) of the Act and a register kept in accordance with sections 11 (8) and 47 (7) of the Act. Dates of review: <ul style="list-style-type: none"> <li>09/06/2021, Council to CEO</li> <li>23/03/2021, Council to Officers</li> <li>01/09/2021, Delegation to the Planning Services Committee</li> </ul> Registration of delegations under sections 11(8) and 47(7) of the LGA 2020 is published on the website.
24 <b>Meeting procedures</b> (Governance rules governing the conduct of meetings of Council and delegated committees)	Governance rules adopted in accordance with section 60 of the Act Date of adoption: 25/08/2021



John Baker  
Chief Executive Officer  
Dated: 7 September 2021



Cr Despi O'Conner  
Mayor  
Dated: 7 September 2021

# Statutory Information

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

## Documents Available for Public Inspection

In accordance with the *Local Government Act 2020* (the Act) and the Public Transparency Policy, Council makes the following information available on the Council website and is available for public inspection at 90 Besgrove Street, Rosebud:

- minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act.
- the minutes of meetings of Delegated Committees established under section 63 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- Conflict of Interest Register as per the Mornington Peninsula Shire Governance Rules.
- A register of delegations kept under section 11 (8) of the Act.
- Election Campaign Donation Returns in line with s 307 (2) and (3) and s 308 (1) and (2) of the Act.
- Summary of Personal Interests in line with s 135 of the Act.
- Council's Annual Report.
- Council's Budget.

## Best Value

In accordance with section 208B(f) of the Act, at least once every year a council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation which is supported by our Sustainable Excellence Program. To further reflect council's commitment to Best Value, council has commenced the design and planning of a Service Planning Program which is being rolled out to the whole organisation. This program provides additional review and improvement mechanisms to ensure that Council's services achieve best practice standards in regard to service performance.

The following Best Value initiatives were undertaken during 2020/21:

- budget process – development of guidelines and processes for fees and charges
- business planning – development and implementation of integrated approach to business planning
- council reform project – review of processes and procedures relating to council agenda and minutes
- customer correspondence centralisation project – improve timelines and accountability for resolving customer enquiries.

## Contracts

This year, Mornington Peninsula Shire Council engaged 2 contractors where the accumulative value over 2 years was over \$150,000 for services and did not comply to section 186(5)(a) of the Local Government Act 1989

Supplier	Engagement description	Accumulative value	Rationale
Jem Archaeology	Cultural heritage advice	\$172,550.00	Multiple quotations bringing accumulative value above tender threshold
Webb Australia	Design Services for Tennis Lighting	\$159,400.00	Multiple quotations bringing accumulative value above tender threshold

Council did not enter into any contracts for works valued at \$200,000 or more for works or more of a kind without engaging in a competitive process.

## Disability Inclusion Plan 2018 – 2022

The Disability Inclusion Plan aims to build upon the Mornington Peninsula Shire's long-standing commitment to and success in ensuring our community is inclusive and accessible for everyone.

This commitment allows us to ensure that people of all ages and abilities have opportunities to live active, connected and fulfilling lives.

Under section 38 of the State Disability Act 2006 Councils are required to give regard to:

- reducing barriers to accessing goods, services and facilities
- reducing barriers to obtaining and maintaining employment
- tangible changes in discriminatory attitudes and practices
- promoting inclusion and participation in the community of persons with a disability

The following actions from the Disability Inclusion Plan annual action plan were achieved during the 2020-2021 financial year:

- 60 people (officers, architects, members of the Disability Advisory Committee) attended Universal Design Training over two sessions.
- Council gave approval to develop a Universal Design Policy
- Internal Universal Design Working Group formed, and Universal Design Policy drafted
- National Local Government Universal Design Network (LGUDN) created by Disability Inclusion Officer with 50+ members from 5 states and quarterly meetings attracting 30+ attendees. Supported by the MAV (Municipal Association of Victoria) and Centre for Universal Design Australia
- Disability Inclusion Plan objectives for the built environment included in an internal "Multi-Benefits" program to support relevant Shire Plans, Policies and Strategies being embedded in the Capital Works program.
- Internal Access for All Working Group developed Terms of Reference – Purpose is to provide opportunities for everyone to enjoy and experience the Peninsula and ensure we are prepared to meet the community's changing needs.
- Investigated options to include a portable hoist at the Hastings Boat Ramp once upgrades are

complete, in partnership with Better Boating Victoria and the Hastings Yacht Club.

- Braille Tactile map included in new Mornington Community Centre to assist with wayfinding
- Traffic and Transport team were successful in getting a budget line adopted by Council for minor footpath upgrades and are systematically working through issues that get reported through Merit.
- Annual bus stop upgrade program to make bus stops DDA compliant continued.
- The State budget funding for Mornington Peninsula \$13 million. Influenced by 'Better Busses' campaign advocacy to the State Government. Specific improvements include:
  - Route 887 between Rosebud and Frankston will be realigned via the Mornington Peninsula Freeway
  - Route 788 from Frankston to Portsea will receive an increase from a 40-50 minute frequency to 30 minute frequency on weekdays, and increase to a 40 minute frequency on weekends
  - Route 781 Frankston to Mt Martha will be extended to Dromana
- Beach matting trialled at Sorrento front beach over Easter weekend, found to be a suitable location pending maintenance and monitoring arrangements.
- Matting had to be removed from Mills Beach due to extremely high tides that moved the matting and created a risk to public.
- Negotiations with DELWP regarding insurance for Beach Matting on Crown land commenced.
- Beach access audits conducted at Flinders, Portsea, Rosebud and Mornington including DAC Chairperson and coastal planners. Accessible parking bays added at Flinders Pier as an immediate outcome and other feedback incorporated into coastal Master Plans.
- Email bulletins sent out monthly to 500 recipients, updating people on disability news and events, including COVID-19 related updates.
- Accessible and Inclusive events checklist created and added to Shire website as part of events planning information.
- COVID-safe online event and video created to celebrate International Day of People with Disability, in partnership with Belgravia Leisure.

- All web content editor training includes introduction to WCAG and the importance of accessibility.
- Investigated options for purchasing an automated reporting tool for web content, to assist with accessibility and plain English content.
- Accessibility Statement added to new Shape engagement website.
- Accessibility tools promoted to current web content editors as part of the Shire's website content audit. Including how to check pages for accessibility and Plain English.
- New Digital Communication Standards endorsed by Executive Leadership Team include accessibility and usability as standards.
- Disability Advisory Committee provided feedback via online survey and through a meeting on what programs and services they would like to see at Yawa
- Accessible features at Yawa added to website
- Most in-person activities and events had to be postponed or cancelled due to COVID-19, including Fit & Fun, All Abilities Day, Outcrop Music Jam and Writability
- Library services were mostly closed due to COVID-19 – home delivery service increased to ensure people who were isolated at home could still access a borrowing service
- Annual membership with Australian Network on Disability taken up in partnership with People and Culture and Social Planning and Community Development teams to assist with review of employment and training practices to increase inclusion of people with disabilities in the workforce.
- Accessible Business Grant budget bid by Disability Advisory Committee approved by Council for \$25,000 and draft guidelines developed.
- Disability Advisory Committee adapted to online (Zoom) meetings due to COVID-19 restrictions. Meetings increased from monthly to fortnightly to stay connected.
- Recruitment process for new Disability Advisory Committee members ran over 4 months with seven new applicants and five existing members being offered a place on the committee.
- Disability Advisory Committee continued to provide feedback on Council plans including Rye Township and Foreshore plans, Hastings

Community Hub, Sorrento Foreshore Master Plans and Hillview Playground Plans.

### Gender Equality Strategy 2020 – 2030

The Shire has a long-standing commitment to promoting and improving gender equality and acknowledging and responding to the link between gender inequities and family violence.

In February 2020, the Shire launched its first Gender Equality Strategy 2020-30 (adopted by Council in November 2019). Since the launch, the Year One and Year Two Annual Action Plans have been developed and implemented through actions under six key settings of the Strategy.

Key achievements under the Gender Equality Strategy in 2021 (Year 2) include:

- The Shire celebrated International Women's Day in March 2021 by producing an inspiring online event highlighting stories from four motivational local women from diverse backgrounds sharing their insights discussing gender equality and women in leadership. The Shire's CEO also conducted a panel discussion with Staff via a special CEO update.
- The Shire has delivered a progress report to VicHealth for the Healthier Masculinities funded project 'Mornington Peninsula Communities Creating Change'. The Project aims to engage, educate and empower men, boys and the broader community across the Mornington Peninsula to advance gender equality and improve health and wellbeing of men, boys and broader community by addressing outdated masculine stereotypes. Achievements include:
  - Successful online launch event 'Unpacking the Man Box' workshop with one hundred attendees.
  - Oversubscribed expression of interest process for 'Modelling Respect and Equality' (MoRE) training. Twenty – five successful applicants have now completed a two – day workshop and will meet for the second Community of Practice session where they are planning what projects they will implement in community.
  - Currently planning to rollout out (Aug – Nov) two Bystander Training sessions for community and three township sessions for 'Unpacking the Man Box'.

- The Community Partnerships Team are working collaboratively with the People and Culture team to plan for the implementation of the Gender Equality Act legislation which commenced on 31 March 2021. Obligations include:
  - Workplace gender auditing
  - Developing gender equality action plan and
  - Conducting gender impact assessments
- Ongoing leadership role with the Mornington Peninsula Family Violence Prevention Collaborative – an active committee comprising representatives from Shire, Peninsula Health, Frankston Mornington Peninsula Primary Care Partnership, Victoria Police, Women's Health in the South East, Brotherhood of St Laurence, Department of Health and Human Services and a Victim Survivor representative supported by Family Life as the backbone agency.
- Council reaffirmed its commitment to the Victorian Local Government Women's Charter and appointed Charter Champions.
- Investigating mentoring opportunities for women in leadership.
- Embedded gender equity design principles into infrastructure planning for community facilities, including Yawa Aquatic Centre.

### Domestic Animal Management Plan

The Domestic Animal Management Plan was adopted by Council on 24 October 2017 and remains in force until December 2021. The following actions were implemented during the 2020/21 period:

- The Community Animal Shelter & Pound continued to provide a service 7 days a week (except Christmas Day & Easter Sunday). This was done despite the challenges presented by COVID 19 restrictions.
- Continuation of the cat trapping program to address issues caused by feral cats and cats wandering in contravention of the cat curfew. The cat trapping program had to be temporarily suspended during certain times due to COVID 19 restrictions.
- Programs promoting responsible pet ownership continued, such as proactive enforcement patrols during which education was a focus, as well as compliance with dog controls and following up on pets that remain unregistered.

- Introduction of \$0 fee for first time pet registrations and assistance dogs as an initiative to encourage pet registration.
- Initial public consultation on the development of a Dogs in Public Places Policy was completed and will be utilised to inform a draft Policy that will be released for public submission in late 2021.
- Reducing the number of unclaimed and surrendered pets being euthanised by continuing our work with Rescue Groups, updating and improving the Council adoption and lost pet pages on the web and continuing to use the PetRescue website.
- Continuation of a microchipping and de-sexing program for all suitable pets adopted from the Shelter and rehomed with Rescue Groups.
- Continuing to enhance the Shire's animal management services and facilities throughout the Peninsula.
- Raising community awareness about feral and semi-owned cat populations through education by Community Safety Officers/Shire Rangers and distribution of literature from the Shelter.
- An expanded beach patrol and dog control enforcement program as a result of a Memorandum of Understanding entered into with the Department of Energy, Land, Water and Planning.
- Continued implementation of agreements under section 84Y of the Domestic Animals Act 1994 signed between Council and vets located in the Shire to return animals to owners.

The development of the new Domestic Animal Management Plan 2021-2025 is well underway. A draft Plan, informed by consultation with the community and stakeholders, will be released for public submission in August with a view to adopting the new Plan in November 2022.

### Food Act Ministerial directions

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any Ministerial Directions received during the financial year in its Annual Report. No such Ministerial Directions were received by Council during the 2021 financial year.

### Road Management Act Ministerial directions

In accordance with section 22 of the *Road Management Act 2004*, a council must publish a copy or summary of any Ministerial direction in its annual report. No such Ministerial Directions were received by Council during the 2021 financial year.

### Freedom of Information

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

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

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

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

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

During the 2020/21 period the Mornington Peninsula Shire received 96 Freedom of Information Requests. Outcomes of these requests received in the period 1 July 2020 to 30 June 2021 are provided in the tables below:

### Freedom of Information Requests

Requests Received	96
Access granted in full (no exempt material)	17
Access granted in part (some exempt material)	38
Access denied in full (all material exempt)	1
Other:	
Withdrawn	2
Not proceed with	9
Act does not apply	1
Not processed	6
No documents	6
Outside the act	8
Not yet finalised	8

### Office of the Victorian Freedom of Information Commissioner Reviews & Complaints

OVIC Reviews Received	1
<b>Outcome of OVIC Review Received 2020/21 period</b>	<b>OVIC Decision – overruled original decision</b>
OVIC Complaints Received	2 privacy complaint
Outcome of OVIC Complaints Received 2020/21 period	2 dismissed, 1 upheld

### VCAT Reviews

VCAT Appeals Arising from Decisions on Access	0
Outcomes of VCAT Appeals	0

Further information is available on Freedom of Information requests processed by the Mornington Peninsula Shire for the 2020/21 financial year through the OVIC Annual Report. The report is currently being prepared and can be accessed through the following link: [ovic.vic.gov.au/about-us/annual-reports/](http://ovic.vic.gov.au/about-us/annual-reports/). Further information on Freedom of Information is available on the web site of the Office of the Victorian Information Commissioner through the link provided.

### Protected Disclosure Procedures

In accordance with section 69 of the *Protected Disclosure Act 2012* a council must include in their annual report information about how to access

the procedures established by the council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

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

During the 2020-21 year 4 disclosures were notified to council officers appointed to receive disclosures, or to IBAC.

### Materiality Thresholds

Service/indicator/measure	Measure expressed as:	Materiality threshold
<b>Aquatic Facilities</b>		
<b>Service Standard</b>		
Health inspections of aquatic facilities	Number of health inspections per Council aquatic facility	Movement of +/- 1
<b>Utilisation</b>		
Utilisation of aquatic facilities	Number of visits to aquatic facilities per head of municipal population	Movement of +/- 2 visits
<b>Service Cost</b>		
Cost of aquatic facilities	\$ direct cost less any income received of providing aquatic facilities per visit	Movement of +/- \$1
<b>Animal Management</b>		
<b>Timeliness</b>		
Time taken to action animal requests	Number of days taken to action animal requests	Movement of +/- 1 day
<b>Service Standard</b>		
Animals reclaimed	% of collected animals reclaimed	Movement of +/- 7.5%
Animals rehomed	% of collected animals rehomed	
<b>Service Cost</b>		
Cost of animal management service	\$ direct cost of the animal management service per head of municipal population	Movement of +/- \$5
<b>Health and Safety</b>		
Animal management prosecutions	% of successful animal management prosecutions	Movement of +/- 10 prosecutions

Service/indicator/measure	Measure expressed as:	Materiality threshold
<b>Food Safety</b>		
<b>Timeliness</b>		
Time taken to action food complaints	Number of days taken to action food complaints	Movement of +/- 1 day
<b>Service Standard</b>		
Food safety assessments	% of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment	Movement of +/- 10%
<b>Service Cost</b>		
Cost of food safety service	\$ direct cost of the food safety service per registered food premises	Movement of +/- \$75
<b>Health and Safety</b>		
Critical and major non-compliance notifications	% of critical and major non-compliance outcome notifications that are followed up by Council	Movement of +/- 10%
Service/indicator/measure	Measure expressed as:	Materiality threshold:
<b>Governance</b>		
<b>Transparency</b>		
Council resolutions at meetings closed to the public	% of Council resolutions made at meetings closed to the public	Movement of +/- 1.5%
<b>Consultation and Engagement</b>		
Satisfaction with community consultation and engagement	Satisfaction rating out of 100	Movement of +/- 5
<b>Attendance</b>		
Council attendance at Council meetings	% of Council attendance at ordinary and special Council meetings	Movement of +/- 10%
<b>Service Cost</b>		
Cost of governance	\$ direct cost of the governance service per Councillor	Movement of +/- \$5000
<b>Decision-making</b>		
Satisfaction with Council decisions	Satisfaction rating out of 100	Movement of +/- 5
<b>Libraries</b>		
<b>Utilisation</b>		
Physical library collection usage	Number of physical library collection item loans per physical library collection item	Movement of +/- 0.5 loans

Service/indicator/measure	Measure expressed as:	Materiality threshold
<b>Resource Standard</b>		
Recently purchased library collection	% of the library collection that has been purchased in the last 5 years	Movement of +/- 7.5%
<b>Participation</b>		
Active library borrowers in municipality	% of the municipal population that are active library members	Movement of +/- 5%
<b>Service Cost</b>		
Cost of library service per population	\$ direct cost of the library service per population	Movement of +/- \$1
<b>Maternal and Child Health</b>		
<b>Service Standard</b>		
Infant enrolments in the MCH service	% of infants enrolled in the MCH service	Movement of +/- 5%
<b>Service Cost</b>		
Cost of the MCH service	\$ cost of the MCH service per hour of service delivered	Movement of +/- \$10
<b>Participation</b>		
Participation in MCH service	% of children enrolled who participate in the MCH services	Movement of +/- 5%
Participation in MCH service by Aboriginal children	% of Aboriginal children enrolled who participate in the MCH service	Movement of +/- 10%
Participation in 4 week Key Age and Stage visit	% of infants enrolled in the MCH service who participate in 4 week Key Age and Stage visit	Movement of +/- 5%
<b>Roads</b>		
<b>Satisfaction of Use</b>		
Sealed local road requests	Number of sealed local road requests per 100 kilometres of sealed local road	Movement of +/- 20 requests
<b>Condition</b>		
Sealed local roads below the intervention level	% of sealed local roads that are below the renewal intervention level	Movement of +/- 5%
<b>Service Cost</b>		
Cost of sealed local road reconstruction	\$ direct reconstruction cost per square metre of sealed local roads reconstructed	Movement of +/- \$15
Cost of sealed local road resealing	\$ direct resealing cost per square metre of sealed local roads resealed	Movement of +/- \$2
<b>Satisfaction</b>		



Performance

# Statement

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

## Independent Auditor's Report

### To the Councillors of Mornington Peninsula Shire Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Mornington Peninsula Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>description of the municipality for the year ended 30 June 2021</li> <li>sustainable capacity indicators for the year ended 30 June 2021</li> <li>service performance indicators for the year ended 30 June 2021</li> <li>financial performance indicators for the year ended 30 June 2021</li> <li>other information for the year ended 30 June 2021 (basis of preparation) and</li> <li>the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>


Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE  
22 September 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

# Performance Statement

## For the year ended 30 June 2021

### Description of Municipality

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

### Our Community

The Shire has 40 towns and villages spread across the peninsula, with the majority of the residential population living along the coastline. The Shire has an estimated permanent resident population of 168,862, as well as a non-resident population who spend part of the week, or their holidays, on the peninsula. Many beach holiday houses are based along the Port Phillip coastline, with the population swelling by up to 30 per cent in the summer months.

### Our Environment

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

### Our Economy

The Shire has a strong local economy, with \$8.516 billion in GRP (Gross Regional Product). There are over 15,800 businesses from a diverse range of industries including retail, manufacturing, construction and business services. The region also has a distinguished agricultural history, including beef, viticulture (grapes) and horticulture (fruit, vegetables and flowers), with the existing food and wine producers being recognised as world class and industry leaders in their respective fields. Tourism is also another sector that plays a significant role in our local economy.

### COVID-19

On 30 January 2020, COVID 19 was declared as a global pandemic by the World Health Organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. To ease the financial burden on Mornington Peninsula residents, local businesses and community groups, Council introduced a range of measures to ensure resilience and recovery within our community and businesses. These measures can be found in our Road to COVID-19 Recovery summary in the Report of Operations and Financial Statements.

## Sustainable Capacity Indicators

For the year ended 30 June 2021

Indicator / measure / formula	Results				Material Variations and Comments
	2018	2019	2020	2021	
<b>Population</b>					
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,302.00	\$1,388.31	\$1,391.75	\$1,434.22	Council always seeks to deliver the highest quality services in the most efficient way and has contained expenditure per head of municipality through its goal for ongoing savings. Since 2018 there have been slight increases which are largely attributed to CPI and the indexation of the Shire's contracts.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$8312.01	\$8,354.51	\$8,587.23	\$8,592.21	Investment in Infrastructure is impacted by the delivery of Capital Works Program and the effect of the revaluation of infrastructure assets. The results in 2020/2021 were impacted by works carried forward due to lockdowns during the year.

Indicator / measure / formula	Results				Material Variations and Comments
	2018	2019	2020	2021	
Population density per length of road [Municipal population / Kilometres of local roads]	95.86	97.14	97.92	98.58	The results are reflective of population growth as length of roads have stayed relatively the same year on year.
<b>Own-source revenue</b>					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,199.04	\$1,233.01	\$1,273.29	\$1,312.65	Growth in own source revenue is in line with budget expectations and driven by the rate cap and supplementaries during the year.
<b>Recurrent grants</b>					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$140.32	\$131.36	\$128.42	\$136.86	Whilst our population has slightly grown year on year, recurrent grants for capital works has increased and is driven by an increase in the payment for roads to recovery program, in line with its 5 year program schedule which fluctuates year on year depending type of works being carried out.
<b>Disadvantage</b>					
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	8.00	8.00	8.00	8.00	No material variation.

Indicator / measure / formula	Results				Material Variations and Comments
	2018	2019	2020	2021	
<b>Workforce turnover</b>					
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	19.1%	10.9%	10.6%	9.5%	There have been no significant changes in the operations of the council since 2018, which included outsourcing or reducing service levels.

#### Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

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

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

"population" means the resident population estimated by council

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

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

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

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

# Service Performance Indicators

For the year ended 30 June 2021

Indicator / measure / formula	Results				Material Variations and Comments
	2018	2019	2020	2021	
<b>Aquatic facilities</b>					
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	1.35	1.31	1.00	0.66	The decline in the utilisation of our aquatic centres is due to attendance rates, which was down across our centres due to the COVID-19 pandemic and restrictions. Facilities were closed for 149 days of 2020/21.
<b>Animal management</b>					
Health and safety Animal management prosecutions [Number of successful animal management prosecutions/ Number of animal Management prosecutions] x100	New in 2020	New in 2020	98.98%	100.00%	Council is committed to protecting the safety of the community, and the health and safety of animals on the Peninsula by instituting prosecution where appropriate and necessary.  Note: This measure is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion.
<b>Food safety</b>					
Health and safety Critical and major non-compliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	99.56%	98.51%	96.40%	92.37%	The decrease in the number of follow up inspections undertaken can be attributed to the COVID-19 pandemic. Many food businesses were closed for some or all of the lockdown period, which made it difficult to arrange assessments. The number of assessments undertaken per day were also limited as a precaution to protect staff and the staff of food businesses. Additionally, many premises were closed for significant periods and some did not reopen.

Indicator / measure / formula	Results				Material Variations and Comments
	2018	2019	2020	2021	
<b>Governance</b>					
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	53.00	55.00	54.00	55.00	The Community's satisfaction with how Council has performed in making decisions in the interest of the Community remains consistent. We aim to increase our result in 2021/22 through increased consultation and engagement across the community on key local issues, supporting the local economy through our \$10 million investment allocated to COVID recovery, advancing community interests and concerns and focusing on our customers and delivering key services.
<b>Libraries</b>					
Participation Active library members [The sum of the number of active library borrowers in the last 3 financial years / The sum of the population in the last 3 financial years]	16.73%	15.76%	15.60%	16.70%	The increase is due to a 30% increase in digital loans and a 38% increase of active library borrowers against the same time last year. This means there was an 8.3% increase in the sum of the number of active library borrowers in the last three financial years (compared to last year's sum of the three previous years) whilst the sum of the population in the last three financial years only rose 1.1% (against last year's previous sum of the three previous years).
<b>Maternal and child health</b>					
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	70.98%	75.83%	74.85%	74.30%	Given the restrictions and challenges of the year, this year's result is mainly due to the Shire actively contacting clients who are overdue for 2 and 3.5 year Key Age and Stages appointments and continuing to offer an outreach service to childcare centres, kindergartens and additional home visits.

Indicator / measure / formula	Results				Material Variations and Comments
	2018	2019	2020	2021	
Participation in the MCH service by Aboriginal children  [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	77.93%	89.19%	87.16%	84.25%	The decrease is attributed to the restrictions placed on the service during the COVID-19 pandemic. We continue to monitor client attendance and actively contact clients who are overdue for their appointments and ensure that there is a cultural safe environment in our Maternal Child Health centres.
<b>Roads</b>					
Satisfaction with sealed local roads  [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	53.00	57.00	51.00	58.00	The Community's satisfaction with Council's sealed local roads improved significantly from the previous year and is linked to an overall decrease in 'Sealed Local Road Requests' due to less rainfall compared to 2019/20 and our consistently high 'Sealed Local Roads Maintained to Condition Standards' results over the 4 year period.
<b>Statutory Planning</b>					
Decision making  Council planning decisions upheld at VCAT  [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	64.94%	32.35%	39.13%	51.28%	The increase in the number of decisions upheld by VCAT during 2020/21 is due in part to a relaxation of the Shire's implementation of the Housing and Settlement Strategy. Statutory Planners have been basing decisions on existing policies and controls in the Planning Scheme as opposed to adding too much weight to strategic policy that is yet to be formally adopted as part of the planning scheme.
<b>Waste Collection</b>					
Waste diversion  Kerbside collection waste diverted from landfill  [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	52.53%	53.62%	55.31%	54.73%	Whilst slightly down from last year, the increase from 2018 and 2019 is primarily due to an increase in household waste and an increase in the volume of green waste and recycling received due to the COVID-19 pandemic: more people at home for longer periods and increased permanent use of holiday homes.

### Definitions

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

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

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

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

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

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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

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

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

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

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

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

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

# Financial Performance Indicators

For the year ended 30 June 2021

Dimension/indicator/measure	Results				Forecasts				Material Variations and Comments	
	2018	2019	2020	2021	2022	2023	2024	2025		
<b>Efficiency</b>										
<b>Expenditure level</b> Expenses per property assessment [Total expenses / Number of property assessments]	\$2,103.20	\$2,256.99	\$2,290.41	\$2,351.31		\$2,510.79	\$2,509.17	\$2,535.33	\$2,601.39	Council always seeks to deliver the highest quality services in the most efficient way and has contained expenditure per property assessment through its goal for ongoing savings. Since 2018 there have been slight increases which are largely attributed to CPI and the indexation of the Shire's contracts.
<b>Revenue level</b> Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	New in 2020	New in 2020	\$1,452.06	\$1,483.22		\$1,518.89	\$1,566.81	\$1,600.38	\$1,650.23	Council's rates are subject to rate cap as set by the Minister and are major source of income of delivering essential services to the community.
<b>Liquidity</b>										
<b>Working capital</b> Current assets compared to current liabilities [Current assets / Current liabilities] x100	214.08%	203.86%	229.34%	216.33%		125.55%	142.95%	162.06%	182.81%	No material variation.
<b>Unrestricted cash</b> Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	23.80%	69.47%	119.58%	71.84%		82.19%	92.47%	109.88%	130.17%	Prior year cash was not allocated to carry forward of capital works.
<b>Obligations</b>										
<b>Loans and borrowings</b> Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	10.00%	7.53%	19.37%	23.15%		19.85%	17.84%	15.91%	14.33%	Due to remaining drawdown for the year of \$13.9M which relates to YAWA Aquatic Centre.
<b>Loans and borrowings repayments compared to rates</b> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	5.20%	2.67%	2.51%	3.06%		2.85%	1.91%	1.83%	1.48%	Due to increase repayments and interest from final drawdown of loans relating to Yawa Aquatic Centre.
<b>Indebtedness</b> Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	9.68%	8.35%	19.66%	25.51%		20.32%	18.75%	16.99%	15.40%	Increase due to final drawdown of loan for Yawa Aquatic Centre, partially offset by increase in own source revenue (Rates).
<b>Asset renewal and upgrade</b> Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	102.42%	70.06%		80.28%	90.03%	84.29%	74.43%	Driven by COVID and also reflected in our carry forward for 2021/22 Capital Works.

Dimension/indicator/measure	Results				Forecasts				Material Variations and Comments	
	2018	2019	2020	2021	2022	2023	2024	2025		
<b>Operating position</b>										
Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	3.39%	-0.94%	2.27%	3.05%		-2.08%	0.82%	1.78%	2.15%	Driven by fair value adjustment for investment property that was through the 2021/22 year of \$1.4M.
<b>Stability</b>										
Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	73.85%	76.00%	76.76%	77.08%		78.36%	78.59%	78.69%	78.78%	Although we have grown other revenue (own-source revenue) Council revenue is still largely dependent on rate revenue to fund services and capital works.
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.25%	0.20%	0.20%	0.19%		0.19%	0.20%	0.20%	0.20%	Rate increases are in accordance with the Victorian Government's rate capping framework.
<b>Retired Measures</b>										
Animal Management Health and Safety Animal management prosecutions [Number of successful animal prosecutions]	#N/A	#N/A	#N/A	Retired In 2020						This measure was replaced by AM7 from 1 July 2019.
Efficiency Revenue level Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	#N/A	#N/A	#N/A	Retired In 2020						This measure was replaced by E4 from 1 July 2019.
Obligations Asset renewal Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	#N/A	#N/A	#N/A	Retired In 2020						This measure was replaced by O5 from 1 July 2019.

## Other Information

For the year ended 30 June 2021

### 1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan in the budget on 22 June 2021. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.

## Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2020.



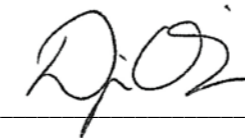
Bulent Oz, CPA  
Chief Financial Officer  
Dated: 7 September 2021

In our opinion, the accompanying performance statement of the Mornington Peninsula Shire Council for the year ended 30 June 2021 presents fairly the results of Council's performance in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

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

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

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



Cr Despi O'Conner  
Mayor  
Dated: 7 September 2021



Cr Sarah Race  
Deputy Mayor  
Dated: 7 September 2021



John Baker  
Chief Executive Officer  
Dated: 7 September 2021

Financial

# Statement

# Annual Report

## Mornington Peninsula Shire – Annual Financial Report

For the Year Ended 30 June 2021

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## Certification of the Financial Statements

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2020.



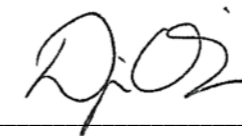
Bulent Oz, CPA  
Chief Financial Officer  
Dated: 7 September 2021

In our opinion, the accompanying performance statement of the Mornington Peninsula Shire Council for the year ended 30 June 2021 presents fairly the results of Council's performance in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

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

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

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



Cr Despi O'Conner  
Mayor  
Dated: 7 September 2021



Cr Sarah Race  
Deputy Mayor  
Dated:



John Baker  
Chief Executive Officer  
Dated: 7 September 2021

## Independent Auditor's Report

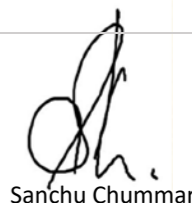
### To the Councillors of Mornington Peninsula Shire Council

<b>Opinion</b>	<p>I have audited the financial report of Mornington Peninsula Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>balance sheet as at 30 June 2021</li> <li>comprehensive income statement for the year then ended</li> <li>statement of changes in equity for the year then ended</li> <li>statement of cash flows for the year then ended</li> <li>statement of capital works for the year then ended</li> <li>notes to the financial statements, including significant accounting policies</li> <li>certification of the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> <li>identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</li> <li>obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control</li> <li>evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors</li> <li>conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.</li> <li>evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.</li> </ul>
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I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
22 September 2021



Sanchu Chummar  
as delegate for the Auditor-General of Victoria

# Comprehensive Income Statement

For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Rates and charges	3.1	192,530	183,256
Statutory fees and fines	3.2	8,089	7,221
User fees	3.3	15,741	19,471
Grants – operating	3.4	25,883	24,315
Grants – capital	3.4	12,182	10,701
Contributions – monetary	3.5	2,521	2,564
Contributions – non monetary	3.5	2,131	4,419
Fair value adjustments for investment property	6.4	1,358	–
Other income	3.7	3,939	3,502
<b>Total income</b>		<b>264,375</b>	<b>255,449</b>
<b>Expenses</b>			
Employee costs	4.1	81,396	80,392
Materials and services	4.2	114,566	111,674
Depreciation	4.3	34,263	32,903
Amortisation – intangible assets	4.4	2,122	181
Amortisation – right of use assets	4.5	1,442	190
Bad and Doubtful Debts	4.6	2	–
Borrowing costs	4.7	1,262	865
Other expenses	4.9	5,382	4,937
Finance costs – leases	4.8	95	28
Net loss on disposal of property, infrastructure, plant and equipment	3.6	1,656	2,010
Fair value adjustments for investment property	6.4	–	128
<b>Total expenses</b>		<b>242,186</b>	<b>233,308</b>
<b>Surplus for the year</b>		<b>22,189</b>	<b>22,141</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment	6.2	215,939	81,798
<b>Total comprehensive result</b>		<b>238,129</b>	<b>103,939</b>

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

# Balance Sheet

For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	116,321	64,727
Trade and other receivables	5.1	19,737	20,954
Other financial assets	5.1	585	15,584
Inventories	5.2	187	224
Non-current assets classified as held for sale	6.1	–	4,601
Other assets	5.2	2,593	2,491
<b>Total current assets</b>		<b>139,423</b>	<b>108,581</b>
<b>Non-current assets</b>			
Trade and other receivables	5.1	112	366
Other financial assets	5.1	47	43
Property, infrastructure, plant and equipment	6.2	2,756,790	2,519,793
Right-of-use assets	5.8	1,494	706
Investment property	6.3	10,287	8,932
Intangible assets	5.2	4,697	4,607
<b>Total non-current assets</b>		<b>2,773,426</b>	<b>2,534,447</b>
<b>Total assets</b>		<b>2,912,850</b>	<b>2,643,028</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	16,286	17,582
Trust funds and deposits	5.3	10,586	5,308
Unearned Income	5.3	15,616	3,947
Provisions	5.5	16,278	14,718
Interest-bearing liabilities	5.4	4,974	5,512
Lease liabilities	5.8	709	278
<b>Total current liabilities</b>		<b>64,448</b>	<b>47,345</b>
<b>Non-current liabilities</b>			
Trust funds and deposits	5.3	1,928	1,864
Provisions	5.5	14,004	9,667
Interest-bearing liabilities	5.4	39,599	29,983
Lease liabilities	5.8	1,020	440
<b>Total non-current liabilities</b>		<b>56,551</b>	<b>41,954</b>
<b>Total liabilities</b>		<b>121,000</b>	<b>89,298</b>
<b>Net assets</b>		<b>2,791,851</b>	<b>2,553,728</b>
<b>Equity</b>			
Accumulated surplus		1,064,804	1,042,615
Reserves	9.1	1,727,048	1,511,114
<b>Total Equity</b>		<b>2,791,851</b>	<b>2,553,728</b>

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

## Statement of Changes in Equity

For the Year Ended 30 June 2021

	Note	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2021</b>					
Balance at beginning of the financial year		2,553,728	1,042,616	1,510,040	1,075
Surplus for the year		22,189	22,189	–	–
Net asset revaluation increment/(decrement)	9.1	215,942	–	215,942	–
Transfers to other reserves	9.1	22	–	–	22
Transfers from other reserves	9.1	(30)	–	–	(30)
		2,791,851	1,064,804	1,725,981	1,067
<b>Balance at end of the financial year</b>		<b>2,791,851</b>	<b>1,064,804</b>	<b>1,725,981</b>	<b>1,067</b>
<b>2020</b>					
Balance at beginning of the financial year		2,452,983	1,023,657	1,428,242	1,084
Prior year adjustment*	9.4	(3,194)	(3,194)	–	–
Balance at beginning of the financial year as restated		2,449,789	1,020,463	1,428,242	1,084
Surplus/(deficit) for the year		22,141	22,141	–	–
Net asset revaluation increment/(decrement)	6.2	81,798	–	81,798	–
Transfers to other reserves	9.1	–	(21)	–	21
Transfers from other reserves	9.1	–	30	–	(30)
		2,553,728	1,042,616	1,510,040	1,075
<b>Balance at end of the financial year</b>		<b>2,553,728</b>	<b>1,042,616</b>	<b>1,510,040</b>	<b>1,075</b>

\* Council has restated the Statement of Changes for prior period adjustments detailed in Note 9.4

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

## Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		198,060	179,505
Statutory fees and fines		7,674	6,735
User fees		16,600	18,646
Grants – operating		25,995	24,701
Grants – capital		23,740	10,701
Contributions – monetary		3,503	3,772
Interest received		479	1,511
Dividends received		1	3
Trust funds and deposits taken		955	(36)
Other receipts		3,157	2,120
Net GST refund		15,191	16,581
Employee costs		(78,903)	(77,385)
Materials and services		(120,738)	(119,257)
Short-term, low value and variable lease payments		(1,640)	(923)
Other payments		(5,983)	(5,126)
<b>Net cash provided by/(used in) operating activities</b>		<b>88,092</b>	<b>61,548</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(57,700)	(73,588)
Proceeds from sale of property, infrastructure, plant and equipment		1,806	1,971
Payments for investments		–	(37,000)
Proceeds from sale of investments		14,999	54,500
<b>Net cash provided by/(used in) investing activities</b>		<b>(40,895)</b>	<b>(54,117)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(1,262)	(788)
Proceeds from borrowings		13,900	26,500
Repayment of borrowings		(4,638)	(3,809)
Interest paid – lease liability		(95)	(30)
Repayment of lease liabilities *		(3,508)	(196)
<b>Net cash provided by/(used in) financing activities</b>		<b>4,397</b>	<b>21,677</b>
Net increase in cash and cash equivalents		51,594	29,108
Cash and cash equivalents at the beginning of the financial year		64,727	35,619
<b>Cash and cash equivalents at the end of the financial year</b>		<b>116,321</b>	<b>64,727</b>
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

\* Catch up from prior year as we previously only recognised new right of use assets in FY20 as part of the transition of the new accounting standards.

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

# Statement of Capital Works

For the Year Ended 30 June 2021

	2021	2020
	\$'000	\$'000
<b>Land &amp; Property</b>		
Land	137	584
Buildings	31,880	33,502
<b>Total Land &amp; Property</b>	<b>32,017</b>	<b>34,086</b>
<b>Plant and equipment</b>		
Plant, machinery and equipment	269	435
Fixtures, fittings and furniture	55	83
Computers and telecommunications	777	5,950
Artworks	57	–
Library books	789	936
Total plant and equipment	1,947	7,404
<b>Infrastructure</b>		
Roads	6,568	9,233
Drainage	2,319	76
Bridges	20	2,609
Footpaths and cycleways	1,931	2,151
Recreational, leisure and community facilities	3,044	2,962
Parks, open space and streetscapes	3,040	6,818
Marine structures	1,569	786
<b>Total infrastructure</b>	<b>18,491</b>	<b>24,635</b>
<b>Total capital works expenditure</b>	<b>52,455</b>	<b>66,125</b>
Represented by:		
New asset expenditure	28,123	31,580
Asset renewal expenditure	16,493	26,923
Asset expansion expenditure	329	847
Asset upgrade expenditure	7,510	6,775
<b>Total capital works expenditure</b>	<b>52,455</b>	<b>66,125</b>

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

# Notes to the Financial Report

For the Year Ended 30 June 2021

## OVERVIEW

### Introduction

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

### Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

### Significant accounting policies

#### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)

– the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)

– the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)

– the determination of Intangible Airspace (refer to Note 5.2)

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

#### (b) Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic Covid-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. Council has noted the following significant impacts on its financial operations:

- Additional revenue – additional grant revenue driven by Working for Victoria initiative. This contributed to the recognition of an additional \$1.6M in grant income, however is all offset by expenditure, of which \$0.8M will be expended in 2021-22.
- Revenue reductions – when adopting the 2020-21 annual budget, Council reduced income assumptions by \$6.4M. This included reduction in income from services provided by Council (e.g. sports & recreation facilities, foreshore camping) and income foregone (e.g. footpath trading permits, rental income). Council activated its financial hardship policy on 26 May 2020 with no interest to be raised on overdue balances.
- Additional costs – additional expenditure was incurred from the Working For Victoria initiative which was fully funded by grant income.

In order to achieve a balanced budget and due to the significant decrease in income, Council revised its budget and made reduction in operational expenditure including employee costs, consultancy and other staff related costs.

### Note 1 Performance against budget

The performance against budget notes compare Council's financial plan (adopted August 2020), expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$1 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

"These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

#### 1.1 Income and expenditure

	Budget	Actual	Variance	Variance	
	2021	2021	2021	2021	
	\$'000	\$'000	\$'000	%	Ref
<b>Income</b>					
Rates and charges	191,627	192,530	903	0%	
Statutory fees and fines	7,014	8,089	1,075	15%	1
User fees	15,709	15,741	33	0%	
Grants – operating	21,725	25,883	4,158	19%	2
Grants – capital	7,624	12,182	4,558	60%	3
Contributions – monetary	2,355	2,521	166	7%	
Contributions – non monetary	200	2,131	1,931	966%	4
Fair value adjustments for investment property	–	1,358	1,358	100%	5
Other income	3,429	3,939	510	15%	6
<b>Total income</b>	<b>249,684</b>	<b>264,375</b>	<b>14,692</b>	<b>6%</b>	
<b>Expenses</b>					
Employee costs	82,869	81,396	1,473	2%	7
Materials and services	115,979	114,566	1,413	1%	8
Depreciation	31,347	34,263	(2,916)	(9%)	9
Amortisation – Intangible assets	181	2,122	(1,941)	(1071%)	10
Amortisation – Right of use assets	1,655	1,442	213	13%	
Bad and Doubtful Debts	–	2	(2)	100%	
Borrowing costs	1,366	1,262	105	8%	
Other expenses	7,119	5,382	1,737	24%	11
Finance costs – Leases	162	95	67	41%	
Net loss on disposal of property, infrastructure, plant and equipment	–	1,656	(1,656)	100%	12
<b>Total expenses</b>	<b>240,678</b>	<b>242,186</b>	<b>(1,508)</b>	<b>(1%)</b>	
<b>Surplus for the year</b>	<b>9,005</b>	<b>22,189</b>	<b>13,184</b>	<b>146%</b>	

#### (i) Explanation of material variations

Variance Ref	Item	"Variance Fav / Unfav"	Explanation
1	Statutory fees and fines	Fav	Higher than expected planning application resulted additional 15% income in planning statutory fees.
2	Grants – operating	Fav	"Operating grants are higher than budget due to a number of State Government funded schemes being received non-recurrently throughout the year. These schemes then result in offsetting expenditure throughout the financial year and into 2021/22. The schemes included: – Working for Victoria \$1.6M – Outdoor Dining Program \$0.6M – Natural System initiatives \$0.3M – Briars Homestead Heritage Works \$0.6M"
3	Grants – capital	Fav	"Capital grants are higher than budget due to projects awarded during the 2020/21 financial year or were budgeted in 2021/22 and received early. These include grants from both State and Commonwealth funding. Some of these projects include: – Local Roads & Community Infrastructure – Recreation & Leisure"
4	Contributions – non monetary	Fav	Non monetary contributions is higher than budget due to development activity which has resulted in unbudgeted revenue from contributed Land and Infrastructure assets, mainly roads and drains.
5	Fair value adjustments for investment property	Fav	Investment Property has increased in fair value due to current market rates of land by 19%.
6	Other income	Fav	The impact of Covid-19 on investment properties were less than the revised budget.
7	Employee costs	Fav	Vacancies during the year due to unfilled roles and organisational restructure resulted in less spend in employment expenses.
8	Materials and services	Fav	Expenses are favourable due to landfill levy rate increase remaining on hold due to Covid-19, government jobkeeper funding for recreational facilities partner that were closed throughout the year. Utilities underspend across the shire facilities due to working from home.
9	Depreciation	Unfav	Depreciation higher than expected due to unbudgeted additions and disposals across the infrastructure categories.
10	Amortisation – Intangible assets	Unfav	Intangible assets higher than budget due to recognition of Airspace in 2021 for Rye Landfill.
11	Other expenses	Fav	Other expenses lower than budget due to reduced family day care fee relief payments as a result of a lower number of carers than expected. In addition due to the Covid-19 impact, there was a significant underspend in staff training.
12	Net loss on disposal of property, infrastructure, plant and equipment	Unfav	The net gain on sale of real estate is lower than budget but offset against a number of existing assets (mainly infrastructure assets) being disposed/replaced as part of Council's Capital Works Program.

## 1.2 Capital works

	Budget	Actual	Variance	Variance		
	2021	2021				
	\$'000	\$'000	\$'000	%	Ref	
<b>Land &amp; Property</b>						
Land	265	137	128	48%		
Buildings	17,779	31,880	(14,101)	(79%)	1	
<b>Total Land &amp; Property</b>	<b>18,044</b>	<b>32,017</b>	<b>(13,973)</b>	<b>(77%)</b>		
<b>Plant and equipment</b>						
Plant, machinery and equipment	350	269	81	23%		
Fixtures, fittings and furniture	130	55	75	57%		
Computers and telecommunications	5,597	777	4,820	86%	2	
Artworks	25	57	(32)	(126%)		
Library books	935	789	146	16%		
<b>Total plant and equipment</b>	<b>7,037</b>	<b>1,947</b>	<b>5,091</b>	<b>72%</b>		
<b>Infrastructure</b>						
Roads	11,625	6,568	5,057	44%	3	
Bridges	330	20	310	94%		
Footpaths and cycleways	2,413	1,931	482	20%		
Drainage	2,485	2,319	166	7%		
Recreational, leisure and community facilities	4,000	3,044	956	24%		
Parks, open space and streetscapes	4,237	3,040	1,197	28%		
Marine structures	730	1,569	(839)	(115%)		
<b>Total infrastructure</b>	<b>25,820</b>	<b>18,491</b>	<b>7,329</b>	<b>28%</b>		
<b>Total capital works expenditure</b>	<b>50,901</b>	<b>52,455</b>	<b>(1,553)</b>	<b>(3%)</b>		
<b>Represented by:</b>						
New asset expenditure	23,176	28,123	(4,947)	(21%)		
Asset renewal expenditure	21,611	16,493	5,118	24%		
Asset expansion expenditure	-	329	(329)	100%		
Asset upgrade expenditure	6,114	7,510	(1,395)	(23%)		
<b>Total capital works expenditure</b>	<b>50,901</b>	<b>52,455</b>	<b>(1,553)</b>	<b>(3%)</b>		

## (i) Explanation of material variations

Variance Ref	Item	"Variance Fav / Unfav"	Explanation
	Variances less than \$1million		Typically capital works with overspend against budget relates to spend against prior year carry forwards and 2020/21 budget. In contrast, underspend against budget will reflect in a carry forward for the next financial year.
1	Buildings	Unfav	Buildings expenditure higher than budget due to carry forwards from prior year particularly Yawa Aquatic Centre (\$8.7million).
2	Computers and telecommunications	Fav	Computers and telecommunications favourable due to Phase 2 of the Oracle system implementation was budgeted in 2020/21. However this has since gone back out to tender and works have been delayed.
3	Roads	Fav	Roads are favourable because major roads projects have been delayed during the year due to wetter than normal months. Geotechnical reports for Mt Eliza and Bentons roads were received and reflected a need to wait for drier periods to ensure the road works are done to the best possible standards.

## Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

### 2 (a) Chief Executive Office

The Chief Executive Office sits over the following units in an executive function, with each of their Directors and select others involved in the Executive Leadership Team for decision making, leadership and collaboration. The Communications & Events, Innovation & Advocacy and Governance & Legal team also sit within this directorate, auxiliary to the five key departments, with a focus on supporting the strategic communication, transparency and ethical decision making of Council.

### Communities

Family Services & Community Planning, Social Planning and Community Development, Aged & Disability, Libraries, Arts & Culture make up the Communities directorate of Council. The focus is to provide inclusive, strong and connected communities for residents and visitors of the shire by linking critical services to those in need, providing and promoting opportunities for learning and giving everyone the opportunity to be involved.

### Corporate Services

Corporate Services encompasses the core business functions of the Council including Information Services, Corporate Services, Finance, People, Culture & Customer Service and Business Transformation. These units support the timely and effective adherence to regulation, legislative and financial reporting requirements as well as the development of strategic policies, delivery of quality service and effective information management.

### Place

Directorate of Place encompasses all aspects of strategic Council asset management and development, natural resource conservation and stakeholder property services. This is broken down into Infrastructure Services, Infrastructure Strategy & Climate Change, Environment Protection Unit, Property & Strategy, Safety & Service Quality, The Briars and Project Delivery.

### Planning & Building

The Planning & Building directorate of Council is the regulatory arm of all matters pertaining to planning scheme amendments, statutory planning applications, planning compliance, building records, building report and consent and building compliance. The units provide technical advice on planning and building legislation to achieve quality land use and development outcomes.

2 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office	1,882	14,865	(12,983)	1,588	–
Communities	16,874	32,696	(15,822)	14,701	2,022
Corporate Services	197,477	23,821	173,656	6,243	135,954
Place	35,834	150,222	(114,388)	13,656	2,774,873
Planning & Building	12,308	20,583	(8,275)	1,877	–
	<b>264,375</b>	<b>242,186</b>	<b>22,189</b>	<b>38,065</b>	<b>2,912,850</b>

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
2020	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office	395	10,637	(10,242)	5	–
Communities	16,614	32,773	(16,159)	14,083	1,924
Corporate Services	188,538	23,851	164,687	6,457	110,130
Place	42,748	153,210	(110,462)	14,472	2,530,974
Planning & Building	7,154	12,837	(5,683)	–	–
	<b>255,449</b>	<b>233,308</b>	<b>22,141</b>	<b>35,017</b>	<b>2,643,028</b>

2021  
\$'000

2020  
\$'000

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2020/21 was \$92.771 billion (2019/20 \$91.101 billion).

General rates	151,660	146,769
Waste service charge	33,139	29,268
Service rates and charges (opt-in green waste)	5,617	5,161
Supplementary rates and rate adjustments	1,112	1,063
Culture and recreational	162	155
Revenue in lieu of rates	840	840
<b>Total rates and charges</b>	<b>192,530</b>	<b>183,256</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation will be first applied in the rating year commencing 1 July 2020.

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

3.2 Statutory fees and fines

Infringements and costs	1,472	1,604
Town planning fees	3,241	2,804
Land information certificates	260	221
Permits	2,678	2,491
Other fees and charges	438	101
<b>Total statutory fees and fines</b>	<b>8,089</b>	<b>7,221</b>

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

3.3 User fees

Aged and health services	1,503	1,701
Animal shelter fees	62	65
Art gallery fees	42	101
Building services	688	618

	2021	2020
	\$'000	\$'000
Child, youth and family care services	205	344
Events & festivals fees	27	10
Foreshore camping fees	972	3,062
Grounds and pavilions	–	206
Halls and community centres	96	330
Legal reimbursement	10	238
Leisure centre and recreation	698	790
Library fees and fines	6	92
Nursery and homestead	112	294
Parking and boat ramp	127	54
Planning fees	618	413
Registration and other permits	2,797	2,924
Tourism fees	–	10
Valuations and property	962	949
Waste management services	6,789	6,634
Other fees and charges	28	636
<b>Total user fees</b>	<b>15,741</b>	<b>19,471</b>
<b>User fees by timing of revenue recognition</b>		
User fees recognised over time	–	–
User fees recognised at a point in time	15,741	19,471
<b>Total user fees</b>	<b>15,741</b>	<b>19,471</b>

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

3.4	Funding from other levels of government	2021	2020
	Grants were received in respect of the following :	\$'000	\$'000
	<b>Summary of grants</b>		
	Commonwealth funded grants	22,462	17,460
	State funded grants	15,604	17,556
	<b>Total grants received</b>	<b>38,065</b>	<b>35,017</b>

	2021	2020
	\$'000	\$'000

**(a) Operating Grants**

*Recurrent – Commonwealth Government*

Financial Assistance Grant	6,080	6,253
Family day care	606	749
Aged Care	7,540	7,262
Indigenous Programs	88	87
<b>Total Recurrent – Commonwealth Government</b>	<b>14,314</b>	<b>14,351</b>

*Recurrent – State Government*

Aged care	2,078	2,012
School crossing supervisors	464	469
Libraries	1,043	1,017
Maternal and child health	1,846	1,682
Community safety	246	136
Family and Children	557	508
Indigenous Programs	60	71
Other	248	318
<b>Total Recurrent – State Government</b>	<b>6,541</b>	<b>6,213</b>
<b>Total recurrent operating grants</b>	<b>20,855</b>	<b>20,564</b>

*Non-recurrent – Commonwealth Government*

Indigenous Programs	–	2
Family and Children	–	5
Libraries	3	14
Other	3	21

	2021	2020
	\$'000	\$'000
<i>Non-recurrent – State Government</i>		
Aged Care	94	–
Waste Management Services *	(23)	1,382
Parking and Boat Ramp	709	845
Natural Disaster	–	157
Environmental planning	689	164
Community safety	759	54
Family and children	691	557
Vegetation	518	370
Working For Victoria	1,588	–
Other	–	202
<b>Total non-recurrent – State Government</b>	<b>5,025</b>	<b>3,731</b>
<b>Total non-recurrent operating grants</b>	<b>5,028</b>	<b>3,752</b>
<b>Total operating grants</b>	<b>25,883</b>	<b>24,315</b>

\* Waste Management Services showing negative due to provision based on indicative amount, actual received was lower than expected.

#### (b) Capital Grants

##### *Recurrent – Commonwealth Government*

Roads to recovery	2,255	964
<b>Total recurrent capital grants</b>	<b>2,255</b>	<b>964</b>

##### *Non-recurrent – Commonwealth Government*

Recreation	345	125
Local Roads & Community Infrastructure Program	3,545	–
Other – Yawa Aquatic Centre	2,000	2,000

##### *Non-recurrent – State Government*

Community Safety	–	894
Libraries	–	20
Recreation	1,394	1,337
Roads and Intersections	634	54
Drainage	44	–

	2021	2020
	\$'000	\$'000
Boat ramps and piers	1,000	978
Buildings	722	727
Township	–	3,371
Waste	218	–
Other	24	231
<b>Total non-recurrent capital grants</b>	<b>9,927</b>	<b>9,737</b>
<b>Total capital grants</b>	<b>12,182</b>	<b>10,701</b>

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

##### *Capital*

Balance at start of year	9,136	8,317
Received during the financial year and remained unspent at balance date	5,946	6,785
Received in prior years and spent during the financial year	(5,164)	(5,966)
<b>Balance at year end</b>	<b>9,917</b>	<b>9,136</b>

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

3.5 Contributions	\$'000	\$'000
Monetary	2,521	2,564
Non-monetary	2,131	4,419
<b>Total contributions</b>	<b>4,652</b>	<b>6,983</b>

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

Land	14	2,693
Roads	78	426
Land under roads	27	178
Drainage	1,942	987
Footpaths & cycleways	–	81
Parks & open spaces	70	54
<b>Total non-monetary contributions</b>	<b>2,131</b>	<b>4,419</b>

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

**3.6 Net loss on disposal of property, infrastructure, plant and equipment**

	2021	2020
	\$'000	\$'000
Proceeds of sale	1,806	1,971
Written down value of assets disposed	(3,463)	(3,981)
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<b>(1,656)</b>	<b>(2,010)</b>

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

**3.7 Other income**

Interest	516	1,141
Dividends	1	3
Investment property rental	2,062	2,057
Merchant Sales	522	–
Other rent	(0)	14
Volunteer services	234	234
Other	604	53
<b>Total other income</b>	<b>3,939</b>	<b>3,502</b>

Interest is recognised as it is earned.

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

Merchant Sales has been split out compared to prior year User Fees. Includes Briars nursery, Mt. Martha golf course and regional gallery

**Note 4 The cost of delivering services**

**4.1 (a) Employee costs**

Wages and salaries	61,567	59,980
WorkCover	1,607	1,433
Casual staff	2,585	3,200
Superannuation	6,844	6,703
Fringe benefits tax	562	540
Annual leave and long service leave	6,835	7,442
Redundancies	1,396	1,094
<b>Total employee costs</b>	<b>81,396</b>	<b>80,392</b>

2021 2020  
\$'000 \$'000

**(b) Superannuation**

Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	165	153
<b>Total Defined Benefit</b>	<b>165</b>	<b>153</b>
Employer contributions payable at reporting date.	–	50
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,801	3,920
Employer contributions – other funds	2,877	2,630
<b>Total Accumulation Funds</b>	<b>6,679</b>	<b>6,550</b>
Employer contributions payable at reporting date.	148	100

Refer to note 9.3 for further information relating to Council's superannuation obligations.

**4.2 Materials and services**

Contract payments		
Waste Management Services	27,824	26,158
Sport & Recreation	1,535	1,224
Other	778	2,153
Landfill rehabilitation provision *	2,084	2,390
Building maintenance	8,382	7,977
General maintenance		
Furniture and Signs	3,730	3,932
Roads, Drainage and Cleansing	24,022	22,473
Parks and Roadsides	10,856	11,026
Natural Systems	3,648	3,909
Other	3,860	2,753
Utilities	3,364	3,894

	2021	2020
	\$'000	\$'000
Parking and travel	709	909
Operating leases	436	1,808
Information technology	5,394	4,397
Insurance	1,724	1,572
Legal	1,385	1,753
Consultants	5,468	4,975
Priority Projects **	4,019	4,268
Other	5,348	4,103
<b>Total materials and services</b>	<b>114,566</b>	<b>111,674</b>

\* Landfill Rehabilitation provision has been adjusted to net present value. See note 5.5(b) for provision balance.

\*\* Priority Projects are generally 'one-off' or non-recurring costs. Examples are Council election, strategy development, specific consultant's costs or works projects that do not add to the capitalised value of an asset. Information regarding priority projects are presented in the Quarterly Community Reports.

#### 4.3 Depreciation

Property	6,442	5,509
Plant and equipment	1,187	1,380
Infrastructure	26,633	26,014
<b>Total depreciation</b>	<b>34,263</b>	<b>32,903</b>

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

#### 4.4 Amortisation – Intangible assets

Software	149	181
Landfill – Airspace	1,973	–
<b>Total Amortisation – Intangible assets</b>	<b>2,122</b>	<b>181</b>

#### 4.5 Amortisation – Right of use assets

Property	108	76
Information Technology	153	–
Vehicles	1,181	114
<b>Total Amortisation – Right of use assets</b>	<b>1,442</b>	<b>190</b>

	2021	2020
	\$'000	\$'000

#### 4.6 Bad and doubtful debts

Bad Debts	2	–
<b>Total bad and doubtful debts</b>	<b>2</b>	<b>–</b>

Movement in provisions for doubtful debts

#### 4.7 Borrowing costs

Interest – Borrowings	1,262	865
<b>Total borrowing costs</b>	<b>1,262</b>	<b>865</b>

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

#### 4.8 Finance Costs – Leases

Interest – Lease Liabilities	95	28
<b>Total finance costs</b>	<b>95</b>	<b>28</b>

#### 4.9 Other expenses

	2021	2020
	\$'000	\$'000
Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	101	94
Auditors' remuneration – Internal	160	166
Councillors' allowances	448	450
Community grants, contributions and subsidies paid	2,303	2,035
Family day care fee relief paid (offset by income)	608	713
Indirect recruitment costs (recruitment, staff training and uniforms)	790	648
Insurance excess and small claims	56	61
Operating lease rentals	191	123
Training, conferences and seminars	25	64
Volunteer services	234	234
Others	465	349
<b>Total other expenses</b>	<b>5,382</b>	<b>4,937</b>

**Note 5 Our financial position**

**5.1 Financial assets**

**(a) Cash and cash equivalents**

Cash on hand	7	6
Cash at bank	116,314	64,721
<b>Total cash and cash equivalents</b>	<b>116,321</b>	<b>64,727</b>

**(b) Other financial assets**

**Current**

Term deposits	585	15,584
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**Non-Current**

Shares	47	43
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<b>Total other financial assets</b>	<b>632</b>	<b>15,627</b>
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<b>Total financial assets</b>	<b>116,953</b>	<b>80,354</b>
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Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

– Trust funds and deposits (Note 5.3)	10,586	5,308
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<b>Total restricted funds</b>	<b>10,586</b>	<b>5,308</b>
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<b>Total unrestricted cash and cash equivalents</b>	<b>105,735</b>	<b>59,419</b>
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**Intended allocations**

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

– cash held to fund carried forward capital works	68,955	47,552
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– Other Reserves.	1,067	1,075
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<b>Total funds subject to intended allocations</b>	<b>70,022</b>	<b>48,627</b>
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Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less.

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>

**(c) Trade and other receivables**

**Current**

Statutory receivables		
Rates debtors	8,381	9,345
Rates Pensioner	976	971
Special rate assessment	381	311
Infringement debtors	3,093	2,679
Provision for doubtful debts – infringements	(2,583)	(2,116)
Grants – Government and Statutory Bodies	1,173	2,156
Net GST receivable	1,939	2,599
Non statutory receivables		
Other debtors	6,376	5,009
<b>Total current trade and other receivables</b>	<b>19,737</b>	<b>20,954</b>

**Non-current**

Statutory receivables		
Special rate scheme	112	366
<b>Total non-current trade and other receivables</b>	<b>112</b>	<b>366</b>
<b>Total trade and other receivables</b>	<b>19,849</b>	<b>21,320</b>

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

#### (d) Ageing of Receivables

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

Current (not yet due)	3,544	3,377
Past due by up to 30 days	1,520	125
Past due between 31 and 180 days	29	233
Past due between 181 and 365 days	1,282	1,274
<b>Total trade and other receivables</b>	<b>6,376</b>	<b>5,009</b>

#### (e) Ageing of infringement debtors

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

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

Current (not yet due)	–	–
Past due by up to 30 days	–	–
Past due between 31 and 180 days	–	–
Past due between 181 and 365 days	–	–
Past due by more than 1 year	2,583	2,116
<b>Total trade &amp; other receivables</b>	<b>2,583</b>	<b>2,116</b>

## 5.2 Non-financial assets

### (a) Inventories

Inventories held for distribution	187	224
<b>Total inventories</b>	<b>187</b>	<b>224</b>

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

### (b) Other assets

Prepayments	1,309	1,175
Accrued income	1,284	1,316
<b>Total other assets</b>	<b>2,593</b>	<b>2,492</b>

### (c) Intangible assets

Software	750	899
Landfill – Airspace	3,947	3,708
<b>Total intangible assets</b>	<b>4,697</b>	<b>4,607</b>

	<b>Software</b>	<b>Landfill – Airspace</b>
	<b>\$'000</b>	<b>\$'000</b>

### Gross carrying amount

Balance at 1 July 2020	4,545	6,861
Adjustment from revaluations	–	2,212
Disposal of intangible asset	(1,785)	–
Balance at 1 July 2021	2,760	9,072

### Accumulated amortisation and impairment

Balance at 1 July 2020	(3,646)	(3,152)
Amortisation expense	(149)	(1,973)
Disposal of intangible asset	1,785	–
Balance at 1 July 2021	(2,010)	(5,126)
Net book value at 30 June 2020	899	3,708
Net book value at 30 June 2021	750	3,947

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

### 5.3 Payables

#### (a) Trade and other payables

Trade payables	3,884	7,943
Accrued expenses	12,402	9,639
<b>Total trade and other payables</b>	<b>16,286</b>	<b>17,582</b>

#### (b) Trust funds and deposits

Refundable deposits	1,981	778
Fire services levy	5,379	992
Retention amounts	318	760
Bank guarantees	261	261
General	560	493
Hillview Quarries restoration fund	477	477
Rate recoveries	341	341
Subdivision maintenance deposits	1,269	1,206
<b>Total trust funds and deposits</b>	<b>10,586</b>	<b>5,308</b>

#### Non-current

Refundable deposits	1,928	1,864
<b>Total Non-current</b>	<b>1,928</b>	<b>1,864</b>
<b>Total trust funds and deposits</b>	<b>12,515</b>	<b>7,172</b>

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

#### Purpose and nature of items

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

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

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

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

	2021	2020
	\$'000	\$'000
<b>(c) Unearned income</b>		
Grants received in advance – operating	71	440
Grants received in advance – capital	11,558	500
Developer Contributions	3,987	3,007
<b>Total unearned income</b>	<b>15,616</b>	<b>3,947</b>

the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities.

### 5.4 Interest-bearing liabilities

Current		
Bank overdraft	494	679
Borrowings – Secured*	4,479	4,833
	4,974	5,512
Non-current		
Borrowings – Secured*	39,599	29,983
	39,599	29,983
<b>Total</b>	<b>44,572</b>	<b>35,495</b>

\*Borrowings are secured by general rates

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

Not later than one year	4,479	5,512
Later than one year and not later than five years	12,344	12,234
Later than five years	27,749	17,749
	44,572	35,495

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

## 5.5 Provisions

	Employee	Landfill	Native vegetation	Total
	restoration	management		
	\$ '000	\$ '000	\$ '000	\$ '000
<b>2021</b>				
Balance at beginning of the financial year	16,562	7,098	725	24,385
Additional provisions	7,316	2,991	13	10,319
Amounts used	(5,142)	–	(72)	(5,214)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(514)	1,305	–	791
<b>Balance at the end of the financial year</b>	<b>18,221</b>	<b>11,393</b>	<b>667</b>	<b>30,280</b>
<b>2020</b>				
Balance at beginning of the financial year	14,203	4,708	803	19,714
Additional provisions	7,574	2,167	19	9,760
Amounts used	(5,392)	–	(97)	(5,489)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	177	223	–	400
<b>Balance at the end of the financial year</b>	<b>16,562</b>	<b>7,098</b>	<b>725</b>	<b>24,385</b>

## (a) Employee provisions

### Current provisions expected to be wholly settled within 12 months

Annual leave	5,417	4,864
Long service leave	1,274	1,332
Redundancies	320	352
	<b>7,011</b>	<b>6,548</b>

### Current provisions expected to be wholly settled after 12 months

Annual leave	1,851	1,103
Long service leave	7,291	6,940
	<b>9,142</b>	<b>8,043</b>
<b>Total current employee provisions</b>	<b>16,153</b>	<b>14,591</b>

### Non-current

Long service leave	2,069	1,971
Annual leave	–	–
<b>Total non-current employee provisions</b>	<b>2,069</b>	<b>1,971</b>

### Aggregate carrying amount of employee provisions:

Current	16,153	14,591
Non-current	2,069	1,971
<b>Total aggregate carrying amount of employee provisions</b>	<b>18,221</b>	<b>16,562</b>

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

### Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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

### Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non – current liability.

<b>Key assumptions:</b>	<b>2021</b>	<b>2020</b>
– discount rate	0.47%	0.24%
– index rate	2.95%	2.90%

	<b>2021</b>	<b>2020</b>
<b>(b) Landfill restoration</b>	<b>\$'000</b>	<b>\$'000</b>
Non-current		
Rye Landfill	9,343	7,098
Tyabb Landfill	2,050	–
	<b>11,393</b>	<b>7,098</b>

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

Council is required to hold a financial assurance for Tyabb Landfill due to a Post-Closure Pollution Abatement Notice and hold until completion of aftercare management plan.

<b>Key assumptions:</b>		
– discount rate	0.18% – 3.96%	0.7% – 3.7%
– inflation rate	2.9%	0.3%
– estimated cost to rehabilitate	\$4,271	\$3,251

<b>(c) Native vegetation management</b>		
Current	125	128
Non-current	542	598
	<b>667</b>	<b>726</b>

## 5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2021.

Bank overdraft	5,000	5,000
Bank Loans	44,078	34,816
Credit card facilities	200	200
Bank Guarantees	100	100
Asset Finance – Leasing	3,000	3,000
<b>Total facilities</b>	<b>52,378</b>	<b>43,116</b>
Used facilities	44,587	35,510
<b>Unused facilities</b>	<b>7,791</b>	<b>7,606</b>

## 5.7 Commitments

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

2021	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Cleansing	12,264	12,694	–	–	24,958
Parks and Roadside	11,728	12,138	–	–	23,866
Furniture and Signs	4,409	4,542	–	–	8,951
Buildings Maintenance	9,913	8,124	–	–	18,037
Safer Local Roads	15,577	16,122	–	–	31,699
Garbage Collection	2,991	–	–	–	2,991
Green Waste	1,257	1,301	571	415	3,544
Landfill & Transfer Station Management	8,946	6,463	–	–	15,409
Recycling	14,116	–	–	–	14,116
Recreational & Leisure	1,939	779	324	178	3,219
Telecommunications and IT	4,235	4,086	1,565	–	9,887
Consulting	1,146	278	–	–	1,424
Internal Audit	67	69	–	–	136
Home and Community Care Services	1,768	1,068	–	–	2,836
<b>Total</b>	<b>90,357</b>	<b>67,664</b>	<b>2,460</b>	<b>593</b>	<b>161,074</b>
<b>Capital</b>					
Buildings	976	503	–	–	1,478
Recreation Facilities	1,706	–	–	–	1,706
Roads	1,131	–	–	–	1,131
Footpaths & Street Scapes	40	–	–	–	40
<b>Total</b>	<b>3,854</b>	<b>503</b>	<b>–</b>	<b>–</b>	<b>4,356</b>

2020	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Cleansing	12,295	12,726	13,171	–	38,193
Parks and Roadside	11,486	11,888	12,304	–	35,679
Furniture and Signs	4,155	4,300	4,451	–	12,906
Buildings	7,695	7,965	8,244	–	23,905
Safer Local Roads	15,945	–	–	–	15,945
Garbage Collection	3,057	–	–	–	3,057
Green Waste	1,340	–	–	–	1,340
Landfill & Transfer Station Management	6,244	6,463	6,689	–	19,397
Recycling	13,747	–	–	–	13,747
Recreational & Leisure	628	650	421	–	1,699
Telecommunications and IT	1,409	1,314	1,794	–	4,517
Consulting	906	51	–	–	956
Internal Audit	67	69	72	–	207
<b>Total</b>	<b>78,974</b>	<b>45,426</b>	<b>47,146</b>	<b>–</b>	<b>171,545</b>
<b>Capital</b>					
Buildings	3,000	–	–	–	3,000
Recreation Facilities	16,531	106	–	–	16,637
Footpaths & Street Scapes	876	–	–	–	876
<b>Total</b>	<b>20,407</b>	<b>106</b>	<b>–</b>	<b>–</b>	<b>20,513</b>

## 5.8 Leases

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

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

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

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

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

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

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

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

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

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

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

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

Currently our peppercorn leases relate to:

7 CCTV & Transmitter Facility Leases – Relating installation of CCTV equipment on site. Lease terms ranging from 10 to 20 years.

6 Recreation Leases – Relating to open spaces for reserves. Lease terms ranging between 5 & 40 years.

Remaining leases relating to leases for mens shed / community group / pre-school and school ground & carpark. Lease terms ranging from 5 to 40 years.

Right-of-Use Assets	Property	Vehicles	IT	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	141	564	–	705
Additions	–	3,939	500	4,439
Amortisation charge	(108)	(3,389)	(153)	(3,650)
<b>Balance at 30 June 2021</b>	<b>32</b>	<b>1,113</b>	<b>347</b>	<b>1,494</b>

Balance at 1 July 2019	–	–	–	–
Additions	217	678	–	894
Amortisation charge	(76)	(114)	–	(190)
<b>Balance at 30 June 2020</b>	<b>141</b>	<b>564</b>	<b>–</b>	<b>705</b>

Lease Liabilities	2021	2020
Maturity analysis – contractual undiscounted cash flows	\$'000	\$'000
Less than one year	709	278
One to five years	1,020	487
More than five years	–	–
<b>Total undiscounted lease liabilities as at 30 June:</b>	<b>1,729</b>	<b>765</b>

Lease liabilities included in the Balance Sheet at 30 June:

Current	709	278
Non-current	1,020	440
<b>Total lease liabilities</b>	<b>1,729</b>	<b>718</b>

#### Short-term and low value leases

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

Expenses relating to:	2021	2020
	\$'000	\$'000
Short-term leases	–	–
Leases of low value assets	436	923
<b>Total</b>	<b>436</b>	<b>923</b>
Variable lease payments (not included in measurement of lease liabilities)	–	–

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

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

Payable:	2021	2020
Within one year	638	463
Later than one year but not later than five years	879	10
<b>Total lease commitments</b>	<b>1,517</b>	<b>473</b>

Note 6 Assets we manage	2021	2020
6.1 Non current assets classified as held for sale	\$'000	\$'000
Property assets held for sale	–	4,601
<b>Total non current assets classified as held for sale</b>	<b>–</b>	<b>4,601</b>

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

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020	Additions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Write-off	Transfers	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,093,433	–	41	209,425	–	–	2,310	–	684	1,305,893
Buildings	152,230	–	–	–	(6,442)	–	–	–	54,422	200,209
Plant and equipment	6,286	–	–	–	(1,187)	–	–	–	829	5,928
Infrastructure	1,220,867	246	2,088	6,514	(26,634)	(1,172)	–	–	4,419	1,206,329
Work in progress	46,977	52,455	–	–	–	–	(52)	(596)	(60,354)	38,430
	<b>2,519,793</b>	<b>52,701</b>	<b>2,130</b>	<b>215,939</b>	<b>(34,263)</b>	<b>(1,172)</b>	<b>2,258</b>	<b>(596)</b>	<b>–</b>	<b>2,756,790</b>

Summary of Work in Progress	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	35,581	32,017	–	(55,105)	12,492
Plant and equipment	323	1,947	(596)	(829)	845
Infrastructure	11,073	18,491	(52)	(4,419)	25,093
<b>Total</b>	<b>46,977</b>	<b>52,455</b>	<b>(648)</b>	<b>(60,354)</b>	<b>38,430</b>

**(a) Property**

	Land – specialised	Land – non specialised	Land Under Roads	Total Land & Land Improvements	Buildings – specialised	Buildings – non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	1,088,937	2,401	2,095	<b>1,093,433</b>	364,801	268	<b>365,069</b>	35,581	<b>1,494,083</b>
Accumulated depreciation at 1 July 2020	-	-	-	-	(212,626)	(213)	<b>(212,839)</b>	-	<b>(212,839)</b>
	1,088,937	2,401	2,095	<b>1,093,433</b>	152,175	55	<b>152,230</b>	35,581	<b>1,281,244</b>
<b>Movements in fair value</b>									
Additions	-	-	-	-	-	-	-	32,017	<b>32,017</b>
Contributions	14	-	27	<b>41</b>	-	-	-	-	<b>41</b>
Revaluation	208,561	459	405	<b>209,425</b>	-	-	-	-	<b>209,425</b>
Disposal	-	-	-	-	-	-	-	-	-
Transfers (WIP)	684	-	-	<b>684</b>	54,422	-	<b>54,422</b>	(55,105)	-
Transfers between categories	2,310	-	-	<b>2,310</b>	-	-	-	-	<b>2,310</b>
	211,569	459	433	<b>212,460</b>	54,422	-	<b>54,422</b>	(23,088)	<b>243,793</b>
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	-	-	-	-	(6,435)	(8)	<b>(6,442)</b>	-	<b>(6,442)</b>
	-	-	-	-	(6,435)	(8)	<b>(6,442)</b>	-	<b>(6,442)</b>
At fair value 30 June 2021	1,300,506	2,860	2,527	<b>1,305,893</b>	419,223	268	<b>419,491</b>	12,492	<b>1,737,876</b>
Accumulated depreciation at 30 June 2021	-	-	-	-	(219,061)	(221)	<b>(219,282)</b>	-	<b>(219,282)</b>
	<b>1,300,506</b>	<b>2,860</b>	<b>2,527</b>	<b>1,305,893</b>	<b>200,162</b>	<b>47</b>	<b>200,209</b>	<b>12,492</b>	<b>1,518,595</b>

**(b) Plant and Equipment**

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Artworks	Library books	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	6,194	4,159	735	2,595	4,798	323	18,804
Accumulated depreciation at 1 July 2020	(5,370)	(3,236)	(718)	–	(2,873)	–	(12,198)
	824	923	17	2,595	1,925	323	6,607
<b>Movements in fair value</b>							
Additions	–	–	–	–	–	1,947	1,947
Disposal	(1)	–	(594)	–	(1,066)	–	(1,661)
Write-off	–	–	–	–	–	(596)	(596)
Transfers	–	–	–	57	773	(829)	–
	(1)	–	(594)	57	(294)	522	(310)
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	(172)	(261)	(10)	–	(743)	–	(1,187)
Accumulated depreciation of disposals	1	–	594	–	1,066	–	1,661
	(172)	(261)	584	–	323	–	474
At fair value 30 June 2021	6,193	4,159	140	2,652	4,504	845	18,494
Accumulated depreciation at 30 June 2021	(5,542)	(3,497)	(134)	–	(2,550)	–	(11,723)
	651	662	6	2,652	1,954	845	6,771

**(c) Infrastructure**

	Roads	Drainage	Bridges	Footpaths and cycleways	Recreational, leisure and community	Parks open spaces and streetscapes	Marine Structures	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	922,198	663,903	2,205	150,769	37,564	90,705	8,431	11,074	<b>1,886,848</b>
Accumulated depreciation at 1 July 2020	(284,126)	(220,725)	(734)	(76,178)	(18,971)	(51,013)	(3,160)	–	<b>(654,907)</b>
	638,072	443,178	1,471	74,591	18,593	39,692	5,271	11,074	<b>1,231,941</b>
<b>Movements in fair value</b>									
Additions	–	–	–	–	–	246	–	18,491	<b>18,737</b>
Contributions	78	1,942	–	–	–	70	–	–	<b>2,090</b>
Revaluation increments/decrements	(4,244)	13,457	(10)	(695)	551	5,350	(1,006)	–	<b>13,403</b>
Disposal	(312)	(775)	–	(47)	(34)	(649)	(378)	–	<b>(2,195)</b>
Transfers (WIP)	531	522	–	406	608	1,029	1,323	(4,419)	–
	(3,946)	15,146	(10)	(336)	1,125	6,045	(60)	14,072	<b>32,035</b>
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	(12,130)	(6,472)	(29)	(3,273)	(1,530)	(2,985)	(212)	–	<b>(26,632)</b>
Accumulated depreciation of disposals	154	263	–	39	26	432	111	–	<b>1,025</b>
Revaluation increments/decrements	1,310	(4,459)	3	352	(370)	(3,750)	25	–	<b>(6,889)</b>
	(10,667)	(10,668)	(25)	(2,882)	(1,874)	(6,303)	(75)	–	<b>(32,495)</b>
At fair value 30 June 2021	918,252	679,049	2,195	150,433	38,689	96,750	8,370	25,146	<b>1,918,883</b>
Accumulated depreciation at 30 June 2021	(294,793)	(231,393)	(759)	(79,061)	(20,845)	(57,316)	(3,235)	–	<b>(687,402)</b>
	<b>623,459</b>	<b>447,656</b>	<b>1,436</b>	<b>71,372</b>	<b>17,844</b>	<b>39,434</b>	<b>5,135</b>	<b>25,146</b>	<b>1,231,481</b>

### Acquisition

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

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

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

	Depreciation Period	Threshold Limit
<i>Asset recognition thresholds and depreciation periods</i>		\$'000
<b>Land &amp; land improvements</b>		
Land	–	1
Land improvements	–	1
<b>Buildings</b>		
Buildings	10 – 200 years	5
<b>Plant and Equipment</b>		
Plant, machinery and equipment	3 – 10 years	2
Furniture and fittings	3 – 10 years	2
Information technology	3 – 15 years	1
Artworks	-	1
Library books	3 – 5 years	1
<b>Infrastructure</b>		
Roads – pavements and substructure	21 – 400 years	15
Roads – kerb, channel and minor culverts and other	29 – 100 years	15
Drainage	10 – 100 years	15
Bridges – deck and substructure	50 – 80 years	15
Bridges – others	100 years	15
Footpaths and cycleways	10 – 93 years	15
Recreational, leisure and community facilities	2 – 70 years	15

Parks, open space and streetscapes	4 – 116 years	15
Marine structures	30 – 100 years	15
<b>Intangible assets</b>		
Software	3 – 15 years	1
Airspace	1-10 years	1
<b>Right of use assets</b>		
Right of use assets	1 – 5 years	10

### Land under roads

Council recognises land under roads it controls at fair value.

### Depreciation and amortisation

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

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

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

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

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

### Repairs and maintenance

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

### Valuation of land and buildings

Valuation of land and buildings were undertaken by Council's valuation team, qualified valuers Lauren Ashley AAPI and David Kenny AAPI (Associate of Australian Property Institute). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/ or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. The impact of Covid-19 on the value of Council's land and buildings for the 2020/21 financial year is still emerging and to be determined.

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Land – Specialised	–	–	1,300,506	Jun-21
Land – Non Specialised	–	2,860	–	Jun-21
Land Under Roads	–	–	2,527	Jun-21
Buildings – Specialised	–	–	200,162	Jun-20
Buildings – Non Specialised	–	47	–	Jun-20
<b>Total</b>	<b>–</b>	<b>2,907</b>	<b>1,503,196</b>	

#### Valuation of infrastructure

Valuation of infrastructure assets has been undertaken by Council's Asset Management Team in accordance with the valuation methodology. Council undertakes a formal revaluation of land and buildings every 2 (two) years, and infrastructure assets every 3 (three) years. The valuation is performed by experienced council officers.

The date of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year for Drains. This valuation was based on data from Australian Bureau of Statistics (ABS), a full revaluation of these assets will be conducted in the next 2 years.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	–	–	623,459	Jun-21
Bridges	–	–	1,436	Jun-21
Footpaths and cycleways	–	–	71,372	Jun-21
Drainage	–	–	447,656	Jun-21
Recreational, leisure and community facilities	–	–	17,844	Jun-21
Parks, open space and streetscapes	–	–	39,434	Jun-21
Marine structures	–	–	5,135	Jun-21
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,206,335</b>	

#### Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$5.65 and \$4,560 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$372 to \$5,820 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

	2021	2020
Reconciliation of specialised land	\$'000	\$'000
Land under roads	2,527	2,095
Parks and reserves	1,300,506	1,088,937
<b>Total specialised land</b>	<b>1,303,034</b>	<b>1,091,032</b>

	2021	2020
6.3 Investment property	\$'000	\$'000
Balance at beginning of financial year	8,932	9,064
Capital improvements	–	–
Fair value adjustments	1,355	(132)
<b>Balance at end of financial year</b>	<b>10,287</b>	<b>8,932</b>

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

#### Valuation of investment property

Valuation of investment property has been determined by qualified Council valuers Lauren Ashley AAPI and David Kenny AAPI (Associate of Australian Property Institute) who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

Shares		
Balance at beginning of financial year	43	39
Fair value adjustments	4	4
<b>Balance at end of financial year</b>	<b>47</b>	<b>43</b>

#### 6.4 Fair value adjustments for investments

Investment property	1,355	(132)
Shares	4	4
<b>Total</b>	<b>1,358</b>	<b>(128)</b>

## Note 7 People and relationships

### 7.1 Council and key management remuneration

#### (a) Related Parties

##### Parent entity

Mornington Peninsula Shire is the parent entity

##### Subsidiaries and Associates

Mornington Peninsula Cemetery Trust

By virtue of the fact that some councillors of Mornington Peninsula Shire form the whole of the Board of Trustees of the Mornington Peninsula Cemetery Trust, this entity is considered to be a controlled entity under AASB 10: Consolidated Financial Statements. Its operating results, assets and liabilities have not been included in the accounts on the basis that they are not material individually or in aggregate.

#### (b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors	
	Councillor Steve Holland (started 19 November)
	Councillor Despi O'Connor (started 19 November)
	Councillor Anthony Marsh (started 19 November)
	Councillor Lisa Dixon (started 19 November)
	Councillor Sarah Race (started 19 November)
	Councillor Kerri McCafferty (started 19 November)
	Councillor Debra Mar (started 19 November)
	Councillor Paul Mercurio (started 19 November)
	Councillor Susan Bissinger (started 20 April)
	Councillor Antonella Celi
	Councillor David Gill
	Councillor Hugh Fraser (ended 9 March)
	Councillor Sam Hearn (ended 18 November)
	Councillor Kate Roper (ended 18 November)
	Councillor Bev Colomb (ended 18 November)
	Councillor Bryan Payne (ended 18 November)
	Councillor Frank Martin (ended 18 November)
	Councillor Julie Morris (ended 18 November)
	Councillor Rosie Clark (ended 18 November)
	Councillor Simon Brooks (ended 18 November)

<b>Officers</b>	Chief Executive Officer		
	Director Place		
	Director Corporate Services		
	Director Communities		
	Director Planning & Building		
	Chief Financial Officer		
		<b>2021</b>	<b>2020</b>
		<b>No.</b>	<b>No.</b>
<b>Total Number of Councillors</b>		20	11
<b>Total of Chief Executive Officer and other Key Management Personnel</b>		8	7
<b>Total Number of Key Management Personnel</b>		<b>28</b>	<b>18</b>

<b>(c) Remuneration of Key Management Personnel</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>

Total remuneration of key management personnel was as follows:

Short-term benefits	1,981	2,129
Long-term benefits	144	165
Post employment benefits	138	118
Termination benefits	350	231
<b>Total</b>	<b>2,612</b>	<b>2,643</b>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
\$0 – 9,999	1	–
\$10,000 – \$19,999	7	–
\$20,000 – \$29,999	10	–
\$30,000 – \$39,999	1	9
\$60,000 – \$69,999	1	1
\$80,000 – \$89,999	–	1
\$120,000 – \$129,999	1	–
\$210,000 – \$219,999	2	1
\$230,000 – \$239,999	1	–

\$270,000 – \$279,999	1	–
\$280,000 – \$289,999	1	1
\$290,000 – \$299,999	–	1
\$310,000 – \$319,999	–	1
\$320,000 – \$329,999	–	1
\$360,000 – \$369,999	1	–
\$380,000 – \$389,999 *	–	2
\$480,000 – \$489,999 *	1	–
	<b>28</b>	<b>18</b>

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

#### (d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities; or
- b) whose total annual remuneration exceeds \$151,000

The number of Senior Officers are shown below in their relevant income bands:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Income Range:		
\$0 – \$99,999	3	3
\$120,000 – \$129,999	–	1
\$140,000 – \$149,999	1	–
\$140,000 – \$149,999	2	3
\$150,000 – \$159,999	–	2
\$160,000 – \$169,999	6	3
\$170,000 – \$179,999	2	4
\$180,000 – \$189,999	4	6
\$190,000 – \$199,999	1	2
\$200,000 – \$209,999	3	3
\$210,000 – \$219,999	3	–
\$220,000 – \$229,999	3	3
\$250,000 – \$259,999	1	–
\$260,000 – \$269,999	1	1
	30	31
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	5,365	5,338

## 7.2 Related party disclosure

### (a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Responsible Officer	"Position Held (including related parties of responsible officer)"	Supplier / Entity	"Nature of Transactions (on normal commercial terms)"	"Transaction Amount (\$'000)"
Councillor Antonella Celi				
Councillor Despi O'Connor	Trustees	Mornington Peninsula Cemetery Trust	Trustees	29
Councillor Lisa Dixon				

### (b) Outstanding balances with related parties

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

*Nil*

### (c) Loans to/from related parties

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

*Nil*

### (d) Commitments to/from related parties

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

*Nil*

## Note 8 Managing uncertainties

### 8.1 Contingent assets and liabilities

There were no contingent assets to disclose for 2020/2021.

#### Operating lease receivables

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

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

	2021 \$'000	2020 \$'000
Not later than one year	1,526	1,785
Later than one year and not later than five years	2,932	1,348
Later than five years	3,007	19
	<b>7,465</b>	<b>3,152</b>

#### (b) Contingent liabilities

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

#### Superannuation

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

#### Liability Mutual Insurance

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

#### Other

Due to the nature of business operations, Council has a number of outstanding insurance claims/court cases at balance date of which a portion may result in legal proceedings to determine liability. At balance date, Council is unable to reliably measure outstanding insurance/court claims.

### (c) Guarantees for loans to other entities

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

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

	2021	2020
	\$'000	\$'000
The Mornington Peninsula Shire has guaranteed loans of: *	Loan Balance	Loan Balance
Mornington District Basketball Association \$650,000	90	116
Rosebud Beach Community Bowls Club \$130,000	110	116
Mt Martha Bowls Club Inc. \$240,000	143	177
Somers Tennis Club \$50,000	4	14
Mt Eliza Bowls Club \$364,000	2	2
Somerville Bowls Club \$140,000	–	2
Mornington Bowls Club \$132,000 (partial drawdown)	1	1
Balnarring Bowls Club \$100,000 (closed in January 2021)	–	–
Hastings Bowls Club Inc. \$300,000	0	24
<b>Total</b>	<b>350</b>	<b>452</b>

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

### 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

### 8.3 Financial instruments

#### (a) Objectives and policies

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

### (b) Market risk

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

#### Interest rate risk

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

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

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

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

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

#### (c) Credit risk

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

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

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

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

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

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

#### (d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

#### (e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.5% and – 0.2% in market interest rates (AUD) from year-end rates of 0.35%.

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

## 8.4 Fair value measurement

### *Fair value hierarchy*

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

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

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

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

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

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

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

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

### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land and buildings every 2 (two) years, and infrastructure assets every 3 (three) years. The valuation is performed either by experienced council officers or independent experts.

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

### Impairment of assets

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

### 8.5 Events occurring after balance date

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

### Note 9 Other matters

#### 9.1 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
<b>2021</b>			
<b>Property</b>			
Land	854,028	209,020	1,063,048
Land Under Roads	833	405	1,239
Buildings	63,768	–	63,768
	918,629	209,425	1,128,054
<b>Infrastructure</b>			
Roads	219,253	(2,932)	216,321
Bridges	586	(7)	579
Footpaths and cycleways	37,521	(344)	37,177
Drainage	317,849	8,999	326,848
Recreational, leisure and community facilities	7,920	181	8,100
Parks, open space and streetscapes	8,452	1,600	10,052
Marine structures	(169)	(980)	(1,149)
	591,412	6,516	597,929
<b>Total asset revaluation reserves</b>	<b>1,510,041</b>	<b>215,942</b>	<b>1,725,982</b>

### 2020

<b>Property</b>			
Land and land improvements	809,838	44,190	854,028
Land Under Roads	645	188	833
Buildings	57,236	6,532	63,768
	867,719	50,910	918,629
<b>Infrastructure</b>			
Roads	221,969	(2,716)	219,253
Bridges	621	(35)	586
Footpaths and cycleways	38,424	(903)	37,521
Drainage	275,405	42,444	317,849
Recreational, leisure and community facilities	8,297	(377)	7,920
Parks, open space and streetscapes	15,429	(6,977)	8,452
Marine structures	380	(549)	(169)
	560,525	30,888	591,412
<b>Total asset revaluation reserves</b>	<b>1,428,244</b>	<b>81,798</b>	<b>1,510,041</b>

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

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(b) Other reserves</b>				
<b>2021</b>				
Sustainability energy fund	615	–	(30)	585
Recreation land reserve	39	–	–	39
Municipal emergency reserve	400	–	–	400
Developer Contribution Plan Reserve	21	22	–	44
<b>Total Other reserves</b>	<b>1,075</b>	<b>22</b>	<b>(30)</b>	<b>1,067</b>

**2020**

Sustainability energy fund	645	–	(30)	615
Recreation land reserve	39	–	–	39
Municipal emergency reserve	400	–	–	400
Developer Contribution Plan Reserve	–	21	–	21
<b>Total Other reserves</b>	<b>1,084</b>	<b>21</b>	<b>(30)</b>	<b>1,075</b>

**Sustainable Energy (Fund) Reserve**

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

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

**Recreation Land Reserve**

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

**Municipal Emergency Reserve**

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

**Developer Contribution Plan Reserve**

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

	2021	2020
9.2 Reconciliation of cash flows from operating activities to surplus	\$'000	\$'000
Surplus for the year	22,189	22,141
Depreciation/amortisation	37,826	33,273
Profit/(loss) on disposal of property, infrastructure, plant and equipment	1,656	2,010
Fair value adjustments for investment property	(1,358)	128
Contributions – Non-monetary assets	(2,131)	(4,419)
Other	1,646	1,119
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,471	(6,090)
(Increase)/decrease in inventories	36	(76)
(Increase) in Other assets	(102)	(356)

(Decrease) in Trade and other payables	(1,296)	(255)
Increase in Trust funds and deposits	5,343	638
Increase in Landfill rehabilitation provision	4,295	2,390
Increase in Employee provisions	1,659	2,359
Increase in Native vegetation management	(59)	(77)
Increase in GST on capital purchases	5,245	6,613
Increase in Unearned income	11,669	2,150
<b>Net cash provided by/(used in) operating activities</b>	<b>88,092</b>	<b>61,548</b>

**9.3 Superannuation**

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

**Accumulation**

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

**Defined Benefit**

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

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

**Funding arrangements**

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

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.6% pa

Salary information 2.5% pa for two years and 2.75% pa thereafter

Price inflation (CPI) 2.0% pa.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the estimated VBI at 30 June 2021 was 109.7%.

Net investment returns 4.8% pa

Salary information 2.75% pa

Price inflation (CPI) 2.25% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

#### Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

#### Funding calls

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

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

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

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

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

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

#### The 2020 triennial actuarial investigation surplus amounts

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

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

	2020 (Triennial) \$m	2019 (Interim) \$m
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

#### The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

#### Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of Scheme	Rate	2021 \$'000	2020 \$'000
Vision super	Defined benefit	9.50%	165	153
Vision super	Accumulation fund	9.50%	3,801	3,920

#### 9.4 Prior period adjustments

During the year, council has continued the process of capturing all assets with spatial reference in the asset register and further identified and recognised found assets of \$2.6m.

Based on the April 2021 IFRS Interpretations Committee (IFRIC) decision on accounting for configurations and customisations costs in a SaaS arrangement, we have reassessed the treatment of our recent system implementation and this has resulted in us expensing the costs, some of which were incurred in prior periods and therefore require a prior period adjustment of \$9.2m.

These errors have been corrected by restating each of the affected financial statement line items for the prior year. The impact is set out in the table below:

**Impact of correction of prior year adjustments on the Balance Sheet**

	2021 \$'000	2020 \$'000 (Restated)	2020 \$'000 as previously presented
<b>Non-current assets</b>			
Property, infrastructure, plant and equipment	2,756,790	2,519,793	2,526,696
Intangible Assets	4,697	4,607	899
Total non-current assets	2,773,426	2,534,447	2,537,642
<b>Total assets</b>	<b>2,912,850</b>	<b>2,643,028</b>	<b>2,646,223</b>
<b>Net assets</b>			
	<b>2,791,851</b>	<b>2,553,728</b>	<b>2,556,923</b>
<b>Equity</b>			
Accumulated surplus	1,076,361	1,042,615	1,045,809
<b>Total Equity</b>	<b>2,791,851</b>	<b>2,553,728</b>	<b>2,556,923</b>

**Note 10 Change in accounting policy**

**AASB 2018-7 Amendments to Australian Accounting Standards  
– Definition of Material (applies 2020/21 for LG Sector)**

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material, from 1 July 2020

The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. There is no impact to Council

**AASB 2019-1 Amendments to Australian Accounting Standards  
– References to the Conceptual Framework (applies 2020/21 for LG Sector)**

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework from 1 July 2020

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB.

**It is not expected that these standards will have any significant impact on council.**

