Annual Report 2025–26

Mornington Peninsula Shire



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Acknowledgement of Country

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



About our Annual Report

Mornington Peninsula Shire Council is proud to present its Annual Report 2025-26.

Council is committed to transparent reporting and accountability to our community. Alongside our Quarterly Reports, this Annual Report 2025-26 is the primary means of informing our community about Council's operations and performance during the financial year.

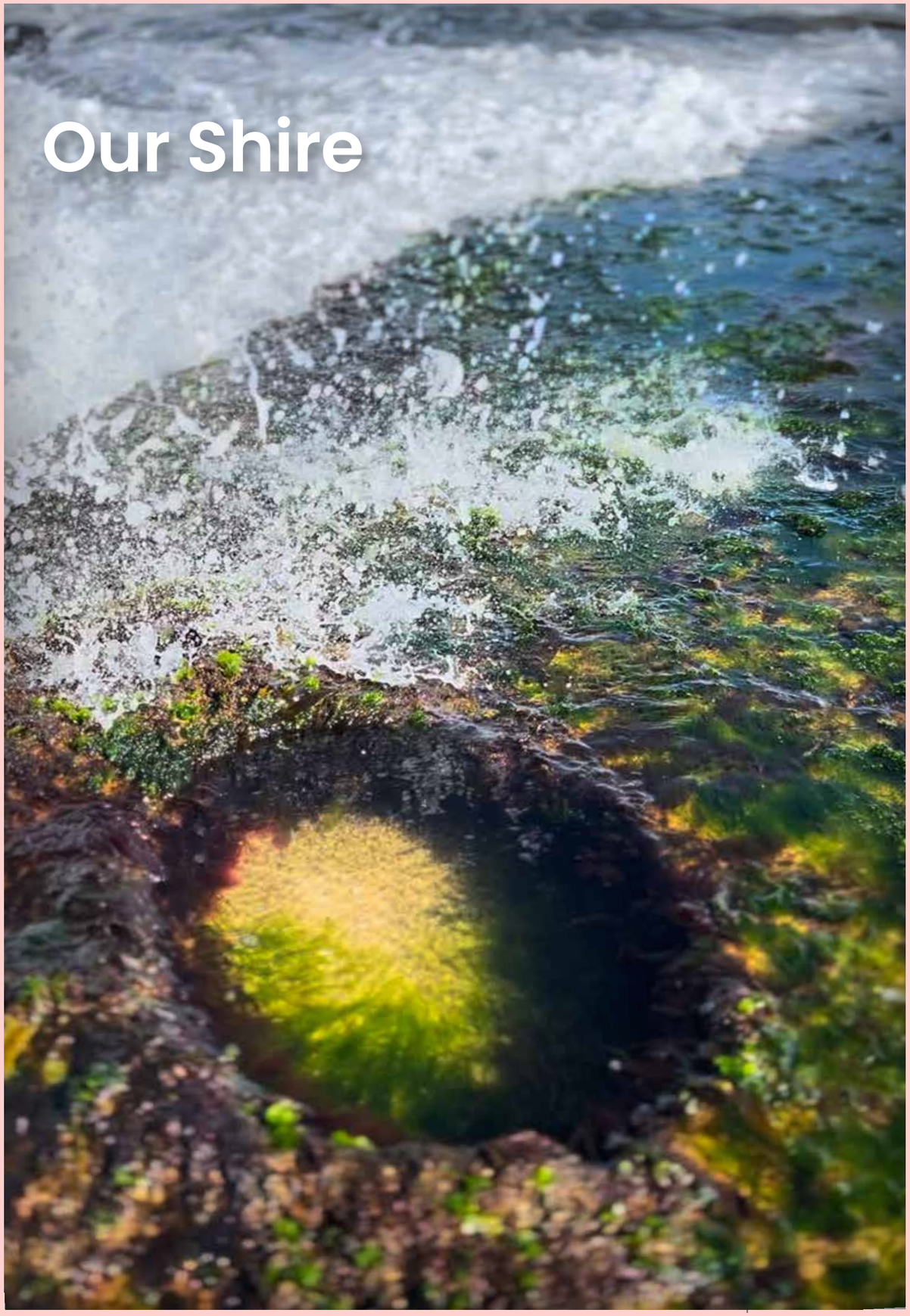
The Annual Report is an overview of Council's performance in the 2025-26 financial year against the four strategic directions set out in our new Council Plan 2025-29.

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

- This report is divided into the following sections:
- Our Shire – provides a description of the Mornington Peninsula Shire, including our community, stakeholders and services.
- Year in Review - provides a snapshot overview of our performance, including major highlights, issues and challenges, highlights of the year, major projects and awards
- Our Council -provides information on our Council and governance
- Our Organisation - provides details on our organisation and workforce, including the organisational structure and occupational health and safety
- Our Performance - provides a detailed report of operations against the activities undertaken throughout 2025-26, listed under our four strategic directions.
- Performance Statement - provides the audited performance statement for the 2025-26 financial year.
- Financial Statements - provides the audited financial statements for the 2025-26 financial year.

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About the Mornington Peninsula

The Mornington Peninsula Shire Council was established on 15 December 1994 when the State Government amalgamated the previous Shires of Flinders, Hastings and Mornington. 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, villages, 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 made up of towns and villages. Within the Green Wedge are areas of highly productive agricultural land, as well as highly significant landscapes and ecosystems.

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

We have a diverse local economy, including tourism, retail, manufacturing, construction and business services. The Peninsula also has a distinguished agricultural history. Many of our existing food and wine producers are recognised as world class and are industry leaders in their respective fields. The Mornington Peninsula is also home to one of Australia's most vibrant tourism industries, offering an ever-expanding range of attractions and events.

Our Demographics at a Glance

Population of **172,217** as of 30 June 2025 (expected to be **192,617** by 2046).

51.7% female
48.3% male

Median age: **48** (11 years older than Australian average)

18% households renting

33% with a mortgage

1% identify as Aboriginal and/or Torres Strait Islander

26% couples with children.

26% lone person households

18% born overseas



Our Community Vision

Welcome (Wominjeka).

We celebrate, protect and enhance our unique blend of coast, hinterland, Green Wedge and heritage - fostering our diverse culture and connected villages, townships and community.

We are committed to supporting community groups, sustainable and balanced growth, a vibrant local economy, fit-for-purpose infrastructure, and ensuring a prosperous, safe, accessible and inclusive future for all.

Our Community Vision can be themed into the following groupings, forming Council's strategic direction.

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

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

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

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



Our Values

The Mornington Peninsula Shire is committed to upholding the highest standards of performance, behaviour and service. To guide us in achieving exceptional outcomes for the community, we follow five core organisational values that are integral to everything we do.

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.

> ...committed to upholding the highest standards of performance, behaviour and service

Our Services

Mornington Peninsula Shire Council is responsible for more than 100 community services, from Child and Family Health, Open Space, Youth Support, Waste Management and Community Development to matters concerning economic development and recovery, planning for appropriate development and ensuring accountability for Council's budget.

This broad range of community services and infrastructure is aligned under 34 service areas and aligned to our four strategic directions

Place

- Animal management
- Building Safety
- Climate Action and Advocacy
- Circular Economy and Waste Management
- Environment Management
- Land Use Planning
- Open Space
- Public Works

People

- Arts and Cultural Development
- Economic Development and Business Support

Prosperity

- Libraries
- Positive Ageing
- Public Health
- Recreation and Leisure
- Transport Connections
- Youth Services

Performance

- Asset Management
- Commercial and Property Management
- Community and Stakeholder Relations
- Council Governance
- Enterprise Strategy Management
- Financial Services
- Information Management
- Information Technology
- Legal, Risk and Insurance
- People Strategy and Operations
- Portfolio, Program and Project Management
- System and Application Management
- Organisational Improvement and Performance

Our Stakeholders

Council is dedicated to working with our stakeholders and keeping them in the loop. We also want to engage with them to gather their thoughts on important projects and decisions through genuine conversations.

Our stakeholders include:

Residents

We collaborate with our residents to ensure our services meet their needs and actively listen to their feedback on important issues.

Ratepayers

Our ratepayers help fund our services, projects and infrastructure that help meet the community's needs.

Local businesses

The Mornington Peninsula Shire is home to numerous businesses that provide employment and services to our community, ranging from small businesses to large industries.

Community groups, clubs and organisations

We actively engage with a variety of community groups, clubs, and organisations that play a vital role in enhancing life in the Mornington Peninsula Shire.

Volunteers

Our volunteers are instrumental in enhancing the Mornington Peninsula Shire, fostering a vibrant and compassionate community where everyone can thrive, work, and enjoy life to the fullest.

Customers

Our customers are central to everything we do. We listen and are dedicated to understanding our customers' needs, aiming to get things right the first time.

Partner organisations

We actively collaborate with a diverse array of organisations, non-profits, and other councils to share knowledge and resources, enhancing our efforts to serve and uplift our community.

Government

Council actively advocates to both State and Federal Governments and depends on funding from both for delivering essential services and significant projects within the Mornington Peninsula Shire.

Council staff

Our dedicated team plays a crucial role in delivering services, programs and events that contribute to making the Mornington Peninsula Shire a lively, flourishing and interconnected community. They provide valuable expertise and guidance that help shape informed decisions and implement the actions outlined in our approved strategies and plans.

Visitors

The Mornington Peninsula is also home to one of Australia's most vibrant tourism industries, offering an ever-expanding range of attractions and events that attract over 8 million visitors annually.

Contractors

Council employs contractors to help deliver services and programs to our community.

Our Volunteers



Mornington Peninsula Shire volunteers continue to be the heart of our community, generously sharing their time, skills and lived experience to strengthen connections, support vulnerable residents and help create a more inclusive, sustainable and vibrant Peninsula.

Across 15 programs and services, volunteers make an extraordinary contribution to community wellbeing. Whether delivering meals and library books to people at home, mentoring young drivers, supporting residents to create wildlife friendly gardens, providing advice on accessibility and ageing, welcoming visitors, caring for our natural environment or helping people connect through community programs, volunteers play a vital role in improving quality of life across the Peninsula.

This year, volunteers made a significant impact through thousands of hours of service, supporting residents of all ages and backgrounds to stay connected, independent and engaged in their community.

Many programs achieved important milestones during 2025–2026:

- Home Library Service celebrated 25 years of community service while doubling both volunteer numbers and borrowers over the past year. Volunteers now make approximately 1,500 home visits annually, ensuring residents who can no longer visit a library continue to access books, information and meaningful social connection.
- Meals on Wheels volunteers delivered 69,000 meals to 680 residents, providing both nutritional support and meaningful social connection. For many community members, these volunteer visits represent their only face-to-face contact and play an important role in supporting wellbeing and reducing social isolation.
- TAC L2P volunteer mentors supported 30 young people to obtain their probationary licences this year, helping unlock pathways to employment, education and independence while building confidence and resilience.
- Gardens for Wildlife volunteers reached a significant milestone of 300 garden visits, helping residents transform their properties into habitats that support local biodiversity and environmental sustainability.
- Peninsula Advisory Committee for Elders celebrated its 20th anniversary, continuing two decades of advocacy and advice to help shape a more age friendly Peninsula.
- Disability Advisory Committee members continued to champion accessibility and inclusion, contributing valuable lived experience that informed projects including award winning accessible infrastructure initiatives. This included the award-winning All Abilities Boating Hastings Pontoon Hoist project, recognised in the Local Government Professionals Awards for Excellence 2026 Diversity and Inclusion category. Through their advocacy and advice, committee members helped improve access to boating and recreation opportunities for people with disability. The success of this initiative has also supported exploration of a broader network of accessible hoists across the Mornington Peninsula, further reducing barriers to recreation and community participation.
- The new Senior Exercise Champion volunteers supported older residents to stay active and connected through the Peninsula's Seniors Exercise Parks, promoting healthy ageing and community participation.
- Volunteers also contributed to environmental sustainability through programs at the Eco Living Display Centre, Heritage Seed Garden and The Briars, helping educate residents, enhance local habitats, share knowledge and strengthen community connections through hands on environmental action. The Community Houses, Mornington Peninsula Visitor Information Centre, Rosebud Library, Mornington Peninsula Regional Gallery and Advisory Committees continued to benefit from the expertise, passion and commitment of volunteers who help create welcoming spaces where people can connect, learn and participate.

> ...volunteers continue to be the heart of our community, generously sharing their time, skills and lived experience...

Our Local Australia Day Award Winners



Photo caption: (L-R)

Reps for Rye Athletics Carnival: **Gary Gillies, Fay McCormick** - Recognition of 50 Years of Service, Rep for SPLaSH for Women Ladies Luncheon: **Dee Barton** - Community Event of the Year **Chantelle Ross** - Citizen of the Year, **Mayor Marsh**, **Brett McRae** - Community Inspiration Award, **Eric White** - Community Advocate Award, **Reagan Morel** - Young Citizen of the Year, **Thomas Taylor** -Mornington Peninsula Shire Commendation (For Emergency Services).

Absent: **Betty Preston** - Lifetime Achievement Award, **Vic Jerimiah** - Historical Preservation Award and **Kayne Barton** - Mornington Peninsula Shire Commendation (For Community Service).

Mornington Peninsula's unsung heroes have been recognised at the 2026 Local Australia Day Awards, celebrating individuals and events whose dedication, compassion and leadership continue to strengthen our community.

The Mayor and councillor at the time, Anthony Marsh, said this year's award recipients reflected the very best of the Peninsula.

"Each of these award recipients represents the heart and soul of our community. Their dedication, resilience and selflessness inspire us all, and it was a privilege to celebrate them with the community at Flinders Civic Hall on Australia Day," Mr Marsh said.

"This year's honourees remind us that real change happens through care, connection and people stepping up for one another."

Each of the 2026 award recipients has made a meaningful and lasting impact across the Mornington Peninsula, through tireless service, advocacy and an unwavering commitment to giving back.

- Citizen of the Year: Chantelle Ross
- Young Citizen of the Year: Reagan Morel
- Lifetime Achievement Award: Betty Preston
- Community Advocate Award: Eric White
- Community Inspiration Award: Brett McRae
- Historical Preservation Award: Vic Jeremiah
- Commendation for Community Service: Kayne Barton
- Commendation for Emergency Service: Thomas Taylor
- Community Event of the Year: SPLaSH for Women Ladies Luncheon
- Recognition of 50 Years of Service: Rye Athletics Carnival and Family Fun Day

> Each of these award recipients represents the heart and soul of our community



The Year in Review

Mayor's Message



It is my privilege to present Mornington Peninsula Shire Council's Annual Report for 2025-26.

This year marked an important milestone for Council and our community with the adoption of the new Council Plan 2025-2029. Developed with input from more than 3,000 community members, the Plan sets a clear direction for the next four years and reflects the priorities, aspirations and values of the people who call the Mornington Peninsula home. We were also proud to be recognised as a finalist for Best Practice and Innovation in Council Plan Development, reflecting our commitment to meaningful community engagement.

Delivering on community priorities remained a strong focus throughout the year. Council continued to invest in infrastructure that improves safety, accessibility and quality of life across the Peninsula. Through our capital works program, upgrades to roads, drainage, trails, public spaces and community facilities have helped create stronger, safer and more connected communities.

Roads remain one of the issues our community cares about most, and we are seeing encouraging results from increased investment in this area. During the year, Mornington Peninsula Shire received the Australasian College of Road Safety Excellence in Road Safety Award in recognition of our innovative approach to road safety improvements. Community satisfaction with sealed local roads also increased, reflecting both the work undertaken across the network and our commitment to continuous improvement.

One of the greatest strengths of the Mornington Peninsula is our people. Across the year, volunteers made an extraordinary contribution to community wellbeing, supporting programs and services that help people stay connected, independent and engaged. Whether delivering meals, mentoring young drivers, caring for our environment or supporting local organisations, volunteers remain at the heart of our community, and I thank every one of them for the difference they make.

Council also continued to advocate strongly for the projects and investments that matter most to our community. As we approach the Victorian State Election, our advocacy efforts remain focused on key priorities including healthcare, housing and homelessness support, safer roads, public transport, coastal infrastructure and completion of the Peninsula Trail. Through the Shout Out for the Peninsula campaign, we will continue working with all levels of government to secure the support needed to deliver these outcomes.

Addressing the housing challenges facing our community remains a critical priority. During the year, Council partnered with YWCA Australia and Women's Property Initiatives to support the delivery of 17 social housing dwellings in Mornington and Hastings for women and children experiencing housing insecurity. These projects demonstrate the positive outcomes that can be achieved through strong partnerships between local government, community housing providers and other levels of government, helping people remain connected to their community, schools and support networks.

As Mayor, I am continually inspired by the passion, resilience and community spirit that defines the Mornington Peninsula. I thank my fellow Councillors, Council staff, community groups, volunteers and residents for their ongoing contribution to making our region such a special place to live, work and visit. Together, we are building for the future while protecting and enhancing what makes the Mornington Peninsula unique.

Councillor Stephen Batty
Mayor
Mornington Peninsula Shire Council

CEO's Message



I am pleased to present Mornington Peninsula Shire Council's Annual Report for 2025-26.

This year has been one of significant achievement, transformation and planning for the future. Like councils across Victoria, we operated in a challenging financial environment characterised by rising costs, cost shifting, and increasing demands on infrastructure and services. Despite these pressures, we remained focused on delivering value for our community while laying the foundations for a financially sustainable future.

One of the most significant undertakings during the year was our organisational restructure. Following an extensive review, we introduced a new organisational model aligned to the Council Plan and designed to ensure the organisation is well equipped to meet the future needs of our community. While change can be challenging, the restructure positions us to operate more effectively, strengthen accountability and deliver services in a way that is both sustainable and responsive to community expectations.

Importantly, our focus on sustainability is not only about reducing costs. It is about investing wisely in initiatives that deliver long-term benefits for the Peninsula. A strong example is the completion of the Major Roads Streetlight Upgrade Project, which replaced almost 3,650 streetlights with energy-efficient LED technology. The project is expected to save approximately $526,000 each year and return more than $8 million to the community over the next 20 years after project costs.

Throughout the year, we continued to review the way services are delivered to ensure they remain fit for purpose and meet the evolving needs of our community. The new youth services model has increased flexibility and accessibility for young people, while broader service reviews continue to improve efficiency, effectiveness and customer experience across the organisation. We also maintained a disciplined focus on financial sustainability while investing directly back into the community. Through grants, subsidies and sponsorships, Council provided almost $4 million to support local organisations, volunteers, events, community infrastructure and environmental initiatives.

The Peninsula's natural environment remains one of our greatest assets. During the year, we celebrated significant recognition through the Keep Australia Beautiful program, including being named Victoria's Tidy Town for 2025 and receiving multiple honours at the 2026 awards. We also progressed projects that improve liveability, accessibility and connection across the Peninsula, while continuing to support initiatives that strengthen environmental stewardship and community pride.

Underlying all of these achievements is the dedication of our staff, volunteers, community groups, partners and Councillors. Their commitment, resilience and professionalism ensured we continued delivering important outcomes throughout a period of considerable change.

I thank everyone who has contributed to making the Mornington Peninsula a thriving, connected and vibrant community. Together, we are building an organisation and a region that is well positioned for the opportunities and challenges ahead.

Mark Stoermer
Chief Executive Officer
Mornington Peninsula Shire Council

Organisational Overview

The Mornington Peninsula Shire addressed significant financial challenges to ensure we can fund the current and future needs of our community.

Council acknowledged this challenge and voted on May 6, 2025, to future-proof the organisation by reducing employee costs by $5 million and to find an additional $5 million in service planning efficiencies.

An organisational review was undertaken in June/July 2025, with the change proposal consultation period finalised by September 2025. The Organisational Structure Review was completed in October when the new organisational structure went live on 20 October 2025.

We worked through this process methodically to determine the organisational structure capable of delivering what our community needs within our financial means while delivering long-term financial sustainability. The new structure aligned the organisation with the new Council Plan and Council strategies, significantly streamlining the leadership structure with the aim of ensuring that leaders are leading and that they are managing an appropriate number of staff.

The Council Plan 2025-2029 and our Annual Action Plan were finalised and adopted by Council on 12 August 2025. These are key documents in the Integrated Framework that set the future strategic direction for Council.

We started work on an integrated Business Planning process for the 2026-27 Financial Year, alongside the budget and started implementing the new approach to Integrated Strategic Planning and Reporting. We also brought together our strategy and service functions to create a more structured and consistent approach to planning and delivering services that support the Council Plan and Community Vision.

More than 3,000 community members helped shape the Mornington Peninsula Shire's long-term plans, giving Council a clear direction for the Peninsula's future. On 30 October 2025, Council adopted the Financial Plan 2025-26 to 2035–2036 and Asset Plan 2025-26 to 2035–2036. Together with the Council Plan and Public Health and Wellbeing Plan, these plans outline the outcomes that the community wants and how Council will deliver them.

The Financial Plan sets the foundation for Council's long-term financial sustainability, while the Asset Plan outlines how Council will maintain and renew community assets. Like all Victorian councils, the Shire is balancing rising costs, ageing infrastructure, and increasing responsibilities from other levels of government. At the same time, we know many in our community are feeling the impact of cost-of-living pressures. These plans aim to deliver the services and infrastructure residents rely on while remaining financially sustainable.

The Financial Plan uses our historic financial performance, along with the adopted 2025-26 Annual Budget as year 0. Over recent years, this includes recurrent savings identified by the organisation of more than $26 million, including $10 million as part of the adopted 2025-26 Budget. Developed through deliberative community engagement, the Financial Plan includes levers that act as guides for Council in decision making on financial matters and are considered in detail by Council through the annual budget process. When modelled together, these options produce a projected 10-year cash balance of $67.2 million.

Major Engagements – Have Your Say

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

In 2025–26, we undertook 33 community engagement projects that included both online and face-to-face interactions across the Peninsula.

We received more than 81,177 visits to our online Shape engagement platform and more than 16,682 contributions were made to our surveys. This included engagement through our outreach program at schools, markets, library services and various place-based community locations.

Our focus is on deliberative engagement with our community and stakeholders, using a collaborative practice that enables better outcomes locally. We review our practice to align with IPA2 industry standards.

We have highlighted 13 major community projects from the 33 projects undertaken during 2025-26:

> Inclusivity is at the core of our conversations...

David Macfarlan Compact Playground Upgrade (Round 1 and 2)

In Round 1 of this consultation residents shared their initial feedback to help inform concept plans for the David MacFarlan Compact Playground. Council received 71 contributions over Round 1. In Round 2 of this project residents reviewed and provided feedback on the Concept Design for the Playground. Twelve contributions received confirmed and reflected earlier feedback collected in Round 1.

Community Disaster Resilience Plan (Round 1 and 2)

In Round 1 the community was consulted on early priorities to help shape the Community Disaster Resilience Plan.

The draft Community Disaster Resilience Plan went on public exhibition. Feedback received built on the feedback gathered during Round 1 with a total of 538 contributions for both rounds.

Draft Somerville Recreation Reserve Master Plan (Round 1 and 2)

During Round 1 Somerville residents shared initial feedback on improvements needed at the recreation reserve, informing the draft Master Plan with Council receiving 162 contributions. In Round 2 community members reviewed and provided feedback on the draft Master Plan, informed by Round 1 input. Council received 103 contributions on the draft.



We're preparing our next Federal Black Spot funding submission for 2027–28 and we need your voice again.

An interactive map is live, showing the locations we're proposing for funding. Click on a pink pin to view the site and complete a three question survey.

Your local knowledge adds powerful context to the data and helps strengthen the case for funding.

Consultation closes 3 April 2026.

Scan the QR code to explore the map, or visit us at:

23 March 5 – 7pm
Mornington Council Office

30 March, 4.30 – 7pm
Hastings Community Hub

Mornington Peninsula Shire

Last year, you helped us secure over $6 million for safer roads across our community.

Safer roads start with you

Carparking and access improvements at Watson Road, Mount Martha

The community were consulted on the proposed car parking upgrades and a new footpath to improve access at Watson Road, Mount Martha Village. Council received 488 contributions.

Rating Strategy Review.

Residents were invited to help shape the future of how Council rates are set and structured, with Council receiving 501 contributions.

Draft Open Space Strategy

Community members were invited to review and provide feedback on the Draft Open Space Strategy and Draft Open Space Contributions Report ahead of Council adoption. This consultation received 35 submissions.

Asset Management Strategy 2026-2036

The community shared their views to help shape this 10-year strategy for managing the Shire's infrastructure and community assets. Council received 16 contributions.

Safer Roads Funding and Priorities

Community input was gathered to help inform local road safety priorities and future advocacy. Council received 2,010 community contributions.



Dromana Shared Pathway

The community was consulted on two route options for a new shared path connecting Dromana and Safety Beach resulting in 855 contributions being received.

Red Hill to Merricks Rail Trail Signage

The community were consulted on refreshed signage ideas to improve the experience along one of the Peninsula's most popular rail trails. Council received feedback from 151 community members.

Crib Point Pool Mural Art Project (Round 1 and 2)

In Round 1, the community voted on mural options for Crib Point Pool, to help shape the design. Collectively from both rounds of these consultations, Council received 264 responses. The artist has captured the unique features of Crib Point in the mural which was important to the community.

Delivering What Matters Most:

Our 2026-27 Draft Budget

Community members were invited to provide input on the Shire's 2026-27 draft Budget to guide service delivery priorities. Council received 409 contributions.

Arts, Culture and Events Plan.

We consulted the community on a new plan to guide how Council supports and invests in the arts, cultural activities and events. Council received 998 survey responses and held 3,358 face-to-face consultations. Total contributions were 4,356. The Public exhibition of the Draft Plan opened in early July 2026.



Our Customers

Our Customer Charter is our commitment to you and what you can expect when interacting with Mornington Peninsula Shire.

Our Customer Promises

We make it easy.
We aim to make the complex simple. Whether you're reaching out for information or a service, we've got a range of easy ways for you to connect with us.

We serve consistently.
We listen and are committed to understanding what you need. No matter who you speak to or how you contact us we strive to be helpful, reliable, and friendly.

We respond proactively.
We respect your time and seek to get things right the first time. If it takes a bit longer, we'll keep you informed and make sure you know what to expect along the way.

How you engaged with us

114,920 Calls taken
50% of enquiries resolved at first contact

7,576 Correspondence received
72% of enquiries resolved on time
(includes letters and emails)

14,511 Webchats

16,538 Customers visited our Customer Service Centres

113,662 Service Requests received
65% of enquiries resolved on time
(includes Snap Send Solve requests)

5,281,016M Web pages viewed



Our Community Grants, Subsidies and Sponsorships

In 2025-26, Council offered our community nearly $4.0 million in grants, subsidies and sponsorships that aligned to the strategic directions in our Council Plan. Council's Community Investment Funding supports community groups, associations and organisations to address biodiversity conservation, create opportunities for participation in events, build local volunteer capacity to deliver on community-led projects and contribute to improving local community infrastructure. For a complete list of 2025-26 grants, subsidies and sponsorships awarded, visit:

mornpen.vic.gov.au/grants

Grants

Biolinks Support

To support the community to establish, protect and enhance biolinks on a landscape scale by building upon and ultimately connecting vegetation to improve habitat values and provide pathways that facilitate wildlife movement.

Applications funded:	12
Funding allocated:	$100,116

Community Support Grants

Grants for non-profit community organisations for general grants to assist with projects that benefit the Mornington Peninsula community.

Applications funded:	38
Funding allocated:	$151,895

Community Events

Community groups and organisations can apply for event funding to assist with the delivery of events that benefit our local community.

Applications funded:	24
Funding allocated:	$224,200

Flexi

Provides community groups a small helping hand.

Applications funded:	26
Funding allocated:	$38,558

Local Area Community Capital Infrastructure

Grants for non-profit community organisations to assist with projects which benefit the Mornington Peninsula community.

Applications funded:	27
Funding allocated:	$999,596

Placemaking

Enhances place-based built and natural environments, increasing engagement and encouraging relationships to support the vibrancy of townships.

Applications funded:	10
Funding allocated:	$125,000

Subsidies

Commemorative Events

Subsidies funded:	19
Total funding awarded:	$163,217

Community Houses/Centres/Hub

Subsidies funded:	15
Total funding awarded:	$322,500

Toy Libraries

Subsidies funded:	3
Total funding awarded:	$45,000

Western Port Biosphere

Subsidies funded:	1
Total funding awarded:	$50,000

Senior Citizens Centres/Clubs

Subsidies funded:	17
Total funding awarded:	$89,250

Peninsula Transport Assist

Subsidies funded:	1
Total funding awarded:	$30,000

Local Essential Safety Services

Subsidies funded:	2
Total funding awarded:	$71,500

Seniors Festival

Subsidies funded:	28
Total funding awarded:	$8,400

Sponsorships

Tourism Business – Visitor Economy Partnerships

Subsidies funded:	1
Total funding awarded:	$200,000

Tourism Business

Subsidies funded:	3
Total funding awarded:	$80,000

Community Support Centres

Subsidies funded:	3
Total funding awarded:	$750,000

Community-led Safety

Subsidies funded:	5
Total funding awarded:	$115,000

Sponsorships 2025-26 sponsorships

Sponsorships funded:	9
Total funding awarded:	$225,000

Multi-year sponsorships

Sponsorships funded:	5
Total funding awarded:	$175,000

> Council's Community Investment Funding supports community groups, associations and organisations

Our Strategic, Communications and Advocacy



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

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

Our stakeholders include:

- residents and ratepayers
- businesses
- community groups and volunteers
- partners
- visitors
- state and federal governments and oppositions
- Shire staff

Advocacy

Every day Council makes decisions that affect our community. We represent our residents and ratepayers and work to deliver on the priorities they tell us matter most.

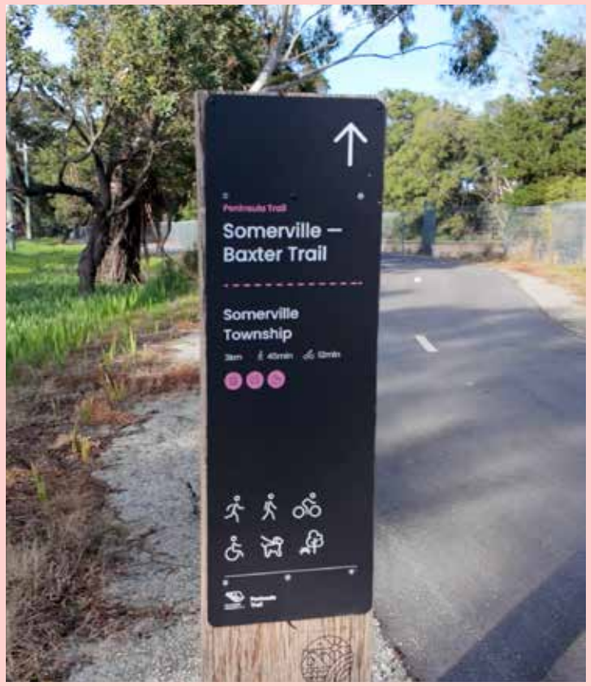
To achieve these goals, we advocate to all levels of government and work closely with industry, community organisations and key stakeholders to secure investment, influence policy and drive legislative change. While Council delivers many important local services, addressing the Peninsula's biggest challenges requires strong partnerships and support from the Victorian and Australian Governments.

During 2025–26, Council's advocacy focused on the issues that will have the greatest impact on the future of the Mornington Peninsula, including:

- responding to the local housing and homelessness crisis
- redevelopment of Rosebud Hospital
- completion of the Peninsula Trail
- rebuilding and upgrading priority roads and intersections, including Coolart Road
- protecting and investing in coastal infrastructure
- improving public transport connectivity
- planning for the future of surplus land around the Port of Hastings to support housing, industry, agriculture, environmental outcomes and recycled water opportunities.

Ahead of the November 2026 Victorian State Election, Council relaunched its Shout Out for the Peninsula campaign to focus attention on the infrastructure and services our community needs most. The campaign highlights projects that address critical community need while supporting the Peninsula's long-term economic prosperity, liveability and resilience.

Our advocacy priorities include improving access to healthcare through a redeveloped Rosebud Hospital, increasing housing and support services to address homelessness, completing the Peninsula Trail to strengthen connectivity, tourism and active transport, and delivering safer roads through targeted road and intersection upgrades, including the rebuild of Coolart Road. Together, these priorities will help create a safer, healthier and more connected Mornington Peninsula.



Communications

Tailor-made communication campaigns supported more than 150 projects across all areas of the Shire throughout 2025–26.

Using a range of tools and channels we produced:

- more than 140 media releases
- more than 100 communications campaigns
- 50 Peninsula Tales videos and articles
- 6,320 pieces of content across the main Shire social media accounts including Shire-affiliated accounts
- 1,620 social media posts
- 150 paid social media campaigns
- 130 videos distributed across our online channels
- 4,000 graphic design layouts, ranging from strategy and policy documents, social tiles, email signatures, advertisements, signage and other branding
- advertisements in the local paper and magazines
- four double-page Peninsula Memo advertorials in the local newspaper
- 63 speeches for our Councillors.

Major projects included:

- Budget 2026-27
- Council Plan and Health and Wellbeing Plan
- Peninsula Tales series
- Small Business Festival
- Shout Out campaign
- Homelessness on Peninsula awareness

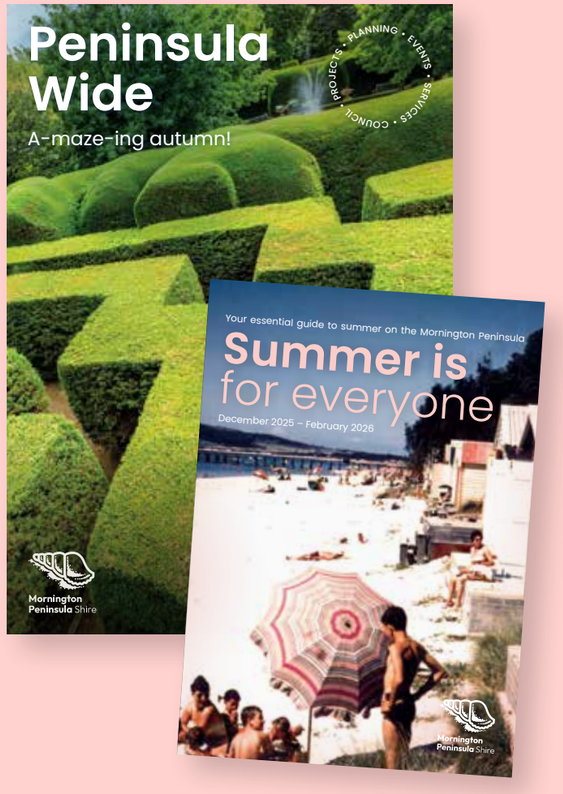
External publications

Peninsula Buzz has consolidated its place as one of our top communication channels.

With more than 58,000 subscribers, Peninsula Buzz is a valuable and effective communications channel, delivering the news our community both want and need to hear.
mornpen.vic.gov.au/peninsulabuzz

Peninsula Wide magazine is our premier publication and delivered to residents and ratepayers across the Peninsula and beyond. More than 115,000 copies are distributed tri-annually in autumn, winter and summer editions.
mornpen.vic.gov.au/peninsulawide

Our Summer Guide – 'Summer is for Everyone' – is an annual guide that provides holiday news and information for visitors and locals. It is distributed with Peninsula Wide magazine to shops and retail outlets across the Peninsula and is popular with tourism operators and accommodation services.
mornpen.vic.gov.au/summerguide



Case study: Peninsula Tales - award-winning stories from our community

Our Peninsula Tales series continued to bring the people, places and projects of the Mornington Peninsula to life through authentic, community-led storytelling.

The series generated more than 443,893 video views – an increase of approximately 240,000 views on the previous year.

The series was also recognised with the inaugural MAVLab Award for innovation in storytelling, celebrating the creative way Council uses digital storytelling to connect with the community and share meaningful local stories.

Among the year's highlights was Chatty Café, which shared the story of a welcoming local initiative helping address social isolation and loneliness by creating a free and accessible place for people to connect. The story demonstrated how a simple cafe can support wellbeing, connection and inclusion. The team identified the story as particularly significant because of its alignment with Council's wellbeing and positive ageing priorities.

Other standout stories included At Home Library, showcasing how Council services can help people stay connected to books and their community when visiting a library is difficult, and OzFish, highlighting local environmental stewardship and the people working to protect and restore the Peninsula's natural environment. These were identified by the content team to be among the strongest Peninsula Tales stories of the year.

Through short-form video and supporting digital content, Peninsula Tales goes beyond traditional Council communications to tell human stories that might otherwise go unseen, highlighting community connection, inclusion, environmental action and the everyday people making a difference across the Peninsula.

The series continues to demonstrate the value of authentic storytelling in building community pride, increasing understanding of Council's work and helping residents see themselves and their communities reflected in our channels.



Digital

We continued to strengthen the way we connect with residents, community groups, businesses and visitors through our digital channels, providing timely access to Council information, services, programs and opportunities from across the Mornington Peninsula.

Our primary digital platform, the Shire website, remained an essential gateway to Council services and information. During the reporting period, the website attracted almost 1.7 million visitors and generated nearly 5 million page views. On average, more than 153,000 people visited the website each month, demonstrating its important role in helping the community find information, access services and stay informed about what is happening across the Peninsula.

The team also supported content across a range of specialised websites and digital platforms covering community services, libraries, arts and culture, the environment, tourism, youth, grants, events and other areas of community interest.

Social Media

Our social media channels continued to grow and provide a direct connection between Council and the community. Across Facebook, Instagram and LinkedIn, the team shared hundreds of updates, stories and service announcements covering the many ways Council supports life on the Peninsula.

The main Shire Facebook reached nearly 8 million people and generated more than 417,000 interactions.

Instagram recorded particularly strong growth, increasing from 9,716 to 12,090 followers - an increase of approximately 24 per cent. Through engaging photography, video and community-focused storytelling, the channel generated more than 423,000 impressions and more than 12,000 engagements.

Our LinkedIn channel generated almost 98,000 impressions and more than 2,700 engagements, helping us connect with businesses, partners, stakeholders, prospective employees and professional audiences.

Positive or neutral sentiment across our social channels averaged approximately 89 per cent, reflecting the value of clear, timely and relevant communication while also helping us understand emerging community questions, concerns and areas of interest.

Throughout the year, the Creative Content and Digital team continued to evolve its audience-first approach. Alongside increasing reach, engagement and audience growth, the team is using digital insights to better understand what information the community values, how people interact with Council content and how our channels can make it easier for residents to find the right information, service or next step.

Key milestones:

- 17.2 million impressions across Facebook, Instagram and LinkedIn
- 164,855 total social media followers across 36 accounts, a 23 per cent increase year on year reflecting growing community connection.
- 18,640 new followers gained in the past year, an increase of 28%
- 6,320 pieces of content across the main Shire social media accounts including Shire-affiliated accounts.
- 30+ active social media accounts managed by the communications team, spanning community services, arts, environment, tourism, libraries and more.
- Standout content | A safety alert about a recycling truck fire caused by household batteries reached 73,273 people in a single push.
- Audience growth | Instagram non-follower reach of 1.36M shows MPS content is being discovered and shared well beyond existing followers.

Capital Works



Council delivered a significant capital works program for 2025-26. Planned expenditure on capital works projects for the Mornington Peninsula Shire Council was $60 million. Combined with carry forwards from last year, this equates to $54.6 million spent over the year.

Highlighted Capital Works completed in 2025-26

Somerville: Blackspot Road Safety Improvements $1.13M

The Somerville Local Area Traffic Management project aimed to improve safety and reduce the potential for crash occurrence on the local road network through a combination of traffic calming treatments and a proposed 40 km/h Area speed limit. The scope of works for the road safety improvements included a series of raised safety platforms, speed limit reduction, line marking and signage. Community consultation for the proposed scope of works was undertaken before the start of the project. Construction commenced in late June 2025, with the works completed by the end of September 2025.

Rye: Blackspot Road Safety Improvements $109K

This project was granted funding in the 2024-25 Federal Blackspot Program and aimed to improve safety conditions at the Melbourne Road and Peninsula Avenue intersection by reducing approach speeds and the number of potential collision points. The scope of works included: installation of a raised safety platform on Melbourne Rd approaches; a speed limit reduction to 60 km/h between Dundas St and French St and installation of additional warning signage. Works were completed in July 2025.

Somerville and Sorrento: Tennis Lighting Upgrades $1.13M

Tennis court lighting upgrades at Sorrento and Somerville were completed by the end of July 2025. The Shire's Tennis Lighting Program is upgrading tennis courts across the Shire to compliant, safe competition standards, improving and extending playability. The program prioritises clubs with outdated lighting, based on audit outcomes conducted every three years.

Hastings: Walleroo Preschool Upgrade $418K

Wallaroo Preschool was identified as requiring an upgrade to provide a safe, welcoming, and nurturing environment for local children and their families. Works included enhanced entry for easier access to the community house; controlled access to the preschool entry for enhanced security; internal refurbishment of the children's playrooms and bathroom amenities, and upgrading the outdoor environment to be more inclusive for children of all abilities. Primary works for the play space area, including the internal building refurbishment works of the children's playrooms and bathrooms, were completed in July 2025.

Peninsula Trail Somerville to Baxter $7.7M

We're creating a new, scenic way to walk or ride between Somerville and Baxter, connecting communities as part of the Peninsula Trail project. Stage 2 of the project between Baxter-Tooradin Road and Eramosa Road West sections (approximately 3.4km) was completed by December 2025. Stage 1 of the Somerville to Baxter project, from Baxter Tooradin Road to Golf Links Road (approximately 1.2km), was completed earlier in the year.

Mornington: Community Animal Shelter Redevelopment $2.42M

The new Community Animal Shelter and Pound includes a community-focused adoption space, enhanced dog kennels that exceed welfare standards, a dedicated cat isolation room to provide required medical care for infectious felines, and spacious new habitats for pocket pets such as guinea pigs and rabbits, ensuring all our animals receive the highest standard of care and comfort. Work on the redevelopment of the community animal shelter and animal pound in Mornington was finalised and handed over to our Animal Shelter Team in October 2025.

Safety Beach: Access Upgrades $283K

We worked to make Safety Beach more accessible. Due to the high levels of visitation throughout the year and only one suitable ramp near the Safety Beach Club, we identified the need for improved beach access for people with disabilities. This project delivered an accessible ramp opposite Victoria Street and the design for an accessible footpath opposite Prescott Avenue. Construction of the Victoria Street Beach Access Ramp was completed in October 2025. Works included the installation of support piles, support structure, ramp decking, stair treads and handrail. The design for beach access across from Prescott Avenue is also completed and awaiting funding for construction.

Capel Sound: Broadway Road and Drainage Upgrade $1.6M

After receiving additional funding from the Roads to Recovery grant, which supports the construction and maintenance of the nation's local road infrastructure assets, the Shire progressed with Stage 2 works of the Broadway Road and Drainage Upgrade project. Stage 2 of the project involved the construction of a roundabout, new street lighting and a pedestrian crossing at the Broadway and Truemans Road intersection. All works were completed by December 2025.

Dromana: Hillview Reserve Footpath and Playground $3.9M

The new playground, footpath and carpark at Hillview Reserve will enhance accessibility while maintaining natural features such as picnic areas, leash-free dog zones and local biodiversity. This project aimed to revitalise the reserve to meet the growing population demands in the area. The playground, car park and path network were completed by December 2025. Additional vegetation planting and minor works throughout the reserve continued into early 2026 to finalise the project.

Pelican Park Recreation Centre Renewal $3.9M

Since January 2025, we've been working hard to upgrade and renew Pelican Park Recreation Centre, replacing vital equipment and making improvements to enhance your experience. The pool, hall and gym were reopened to members and guests on 8 September 2025. The group fitness studio reopened alongside the exciting new Wellness Centre, which was completed in November 2025.



Mount Eliza Way – Road Rehabilitation $849K

Stage 2, comprising the southern section of Mount Eliza Way between Wendy Ave and Nepean Highway was approved for road rehabilitation through the Roads to Recovery 2024-29 program. To minimise disruption to residents, works were performed around the clock, reducing the project duration from approximately four weeks to five days. The project was completed by late March 2026.



Mount Martha: Birdrock Beach Access Restoration Works $407K

The Birdrock Beach access restoration works initiative focused on enhancing public access and preserving the natural environment at Birdrock Beach. Stage 1 works to repair the stairs from the carpark to the lookout were completed by December 2025. Key works included the restoration of beach access stairs to improve safety and usability and management of water-related issues within the carpark to prevent flooding and surface damage. Works to protect the site footprint from toe erosion at the base of the cliff to safeguard long-term stability were also completed. The final designs for Stage 2 works of the new stairs and retaining structure were completed by January 2026, with works completed in June 2026.

Rye: Cricket Nets Renewal Program $407K

Since 2019, the Shire's Cricket Net Renewal Program has provided new training facilities for the community. The program is funded through commitments from the Council budget and state government grants. It operates on a rolling budget, aiming to deliver as much as possible with the available funds within each financial year. Construction of the Rye Cricket Nets began in October 2025 and was completed by March 2026. The project included earthworks, the construction of a retaining wall, the installation of fence posts and a concrete slab, fencing, synthetic grass installation, and the setup of netting.

Rye Township Plan: Growing Suburbs $3.1M

The Rye Township Plan outlines the strategic vision and direction for enhancing the foreshore, streetscape and town centre of Rye. This plan was created in collaboration with the Rye community, the Rye Beach Business Association, the Rye Community Alliance, as well as various community groups and clubs.

Stage 1 of the Rye Township Plan was completed at the end of March 2026. Works included the installation



of concrete paths towards the scout hall carpark, completion of the Point Nepean car park entrance/exit, landscaping and new seating. Landscaping maintenance and watering continued throughout the summer to ensure new plants and turf adjust to their new environment.

Hastings Park Community Pavilion Renewal $438K

To keep the Hastings Park Community Pavilion in good condition for use by our community, Council provided more funds for maintenance and upgrade renewals. At the end of March 2026, we completed several improvements at what was previously known as the Hastings Club. These included fixing electrical systems, replacing equipment, removing asbestos, upgrading the awning, installing a manhole, fixing a water leak, repairing rusted or corroded materials, painting, cleaning and an external tidy up.

Mount Martha: Forest Drive Blackspot $241K

Funded for construction as part of the Federal Black Spot Program, the project was awarded $240,000 for road safety improvements along the length of the road between Nepean Highway and Bradford Road.

Safety barriers were installed, accompanied by audio-tactile centreline markings and curve alignment markers, to enhance safety and decrease the likelihood and severity of crashes.

The installation of new speed limit signs and posts, along with the removal of the old speed signs, is pending approval from the Department of Transport and Planning. All other works were completed by June 2026.

Capel Sound: Truemans Road Dog Park $152K

Truemans Road Recreation Reserve in Capel Sound features several recreational features, as well as the newly completed enclosed dog park. The conversion of a grassed area at Truemans Road Recreation Reserve into a fully enclosed leash-free dog park is now complete. Fencing, seating and drinking fountains were installed, as well as a pathway around the enclosure.

Roads to Recovery Arthurs Seat Road $178K

As part of the Roads to Recovery Program, a pedestrian refuge island, footpath and car parking were delivered on Arthur's Seat Road to improve accessibility and safety. All construction works were completed by March, with landscaping and planting finished in April 2026.

Highlighted Capital Works in progress at the end of 2025-26



The Briars Sanctuary Expansion $1.7M

The project commenced a staged construction in 2024, with the first element of delivery being the construction of an additional 2.5km of predator proof fencing to expand the current wildlife sanctuary by 40 hectares. The primary fencing and gates work were completed, with contractors finalising outstanding works in early 2025 to ensure its functionality. The three-kilometre accessible trail network is now complete with wayfinding works currently underway.

Rye Skate Park Renewal and Upgrade $991K

Initially constructed in 2004, the current Skate Park was suited to more experienced skaters. The Shire's 2008 Skate and BMX Strategy recommended that any future upgrade also cater to beginners, include additional street skate elements and improve accessibility.

Council successfully obtained a $1 million grant through the Victorian State Government's Community Sport and Recreation Initiative to help deliver a skate park upgrade to the Mornington Peninsula.

The Rye Skatepark Upgrade is now nearing completion. Works on the concrete skatepark areas are nearly finished, with all works on the upgraded Skate Park expected to be completed by mid-July 2026.

Hastings Foreshore Masterplan Implementation $159K

Foreshore Masterplan builds on the foundations of the previous Hastings South Coastal Management Plan, Hastings Foreshore Precinct Plan, and the Mornington Peninsula Shire Arts and Culture Plan 2020 – 2024.

Aiming to provide a more attractive, accessible, safe and sustainable Foreshore, we completed the Northern Foreshore pathway upgrade and landscaping works as part of the Masterplan implementation.

The pier forecourt works were awarded but were paused due to a delay in available materials.

Mount Martha Landslip $4.3M

This project will allow both residential access and through access for nearby residents. Works to construct two bored retaining wall and remediation works were underway, with completion of a piling pad at retaining wall 1.

Wet weather caused some delay however the project is on track for completion by April 2027.

Tyabb Landfill Stormwater and Leachate Management $2.0M

Rehabilitation works to undertake the Stormwater and Leachate Management Plan at the Tyabb landfill were underway with tree and root removal and site clearing underway at the end of June 2026.

Rosebud Memorial Hall improvements $478K

Due to concerns about structural integrity, the main hall at Rosebud Memorial Hall was closed. Specialist building assessments were completed with a list of priority works determined. Asbestos removal from the facility was completed by the end of the financial year with structural works due to start in August 2026.

Rye Local Area Traffic Management Improvements $369K

This project was funded through the Safer Local Roads and Streets program. The project includes raised safety platforms and other traffic calming treatments along Tasman Drive and Marcia Avenue. Community consultation was completed in April 2026 and a contract for the work was awarded following a tender process. Works started in June and were expected to be completed by August 2026.

Mount Eliza Canadian Bay Car Park $1.8M

This renewal project will deliver upgraded facilities that will enhance the overall visitor experience, improve public safety, and ensure equitable access for all users. Upgraded facilities and infrastructure include new footpaths throughout the carpark and footpath connectivity to Canadian Bay Road, new sealed and kerbed carparks to create 81 new car parking spots, including 8 accessible car parking spots and a public viewing area with seats and picnic table and public seating spaced along the new footpaths. Stage 1 construction works in the Eastern (Ballar Creek) area of the carpark were being prepared for asphalting at the end of June 2026.



Council Plan
2025-2029 highlights

In the first year of our new Plan, we completed 87 per cent of the Annual Actions that advanced our Council Plan strategies. Of the 61 actions implemented over the year, 54 were completed at the end of the financial year.

Place

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

- It's not every day you get to say you helped save a beach – but for 90 Grade 6 students from Rosebud Primary School, that's exactly what they did. Armed with gloves, garden trowels and a serious love for the outdoors, the students spent the day planting 1,500 indigenous seedlings into the dunes along the Rosebud foreshore. The planting day was part of a bigger project funded in part through DEECA's Port Phillip Bay Fund. The project tackled coastal erosion and climate resilience head-on, combining practical infrastructure – like 400 metres of new vegetation fencing, a 32-metre sand baffle, and improved beach access tracks.
- Mornington Peninsula Shire is one of three Victorian councils participating in an innovative 12-month trial designed to increase recycling and reduce litter. New Container Deposit Scheme (CDS) exchange baskets were installed next to public bins at 90 locations across the Peninsula, including in foreshore areas and other popular public spaces. The baskets made it easy to leave eligible, empty drink containers in the basket—or collect ones already there and return them to a CDS refund point to receive a 10-cent refund.



- Each year, the Australasia College of Road Safety (ACRS) recognises exceptional leadership, research and innovation in road safety, highlighting individuals and organisations committed to reducing road trauma across Australasia. Mornington Peninsula Shire Council was named the winner of the 2025 ACRS Excellence in Road Safety Award.
- The Mornington Peninsula community has plenty to celebrate after being named Tidy Town of Victoria 2025 at Keep Australia Beautiful VIC's Tidy Towns and Cities Sustainability Awards. The awards recognise the passion and dedication of local people working together to make their communities stronger, more connected and more vibrant places to live.
- Mornington Peninsula has won three major honours at the 2026 Keep Australia Beautiful Tidy Towns Awards – cementing our commitment to environmental leadership, community action and sustainability. Renowned Southern Peninsula ecologist, artist and environmental advocate Gidja Walker received the prestigious Dame Phyllis Frost Local Hero Award, the highest individual honour in the Tidy Towns program – shared with senior Elder and Traditional Owner of Ikuntji, NT, Douglas Multa.
- We continued to work on Peninsula Trail, creating a new, scenic way to walk or ride between Somerville and Baxter, connecting communities as part of the Project. Please see our capital works highlight for more information.
- Over the winter of 2026 we improved the safety of local roads in Rye, Rosebud, Dromana and Mount Eliza. Funded by the Victorian Government through the Safe Local Roads and Streets Program, these works were identified and prioritised based on crash history and risk of future crashes. Works included two compact roundabouts on Heales Street, Dromana at the Hodgkinson and Ligar intersections; raised intersection and safety platforms on Watson Road, Dromana; a compact roundabout at Keogh Street and Potton Avenue, Rosebud and raised safety platforms, improved lighting and line marking in the Woodlands, Mount Eliza. We replaced the slow point at the intersection of Marcia Avenue and Tasman Drive in Rye with a raised safety platform, pedestrian crossing and footpath. Raised safety platforms and another pedestrian crossing were also installed at Tasman Drive along with connecting footpaths and a raised safety platform on Marcia Avenue.



People

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

- Last year, after extensive community and stakeholder consultation, Council adopted the Public Art Policy. The Policy has introduced a clear and transparent framework for commissioning public art. This Policy is all about creating opportunities for artists and enhancing our shared spaces. Here's how it's making a difference:
  - Transparent selection process: Artists and the community can trust a fair and open approach to choosing public art projects.
  - Creative initiatives: A balanced focus on supporting talented local artists while also welcoming big-name national talent.
  - Community spirit: Art that celebrates our region's unique character, instilling pride in the people who live here.
- Mornington Peninsula Shire partnered with housing agencies YWCA Australia and Women's Property Initiatives (WPI) to deliver 17 dwellings in Mornington and Hastings for essential social housing for women and children. Through the provision and lease of five parcels of council owned land (valued at more than $3M), and state government funding, the Shire's partners YWCA Australia and WPI can now develop the land with community housing for eligible tenants. Construction of the social housing development in Mornington and Hastings began in May 2026. In further support, Housing Choices Australia applied for Federal Government funding to support the development of 22 transitional dwellings for women in Rosebud.
- Throughout October 2025, Mornington Peninsula senior residents got out and about to enjoy close to 100 events across our region. Spanning themes such as music, nature, home making, intergenerational gathering, art, exercise, 'come and try' days, films and more, there was something for everyone to enjoy.
- The Peninsula Advisory Committee for Elders (PACE) celebrated a significant milestone in 2026 — 20 years of advising the Mornington Peninsula Shire Council on the issues that matter most to older residents. Established in 2006, PACE was one of the first committees of its kind in Victoria. Made up of local residents aged 55 and over, the committee advises Council on everything from housing and transport to social inclusion and aged care — playing a direct role in shaping the Shire's approach to positive ageing. Among its proudest achievements is its early and sustained advocacy around elder abuse, which led to community forums, training workshops for Shire staff and service providers, and the establishment of the Respecting Seniors Network.
- Volunteers are the heart of our community, helping make the Mornington Peninsula a better place to live, work and connect. During National Volunteer Week, from 18 - 24 May 2026, we thanked the people who gave their time, skills and care to support others across our community. To mark the week, we lit up McCrae Lighthouse in red as a simple but powerful way to recognise the many volunteers who make a difference on the Peninsula. The red light was a public thank you to volunteers and a reminder of the important role they play in building a strong, connected community.





Prosperity

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

- Local farmers are getting support to adopt more regenerative and climate resilient practices, thanks to a regional collaboration helping producers strengthen their operations for the future. Mornington Peninsula Shire will receive over $279,000 through the 3-year initiative to deliver an exciting new project 'Farming Our Way' and associated activities. Farming Our Way helps local producers adopt regenerative practices, restore natural resources, strengthen their businesses and share knowledge with fellow farmers. The Climate-Smart Agriculture Project brought together farmers, councils, Landcare and agricultural groups across the region to support sustainable farming.
- In February 2026, alongside additional contributions from local farmers, we collected more than 360 bales of hay from The Briars and donated them to fire-affected farming communities. What started as a practical decision has grown into a lasting example of the Peninsula showing up when it matters. The Briars Hay Drive began in 2018 during drought, producing around 800 bales, and continued through the 2019–20 bushfires, when approximately 950 bales were donated to help farmers recover.
- Local businesses were encouraged to share their insights in the 2025 Business Surveys, which were open until 30 September 2025. Run in partnership with independent consultant, Metropolis Research, the surveys aimed to capture a clear picture of local business needs, challenges and opportunities.





- The Shire announced the winners of the 2025 Mornington Peninsula Business Excellence Awards following a vibrant celebration that took place at The National Golf Club in Cape Schanck in November 2025. More than 140 local business owners, industry leaders and community supporters came together for an inspiring evening recognising the leadership and talent that form the backbone of our local economy. This year, the Business Excellence Awards, part of the Shire's year-round Business Excellence Program, honoured businesses that demonstrated outstanding performance in Customer Experience, Environmental Sustainability and Local Community Connection across various business size groups. For a complete list of winners, visit **mornpen.vic.gov.au/celebratebusinesses**
- The Shire's Small Business Festival was a month-long program of webinars, networking events, and hands-on workshops designed to help local businesses build capability, confidence and long-term resilience. Featuring around 20 events across the month of August, the full festival program covered a wide range of topics relevant to today's business landscape. This included artificial intelligence (AI), marketing, social media, finance, business planning, sustainability, networking, leadership and operational efficiency. The festival officially launched with the 2026 B.I.T.E Conference on 5 August 2026, reflecting the Shire's ongoing commitment to supporting local businesses and acknowledgment of its significant impact on the community at large.
- The second Peninsula LIVE micro-festival transformed the Dromana Industrial Estate into a vibrant live music precinct from Thursday 11 to Sunday 14 June. The free, all-ages event featured live music from over 30 bands across more than 10 venues, bringing four days of music, energy and community connection. Peninsula LIVE is about creating new opportunities for local artists while bringing communities together through live music and was presented by Mornington Peninsula Shire in partnership with Live Music Office, OneMusic Australia and APRA AMCOS.

Performance

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

- We improved the way we deliver youth services on the Mornington Peninsula to expand opportunities for young people to connect and belong. At the 2 September 2025 Council Meeting, councillors decided to partner with a range of external providers to deliver a more targeted and flexible mix of services for our young people. This new model is providing more opportunities for young people to connect with services at a time and place that suits them. Key achievements so far include increased visitation at hubs, strong uptake of new programs, successful partnerships and the continued delivery of services throughout a period of transition.
- In August 2025, Mornington Peninsula Shire Council CEO Mark Stoermer announced a major organisational restructure aimed at delivering improved customer service and long-term financial sustainability. The new structure aligned the organisation to the Council Plan and Council strategies, significantly streamlining the leadership structure with the aim to ensure that leaders are leading and further, that leaders are managing an appropriate number of staff.
- More than 3,500 community members have helped shape the Mornington Peninsula Shire's long-term plans, giving Council a clear direction for the Peninsula's future. On 30 October 2025, Council adopted the Financial Plan 2025–26 to 2035–36 and Asset Plan 2025–26 to 2035–36. Together with the Council Plan and Public Health and Wellbeing Plan, these plans outline the outcomes the community wants and how Council will deliver them. The Financial Plan sets the foundation for Council's long-term financial sustainability, while the Asset Plan outlines how Council will maintain and renew community assets. Like all Victorian councils, the Shire is balancing rising costs, ageing infrastructure, and increasing responsibilities from other levels of government. At the same time, we know many in our community are feeling the impact of cost-of-living pressures. These plans aim to deliver the services and infrastructure residents rely on while remaining financially sustainable.





- Mornington Peninsula streets are shining a little brighter, with 3,648 outdated streetlights now replaced with modern LED technology across the Peninsula. The upgrade is expected to save the Shire around $526,000 every single year. Over 20 years, that adds up to $8.3 million back into community funds after project costs.
- A kerbside bin audit on the Mornington Peninsula was undertaken by the Shire's waste contractor, EC Sustainable in May 2026. Bin audits form part of our waste services contract because the rate the Shire pays for removing contamination from recycling is calculated based on the bin audit results. The higher the level of contamination, the more the Shire must pay. Following collection, our contractors remove contaminated material from the truck's load and send it to landfill. This process comes at an extra cost. Last year, finding that the contamination rate had increased, we rolled out a 'Bin it right: Future's bright' educational campaign with the aim to make recycling less confusing for all residents and to help keep costs down.
- Expressions of Interest were open for community members to join the Selection Panel for the Mornington Peninsula's annual community awards. Each year, our community comes together to recognise the people and events that make a real difference across the Peninsula, and we invited locals to help shape who is celebrated. From volunteers and community leaders to quiet achievers working behind the scenes, our awards are all about celebrating the people who show up for others. And we want the panel choosing them to reflect our community too.

Our Council



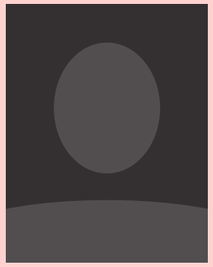
Our Councillors



Cr. Kate Roper
Beek Beek Ward



Cr. Max Patton
Benbenjie Ward



Vacancy
Briars Ward



Cr. Patrick Binyon
Brokil Ward



Cr. David Gill
Coolart Ward



Mayor Cr. Stephen Batty
Kackeraboite Ward



Cr. Bruce Ranken
Moorooduc Ward



Cr. Andrea Allen
Nepean Ward



Cr. Paul Pingiaro
Tanti Ward



Cr. Cam Williams
Tootgarook Ward

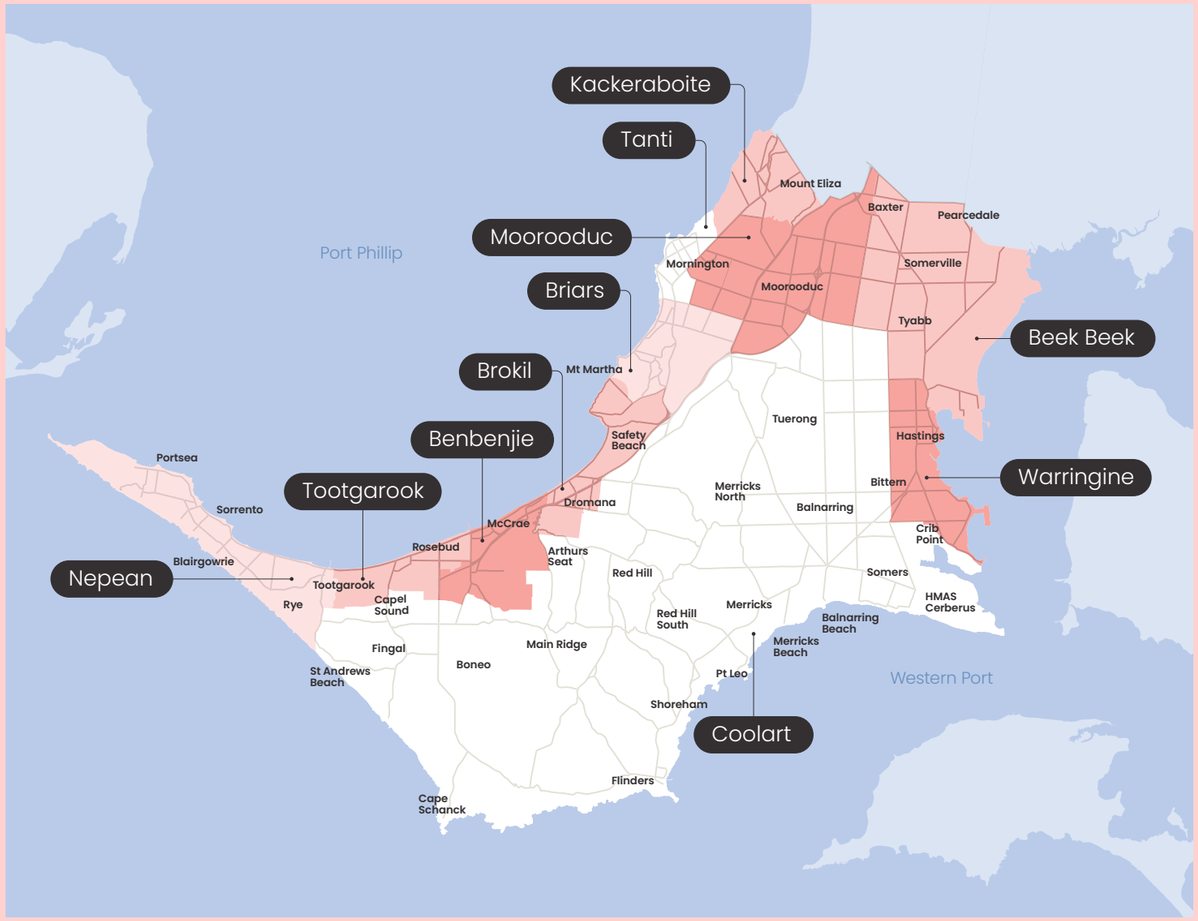


Cr. Michael Stephens
Warringine Ward

For more information visit:

mornpen.vic.gov.au/ourcouncillors

Our Wards



Our Governance



Governance

Mornington Peninsula Shire Council is constituted under the Local Government Act 2020 (the Act) to provide leadership for the good governance of the municipal district and the local community. Council has several roles including:

- Considering 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 most 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 monthly, which are streamed online to support transparency and accessibility. 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. For 2025-26, Council held

23 meetings (15 Council meetings and 8 unscheduled Council meetings). Unscheduled Council Meetings are required when a matter arises that is unable to wait until the next scheduled meeting. The meeting cycle for the following year is adopted by Council in December of each year.

Councillor Marsh took a leave of absence from 25 February 2026 to contest the Nepean by-election on 2 May 2026. Following his successful election to the State seat of Nepean, Councillor Anthony Marsh resigned on 14 May 2026.

The following table provides a summary of councillor attendance at Council meetings for the 2025-26 financial year.

Councillors	Council Meeting	Unscheduled Council Meeting	Total
Cr Andrea Allen	15	8	23
Cr Anthony Marsh	9	5	14
Cr Bruce Ranken	15	7	22
Cr Cam Williams	14	8	22
Cr David Gill	15	8	23
Cr Kate Roper	12	7	19
Cr Max Patton	15	8	23
Cr Michael Stephens	15	8	23
Cr Patrick Binyon	14	8	22
Cr Paul Pingiaro	15	8	23
Cr Stephen Batty	15	7	22

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

Model Councillor Code of Conduct

On 4 October 2024, the Victorian Government introduced a mandatory Model Councillor Code of Conduct through amendments to the Local Government Act 2020 and supporting regulations. All councillors are now required to comply with the Model Code, ensuring consistent standards of conduct across all Victorian Councils. The Model Code serves to:

- Promote high standards of integrity, accountability and respectful behaviour among councillors.
- Foster a culture of good governance and public trust in local government.
- Provide clear expectations for councillor conduct, decision-making and interactions with the community, staff and each other.
- Support effective and collaborative working relationships within Council.
- Ensure consistency in how councillor conduct is guided and managed.
- Establish a standardised framework for resolving disputes and addressing misconduct.

In addition to setting out the standards of conduct, the Model Code also details:

- Conflict of Interest obligations and guidance on avoiding personal or financial bias.
- Councillor relationships, including expectations for interactions with fellow councillors, staff and the community.
- Prohibited conduct, such as bullying, harassment or misuse of position.
- Internal dispute resolution processes for managing interpersonal issues and breaches of the code.
- Commitment to good governance, transparency and accountability in decision-making.

Conflict of Interest

Councillors are elected by residents and ratepayers to act in the best interests of the community — a role that carries a significant responsibility to uphold public trust and act with integrity. This obligation also applies to Council officers and delegated committees when exercising powers on behalf of Council.

A conflict of interest arises when a personal or private interest could influence, or be perceived to influence, the impartial performance of public duties. The existence of a conflict does not, by itself, imply misconduct.

Council has comprehensive procedures in place to manage the disclosure and handling of conflicts of interest. The declaration of conflicts is a standing item on all Council and Committee meeting agendas, ensuring transparency in decision-making.

While procedures vary depending on the role and context, they require individuals to formally declare their interests and remove themselves from the relevant decision-making process. A public register is maintained to record all declared conflicts of interest.

During 2025–26, 12 conflicts of interest were declared at Council and Special Committee meetings.

Councillor allowances

In accordance with Section 39 of the Act, 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 State 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, the Mornington Peninsula Shire Council is recognised as a category three Council.

The following table contains details of current allowances fixed for the mayor and councillors during the 2025-26 year.

Councillor	Allowance $	Superannuation $	Total $
Cr Andrea Allen	$41,991.96	$5,039.04	**$47,031.00**
Cr Anthony Marsh	$94,251.21	$11,310.14	**$105,561.35**
Cr Bruce Ranken	$41,991.96	$5,039.04	**$47,031.00**
Cr Cam Williams	$41,991.96	$5,039.04	**$47,031.00**
Cr David Gill	$41,991.96	$5,039.04	**$47,031.00**
Cr Kate Roper	$41,991.96	$5,039.04	**$47,031.00**
Cr Max Patton	$41,991.96	$5,039.04	**$47,031.00**
Cr Michael Stephens	$41,991.96	$5,039.04	**$47,031.00**
Cr Patrick Binyon	$41,991.96	$5,039.04	**$47,031.00**
Cr Paul Pingiaro	$97,501.23	$11,700.15	**$109,201.38**
Cr Stephen Batty	$41,991.96	$5,039.04	**$47,031.00**

Councillor Expenses

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

Details of the expenses, including reimbursement of expenses for each councillor and member of a council committee paid by the Council for the 2025-26 year, are set out in the following table.

Councillor	CM	IC	PT	CT	OT	CC	Total $
Cr Andrea Allen	$3,266.11	$600.00					**$3,866.11**
Cr Anthony Marsh	$6,732.06	$404.55	$442.70	$2,920.00		$945.00	**$11,444.31**
Cr Bruce Ranken		$109.08		$3,881.82	$224.86		**$4,215.76**
Cr Cam Williams	$4,444.34	$600.00		$10,075.00	$271.35		**$15,390.69**
Cr David Gill	$6,270.38	$708.96					**$6,979.34**
Cr Kate Roper	$4,919.66	$599.88		$1,314.12	$65.73		**$6,899.39**
Cr Max Patton	$4,088.18	$600.00	$293.60	$19,465.02	$119.99		**$24,566.79**
Cr Michael Stephens	$8,093.54	$490.80	$95.84	$11,097.90			**$19,778.08**
Cr Patrick Binyon	$1,206.12	$574.77					**$1,780.89**
Cr Paul Pingiaro	$4,937.63	$600.00	$210.45	$10,075.00	$23.80		**$15,846.88**
Cr Stephen Batty	$5,415.58	$109.08			$335.32		**$5,859.98**

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

Municipal Monitors appointed

Minister for Local Government Nick Staikos appointed Prue Digby and Rebecca McKenzie to serve as municipal monitors at Council on 23 December 2025. The monitors will be in place for 12 months from 19 January 2026 until 18 January 2027. They will advise, assist, and support the council to improve its governance processes and practices.

They will also work with the council to support good governance, including in relation to service delivery, the health and wellbeing of councillors and staff and council meeting procedures and decision making.

Municipal monitor remuneration and expenses

The appointment of municipal monitors by the Minister for Local Government included mandatory remuneration at a fixed rate. Council is required to pay the remuneration and reimburse out-of-pocket expenses for municipal monitors in accordance with Council's Expenses and Support Policy – adopted by Council on 2 September 2025.

Monitors	Allowance $	Superannuation $	Total $
Prue Digby	$37,812.50	$4,537.50	**$42,350.00**
Rebecca McKenzie	$37,812.50	$4,537.50	**$42,350.00**
Total	**$75,625.00**	**$9,075.00**	**$84,700.00**

Monitors	CM	IC	PT	CT	OT	CC	Total $
Prue Digby	$850.00	$-	$-	$-	$-	$-	**$850.00**
Rebecca McKenzie	$2,967.36	$-	$217.98	$-	$-	$-	**$3,185.34**
Total	**$3,817.36**	**$-**	**$217.98**	**$-**	**$-**	**$-**	**$4,035.34**

Management

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

Audit and Risk Committee

The Audit 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 the 2025-26 financial year were:

- Ms Lisa Tripodi (Chair) – Appointed October 2017 for a three-year term and re-appointed for a further three-year term until October 2023. This was extended a further year by Council until October 2024. Re-appointed for an additional term from November 2024 ending October 2026.
- Mr Jonathon Kyvelidis – Appointed 2 February 2022 for a three-year-term until February 2025. Second Term – 2 February 2025 expiring 1 February 2028 (endorsed by Council 3 December 2024.)
- Mr David Fraser – Appointed 25 August 2022 for a three-year term until August 2025. Second term – 25 August 2025 expiring 24 August 2028 (endorsed by Council 3 December 2024).

The Councillor members for 2025-26 financial year were:

- Cr Batty Appointed 03 December 2024 ending 30 November 2025
- Cr Ranken Appointed 03 December 2024 ending 30 November 2025.

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

Internal Audit

The internal audit function provides independent and objective external assurance that Council has in place appropriate risk management controls. The internal audit function in 2025-26 was provided by Aster Advisory, an external provider.

Council's Enterprise Risk team manages the internal audit contract and works with Aster Advisory to support each internal audit through scoping, field work, and a final report with recommendations for management action.

A strategic three-year Internal Audit Plan is endorsed by the Audit and Risk Committee annually to ensure a focus on major or emerging risk areas. The review process considers Council's risk profile, the Council Plan, prior audit coverage and management input.

The status of the internal audit program is reported to each Audit and Risk Committee as well as an update on progress implementing the management actions from each audit.

Quality assurance is measured through a client satisfaction survey, the annual Audit and Risk Committee self-assessment and completion of the internal audit plan.

Four internal audit reviews were finalised during the year. With the commencement of a new contract the program started a little later and the final two audits will be reported to the Audit and Risk Committee in August 2026.

- Cyber Security (August 2025)
- Volunteer Management (November 2025)
- Infrastructure Maintenance and Waste Contract Management (May 2026)
- Payroll Encoding (May 2026).

External audit

Council is externally audited by the Victorian Auditor-General. For the 2025-26 year the annual external audit of council's Financial Statements and Performance Statement was conducted by RSD Audit. The external auditors attend all Audit and Risk Committee meetings and present the Annual Audit Plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk Management

Council was updated on the enterprise risk management work at their May Council Briefing, including the Risk Appetite Statement and the emerging strategic risk profile. The Enterprise Risk Management Framework was endorsed by the Audit and Risk Committee and approved by the Chief Executive Officer on 1 July 2026. Following endorsement from the Audit and Risk Committee and the Executive Team, the draft Enterprise Risk Management Policy was presented to the 7 July 2026 Council meeting and will be brought back later in 2026 for adoption.

Council memberships

- Australian Local Government Women's Association
- Local Government Professionals
- Municipal Association of Victoria
- South East Councils Climate Change Alliance
- Victorian Local Governance Association.



Governance Service Performance Indicators

Service/indicator/measure		2023	2024	2025	2026	Material variations and comments
Governance						
G1	Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee	6.79%	4.26%	7.28%	12.05%	Council aims to support transparency and openness in the community by minimising closed-door decision-making. During the period, twenty-seven decisions were made in meetings closed to the public. Sixteen of these contained private commercial information, four related to personal information, three to Council business information and four to legally privileged information.
G2	Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	50	67	66	66	Community satisfaction with consultation and engagement remains steady at 66, just short of our target of 68. The upward trend in our results marks a significant improvement from our unusually low score of 50 in 2023.
G3	Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of councillors elected at the last Council general election)] x100	86.78%	85.66%	86.55%	93.28%	Councillor attendance at council meetings remains high, reflecting their commitment to representing their wards and constituents.
G4	Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	$65,475.91	$73,503.56	$72,297.56	$70,174.75	The total cost of elected representation has decreased from last year. This is mainly due to lower Councillor allowances paid, with Councillor Marsh taking a leave of absence from 25 February 2026 to contest the Nepean by-election on 2 May 2026. Following his successful election to the State seat of Nepean, Councillor Anthony Marsh resigned on 14 May 2026.
G5	Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	46	64	62	62	Community satisfaction with council decisions remains steady at 62. The upward trend in our results over the past three years marks a significant improvement from our unusually low score of 46 in 2023.



Our Organisation

Organisational Chart



Chief Executive Officer
Mark Stoermer



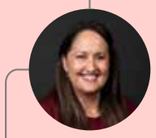
Director Communities
Cheryl Casey



Director Assets and Infrastructure
Davey Smith



Director Planning and Liveability
Andrew Pomeroy



Chief of Staff
Kelly Gillies



Financial Controller
Mark Schubert



Manager Governance and Risk
Pam Vercoe



Manager Information Technology
Jarod Burridge



Manager Community Services
Kate Hills



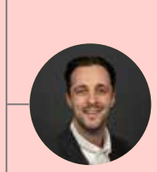
Manager Infrastructure and Waste Services (A)
Janet Martin



Manager Statutory Planning (A)
Hugh Pierce



Manager People and Culture
Carly Amado



Head of Customer Experience
Lachlan McDonald



Manager Projects and Engineering Services
Brett Whitwam



Manager Strategic Planning, Transport and Environment
Katanya Barlow



Head of Strategic Communications and Advocacy
Mitch Grayson



Manager Community Partnerships and Engagement
Chris Munro



Manager Assets, Building and Property
Nigel Brown



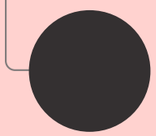
Manager Regulatory Services
Dale Gilliatte



Head of Strategy and Performance
Jarrod Lawson



Manager Community Spaces and Recreation
Heather Callahan



Chief Legal Officer
Emily Harkin



Manager Economic and Cultural Development
Jayde Hayes

(A) = Acting

Senior Officers Reporting Directly To The CEO



Chief Executive Officer
Mark Stoermer



Communities

Community Spaces and Recreation
- Community Infrastructure and Open Space Planning
- Sport Development and Community Connection
- Peninsula Venue Management
- Commercial Recreation Services

Community Services
- Child and Family Health
- Community Services Operations
- Libraries
- Youth Services

Community Partnerships and Engagement
- Community Development and Engagement
- Community Wellbeing and Inclusion

Customer Experience
- Customer Experience
- Customer Relations

Economic Development and Cultural Development
- Business and Industry Support
- Visitor Economy
- Destinations
- Arts and Culture



Assets and Infrastructure

Infrastructure and Waste Services
- Roads and Civil Maintenance
- Natural Systems
- Open Space and Tree Management
- Circular Economy and Waste

Projects and Engineering Services
- Buildings and Structural Projects
- Community Led and Special Projects
- Civil and Open Space Projects
- Asset Protection and Construction Supervision
- Development Engineering
- Design and Technical Services

Assets, Buildings and Property
- Asset Management
- Property and Leasing
- Building Maintenance

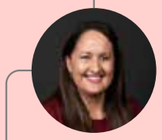


Planning and Liveability

Statutory Planning
- Planning Services
- Planning Support

Strategic Planning Transport and Environment
- Traffic and Transport
- Strategic Planning
- Coasts and Climate Resilience

Regulatory Services
- Environmental health
- Community Resilience and Emergency Management
- Children's Crossing
- Community Safety
- Planning and Asset Compliance
- Municipal Building Control Services



Chief of Staff

People and Culture
- Systems, Reporting and Compliance
- Culture and Talent Management
- People Services
- Payroll Services
- Safety and Wellbeing

Strategic Communications and Advocacy
- Advocacy and Government Relations
- Communications
- Digital Media
- Digital Strategy

Strategy and Performance
- Corporate Performance
- Service Improvement
- Continuous Improvement

Legal Services
- Chief Legal Officer
- Legal Counsels
- Prosecutions
- Infringements



Financial Controller

Finance and Procurement
- Finance Operations
- Finance Business Partners
- Revenue and Rates Collection
- Procurement and Fleet Operations
- Contract Management Partners
- Contract Auditing



Governance and Risk

- Governance Services
- Executive and Councillor Support
- Council Reports
- Enterprise Risk



Information Technology

- IT operations
- IT strategy and projects
- Emerging Technologies
- IT Systems and Infrastructure
- Data Excellence and Information Management

Our Workforce

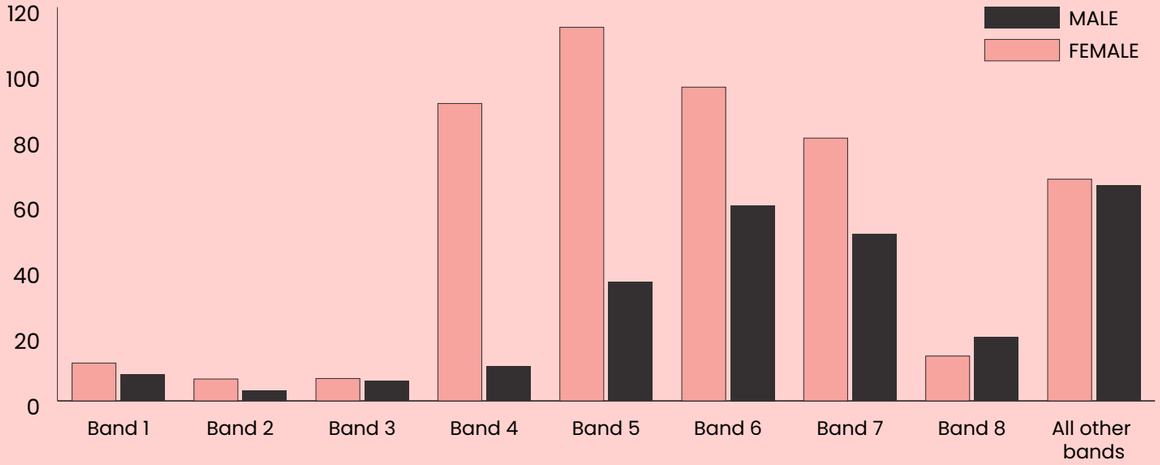
Our people are at the heart of everything we do. Each day, our workforce delivers essential services, supports our communities and helps shape the future of the Mornington Peninsula. During 2025–26, we continued to invest in creating a workplace where people can thrive, recognising that a capable, engaged and inclusive workforce is critical to delivering positive outcomes for our community.

Our Workforce profile

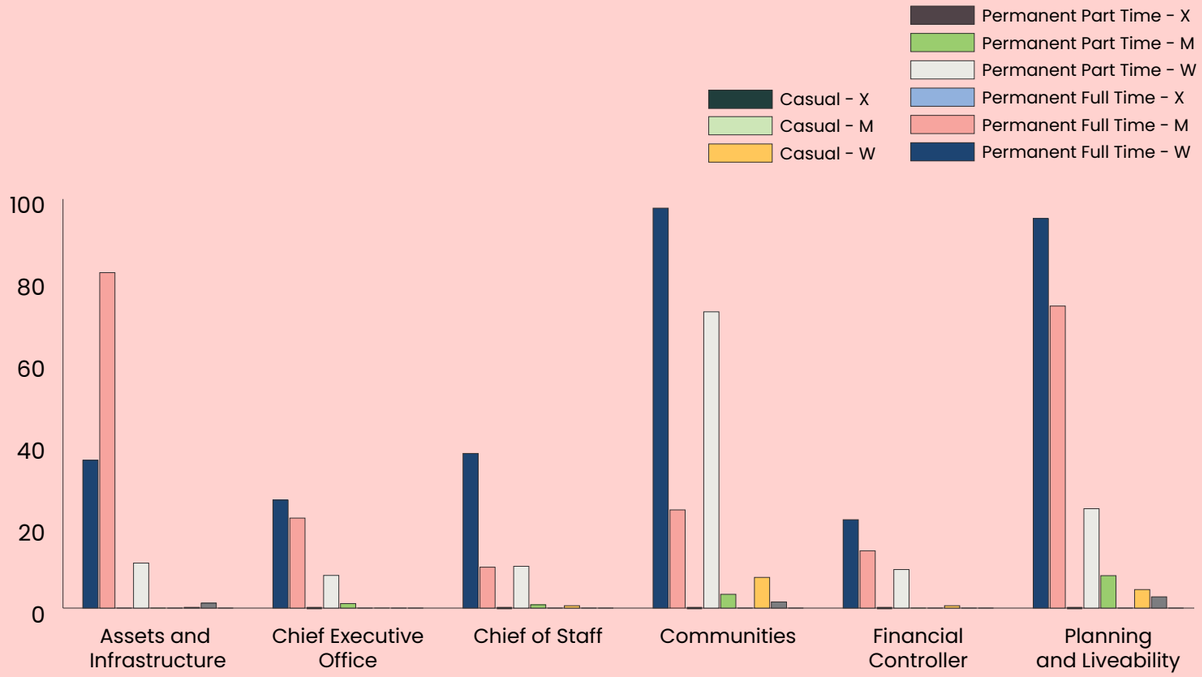
Our current staff headcount break down is:

- 566 Permanent full-time staff who are:
  - Women = 336
  - Men = 230
  - Persons of self-described gender = 0
- 262 Permanent Part time staff who are:
  - Women = 225
  - Men = 37
  - Persons of self-described gender = 0
- 165 Casual staff who are:
  - Women = 121
  - Men = 44
  - Persons of self-described gender = 0

Council staff by Band



Council staff by organisational structure



Our workforce reflects the diverse communities we serve, bringing a wide range of skills, experiences and perspectives to Council. Together, they demonstrate professionalism, resilience and commitment in responding to changing community needs while delivering on Council's strategic priorities. We thank our employees for their dedication and contribution throughout the year and remain committed to being a place where people love to work, grow and make a meaningful difference.

The end of 2025 was a challenging time for our workforce following a budget-driven organisational review. Overall, our workforce profile remains consistent, and our turnover pattern is typical of a year of continued organisational change. We experienced elevated but manageable turnover, reflecting a mix of retirements, internal mobility and external moves, alongside deliberate decisions to reshape the workforce for future service needs.

Other staff matters

This year saw a strong focus on building organisational capability, strengthening leadership, supporting employee wellbeing and fostering a culture where diversity, inclusion and continuous improvement are valued.

Through initiatives including the Future Capability Framework, workplace diversity and inclusion programs, improved staff recognition and ongoing workforce planning, the Shire continued to build the foundations of a future-ready organisation.

Building on the work delivered under our earlier Gender Equality Strategy and workplace diversity initiatives, Mornington Peninsula Shire adopted a new Gender Equality Action Plan 2026–2030 during FY26, strengthening our focus on equitable systems, inclusive leadership, workforce flexibility and safer workplaces.

A new strategic workforce plan 2026-2030 has been developed, sharpening our focus on leadership development, attraction and retention strategies and key workforce capabilities to ensure workforce mobility and sustainability to deliver on our Council Plan.

Developing our people

At the Shire, we continue to recognise that our people are our greatest asset, and we remain committed to creating a capable, engaged and high-performing workforce that can meet the evolving needs of our community. During 2025-26, we strengthened our focus on people development through the introduction of the Future Capability Framework, providing a clear pathway to build the skills, behaviours and mindsets needed for a future-ready organisation. We refreshed our approach to staff recognition, creating more meaningful opportunities to celebrate the contributions, achievements and values-driven behaviours that make a positive difference across the organisation and the community we serve. A renewed approach to managing performance has reinforced a culture of accountability, growth and continuous improvement, supporting employees and leaders to have more frequent constructive conversations that drive individual and organisational success.

Leadership development remained a key priority, with continued investment in programs and opportunities that support leaders at all levels to build capability, enable collaboration and confidently lead their teams through change.

During 2025-26, more than 75 professional development workshops were delivered, with 1,249 staff attendances, reflecting strong engagement with learning and development opportunities. Together, these initiatives are strengthening capability, enhancing employee engagement and positioning the Shire to continue delivering responsive, innovative and community-focused services.

Employment pathways

Our employment pathways continued to create opportunities for learning, employment and participation, providing more than 75 work placements to local secondary and tertiary students. These placements strengthened workforce capability while demonstrating the diverse career pathways available at Council. Reflecting on the experience, a Rosebud Secondary College parent said the support and encouragement from staff helped their child build confidence, develop new skills, feel part of the team and deepen their interest in environmental science and conservation.

In its second year, Council's Traineeship Program achieved a 100 per cent completion rate, with all participants progressing to positive outcomes. Four secured employment with Council, while another began studying Environmental Science after discovering a passion for the field during a placement with Council's Coastal Climate team.

Safety and Wellbeing

The safety and wellbeing of staff, volunteers, contractors and the community is at the forefront of Council decisions and activities. Council recognises that a workplace that prioritises safety, creates a culture that allows our people to thrive and in turn deliver on our organisational objectives.

Safety and Wellbeing Performance

The Shire maintained a strong safety performance throughout 2025-26. A continued focus on incident management, improved reporting timeliness, strengthened investigation processes and enhanced safety oversight across operational activities saw an increase in incident reporting of 10% on year 2024-25. Despite four regulatory notifiable events, there was no increase in major and catastrophic consequence events, demonstrating stronger reporting of lower consequence events. Occupational Violence and Aggression remains a key organisational risk, leading to targeted reviews and the development of a dedicated action plan to further strengthen prevention and response measures.

Mental Health and Workforce Wellbeing

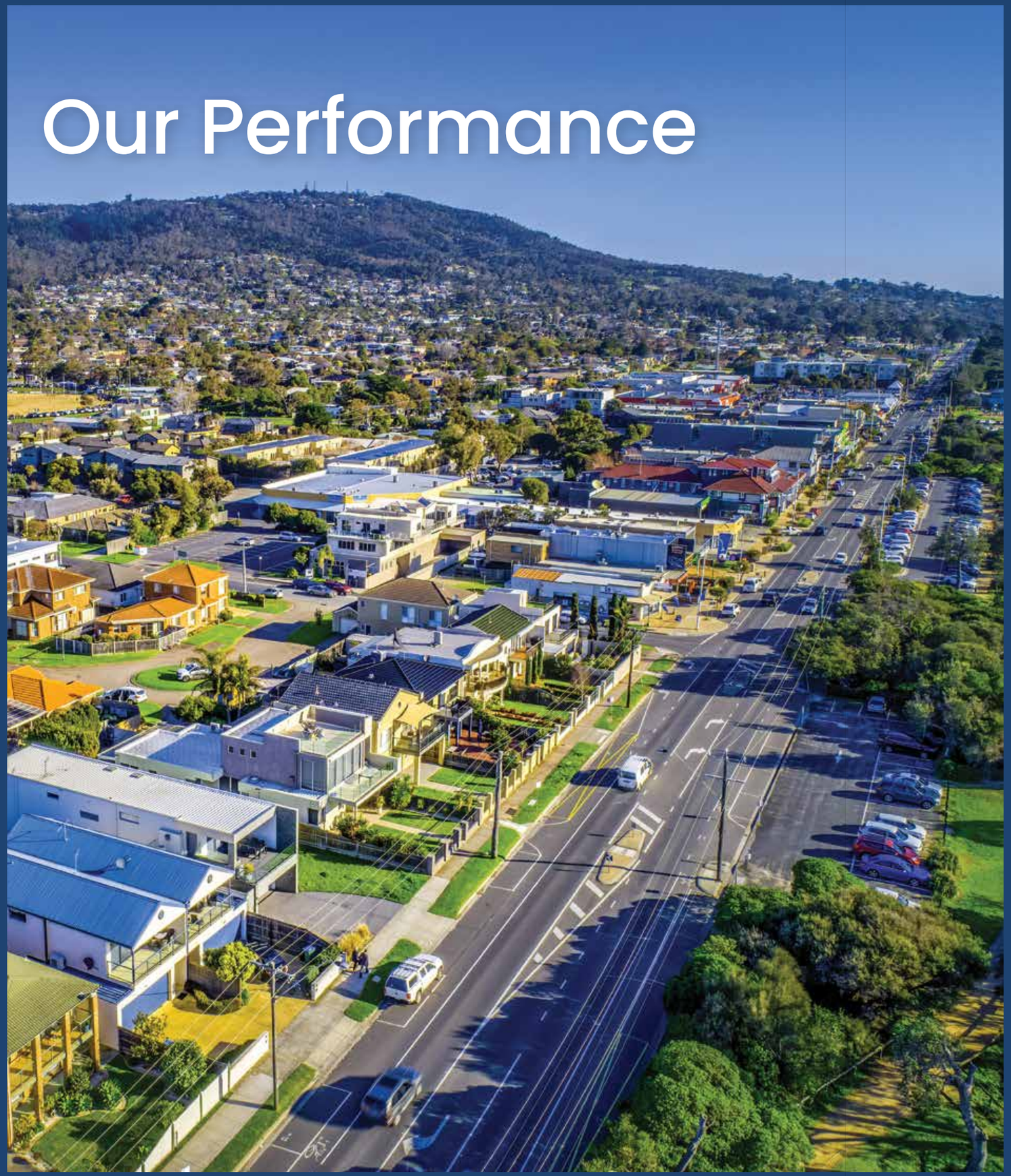
Supporting employee wellbeing remained a key priority. Employee Assistance Program utilisation continued above industry benchmarks, reflecting strong workforce engagement with wellbeing services and support programs. During the year, the Shire completed a significant psychosocial risk assessment and consultation activities to align with the new Occupational Health and Safety (Psychological Health) Regulations 2025. A mental health action plan is now developed to further support workforce wellbeing and psychological safety.

Building Safer Systems for the Future

The Shire continued to strengthen its safety management framework through improved contractor safety management, the implementation of the CM3 contractor prequalification platform, enhanced assurance and inspection programs, and targeted safety leadership initiatives. Workforce wellbeing programs, including vaccination, wellbeing challenges and health screening initiatives, supported a proactive approach to employee health. These activities position the organisation well to meet future legislative obligations while fostering a safe, healthy and resilient workplace.

> "...our people are our greatest asset, and we remain committed to creating a capable, engaged and high-performing workforce..."

Our Performance



Our Service
Community Satisfaction Survey 2026

Since July 2023, Metropolis Research has conducted Mornington Peninsula Shire Council's independent Community Satisfaction Survey.

Face-to-face and phone Interviews were conducted twice a year across all parts of the municipality, resulting in a combined annual survey of 804 residents.

2026 results

Overall satisfaction rose to 6.4, up from 6.3 in 2024-25. It also marks a considerable improvement compared to our unusually low score of 5.0 recorded in 2023, highlighting a clear upward trend in our results over the past three years.

Our top performing service areas were:

- Weekly garbage collection
- Fortnightly recycling
- Green waste collection
- Local library services
- Services for children from birth to 5 years of age
- Community centres/neighbourhood houses
- Recreation centres.

Of note are our improving results for sealed local roads. Satisfaction with sealed local roads rose 4 points to 5.7, from 5.3 in the previous year, which may reflect the 72% increase in road spending this year. Overall, these results show our community is responding positively to our efforts.

Service areas for further improvement:

- Public toilets
- Maintenance and repair of unsealed local roads
- Maintenance and repairs of sealed local roads.

Satisfaction with aspects of Council performance.

- Governance and leadership - average satisfaction with the eight included aspects of governance and leadership remained stable this year at 6.3 out of 10, or a 'solid' level of satisfaction.
- Customer service – average satisfaction with six aspects of customer service remained stable at 6.7 out of 10, or a 'good' level of satisfaction.
- Services and facilities – average satisfaction increased this year, up two points to 7.6 out of 10, which is a good level of satisfaction.
- Planning for population growth – average satisfaction is down one point to 6.4 out of 10, which is a 'solid' level of satisfaction.
- Planning and development – average satisfaction remained the same as last year at 7.4 out of 10 or a 'solid' level of satisfaction.

Top issues for people living on the Mornington Peninsula

When asked to nominate the top three issues for residents of Mornington Peninsula Shire at the moment, the top three issues were:

- road maintenance and repairs, including roadworks
- traffic management, safety, policing and crime issues, and footpaths
- environment, conservation and climate change.

The full report can be found here:
mornpen.vic.gov.au/satisfaction

Strategic Overview

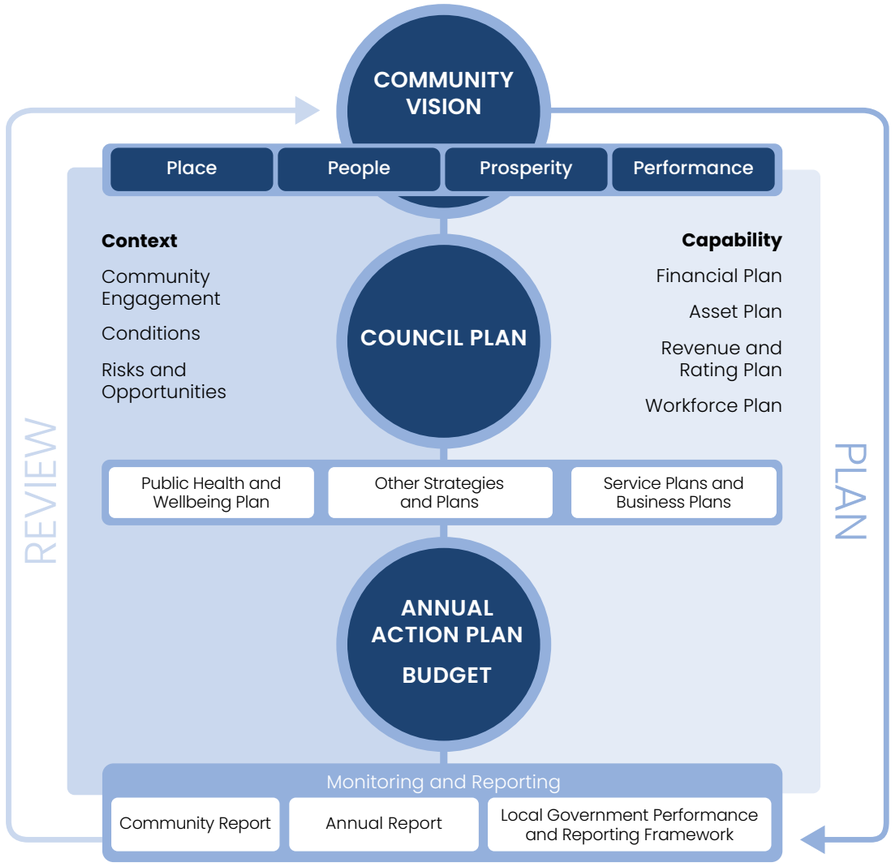
Under the Local Government Act 2020, Councils are required to:

- Align all strategic planning with the Community Vision.
- Use an integrated approach to planning, monitoring and performance reporting.

To meet this requirement, we use the Integrated Strategic Planning and Reporting Framework. This helps us to stay focused on achieving our shared Community Vision and ensures we regularly monitor our progress and report back to the community.

Our Council Plan outlines the strategic objectives and strategies we will put in place to achieve our Community Vision. It's supported by targeted strategies and plans focused on specific areas.

Each year, alongside the budget, we prepare an Annual Action Plan that outlines the key actions we will deliver under the Council Plan.



Development of the Council Plan

We developed this Plan with the help of more than 3,000 community members who shared their ideas, concerns and priorities with us in early 2025.

These conversations took place as part of a two-month community engagement process that also helped shape the Public Health and Wellbeing Plan, Financial Plan and Asset Plan. We used a mix of broad and deliberative engagement methods to better understand the challenges our community faces and the opportunities we can work on together.

Council is committed to involving the Mornington Peninsula community, wherever possible, in decisions that affect them. This engagement was a testament to that commitment, bringing together valuable community insights to guide our planning for the future.

How we engaged

We connected with people in a range of ways to ensure a broad and diverse mix of voices were heard:

- 1,569 responses to our online survey,
- including from:
  - 890 people over the age of 60
  - 245 people that have disability
  - 22 people that identify as Aboriginal and/or Torres Strait Islander
  - 30 people that identify as LGBTIQA+
- 95 people that speak a language other than English at home
- 930 conversations at our 18 pop-up locations.
- 262 postcards completed by primary school aged children.
- 44 children took part in kindergarten group activities.
- 70 responses to our youth survey (12-17 years).
- 3 in person Community Conversations as part of our deliberative engagement.

We heard from people across all ages, genders, backgrounds and abilities—reflecting the diversity of the Mornington Peninsula.

The draft Council Plan was presented for public exhibition over 6 weeks, with a further 385 responses helping to shape the final plan.

What we heard

Community members told us their top priorities are:

- Better management of Shire roads and infrastructure.
- Improvements to how Council operates.
- Protecting our natural environment and the Green Wedge.
- Ongoing management of waste services.
- Better transport options, including paths and trails.

You can read more about what we heard in the Community Engagement Findings Report at:

mornpen.vic.gov.au/councilplan

Equity Impact Assessments

In line with the Gender Equality Act 2020, we undertook Equity Impact Assessments (including Gender Impact Assessments) on our Community Vision and community engagement approach, as well as the draft Council Plan and Public Health and Wellbeing Plan. These assessments evaluated how the Plans may affect our community based on their gender (women, men and gender-diverse people) as well as other attributes such as age, cultural background, disability, and sexual and gender identities. This process ensures the Plans are inclusive and equitable, address potential negative impacts, and meet Council's various legislative obligation including those under the Gender Equality Act 2020 (Vic), the Public Health and Wellbeing Act 2008 (Vic), the Disability Act 2006 (Vic) and the Disability Discrimination Act 1992 (Cth).

How to read the following Plan

The Council Plan consists of the following parts:

- **Strategic Direction:** Council's priority areas. These are aligned with the Community Vision themes.
- **Strategic Objectives:** The outcomes
- Council is seeking to achieve to support the strategic direction.
- **Strategic Indicators:** How we measure progress towards our strategic objectives (reported annually through our Annual Report).
- **Strategies:** What we prioritise and do to achieve our objectives. These will be marked either Achieved or Not Achieved at the end of 30 June 2026.
- **Supporting documents:** The key strategic plans and policies of Council that support delivery of our priorities.

> Council is committed to involving the Mornington Peninsula community, wherever possible, in decisions that affect them.



Place

Strategic Direction 1

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

Strategic Objective 1.1

Protected, resilient and enhanced natural environments.

Strategic Indicators

- 1,607 hectares Total area of wildlife habitat (Increase)
- 34.76% Tree canopy coverage in urban areas. (45% by 2034)
- 7.6 Proportion of people who are satisfied with our beaches and foreshore areas (Increase – scored 7.4 in 2024-25)
- 4.7 Proportion of people who use public open space on a regular basis (Increase – first year measured)
- 71% Total area of Green Wedge (maintain)
- 54.59% Kerbside collection waste diverted from landfill (Increase – scored 56.55% in 2024-25)
- 50% Publicly available and updated flood mapping information (Annual target 100% met)
- Greenhouse gas emissions – emissions data for 2025-26 expected in November 2026 (Decrease)

Strategies

1.1.1 **Achieved**

Engage the community to protect and improve natural landscapes, ecosystems and biodiversity.

The Shire continues to work in partnership with the community and build capacity to protect and enhance the Mornington Peninsula's natural environment.

The Nature Stewards program built community knowledge of local ecosystems, biodiversity and conservation, while connecting participants with volunteering through local Landcare and Friends groups, citizen science activities and environmental stewardship initiatives across the Peninsula. During the year, 20 participants graduated from the program, strengthening community capacity to support local environmental outcomes.

The Friends Group Working Bee Program supported 171 community working bees, engaging 644 volunteers who contributed 1,468 hours towards biodiversity conservation and habitat enhancement. Activities included planting 6,153 indigenous plants, environmental weed control and litter removal, improving environmental health and habitat connectivity across local bushland reserves.

The Shire's partnership with the Mornington Peninsula Landcare Network and its 15 affiliated Landcare groups continued to support community-led environmental stewardship on private land across the Peninsula. During the year, Landcare groups delivered on-ground projects, built landholder capacity, and strengthened volunteer participation, while leveraging external funding to extend their reach. These efforts contributed to the conservation of native vegetation and strengthened habitat connectivity between private and public land.

The Biolink Support Grants Program invested $100,000 in 17 community-led environmental projects across the Peninsula. The program attracted a record 18 applications and will deliver:

- 13 hectares of revegetation, including approximately 5,700 native plants
- 15 hectares of environmental weed control
- 480 metres of creek-line restoration
- 12 hectares of remnant vegetation protection and enhancement.

Priority environmental works were delivered through the annual Biodiversity Works Program across 80 bushland and foreshore reserves, focused on controlling high-threat environmental weeds to improve biodiversity and ecosystem health. Fuel reduction activities, including inspections of designated fire management zones and Total Fire Ban patrols, also helped reduce bushfire risk and support community safety.

The Natural Systems Pest Animal Control Program continued at key conservation sites, including Tootgarook Wetland, Yaringa Foreshore, Bittern Coastal Reserve and Warringine, helping protect our threatened native species such as the Swamp Skink, Glossy Grass Skink and the threatened bird, the Australasian Bittern.

Community awareness of koala conservation was strengthened through the annual Koala Forum in partnership with Deakin University and the Mornington Peninsula Koala Conservation Group, featuring ecologists, scientists, community groups, Councillors and Shire staff. Koala monitoring also continued across the Peninsula, improving knowledge of local populations and informing future habitat protection efforts.

1.1.2 **Achieved**

Manage our beaches and foreshores to ensure they are safe, accessible, enjoyable and resilient to the impacts of coastal change.

Managing coastal risk across the Shire requires a broad range of actions, especially in the longer-term, including a mix of strategic decisions and planning through to on-ground actions and engineering initiatives.

Through the Our Coast Our Future Strategy, we're developing a long-term plan to manage coastal hazard impacts on the Mornington Peninsula.

Following completion of Part A of the strategy in 2024, we are now developing Part B that is focused on adaptation pathways to examine various actions for the identified priority townships. This will be based on understanding of local coastal hazards and risk, along with input from stakeholders and the community. Community consultation will continue into next financial year.

Over the year, we cleaned over 4,000 kilometres of beaches. Under our beach cleaning program, Port Phillip Bay beaches are cleaned fortnightly using either a mechanical or hand cleaning method. Mechanical raking has been reinstated across most accessible beaches, ensuring efficient removal of litter and seaweed.

Hand cleaning continues in areas that are either:

- Not accessible to machinery due to terrain or infrastructure.
- Home to native plants that require a gentler approach and careful protection.

1.1.3 **Achieved**

Maintain and enhance our public open spaces

To help maintain and enhance our open spaces we completed a draft Open Space Strategy and Open Space Contributions Report. The Reports were placed on public exhibition for six weeks from 25 August to 3 October 2025 with feedback informing the final Strategy. Council was briefed on 9 December 2025 on the feedback obtained through public exhibition and provided with copies of the updated documents. The Strategy is scheduled to go to a Council workshop later in 2026 before seeking a decision from Council for adoption.

1.1.4 **Achieved**

Support the ongoing protection of the Green Wedge to maintain its environmental, agricultural, recreational and tourism value.

We continue to monitor the State Government's progress in delivering supported recommendations from the Inquiry Report on Securing the Victorian Food Supply, as well as implementing its Planning for Melbourne's Green Wedges and Agricultural Land Action Plan (2024).

On 12 May 2026, Council resolved to invite all green wedge councils in Melbourne to join a "Green Wedge Councils Planning Alliance." This alliance will focus on joint advocacy and information sharing with Green Wedge Councils invited to co-sign a joint letter to the Minister for Planning. The letter will call for the prompt implementation of the actions outlined in the State Government's Planning for Melbourne's Green Wedges and Agricultural Land Action Plan 2024, in consultation with all 17 green wedge councils.

Council also resolved to publish a progress report on the delivery of its Green Wedge Management Plan (2019) actions on the Shire website. To support our Green Wedge, Council confirmed on 23 September 2025 that Green Wedge protection would be part of our Tier 2 advocacy priority for 2025-26 and the upcoming State Government election.

1.1.5 **Achieved**

Build our environmental resilience to climate change through adaptation and mitigation

The Shire reviewed the previous landslide susceptibility work undertaken in 2012 and introduced an interim Erosion Management Overlay (EMO). Additional work to refine the mapping and remove anomalies was completed by June 2026 with a peer review completed. Tender applications for an updated Shire wide landslide susceptibility mapping and permanent EMO planning controls closed on 29 April 2026 (Stage 2). The Shire is currently evaluating tender submissions, with the tender expected to be awarded and the project commenced by mid-July 2026 (on track with project schedule). Updates to the Interim EMO introduced last quarter will be completed by mid-July (Stage 2).

We successfully completed the Major Roads Streetlight Upgrade Project. Approximately 3,600 municipal streetlights were upgraded to energy-efficient LEDs. The project is expected to save the Shire around $526,000 every single year. Over 20 years, that adds up to $8.3 million that we will put back into the community after project costs.

Following the adoption of the Climate Resilience Plan Framework on 2 December 2025, the development of the draft Climate Resilience Plan started. The Plan, expected by December 2026, will include new renewable energy, storage and energy efficiency actions.

Other work completed includes:

- The Foreshore Camping Heat Pump Upgrade Program with hot water heat pump upgrades to 20 foreshore camping amenity blocks. This has reduced operating costs and improved system reliability.
- Installation of a 22-kilowatt system consisting of Solar PV panels and batteries at the Mornington Community Animal Shelter.
- An LED lighting upgrade at Mt Martha Community House to reduce operational energy use.
- Gas heating at Hastings Hall. The hall has been upgraded to high efficiency electric heat pumps. 24kW of battery storage has been installed at Rosebud Memorial Hall to increase renewable energy utilisation.
- Solar engineering certification. We received certification for four Shire buildings to facilitate additional planned solar installs.

1.1.6 **Achieved**

Effectively manage water by building flood resilience, preserving waterways, advocating for safe supply and supporting wastewater and recycled systems.

The Shire collaborated and worked with Melbourne Water to manage water resilience on the Peninsula. Melbourne Water has finished flood mapping for all water catchments in the Shire. As of 30 June, they are still identifying the locations most at risk of flooding using the updated flood modelling. This process took longer than expected due to delays in completing the flood mapping. They plan to conduct community consultations in late 2026 before starting a planning scheme amendment.

1.1.7 **Achieved**

Promote and work towards a zero waste circular economy to preserve our environment and strengthen the local economy.

Work has continued to prepare for the rollout of more than 40,000 additional Food and Garden Organics bins in 2026-27. This timing aligns with the draft kerbside reform timeframe set out by the State Government. A procurement process for the bin purchase as well as for the delivery is underway, with an education campaign being prepared.

In March 2026, Council advised the State Government that we aren't able to implement a dedicated glass bin service by the draft June 30 2027 deadline due to the State's waste service standards not being finalised. Further to this, Council is advocating for the removal of the fourth kerbside bin mandate due to the additional costs.

In June 2026, Council decided to postpone the bin lid colour standardisation project, which is the final component of the State Government's kerbside reform. This decision was based on rising waste service costs and cost of living pressures.

Rye landfill has acquired extra space thanks to an updated contour plan. Cell 2 of the landfill will continue accepting waste until November 2026, which will save the Council money by reducing waste disposal costs. The Environmental Protection Authority (EPA) approved amendments to the Rye landfill contour plan, which allow for a best practice landfill cap. The final design of the new cap is complete, with the project construction currently out for tender. The design is progressing through regulatory approvals.

> We successfully completed the Major Roads Streetlight Upgrade Project... to save the Shire around $526,000 every single year.

Strategic Objective 1.2

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

Strategic Indicators

- **Available housing land supply (Plan Victoria targets met -SGS Economics analysis forecasts 25,000 dwellings will be available)**
- **9,265 bookings - Usage of community buildings and facilities (Increase – first year measured)**
- **2.6% People who travel by active transport to work (Increase – % tied to census)**
- **7.3 People satisfied with the condition of the Shire's public areas (Increase – scored 7 last year)**
- **5.7 People satisfied with the condition of the Shire's roads (Increase – scored 5.3 last year)**
- **2% Shire roads assessed to be in a poor condition (Decrease - Road Condition Assessment March 2026)**
- **78.1% Asset renewal gap (target 62.9% for 2025-26)**

Strategies

1.2.1 **Achieved**

Plan and regulate responsible development to accommodate future growth while maintaining neighbourhood character.

A Landscape Character Assessment has been completed for all residential land zoned on the Peninsula. The next steps are to undertake 3D-modelling and testing of different building height scenarios in different landscape settings, based on the assessment's findings. This will inform recommended changes to planning controls affecting building height. Once we finish this work, we will share the Landscape Character Assessment, the models and our draft recommendations for community feedback. Due to project delays, community consultation is now expected in early 2027.

Council resolved to adopt Amendment C247morn for the Woodbyne Residential Precinct in Mornington on 14 April 2026. However, this adoption is contingent upon all landowners signing agreements regarding infrastructure contributions and entering into a contract of sale for part of the Watt Road reserve, which will be replaced by a new public park. The amendment proposes to establish a new residential estate for about 200 dwellings with associated community infrastructure, including public open space, traffic and transport upgrades, and a new drainage basin. The amendment was supported by an independent Planning Panel's report delivered to Council in November 2025.

As of 30 June, amendments sitting with the Minister for Planning:

- C295morn, Creswell Street Crib Point Development Contributions Plan Review. The amendment was submitted to the Minister for approval on 24 April 2026.
- Amendment C249morn (Boundary and Collins Roads, Dromana) seeks to create a new residential estate for about 250 dwellings and associated public infrastructure, including a large conservation reserve to protect existing high-value native vegetation and habitat for the endangered Swamp Skink. The proposed subdivision received environmental approval from the Federal Government on 15 April 2026 under the Environment Protection and Biodiversity Conservation Act 1999 (due to impacts on Swamp Skink habitat). However, the proposed rezoning and subdivision will still need planning approval under the Victorian Planning and Environment Act 1987 before it can proceed.
- Amendment C219morn, Housing on the Peninsula, was submitted to the Minister for approval in September 2024. The Shire continues to liaise with the State Government regarding approval of the amendment, noting that significant recent planning reforms (namely the new Single Dwelling Code and Townhouse and Low-Rise Code) will likely impact the amendment.
- Amendment C302morn, which pertains to Heritage Review Area 4 and Stage 5, includes the permanent Heritage Overlays and the Sorrento Incorporated Document Review. Submitted to the Minister on 16 August 2024, we are still awaiting authorisation to publicly exhibit the amendment.

1.2.2 **Achieved**

Manage and maintain accessible facilities and assets that meet community needs.

The local area Community Infrastructure Action Plans for Western Port are complete, with assessments of all 96 facilities completed. Engagement with community groups on the recommendations has begun and the Action Plans are set to be presented to Council later in 2026.

The review of our Public Amenity Strategy is complete. The newly revised draft Public Amenity Strategy has been forwarded to management and the Project Control Group for review.

The draft Property Strategy was finalised. The Strategy was presented to Council on 12 May for endorsement to undertake community engagement and to place it on public exhibition for a period of 4 weeks. The Strategy will be presented to Council in September 2026 for endorsement.

Our Long-Term capital works program was developed and endorsed on June 30, 2026. The program will undergo an annual review. We started planning for and incorporating a 4-year and 10-year financial planning outlook for capital budget submissions in November 2025. Following this, we undertook priority Councillor sessions to outline the process and inputs as part of the Long-Term capital works program and facilitated program sessions. This was followed up with two Councillor workshops, upon which a 4-year detailed view was established, along with a 10-year long-term capital works program.

1.2.3 **Achieved**

Create an integrated and safe transport network and advocate for improved transport options.

As of 30 June, the draft Integrated Transport Strategy is currently out for community consultation. Council approved the draft Strategy to be displayed for public exhibition at the 9 June 2026 meeting. Recommendations from a series of workshops with internal stakeholders helped shape the draft Strategy.

In November 2025, we held a workshop to discuss options to improve road safety on the Mornington Peninsula, as part of our review of the Towards Zero Road Safety Strategy and its associated action plans. An expert road safety consultant was engaged to

refresh the Shire's road safety strategy, with the first stage of the Road Safety Strategy refresh (crash data analysis) complete. The next stage of the refresh will look at developing actions focused on improving road safety before the updated draft strategy is presented to Council for approval to be released for community consultation.

Public transport is a part of our advocacy for the upcoming Victorian State election in November 2026.

1.2.4 **Achieved**

Improve the quality of our roads.

Our Road Management Plan (RMP) was adopted on 14 October 2025. We completed our Annual Road Resurfacing and Rehabilitation Program by March 2026. Completed works included:

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

Otta Seal trials were conducted at Tuerong Road and Hopetoun Avenue, providing an opportunity to evaluate alternative treatment methods for unsealed roads in our local conditions. We also fast-tracked patching and sealing work on a section of Derril Road in Tuerong in response to increased traffic volumes associated with the Peninsula Link detour.

As part of the delivery of the RMP, we filled in 12,870 potholes this year. We received 1,854 pothole requests

1.2.5 **Achieved**

Enhance and expand recreation trails across the Peninsula

Work on the Peninsula Trail is ongoing with the northern section of the Somerville to Baxter section, stretching approximately 1.2km between Baxter–Tooradin Road and Golf Links Road, completed and opened to the public. By 30 June, the Peninsula Trail Priority Sites Design Package had been awarded and the design for Anthony's Nose, Whitecliffs, Cameron's Bight (Hughes Rd) and Red Hill to Arthurs Seat was underway. Surveying and engagement with key community groups had also started.

We developed a Branding Strategy that identified five brand pillars: Country and Culture, Diversity and Discovery, Inclusivity and Connection, Healthy Living and Wellbeing, and Sustainability and Care. These pillars will guide functional wayfinding, interpretive storytelling, and engagement campaigns. Engagement with, including workshops, the Bunurong Land Council, Parks Victoria, community stakeholders, and internal experts, has informed the Strategy.

In preparation for the upcoming Victorian State Government election, we will be focusing on key design sections to ensure they are funding ready as part of our advocacy.



Budget funded services

The following services and its description provide information in relation to the services funded in the 2025-26 budget.

Service area	Description of services provided	2025-26 Actual $'000	2025-26 Budget $'000	2025-26 Variance $'000
Building Safety	Our Building Safety service maintains a repository of all permits issued on the Peninsula and ensures compliant building activities so that the Peninsula's built environment remains safe.	2,488	2,500	12
Circular Economy and Waste Management	Our Waste Management service ensures residents have access to sustainable and environmentally aligned waste collection services and resource recovery facilities.	40,087	45,558	5,471
Climate Action and Advocacy	Our Climate Emergency Action service is in response to the global state of emergency. Our Council is dedicated to respond and take action to achieve net zero-emissions for the region and beyond.	1,957	2,085	128
Emergency Management	Our Fire and Emergency Management service provides mitigation, preparedness and execution of emergency responses to ensure a safe and resilient community.	3,578	6,093	2.515
Environment Management	Our Environment Management service ensures our natural environment is healthy and protected, balancing our diverse range of natural plants and animals.	8,599	8,750	151
Land Use Planning	Our Land Use Planning develops policy and guides planning decisions to help build well-designed and sustainable communities that meet community needs and regulatory requirements. The service keeps our planning scheme up to date and responsive to local issues and provides specialised expertise in the design and assessment of private and council developments.	11,258	13,236	1,978
Open Space	Our Open Space service designs, plans and manages our diverse range of open spaces throughout the Shire so that our natural areas are protected while allowing individuals and groups of all ages to access and enjoy them.	26,666	27,268	602
Public Works Safety	Our Public Works service ensures management, enforcement and community education for activities that take place on public space and assets or private developments that may impact public safety so the community can use these assets and the surrounds safely.	1,000	566	(434)
Transport Connections	Our Transport Connections service supports integrated transport planning as well as managing the design, delivery and maintenance of local roads, footpaths and parking, so that our residents and visitors can travel safely throughout the Peninsula.	31,465	26,954	(4,511)

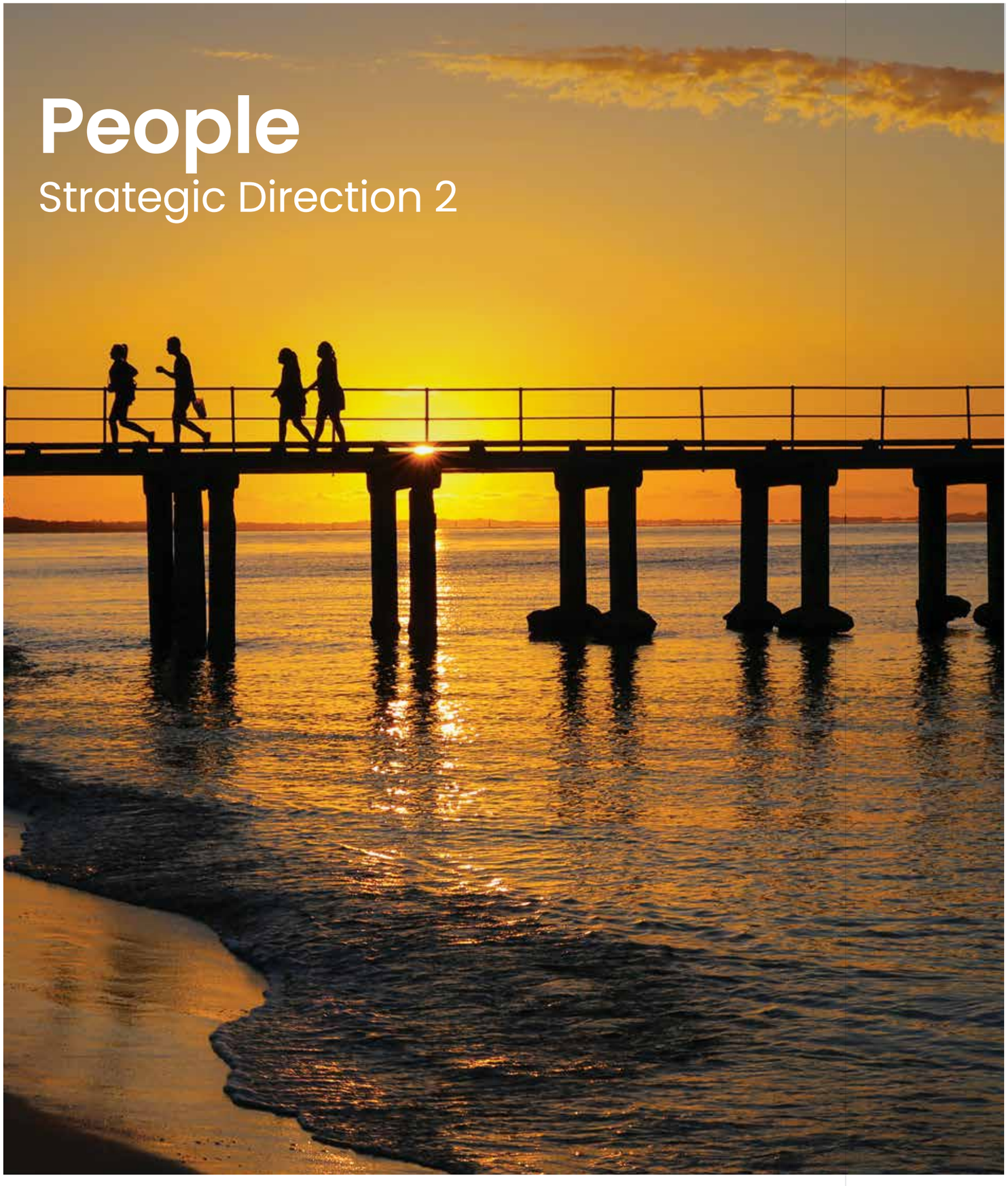
Service Performance indicators and measures:

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

Service/indicator/measure		2023	2024	2025	2026	Material variations and comments
Animal Management						
AM1	Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	2.38	2.98	2.98	3.82	Council continues to prioritise high-risk animal management issues to protect community safety and respond promptly to requests. The increase from 2025 is mainly due to an administrative issue. A large number of new staff were not marking tasks as complete in the system after making initial contact. Additional training has been introduced to ensure all animal management staff understand and complete the required system tasks correctly.
AM2	Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	63.51%	41.39%	46.25%	41.42%	We had fewer animals reclaimed and we collected more animals this year. Of the 862 animals collected, less than half were reclaimed by their owners. When pets cannot be reunited with their owners, Council makes every effort to rehome them.
AM5	Animals rehomed [Number of unclaimed collected animals rehomed / Number of unclaimed collected animals]	21.13%	52.79%	58.31%	56.63%	The increase in the number of animals rehomed from 2023 is primarily due to a change in the calculation, which now excludes reclaimed animals from the number of animals collected. With more pets unclaimed this year, we had more opportunities to rehome pets via our Pets Available for Adoption webpage, PetRescue and social media. Of the 505 unclaimed pets collected, we were able to rehome 286 animals, which is 8.7 per cent more than last year.

Service/indicator/ measure		2023	2024	2025	2026	Material variations and comments
AM6	Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	$12.75	$14.47	$18.83	$21.40	Animal management costs increased primarily due to higher salary and wages and contractor-related expenditure. This was driven by increased contractor use during periods of staff turnover and maternity leave, as well as the establishment of the new Coastal Patrol Team, which redirected two full-time employees from animal management duties and required backfill arrangements. WorkCover costs also rose during the year.
AM7	Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	100%	97.96%	100%	Mornington Peninsula Shire Council is committed to protecting community safety and supporting the health and wellbeing of animals across the Peninsula. Council pursues prosecution only when it is justified and necessary. During the year, Council prosecuted 42 animal management matters.
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]	72	62	56	79	While we received 6 per cent fewer applications than last year, the transition to our new system significantly affected this year's result. The system was scheduled to go live on 16 March; however, this was delayed until 19 March. There were also several challenges associated with new workflow processes that resulted in applications being processed outside normal timeframes or until workflow functionality was restored. Additionally, we had issues with the Statutory Clocks, which meant that we couldn't capture days from receipt of an application to decision.
SP2	Service standard Planning applications decided within required time frames [Number of regular planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x100	42.22%	47.38%	56.81%	55.73%	Although we exceeded our target, this was due in part to a 6 per cent decrease in applications compared to last year. We encountered challenges during our transition to a new system, which prevented us from capturing the time from application receipt to decision, as well as issues around new workflow processes. Additionally, some applications were placed on hold earlier than usual to comply with public notice requirements. After the system went live, we experienced further workflow disruptions that delayed several VicSmart applications, including both newly registered applications and those migrated from the old system.
SP3	Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	$2,522.15	$2,800.98	$3,237.66	$3,475.40	The slight increase from last year is primarily due to a 6 per cent decrease in applications, which has impacted the overall outcome. When compared to last year, the direct cost of the service was 6.4 per cent less.
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	72.92%	72.13%	69.01%	42.37%	The decrease from last year reflects that most appealed decisions were resolved through mediation and compromise, rather than being upheld.

Service/indicator/ measure		2023	2024	2025	2026	Material variations and comments
Waste Collection						
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	3.01	3.52	5.44	2.86	In the past year, we completed over 8.2 million bin lifts and only missed 2,367 bins during our collection service. Improvements in truck technology and waste tracking systems have contributed to the reduction in missed bins.
WC3	Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	$87.57	$89.52	$89.01	$104.86	Factors driving this year's increase include a significant rise in the landfill levy, the expansion of the service and the temporary closure of Council's landfill for approximately two months, which necessitated the disposal of waste at an alternative facility at a higher cost. In addition, a Fair Work Commission order enabled contractors to pass on increased fuel costs arising from the Middle East conflict, further contributing to the increase.
WC4	Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	$42.78	$41.76	$55.28	$68.97	This year's increase in costs is primarily due to a higher contamination rate in the recycling stream, which resulted in significantly increased processing costs and additional expenses associated with removing contaminated materials. Further cost pressures arose from the Fair Work Commission order relating to fuel cost adjustments, which enabled contractors to pass on increased fuel expenses.
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	58.19%	58.04%	56.55%	54.59%	We experienced a small decrease compared to 2025. We did not meet our target because recyclables and green organics received were 5.3 per cent lower than in 2025, mainly due to the Container Deposit Scheme introduced on 1 November 2023.



People

Strategic Direction 2

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

Strategic Objective 2.1

A safe, accessible, inclusive and healthy community.

Strategic Indicators

7.9 Proportion of people who self-rate their health as good or very good (Increase – first year measured)

7.5 Proportion of people who feel valued by society (Increase – first year measured)

7.6 Proportion of people who have access to services and supports that meet their needs (Increase – first year measured)

7.7 Proportion of people who feel safe in the community (Increase – Scored 7.8 in 2024-25)

Strategies

2.1.1 **Achieved**

Actively promote and improve the health and wellbeing of all community members.

The Shire's Public Health and Wellbeing Plan was adopted by Council on 12 August 2025 and submitted to the Department of Health to meet our legislative requirements under Section 26 (6) of the Public Health and Wellbeing Act. The Plan was adapted into Easy English and Screen Reader versions to ensure the community can broadly access it. Following its adoption, we started implementing the Public Health and Wellbeing Plan across the Mornington Peninsula. Key achievements delivered include:

- Delivery of the successful Suicide Prevention Walk on 14 September 2025. The Walk brought together community and business partners, Council Youth Services and Community Partnerships teams, with over five hundred community members attending the event.
- Successfully delivering the 16 Days of Activism campaign. Between 25 November and 10 December, we held six events across the Shire. Events included a community march at Hastings Foreshore, a Youth Theatre Project, and respectful relationships sessions for men and secondary school boys, reinforcing the Shire's commitment to preventing gender-based violence.
- Delivering our International Women's Day (IWD) events. These events reinforced our commitment to gender equality and women's wellbeing. Activities included Author Talks at Shire Libraries, an IWD Expo at Mt Martha House and the launch of the Rye Art Installation on 8 March.
- Launching the Books, Blokes and Bubs Storytime program. In conjunction with the Youngerster. co intergenerational digital support program, the Programs engaged more than 190 community members and delivered 95 hours of intergenerational participation.
- Delivery of the Youth Mental Health Forum in partnership with Peninsula Voice, which was attended by 240 community members.
- Ongoing housing and homelessness advocacy. This included support for the Functional Zero initiative, which coordinated responses from 168 people experiencing rough sleeping across the Peninsula.

2.1.2 **Achieved**

Support people of all ages, genders, identities and abilities through eqitable, inclusive and universally-designed services, supports and infrastructure.

A mid-term review of the Gender Equality Strategy was completed and the Strategy updated to reflect accurate family violence/gender equality statistics, policies and key achievements. The Health and Wellbeing Committee endorsed the updated Strategy and Year 6 Action Plan on 25 August 2025.

We started developing a new Workplace Gender Equality Action Plan and finalising data for the Progress Report, which was submitted to the Gender Equality Commissioner on 1 May 2026 as required. We also completed Equity Impact Assessments on the Arts, Culture and Events Plan and the Dromana Shared Path Project. Other notable events delivered in support of the Gender Equality Strategy include:

- Progressing accessible recreation initiatives, including beach access matting at five locations, All Abilities Golf at Mount Martha Public Golf Course, and planning for additional Hansa C Crane hoists at Mornington and Safety Beach.
- Supporting older people through the Seniors Festival, age-friendly programs and Ageism Awareness training.
- Partnering with regional agencies to update the Keeping Active Directory to promote accessible and low-cost physical activity opportunities.
- Delivering Harmony Week activities that supported cultural understanding, inclusive communication, and strengthened partnerships across the Peninsula.
- Delivering the Peninsula's first local Midsumma Festival event in partnership with the LGBTIQA+ Collaborative and Flinders Fringe, attracting over 300 attendees.
- Strengthening governance and lived experience input through ongoing work with the Disability Advisory Committee, Peninsula Advisory Committee for Elders, LGBTIQA+ Collaborative as well as the Family Violence Collaborative.

2.1.3 **Achieved**

Build respectful relationships and create meaningful opportunities with Aboriginal and Torres Strait Islander peoples.

In late 2025, we delivered the Mornington Peninsula Regional Gallery's exhibition 'Unfolding: First Nations works on paper' with the cultural and curatorial guidance of First Nations artist-curator Jenna Mayilema Lee. The Gallery also commissioned 16 other First Nations artists to write about each other's work, create in-exhibition engagement touchpoints, deliver floor talks, in-conversations and engage with the gallery to create a purposeful, meaningful and engaging outcome for the whole community. Other highlights delivered in support of the Innovate Reconciliation Action Plan include:

- Celebrating public art, cultural workshops, film screenings and storytelling sessions as part of NAIDOC Week.
- Delivering The Briars' Ngawak Biik Junior Ranger Program. The Program was a winner of the LGPro Awards for Excellence in the First Nations Community Partnership category. It also received a High Commendation in the Young Legends Award category within the 2026 Keep Australia Beautiful Tidy Town Awards for recognising youth leadership in environmental action. Junior Ranger program in collaboration with the Bunurong Land Council Aboriginal Corporation. This program has now completed its first year of supporting over 90 First Nations primary and secondary students. An additional two years of funding was successfully

secured to continue engaging with First Nations youth on the Peninsula.

- Collaborating with Willum Warrain and First Nations ally groups, Walking Together and Southern Peninsula Allies for First Nations Justice to deliver 3 First Nations Seniors Festival events during October.
- Coordinating a guided walk on Country at McCrae Foreshore with Living Culture. The walk provided 15 members of the Reconciliation Action Plan Working Group a foundation on which to lay a more culturally aware lens.
- National Reconciliation Week events. We saw a combined 150 community members and Shire staff attend three events across the week. Events included cultural awareness information sessions, a flag raising ceremony and Storytime at Rosebud Library with Aunty Fay Muir.

2.1.4 **Achieved**

Promote community safety through prevention, education and regulation.

The Local Water Safety Plan was completed and uploaded to the Shire website on 22 April and circulated at the Inland Waterways Safety Conference in May 2026. Community consultation on the draft Plan was finalised by 30 January 2026. Feedback from the community and external stakeholders informed the Plan.

2.1.5 **Achieved**

Work in partnership with stakeholders to advocate for appropriate, available and affordable housing.

The Mornington Peninsula continues to have the highest proportion of people experiencing sleeping rough under the Functional Zero program, including those in Melbourne's CBD. Our statistics at the end of May showed we had the highest number of women sleeping rough, and the highest number of people over the age of 55 sleeping rough for those Local Government Areas on the program.

In partnership with WPI and Homes Victoria, we celebrated the commencement of the Hastings Women's Housing project with a Turning of the Sod event in May. This project has been funded by the State Government for $4.5 million and is expected to be completed in late 2026, with tenants moving in early 2027. We are still waiting to hear from Housing Australia as to whether our funding submission with Housing Choices Australia to support the development of 22 transitional dwellings for women in Rosebud has been successful.

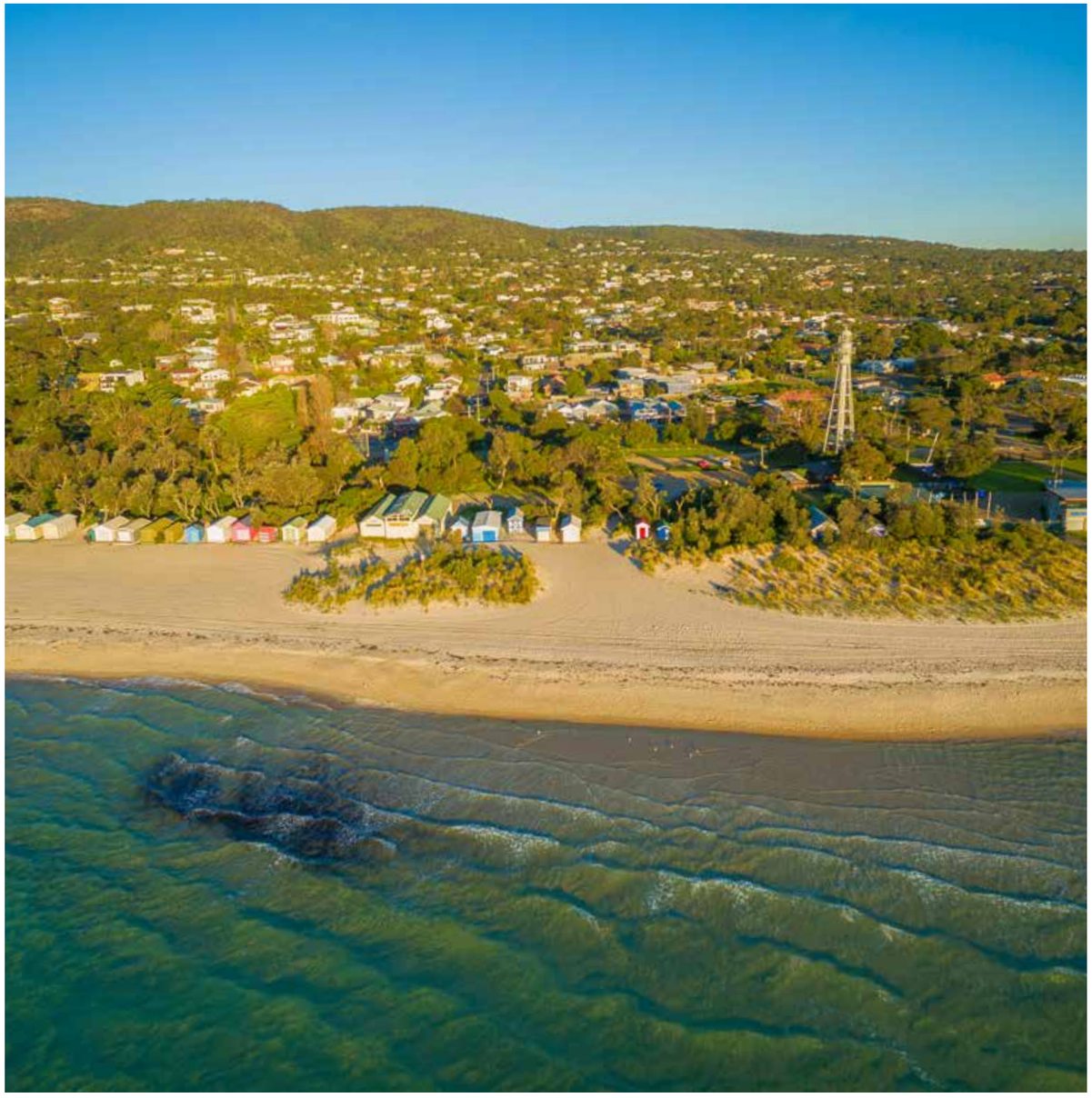
To support our Triple A Housing Plan objective, the Shire is conducting a feasibility study on the 320 Main Street, Mornington site to evaluate the potential yield and costs of developing community housing with on-site support services. This is a long-term project that aims to meet the objectives of the Plan, which considers Shire parcels of land for future community development. The committee is also collaborating to identify service delivery models that will support individuals at risk of homelessness and those who are sleeping rough.

2.1.6 **Achieved**

Promote and support initiatives that strengthen community resilience and adaptation to emergencies and climate impacts.

Council adopted the Community Disaster Resilience Plan and Year 1 Action Plan at the 2 December 2025 Council meeting. The Plan was publicly exhibited from 3 to 30 September 2025.

We started upgrading the Emergency Relief Energy Hub, identifying locations and venues that fit the criteria for an Emergency Relief Hub Upgrade. Power upgrade options for powering the Relief Hub were explored, which included solar/battery combined with a diesel generator versus a stand-alone generator. We also explored alternative power sources to run limited appliances such as lighting and the internet.



Strategic Objective 2.2

An engaged and connected community.

Strategic Indicators

7.4 Proportion of people that feel connected to the community (Increase – first year measured)

6.4 Proportion of people that belong to an organised group (Increase – first year measured)

16,682 Community participation in Council's engagement activities (Increase – first year measured. There were 33 engagement projects for the year)

Strategies

Actively promote and improve the health and wellbeing of all community members.

2.2.1 **Achieved**

Improve and promote social connection within our community.

The Child and Family Health team delivered 262 First Time Parent Groups with 83% of participants finding them helpful, 269 Supported Playgroup sessions with 74% of participants finding them to be inclusive and welcoming, and 43 Grandparent Playgroup sessions.

The Youth and Family Services team facilitated the Youth Advisory Committee with 6-8 young people actively engaged, the Skittle Squad program for LGBTIQA+ young people with 15-20 young people actively engaged, and the Amplify music and event management program with 8-10 young people actively engaged. The team delivered 6 x weekly drop-in sessions for young people across the Shire's 3 youth hubs, with a total of 90 young people regularly attending.

The Libraries team delivered Early Tears Literacy Programs (such as baby, preschool, family and sensory story times) to 8,192 adults and 9,072 children; Digital Literacy and Inclusion Programs (such as 1:1 tech support, Story Dogs, Chatty Cafe, Adult Art Club, and STEM programs) to 1,681 adults and 484 children; and Outreach programs (such as Mobile Library programs, and kindergarten visits) to 1,175 adults and 2,609 children.

The Community Services Operations team has delivered community transport and group social support programs under aged care funding which have reached approximately 160 clients over the past 6 months.

2.2.2 **Achieved**

Provide inclusive and accessible recreation and leisure opportunities across the Peninsula.

The Shire's Sports Capacity Plans were finalised and adopted by Council on 5 November 2025. All recommendations from the strategies will be prioritised and delivered as part of Council's capital works program, subject to future funding as part of Council's Budget process. The Sports Capacity Plans were publicly exhibited with community feedback informing the final Plans.

We also finalised the draft of the Pavilion Strategy. This Strategy includes the sports facility development standards outlined in the Sports Capacity Plans. Additionally, we created a priority list of pavilion projects based on an audit of our existing pavilions, which will form the basis of future capital works projects as part of Councils budget process.

2.2.3 **Achieved**

Encourage and support a rich, inclusive and vibrant arts and culture community

The draft Arts, Culture and Events Plan was presented to Councillors at a Council Briefing in early 2026, where it was workshopped and discussed. Councillor feedback informed minor refinements to the draft. The revised Plan was then presented to the Arts and Culture Advisory Panel for feedback before being submitted to Council in July 2026 to endorse the draft Plan for public exhibition.

2.2.4 **Achieved**

Encourage and support skills development and lifelong learning opportunities.

Through our Library Strategy we delivered several actions in support of our community, these included:

- Holding multiple events in support of Senior's month that focused on positive ageing and learning in our library branches.
- Holding International Women's Day displays and events across branches.
- Installing a new chute at the Somerville Library.
- Collaborating with Smart Gardens to deliver a Little Sprouts planting workshop as part of Children's Week.
- Delivering School Holiday programs.
- Delivering the Big Summer Read Program.
- Expanding Our Library Van, OLiV, Service outreach and program delivery across the Peninsula.

2.2.5 **Achieved**

Communicate proactively and transparently with our community to enhance engagement and collaboration.

To create stronger links between our services and programs and the community engagement we undertake, our Community Engagement team moved to the Communities Directorate as part of the Organisational Structure review in September 2025.

We undertook a review of our Community Engagement Policy and presented a framework and operational Terms of Reference to the Executive in May 2026.

The Shire undertook community engagements that included the upcoming mandatory changes to our Kerbside Waste Services, Road Safety BlackSpot funding for 2027-28, Positive Ageing Communication, our Coastal Strategy and our Climate Resilience Plan. Major Engagement highlights can be found on page 21

Budget funded services

The following services and its description provide information in relation to the services funded in the 2025-26 budget.

Service area	Description of services provided	2025-26 Actual $'000	2025-26 Budget $'000	2025-26 Variance $'000
Animal Management	Our Animal Management service is responsible for developing and managing the registration, enforcement and compliance of domestic animals, animal related business and livestock including the animal shelter.	2,796	1,489	(1,307)
Child and Family Health	Our Child and Family Health service supports children's health and development from birth until school age through specialist advice, targeted assistance for at risk families and vaccinations to ensure positive health outcomes for children.	3,786	3,603	(183)
Community Safety	Our Public Safety service ensures the public amenity for community members by education and local law enforcement, so that the community remains protected and safe.	2,408	2,469	61
Community Services	Our Community Care service provides equitable access to support people to live safely, actively and independently within the community.	1,919	1,902	(17)
Early Years	Our Early Years' service provides learning and development opportunities for vulnerable families with young children so that all the children have the best possible start in life.	261	484	223
Libraries	Our Library service provides free access to resources and spaces to support community literacy, lifelong learning, education and social inclusion.	6,114	5,892	(222)
Positive Ageing	Our Positive Ageing service provides a range of programs and information for older people to support an engaged, healthy and active lifestyle.	912	1,262	350
Public Health	Our Public Health Service performs permitting, compliance and enforcement of the Public Health Act and Food Act to protect the health of our community.	2,653	2,361	(292)
Recreation and Leisure	Our Recreation and Leisure service provides access to a broad range of facilities to support community participation in recreation and leisure activities.	3,751	3,399	(352)
Youth Services	Our Youth Support provides a range of programs and information for young people and their families to support an engaged, healthy and safe journey into adult life.	2,746	2,942	196

Service Performance indicators and measures:

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

Service/indicator/measure		2023	2024	2025	2026	Material variations and comments
Food Safety						
FS1	Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	2.30	2.56	2.55	3.41	The number of days between receipt of a request and our first response increased during the year. This was primarily due to implementation challenges associated with the transition to a new system. As these issues are resolved, response times are expected to improve.
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	95.72%	96.71%	99.71%	98.39%	To ensure the safety of residents and visitors to the Peninsula, Council aims to inspect and approve every food premise before trading. This year's result is slightly down from last year, as a very small number of newly established premises that began trading in late 2025 were not assessed by the end of the year.
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]	$474.52	$376.02	$531.16	$607.59	The increase in food safety service costs is attributed to increased overhead expenses, such as plant charges and higher salaries and wages resulting from our 2024 Enterprise Bargain Agreement. This includes related entitlements, such as annual leave, loading and superannuation.

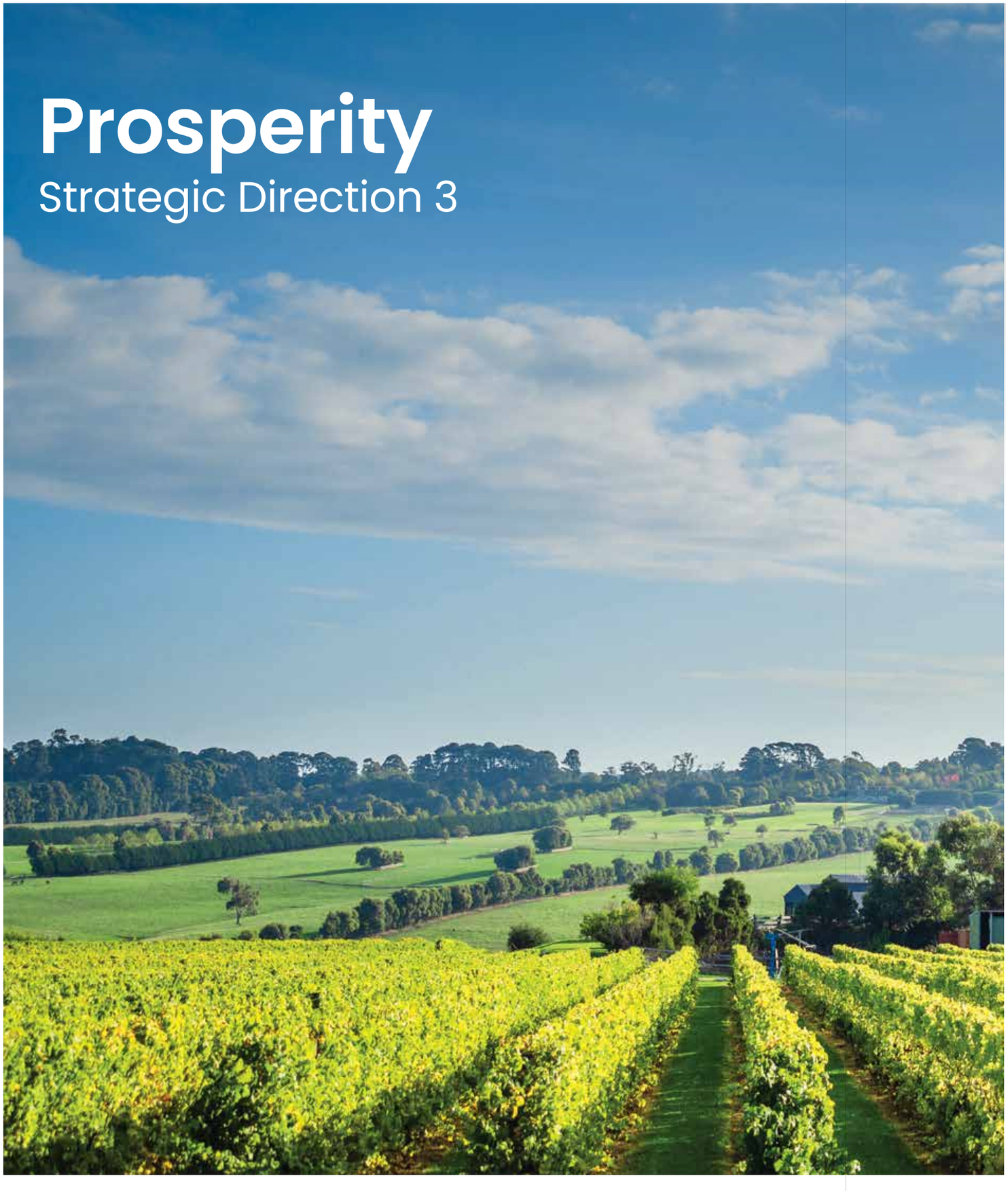
Service Performance indicators and measures:

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

Service/indicator/measure		2023	2024	2025	2026	Material variations and comments
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	92.25%	92.53%	92.93%	64.56%	Council remains committed to protecting community health and safety. Our follow-up on critical and major notifications decreased compared to previous years due to our transition to a new system and related implementation issues. As we address these challenges, we expect our follow-up and response rates, along with our overall results, to improve.
FS5	Food safety samples [Number of food samples obtained / Required number of food samples	New	86.82%	115.59%	108.03%	Council is dedicated to ensuring food safety across the Peninsula. In our ongoing efforts we obtained 269 food samples for analysis, over the 249 food samples required. This proactive approach underscores our commitment to maintaining high standards and protecting public health.
Libraries						
LB2	Resource currency Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	50.67%	64.48%	59.94%	59.03%	The decrease from last year is primarily due to a slight reduction over time in the number of items purchased in the last 5 years, as we sought to constrain costs across the organisation. There was also a delay in purchasing while we were finalising the Procurement Australia contract. Additionally, the overall size of the collection has decreased as older or underused items have been removed, enabling us to align it better with the community's interests.
LB5	Service cost Cost of library service [Direct cost of the library service / Municipal population]	$21.88	$22.68	$25.42	$35.05	The increase against the previous year was primarily driven by higher employee costs, including salary and wages and associated superannuation, resulting from additional staff being recruited to support library operations. Casual staffing expenses also increased to provide backfill coverage for employees on annual leave and long service leave. In addition, materials and equipment expenditure rose due to the replacement of end-of-life furniture as part of a planned refresh of library facilities.
LB6	Utilisation Library loans per population [Number of collection item loans per population / Municipal population	New	6.03	6.96	5.20	This year's result is primarily due to a 25 per cent reduction in the number of items loaned. This may be partly due to a 1.5 per cent decrease in library visitations, along with a slight increase in our municipal population.
LB7	Participation Library membership [The number of registered library members / Municipal population	New	33.21%	33.23%	33.49%	Pleasingly, we observed a modest increase in library memberships this year compared to previous years. While we experienced a 1.2 per cent rise in library memberships, we also saw a slight increase in our municipal population, which has brought about a result similar to previous years.
LB8	Library visits per population [Number of library visits / Municipal population	New	2.26	2.01	1.97	Although the municipal population increased slightly, our libraries were affected by door counter issues that led to inaccurate statistics at Somerville in January and May 2026, and at Hastings in June 2026. In addition, the OLiV library van was off the road for most of January. Together, these factors contributed to a lower result than expected.

Prosperity

Strategic Direction 3



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

Strategic Objective 3.1

A vibrant, innovative and thriving local economy.

Strategic Indicators

$11.8B Gross regional product (Increase – available September 2026)

62,331 Total number of jobs (Increase – figure from 2021 census)

77.9% Proportion of employed people who reside and work on the Peninsula (Increase – 2021 census)

8,385,000 Total number of visitors to the Peninsula (Increase – December 2025 figure. Scored 7.9M in December 2024)

37 Ha Available industrial land supply (Increase – first year measured. Figure tied to approval of Amendment C243morn)

$553M Economic output of the Agrifood Industry (Increase – Gross Regional Product Agriculture – Remplan 2025. Scored $309M 2024)

Strategies

3.1.1 **Achieved**

Engage with local businesses and industry to attract investment, innovation and economic growth.

The Shire undertook work to improve permit support processes for businesses, enhancing customer experience and reducing processing times. This included incorporating footpath trading and events permits. We also collaborated with the Municipal Association of Victoria and several other councils to explore potential AI-driven solutions.

We started the Western Port Futures Project. The working group met to plan the key project deliverables and Councillors were briefed on 19 August 2025 to introduce the project and discuss project components that required feedback. We are collaborating with the State Government to advance initiatives concerning the Surplus Port Land. Progress was made on the Vision and Opportunities Paper, and a Land Use Plan was presented to the Council for endorsement.

3.1.2 **Achieved**

Support and advocate for inclusive education, employment and training pathways for our community.

The Shire was delighted to announce the winners of the 2025 Mornington Peninsula Business Excellence Awards following a vibrant celebration at The National Golf Club Cape Schanck in November. More than 140 local business owners, industry leaders and community supporters came together for an inspiring evening recognising the leadership and talent that form the backbone of our local economy. For information on our winners, click on For more information, visit:
mornpen.vic.gov.au/celebratebusinesses

Shire officers supported the implementation of several initiatives, including a series of agribusiness workshops and field days, an Emergency Preparedness workshop attended by 24 businesses and October's 'Work for Money and Enjoyment' forum, which was designed for more than 60 seniors looking to re-enter the workforce. We also supported the Mornington Peninsula Career Educators forum, which focused on tourism career pathways for local secondary school students

To increase local learning opportunities, we organised more than 20 events focused on skill development for local businesses as part of the Small Business Festival in August 2026. We held a two-day business planning workshop for new owners. We also brought together 20 individuals interested in agri-tech business startups to gain industry insights as part of our collaboration with Farmers to Founders

3.1.3 **Achieved**

Promote the Peninsula as a premier cultural and tourism destination, attracting local, national and global visitors and events.

Mornington Peninsula has won three major honours at the 2026 Keep Australia Beautiful Tidy Towns Awards – cementing our commitment to environmental leadership, community action and sustainability.

- Renowned Southern Peninsula ecologist, artist and environmental advocate Gidja Walker received the prestigious Dame Phyllis Frost Local Hero Award, the highest individual honour in the Tidy Towns program – shared with senior Elder and Traditional Owner of Ikuntji, NT, Douglas Multa.
- OzFish's Shell Savers Project, supported by the Shire, won the Circular Economy category at the 2026 Keep Australia Beautiful Tidy Towns Awards. The community-led initiative collects discarded oyster shells from local businesses and uses them to help restore shellfish reefs in Port Phillip and Western Port bays.

The Mornington Peninsula was one of seven communities from across the country shortlisted for the national Tidy Town of the Year title after being named Victoria's Tidy Town for 2025. Portsea was also named a finalist in the 2026 Top Tourism Town Awards.

A highlight for the year was the Dromana Weekender. This was the second micro-festival to roll out under the Peninsula LIVE banner with more than 30 bands taking over 10 different spaces, with local breweries, distilleries, wineries, and makers opening up their doors. From Thursday 11 to Sunday 14 June, the Dromana industrial estate transformed into a vibrant hub of music, energy, and community connection. Events ranged from laid back afternoon sessions to packed-out warehouses where crowds were moving together late into the night

3.1.4 **Achieved**

Advocate for sufficient commercial and industrial land on the Peninsula to meet future needs.

Council continues to advocate for the surplus land at the Port of Hastings, which was one of our advocacy priorities for 2025-26. These advocacy priorities will be the focus and position of the Shire until the Victorian election in November 2026.

Council also adopted Planning Scheme Amendment C243morn (Somerville Technology, Industry and Business Park) on 23 September 2025. It seeks to rezone surplus Port-related land at 79 and 83 Bungower Road in Somerville to create a new precinct for general industrial use with a focus on emerging strategic manufacturing, research and development, and start-up enterprises. The amendment was approved by the Minister for Planning and gazetted on 13 March 2026.

Planning Scheme Amendment C294morn (Hastings Industrial Precinct) was not lodged with Council for assessment in the year. The privately led amendment is intended to create a new industrial precinct on surplus Port-related land north of Graydens Road, generally between Frankston-Flinders Road, Boes Road and Olivers Creek South.

3.1.5 **Achieved**

Foster a strong and sustainable farming, food and beverage economy.

To create a pathway for new farmers to access land and learn sustainable farming practices, we developed the Future Farmers Pathway program. The program aims to develop the next generation of small-scale farmers on Mornington Peninsula land. Communication and education to the Mornington Peninsula farming and landholding community were enhanced through the Agribusiness newsletter and business website.

The Sustainable Food Economy and Agroecology Taskforce engaged Sustain to prepare a progress report on the 2-year Action Plan, facilitate a priority-setting workshop in December 2025, and develop a forward-looking action plan for the next two years.

Work on the 2-year Action Plan of the Food Economy and Agroecology Strategy started during the year, with meetings of the Taskforce and working groups focused on Education, Provenance promotion and Regenerative Agriculture.

We started receiving funding for the 3-year Climate Smart Agriculture grant through Melbourne Water. This funding will assist in progressing the project to measure the baseline for agroecological farming practices on the Mornington Peninsula. We will be the first region in Australia to use the Tool for Agroecological Performance Evaluation, which will measure agroecological performance across the region. The Tool was developed by the Food and Agriculture Organisation of the United Nations.



Strategic Objective 3.2

Valued partnerships and empowered community groups and volunteers.

Strategic Indicators

$4,017,767 Return on investment from community investment funding (Increase – first year measured)

5.6 Proportion of people who volunteer in the community (Increase – first year measured)

26.9% Proportion of volunteer participants who feel their community contribution was valued (Increase – first year measured)

$4.8M Total external investment in community assets and services (Increase)

2,640 Community participation in advocacy projects (Increase – first year measured. There were 81,177 visitors to our Shape Platform with an average of 2,460 visits across 33 Community Engagement Projects)

Strategies

3.2.1 **Achieved**

Develop and invest in local community groups and organisations to build community capacity.

Our Community Investment Funding opened on 13 July 2025. Over the year, we awarded more than $4.0 million in grants, subsidies and sponsorships that aligned with the strategic directions of our Council Plan.

A summary of our 2025-26 Grants, Subsidies and Sponsorships is available on page 27 of our Annual Report.

3.2.2 **Achieved**

Coordinate, promote and celebrate volunteer-supported services and programs that encourage and enable volunteering.

The Community Volunteer Development Plan is now complete. It will guide and strengthen the capability and capacity of the volunteer sector across the Mornington Peninsula.

A Get Active Expo was included as part of Seniors Week in October 2025, along with a pop-up store at Rosebud. We promoted volunteer vacancies for services and programs opportunities across the Mornington Peninsula through the volmornpen.com.au website and shared them through digital media. In mid-2026, we held three pop-up engagements at Tootgarook Neighbour Day, Emergency Services Open Day (Hastings) and Crib Point Community House to further promote volunteering.

Training sessions, by peak body Volunteering Victoria, were delivered to volunteers over the year. This included sessions such as Psychological First Aid Training, Volunteer Safety, Innovative Volunteer Recognition and Retention, Volunteer Performance Counselling, Values-Based Leadership, Introduction to the Volunteer Involvement Cycle, Legal Issues in Managing a Diverse Team, Volunteer Screening Deconstructed and Social Media and the Law.

3.2.3 **Achieved**

Seek and enable increased external investment in community assets and services, including community and private investment.

Our Community Capital Infrastructure Policy has been reviewed. The draft of the revised Community-

Led Projects Policy has been created with updated frameworks and guidelines for our community. This document was submitted to Council for approval to be displayed for public feedback. Additionally, a comprehensive communications plan has been developed to support this process.

The revised Policy broadens the types of community-led projects to be considered and provides a clearer pathway for community groups to apply for project support. Straightforward projects may proceed through the current assessment, while more complex applications will be referred to a cross-organisational steering committee.

A strategic implementation plan is under development and will guide how the updated program is introduced, promoted and scaled over time. This is being developed alongside the process to adopt the draft Policy, which is scheduled for the 1 December 2026 Council Meeting.

3.2.4 **Achieved**

Explore, foster and strengthen strategic partnerships with all levels of government, service providers and key stakeholders to generate positive outcomes for the Peninsula.

Council urged the Victorian Government not to rush through major planning reforms that will reduce the ability of communities to have their say or even know about planned developments in their neighbourhood. The proposed Planning Amendment (Better Decisions Made Faster) Bill 2025 was introduced to Parliament and supported by the Lower House mid-November 2025 and progressed to the Legislative Council for debate. Councils and local communities will be significantly impacted by the changes but have not been engaged or asked for feedback. Council wrote to local MPs raising urgent concerns about the Bill and urged it to be referred to a Parliamentary Inquiry. The letter sent to local MPs highlighted the need to balance speed with quality, fairness and safety.

We also worked with Women's Property Initiatives in partnership with Mornington Peninsula Shire and funded by Homes Victoria through the Big Housing Build, the $4.5 million development will deliver safe, modern and energy-efficient homes for women on the priority housing list. It will support both individuals and those with children to remain connected to their community, schools and support networks. Seven new homes in Hastings will soon provide a vital lifeline for women and children experiencing housing insecurity, offering safe and secure housing when it's needed most. See our highlight on page 48 for more information on social housing developments.

3.2.5.1 **Achieved**

Encourage our community to drive our key advocacy priorities.

Following an advocacy workshop with Councillors in May 2025 and a Council Briefing in July 2025, our 2025-26 advocacy priorities have been determined, with Council adopting our priorities on 23 September 2025. These advocacy priorities will be the focus and position of the Shire until the Victorian election in November 2026.

Advocacy materials have been updated and developed to reflect our current and new priorities. A dedicated state election campaign to highlight and promote these advocacy priorities to local political candidates is currently being developed and will be launched closer to the election.

Our priorities have been split into two tiers.

Tier One Advocacy priorities:

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

Tier Two Advocacy priorities:

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

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

Budget funded services

The following services and its description provide information in relation to the services funded in the 2025-26 budget.

Service area	Description of services provided	2025-26 Actual $'000	2025-26 Budget $'000	2025-26 Variance $'000
Arts, Cultural Development	Our Community Development service provides opportunities and connections for people to engage and connect within their community for social and capacity building activities.	4,289	4,105	(184)
Community Development	Our Community Development service provides opportunities and connections for people to engage and connect within their community for social and capacity building activities.	6,770	7,164	394
Economic Development and Business Support	Our Economic Development and Business Support service develops policy and guides planning decisions to help build well-designed and sustainable communities that meet community needs and regulatory requirements. The service keeps our planning scheme up to date and responsive to local issues and provides specialised expertise in the design and assessment of private and council developments.	2,811	2,763	(48)

Service Performance indicators and measures:

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

Service/indicator/measure		2023	2024	2025	2026	Material variations and comments
Aquatic Facilities						
AF2	Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	4.00	4.00	5.33	1.00	Authorised officers conducted three facility inspections across Council's aquatic centres to ensure clean, healthy and safe environments. In previous years, each pool was counted as a separate inspection.
AF6	Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.72	5.70	5.66	5.03	The utilisation of our aquatic centres has remained largely consistent with previous years, though visitation decreased slightly this year. This is mainly due to the closure of Pelican Park Recreation Centre for revitalisation works and a slight decrease in visitation at Yawa Aquatic Centre. The community's demand for our aquatic facilities remains high and they continue to be well utilised.
AF7	Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	$1.84	$0.89	$2.31	$0.53	The lower cost-per-visit ratio reflected reduced gas use and maintenance costs during Pelican Park's refurbishment closure, along with the installation of more energy-efficient equipment. Facilities also delivered stronger financial results under the new contract, increasing the revenue returned during the year.

Service/indicator/measure		2023	2024	2025	2026	Material variations and comments
Maternal and Child Health						
MC2	Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service / Number of birth notifications received] x100	100.86%	100.71%	100.97%	99.85%	This year's result is slightly down but largely consistent with previous years. Our community's uptake in the service remains high, demonstrating the importance of maternal and child health services for families aged 0-6 years. This year, we had 1,296 infant enrolments in the Maternal Child Health Service and received 1,298 Birth Notifications.
MC3	Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	$83.07	$66.04	$72.21	$75.48	The increase compared to last year is mainly due to higher salaries and wages resulting from our 2024 Enterprise Bargain Agreement. This increase also includes related entitlements, such as annual leave, loading, and superannuation. Additionally, we saw an increase in hours worked by nurses to cover staff on Long Service Leave.
MC4	Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	73.78%	73.98%	76.98%	79.27%	We are pleased to see participation continue to increase, surpassing previous years' results. This improvement is largely driven by more children attending the Maternal and Child Health service at least once during the year, despite a lower number of enrolled children. The increase reflects our ongoing commitment to best-practice active engagement, the expansion of our outreach program to local kindergartens and long day care services, and sustained efforts to improve continuity of care. These initiatives have been particularly successful in maintaining engagement with families of older children, where participation has historically declined.

Service/indicator/measure		2023	2024	2025	2026	Material variations and comments
MC5	Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	90.00%	82.99%	84.19%	85.56%	This year saw a further increase in participation among families identifying as Aboriginal and Torres Strait Islander, with attendance rising across all Maternal and Child Health Key Age and Stage appointments. The Shire continues to proactively engage with families and follow up overdue appointments, supporting strong participation and ongoing connection with the service.
MC6	Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	98.21%	95.08%	97.33%	94.61%	While participation in the Shire's Maternal and Child Health (MCH) 4-week Key Age and Stage visit has seen a minor decline, attendance remains high and comparable to previous years. Active monitoring and follow-up of overdue appointments continue to support strong engagement.
Roads						
R1	Satisfaction Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	249.56	110.49	141.16	104.43	The additional funding for the Road Reconstruction and Rehabilitation Program, combined with a stronger focus on proactive inspections and maintenance, has greatly enhanced our ability to address pavement failures. As a result of these initiatives, we have seen a notable decrease in reactive customer requests this year.
R2	Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	96.79%	100.00%	98.91%	98.21%	Of the 1,400 kilometres of sealed local roads across the Shire, we maintained 1,373 kilometres within condition standards, which was just over our target of 98.2%.
R3	Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	$79.88	$0.00	$55.61	$258.47	The substantial increase in costs is primarily due to the need for deep pavement reconstruction. This process involves completely rebuilding parts of a road that have failed, which is significantly more expensive than standard pavement rehabilitation methods. The higher costs arise from the extensive excavation, material replacement and construction work required for this level of repair.
R4	Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	$11.34	$14.49	$14.93	$20.11	This year, there was a notable increase in investment for the road resealing program compared to last year. As a result, a substantial area of roads in poor condition has been resealed, leading to improved overall road quality and an extended service life for the network.
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]	38	56	53	57	Community satisfaction with sealed local roads rose four points to 57. The upward trend in our results over the past three years marks a significant improvement from our unusually low score of 38 in 2023. While this progress is encouraging, it also highlights the potential for further improvements, which we hope to see as a result of our 2026-27 road renewal program.

Performance

Strategic Direction 4



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

Strategic Objective 4.2

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

Strategic Indicators

6.6 Community satisfaction with customer service (Increase – scored 6.7 in 2024-25)

7.6 Community satisfaction with Shire services (Increase – scored 7.4 in 2024-25)

3 Level 1 services reviewed (All reviewed within 5 years – first year measured)

Benefits realised from service reviews (Target – Increase. A benefits realisation approach has been established for the Service Review Program and will commence from March 2027)

Strategies

4.2.1.1 **Achieved**

Plan, deliver and review our services to ensure they are inclusive, benefit our community and meet current and future needs.

The Service Review of the Shire's Youth Services was presented at the Council Meeting on 2 September 2025. During this meeting, Councillors decided to partner with external providers to offer a more targeted and flexible mix of services for young people in our community.

Work on the scheduled Shire's Service Reviews was paused until October 2025 due to the Organisational Structure Review. During this pause, a capability matrix was developed to support the reprioritisation of service reviews for the new review schedule.

Service reviews for the remaining year prioritised Libraries, Governance, Risk, Audit and Insurance and Finance and Procurement and are scheduled for completion in the new year. The Customer Stakeholder Relations Management service review also transitioned to a partial centralisation model, and we are awaiting the outcome of the future workplace report for finalisation of the tier 3 services in the new year.

4.2.2.1 **Achieved**

Make our customer interactions easy, consistent and responsive.

We completed a review of our after-hours customer service arrangements. Following this review, a contract with the same external supplier was renewed based on their continued ability to meet our service requirements. The review process also provided improved insights into reporting and performance monitoring, which will support ongoing enhancements to after-hours responsiveness and service delivery.

The implementation of our Customer Strategy is ongoing, with most actions completed. Key actions delivered in support of the Customer Strategy include:

- Upgrading the telephony system. The new system went live on 21 May and is already delivering a more efficient service and an improved customer experience.
- Developing a methodology for gathering customer feedback. We have created a consistent method for collecting customer feedback via the Voice of the Customer survey, which we will continue to enhance.
- Continuing to share our performance information and insights across the organisation.
- Customer mapping. To further improve the overall customer experience, we have mapped numerous customer journeys, with additional mapping currently underway.

4.2.3.1 **Achieved**

This year we undertook targeted work with leadership to develop our continuous improvement approach. Work focused on improving our approach to performance measurement in order to better understand future improvement opportunities.

Key actions delivered to support our Organisational Continuous Improvement Program include:

- Launching the Obeya room. An Obeya room is a centralised physical or digital space for cross-functional teams to collaborate, manage projects and make decisions quickly using visual management principles.
- Introducing A3 problem solving through our Obeya room. A3 problem solving is a structured, collaborative, and visual lean manufacturing method that uses a single sheet of A3-sized paper to document a problem's analysis, root cause, potential solutions and implementation plan

> We have created a consistent method for collecting customer feedback via the Voice of the Customer survey...

Budget funded services

The following services and its description provide information in relation to the services funded in the 2025-26 budget.

Service area	Description of services provided	2025-26 Actual $'000	2025-26 Budget $'000	2025-26 Variance $'000
Asset Management	Builds, maintains and renews community assets to ensure they are safe, functional, sustainable and meet community needs.	63,032	56,179	(6,853)
Commercial and Property Management	Manages Council properties and the income they generate.	1,132	849	(283)
Community and Stakeholder Relations	Manages customer experience across all touchpoints, ensures transparent communication, advocates for community needs, and facilitates engagement to reflect diverse community voices in decision-making processes.	7,552	7,953	401
Council Governance	Supports transparent and accountable Council operations to fulfil Local Government Act 2020 responsibilities.	5,380	4,672	(708)
Enterprise Strategy Management	Ensures Council departments work together effectively on strategic planning and reporting initiatives.	5,566	5,224	(342)
Financial Services	Ensures Council remains financially sustainable through budgeting and data analysis to inform decision-making.	(247,957)	(248,302)	(345)
Information Technology	Delivers and supports the Shire's IT infrastructure, systems, applications and data. Keeping technology secure, current and running smoothly, managing tech needs sustainably, and maintaining trusted data to support decision-making and drive continuous improvement.	4,935	4,890	(45)
Legal, Risk and Insurance	Handles legal matters, audits, insurance claims, and risk management strategies for Council.	4,601	6,038	1,437
People Strategy and Operations	Manages the full employee lifecycle, from attraction and retention through to compensation and legal compliance. With a focus on enhancing staff experience and capability development, and delivering workforce strategies that manage risk across industrial relations and workplace health and safety.	1,399	2,002	603
Portfolio, Program and Project Management	This service prioritises and coordinates the organisation's capital works and operating projects portfolios and supports the management of projects. This ensures all projects align with Council's strategic priorities and are effectively planned and delivered.	1,397	1,534	137
System and Application Management	Implements and manages systems and applications, to support service delivery and business improvement initiatives.	2,770	2,266	(504)
Organisational Improvement and Performance	Leads changes in how Council operates to deliver maximum benefit to the community, now and into the future.	1,787	2,981	1,194

Governance and Management Checklist

Governance and Management Items		Assessment
1.	**Community engagement policy** (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of adoption: 23 March 2021
2.	**Community engagement guidelines** (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation Date of adoption: 8 December 2020
3.	**Financial Plan** (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date of adoption: 28 October 2021
4.	**Asset Plan** (plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Date of adoption: 14 June 2022
5.	**Revenue and Rating Plan** (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date of adoption: 17 June 2025 Amendments adopted: 17 March 2026
6.	**Annual Budget** (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: 29 June 2026
7.	**Risk Management policy** (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of commencement: 5 April 2022
8.	**Fraud and Corruption policy** (policy outlining Council's commitment and approach to minimising the risk of fraud and corruption)	Current policy in operation Date of adoption: 17 August 2022

Governance and Management Items		Assessment
9	Municipal emergency management planning (participation in meetings of the Municipal Emergency Management Planning Committee (MEMPC))	MEMPC meetings attended by one or more representatives of Council (other than the chairperson) during the financial year. Date of MEMPC meetings attended: 15 August 2025, 21 November 2025, 20 February 2026, 15 May 2026
10	Procurement policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date of adoption: 2 December 2025
11	Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of Adoption: 27 March 2023
12	Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of review: April 2024
13	Complaints Handling policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints)	Developed in accordance with section 107 of the Act Date of commencement of policy: 6 September 2023
14	Workforce Plan (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation)	Established in accordance with section 46 of the Act Date of commencement of current plan: 22 December 2021
15	Payment of Rate and Charges Financial Hardship policy (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates)	Current policy in operation Date of adoption: 7 September 2021
16	Risk Management Framework (Framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of commencement: 24 June 2026

Governance and Management Items		Assessment
17	Audit and Risk Committee (Advisory committee of Council under section 53 and section 54 of the Act whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide oversight on internal and external audit functions)	Established in accordance with section 53 of the Act Date of establishment: 11 June 1996
18	Internal Audit (Independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Current auditor engaged: Aster Advisory Date commenced: 1 July 2025
19	Performance reporting framework (A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation Date of framework: 1 July 2015
20	Council Plan report (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)	A report on the Council Plan is included in the Quarterly Community Report to Council Date of reports: 2 December 2025 (Qtr. 1), 17 March 2026 (Qtr. 2), 9 June 2026 (Qtr. 3), 29 September 2026 (Qtr. 4)
21	Quarterly budget reports (Quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	A quarterly budget report is included in the Quarterly Community Report to Council Date of reports: 2 December 2025 (Qtr. 1), 17 March 2026 (Qtr. 2), 9 June 2026 (Qtr. 3), 29 September 2026 (Qtr. 4)
22	Risk reporting (Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Date of Risk reports prepared and presented to Audit and Risk Committee: 28 August 2025, 27 November 2025, 26 February 2026, 28 May 2026

Governance and Management Items		Assessment
23	Performance reporting (Six-monthly reports of indicators measuring results against financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Performance reports to the Audit and Risk Committee Date of reports: 23 September 2025 and 28 May 2026
24	Annual Report (Annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act Date of presentation: 27 October 2026
25	Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 4 July 2025
26	Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	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 Date of review: 16 December 2025 S6 Council to Officers 10 April 2025 S5 Instrument Council to CEO
27	Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 24 August 2021

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



Mark Stoermer
Chief Executive Officer
Dated: 7/9/2026



Cr Stephen Batty
Mayor
Dated: 7/9/2026

Statutory Information

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

Documents available for public inspection

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

What information do we make available and where?

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

Publicly available information includes:

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

Information Privacy and Data Security

Council's privacy practices comply with the Privacy and Data Protection Act 2014, the Health Records Act 2001, the associated Privacy Principles under both those Acts and Council's own Privacy Policy. Council follows best practice guidance from the Office of the Victorian Information Commissioner (OVIC) to respond to breaches and conduct Privacy Impact Assessments. Council has a dedicated privacy officer to help staff and members of the public with privacy-related queries or issues. During the 2025-26 reporting year, no privacy breaches occurred that met the threshold requiring notification.

Council complies with OVIC's Information Security Incident Notification Scheme requiring notification to OVIC of any data or privacy breaches that could compromise the confidentiality, integrity or availability of personal or public sector information. During the 2025–26 reporting year, no data breaches occurred that met the threshold requiring notification.

Council complies with the Victorian Protective Data Security Framework (VPDSF), which sets out mandatory standards for managing and protecting public sector information. Council continues to maintain appropriate measures to safeguard the privacy and security of Council held personal information and data.

Council's payment card data handling complies fully with the Payment Card Industry Data Security Standards (PCI DSS), ensuring the secure processing, storage, and transmission of cardholder information. Robust security measures, including encryption, access controls and regular security assessments, are implemented to protect against data breaches and maintain the integrity of all payment transactions.

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 it makes available. Council has chosen to publish the statements separately, however, provides the following summary of the application and operation of the Freedom of Information Act 1982.

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

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

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

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

Further information regarding FOI can be found at **ovic.vic.gov.au** and on the Mornington Peninsula Shire website.

Public interest disclosures

In accordance with section 69 of the Public Interest Disclosures Act 2012, councils must include in their annual report information on how to access the procedures established under Part 9 of the Act. Councils are also required to report on the number and types of public interest disclosure complaints assessed or investigated during the financial year.

The Public Interest Disclosures Act 2012 promotes integrity and accountability in the Victorian public sector by encouraging the disclosure of improper conduct and protecting people who make disclosures. Council's procedures for making a public interest disclosure are publicly available on its website.

During the 2025-26 year, there were no disclosures notified to the Independent Broad-based Anticorruption Commission (IBAC).

Charter of Human Rights

The Victorian Charter of Human Rights and Responsibilities Act 2006 protects the human rights of all people in Victoria. All public authorities and their employees are obliged to act in accordance with the Charter.

The Charter seeks to increase transparency in decision making affecting people's rights and assure the public that their rights are being considered. It protects civil and political rights and some cultural rights into Victorian law while promoting and protecting principles of freedom, respect, equality and dignity.

As reflected in Council's We All Belong Strategy 2024-2029, Council is committed to creating a place on the Peninsula where people of all ages, abilities, cultures, genders and sexualities are welcomed, celebrated, and provided opportunities to thrive and reach their full potential. We All Belong aligns with International guiding frameworks such as the UN Convention Rights of the Child, the Commonwealth's Australian Human Rights Commission Act 1986 and the Victorian government's Charts of Human Rights and Responsibilities Act 2006.

The Strategy seeks to create a fair, equitable and inclusive community where human rights are respected, participation is facilitated, barriers are addressed and diversity is celebrated.

Contracts and Procurement

Council has an adopted Procurement Policy in accordance with section 108 of the Local Government Act 2020.

The Act defines procurement policy to mean the principles, processes and procedures that apply to the purchases of goods, services and works by Council.

Council reviewed and adopted its Procurement Policy and associated guidelines on 2nd December 2025. The policy seeks to promote open and fair competition and provide value for money. The policy applies to all procurement and contracting activities of Council and is binding for all Council officers, outsourced contractors and consultants whilst engaged by, and / or representing Council.

Council contracts greater than $500,000 excluding GST will undergo strategic review to determine:

- whether the service is still required
- the strategic approach for delivering and providing the service
- how the service aligns to Council's strategic objectives
- analysis of the supplier market
- the best procurement methodology and delivery.

Council issued 21 public tenders in 2025–26, covering the following service categories:

- facilities maintenance
- community services
- consultancy and other work
- capital and infrastructure projects
- operational services.

This year, Mornington Peninsula Shire Council engaged one (1) contractor where the accumulative value over 12 months was over $500,000 (ex. GST) for services without engaging in a competitive process.

Supplier	Engagement Description	Accumulative Value ex. GST	Rationale
SECURE MONITORING PTY LTD	Security and CCTV	$600,795.15	Multiple quotations bringing accumulative value above tender threshold

Disability Action Plan

Under section 38 of the Disability Act 2006, public sector bodies (including Councils) are required to prepare a Disability Action Plan (DAP) and report on implementation through their Annual Report.

Over the year we implemented the following actions:

- Improved access to information by providing accessible and Easy Read versions of key Council documents, including Disability Advisory Committee minutes, the Council Plan and the Municipal Public Health and Wellbeing Plan. Council also continued to improve the accessibility of online reports and information resources.
- Expanded opportunities for accessible recreation and leisure by providing beach access matting at five locations across the municipality, extending year-round access at Mount Martha Life Saving Club, supporting the Hansa C Crane accessible boating initiative at Hastings, and continuing the All Abilities Golf program at Mount Martha Public Golf Course.
- Increased access and inclusion across Council facilities and community spaces through the development and expansion of communication boards, social stories and other accessible information resources. New and updated resources were made available across libraries, playgrounds, youth hubs and community facilities to support people with disability and diverse communication needs.
- Continued implementation of the Hidden Disabilities Sunflower program across key Council services, including customer service, libraries, maternal and child health, youth services, neighbourhood houses, Mornington Peninsula Regional Gallery and the Visitor Information Centre. Staff training and community awareness activities supported greater understanding of hidden disabilities and inclusive customer service.
- Updated Council's Inclusive Events Guide in collaboration with the Disability Advisory Committee and internal stakeholders to support accessible and inclusive community events across the Mornington Peninsula.
- Continued to ensure the lived experience of people with disability was represented and heard in the development of new Council policies and strategies through ongoing monthly engagement and support with the Disability Advisory Committee.

Domestic Animal Management Plan

For the 2025-26 financial year, the Shire operated under two separate Domestic Animal Management Plans (DAMP). The 2021-2025 DAMP was adopted by Council on 1 November 2021 and remained in force until December 2025. Council adopted the 2026-2029 DAMP on 5 November 2025.

From July until early November 2025, Shire officers concentrated on the development, consultation and adoption of the new Domestic Animal Management Plan. Following its adoption by Council, $120,000 was brought forward from next year's budget to offer low-cost and free pet desexing, and free microchipping to our community. This year's highlights from the implementation of the new Plan include:

Theme 1: Training of Authorised Officers

Ranger SAFE training with Dr Caroline Cook. All Community Safety Officers, Rangers and Animals Attendants attended the one-day training, focusing on the safe and effective handling/transporting of dogs and cats, and reading animal body language. Our Community Safety Officers and Rangers also attended a Canine Anatomy Training run by Agriculture Victoria. The training covered canine morphology, breed identification, and physiological function.

Theme 2: Encouraging Responsible Pet Ownership

Undertaking a review of the existing dog controls in several public places. A community consultation on those dog controls in public places is planned for the second half of 2026.

Theme 3: Addressing Over-Population and High Euthanasia Rates

Administering a low-cost desexing program. We are currently getting the program ready to roll out across the Shire.

Theme 4: Registration and Identification

Administering a free microchipping program. We are currently getting the program ready to roll out across the Shire.

Theme 6: Dog Attacks

Rolling out information for school tours and presentations on how to interact with dogs and prevent dog bites.

Theme 7: Dangerous, Menacing and Restricted Breed Dogs

Administering a free desexing program to registered menacing dogs. We are currently getting the program ready to roll out across the Shire.

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 2025-26 financial year.

Road Management Act Ministerial direction

Council is responsible for the management of approximately 1,740 kilometres of roads, with 1,398 km sealed and 330 km unsealed (formed) and 11 km unsealed (earth/natural surface).

Our Road Management Plan provides a transparent and a network wide approach to managing the Peninsula's roads. In accordance with the Road Management Act 2004, the Road Management Plan was adopted on 6 September 2022 and came into effect on 30 September 2022.

Under 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 2025-26 financial year.

Development contributions

DCP Name (year approved)	Levies received in 2025-26 financial year
Creswell Street Crib Point East DCP (2026)	**494,914**
Total	**494,914**

DCP land works services or facilities accepted in kind 2025-26

N/A

Total DCP contributions received and expended to date

DCP Name	Total levies received	Total levies expended	Total works-in-kind accepted	Total DCP contributions received
Creswell Street Crib Point East DCP (2026)	780,697	-	-	780,697
Total	**780,697**	**-**	**-**	**780,697**

Land works services or facilities delivered in 2025-26 from DCP levies collected

Project Description	DCP name	DCP fund expended	Works-In-Kind Accepted	Council's contribution	Other Contributions	Total Project expenditure	Percentage of item delivered
The Creswell Street Crib Point East Development Contributions Plan requires new development and/or subdivision to pay a levy towards the cost of upgrading road and drainage infrastructure	Creswell Street Crib Point East DCP (2026)	-	-	-	-	-	0%
Total		**-**	**-**	**-**	**-**	**-**	**-**

Local laws

The Mornington Peninsula Shire Council has Local Laws that apply across the municipality. These include:

Community Amenity Local Law 2022

This Local Law was made by resolution of Council

on 23 August 2022 and commenced on 5 October 2022. This Local Law was amended by Community Amenity (Amendment) Local Law 2023 and adopted by resolution of Council on 14 November 2023.

- The objectives of the Mornington Peninsula Shire's Community Amenity Local Law 2022 are to prohibit, regulate and control uses and activities to:
  a. provide for the peace, order and good government of the municipal district of the Mornington Peninsula Shire
  b. promote a physical and social environment in which residents and visitors to the municipal district can enjoy a quality of life that meets the general expectations of the community
  c. prevent and suppress nuisances which may adversely affect the enjoyment of life within the municipal district or the health, safety and welfare of persons within the Municipal District
  d. prohibit, regulate and control activities which may be dangerous or unsafe or detrimental to a person's health, amenity or the environment
  e. provide for fair access and use of Council and community assets and prescribe measures to protect these assets
  f. prescribe requirements for the administration and enforcement of the Local Law.

Consumption of Liquor Local Law 2022.

This Local Law was made by resolution of Council on 23 August 2022 and commenced on 5 October 2022.

- The objectives of the Mornington Peninsula Shire's Consumption of Liquor Local Law 2022 are to:
  a. regulate and control the consumption, possession or control of liquor in designated areas and prohibit the possession of liquor in other areas of the municipal district
  b. protect against behaviour which causes detriment to the amenity and environment of the municipal district
  c. protect the community interest
  d. provide for the enforcement of this Local Law, including the issuing of infringement notices
  e. provide for the administration of Council powers and functions in relation to the consumption, possession or control of liquor on roads and Council land
  f. lead and educate the public as to what is, and what is not, appropriate behaviour
  g. provide generally for the peace, order and good government of the municipal district.

Governance Rules.

The Mornington Peninsula Shire Council's Governance Rules were adopted on 24 August 2021 in accordance with section 60 of the Local Government Act 2020.

These rules govern:

- the conduct of Council and delegated committee meetings
- the election of the Mayor and Deputy Mayor
- procedures during the election period
- disclosure and management of conflicts of interest

The Governance Rules also ensure that Council makes decisions fairly and, on their merits, and that individuals whose rights may be directly affected by a decision can communicate their views and have their interests considered.

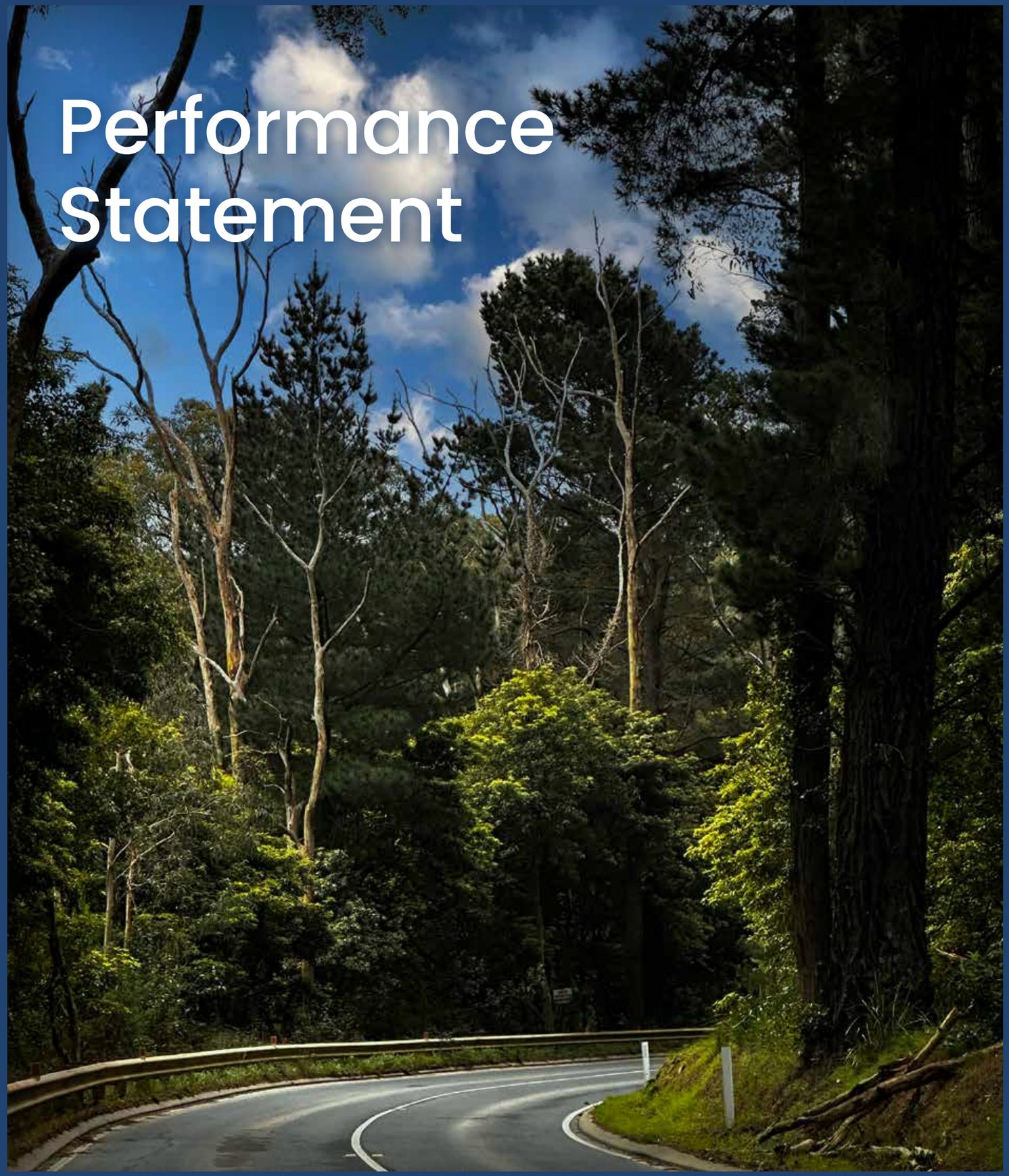
Legislation impacting Council

Councils provide a wide range of services and operate within strict rules.

In Victoria, Councils must follow over 120 different state laws, as well as laws set by the federal government.

Many of these laws and regulations directly affect Councils. They require Councils to comply with specific requirements, contain provisions relevant to the Council, have some indirect influence or require staff to have specialised knowledge to perform their duties.

- Australian Citizenship Act 2007 (Commonwealth of Australia –Cth)
- Building Act 1993
- Charter of Human Rights and Responsibilities
- Act 2006
- Child Wellbeing and Safety Act 2005
- Competition and Consumer Act 2010 (Cth)
- Country Fire Authority Act 1958
- Disability Discrimination Act 1992 (Cth)
- Disability Act 2006
- Domestic Animals Act 1994
- Emergency Management Act 1986
  - Emergency Management Act 2013
- Environment Protection Act 2017
- Equal Opportunity Act 2010
- Fire Rescue Victoria Act 1958
- Fire Services Property Levy Act 2012
- Food Act 1984
- Freedom of Information Act 1982
- Gender Equality Act 2020
- Geographic Place Names Act 1998
- Graffiti Prevention Act 2007
- Housing Act 1983
- Impounding of Livestock Act 1994
- Land Act 1958
- Local Government Act 1989
- Local Government Act 2020
- Occupational Health and Safety Act 2004
- Planning and Environment Act 1987
- Privacy and Data Protection Act 2014
- Public Health and Wellbeing Act 2008
- Public Interest Disclosures Act 2012
- Public Records Act 1973
- Residential Tenancies Act 1997
- Road Management Act 2004
- Road Safety Act 1986
- Sex Work Act 1994
- Subdivision Act 1988
- Summary Offences Act 1966
- Tobacco Act 1987
- Valuation of Land Act 1960



Performance Statement

For the year ending 30 June 2026
Mornington Peninsula Shire Council

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Certification of the Performance Statement

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



Mark Schubert, CPA
Chief Financial Officer
Dated: 07/10/26

In our opinion, the accompanying performance statement of the Mornington Peninsula Shire Council for the year ended 30 June 2026 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.

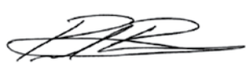
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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 Stephen Batty
Mayor
Dated: 07/10/26



Cr Paul Pingiaro
Deputy Mayor
Dated: 07/10/26



Mark Stoermer
Chief Executive Officer
Dated: 07/10/26

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Mornington Peninsula Shire Council

Opinion	I have audited the accompanying performance statement of Mornington Peninsula Shire Council (the council) which comprises the: • description of municipality for the year ended 30 June 2026 • service performance indicators for the year ended 30 June 2026 • financial performance indicators for the year ended 30 June 2026 • sustainable capacity indicators for the year ended 30 June 2026 • notes to the accounts • certification of the performance statement. In my opinion, the performance statement of Mornington Peninsula Shire Council in respect of the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement

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

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

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



MELBOURNE
14 October 2026

Travis Derricott
as delegate for the Auditor-General of Victoria

Performance Statement

For the year ended 30 June 2026

Description of Municipality

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

Our Community

The Shire has 40 towns and villages spread across the peninsula, with most of the residential population living along the coastline. The Shire has an estimated permanent resident population of 172,217, 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 towns and villages take up the other 30 per cent. 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 worldwide 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 $11.8 billion in Gross Regional Product. There are over 17,000 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 another sector that plays a significant role in our local economy

Service Performance Indicators

For the year ended 30 June 2026

Service/indicator/measure	Results 2023 Actual	2024 Actual	2025 Actual	2026 Target	2026 Actual	Material Variations and Comments
Aquatic facilities						
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.72	5.70	5.66	N/A	5.03	The utilisation of our aquatic centres has remained largely consistent with previous years, though visitation decreased slightly this year. This is mainly due to the closure of Pelican Park Recreation Centre for revitalisation works and a slight decrease in visitation at Yawa Aquatic Centre. The community's demand for our aquatic facilities remains high and they continue to be well utilised.
Animal Management						
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	100%	97.96%	N/A	100%	Mornington Peninsula Shire Council is committed to protecting community safety and supporting the health and wellbeing of animals across the Peninsula. Council pursues prosecution only when it is justified and necessary. During the year, Council prosecuted 42 animal management matters.
Food Safety						
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	92.25%	92.53%	92.93%	N/A	64.56%	Council remains committed to protecting community health and safety. Our follow-up on critical and major notifications decreased compared to previous years due to our transition to a new system and related implementation issues. As we address these challenges, we expect our follow-up and response rates, along with our overall results, to improve.
Governance						
Satisfaction Satisfaction with community consultation and engagement (Community satisfaction rating out of 100 with the consultation and engagement efforts of Council)	50	67	66	68	66	Community satisfaction with consultation and engagement remains steady at 66, just short of our target of 68. The upward trend in our results marks a significant improvement from our unusually low score of 50 in 2023.
Libraries						
Participation Library membership [Percentage of the population that are registered library members] x100	New in 2024	33.21%	33.23%	N/A	33.49%	Pleasingly, we observed a modest increase in library memberships this year compared to previous years. While we experienced a 1.2 per cent rise in library memberships, we also saw a slight increase in our municipal population, which has brought about a result similar to previous years.
Maternal Child Health						
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	73.78%	73.98%	76.98%	N/A	79.27%	We are pleased to see participation continue to increase, surpassing previous years' results. This improvement is largely driven by more children attending the Maternal and Child Health service at least once during the year, despite a lower number of enrolled children. The increase reflects our ongoing commitment to best-practice active engagement, the expansion of our outreach program to local kindergartens and long day care services, and sustained efforts to improve continuity of care. These initiatives have been particularly successful in maintaining engagement with families of older children, where participation has historically declined.

Results						
Service/indicator/measure	2023 Actual	2024 Actual	2025 Actual	2026 Target	2026 Actual	Material Variations and Comments
Participation 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	90.00%	82.99%	84.19%	N/A	85.56%	This year saw a further increase in participation among families identifying as Aboriginal and Torres Strait Islander, with attendance rising across all Maternal and Child Health Key Age and Stage appointments. The Shire continues to proactively engage with families and follow up overdue appointments, supporting strong participation and ongoing connection with the service.
Roads						
Condition Sealed local roads maintained to condition standards (Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal	96.79%	100.00%	98.91%	98.20%	98.21%	Of the 1,400 kilometres of sealed local roads across the Shire, we maintained 1,373 kilometres within condition standards, which was just over our target of 98.2%.

Results						
Service/indicator/measure	2023 Actual	2024 Actual	2025 Actual	2026 Target	2026 Actual	Material Variations and Comments
Statutory Planning						
Service standard Planning applications decided within the relevant required time (Percentage of planning application decisions made within the relevant required time)	42.22%	47.38%	56.81%	50.00%	55.73%	Although we exceeded our target, this was due in part to a 6 per cent decrease in applications compared to last year. We encountered challenges during our transition to a new system, which prevented us from capturing the time from application receipt to decision, as well as issues around new workflow processes. Additionally, some applications were placed on hold earlier than usual to comply with public notice requirements. After the system went live, we experienced further workflow disruptions that delayed several VicSmart applications, including both newly registered applications and those migrated from the old system.
Waste Management						
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	58.19%	59.24%	56.33%	60.00%	54.59%	We experienced a small decrease compared to 2025. We did not meet our target because recyclables and green organics received were 5.3 per cent lower than in 2025, mainly due to the Container Deposit Scheme introduced on 1 November 2023.

Financial Performance Indicators

For the year ended 30 June 2026

Service/indicator/measure	Results 2023 Actual	2024 Actual	2025 Actual	2026 Target	2026 Actual		Forecasts 2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Material Variations and Comments
Efficiency											
Expenditure level											
Expenses per property assessment [Total expenses / Number of property assessments]	$2,645.18	$2,692.73	$2,925.33	$2,921	$3,088.38		$3,147.29	$3,192.95	$3,251.11	$3,306.67	Council always seeks to deliver the highest quality services in the most efficient way and has contained expenditure per property assessment through its goal of ongoing savings. The increase in 2026 is largely attributable to CPI, indexation of the Shire's contracts and depreciation.
Revenue level											
Average rate per property assessment [Sum of all general rates and municipal charges / Number of property assessments]	$1,526.53	$1,591.65	$1,659.45	N/A	$1,692.49		$1,756.94	$1,805.79	$1,855.71	$1,906.68	Council's rates, our primary source of income that delivers essential services to our community, is limited by the rate cap under the Fair Go Rates System, which was set at 3.0% for 2025-26. Supplementary income is 1.0% of the total rates revenue in 2026, which is the growth of our rates income in 2026. Forecasts are projected to increase based on the rate cap increase of 2.5% year on year.
Liquidity											
Working capital											
Current assets compared to current liabilities [Current assets / Current liabilities] x100	232.72%	257.64%	249.45%	213.98%	264.35%		163.43%	168.70%	195.40%	217.57%	Our current assets have increased by $8.7 million from 2025 due to trade and other receivables, with delayed expenditure for capital works. There has been an increase in working capital due to Current Liabilities decreasing by $0.7 million. Forecast is expecting a significant decrease due to the assumption of having no carry forward capital works at the start of FY27.
Unrestricted cash											
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	-40.60%	-44.45%	-42.94%	N/A	-82.66%		N/A	N/A	N/A	N/A	To maximise the return of funds to Council, we allocated cash to term deposits. The term deposits are classified as Other Financial Assets, with a total of $105.6 million recorded as of June 30, 2026. It's important to note that if these term deposits were considered Cash and Cash Equivalents, the Unrestricted Cash Ratio would have been 67.9%, resulting in a positive outcome.

Service/indicator/measure	Results 2023 Actual	2024 Actual	2025 Actual	2026 Target	2026 Actual		Forecasts 2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Material Variations and Comments
Obligations											
Loans and borrowings											
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	17.33%	14.77%	13.36%	N/A	11.45%		N/A	N/A	N/A	N/A	No new loans were drawn during the year, with budgeted loans deferred to 2026-27. With $2.67 million in loan repayments and a rate revenue increase, we have managed to reduce our loans and borrowings compared to our rates. Forecasted years are N/A due to not being a reported indicator in the FY26/27 budget.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.43%	1.71%	1.59%	N/A	1.42%		N/A	N/A	N/A	N/A	This year's result is reflective of our reduced loans and borrowings and an increase in rate revenue. Borrowings originally planned for 2026 have been deferred to 2027, resulting in a future increase from 2027. Forecasted years are N/A due to not being a reported indicator in the FY26/27 budget.
Indebtedness											
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	20.06%	20.44%	20.76%	N/A	18.70%		16.24%	16.21%	14.35%	12.99%	Council's long-term liabilities remain stable, indicating an appropriate level of debt. Reduction from the prior year of 2.08% due to borrowing repayments of outstanding loans exceeding the 4.5% increase in own source revenue. Forecast over the next 3 years we are reducing the loans balance by $8 million.
Asset renewal and upgrade											
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	64.91%	115.69%	77.22%	62.90%	78.07%		66.99%	67.09%	51.02%	51.09%	Council continues to invest in community infrastructure and address its asset renewal gap, ensuring assets are maintained and renewed to the desired standard. Asset renewal and upgrade expenditure is driven by asset condition assessments and the timing of capital projects, and therefore can vary from year to year. Forecast ratios reflect the assumptions adopted in the Long Term Financial Plan and will be reviewed and updated as part of future financial plan reviews to reflect the latest capital works program priorities, delivery schedules and available information.

	Results						Forecasts				
Service/indicator/measure	2023 Actual	2024 Actual	2025 Actual	2026 Target	2026 Actual		2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Material Variations and Comments
Operating position											
Adjusted underlying result											
Adjusted underlying result (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-0.78%	1.00%	0.09%	N/A	-3.83%		-3.26%*	-1.04%*	0.45%*	0.99%*	While the decline from 2025 is due to a 7.6 per cent increase in expenditure that was only partially offset by a 6.0 per cent increase in income, the outcome does reflect the long-term challenges of Local Government. With rate capping, cost shifting from the State Government and the rising costs of materials and service delivery, we face a challenging economic environment. Whilst negative, it is inline with the long-term financial plan estimate of (3.77) per cent. These issues are expected to have a significant impact on us in the coming years. *Forecast fluctuations are due to land sales, as per the long-term financial plan.
Stability											
Rates concentration											
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	74.88%	77.74%	73.61%	80.03%	74.64%		76.40%	74.98%	74.62%	75.04%	Rate revenue continues to be Council's main source of income for funding community services and capital works projects. Own source revenue is inflated in 2026 due to receiving 50% allocation of financial assistance in 2026, along with 80% of the 2027 allocation.
Rates effort											
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.15%	0.17%	0.17%	N/A	0.18%		0.18%	0.19%	0.19%	0.20%	While there was a decrease in property values, general rate revenue increased in line with the rate capping framework. The combination of both ensured that this year's result is broadly consistent with last year.

Sustainable Capacity Indicators

For the year ended 30 June 2026

Indicator/measure/ formula	Results 2023 Actual	2024 Actual	2025 Actual	2026 Actual	Material Variations and Comments
Population					
Expenses per head of municipal population [Total expenses / Municipal population	$1,643.69	$1,671.71	$1,795.21	$1,921.91	Council always aims to provide high-quality, efficient services while controlling expenditure through ongoing cost savings. The 2026 increase is primarily due to the Consumer Price Index (CPI), contract indexation and depreciation.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	$10,131.82	$11,491.72	$11,815.65	$12,457.28	Although our municipal population has seen a slight increase, our investment in infrastructure has been primarily affected by the delivery of our Capital Works Program ($54.6 million) and the revaluation of infrastructure assets.
Population density per length of road [Municipal population / Kilometres of local roads]	99.01	99.38	99.74	99.62	A slight increase in our municipal population, along with a similar total of road kilometres compared to last year, has resulted in a trend consistent with previous years.
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	$1,485.29	$1,613.23	$1,635.87	$1,701.12	Our growth in own-source revenue aligns with our budget expectations and has been driven by the rate cap and supplementaries throughout the year. Our own-source revenue is higher than usual due to Council receiving the 50% allocation of financial assistance in 2026, in addition to 80% of the allocation for 2027.
Recurrent Grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	$125.20	$63.63	$143.31	$117.26	Recurrent grants saw a small decrease in 2026 due to the receipt of 50% year allocation of the financial assistance grant in 2026, along with 80% of the allocation for 2027. In 2025, full year funding was received in addition to 50% of the 2026 funding.
Disadvantage					
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	8.00	8.00	8.00	8.00	Mornington Peninsula's Index of Relative Socio-Economic Disadvantage from the 2021 Census was in the eighth decile. The first decile indicates the most disadvantaged and the tenth decile indicates the least disadvantaged.
Workforce Turnover					
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16.45%	14.18%	15.55%	17.09%	Our turnover rate has increased compared to last year due to the organisation's restructuring that took place in late 2025. This restructuring was undertaken to secure the organisation's future and tackle significant financial challenges, ensuring that we can meet the current and future needs of our community. This measure considers all types of turnover, including the end of temporary contracts (over 6 months), involuntary terminations and redundancies.

Section 5. Notes to the accounts

5.1. 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 service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. 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 or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the Local Government (Planning and Reporting) Regulations 2020. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2026-27 to 2029-30 by the council's financial 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.

5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
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
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the Food Act 1984
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
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

Key term	Definition
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

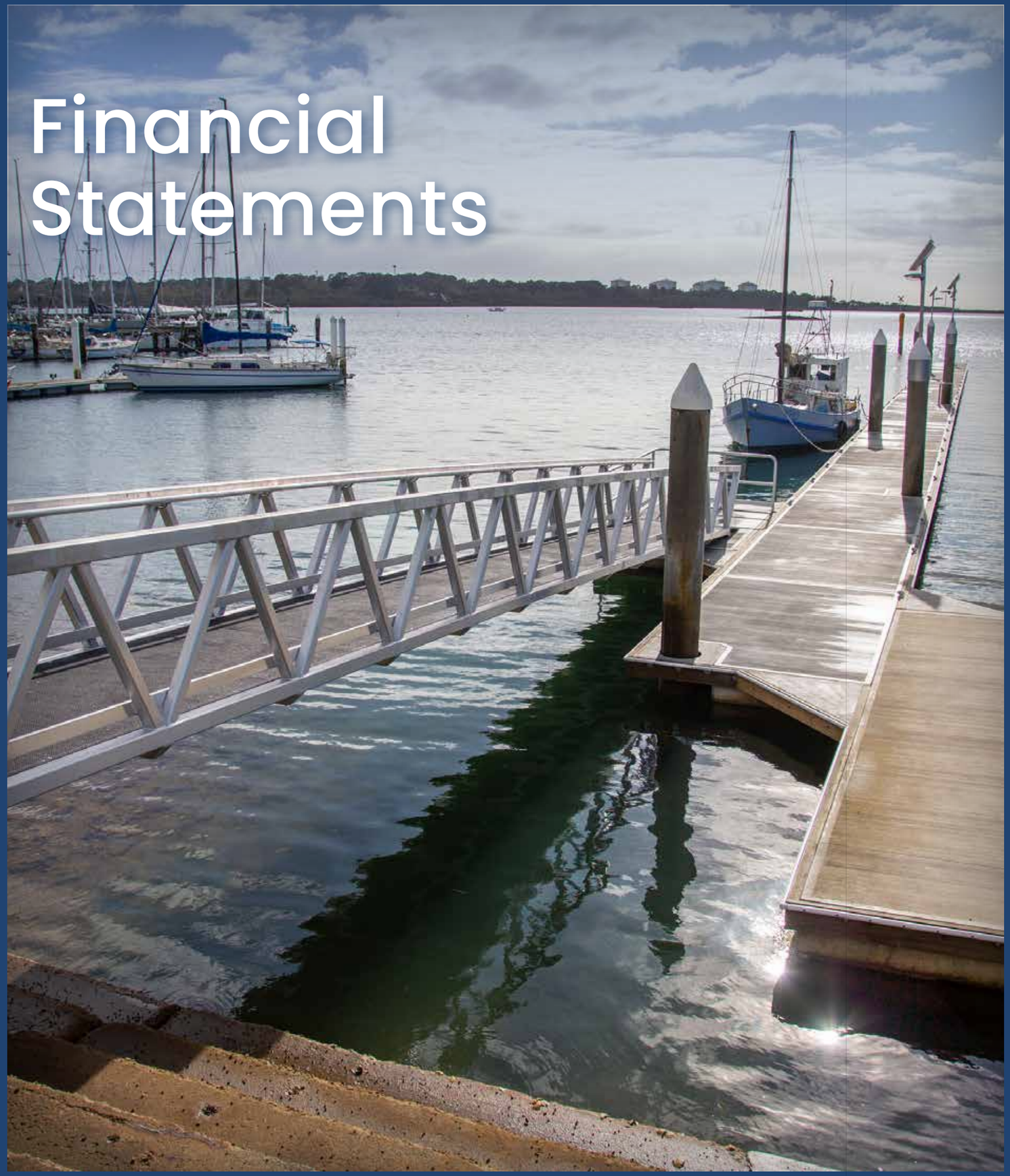
5.3. Other Matters

Overview of 2026

The local government sector continues to face several challenges, including rate capping, cost shifting from the State Government and increasing maintenance and operational costs.

To ensure we can fund the current and future needs of our community, Council addressed these significant financial challenges and voted on May 6, 2025, to future-proof the organisation by reducing employee costs by $5 million and an additional $5 million in service planning efficiencies. An organisational review was undertaken from June 2025, with the change proposal consultation period finalised by September 2025. The Organisational Structure Review was completed in October when the new organisational structure went live on 20 October 2025.

We continue to work with all levels of government and a broad range of external organisations seeking financial support, policy or legislative change to deliver local projects.



Financial Statements

For the year ending 30 June 2026

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Finance message

The Mornington Peninsula Shire Council's financial position remains sound, supported by robust cash flows, substantial reserves and a solid balance sheet.

For the 2025-26 financial year, the Council reported a financial performance of $14.2 million, a slight decrease of $0.4 million from the previous fiscal year. Council posted an adjusted underlying deficit of $12.2 million for the 2025-26 financial year, which is a decrease compared to the previous year surplus of $0.3 million. This underscores the importance of councils to secure sufficient funds, without relying on capital receipts, to ensure service standards meet community expectations.

As detailed in the Comprehensive Income Statement, total income for the year increased by 7.06% to $345.2 million and expenses increased by 7.69% to $331 million, which was driven by increasing costs pressures, one-off employee expenses and increased depreciation of $4.7 million.

The table below provides a brief snapshot of the 2025-26 Financial Year:

Financial Results	2025-26 (Actual) ($'000)	2024-25 (Actual) ($'000)
Comprehensive Income Statement Surplus	14,616	14,586
Underlying Result	(12,210)	272
Capital Works	54,645	51,883
Cash and Cash Equivalents	27,598	40,996
Loans	27,236	30,303
Net Assets	3,954,841	3,817,729
Liquidity Ratio	264%	249%

Net assets increased by $137.1 million, reaching a total of $3.95 billion. This elevation can be largely attributed to the asset valuation, amounting to $123 million, predominantly associated with infrastructure elements like roads and drainage (for details, see Note 6.2, AFS). This year, a substantial $54.7 million was expended on capital works. Cash assets decreased by $13.4 million, settling at $27.6 million at the end of the financial year, whilst term deposits increased from the prior year and totalled $105.6 million, up $5 million. Current liabilities decreased by $0.7 million, resulting in $124.9 million in overall total liabilities at year's end. Our total liabilities represent only 3.06% of our overall assets. Additionally, our borrowings decreased by $3.1 million, finishing at $27.2 million.

The Shire's liquidity ratio, an indicator of fiscal resilience, is 264%, indicating our ability to meet short-term liabilities as they become due. From a financial perspective, the Council is on solid ground, which ensures we can navigate upcoming challenges and maintain our financial equilibrium, in line with our long-term strategic financial roadmap.

> From a financial perspective, the Council is on solid ground, which ensures we can navigate upcoming challenges...

Financial summary

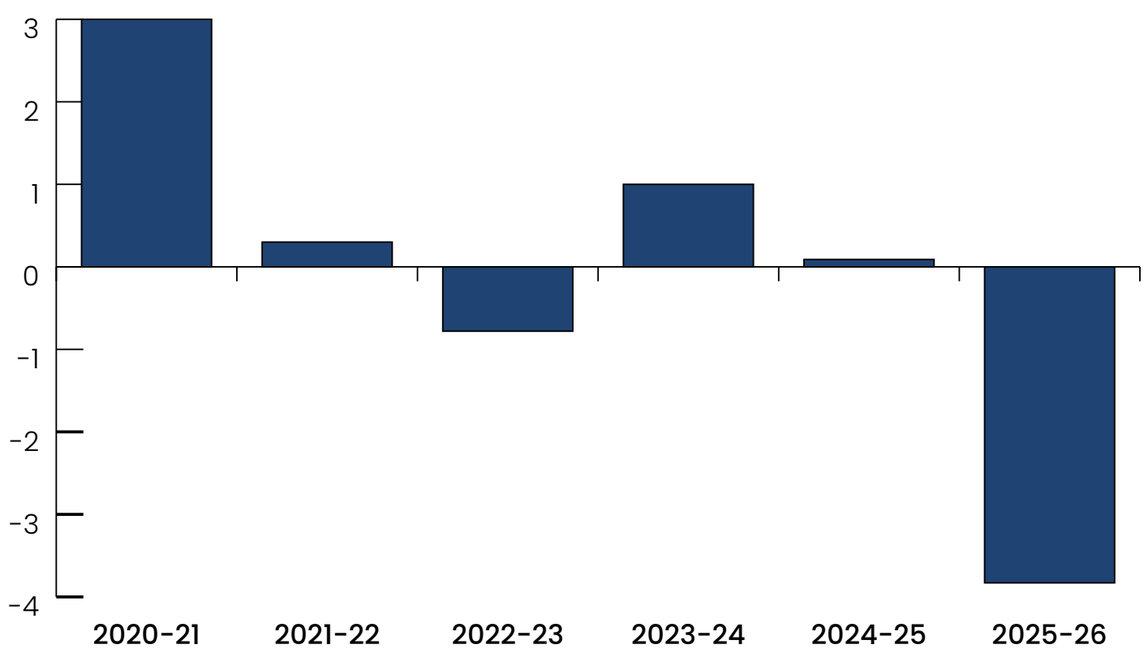
Council's financial position remains strong with positive cash flows, reserves and a solid balance sheet. A summary of our performance is outlined below. Detailed information relating to council's financial performance is included within the financial statements and performance statement sections of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

Operating position

Council achieved a surplus of $14.2 million in 2025/26, a slight decrease from the prior year's surplus of $14.6 million. The adjusted underlying result of council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a deficit of $12.2 million. This compares unfavourably to the prior year's surplus of $0.3 million and is primarily due to the rise in cost of services at a higher proportion than income, external factors, cost shifting, increase in asset valuations and service needs of the community.

It's crucial for councils to generate adequate funds, excluding capital receipts, to maintain service levels in line with community demands and provides the capacity to renew the $3.9 billion of community assets under council's control.

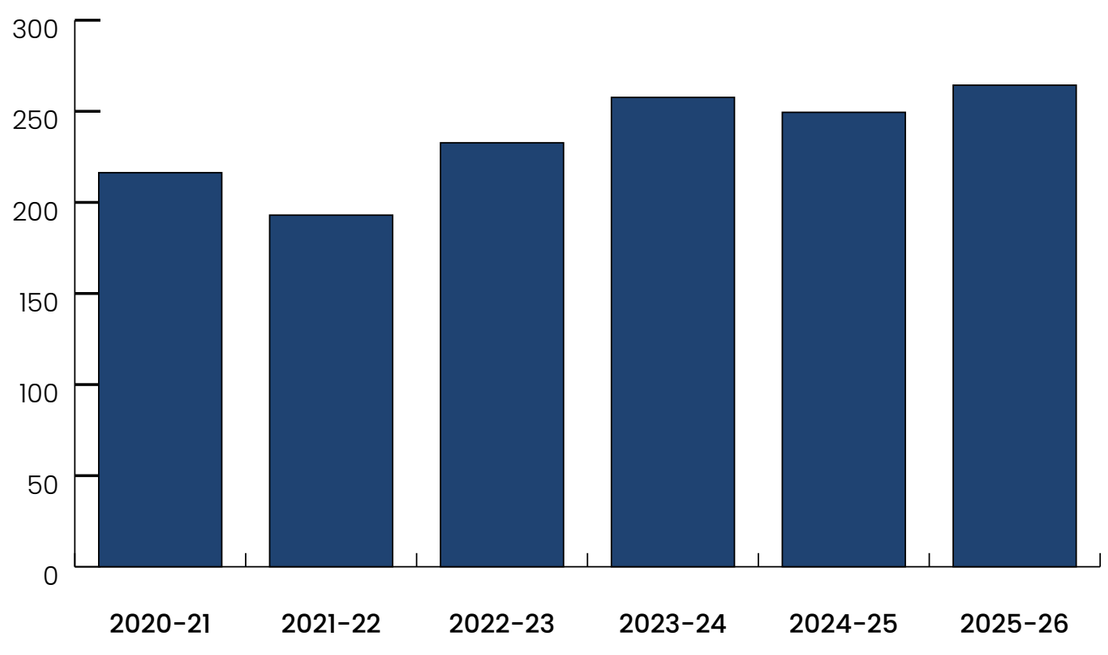
Adjusted Underlying Result %



Liquidity

Net movement in cash and cash equivalents and other financial assets has decreased by $8.4 million compared to prior year. The working capital ratio (which assesses council's ability to meet current commitments), is calculated by measuring council's current assets as a percentage of current liabilities. Council's result of 264% is an indicator of a very strong financial position and within the Target range of 100% to 400%.

Working Capital Ratio

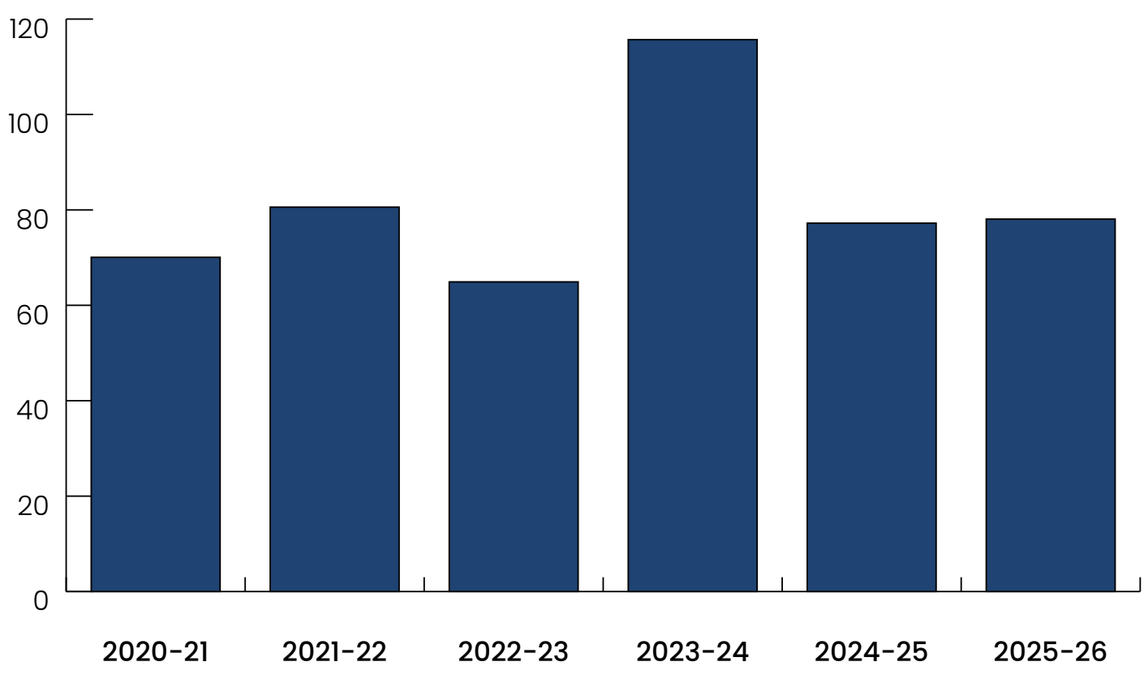


Obligations

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

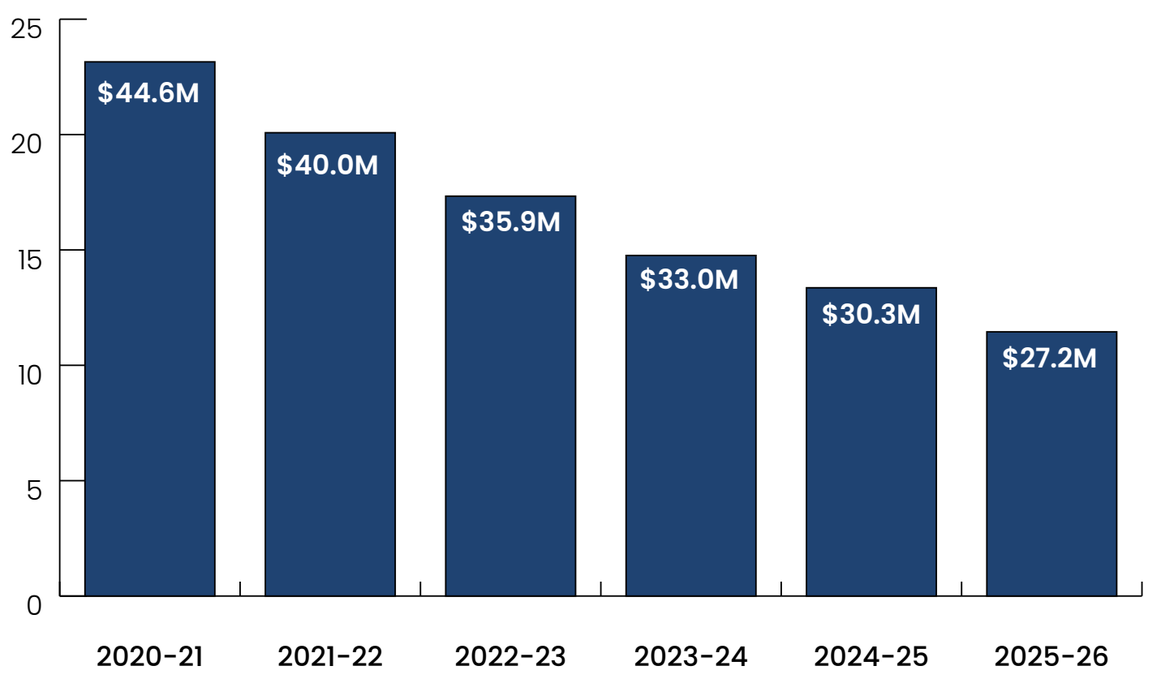
Council's asset renewal ratio, which is measured by comparing asset renewal and upgrade expenditure to depreciation, was 78.1% which was within the Target range of 40%-130%.

Asset Renewal Ratio %



At the end of the 2025/26 year council's debt ratio (which is measured by comparing interest bearing loans and borrowings to rate revenue) was 11.5% which was within the Target range of 0%-70%.

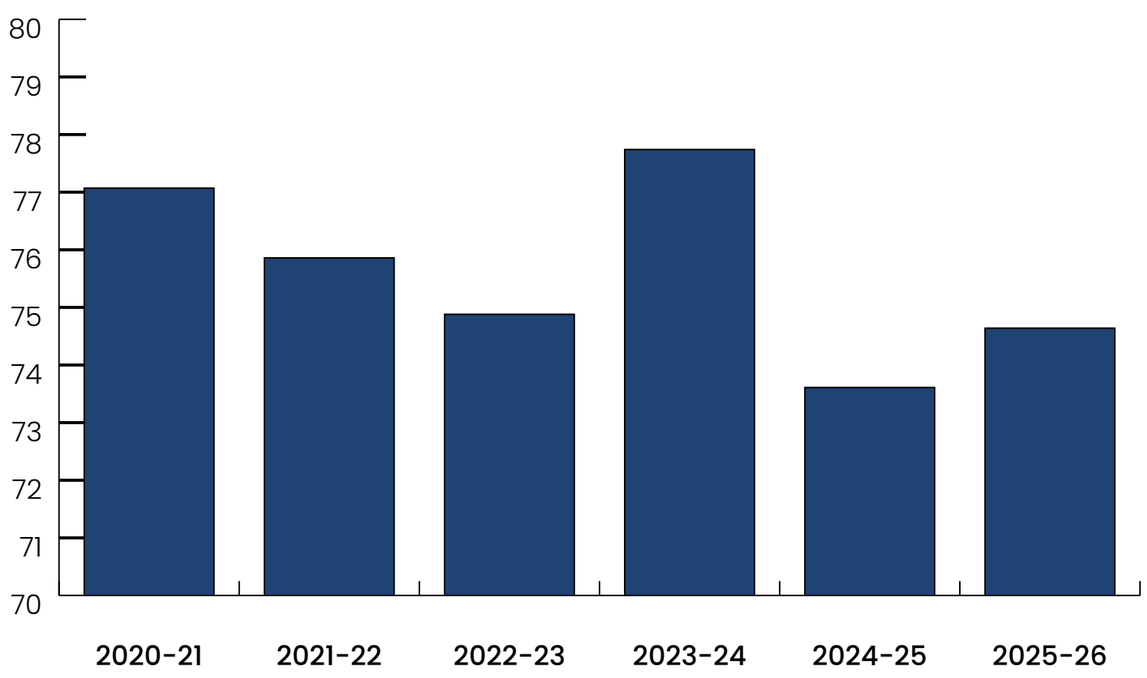
Debt ratio: Loans and Borrowings Balance/Rate Revenue



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 75.4% for the 2025/26 year which is toward the top end of the Target range of 30%-80%. Although we continue to grow other revenue (own-source revenue) Council revenue is still largely dependent on rate revenue to fund services and capital works.

Rates Concentration Ratio %



Certification of the Financial Statements

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

Mark Schubert, CPA
Principal Accounting Officer
Dated: 07/10/26
Rosebud Council Chambers

In our opinion, the accompanying financial statements present fairly the financial transactions of the Mornington Peninsula Shire Council for the year ended 30 June 2026 and the financial position of the Council as at that date.

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

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

Cr Stephen Batty
Mayor
Dated: 07/10/26

Cr Paul Pingiaro
Deputy Mayor
Dated: 07/10/26

Mark Stoermer
Chief Executive Officer
Dated: 07/10/26

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Mornington Peninsula Shire Council

Opinion

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

- balance sheet as at 30 June 2026
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including material accounting policy information
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2026 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.

Basis for Opinion

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

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

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

Councillors' responsibilities for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
14 October 2026

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Income / Revenue			
Rates and charges	3.1	237,938	226,750
Statutory fees and fines	3.2	9,852	10,709
User fees	3.3	26,238	24,675
Grants - operating	3.4	19,963	20,014
Grants - capital	3.4	17,533	16,458
Contributions - monetary	3.5	10,530	2,516
Contributions - non monetary	3.5	4,177	2,947
Found Assets	6.2	4,293	4,027
Net gain on disposal of property, infrastructure, plant and equipment	3.6	-	86
Other income	3.7	14,641	13,764
Total income / revenue		**345,165**	**321,946**
Expenses			
Employee costs	4.1	103,380	99,524
Materials and services	4.2	154,832	148,219
Depreciation	4.3	50,851	46,118
Amortisation - intangible assets	4.4	543	449
Depreciation - right of use assets	4.5	1,522	1,184
Allowance for impairment losses	4.6	7	47
Fair value adjustments for investment property	6.3	757	319
Net loss on disposal of property, infrastructure, plant and equipment.	3.6	7177	-
Borrowing costs	4.7	703	892
Finance costs - leases	4.8	83	72
Other expenses	4.9	11,130	10,536
Total expenses		**330,985**	**307,360**
Surplus/(deficit) for the year		**14,180**	**14,586**

	Notes	2026 $'000	2025 $'000
Other comprehensive income Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.2	122,932	60,246
Total other comprehensive income		**122,932**	**60,246**
Total comprehensive result		**137,112**	**74,832**

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

Balance Sheet

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	5.1	27,598	40,996
Trade and other receivables	5.1	48,427	31,424
Other financial assets	5.1	105,606	100,600
Inventories	5.2	310	272
Prepayments	5.2	1,249	1,244
Non-current assets classified as held for sale	6.1	486	444
Other assets	5.2	1,750	1,772
Total current assets		**185,426**	**176,752**
Non-current assets			
Other financial assets	5.1	45	46
Property, infrastructure, plant and equipment	6.2	3,880,111	3,754,444
Right-of-use assets	5.8	4,588	5,308
Investment property	6.3	9,003	9,721
Intangible assets	5.2	584	581
Total non-current assets		**3,894,331**	**3,770,100**
Total assets		**4,079,757**	**3,946,852**
Liabilities			
Current liabilities			
Trade and other payables	5.3	23,787	23,823
Trust funds and deposits	5.3	14,702	9,973
Contract and other liabilities	5.3	13,352	19,075
Provisions	5.5	14,287	13,302
Interest-bearing liabilities	5.4	2,361	3,067
Lease liabilities	5.8	1,654	1,618
Total current liabilities		**70,143**	**70,858**

	Notes	2026 $'000	2025 $'000
Non-current liabilities			
Trust funds and deposits		251	205
Contract and other liabilities	5.3	11,832	11,713
Provisions	5.5	14,691	15,302
Interest-bearing liabilities	5.4	24,875	27,236
Lease liabilities	5.8	3,124	3,809
Total non-current liabilities		**54,773**	**58,265**
Total liabilities		**124,916**	**129,123**
Net assets		**3,954,841**	**3,817,729**
Equity			
Accumulated surplus		1,134,663	1,135,421
Reserves	9.1	2,820,178	2,682,308
Total Equity		**3,954,841**	**3,817,729**

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

Statement of Changes in Equity

For the year ended 30 June 2026

	Note	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2026					
Balance at beginning of the financial year		3,817,729	1,135,421	2,678,912	3,396
Surplus/(deficit) for the year		10,647	14,180	-	-
Net asset revaluation gain/(loss)		122,932	-	122,932	-
Transfers to other reserves	9.1	-	(14,938)	-	14,938
		3,954,841	1,134,663	2,801,844	18,334
Balance at end of the financial year		**3,954,841**	**1,134,663**	**2,801,844**	**18,334**
2025					
Balance at beginning of the financial year		3,741,930	1,121,835	2,618,666	1,429
Surplus/(deficit) for the year		14,586	14,586	-	-
Net asset revaluation gain/(loss)		60,246	-	60,246	-
Transfers to other reserves	9.1	967	(1,000)	-	1,967
		3,817,729	1,135,421	2,678,912	3,396
Balance at end of the financial year		**3,817,729**	**1,135,421**	**2,678,912**	**3,396**

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 2026

	Note	2026 Inflows/ (Outflows) $'000	2025 Inflows/ (Outflows) $'000
Cash flows from operating activities			
Rates and charges		228,367	221,741
Statutory fees and fines		8,783	9,789
User fees		25,614	24,117
Grants - operating		19,905	21,607
Grants - capital		15,957	17,498
Contributions - monetary		5,179	6,608
Interest received		5,354	7,793
Dividends received		5	5
Trust funds and deposits taken		(178)	112
Other receipts		8,177	6,918
Net GST refund/(payment)		201	(154)
Employee costs		(105,011)	(99,635)
Materials and services		(151,883)	(141,207)
Short-term, low value and variable lease payments		(1,059)	(1,449)
Other payments		(9,191)	(8,965)
Net cash provided by/(used in) operating activities	9.2	**50,220**	**64,778**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(54,515)	(51,335)
Proceeds from sale of property, infrastructure, plant and equipment		205	515
Payments for investments		(140,005)	(195,006)
Proceeds from sale of investments		135,000	195,000
Net cash provided by/(used in) investing activities		**(59,315)**	**(50,826)**

	Note	2026 Inflows/ (Outflows) $'000	2025 Inflows/ (Outflows) $'000
Cash flows from financing activities			
Finance costs		(703)	(892)
Bank overdraft movement		(399)	(5)
Repayment of borrowings		(2,668)	(2,707)
Interest paid - lease liability		(83)	(72)
Repayment of lease liabilities		(450)	(968)
Net cash provided by/(used in) financing activities		**(4,303)**	**(4,644)**
Net increase (decrease) in cash and cash equivalents		(13,398)	9,307
Cash and cash equivalents at the beginning of the financial year		40,996	31,689
Cash and cash equivalents at the end of the financial year		**27,598**	**40,996**
Financing arrangements	5.6		

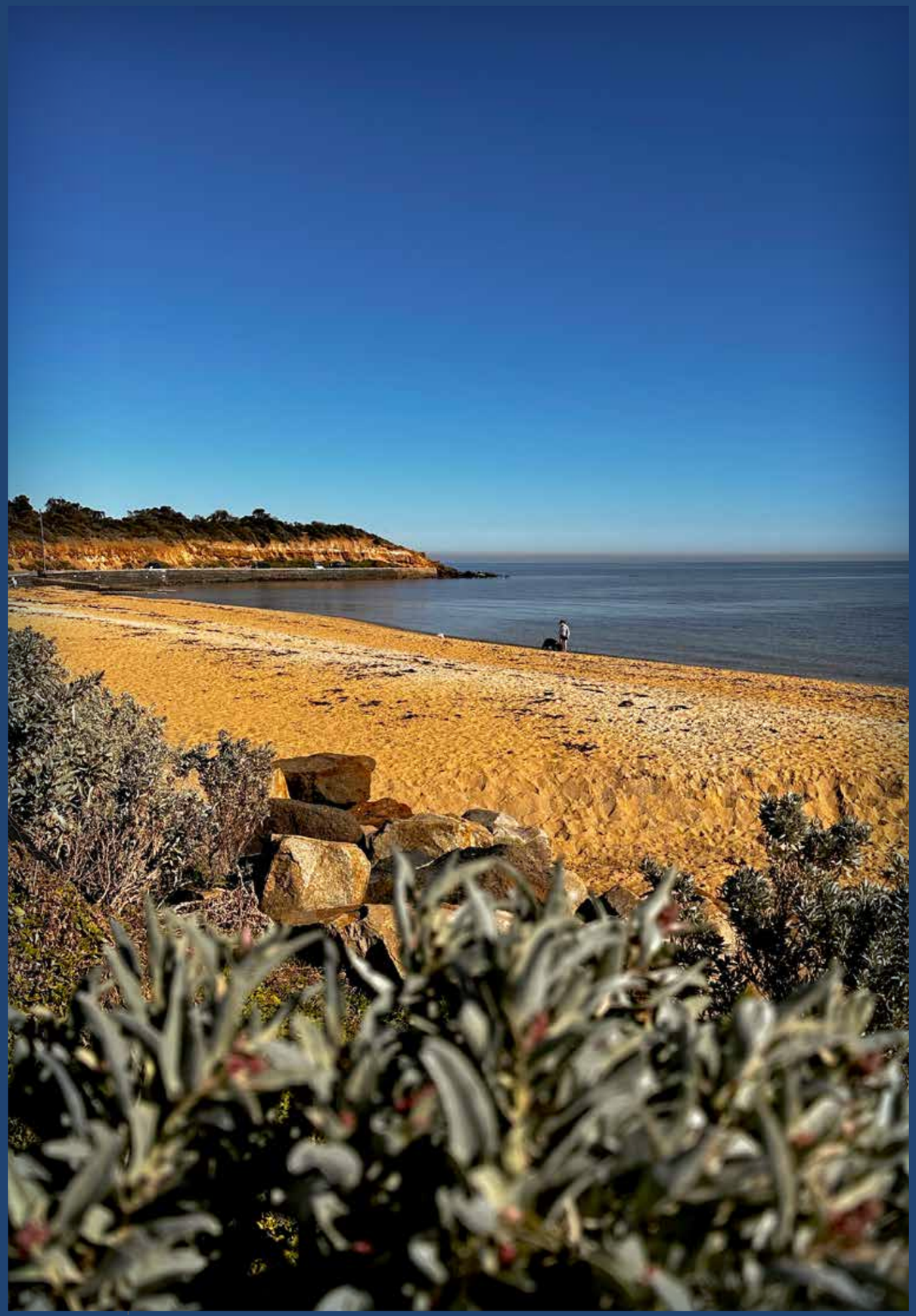
The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of Capital Works

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Property			
Land		337	1,611
Buildings		18,135	21,128
Total property		**18,472**	**22,739**
Plant and equipment			
Plant, machinery and equipment		577	298
Fixtures, fittings and furniture		190	311
Artworks		-	31
Library books		1,032	793
Total plant and equipment		**1,799**	**1,433**
Infrastructure			
Roads		13,443	10,487
Bridges		48	98
Footpaths and cycleways		4,137	5,190
Drainage		2,460	2,673
Recreational, leisure and community facilities		6,787	3,428
Parks, open space and streetscapes		6,414	5,703
Marine structures		1,085	132
Total infrastructure		**34,374**	**27,711**
Total capital works expenditure		**54,645**	**51,883**
Represented by:			
New asset expenditure		13,488	14,679
Asset renewal expenditure		31,137	27,580
Asset expansion expenditure		1,459	1,591
Asset upgrade expenditure		8,561	8,033
Total capital works expenditure		**54,645**	**51,883**

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



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Notes to the Financial Report

For the year ended 30 June 2026

Note 1 OVERVIEW

Introduction

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

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3.4)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements.

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

Goods and Services Tax (GST)

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

1.2 Impact of emergencies and natural disasters

A landslide occurred in McCrae on Tuesday, 14 January 2025. The landslide affected multiple properties, leading to evacuations and road closures. An exclusion zone was set up with temporary fencing around the affected area. During the financial year, the Council incurred expenditure of $2.94 million.

1.3 Impacts of other external events

Council has considered ongoing external events that have contributed to volatility in international markets, disrupted global supply chains and increased inflationary pressure, including the risk that they may cause significant changes in the carrying values of assets and liabilities in the next financial year, and has concluded that there is no material impact on the 2025-26 financial report that requires additional disclosure.

Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

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

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

2.1.1 Income/Revenue and Expenditure	Budget 2026 $'000	Actual 2026 $'000	Variance $'000	Variance %	Ref
Income/Revenue					
Rates and charges	237,913	237,938	25	0%	
Statutory fees and fines	10,378	9,852	(526)	(5%)	
User fees	23,868	26,238	2,370	10%	1
Grants - operating	15,344	19,963	4,619	30%	2
Grants - capital	16,445	17,533	1,088	7%	3
Contributions - monetary	9,537	10,530	993	10%	
Contributions - non monetary	4,474	4,177	(297)	(7%)	
Found Assets	-	4,293	4,293		4
Other income	8,383	14,641	6,258	75%	5
Total income / revenue	**326,342**	**345,165**	**18,822**	**6%**	
Expenses					
Employee costs	96,504	103,380	(6,876)	(7%)	6
Materials and services	156,225	154,832	1,393	1%	7
Depreciation	47,389	50,851	(3,462)	(7%)	8
Amortisation - intangible assets	91	543	(452)	(497%)	
Depreciation - right of use assets	627	1,522	(895)	(143%)	
Allowance for impairment losses	-	7	(7)		
Fair value adjustments for investment property	-	757	(757)		
Net loss on disposal of property, infrastructure, plant and equipment	-	7,177	(7,177)		9
Borrowing costs	726	703	23	3%	
Finance costs - leases	13	83	(70)	(538%)	
Other expenses	8,879	11,130	(2,251)	(25%)	10
Total expenses	**310,454**	**330,985**	**(20,531)**	**(7%)**	
Surplus/(deficit) for the year	**15,888**	**14,180**	**(1,709)**	**(11%)**	

(i) Explanation of material variations

Variance Ref	Item	Variance Fav/Unfav	Explanation
1	User Fees	Fav	User fees were 10% above budget, driven by increased volumes at transfer stations, waste collection, and disposals ($1.4 million). Bathing box transfer fees exceeded budget by $0.3 million, reflecting higher-than-expected sales.
2	Grants - Operating	Fav	In the 2025-26 financial year, Council received 50% of the 2025–26 Financial Assistance Grant totalling $3.9M. In addition 80% of the 2026-27 grant totalling $6.6M has been paid in advance. This resulted in income above budget. In accordance with AASB 1058 requirements, the income must be recognised in the year it is received; therefore, the 2026–27 allocation could not be deferred. In addition to this, unbudgeted grants were received in relation to Melbourne Water funded wetland maintenance and receipt of prior year claims for natural disaster assistance.
3	Grants - Capital	Fav	Due to delays in the delivery of capital works in the prior year, the associated grant income was recognised in the current year upon delivery, in accordance with AASB 1058. This included $1.4 million for Dallas Brooks Reserve Upgrade, $1.2 million in Black Spot grant funding, $1 million for Red Hill Recreation Reserve Pavilion Upgrade, $0.9 million for Briars Sanctuary Expansion, $0.7 million for Emil Madsen Reserve Sewer Connection and Services Upgrade and $0.6 million for Tennis Court Lighting Renewal Program. This has been partially offset by capital grants budgeted in the current year but treated as unearned income to align with the delivery of capital works which won't occur until next year. This included $4.4 million for Emil Madsen Reserve Soccer and Netball Pavilion.
4	Found Assets	Fav	During the year, Council continued capturing all assets in the asset register using geospatial techniques, identifying and recognising an additional $4.3 million in found assets. Breakdown includes: drainage $2.0M, footpaths $0.7M, parks, open space and streetscapes $0.4M, recreation leisure and community facilities $0.6M, roads $0.6M.
5	Other Income	Fav	Other income exceeded budget, driven by higher interest earnings from additional funds due to carry-forward projects and favourable interest rates. Other drivers include leisure and recreation centre contract favourable performance due to a number of initiatives implemented at the facilities during the year as well as positive investment rental income as new agreements have been entered into.
6	Employee Costs	Unfav	The unfavourable variance in employee costs reflects one off redundancy costs triggered by the Organisational review that took place during the year, and part year impact of achieving $5 million savings target. Another driver is lower than expected capital recoveries due to organisational review, vacant positions and delay of capital projects.
7	Materials and Services	Fav	The 1% underspend in materials and services is mainly due to a number of operating projects not completed during the year and carried forward to 2026–27 ($1.9 million). The remainder relates to lower costs across items such as legal fees, landfill levy and waste contracts.
8	Depreciation	Unfav	Depreciation increase due to revaluation of assets prior year after budget was calculated, mainly driven by the comprehensive valuation of Parks, open space and streetscapes. Depreciation continues to rise significantly with valuations over the last 4 years increasing Property, infrastructure, plant and equipment by $1 billion.
9	Net loss on disposal of property, infrastructure, plant and equipment	Unfav	The unfavourable variance primarily relates to the derecognition of assets identified through the asset reconciliation process, including $3.2 million of buildings and $4.1 million of infrastructure. Replacement assets had been recognised prior to the corresponding existing assets being derecognised, resulting in additional losses on disposal not anticipated..
10	Other Expenses	Unfav	Unfavourable variance to budget is driven by write-off's from work in progress which is historic expenditure no longer linked to a completed asset ($1.5 million).

2.1.2 Capital works	Budget 2026 $'000	Actual 2026 $'000	Variance $'000	Variance %	Ref
Property					
Land	7,820	337	7,483	96%	1
Buildings	15,299	18,135	(2,836)	(19%)	2
Total property	**23,119**	**18,472**	**4,647**	**20%**	
Plant and equipment					
Plant, machinery and equipment	681	577	104	15%	
Fixtures, fittings and furniture	194	190	4	2%	
Artworks	-	-	-		
Library books	1,096	1,032	64	6%	
Total plant and equipment	**1,971**	**1,799**	**172**	**9%**	
Infrastructure					
Roads	13,155	13,443	(288)	(2%)	3
Bridges	100	48	52	52%	
Footpaths and cycleways	3,912	4,137	(225)	(6%)	
Drainage	2,758	2,460	298	11%	
Recreational, leisure and community facilities	3,607	6,787	(3,180)	(88%)	4
Parks, open space and streetscapes	2,012	6,414	(4,402)	(219%)	5
Marine structures	100	1,085	(985)	(985%)	
Total infrastructure	**25,644**	**34,374**	**(8,730)**	**(34%)**	
Total capital works expenditure	**50,734**	**54,645**	**(3,911)**	**(8%)**	
Represented by:					
New asset expenditure	20,752	13,488	7,264	35%	
Asset renewal expenditure	22,853	31,137	(8,284)	(36%)	
Asset expansion expenditure	176	1,459	(1,283)	(729%)	
Asset upgrade expenditure	6,953	8,561	(1,608)	(23%)	
Total capital works expenditure	**50,734**	**54,645**	**(3,911)**	**(8%)**	

(i) Explanation of material variations

Variance Ref	Item	Variance Fav / Unfav	Explanation
	Variances less than $1 million		Capital works budget overspends typically relate to expenditure against prior year carry-forwards ($49.9 million) and the 2025–26 budget. Conversely, budget underspends will result in carry forwards of approximately $60 million to the next financial year.
1	Land	Unfav	$6.5 million budgeted for Rye Landfill - Cell 2 Capping Layer which did not occur during 2025-26 due to extension of the life of the landfill and will now occur in 2026-27.
2	Buildings	Unfav	Buildings expenditure exceeded budget due to several large multi-year projects with carry-forward budgets from the prior year with the main project being Pelican Park Recreation Centre Renewal ($2.2M).
3	Roads	Unfav	Roads expenditure is 9% under budget due to underspend which will result in carry forwards to next year. Particularly Mount Martha Landslip ($2M). This has been partially offset by expenditure on projects carried forward from 2024-25 such as Blackspot Somerville - Road Safety Improvement ($1M).
4	Recreational, leisure and community facilities	Fav	Recreational, leisure and community facilities expenditure exceeded budget due to several large multi-year projects with carry-forward budgets from the prior year with the main project being Dallas Brooks Reserve Upgrade ($2.8M).
5	Parks, open space and streetscapes	Unfav	Key projects carried forward from the prior year, contributing to the $4.5M overspend in parks, open space and streetscapes, include Rye Township Plan - Growing Suburbs ($2.7M), Briars Sanctuary Expansion ($1.3M) and Hillview Reserve Playspace/ Carpark/Path ($0.6M).

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Chief Executive Officer

The Chief Executive Office sits over the whole Organisation and provides decision making, leadership and collaboration

Assets and Infrastructure

The Directorate consists of the following:

- Infrastructure and Waste Services
- Projects and Engineering Services
- Assets, Buildings and Property.

The aim of the Directorate is to deliver high quality, innovative, cost-effective infrastructure and waste management services and projects for the Community within a supportive and collaborative environment that values everyone's contribution. The units take pride in improving our sense of place.

Communities

The Directorate consists of the following:

- Community Spaces and Recreation
- Community Services
- Community Partnerships and Engagement
- Customer Experience
- Economic and Cultural Development.

Enhancing the community's liveability is at the heart of this directorate; it strives to build capacity and improve wellbeing through an in depth understanding of the community's changing needs and a breadth of services. It also encompasses community infrastructure planning, economic development and tourism across the Shire.

Planning and Liveability

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

- Statutory Planning
- Strategic Planning, Transport and Environment
- Regulatory Services.

This Directorate sets the strategic direction for land use, traffic and transport and delivers statutory planning and building services to our community and leads the Shire's approach to climate change and coastal planning.

Chief of Staff

The Directorate encompasses core strategic enabling functions of Council, including:

- People and Culture
- Strategic Communications and Advocacy
- Organisational Strategy and Performance
- Legal Services.

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

Finance and Procurement

The Finance and Procurement Unit provides a range of service including regulatory, statutory functions and provides key enabling functions for the Council:

- Finance and Revenue
- Contracts and Procurement.

To ensure the financial sustainability of the Shire by providing data and analysis to support effective decision-making and resource allocation. This is to be underpinned by an effective control environment and external and internal compliance.

Governance and Risk

The Governance and Risk Unit provides a range of supporting services including:

- Governance Services
- Executive and Councillor Support
- Council Reports
- Enterprise Risk.

The Governance and Risk Unit enables and supports effective, transparent and accountable decision-making by providing support and guidance on governance, statutory obligations, enterprise risk, councillor support and Council meeting processes that strengthen organisational integrity and strategic outcomes.

Information Technology

The Information Technology Unit provides a range of supporting services including:

- IT Operations
- IT Strategy and Projects
- Emerging Technologies
- IT Systems and Infrastructure
- Data Excellence and Information Management.

The Information Technology unit enables and supports the delivery of efficient, secure and customer-focused services, by providing and governing technology, data, systems, cybersecurity and digital solutions that support operational excellence and strategic outcomes.

2.2.2 Summary of income/revenue, expenses, assets and capital expenses by program	Income/ Revenue	Expenses	Surplus/ (Deficit)	Grants included in income /revenue	Total assets
	$'000	$'000	$'000	$'000	$'000
2026					
Chief Executive Office	28	3,781	(3,753)	-	-
Assets and Infrastructure	52,483	194,641	(142,158)	13,146	3,885,263
Communities	19,973	47,818	(27,845)	7,387	5,181
Planning and Liveability	25,120	34,410	(9,290)	5,551	-
Chief of Staff	162	15,575	(15,413)	86	-
Finance and Procurement	246,898	15,995	230,904	11,313	188,014
Governance and Risk	488	5,164	(4,677)	-	-
Information Technology	13	13,601	(13,588)	13	1,299
	345,165	**330,985**	**14,180**	**37,496**	**4,079,757**
2025					
Office of the CEO	57	9,133	(9,076)	-	-
Office of the CFO	248,656	26,124	222,532	11,790	180,418
Community Strengthening	20,786	43,319	(22,533)	7,611	5,203
Corporate Strategy and Business Improvement	2,039	36,550	(34,511)	1,797	1,331
Planning and Environment	40,230	67,296	(27,066)	14,218	-
Assets and Infrastructure	10,607	125,367	(114,760)	1,056	3,759,900
	322,375	**307,789**	**14,586**	**36,472**	**3,946,852**

An organisational review was undertaken during 2025/26 and implemented from 20 October 2025. This change resulted in functions moved from the Office of the CFO and Corporate Strategy and Business Improvement and creating new areas for Chief of Staff, Finance and Procurement, Governance and Risk and Information Technology. Functions and Units also moved across the three operational Directorates (Assets and Infrastructure, Planning and Liveability and Communities). As a result of the volume of changes, the prior year has not been restated.

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 2025/26 was $130.272 billion (2024/25 $133.397 billion).

	2026 $'000	2025 $'000
General rates	179,662	172,978
Waste service charge	45,577	42,562
Service rates and charges (opt-in green waste)	9,952	8,571
Supplementary rates and rate adjustments	1,724	1,621
Culture and recreation	183	178
Revenue in lieu of rates	840	840
Total rates and charges	**237,938**	**226,750**

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2025 and the valuation was first applied in the rating year commencing 1 July 2025.

Annual rates and charges are recognised as income 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

	2026 $'000	2025 $'000
Infringements and costs	3,271	4,588
Land information certificates	349	284
Permits	3,099	2,774
Town planning fees	2,697	2,687
Other fees and charges	436	376
Total statutory fees and fines	**9,852**	**10,709**

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

3.3 User fees

	2026 $'000	2025 $'000
Aged and health services	903	918
Animal shelter fees	43	63
Building services	1,433	956
Child, youth and family care services	102	82
Events and festivals fees	240	245
Fines and Prosecution	1,093	1,075
Foreshore camping fees	3,599	3,415
Leisure centre and recreation	2,430	2,126
Parking and boat ramp	72	176
Planning fees	845	667
Property services	904	695
Registration and other permits	3,856	4,130
Waste Management	10,451	9,923
Other fees and charges	267	204
Total user fees	**26,238**	**24,675**
User fees by timing of revenue recognition		
User fees recognised over time	-	-
User fees recognised at a point in time	26,238	24,675
Total user fees	**26,238**	**24,675**

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

	2026 $'000	2025 $'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	24,517	17,762
State funded grants	12,979	18,711
Total grants received	**37,496**	**36,473**
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	10,513	11,574
General home care	914	1,139
Recurrent - State Government		
Family and Children	1,029	1,109
General home care	-	386
Libraries	1,095	1,095
Maternal and child health	1,978	1,923
School crossing supervisors	589	588
Other	888	522
Total recurrent operating grants	**17,006**	**18,335**
Non-recurrent - State Government		
Coastal Strategy	97	89
Community Safety	1,581	815
Family and children	25	61
Briars	360	262
Vegetation	810	197
Environmental planning	-	72
Waste management services	-	34
Other	84	149

	2026 $'000	2025 $'000
Total non-recurrent operating grants	**2,957**	**1,679**
Total operating grants	**19,963**	**20,014**
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,975	1,082
Recurrent - State Government		
Black Spot	1,213	5,153
Total recurrent capital grants	**3,188**	**6,235**
Non-recurrent - Commonwealth Government		
Buildings	5,584	3,491
Footpaths and cycleways	2,565	3
Recreation	9	423
Other	-	50
Non-recurrent - State Government		
Buildings	555	1,045
Drainage	-	199
Fixtures, fittings and furniture	37	-
Footpaths and cycleways	655	1,791
Libraries	20	20
Marine	6	140
Parks, Open Space and Streetscapes	2,832	2,715
Plant, machinery and equipment	43	-
Recreation	1,275	125
Roads and Intersections	764	221
Total non-recurrent capital grants	**14,345**	**10,223**
Total capital grants	**17,533**	**16,458**

(c) Recognition of grant income

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

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 Income of Not-for-Profit Entities.

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

	2026 $'000	2025 $'000
(d) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	397	1,621
Received during the financial year and remained unspent at balance date	182	384
Received in prior years and spent during the financial year	(239)	(1,608)
Balance at year end	**340**	**397**
Capital		
Balance at start of year	11,249	10,209
Received during the financial year and remained unspent at balance date	6,012	7,304
Received in prior years and spent during the financial year	(7,589)	(6,264)
Balance at year end	**9,672**	**11,249**

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions

	2026 $'000	2025 $'000
Monetary	10,530	2,516
Non-monetary	4,177	2,947
Total contributions	**14,708**	**5,463**
Contributions of non monetary assets were received in relation to the following asset classes.		
Roads	739	153
Drainage	1,348	1,589
Footpaths and cycleways	173	296
Parks and open spaces	420	648
Land	1,487	6
Bridges	-	53
Recreational Leisure	10	202
Total non-monetary contributions	**4,177**	**2,947**

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

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2026 $'000	2025 $'000
Proceeds of sale	205	515
Written down value of assets disposed	(7,382)	(429)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	**(7,177)**	**86**

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

	2026 $'000	2025 $'000
Interest	6,191	6,589
Dividends	5	5
Investment property rental	2,622	2,421
Recreation and Aquatic	2,805	2,123
Merchant Sales	869	590
Volunteer services	268	252
Other	1,881	1,784
Total other income	**14,641**	**13,764**

Interest is recognised as it is earned.

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

Note 4 THE COST OF DELIVERING SERVICES

	2026 $'000	2025 $'000
4.1 (a) Employee costs		
Wages and salaries	72,630	74,860
WorkCover	1,940	2,733
Casual staff	3,132	2,630
Superannuation	11,757	10,775
Fringe benefits tax	44	30
Annual leave and long service leave	9,692	8,027
Redundancies	4,185	469
Total employee costs	**103,380**	**99,524**
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	115	68
	115	**68**
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,982	3,959
Employer contributions - other funds		
Australian Super	1,222	1,109
Hostplus	1,084	1,000
Australian Retirement Trust	148	85
Hesta Super	443	398
Aware Super (previously First State Super)	709	293
Rest Super	714	583
Other	3,340	3,280
	11,642	**10,707**
Employer contributions payable at reporting date.	418	389

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

	2026 $'000	2025 $'000
4.2 Materials and services		
Contract payments		
Waste management services	42,342	37,178
Sport and recreational	2,054	2,040
Building maintenance	15,539	12,136
Landfill rehabilitation*	(1,180)	48
General maintenance		
Roads, drainage and cleansing	28,273	24,726
Natural systems	6,110	5,735
Tree management	9,985	10,804
Open space	14,041	12,209
Other	376	471
Utilities	4,352	5,381
Parking and travel	140	193
Operating leases	437	402
Information technology	6,234	6,536
Insurance	3,155	3,089
Legal	691	1,387
Consultants	12,603	14,865
Other	9,680	11,019
Total materials and services	**154,832**	**148,219**

Expenses are recognised as they are incurred and reported in the financial year to which they relate.
* See note 5.5(b) for provision balance.

	2026 $'000	2025 $'000
4.3 Depreciation		
Property	12,591	12,461
Plant and equipment	1,619	1,486
Infrastructure	36,641	32,171
Total depreciation	**50,851**	**46,118**

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

	2026 $'000	2025 $'000
4.4 Amortisation - Intangible assets		
Software	91	90
Landfill air space	452	359
Total Amortisation - Intangible assets	**543**	**449**

	2026 $'000	2025 $'000
4.5 Depreciation - Right of use assets		
Vehicles	1,522	1,184
Total Depreciation - Right of use assets	**1,522**	**1,184**

	2026 $'000	2025 $'000
4.6 Allowance for impairment losses		
Other debtors	7	47
Total allowance for impairment losses	**7**	**47**
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	47	2
New allowances recognised during the year	7	45
Amounts already allowed for and written off as uncollectible	(47)	-
Balance at end of year	**7**	**47**

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

	2026 $'000	2025 $'000
4.7 Borrowing costs		
Interest - Borrowings	703	892
Total borrowing costs	**703**	**892**

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.

	2026 $'000	2025 $'000
4.8 Finance Costs - Leases		
Interest - Lease liabilities	83	72
Total finance costs	**83**	**72**

	2026 $'000	2025 $'000
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	94	81
Auditors' remuneration - Internal Audit	129	172
Councillors' allowances	713	707
Community grants, contributions and subsidies paid	4,845	4,276
Indirect recruitment costs (recruitment, staff training and uniforms)	1,350	1,821
Insurance excess and small claims	315	264
Operating lease rentals	148	83
Training, conferences and seminars	90	119
Volunteer services	285	267
Others	3,161	2,746
Total other expenses	**11,130**	**10,536**

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

	2026 $'000	2025 $'000
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	6	6
Cash at bank	27,592	40,990
Total cash and cash equivalents	**27,598**	**40,996**
(b) Other financial assets		
Current		
Term deposits	105,606	100,600
Total current other financial assets	**105,606**	**100,600**
Non-current		
Shares	45	46
Total non-current other financial assets	45	46
Total other financial assets	**105,651**	**100,646**
Total cash and cash equivalents and other financial assets	**133,249**	**141,642**

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

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

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

	2026 $'000	2025 $'000
(c) Trade and other receivables		
Current		
Statutory receivables		
Rates debtors	34,067	19,719
Rates pensioner	1,221	1,028
Special rate assessment	392	399
Infringement debtors	6,818	5,750
Allowance for expected credit loss - infringements	(5,563)	(4,216)
Net GST receivable	1,961	2,163
Non statutory receivables		
Other debtors	9,531	6,581
Total current trade and other receivables	**48,427**	**31,424**
Total trade and other receivables	**48,427**	**31,424**

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

	2026 $'000	2025 $'000
(d) Ageing of receivables		
The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	4,076	1,187
Past due by up to 30 days	3,248	2,760
Past due between 31 and 180 days	867	1,669
Past due between 181 and 365 days	576	215
Past due by more than 1 year	764	750
Total trade and other receivables	**9,531**	**6,581**
(e) Ageing of individually impaired receivables		
At balance date, other debtors representing financial assets with a nominal value of $6,818,356 (2025: $5,749,678) were impaired. The amount of the allowance raised against these debtors was $5,562,658 (2025: $4,216,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.		
The ageing of 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	1,303	579
Past due by more than 1 year	4,260	3,637
Total trade and other receivables	**5,563**	**4,216**

	2026 $'000	2025 $'000
5.2 Non-financial assets		
(a) Inventories		
Inventories held for distribution	310	272
Total inventories	**310**	**272**

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.

	2026 $'000	2025 $'000
(b) Prepayments		
IT Software Costs	1,249	1,244
Total prepayments	**1,249**	**1,244**
(c) Other assets		
Accrued income	1,750	1,772
Total other assets	**1,750**	**1,772**
(c) Intangible assets		
Software	132	223
Landfill air space	452	359
Total intangible assets	**584**	**581**

	Software $'000	Landfill $'000	Total $'000
Gross carrying amount			
Balance at 1 July 2025	2,760	9,968	12,728
Other additions	-	546	546
Balance at 30 June 2026	**2,760**	**10,514**	**13,274**
Accumulated amortisation and impairment			
Balance at 1 July 2025	(2,537)	(9,610)	(12,147)
Amortisation expense	(91)	(452)	(543)
Balance at 30 June 2026	**(2,628)**	**(10,062)**	**(12,690)**
Net book value at 30 June 2025	223	358	581
Net book value at 30 June 2026	**132**	**452**	**584**

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.

	2026 $'000	2025 $'000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
Non-statutory payables		
Trade payables	1,604	2,166
Accrued expenses	22,183	21,657
Total current trade and other payables	**23,787**	**23,823**
(b) Trust funds and deposits		
Current		
Refundable deposits	6,554	5,787
Emergency Services and Volunteers Fund *	6,521	1,559
Retention amounts	163	191
Bank guarantees	189	261
General	142	254
Hillview Quarries restoration fund	477	477
Rate recoveries	-	341
Subdivision maintenance deposits	656	1,103
Total current trust funds and deposits	**14,702**	**9,973**
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	340	397
Developer Contributions	2,753	7,037
Other income	587	392
Total contract liabilities	**3,679**	**7,826**

* - Emergency Services and Volunteers Fund (ESVF) replaced the Fire Services Property Levy (FSPL) on 1 July 2025, prior year figure reflects Fire Services Property Levy.

	2026 $'000	2025 $'000
Other liabilities		
Current		
Grants received in advance - capital	9,672	11,249
Total current other liabilities	**9,672**	**11,249**
Non Current		
Developer Contributions	11,832	11,713
Total non current other liabilities	**11,832**	**11,713**
Total other liabilities	**21,505**	**22,962**
Total contract and other liabilities	**25,184**	**30,788**

Trust funds and deposits

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.

Contract Liabilities

Contract liabilities reflect consideration received in advance from customers in respect of programs, projects and services yet to be delivered. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3..

Other liabilities

Grant consideration was received from State and Commonwealth Government to support the construction of Council Projects. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of Council Projects. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Developer Contributions - Relate to public open space contributions made through subdivision applications for Open space that is owned or managed by public authorities and is available for community use.

Purpose and nature of items

Emergency Services and Volunteers Fund - Council is the collection agent for the Emergency Services and Volunteers Fund 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. Developer Contributions - Relate to public open space contributions made through subdivision applications for Open space that is owned or managed by public authorities and is available for community use.

	2026 $'000	2025 $'000
5.4 Interest-bearing liabilities		
Current		
Bank overdraft	-	399
Treasury Corporation of Victoria borrowings - secured*	761	748
Other borrowings - secured*	1,600	1,919
Total current interest-bearing liabilities	**2,361**	**3,067**
Non-current		
Treasury Corporation of Victoria borrowings - secured*	5,275	6,036
Other borrowings - secured*	19,600	21,200
Total non-current interest-bearing liabilities	**24,875**	**27,236**
Total	**27,236**	**30,303**
* - Borrowings are secured by general rates.		
(a) The maturity profile for Council's borrowings is:		
Not later than one year	2,361	3,067
Later than one year and not later than five years	12,006	11,938
Later than five years	12,869	15,298
Total	**27,236**	**30,303**

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 based on contractual repayment terms at every balance date.

In classifying borrowings as current or non-current Council considers whether at balance date it has the right to defer settlement of the liability for at least twelve months after the reporting period. Council's loan arrangements include covenants based on Council's financial performance and position at the end of the reporting period. These covenants are assessed for compliance after the reporting period based on specified financial ratios.

	Employee $'000	Landfill restoration $'000	Native vegetation management $'000	Total $'000
5.5 Provisions				
2026				
Balance at beginning of the financial year	15,883	12,387	334	28,604
Additional provisions	9,320	-	40	9,360
Amounts used	(8,028)	(1,726)	(55)	(9,809)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	278	546	-	823
Balance at the end of the financial year	**17,453**	**11,207**	**319**	**28,978**
Provisions - current	14,153	-	134	14,287
Provisions - non-current	3,300	11,207	185	14,691
2025				
Balance at beginning of the financial year	15,760	12,339	426	28,525
Additional provisions	8,969	-	-	8,969
Amounts used	(8,701)	-	(92)	(8,793)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(145)	48	-	(97)
Balance at the end of the financial year	**15,883**	**12,387**	**334**	**28,604**
Provisions - current	13,218	-	84	13,302
Provisions - non-current	2,665	12,387	250	15,302

	2026 $'000	2025 $'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	5,257	3,267
Long service leave	1,059	1,913
Redundancies	64	117
	6,380	**5,298**
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,589	3,218
Long service leave	6,184	4,703
	7,773	**7,921**
Total current employee provisions	**14,153**	**13,218**
Non-current		
Long service leave	3,300	2,665
Total non-current employee provisions	**3,300**	**2,665**
Aggregate carrying amount of employee provisions:		
Current	14,153	13,218
Non-current	3,300	2,665
Total aggregate carrying amount of employee provisions	**17,453**	**15,883**

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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

Long service leave

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

	2026	2025
Key assumptions:		
- discount rate	4.75%	4.20%
- index rate	4.25%	4.25%

	2026 $'000	2025 $'000
(b) Landfill restoration		
Non-current		
Rye Landfill	10,907	10,361
Tyabb Landfill	300	2,026
	11,207	**12,387**

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

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

	2026	2025
Key assumptions:		
- discount rate	5.04% - 6.31%	3.85% - 6.08%
- index rate	4.00%	2.40%

	2026 $'000	2025 $'000
(c) Native vegetation management		
Current	134	84
Non-current	185	251
	319	**334**

	2026 $'000	2025 $'000
5.6 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June 2026.		
Bank overdraft	5,000	5,000
Bank loans	30,400	29,590
Credit card facilities	200	200
Treasury Corporation of Victoria facilities	10,000	10,000
Other facilities	100	100
Total facilities	**45,700**	**44,890**
Used facilities	27,236	30,314
Unused facilities	**18,464**	**14,576**

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year $'000	Later than 1 year and not later than 2 years $'000	Later than 2 years and not later than 5 years $'000	Later than 5 years $'000	Total $'000
2026					
Operating					
Open Space	18,145	18,582	42,432	-	79,160
Bushland Management	7,013	7,226	16,030	-	30,269
Tree Management	11,649	11,927	23,207	-	46,783
Buildings Maintenance	19,870	6,348	7,308	-	33,526
Road Corridors	35,024	36,241	116,451	217,941	405,657
Garbage Collection	18,864	19,336	58,538	167,044	263,781
Recycling	3,400	2,711	8,207	28,238	42,556
Green Waste	1,370	-	-	-	1,370
Telecommunications and IT	2,891	1,324	394	-	4,610
Recreation and Leisure	1,026	1,026	1,026	-	3,079
Utilities	-	-	-	-	-
Landfill and Transfer Station Management	7,207	-	-	-	7,207
Administration	526	424	-	-	950
Services	11,360	67	-	-	11,428
Library	386	386	386	-	1,157
Consulting	74	60	71	-	205
Operating Projects	872	-	-	-	872
Total	**139,677**	**105,658**	**274,050**	**413,223**	**932,610**

	Not later than 1 year $'000	Later than 1 year and not later than 2 years $'000	Later than 2 years and not later than 5 years $'000	Later than 5 years $'000	Total $'000
Capital					
Buildings	8,602	-	-	-	8,602
Drainage	4,936	-	-	-	4,936
Fixtures, fittings and furniture	49	-	-	-	49
Footpaths and cycleways	3,539	-	-	-	3,539
Land	129	-	-	-	129
Library Books	278	-	-	-	278
Marine structures	2,217	-	-	-	2,217
Parks, open space and streetscapes	1,104	-	-	-	1,104
Plant, machinery and equipment	136	-	-	-	136
Recreational, leisure and community facilities	8,118	-	-	-	8,118
Roads	4,114	-	-	-	4,114
Total	**33,222**	**-**	**-**	**-**	**33,222**

	Not later than 1 year $'000	Later than 1 year and not later than 2 years $'000	Later than 2 years and not later than 5 years $'000	Later than 5 years $'000	Total $'000
2025					
Operating					
Open Space	15,820	16,215	10,995	-	43,030
Bushland Management	6,174	6,329	5,872	-	18,375
Tree Management	10,799	11,069	5,538	-	27,407
Buildings Maintenance	13,975	11,400	33,816	25,683	84,873
Road Corridors	33,758	34,602	87,176	-	155,537
Garbage Collection	18,404	18,864	59,469	185,448	282,185
Recycling	8,854	2,645	8,337	30,819	50,655
Green Waste	1,092	-	-	-	1,092
Telecommunications and IT	2,409	1,469	-	-	3,878
Recreation and Leisure	967	991	2,087	-	4,046
Utilities	543	185	-	-	728
Landfill and Transfer Station Management	12,238	-	-	-	12,238
Operating Projects	1,109	-	-	-	1,109
Total	**126,144**	**103,770**	**213,291**	**241,949**	**685,153**

	Not later than 1 year $'000	Later than 1 year and not later than 2 years $'000	Later than 2 years and not later than 5 years $'000	Later than 5 years $'000	Total $'000
Capital					
Buildings	10,231	-	-	-	10,231
Drainage	3,261				3,261
Fixtures, fittings and furniture	7				7
Footpaths and cycleways	6,392				6,392
Land	1,911				1,911
Library Books	11				11
Marine structures	70				70
Parks, open space and streetscapes	3,935				3,935
Plant, machinery and equipment	91				91
Recreational, leisure and community facilities	861	-	-	-	861
Roads	2,535				2,535
Total	**29,308**	**-**	**-**	**-**	**29,308**

(b) 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:

	2026 $'000	2025 $'000
Not later than one year	632	863
Later than one year and not later than five years	1,531	1,823
Later than five years	2,252	2,592
	4,415	**5,278**

5.8 Leases

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

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

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

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

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

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

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

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

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

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

Under AASB 16 Leases, Council as a not-for-profit entity has elected not to 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.

CCTV and Transmitter Facility Leases - Relating installation of CCTV equipment on site. Lease terms ranging from 10 to 20 years.

Recreation Leases - Relating to open spaces for reserves. Lease terms ranging between 5 and 40 years.

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

	Vehicles $'000	Total $'000
Right-of-Use Assets		
Balance at 1 July 2025	5,308	5,308
Additions	802	802
Depreciation charge	(1,522)	(1,522)
Balance at 30 June 2026	**4,588**	**4,588**

	2026 $'000	2025 $'000
Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,914	1,677
One to five years	3,274	4,322
Total undiscounted lease liabilities as at 30 June:	**5,188**	5,999
Lease liabilities included in the Balance Sheet at 30 June:		
Current	1,654	1,618
Non-current	3,124	3,809
Total lease liabilities	**4,778**	**5,427**

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.

	2026 $'000	2025 $'000
Expenses relating to:		
Short-term leases	585	486
Leases of low value assets	474	963
Total	**1,059**	**1,449**

	2026 $'000	2025 $'000
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:		
Within one year	435	547
Later than one year but not later than five years	423	839
Total lease commitments	**858**	**1,386**

Note 6 ASSETS WE MANAGE

	2026 $'000	2025 $'000
6.1 Non current assets classified as held for sale		
Property held for sale	486	444
Total non current assets classified as held for sale	**486**	**444**

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.

	Carrying amount 30 June 2025 $'000	Found Assets $'000	Additions $'000	Contributions $'000	Revaluation $'000	Depreciation $'000	Disposal $'000	Write-off $'000	Transfers $'000	Adjustments $'000	Carrying amount 30 June 2026 $'000
6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT											
Summary of property, infrastructure, plant and equipment											
Property	2,081,408	-	-	1,484	42,858	(12,590)	(3,238)	-	10,682	(42)	2,120,562
Plant and equipment	7,081	-	-	-	-	(1,621)	-	-	1,543	-	7,003
Infrastructure	1,574,738	4,293	-	2,693	79,528	(36,640)	(4,144)	-	33,570	-	1,654,038
Work in progress	91,217	-	54,645	-	-	-	-	(1,521)	(45,795)	(38)	98,508
	3,754,444	**4,293**	**54,645**	**4,177**	**122,386**	**(50,851)**	**(7,382)**	**(1,521)**	**-**	**(80)**	**3,880,111**

	Opening WIP $'000	Additions $'000	Write-off $'000	Transfers $'000	Adjustments $'000	Closing WIP $'000
Summary of Work in Progress						
Property	20,817	18,472	(9)	(10,682)	(38)	28,560
Plant and equipment	410	1,799	(3)	(1,543)	-	663
Infrastructure	69,990	34,374	(1,509)	(33,570)	-	69,285
Total	**91,217**	**54,645**	**(1,521)**	**(45,795)**	**(38)**	**98,508**

	Land - specialised $'000	Land - non specialised $'000	Land Under Roads $'000	Total Land and Land Improvements $'000	Buildings - specialised $'000	Buildings - non specialised $'000	Total Buildings $'000	Work In Progress $'000	Total Property $'000
(a) Property									
At fair value 1 July 2025	1,721,537	3,892	3,221	**1,728,650**	740,666	409	**741,075**	20,817	**2,490,542**
Accumulated depreciation at 1 July 2025	-	-	-	**-**	(387,941)	(376)	**(388,317)**	-	**(388,317)**
	1,721,537	**3,892**	**3,221**	**1,728,650**	**352,725**	**33**	**352,758**	**20,817**	**2,102,225**
Movements in fair value									
Additions	-	-	-	**-**	-	-	**-**	18,472	**18,472**
Contributions	1,484	-	-	**1,484**	-	-	**-**	-	**1,484**
Revaluation	5,100	(419)	(18)	**4,663**	72,397	62	**72,459**	-	**77,122**
Disposal	-	-	-	**-**	(12,237)	-	**(12,237)**	-	**(12,237)**
Write-off	-	-	-	**-**	-	-	**-**	(9)	**(9)**
Transfers	**-**	**-**	**1**	**1**	10,681	-	**10,681**	(10,682)	**-**
Adjustment	(42)	-	-	**(42)**	-	-	**-**	(38)	**(80)**
	6,542	**(419)**	**(17)**	**6,106**	**70,841**	**62**	**70,903**	**7,743**	**84,752**
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(12,590)	-	**(12,590)**	-	**(12,590)**
Accumulated depreciation of disposals	-	-	-	**-**	8,999	-	**8,999**	-	**8,999**
Revaluation movement	-	-	-	**-**	(34,206)	(58)	**(34,264)**	-	**(34,264)**
Transfers	-	-	-	**-**	-	-	**-**	-	**-**
	-	**-**	**-**	**-**	**(37,797)**	**(58)**	**(37,855)**	**-**	**(37,855)**
At fair value 30 June 2026	1,728,079	3,473	3,204	**1,734,756**	811,507	471	**811,978**	28,560	**2,575,294**
Accumulated depreciation at 30 June 2026	**-**	**-**	**-**	**-**	(425,738)	(434)	**(426,172)**	-	**(426,172)**
Carrying amount	**1,728,079**	**3,473**	**3,204**	**1,734,756**	**385,769**	**37**	**385,806**	**28,560**	**2,149,122**

	Plant machinery and equipment $'000	Fixtures fittings and furniture $'000	Computers and telecomms $'000	Artworks $'000	Library books $'000	Work In Progress $'000	Total plant and equipment $'000
(b) Plant and Equipment							
At cost 1 July 2025	2,197	5,502	293	2,753	5,048	410	**16,203**
Accumulated depreciation at 1 July 2025	(1,270)	(4,639)	(207)	-	(2,597)	-	**(8,713)**
	927	**863**	**86**	**2,753**	**2,451**	**410**	**7,490**
Movements in carrying value							
Additions	-	-	-	-	-	1,799	**1,799**
Disposal	-	-	-	-	(1,011)	-	**(1,011)**
Write-off	-	-	-	-	-	(3)	**(3)**
Transfers	62	423	-	-	1,058	(1,543)	**-**
	62	**423**	**-**	**-**	**47**	**253**	**785**
Movements in accumulated depreciation							
Depreciation and amortisation	(135)	(368)	(36)	-	(1,082)	-	**(1,621)**
Accumulated depreciation of disposals	-	-	-	-	1,011	-	**1,011**
	(135)	**(368)**	**(36)**	**-**	**(71)**	**-**	**(610)**
At cost 30 June 2026	2,259	5,925	293	2,753	5,095	663	**16,988**
Accumulated depreciation at 30 June 2026	(1,405)	(5,007)	(243)	-	(2,667)	-	**(9,322)**
Carrying amount	**854**	**918**	**50**	**2,753**	**2,428**	**663**	**7,666**

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Parks, open space and streetscapes	Marine Structures	Work In Progress	Total Infrastructure
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
(c) Infrastructure									
At fair value 1 July 2025	1,301,677	3,087	206,782	919,023	47,970	131,446	10,692	69,990	**2,690,667**
Accumulated depreciation at 1 July 2025	(479,829)	(1,077)	(109,756)	(343,378)	(28,654)	(78,720)	(4,525)	-	**(1,045,939)**
	821,848	**2,010**	**97,026**	**575,645**	**19,316**	**52,726**	**6,167**	**69,990**	**1,644,728**
Movements in fair value									
Additions	-	-	-	-	-	-	-	34,374	**34,374**
Found Assets	613	14	707	1,972	625	362	-	-	**4,293**
Contributions	739	-	173	1,348	10	423	-	-	**2,693**
Revaluation	55,965	176	9,695	54,011	1,094	2,031	240	-	**123,212**
Disposal	(2,739)	(17)	(3,808)	(283)	(643)	(1,699)	(232)	-	**(9,421)**
Write-off	-	-	-	-	-	-	-	(1,509)	**(1,509)**
Transfers	4,768	773	8,765	5,264	3,444	9,753	803	(33,570)	**-**
	59,346	**946**	**15,532**	**62,312**	**4,530**	**10,870**	**811**	**(705)**	**153,642**
Movements in accumulated depreciation									
Depreciation and amortisation	(17,108)	(50)	(3,943)	(9,566)	(1,740)	(4,014)	(219)	-	**(36,640)**
Accumulated depreciation of disposals	1,946	1	1,342	102	591	1,142	153	-	**5,277**
Revaluation movement	(19,026)	(51)	(5,123)	(17,971)	(634)	(781)	(98)	-	**(43,684)**
	(34,188)	**(100)**	**(7,724)**	**(27,435)**	**(1,783)**	**(3,653)**	**(164)**	**-**	**(75,047)**
At fair value 30 June 2026	1,361,023	4,033	222,314	981,335	52,500	142,316	11,503	69,285	**2,844,309**
Accumulated depreciation at 30 June 2026	(514,017)	(1,177)	(117,480)	(370,813)	(30,437)	(82,373)	(4,689)	-	**(1,120,986)**
Carrying amount	**847,006**	**2,856**	**104,834**	**610,522**	**22,063**	**59,943**	**6,814**	**69,285**	**1,723,323**

Acquisition

Initial measurement Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided 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. Refer to Note 8.4 for more information on how Council measures fair value.

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 $'000
Asset recognition thresholds and depreciation periods		
Land and land improvements	-	1
Land	-	1
Land improvements		
Buildings		
Buildings	2 - 333 years	5
Plant and Equipment		
Plant, machinery and equipment	5 - 15 years	2
Furniture and fittings	3 - 10 years	2
Information technology	4 - 5 years	1
Library books	3 - 5 years	1
Infrastructure		
Roads - pavements, substructure and formation	17 - 250 years	15
Roads - kerb, channel and minor culverts and other	17 - 250 years	15
Drainage	49 - 147 years	15
Bridges - deck and substructure	20 - 100 years	15
Bridges - others	100 years	15
Footpaths and cycleways	8 - 100 years	15
Recreational, leisure and community facilities	10 - 41 years	15
Parks, open space and streetscapes	9 - 80 years	15
Marine structures	25 - 100 years	15
Intangible assets		
Software	20 years	1
Airspace	1 - 10 years	1
Right of use assets	1 - 5 years	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

Straight line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

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

Leasehold improvements

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

Valuation of land and buildings

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

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

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

The date and type of the current valuation is detailed in the following table. Council undertakes a formal revaluation of land and buildings every 2 (two) years.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Date of Valuation	Type of Valuation
Land-Specialised	-	-	1,728,079	Jun-26	Full
Land-Non Specialised	-	3,473	-	Jun-26	Full
Land Under Roads	-	-	3,204	Jun-26	Full
Buildings-Specialised	-	-	385,769	Jun-26	Full
Buildings-Non Specialised	-	37	-	Jun-26	Full
Total	**-**	**3,510**	**2,117,052**		

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 infrastructure assets every 4 (four) years with an annual interim review in the year they are not due for full revaluation. The valuation is performed by experienced council officers.

The date and type of the current valuation is detailed in the following table. An index based valuation was conducted on all infrastructure assets (this is a method of valuation whereby indices are applied to the cost value of a class of assets to arrive at the fair value of the class of assets). The valuation is at fair value based on current replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Date of Valuation	Type of Valuation
Roads	-	-	847,006	Jun-26	Index
Bridges	-	-	2,856	Jun-26	Index
Footpaths and cycleways	-	-	104,834	Jun-26	Index
Drainage	-	-	610,522	Jun-26	Index
Recreational, leisure and community facilities	-	-	22,063	Jun-26	Index
Parks, open space and streetscapes	-	-	59,943	Jun-26	Index
Marine Structures	-	-	6,814	Jun-26	Index
Total	**-**	**-**	**1,654,038**		

Asset Class	Comprehensive Revaluation Last	Comprehensive Revaluation Next (latest)	Source of Index
Bridges, Footpaths and cycleways, and Roads	2022-23	2026-27	**Australian Bureau of Statistics** 6427.0 Producer Price Indices, Australia, Table 12 6427.0 Producer Price Indexes, Australia, Table 17 6345.0 Wage Price Indexes, Australia, Table 8b
Drainage	2023-24	2027-28	**Australian Bureau of Statistics** 6427.0 Producer Price Indices, Australia, Table 12 6427.0 Producer Price Indexes, Australia, Table 17 6345.0 Wage Price Indexes, Australia, Table 8b
Marine structures, Parks, open space and streetscapes, and Recreation and leisure	2024-25	2028-29	**Australian Bureau of Statistics** 6427.0 Producer Price Indices, Australia, Table 12 6427.0 Producer Price Indexes, Australia, Table 17 6345.0 Wage Price Indexes, Australia, Table 8b

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 $1 and $6,383 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from $110 to $9,336 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

	2026 $'000	2025 $'000
Reconciliation of specialised land		
Land under roads	3,204	3,221
Parks and reserves	1,728,079	1,721,537
Total specialised land	**1,731,283**	**1,724,758**

	2026 $'000	2025 $'000
6.3 Investment property		
Balance at beginning of financial year	9,721	10,041
Additions	39	-
Fair value adjustments	(757)	(320)
Balance at end of financial year	**9,003**	**9,721**

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

Valuation of investment property

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

Note 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Mornington Peninsula Shire is the parent entity.

Subsidiaries and Associates

Mornington Peninsula Cemetery Trust

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

(b) Key Management Personnel

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

Details of KMP at any time during the year are:	2026	2025
Councillors		
Councillor Anthony Marsh (resigned 14 May 2026)	1	1
Councillor Paul Pingiaro	1	1
Councillor Kate Roper	1	1
Councillor David Gill	1	1
Councillor Andrea Allen	1	1
Councillor Max Patton	1	1
Councillor Cam Williams	1	1
Councillor Bruce Ranken	1	1
Councillor Michael Stephens	1	1
Councillor Stephen Batty	1	1
Councillor Patrick Binyon	1	1
Councillor Despi O'Connor (1 July 2023 to 26 October 2024)	-	1
Councillor Steve Holland (1 July 2023 to 26 October 2024)	-	1
Councillor Lisa Dixon (1 July 2023 to 26 October 2024)	-	1
Councillor Susan Bissinger (1 July 2023 to 26 October 2024)	-	1
Councillor Sarah Race (1 July 2023 to 26 October 2024)	-	1
Councillor Antonella Celi (1 July 2023 to 26 October 2024)	-	1
Councillor Debra Mar (1 July 2023 to 26 October 2024)	-	1
Councillor Simon Brooks (1 July 2023 to 26 October 2024)	-	1
Chief Executive Officer	1	3
Director - Assets and Infrastructure	1	1
Director - Community	1	2
Director - McCrae Landslide Incident	2	1
Director - Planning and Liveability	1	4
Chief of Staff	1	-
Chief Financial Officer (ended October 2025)	1	1
Director - Corporate Strategy and Business Improvement (ended October 2025)	1	1
Total Number of Councillors	**11**	**19**
Total of Chief Executive Officer and other Key Management Personnel	**9**	**13**
Total Number of Key Management Personnel	**20**	**32**

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2026 $'000	2025 $'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	2,610	2,060
Other long-term employee benefits	171	91
Post-employment benefits	269	207
Termination benefits	424	11
Total	**3,474**	**2,369**

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

	2026 No.	2025 No.
$0 - $39,999	-	14
$40,000-$49,999	9	5
$60,000-$69,999	-	2
$80,000-$89,999	-	2
$90,000-$99,999	-	1
$100,000-$109,999	2	-
$110,000-$119,999	-	1
$150,000-$159,999	1	-
$180,000-$189,999	-	1
$190,000-$199,999	1	-
$210,000-$219,999	-	1
$220,000-$229,999	-	1
$230,000-$239,999	-	1
$280,000-$289,999	2	-
$290,000-$299,999	1	-
$300,000-$309,999	1	-
$330,000-$339,999	-	1
$340,000-$349,999	-	1
$360,000-$369,999	1	1
$400,000-$409,999	1	-
$520,000-$529,999	1	-
Total	**20**	**32**

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds $170,000 and who report directly to a member of the KMP.

	2026 $	2025 $
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	3,910	4,701
Other long-term employee benefits	173	62
Post-employment benefits	468	533
Termination benefits	595	1
Total	**5,146**	**5,297**

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

	2026 No.	2025 No.
Income Range:		
$0 - $99,999	3	8
$100,000 - $109,999	-	1
$120,000 - $129,999	-	1
$130,000 - $139,999	-	1
$140,000 - $149,999	2	1
$170,000 - $179,999	-	3
$180,000 - $189,999	-	1
$190,000 - $199,999	-	1
$200,000 - $209,999	1	3
$210,000 - $219,999	3	4
$220,000 - $229,999	3	3
$230,000 - $239,999	2	1
$240,000 - $249,999	4	1
$250,000 - $259,999	3	1
$260,000 - $269,999	1	2
$300,000 - $309,999	1	-
$320,000 - $329,999	1	-
	24	**32**

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	Supplier/Entity	Nature of Transactions (on normal commercial terms)	Transaction Amount $'000
Councillor Kate Roper	Trustees	Mornington Peninsula Cemetery Trust	Administration Costs	87
Councillor Stephen Batty				
Councillor Paul Pingiaro				
Councillor Stephen Batty	Family Member of Proprietor	Event Logistic Group Pty Ltd T/A Bay Events	Commercial	34
Councillor Paul Pingiaro	Director of Related Party	Mornington Boat Hire and Bait and Tackle	Commercial	17
Councillor Max Patton	Employee	Whitecliffs to Camerons Bight Foreshore	Grant	5

(b) Outstanding balances with related parties

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

Mornington Peninsula Cemetery Trust

Amount receivable from the Mornington Peninsula Cemetery Trust at 30 June 2026 is $146,655 (30 June 2025 - $25,276).

(c) Loans to/from related parties

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

Nil

(d) Commitments to/from related parties

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

Nil

Note 8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Landfill

Council has ongoing obligations associated with the operation, rehabilitation and aftercare of landfill sites across the Mornington Peninsula. Rye Landfill remains an active landfill site, while Council also continues to manage and maintain closed landfill sites. The landfill restoration provision includes the majority of anticipated future aftercare and maintenance costs associated with these sites, including ongoing monitoring and maintenance activities required following rehabilitation. The provision is reviewed annually to reflect changes in the expected timing, scope and estimated cost of the required rehabilitation and aftercare activities.

Liability Mutual Insurance

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

(c) Guarantees for loans to other entities

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

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

	2026 $'000	2025 $'000
The Mornington Peninsula Shire has guaranteed loans of: *	Loan Balance	Loan Balance
Devils Bend Golf Club	1	-
Mornington Bowling Club Inc	73	500
Total	**74**	**500**

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

8.2 Australian Accounting Standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards.

The Australian Accounting Standards Board (AASB) has issued AASB 18 Presentation and Disclosure in Financial Statements. When applicable AASB 18 supersedes AASB 101 Presentation of Financial Statements. AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It is expected to result in presentation and disclosure changes, primarily to Council's Comprehensive Income Statement. AASB 18 is expected to first apply to Council for the 2028-29 financial year.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

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

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance 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 + 0.8% and -0.5% in market interest rates (AUD) from year-end rates of 5.05%.

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. For assets where Council adopts a current replacement cost approach to determine fair value, Council considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

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

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

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

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

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

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

Revaluation

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

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

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

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases 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. The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measured at fair value. These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 Impairment of Assets does not apply to such assets that are regularly revalued.

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

	Balance at beginning of reporting period $'000	Increase (decrease) $'000	Balance at end of reporting period $'000
9.1 Reserves			
(a) Asset revaluation reserves			
2026			
Property			
Land and land improvements	1,487,123	4,681	1,491,804
Land under road	1,679	(19)	1,660
Buildings	185,369	38,196	223,565
	1,674,171	**42,858**	**1,717,029**
Infrastructure			
Roads	443,765	36,939	480,704
Bridges	909	125	1,034
Footpaths and cycleways	61,374	4,572	65,946
Drainage	467,522	36,040	503,562
Recreational, leisure and community facilities	11,546	460	12,006
Parks, open space and streetscapes	17,709	1,250	18,959
Marine structures	1,020	142	1,162
	1,003,845	**79,528**	**1,083,373**
Intangible asset			
Landfill air space	896	546	1,442
Total asset revaluation reserves	**2,678,912**	**122,932**	**2,801,844**

	Balance at beginning of reporting period $'000	Increase (decrease) $'000	Balance at end of reporting period $'000
2025			
Property			
Land and land improvements	1,487,123	-	1,487,123
Land under road	1,679	-	1,679
Buildings	186,912	(1,543)	185,369
	1,675,714	**(1,543)**	**1,674,171**
Infrastructure			
Roads	416,467	27,298	443,765
Bridges	842	67	909
Footpaths and cycleways	58,147	3,227	61,374
Drainage	438,597	28,925	467,522
Recreational, leisure and community facilities	10,882	664	11,546
Parks, open space and streetscapes	16,319	1,390	17,709
Marine structures	802	218	1,020
	942,056	**61,789**	**1,003,845**
Intangible asset			
Landfill air space	896	-	896
Total asset revaluation reserves	**2,618,666**	**60,246**	**2,678,912**

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

	Balance at beginning of reporting period $'000	Transfer from accumulated surplus $'000	Transfer to accumulated surplus $'000	Balance at end of reporting period $'000
(b) Other reserves				
2026				
Sustainability Energy Fund	585	-	-	585
Recreation Land Reserve	39	-	-	39
Municipal Emergency Reserve	400	-	-	400
Developer Contribution Plan Reserve	286	495	-	781
Storm Water in-lieu Contribution Reserve	1,086	690	-	1,776
Emergency Response Reserve	1,000	2,201	-	3,201
Waste Service Reserve	-	9,205	-	9,205
Public Open Space Reserve	-	2,347	-	2,347
Total Other reserves	**3,396**	**14,938**	**-**	**18,334**
2025				
Sustainability Energy Fund	585	-	-	585
Recreation Land Reserve	39	-	-	39
Municipal Emergency Reserve	400	-	-	400
Developer Contribution Plan Reserve	101	185	-	286
Storm Water in-lieu Contribution Reserve	304	782	-	1,086
Emergency Response Reserve	-	1,000	-	1,000
Total Other reserves	**1,429**	**1,967**	**-**	**3,396**

Sustainable Energy (Fund) Reserve

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

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

Recreation Land Reserve

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

Municipal Emergency Reserve

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

Developer Contribution Plan Reserve

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

Storm Water in-lieu Contribution Reserve

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

Emergency Response Reserve

The purpose of this reserve is the allocation of dedicated funding that can be drawn upon to respond to emergency events impacting the Peninsula.

Waste Service Reserve

To ensure any over collections are ring fenced and applied exclusively to waste related expenditure, thereby reducing future financial impact on the community.

Public Open Space Reserve

The purpose of the Public Open Space reserve is recognise contributions from developers to provide for open space within the Peninsula pursuant to the requirements of the Subdivision of Land Act.

	2026 $'000	2025 $'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus for the year	14,180	14,616
Non-cash adjustments:		
Depreciation/amortisation	52,916	47,751
Net loss on disposal of property, infrastructure, plant and equipment	7,177	86
Found assets	(4,293)	(4,027)
Fair value adjustments	757	319
Contributions - Non-monetary assets	(4,177)	(2,947)
Other	7	2,638
Change in assets and liabilities:		
(Increase) in trade and other receivables	(17,003)	(5,338)
Decrease in other assets	17	4,161
(Decrease)/increase in trade and other payables	(36)	3,262
(Decrease)/increase in unearned income	(5,604)	4,037
(Increase) in inventories	(38)	(80)
(Decrease)/increase in provisions		
(Decrease)/increase in landfill rehabilitation provision	(1,181)	48
Increase in employee provisions	1,570	123
(Decrease) in native vegetation management	(15)	(92)
Increase/(decrease) in GST on capital purchases	276	(686)
Increase in trust funds and deposits	4,775	810
Increase in other	892	98
Net cash provided by/(used in) operating activities	**50,220**	**64,778**

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 the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/ Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2026, this was 12.0% as required under Superannuation Guarantee (SG) legislation (2025: 11.5%)).

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 Employee Benefits.

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. As at 30 June 2025, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2025 (of which Council is a contributing employer) was 110.5%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.6% pa

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2026. It is expected to be completed by 31 October 2026.

Vision Super has advised that the VBI at 30 June 2026 was 116.9% (2025: 110.5%). The financial assumptions used to calculate the 30 June 2026 VBI were:

	2026	2025
Net investment returns	6.2% pa	5.6% pa
Salary information	3.5% pa	3.5% pa
Price inflation (CPI)	3.0% pa to 30 June 2029 and 2.6%pa thereafter	2.6% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 2023 triennial actuarial investigation showed that the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2025 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2026, this rate was 12% of members' salaries (11.5% in 2024/25). 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 2023 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.

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 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 2025 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2025 and 30 June 2024 while a full investigation was conducted as at 30 June 2023.

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

	2025 (Interim) $m	2024 (Interim) $m	2023 (Triennial) $m
- A VBI Surplus	200.1	108.4	85.7
- A total service liability surplus	229.4	141.4	123.6
- A discounted accrued benefits surplus	242.8	156.7	141.9

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 2025.

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 2025.

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 2025.

Council was notified of the 30 June 2025 VBI during August 2025.

The 2026 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2026 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by 31 October 2026. The VBI of the Defined Benefit category was 116.9% as at 30 June 2026. The financial assumptions for the purposes of this investigation are:

	2026 Triennial investigation	2025 Interim investigation
Net investment return	6.2% pa	5.7% pa
Salary information	3.5% pa	3.5% pa
Price inflation (CPI)	3.0% pa to	2.6% pa
	30 June 2029 and 2.6%pa thereafter	

Council was notified of the 30 June 2026 VBI during August 2026.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2025 are detailed below:

Scheme	Type of Scheme	Rate	2026 $'000	2025 $'000
Vision super	Defined benefits	12% (2025:11.5%)	115	68
Vision super	Accumulation	12% (2025:11.5%)	3,982	3,959

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2026.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2027 is $115,265.68

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2025-26 year.

Glossary of terms, abbreviations and acronyms

Act – means the Local Government Act 2020.

Advocacy – the act of speaking on the behalf of or in support of another person, place, or thing.

Annual report – means a report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement.

ARC – Audit and Risk Committee.

Budget – means a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the council plan.

Business continuity – the process of planning and preparing an organisation to effectively respond to serious incidents or disasters, ensuring it can resume normal operations within a reasonably short timeframe.

Capital works – the undertaking of a project constructing, extending, altering, or improving physical assets.

CEO – Chief Executive Officer.

Council Plan – means a plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting vision and aspirations of the community for the next four years.

Community engagement –A means of ensuring that community members can access valued social settings and activities, feel empowered to contribute meaningfully and develop the skills and capabilities needed for full participation.

DAMP – Domestic Animal Management Plan.

DTP – Department of Transport and Planning (of the Victorian Government).

Financial performance indicators – means a prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency.

Financial Plan – means a plan of the financial and non-financial resources for at least the next ten years required to achieve the strategic objectives in the council plan. It is also referred to as a long-term financial plan.

Financial statements – means the financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general-purpose financial reports and a statement of capital works and included in the annual report.

Financial year – means the period of 12 months ending on 30 June each year.

FOI – Freedom of Information.

FTE – Full Time Equivalent.

Governance and management checklist – means a prescribed checklist of policies, plans and documents that councils must report the status of in the report of operations, covering engagement, planning, monitoring, reporting and decision making.

Green Wedge – is all land on the Peninsula outside the metropolitan Urban Growth Boundary that was introduced by State Government more than 40 years ago.

Indicator – means what will be measured to assess performance.

Measure – means how an indicator will be measured and takes the form of a computation, typically including a numerator and denominator.

Minister – means the Minister for Local Government.

Performance statement – means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report.

Integrated strategic planning and reporting framework – means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act.

Regulations – means the Local Government (Planning and Reporting) Regulations 2020.

Report of Operations – means a report containing a description of the operations of the council during the financial year and included in the annual report.

Risk management – A process in which organisations identify, assess and treat risks that could affect their operations.

Services – means assistance, support, advice and other actions undertaken by a council for the benefit of the local community.

Service outcome indicators – means the prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved.

Service performance indicator – means a prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes.

Strategic Indicators – means for monitoring the achievements of the Council Plan Strategic Objectives.

Strategic Objectives – means the outcomes a council is seeking to achieve over the next four years and included in the Council Plan.

Strategies – means high level actions directed at achieving the strategic objectives in the Council Plan.

Sustainable capacity indicators – means a prescribed set of indicators in the Local Government Reporting Framework that measure whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future.

Sustainable capacity indicators – means a prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management.

Ward – A specific geographical area that is represented by a single Councillor.



Mornington
Peninsula Shire