

Annual Report | 2020



MORNINGTON
PENINSULA
Shire

Acknowledgement of Country

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

Artwork by Dixon Patten.



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Front Cover

Photograph by Matt Testoni "Sargassum seaweed strands stretch out towards the sunlight as it pours through the pillars of Rye Pier on the Mornington Peninsula."

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Mornington Peninsula Shire Profile

FAST FACTS

FY 2019/20
Finance Highlights



\$255 million
Income

\$233 million
Expense

\$66 million
capital expenditure

\$2.5 billion
property,
infrastructure
& equipment

Customer service

253,041
calls received

29,776
people visited our
branches

41,774
webchat
conversations took
place

35,480
emails received

34,262
letters / pieces of
correspondence
received

2,361,821
users on our
website

216,000+
visitations to
Recreation &
Aquatic Centres

Population

167,636

ABS estimated
resident population
2019

46

median age
(census 2016)

2.4 people

average household
size

Region

723km²

area

192km

of coastline (10% of
Victoria)

1,712kms

of roads

70%

Green Wedge

Workforce

14,000

businesses

52,682

people work on
peninsula

Volunteers

2,200+

volunteers across
the organisation

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

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

Mornington Peninsula Shire has an estimated residential population of 167,636 people (as at 30 June 2020) with a median age (46) 10 years older than Greater Melbourne's (36). Compared with Greater Melbourne, Mornington Peninsula Shire has:

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

Our Vision and Mission

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

“Valuing our unique peninsula”

Our Mission

We will achieve this by:

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

Our Strategic Themes

Our Place

Our Connectivity

Our Prosperity

Our Wellbeing

Health and Wellbeing Priorities

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

Current Strategies and Plans include:

- Active Sports Strategy
- Activity Centres Strategy
- Arts and Culture Plan
- Bicycle Strategy Ride Safe
- Biodiversity Conservation Plan
- Bunguan Tyabb Central Master Plan Report
- Disability Inclusion Plan
- Economic Development Strategy
- Energy & Greenhouse Mgmt. Improvement Plan
- Footpath Construction Strategy
- Gender Equality Strategy
- Green Wedge Management Plan
- Hastings Town Centre Structure Plan
- Health and Wellbeing Plan
- Housing and Settlement Strategy
- Marine Precinct Strategy
- Playspace Strategy
- Reconciliation Action Plan
- Road Improvement Strategy
- Rye Foreshore Master Plan
- Sports Capacity Plan
- Sustainable Transport Strategy
- Smart Water Plan
- Triple A Housing Plan
- Tootgarook Wetland Management Plan

Our Values



Integrity

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



Courage

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



Openness

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



Respect

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



Excellence

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



Report of Operations

Mayor's Message



It is a pleasure to present this annual report on behalf of the Mornington Peninsula Shire Council. It's been an unforgettable year and we've been tested like never before, but adversity has revealed great strengths and we remain committed to providing the support and leadership needed to help our community bounce back.

The spirit and generosity of our community came to the fore during the bushfire crisis in January. The Shire was actively involved in the bushfire relief and recovery, playing a key role in the evacuation of those trapped at Mallacoota by the fires. And by working closely with local volunteers, we were able to produce more than 950 bales of hay and donate them to affected communities in Gippsland.

When the COVID-19 pandemic hit, government restrictions inevitably impacted the most vulnerable residents. In response, we again worked closely with volunteers to develop the 'Caring for our Community' initiative to ensure our vulnerable and isolated residents were looked after. The Shire partnered with Community Support Centres at Hastings, Rosebud and Mornington, created packing and distribution centres and delivered care packages to those doing it tough. The initiative is run solely by redeployed Shire staff and community volunteers who have worked tirelessly to deliver thousands of care packages.

During the course of this year it became apparent the Mornington Peninsula would suffer one of the heaviest hits to employment in Victoria as a result of the pandemic. This includes close to 6,000 job losses, a 21 percent fall in Gross Regional Product (compared with a 6.9 percent drop for Australia overall) and an 11 percent drop in employment opportunities.

To counter this we worked quickly to identify a package of shovel ready local projects, worth \$320 million, aimed at kick starting our economic recovery and our community with much-needed employment. These projects will create over 4,770 jobs and we continue to urge the state and federal governments to support these projects. Council is playing its part by committing \$150 million in funding for shovel ready projects across the two financial years this pandemic has impacted.

Towards the beginning of this financial year, Council took the momentous step of declaring a Climate Emergency. This prioritised climate change adaptation and mitigation across all Shire activities. In the ensuing months we talked extensively with our community, gathered ideas and nussed out how we could collaborate to build a better future. This culminated in the drafting of our Climate Emergency Plan, 'Ensuring Our Future'. The Plan outlines clear targets, outcomes, estimated budgets and timeframes for rebuilding our economy and restoring nature.

This work is more important now than ever. The coronavirus pandemic has brought home the fragility of our current systems and the vulnerability we have to existential threats. It has also revealed the value of local connectivity and the immense power we have when we act with a united purpose towards a self-sustaining community.

One of the goals of our climate plan is better public transport. Late last year saw the launch of our Better Buses campaign, our most successful advocacy and community engagement to date, which received over 92,500 engagements and 2,500 written and online surveys. The message sent to government from the community via this campaign was loud and clear: we want better buses!

This year I was also delighted to see the start of the Shire's two-year trial of 80 kilometre per hour speed limits on 38 high-risk sealed rural roads. Many of these roads have a significant crash history and high crash risk. Over the past 10 years there have been 75 lives lost and over 1500 people seriously injured on the Peninsula's roads and we are determined to reduce this devastating statistic.

I'd like to highlight one final achievement of this year: the adoption by Council of the Neighbourhood Character Study and the Coastal Villages Strategy. This means we now have the policy planning documents to protect the unique character of our 42 towns and villages. We await the Victorian planning minister's approval for these changes to our planning scheme.

I would like to finish by thanking the thousands of volunteers who help make the Peninsula such a strong and resilient community, as well as my Council colleagues and staff for all their support and efforts over the past year. It has been an honour to serve as Mayor and be part of such a vibrant and supportive community.

Cr Sam Hearn
Mayor

CEO's Message



It has been an extraordinary year with tremendous challenges requiring a dramatic shift in the way we work. It's a year that has seen us activate our Municipal Emergency Management Plan not once, but twice. Our ability to successfully respond to the many economic and social upheavals during this period is proof of the fundamental strength of our organisation.

After a busy and productive start to the financial year, we began 2020 by taking an active role in the bushfire emergency relief effort, specifically by hosting evacuees from Mallacoota. It was a test of our emergency response capability and I'm pleased to say it went as well as we could have wished.

After a short hiatus we were faced with a second - and very different - crisis in the form of the COVID-19 global pandemic. Like most businesses and community organisations across the nation, our services were significantly impacted by government restrictions to contain the virus and we had to adapt rapidly to new realities.

I'm immensely proud of the way our staff quickly adjusted to new ways of working, without missing a beat. Our IT team performed the incredible feat of supporting almost the entire organisation to move to working from home pretty much overnight. Those that could work at home did so, while those unable to carry out their duties were redeployed to other areas, such as the community relief effort.

To support local business through this period, we instigated a range of initiatives to help businesses maintain resilience. This includes a business support package that has already put half a million dollars back into the business community, a Business Concierge Service, fast tracking of approvals and compliance matters, temporary cessation of fees and charges, support for local contractors and rate and rent relief options for those in Council properties.

The Shire itself has not been immune from the financial impacts of COVID. Modelling suggests non-rate income could be reduced by around \$6 million. To deal with this we have so far made operational savings of more than \$3 million. This includes \$1.4 million saved by not filling vacant staff positions and \$1.7 million through a reduction in materials and services expenditure.

Both the Mayor and I contributed to the savings: the Mayor requested a 20 per cent reduction to his allowance and I sought a substantial reduction in my own salary. And the Shire has continued to deliver close to the lowest average rates and charges in Victoria and one of the lowest employee costs.

We achieved a surplus of \$22.1 million in 2019-20, consistent with last year's surplus of \$23.8 million. We have remained financially strong with a sound balance sheet and cash holdings of \$80.3 million. Capital works expenditure increased from last year's total of \$58.7 million to \$66.1 million, with a focus on the new and renewal of assets.

This year has seen solid progress with our Business Transformation program, which will ensure we can better serve the needs of the community by improving our processes and technology, as well as the capability of our staff. To date, the program has yielded a number of efficiencies and cost-effective benefits, achieving \$400,000 of savings.

Of the many other achievements during this year, I would like to highlight two: the introduction of our Gender Equality Strategy in early March and the drafting of our Reconciliation Action Plan. Each of these landmark projects will help achieve fundamental improvements to the health and wellbeing of our community.

I would like to end by paying tribute to the Peninsula's greatest asset and the source of much of its strength and resilience: our volunteers. Without them we would be unable to look after our community and our environment. More than 2200 volunteers are directly involved in Shire activities and we've been amazed at how many community members have come forward during the COVID crisis to commit their time and energy to help.

I would also like to thank the Mayor and councillors for their support and guidance throughout the year, as well as our executive team, managers and Shire staff. It has been an intense period in which we've faced an array of complex problems and our success in meeting those challenges is a testament to the hard work and dedication of all.

John Baker
Chief Executive Officer

CFO's Message



This financial year proved to be a highly challenging one for communities, businesses, governments and for all of us as individuals. But as this report shows, we continued to deliver capital works and essential services for our community throughout this unprecedented period, while generating a surplus of \$22.1 million.

The impact of the COVID-19 pandemic on our forecast income was \$3 million, which was offset by savings and efficiencies identified during the year. A decrease in economic activities and Council's economic stimulus package in support of businesses were the main factors impacting our revenue for the year. Compared to the previous year, monetary contributions from development activities dropped by 60 per cent to \$2.6 million.

On a reported basis, total income for the year increased by 0.6 per cent to \$255.4 million and the surplus decreased by 7 per cent to \$22.1 million. Our balance sheet remains solid at \$80.3 million, which was an increase of \$12.1 million in cash holdings. This increase can be attributed to the slowing down of our capital works delivery program in the last quarter of the financial year due to disruption caused by the COVID-19 pandemic. Despite this, the capital works expenditure of \$66.1 million in the 2019-20 financial year was a \$7.4 million increase compared to the previous year.

Interest bearing liabilities increased by \$22.4 million compared to last year. This is due to new loans of \$26.5 million for the YAWA Aquatic Centre in Rosebud.

Working capital ratio, which measures our ability to meet short-term liabilities, remains strong at 204 per cent. This means that for every \$1 of current liability, the council had \$2.04 in current assets to meet those commitments.

While rates revenue increased 5.7 per cent to \$183.3 million, the increase in cash inflow from rates and charges was 1.8 per cent less (3.9 percent) at \$179.5 million. This decrease in the collection of rates is the main factor in the 41 per cent increase in trade receivables to \$20.9 million, which is an increase of \$6.1 million.

This year is the first year that changes come into effect for the new accounting standards. The standards that affect the 2019-20 financials are:

- AASB 15 Revenue from Contracts with Customers - timing of revenue recognition in line with performance obligations
- AASB 16 Leases - recognition of operating leases as 'right of use' assets within the balance sheet
- AASB 1058 Income for Not-for-Profit Entities - recognition of volunteer services and transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

The Shire was in a strong financial position as it entered the 2019-20 year and this enabled us to meet the many monetary challenges we were presented with. I would like to take this opportunity to thank my colleagues on the executive team, as well as my staff, for all their support.

Bulent Oz
Chief Financial Officer

Description of Operations

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

Economic Factors

Council's revenue raising capability is limited by the rate cap, under the Fair Go Rates System, which was set at 2.50 per cent for 2019/20.

Major Changes

Please see our Business Transformation performance report.

Major Achievements and Capital Works

Please see our Highlights of the Year section.

COVID-19 - What we are doing in response to the pandemic

The Mornington Peninsula Shire continued to monitor developments, receive advice from expert stakeholders in all tiers of government and take necessary actions, in partnership with other agencies to ensure the safety of our community, particularly those who are most vulnerable.

Like a lot of businesses and community agencies across the Peninsula, our services were impacted from State and Federal restrictions trying to contain the virus. As part of Mornington Peninsula Shire's 'Caring for our Community' initiative, we offered free care packages for our most vulnerable, disadvantaged, and isolated community members to address the impacts of Coronavirus on the Peninsula. There are two essential packs with a variety of non-perishable items (e.g. pasta, canned goods etc.) and hygiene items (male and female). At the time of writing, we had delivered 3,001 care packages.

We continue to deliver modified services to protect the most vulnerable in our community, and in response to COVID-19 utilised alternative platforms including online, telephone and video. Some of the modified service actions implemented since the start of the pandemic include:

- Maternal and Child Health (MCH) consultations delivered by a variety of different platforms, including telephone, telehealth video, face to face centre appts and home consultations.
- Online Care Team meetings for identified At Risk clients have been implemented with other service providers such as Child Protection, Family Violence services and Family Services.
- Moved the majority of community-based immunisation sessions to MCH sites to have more control over ensuring COVID-19 safe environment.
- Phone welfare checks were regularly conducted to ensure our 5,000 community care clients were okay and had suitable support in place.

The Shire also continued to support our business community through this challenging time and announced an economic stimulus package, which included:

- A Business Concierge Service
- 'Supporting Local Business' campaign
- Advocacy to State and Federal departments
- Fast tracking of approvals
- Temporary cessation of fees and charges
- Support for local contractors and rate and rent relief options for those in Council properties

We also planned our 'Supporting our Local Businesses' Roadmap for a COVID Safe Recovery. The suite of actions in the roadmap will include:

- Expanding outdoor dining and retail spaces including extending footpath trading and access to grassed areas and the introduction of Parklets to repurposes part of the street outside shopfronts, such as adjacent carparks, for extra outdoor dining and public space.
- Development of a funding program to support business associations to implement community led economic recovery activities.
- Reducing, waiving or deferring many shire fees or charges such as Food and Health registration for affected businesses, footpath trading and outdoor dining
- Extending our Hardship Policy to all rateable properties and sundry debtors on application and includes no interest on any outstanding balances for the remainder of 2020.
- Expanding our support local campaign.

Due to the restrictions in place, we also increased our communication via all channels to the community and we provided regular updates to keep our community across our COVID-19 response activity. The Shire promoted all community efforts, news and supports via the 'Community Info and Support' bulletin, which reaches 60,000 members of the Mornington Peninsula community.

We continually updated a range of webpages providing information and support to the Community during Coronavirus: including [Life during Coronavirus Blog](#); a [Stay Connected During Coronavirus](#) page; [Supporting local businesses](#) page; and a [Coronavirus and your health and wellbeing](#) page.

Business Transformation

Our Business Transformation program ensures our Shire is a customer focused, agile and future ready organisation. We are committed to enhancing the capability of our people, our processes and our technology to better serve our community.

This wide-scale, Shire-wide Business Transformation program aims to achieve:

- improved customer engagement and service delivery
- improved collaboration with stakeholders and streamlined customer-centric processes
- a single source of truth for all customer and business data and automated reporting
- improved productivity through efficient ways of working, i.e. a focus on value-adding activities
- improved regulatory compliance and service planning
- delivery of a lean and integrated technology landscape for our customers
- improved security and privacy protection
- business savings and benefits realisation by reviewing all Council services and community-focused outcomes.

To date we are progressing well with our program of transformation across the organisation; a refreshed business case was presented to Council in December 2019.

Throughout 2020 we have focused on establishing an agreed catalogue of services and mapping underlying processes across the Shire. By early 2021 all services will have a documented 'service profile' that clearly defines processes, key stakeholders and the resources required to deliver the service, along with measures to assess performance. This work will create a baseline for future Service Planning and Reporting, and importantly an assessment focus for future delivery models.

On 1 July 2020 our Shire went 'live' with Phase 1 of our new technology suite (Oracle), implementing new Finance, HR, Procurement, Asset Register and Project financial modules to improve our internal systems and processes. This new technology has enhanced the performance of our internal teams and provided efficiencies to our processes and workflows, i.e. improved procurement, recruitment and reporting for Council Officers' on their annual goals and performance.

A Shire-wide Change Network was established across the organisation with representatives recruited from most Council teams. The Network's purpose is to embed and sustain change throughout the organisation by members directly supporting their colleagues to understand and implement new processes and technology. In the year ahead our Change Network members will enhance their learning and development opportunities and increase their capabilities in planning and project management, customer service and change management.

To date our Business Transformation program has realised numerous efficiencies and cost-effective benefits, achieving \$400,000 of savings in project delivery efficiencies in 2019/2020. The following are examples of the initiatives on track to be realised in 2020/2021:

- a review of the Environmental Protection Unit will structure the team to save \$475,000 per annum; enforcement revenue will increase to an additional \$90,000 per annum
- a review of our fleet vehicles will result in \$500,000 of savings per annum
- rationalising the management structure will result in savings of \$500,000 per annum.

The second year of our Business Transformation program is now underway and focuses on a significant multi-team project – Customer Experience. A new Customer Relationship Management technology module will be implemented in 2021 to enhance our interaction with our customers and to streamline our data workflows. This new technology will be built based on in-depth analysis of our service delivery and the needs of our customers. This project will involve many teams within the organisation, i.e. Public Safety, Public Health, Animal Management, Planning, etc. Our Shire-wide Customer Experience Strategy will be developed and implemented over several years to best respond to our community's needs.

We are also developing a new Property, Rates and Billing technology module to integrate with our Customer Relationship Management online solution. This integration focus will ensure our records are documented by 'customer' rather than 'property' so we can deliver an improved and efficient customer experience.

With Phase 1 complete, we have gained insightful learnings to inform our Business Transformation work and focus on continuous improvement. Business Transformation remains a strategic priority for our Shire and we are excited about the opportunities ahead to best serve our community in the year ahead and beyond.

Highlights of the Year



YAWA Aquatic Centre

Despite the ongoing challenges presented by the global Coronavirus pandemic the construction of the Mornington Peninsula Shire's Aquatic Centre continued to make progress with the project on budget and on track for completion early next year.

Mornington Peninsula Shire Council appointed Belgravia Leisure as the facility manager of the YAWA Aquatic Centre at its Council meeting on 26 November 2019.

Throughout the year all major concrete works were completed and the roof of the main pool hall almost finished.

The YAWA Aquatic Centre will be a place for everyone to enjoy. The centre boasts a 50-metre competition pool with moveable boom, learn to swim and warm water pools, play and splash area, wellness centre, gym and associated multi-purpose rooms as well as a café, school group and family change rooms and spectator seating. Council's Disability Advisory Committee and a qualified access specialist were consulted in the design stages, resulting in a range of accessible features including a Changing Places toilet, ramps and hoists into all pools, a safe area for assistance animals and accessible countertops.



Image: Staff from multiple agencies working together for Operation Genesis

Bushfire relief and recovery

The Shire's Municipal Emergency Management Plan was activated in response to the bushfires and we participated in Operation Genesis, the multiagency operation to evacuate and repatriate evacuees from bushfire-affected Mallacoota. The Shire worked closely with the Department of Defence to facilitate the safe transport of evacuees from Hastings and HMAS Cerberus to an Emergency Relief Centre established at Somerville Recreation Centre.

In response to the Bushfires we produced over 950 bales of hay, all of which were donated to communities affected by bushfires. The 'Need for Feed' program coordinated the collection of hay throughout early 2020 and with the help of volunteer truck drivers, distributed the hay primarily to families in the Gippsland Region.



Hastings Senior Citizens Club

Construction on the redevelopment and extension of the Hastings Senior Citizens Club was complete in the year.

The new Hub will be ready to hand over to the tenants, Hastings Senior Citizens COVID-19 restrictions are eased and will provide a wonderful venue for the community.



Our Waste Future

We developed a Beyond Zero Waste Strategy and Single-use Plastics Policy which were placed on public exhibition in preparation for adoption early in FY21. Both the strategy and policy outline how Council will manage waste and single use plastics, with the Strategy aiming to bring community ideas and everyday actions to innovation on approaches to resource recovery and recycling. The 10-year Strategy proposes strategic objectives to: Empower the community to avoid; reuse and recycle; reduce greenhouse gas emissions; maximise resource recovery; maintain a clean and healthy Peninsula; improve reporting and monitor progress towards achieving zero waste; advocate for regional and state solutions and support innovative local circular economy.



Gender Equality Strategy 2020-2030

We launched the Shire's first Gender Equality Strategy 2020-230 on International Women's Day with over 500 community members and staff in attendance. Guest speakers were Natasha Stott Despoja and Rosie Batty.

Our Gender Equality Strategy 2020-2030 was launched just 10 days after the historic passage of the Victorian Government's Gender Equality Act, which requires all local governments to develop and report on a plan to tackle gender inequality.



Rye Foreshore Rejuvenation

In 2019/20 we commenced work into the Rye foreshore rejuvenation, including the protection and revegetation of the dune system and construction of boardwalk and central plaza areas around the pier. The proposed works have been designed to allow for recent beach erosion along this section of foreshore.

Future works will include the removal of the outfall on the east side of the pier and the construction of Water Sensitive Urban Design (WSUD) features such as rain gardens and permeable paving.



Briars Master Plan

Council endorsed the Briars Master Plan, which is a compilation of ideas from Council and the community for the future of the Briars.

The Plan focusses on protecting, enhancing and celebrating the natural, cultural and heritage beauty of the Briars and is an exciting step towards realising the community's vision for the site.

Red Hill Reserve



The Shire completed the reconstruction of the netball courts at Red Hill. The upgraded courts are now compliant with Netball Victoria standards. The new facilities also provide lighting, fencing and shelters, which have all been welcomed by the local club and players.

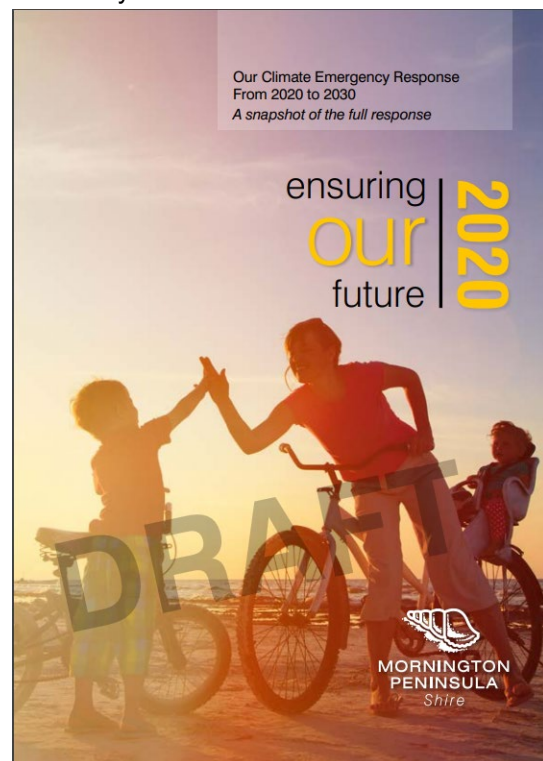


Somerville Active Recreation Hub

On 6 November 2019, Mornington Peninsula Shire Council adopted the Somerville Active Recreation Hub Concept Plan after consultation with the community.

In January 2020, Mornington Peninsula Shire received \$742,500 in grant funding through the State Government's Growing Suburbs Fund towards the \$1.48M Somerville Active Recreation Hub project.

As of 30 June 2020, planning and the design phase had commenced. It is anticipated construction will commence in the 2020/21 financial year.



Draft Climate Emergency Plan – Ensuring our future

Following the Mornington Peninsula Shire's declaration of a climate emergency in August 2019, a draft Climate Emergency Plan titled 'Ensuring Our Future' was developed and put on public exhibition with adoption scheduled for early FY21.

Developed in collaboration with our community, the Plan outlines clear targets, outcomes, estimated budgets and timeframes to guide the Peninsula towards zero carbon emissions by 2040.



Safer Speeds Trial

In late November, Council resolved to reduce the risk of road trauma for our community and visitors and wrote to the Department of Transport to seek approval for a number of speed limit reductions as part of the Safer Speeds Trial. Road Safety Victoria approved the two-year Safer Speed Trial on 38 roads, which then saw the speed limit reduced to 80 km/h on the Peninsula's high-risk Shire-managed sealed rural roads just before Christmas 2019.

The trial is only for Shire-managed high risk sealed rural roads and does not affect any Peninsula arterial roads, such as: Peninsula Link, Moorooduc Highway and Westernport Highway.



Another Step Closer to Carbon Neutrality

The delivery of the Carbon Neutral Policy remains on track with the LED Lighting Upgrade works ongoing and as at the end of June, we had upgraded 600 fittings at 52 sites. The works will eventually see all 110 Council buildings and properties upgraded, with over 2000 fittings upgraded to energy efficient LED technology, which will result in significant operational greenhouse gas emission reductions.

We also installed a further 100kW of solar PV panels installed on the Mornington Shire Office and Library building.



Green Wedge Management Plan

We held meetings with landowners involved in Farm Gate businesses on the Mornington Peninsula to review and discuss the current limits on this form of operation, which is an action recommended in Council's Green Wedge Management Plan, with expectations that this will be included in an options paper to be released by the State government this year.

We also sought authorisation to prepare amendments to the Mornington Peninsula Planning Scheme to rezone existing land zoned Special Use Zone – Schedule 2 that is outside the Urban Growth Boundary to Green Wedge Zone-Schedule 3. This will better reflect the land's intended use and important role as Green Wedge.

Our Council

Councillors

The Council was elected to provide leadership for the good governance of the municipal district and the local community. On 22 October 2016, the Mornington Peninsula community elected this Council for a four-year term. The municipality is divided into six wards, represented by one Councillor each in Watson, Cerberus, and Red Hill Wards; two Councillors in Nepean Ward; and three each in Seawinds and Briars Wards. The 11 Councillors are the elected representatives of all residents and ratepayers across the Shire. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The Councillors are listed below:

Cr Simon Brooks
Seawinds Ward
Date elected: 22 October 2016



Cr David Gill
Red Hill Ward
Date elected: 22 October 2016



Cr Antonella Celi
Seawinds Ward
Date elected: 22 October 2016



Cr Sam Hearn
Briars Ward
Date elected: 22 October 2016



Cr Rosie Clark
Briars Ward
Date elected: 22 October 2016



Cr Frank Martin
Seawinds Ward
Date elected: 22 October 2016



Cr Bev Colomb
Briars Ward
Date elected: 22 October 2016



Cr Bryan Payne
Nepean Ward
Date elected: 22 October 2016



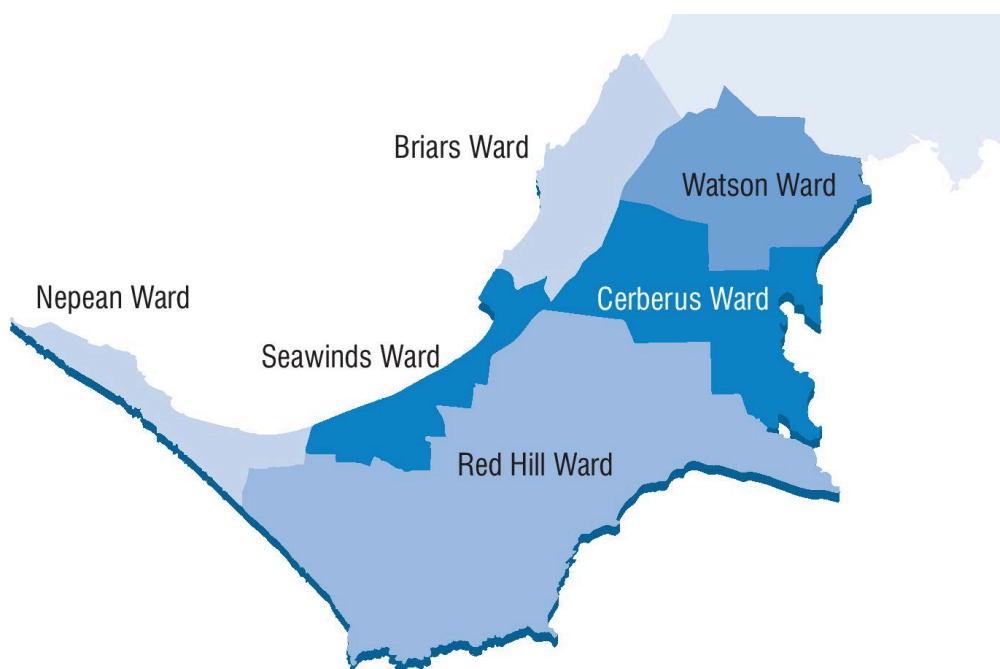
Cr Julie Morris
Watson Ward
Date elected: 22 October 2016



Cr Kate Roper
Cerberus Ward
Date elected: 22 October 2016



Cr Hugh Fraser
Nepean Ward
Date elected: 22 October 2016



Our People

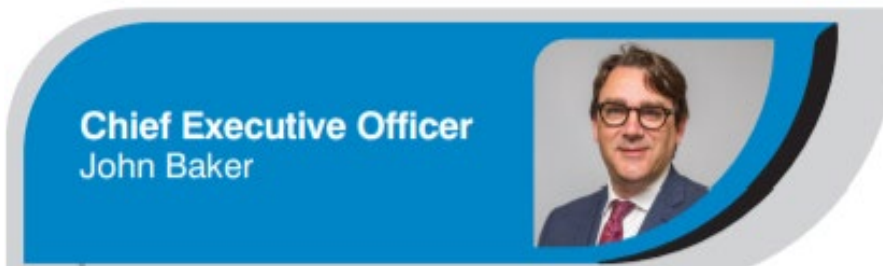
Organisational Structure

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

As at 30 June 2020

Chief Executive Officer (CEO)

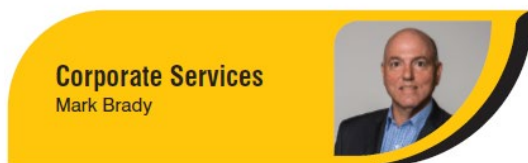
John Baker



In accordance with the *Local Government Act 1989* (Sect 94A), the Chief Executive Officer is responsible for:

- establishing and maintaining an appropriate organisational structure for the Council;
- ensuring that the decisions of the Council are implemented without undue delay;
- the day to day management of the Council's operations in accordance with the Council Plan;
- developing, adopting and disseminating a code of conduct for Council staff; and
- providing timely advice to the Council.

Senior officers reporting directly to the CEO



A chart setting out the organisational structure of the Council is shown below:



Effective from 3 March 2020

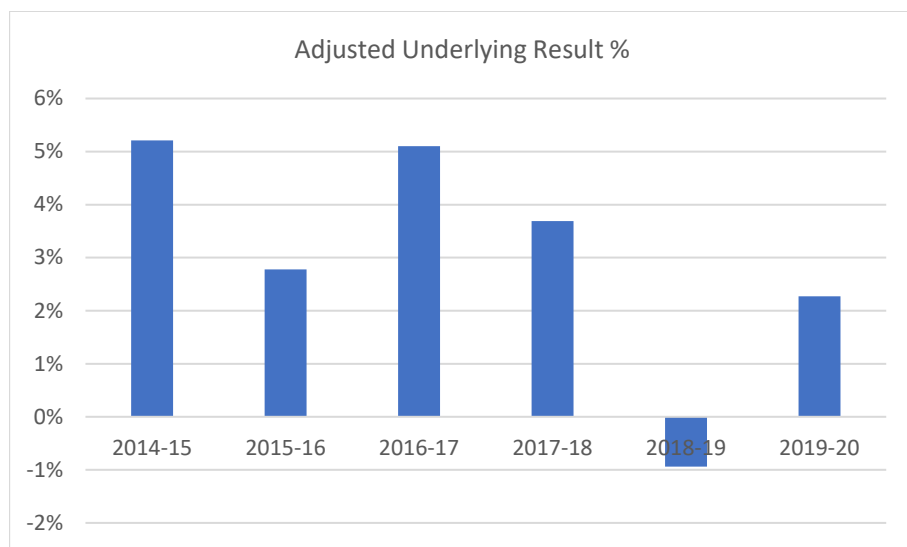
Financial Summary

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

Operating position

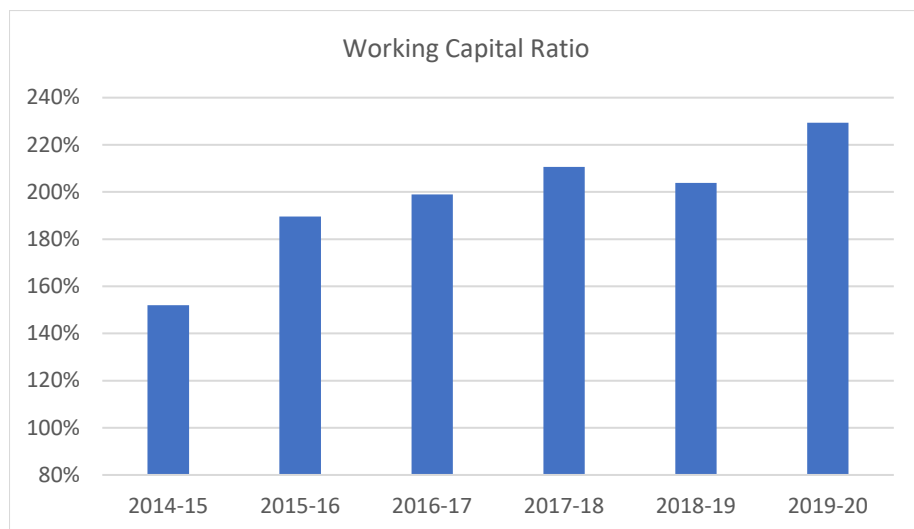
Council achieved a surplus of \$22.1 million in 2019/20. This surplus compares unfavourably to the prior year surplus of \$23.8 million. The adjusted underlying surplus of council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a surplus of \$5.4 million. This compares favourably to the prior year deficit of \$2.1 million.

Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$2.5 billion of community assets under council's control.



Liquidity

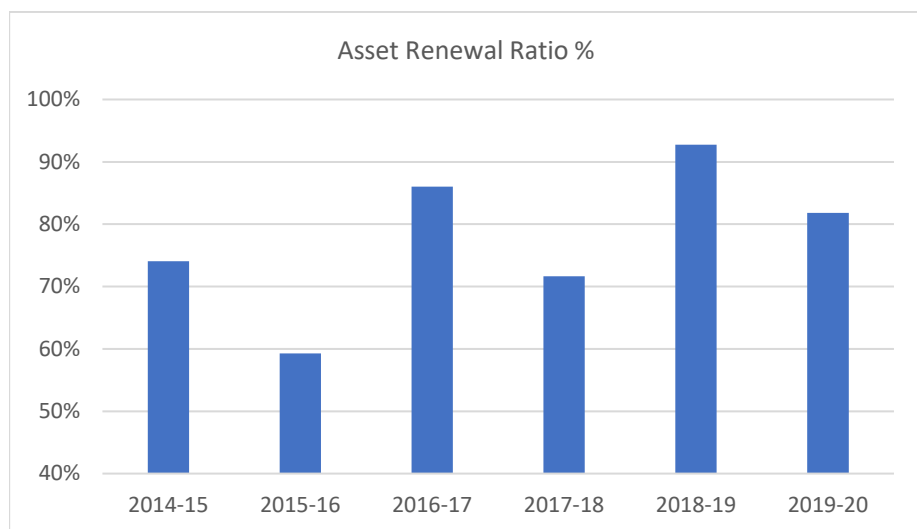
Net movement in cash and cash equivalent and other financial assets remains the same compared to prior year. A shift from term deposits over 90 days to cash has moved by \$29 million from the prior year due to low interest rates on offer. The working capital ratio (which assesses council's ability to meet current commitments), is calculated by measuring council's current assets as a percentage of current liabilities. Council's result of 229% is an indicator of a strong financial position and within the Target of 100% to 400%.



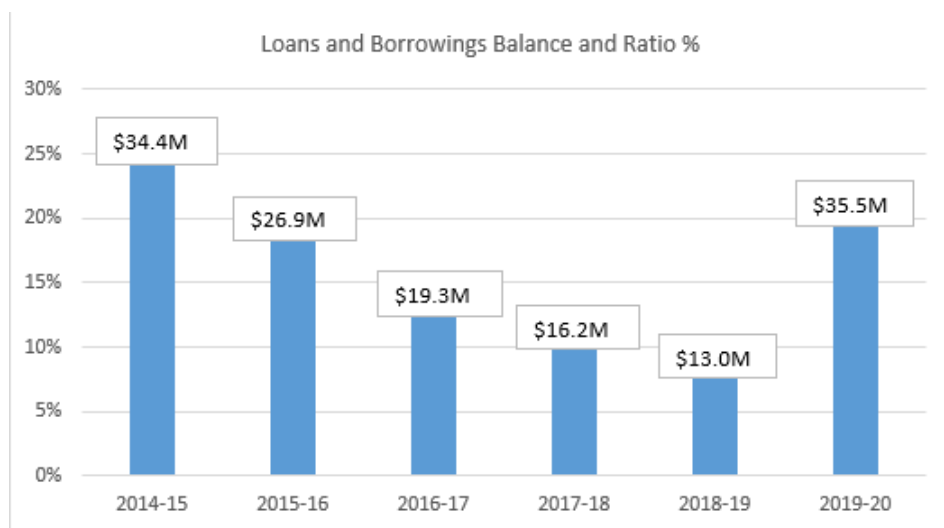
Obligations

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

Council's asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation was 81.8% which was within the Target of 40%-130%.

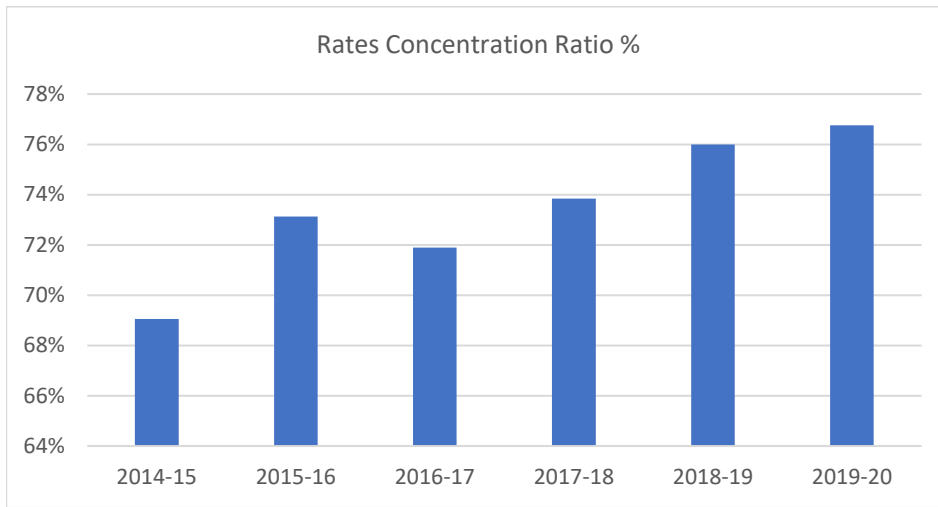


At the end of the 2019/20 year council's debt ratio (which is measured by comparing interest bearing loans and borrowings to rate revenue) was 19.4% which was within the Target of 0%-60% despite increasing from prior year 7.5% due to the borrowings for Yawa Aquatic Centre.

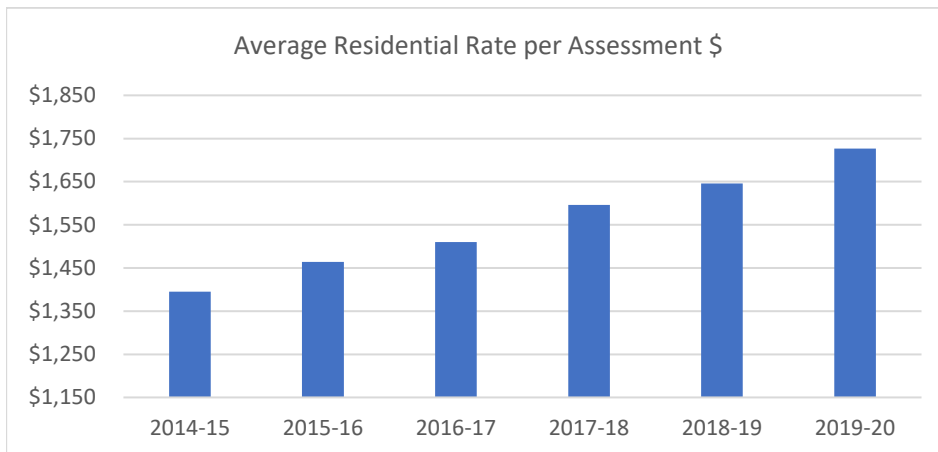


Stability and efficiency

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 76.8% for the 2019/20 year which is toward the top end of the Target of 40%-80%.



The average residential rate per residential assessment is \$1,727.



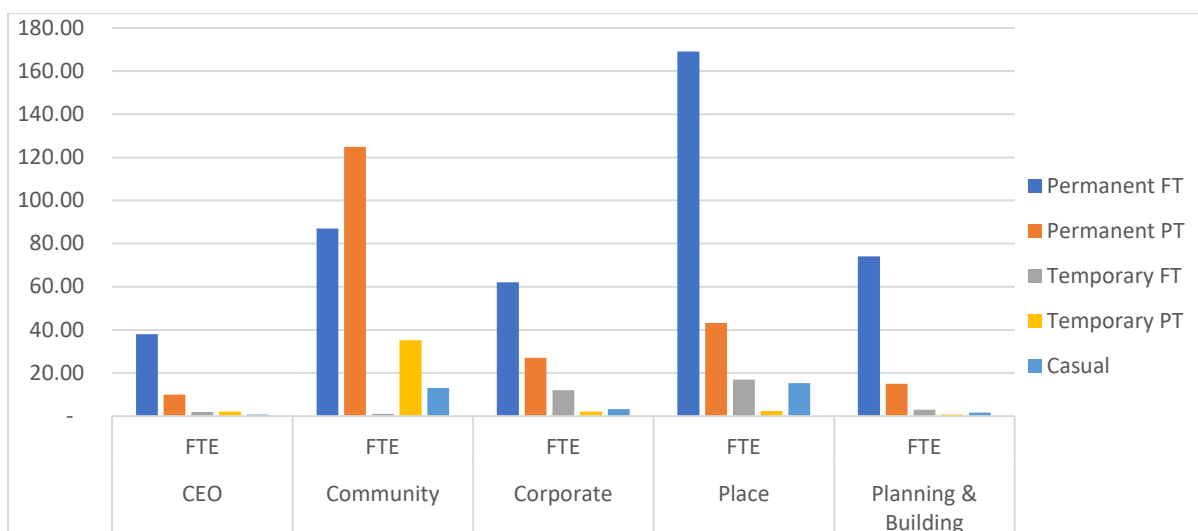
Council staff

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

2019/2020 Employment Type/Gender	CEO FTE	Community FTE	Corporate FTE	Place FTE	Planning & Building FTE	Total FTE
Permanent FT - F	30.00	74.00	39.00	71.00	40.00	254.00
Permanent FT - M	8.00	13.00	23.00	98.00	34.00	176.00
Permanent PT - F	9.94	116.65	27.03	33.96	12.19	199.78
Permanent PT - M	-	8.24	-	9.30	2.84	20.39
Temporary FT - F	1.00	1.00	8.00	8.00	2.00	20.00
Temporary FT - M	1.00	-	4.00	9.00	1.00	15.00
Temporary PT - F	2.10	31.49	1.60	2.45	0.80	38.43
Temporary PT - M	-	3.75	0.50	-	-	4.25
Total FT/PT Staff	52.04	248.14	103.13	231.71	92.84	727.85
Casual - F	0.69	11.90	3.22	9.55	0.96	26.32
Casual - M	-	1.16	0.02	5.73	0.70	7.61
Total Casual Staff	0.69	13.06	3.24	15.28	1.66	33.92

FT - Full-time, PT - Part-time, F - Female, M - Male

Note: Permanent figures are based on contracts for the year ending 30 June 2020; casual figures are based on actual hours worked over the year 2019/2020.



Note: Permanent figures are based on contracts for the year ending 30 June 2020; casual figures are based on actual hours worked over the year 2019/2020.

Below is the 2018/2019 table restated to reflect the changes in directorates as a comparison.

2018/2019						
Employment Type/Gender	CEO FTE	Community FTE	Corporate FTE	Place FTE	Planning & Building FTE	Total FTE
Permanent FT - F	31.60	78.65	44.46	69.80	40.40	264.91
Permanent FT - M	9.00	14.00	24.00	95.60	33.00	175.60
Permanent PT - F	8.91	118.26	25.25	29.87	7.98	190.27
Permanent PT - M	-	9.99	-	11.11	0.84	21.94
Temporary FT - F	3.00	3.00	1.00	6.00	2.00	15.00
Temporary FT - M	-	-	3.00	8.00	1.00	12.00
Temporary PT - F	1.80	38.06	-	1.16	1.60	42.62
Temporary PT - M	-	3.56	-	-	0.60	4.16
Total FT/PT Staff	54.31	265.51	97.71	221.54	87.42	726.49
Casual - F	0.96	9.26	1.58	11.12	0.53	23.45
Casual - M	-	1.84	0.21	5.35	0.85	8.26
Total Casual Staff	0.96	11.11	1.79	16.48	1.38	31.71

FT - Full-time, PT - Part-time, F - Female, M - Male

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	11.27	7.20	18.47
Band 2	6.33	0.27	6.60
Band 3	114.62	13.03	127.65
Band 4	106.64	14.25	120.89
Band 5	105.58	36.94	142.52
Band 6	109.33	49.73	159.05
Band 7	30.87	24.31	55.18
Band 8	11.20	8.00	19.20
All Other	42.68	69.52	112.20
Total	538.53	223.25	761.78

Note: All Other includes senior officers employed under contract and staff on annualised salaries.

Equal Employment Opportunity Program

Mornington Peninsula Shire has an equal employment opportunity program which is designed to eliminate discrimination against and promote equal opportunity for persons in designated groups in relation to employment matters. The objective of Council's Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* such as age, carer and parental status, disability, employment activity, gender identity, industrial activity, marital status, physical features, pregnancy and breastfeeding, race, religious or political affiliation, sex, expunged homosexual conviction or personal association with someone who has, or is assumed to have, one of these personal characteristics. Further objectives include ensuring the workplace is free from bullying and harassment.

The indicator that measures the effectiveness of the program is: the number of discrimination, harassment, victimisation and/or bullying complaints, with a zero target. During 2019/2020 there were 4 complaints under the EEO program, with 3 of these being unsubstantiated.

Our recruitment and selection processes focus on attracting individuals with congruent values and behavioural standards. The employee Code of Conduct has been reviewed this year and encompasses EEO and behavioural standards which are an expectation for all staff. This is provided to all new employees of the Shire and included in Corporate Induction.

Respect in the Workplace training is a core component of Corporate Induction and in 2019/2020 80% of new employees completed this training within the required timeframes.

During 2019/2020 135 staff also attended 'Workplace Behaviour' training.

People Leaders are also provided with 'Custodians of Culture' training in acknowledgement of their roles in promoting an environment free from discrimination, harassment and bullying. 35 managers across the organisation have completed this training in 2019/2020.

Our focus in 2020/2021 is to review the current EEO program and training programs to ensure it is effective in promoting an environment which promotes EEO and can incorporate the requirements under the Gender Equality Act 2020.

Child Safe Update

The Mornington Peninsula Shire is committed to being a Child Safe Organisation, assisting in the prevention of child abuse, identifying risks early and removing and reducing these risks.

We have implemented robust policies and procedures to support this commitment and continue to ensure that all new MPS employees hold a valid Victorian Employee Working with Children Checks (WWCC) and undertake an Australian Criminal History Check prior to commencement. In addition, a renewal process ensures the ongoing compliance for existing employees.

All employees are also required to undertake Child Safe training, MPS has a number of current employees who have been accredited by Child Wise to provide inhouse Child Safe training and online training will also be available shortly.

Our focus for 2020-2021 is to continue the training rollout across the organisation.

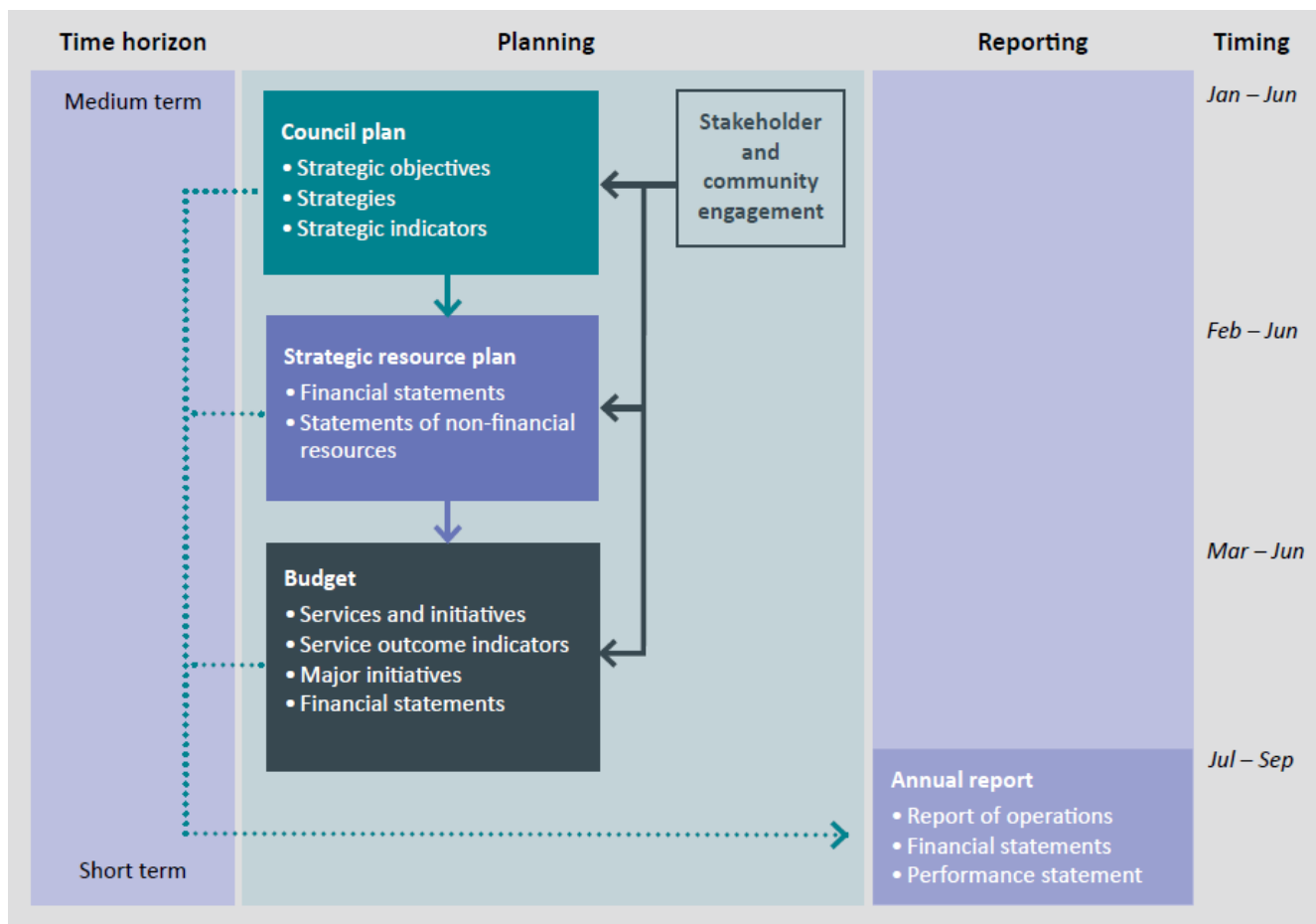
Our Performance

Planning and Accountability Framework

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

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

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



Council Plan

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

These themes are:



our place
our connectivity
our prosperity
our wellbeing

Our place






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







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




Combined with the challenges of climate change, managing 'place' requires the careful





Performance




Council's performance for the 2019/20 year has been reported against key items under each strategic theme as follows:






Major Initiatives to 2021	Progress in FY20	FY20 Status
Review and adopt the Green Wedge Management Plan	In 2020, Council sought authorisation from the Minister for Planning to prepare Amendment C270 to the Mornington Peninsula Planning Scheme, which seeks to rezone existing Special Use Zone 2 land to Green Wedge Zone to better reflect the land's intended use and important role as Green Wedge.	 Complete
Initiate residential character investigation studies to ensure the unique characteristics of the Mornington Peninsula are protected	The Neighbourhood Character Study and Guidelines were adopted on 14 October 2019. Council commenced work on drafting a planning scheme amendment to implement Council's adopted Neighbourhood Character Study and provide detailed neighbourhood character planning controls for all residential land within the urban areas of the Shire.	 Complete
Deliver and adopt the Activity Centres Strategy and Industrial Land Supply Study Reviews	Council adopted both the Activity Centres Strategy Review and the Industrial Land Supply Strategy on 30 April 2018. The planning scheme amendment to implement the land use planning recommendations of these reviews is awaiting the Mornington Peninsula planning scheme being formally translated into the new format that was instigated through the Victorian Government's Smart Planning initiative.	 Complete





<p>Develop a Community Infrastructure Framework</p>	<p>In consultation with the community the Shire reviewed facilities and buildings with the aim of identifying changes required to meet user needs, and to support the delivery of services.</p> <p>'Fit for Purpose' audits assessing the useability of these facilities were delayed with phone audits replacing site inspections due to COVID-19 restrictions. Site visits and photos to validate phone comments are expected to be completed early in the new financial year. A background paper including proposed scope and principles for the Framework will be presented following completion of the Community Facilities Fit for Purpose Audits and data analysis.</p> <p>Consultants were engaged for the feasibility assessment for a Dromana Community Hub, which is expected to be complete early in the new financial year.</p>	 <p>On track</p>
<p>Develop a Community Safety Strategy to guide investment in CCTV and public lighting</p>	<p>Discussions were held with Victoria Police over the year to guide further CCTV / public lighting investment and it was agreed that the Shire would seek upgrades to existing systems.</p> <p>An application was made to the Public Safety Infrastructure Fund to upgrade the Hastings CCTV system, which had deteriorated significantly since installation and required regular maintenance. The application was unsuccessful.</p>	 <p>Complete</p>
<p>Develop a Foreshore Camping Strategy to guide future decision making</p>	<p>Following on from significant stakeholder engagement during the 2019/20 camping season, drafting of the Foreshore Camping Strategy commenced. The draft strategy is expected to be presented to Council in 2020/21.</p>	 <p>On track</p>
<p>Implement the Changing Places Public Toilet Program</p>	<p>The Changing Places Public Toilet Program continued throughout the 2019/20 Financial Year.</p> <p>Designed for people with disabilities who have high support needs, including requiring the assistance of a hoist and/or height adjustable change table a Changing Places cubicle was completed in King Street, Hastings.</p>	 <p>On track</p>
<p>Implement the Accessible Beach Matting Program</p>	<p>Beach Matting was provided from November to April at Mt Martha and Mills Beach (Mornington) along with accessible beach wheelchairs, in partnership with the local lifesaving clubs.</p> <p>35 metres of beach matting was donated by the Shire to Camp Manyung, who will make it available to campers over the summer months at Sunnyside Beach in Mt Eliza. More matting was purchased with the intention of rolling it out at other beaches in the future, and a budget bid for \$80,000 to purchase matting to help make events more accessible was recently successful.</p>	 <p>Ongoing</p>
<p>Prepare the Housing and Settlement Strategy and establish associated Planning Scheme amendments</p>	<p>Council received a letter from the Minister for Planning on the 18th September 2019 that invited Council to seek reauthorisation of Amendment C219 on the condition that a series of work be completed prior to submitting for reauthorisation.</p> <p>The additional work required a refresh of the adopted Housing and Settlement Strategy and a review of existing planning provisions that applied to residential land to ensure there were no conflicts between the proposed and current controls, and to remove unnecessary permit triggers.</p>	 <p>Complete</p>

<p>Implement the Triple A Housing Committee strategic actions and outcomes</p>	<p>Council made a verbal submission to the Victorian Parliamentary Inquiry into Homelessness and worked with Triple A Housing committee agencies to support a new Integrated Homeless Outreach program on the Southern Peninsula. We also held a workshop to determine future priorities in line with the Triple A Housing Plan.</p> <p>Youth 2 Alliance continued to meet and advocate for emergency youth accommodation, albeit it virtually through COVID-19 restrictions.</p>	 <p>Ongoing</p>
<p>Review the Municipal Public Health and Wellbeing Plan</p>	<p>The Municipal Emergency Management Plan (MEMP) was formally reviewed and tested in 2019/20.</p> <p>Formal review was undertaken through the quarterly multi-agency Municipal Emergency Management Planning (MEMP) Committee, through which the MEMP sub plans for bushfire, flood and pandemic were assessed. The Committee also undertook a process to review the Community Emergency Risk Assessment and confirmed eight key risks: Bushfire; Utility Disruption; Human Epidemic/Pandemic; Plant/Animal Disease Incursion; Flood & Storm; Extreme Weather; Marine Pollution and Hazardous Materials Release.</p> <p>The MEMP was activated twice in 2020. In January in response to the Victorian bushfires and in March in response to the COVID-19 pandemic.</p> <p>Between 4-8 January 2020, the Shire activated its emergency management plan to partner with Victoria Police, the Royal Australian Navy, the State Government, and Non-Governmental Organisations (NGOs) in response to the evacuation of 1300 people from the bushfire-threatened Mallacoota. Operation Genesis involved the establishment of an Emergency Relief Centre at Somerville Recreation Centre, and relief services being delivered by the Shire and NGOs at Cerberus. The activation included providing animal management services to evacuees with pets, catering and first aid, and registration and transport. To date, Operation Genesis is the largest maritime evacuation in Australia and provided a unique opportunity for the Shire to test a whole of organisation response to an emergency. An After-Action Review was completed on 14 February 2020.</p> <p>The MEMP was activated again in March 2020 in response to the COVID-19 declaration of a State of Emergency. Since March, the Shire has supported response activities, provision of relief through the 'Caring for our Communities' initiative and established a Relief and Recovery Committee to support planning and implementation of emergency relief services and a community-focused recovery.</p>	 <p>Complete</p>
<p>Undertake the review of the Domestic Animal Management Plan</p>	<p>The Domestic Animal Management Plan 2017-2021 was adopted by Council on 24 October 2017.</p> <p>Highlights from the 2019/20 action plan included the completion of audits of 148 sites as part of a leash free audit process; continuation of a microchipping and de-sexing program for all suitable pets adopted from the shelter; an expanded beach patrol and dog control enforcement program as a result of a Memorandum of Understanding entered into with the Department of Energy, Land, Water and Planning; continuation of the</p>	 <p>Complete</p>

	cat trapping program to address issues caused by feral cats, and cats wandering in contravention of the cat curfew.	
Develop a Biodiversity Conservation Plan	<p>After extensive community engagement and consultation in late 2019, early 2020, the Biodiversity Conservation Plan was adopted by Council on 13 August 2019.</p> <p>Implementation of the plan commenced over the 2019-20 Financial Year with actions in the plan focused on six key areas:</p> <ul style="list-style-type: none"> • Engaging with the community and building stewardship. • Facilitating biodiversity conservation on private land. • Protecting biodiversity through planning and policy. • Building a strong knowledge base. • Demonstrating and leading best-practice land management, and • Building ecosystem resilience in a changing climate. 	 <p>Complete</p>
Support and implement outcomes in Tootgarook Wetland Management Plan	<p>Following the adoption of the plan by Council in May 2018 and adoption of a report defining the extent of the wetland in June 2019, Council sought authorisation from the Minister for Planning to prepare Amendment C227 to the Mornington Peninsula Planning Scheme to implement the recommendations of the Tootgarook Wetland Management Plan and Extent of Tootgarook Wetland, Mornington Peninsula, Victoria.</p> <p>C227 seeks to amend existing Environmental Significance Overlay (ESO) schedules; apply a new ESO31 over the newly defined Wetland extent and buffers; and rezone several land parcels to provide better recognition, protection, maintenance and enhancement of Tootgarook Wetland.</p>	 <p>Ongoing</p>
Support for the Westernport Biosphere Committee and initiatives	<p>Council continues to support the Western Port Biosphere Committee and Initiatives with an annual financial contribution and through representation on the advisory board and working group.</p> <p>Advocacy during the last election period resulted in a promise of federal funding to support the Mornington Peninsula and Western Port Biosphere Reserve for three years. A funding agreement with the Australian Government was signed with the first stage of funding received.</p>	 <p>Ongoing</p>
Implement the Municipal Fire Management Plan, including supporting Bushland Reserves, Roadsides and Freeway Reserve fire management plans	<p>All 2019/20 proposed bushland fuel management work was completed by 30 June 2020 as were final stages to complete the identified works in the 2014-2019 Roadsides Fire Management Plan.</p> <p>Council partnered with the Department of Transport to review the status of completed works and planned for on-going maintenance of fuel reduction works for the southern peninsula freeway reserve. This included joint on-site assessments of fuel management zones.</p> <p>In April 2020, Council was successful in obtaining funding from the Fire Access Road Subsidy Scheme, administered by the CFA, for new fire access tracks at Citation Reserve, Mount Martha; Woods Reserve, Tuerong; and Dromana Cemetery, Dromana. Works were partly completed by 30 June 2020 and will be</p>	 <p>Ongoing</p>

	<p>completed prior to commencement of the 2020/21 fire danger period.</p> <p>A planned burn was completed at Weeroona Street, Rye with no further burns undertaken in Autumn 2020. It should be noted that fuel reduction is achieved by mechanical means in most cases, as opposed to burning. This has clear benefits in preserving amenity for residents by eliminating the impact of smoke.</p>	
<p>Continue our Fire Education Community Awareness Program</p>	<p>Council continued engaging our community on fire education via mail-outs and works delivery engagement programs to promote shared responsibility for fuel management and to consult our community on the Shire's roadside and bushland reserve fuel management program.</p> <p>The multi-Council resource "Are you prepared for an emergency" publication and interactive website continued to be distributed at events and through outreach networks.</p> <p>The Shire attended the CFA-led Mount Martha Community Bushfire Exercise on 5 January. The event was so well attended that multiple additional sessions were held to accommodate all interested participants. The exercise delivered fire preparedness information and created bushfire scenarios that included real-time community messaging. The Shire also participated in the Cape Schanck bushfire preparation meeting, held on 13 January 2020.</p>	 <p>Ongoing</p>
<p>Commit to develop a street tree renewal plan</p>	<p>The Shire continues to maintain all street trees and roadside vegetation in accordance with regulations and local character of towns and to meet community needs.</p> <p>Council committed to being a partner in the Living Melbourne Urban Tree Program in 2019. Living Melbourne aims to create a profound shift in the way we think about, build, grow and value our urban environment and is made up of all the trees, shrubs, grasses, soil and water on public and private land across metropolitan Melbourne.</p> <p>The Living Melbourne urban forest strategy also aims to protect human health, nurture abundant nature and strengthen natural infrastructure.</p>	 <p>On track</p>
<p>Review township amenity service standards including weed management</p>	<p>In response to COVID-19, additional resources were invested in our Clean Team. The Shire also supported the State Government initiatives for the CityWide Sanitising Team, which aims to create employment opportunities for COVID-displaced workers for community cleansing programs.</p> <p>Township amenity standards were reviewed in 2019/20 with improvements made to our cleansing services including, responding to noise-sensitive areas for street sweeping, increased reactive high-pressure street cleaning, and improving value for money with barbeque cleaning in low use areas.</p> <p>A Shire-wide working group was established to monitor and audit the use of chemicals for weed management and are working to ensure best practice across operations.</p>	 <p>Ongoing</p>

<p>Conduct the Coastal Villages Study</p>	<p>The Western Port Coastal Villages and Surrounding Settlements Strategy was adopted on the 14 October 2019.</p> <p>The Strategy aims to address potential climate change impacts on the Western Port Bay coastline – specifically inundation and erosion – whilst protecting and enhancing township character in response to pressures for change.</p> <p>Council sought authorisation from the Minister for Planning to prepare Amendment C271 to the Mornington Peninsula Planning Scheme to implement the recommendations of the Strategy.</p> <p>Once approved by the Minister for Planning, the amendment will become part of the Shire's planning scheme which sets out the planning policy and controls against which planning permit applications are assessed. This will ensure that future development respects township character and is responsive to predicted climate change impacts on the coast.</p>	 <p>Complete</p>
<p>Advocacy for Dromana pier upgrade</p>	<p>Council continues to work with and advocate to Parks Victoria to bring about much needed repairs and improvements to the Dromana Pier.</p> <p>In February 2020, Parks Victoria held a stakeholder workshop with key community groups and Mornington Peninsula Shire Council representatives that helped inform the drafting of three possible pier options to take to public consultation.</p> <p>Parks Victoria are developing a Dromana Pier Concept Plan to guide decisions for the future of the pier.</p>	 <p>Ongoing</p>
<p>Advocacy for boat ramps, jetties and pier improvements across the Mornington Peninsula</p>	<p>Council continues to advocate for improvements to boat ramps, jetties and piers.</p> <p>Construction of the Hastings Boat Ramp Upgrade commenced in July 2020 with the final carpark layout continuing to be developed, and draft designs for a second pontoon on the southern side of the ramp under development.</p>	 <p>On track</p>
<p>Undertake Stage 4 of the Shire's Heritage Review</p>	<p>The Mornington Peninsula Shire Heritage Review commenced on stage 4, which encompasses the Cerberus, Red Hill and Watson wards. This Review will identify individual places and precincts within these Wards that should have heritage protection.</p> <p>Implementation of Council's adopted Heritage Review Area 3 continued with Amendment C262 exhibited for public comment. The amendment seeks to implement the recommendations of Council's Heritage Review Area 3 by introducing heritage controls to individual places and precincts in Blairgowrie, Portsea and Sorrento.</p>	 <p>On track</p>
<p>Implement the Carbon Neutral Policy</p>	<p>Our Carbon Neutral Policy sets out how the Shire manages greenhouse gas emissions. The policy complements the range of policies, strategies and plans currently in place that address climate change and the built environment. It also articulates the pillars of Council's commitment to carbon neutrality and demonstrates to the community the Shire's leadership on climate change mitigation.</p> <p>This year, as part of our Carbon Neutral Policy implementation we completed our Rooftop Solar Rollout Project. Council's total solar capacity at the time of writing was approximately 810 kW on Shire owned and operated buildings. Energy efficiency works also</p>	 <p>On track</p>

	<p>continued with LED lights installed in buildings, car parks and other outdoor facilities.</p> <p>The rollout of our Carbon Neutral Policy implementation is on track with the Shire in position to apply for Carbon Neutral accreditation in 2020/21.</p>	
Develop the Clean and Green Community Climate Change Plan	<p>The Climate Change Community Engagement Strategy commits Council to a minimum community greenhouse gas emission reduction target of 2.9 per cent annually and a zero-greenhouse gas emissions target by 2040.</p> <p>Implementation of the Actions within the strategy was undertaken over the year with the first campaign for the Energy Efficiency Service, which included a webinar run by the Australian Energy Foundation on solar and batteries, completed. The second campaign, to be run in the new financial year, focusses on simple measures residents can take to make their homes more energy efficient.</p>	 <p>Complete</p>
Continue to review and implement the Climate Change Risk Management Action Plan	<p>The Climate Change Risk Management Action Plan is regularly reviewed as the Plan is delivered across the business and is aligned with budget requests and new budget commitments.</p> <p>Planning for an 'Emergency Response and Risk Management' cross-functional workshop, which will consider the draft Climate Emergency plan and held in the new financial year, took place over the 2019/20 year.</p>	 <p>Ongoing</p>
Continue to implement the Municipal Waste and Resource Recovery Strategy	<p>The Shire released the Beyond Zero Waste Strategy and the Single-use Plastics Policy for public comment. Both the strategy and policy outline how Council will manage waste and single use plastics with the Strategy aiming to bring community ideas and everyday actions to innovation on approaches to resource recovery and recycling.</p> <p>We continued to partner with the Metropolitan Waste and Resource Recovery Group (MWRRG) to minimise waste and maximise resource recovery, and to explore alternative waste technologies. The MWRRG went to market with an Expression of Interest for Alternative Waste Solutions and identified three potential tenderers to move to the next stage.</p> <p>The no charge green waste weekend was extended to 4 days and brought forward to support residents with fuel reduction in anticipation of the originally scheduled date being impacted by the fire season.</p>	 <p>On track</p>
Review the Smart Water Plan	<p>Council revised the Integrated Water Strategy (previously called the Smart Water Plan) with the Shire's 'Water Future Discussion Paper' over the 2019/20 year.</p> <p>The first draft of the Integrated Water Management (IWM) Plan was put for public consultation and called for feedback and ideas to address and plan for the future of our water. We received feedback from the Department of Environment, Land, Water and Planning, South East Water, and other stakeholders.</p> <p>The draft plan will be updated in the 2020/21 financial year and is expected to be presented to Council in 2021 for adoption, which allows for alignment with the Catchment Scale IWM Plan where the future desired states (targets) are to be developed at the end of 2020.</p>	 <p>On track</p>

<p>Continue to implement the Local Integrated Drainage Strategy</p>	<p>The Local Integrated Drainage Strategy, developed in 2009, was reviewed (to be merged with the Integrated Water Management Strategy before the end of 2020) and a draft Integrated Flood Mitigation Strategy developed to help prioritise critical flood risk areas along with improvements in environmental, public health, coastal and other issues related to stormwater drainage.</p> <p>Detailed flood mapping of the peninsula continues in collaboration with Melbourne Water and aims to inform the implementation of land subject to inundation overlays.</p> <p>A contract was awarded for Cook Street Stage 4, Mornington (drainage mitigation works), with the works to mitigate, in the event of a storm, the impact of flooding through Mornington Primary School and residential buildings on Barkly Street.</p> <p>Council is currently negotiating with Melbourne Water for the location and installation of a Gross Pollutant Trap on the Flinders Drainage project.</p>	 <p>Ongoing</p>
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Services Funded in FY19/20 Budget

Service area	Description of services provided	Net Actuals Net Budget Variance \$'000	
Animal Shelter	To comply with the <i>Domestic Animals Act 1994</i> and operate in accordance with our Domestic Animal Management (DAM) Plan by caring for lost pets and endeavouring to re-home all suitable, unclaimed animals. Collaboration with the community to achieve a balance between responsible animal management and welfare and good governance.	Actuals	(915)
		<u>Budget</u>	(746)
		Variance	(169)
Asset Management	Collect and use information on Council's infrastructure assets (including roads, bridges, pathways, drainage systems, parks and reserves, recreation spaces and buildings) to optimise the life of the assets within a sound governance framework and in a cost-effective manner.	Actuals	(1,261)
		<u>Budget</u>	(1,302)
		Variance	41
Asset Protection	To ensure private development and works within road reserves are constructed safely, in accordance with relevant Acts, Regulations and Standards and to preserve the amenity of our natural and built environment.	Actuals	(25)
		<u>Budget</u>	100
		Variance	(126)
Briars Conservation Park	To protect and enhance environmental and heritage values of the park; while successfully marketing The Briars as a destination that provides significant visitor experiences and a range of event spaces in line with the agreed business plan.	Actuals	(853)
		<u>Budget</u>	(998)
		Variance	144
Building Maintenance Services	To maintain municipal buildings in line with Council's Long-Term Financial Plan/operational budget and to acceptable standards, so that they remain fit for purpose and are compliant with regulations.	Actuals	(9,054)
		<u>Budget</u>	(9,005)
		Variance	(48)
Bushland and Foreshores Reserve Management	Manage fire risk and provide leadership on fire risk reduction. Protect and enhance biodiversity values through weed control and being a key part of the Western Port Ramsar Site and UNESCO Western Port Biosphere Reserve. Community interest and involvement in both biodiversity protection (particularly weed removal) and in fire management is very strong and supporting community action is a key purpose of the service.	Actuals	(4,980)
		<u>Budget</u>	(4,648)
		Variance	(332)

Capital Works Planning and Delivery	Provide Council with planning services to review, prepare and monitor the collation and completion of the Shire's Annual and Long-Term Capital Works Program whilst overseeing and delivering on a diverse range of infrastructure projects and Capital Works programs.	Actuals	(1,311)
		<u>Budget</u>	(1,156)
		Variance	(155)
Climate Change Mitigation and Adaptation	Ensure that State and Federal regulations and policy requirements are adhered to whilst supporting the community to better prepare for the impact of climate change; economic growth through sustainable practices; long term water and energy availability within the Peninsula and reducing ongoing and future costs to Council through mitigation and adaptation.	Actuals	(1,464)
		<u>Budget</u>	(1,435)
		Variance	(29)
Development Engineering	To ensure privately owned developments are undertaken in accordance with best practices and which preserve the highly valued amenity of our natural and built environment.	Actuals	(757)
		<u>Budget</u>	(359)
		Variance	(398)
Domestic Animal Management	To perform the duties of delegated authority in compliance with the <i>Domestic Animals Act 1994</i> , <i>Impounding of Livestock Act 1994</i> , <i>Livestock Management Act 2010</i> and to operate in accordance with the Domestic Animal Management (DAM) Plan. Provide a safe and protected community and environment from dogs, cats and livestock, and restrict the number of animals allowed per property to protect amenity and animal welfare.	Actuals	1,402
		<u>Budget</u>	1,471
		Variance	(69)
Environmental Health	As required under the <i>Public Health and Wellbeing Act 2008</i> , the service protects, improves and promotes public health and wellbeing within the Shire by creating an environment which supports the health of members of the local community and strengthens their capacity to achieve better health.	Actuals	(807)
		<u>Budget</u>	(498)
		Variance	(308)
Facilities Booking and Planning	To provide access for the community to sport and recreation facilities that are fit for purpose, risk free, compliant and meet the expectations, including ensuring access for all genders and abilities.	Actuals	1,676
		<u>Budget</u>	1,894
		Variance	(218)
Fire Prevention	Comply with the <i>Country Fire Authority Act 1958</i> to protect life, property and the environment, and operate in accordance with the Municipal Fire Management Plan (MFMP).	Actuals	(431)
		<u>Budget</u>	(358)
		Variance	(73)
Housing Justice Advocacy Social Planning	To facilitate evidence-based planning by the private and public sectors and to provide better coordination and value-added delivery of housing and housing assistance by others in the public and private sectors.	Actuals	(213)
		<u>Budget</u>	(229)
		Variance	16
Infrastructure Planning	To ensure Council facilities and infrastructure meet current and future needs of the Community and any activities and services that they support.	Actuals	(785)
		<u>Budget</u>	(914)
		Variance	129
Local Law enforcement	To comply with State legislation and Local Laws to protect the community and local environment and preserve the amenity of our municipality.	Actuals	(1,554)
		<u>Budget</u>	(1,406)
		Variance	(148)
Planning Compliance	To ensure that planning controls are adhered to and to ensure protection of the amenity and environmental values of the Mornington Peninsula.	Actuals	(1,817)
		<u>Budget</u>	(1,447)
		Variance	(370)
Planning Scheme & Applications	Manage development on the Peninsula by providing appropriate and responsible policy and decision-making	Actuals	(3,376)
		Budget	(3,441)

	provisions that maintain the valued characteristics of the Peninsula, growth, support business and encourage economic development whilst protecting the environment. To ensure that the long-term values of the Mornington Peninsula's natural and built environments, for both the local and wider community, are protected and enhanced through effective strategic (land use and development) planning and the management of the pressures for change.	Variance	64
Property Operations	To ensure that we achieve best value for land and property transactions and comply with all relevant Acts and Regulations.	Actuals	1,983
		Budget	1,805
		Variance	178
Public Lighting	Illumination of roads, pathways and public spaces for amenity and safety.	Actuals	(1,830)
		Budget	(1,833)
		Variance	3
Roadside Vegetation & Arboriculture	Maintain vegetation in roadside reserves across the Shire with a primary focus on weed control, biodiversity conservation and reducing fire risk. And the Provision of tree maintenance services within the Shire's public open spaces and road sides, whilst recognising and retaining the Peninsula's valuable and unique "green" landscape.	Actuals	(5,460)
		Budget	(5,110)
		Variance	(350)
Statutory Building	To ensure the safety and satisfaction of the Shire in relation to their use of buildings, investigate illegal building activity as well as performing the role of repository for building activities within the Shire and making this information available as requested.	Actuals	(900)
		Budget	(1,609)
		Variance	709
Stormwater Management	To maintain Council's stormwater infrastructure in line with the long-term asset management strategy. Implement the framework to build on the understanding of the Shire's drainage systems and existing extent of flooding, consider the impacts of climate change on the built environment, develop the actions required to plan for future sustainable living and develop Flood Management Plans. Provide information to Building Practitioners in relation to building work that includes stormwater drainage.	Actuals	(2,430)
		Budget	(2,515)
		Variance	85
Strategic Planning Projects	To ensure that the long-term values of the Mornington Peninsula's natural and built environments, for both the local and wider community, are protected and enhanced through effective strategic (land use and development) planning and the management of the pressures for change.	Actuals	(1,035)
		Budget	(638)
		Variance	(397)
Street Furniture and Signage Maintenance	Ensure that all operational and maintenance activities that preserve and extend the life of traffic facilities, including guideposts, signage, guard rail and traffic signals and road/park/foreshore furniture meet current standards and ensure the safety of users.	Actuals	(3,451)
		Budget	(3,414)
		Variance	(37)
Township Beautification and Cleaning	To ensure townships are maintained free from graffiti, litter (clearing of street bins), drainage cleaning, street sweeping and beach cleaning.	Actuals	(8,225)
		Budget	(8,228)
		Variance	3
Urban Design and Coastal Planning	To provide strategic guidance and direction towards the natural and built environment outcomes on the Mornington Peninsula, and to ensure that Council is working in line with relevant acts and regulations.	Actuals	(989)
		Budget	(1,275)
		Variance	286
Waste Services		Actuals	(24,795)
		Budget	(22,098)

Cost effective, efficient and sustainable waste management practices, infrastructure and services that protect the environment for present and future generations.

Variance (2,696)

Service Performance Indicators

Service/indicator/measure		2017	2018	2019	2020	Material variations & comments
Animal Management						
AM1	<p>Timeliness</p> <p>Time taken to action animal management requests</p> <p>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</p>	3.26	2.58	2.75	3.80	<p>Whilst the Shire continues to focus on prioritising matters with associated public risk such as dog attacks/rushes, livestock at large and dog and cat pick-ups, an analysis of the data behind the increase indicates that COVID-19 measures implemented did adversely affect response times for our cat cage delivery.</p> <p>A further analysis indicates that whilst officers continue to respond to requests in accordance within the expected 24 hour turnaround, there was a failure to record date response times accurately, which increased the 'Time taken to action animal management requests' result compared to the last couple years. Initiatives to record accurate response times through improved system controls have been implemented.</p>
AM2	<p>Animals reclaimed</p> <p>[Number of animals reclaimed / Number of animals collected] x100</p>	59.54%	61.81%	74.28%	73.56%	<i>Note: New measure for 2019-20 financial year.</i>
AM5	<p>Animals rehomed</p> <p>[Number of animals rehomed / Number of animals collected] x100</p>	New in 2020	New in 2020	New in 2020	19.75%	<i>Note: New measure for 2019-20 financial year.</i>
AM6	<p>Service cost</p> <p>Cost of animal management service per population</p> <p>[Direct cost of the animal management service / Population]</p>	New in 2020	New in 2020	New in 2020	\$16.93	<i>Note: This measure is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals.</i>
AM7	<p>Health and safety</p> <p>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</p>	New in 2020	New in 2020	New in 2020	98.98%	<i>Note: This measure is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion.</i>

Service/indicator/measure		2017	2018	2019	2020	Material variations & comments
Statutory Planning						
SP1	Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	95.00	92.00	90.00	95.00	
SP2	Service standard Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	61.67%	67.41%	63.62%	70.80%	The restructure of the Planning Services Team to create an additional Team Leader position (and consequently a shift to four smaller planning teams vs 3 larger teams) has assisted to spread workloads more evenly, and gained efficiencies in terms of allocation and report sign-off timeframes.
SP3	Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,323.77	\$2,624.34	\$3,536.39	\$2,495.26	The 4-team structure has allowed a greater focus on the provision of in-house training, resulting in a reduced reliance on external consultants and VCAT advocacy. There have also been some savings in staff costs as a result of COVID 19, which saw some vacant positions not filled for an extended period.
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	66.67%	64.94%	32.35%	39.13%	The increase in the number of decisions upheld by VCAT during 2019/20 is in part due to a tempering of the Shire's application of the Housing and Settlement Strategy. The figure still remains lower than historical figures, which may be attributed to the legacy of 2018/19 Housing and Settlement Strategy decisions being decided at the Tribunal during 2019/20.
Waste Collection						
WC1	Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	116.44	111.79	114.65	121.54	The increase in requests is due to an increase in the number of damaged and uncollected bins. Due to COVID-19, an earlier kerbside bin collection time was implemented which resulted in an increased number of bins missed at collection. There was also a general increase in the number of bin lifts, with people staying at home due to COVID-19 restrictions, which saw a 9% increase in bin maintenance requests.

Service/indicator/measure		2017	2018	2019	2020	Material variations & comments
WC2	<p>Service standard Kerbside collection bins missed</p> <p>Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</p>	3.39	3.63	3.54	3.86	
WC3	<p>Service cost Cost of kerbside garbage bin collection service</p> <p>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</p>	\$61.65	\$62.16	\$64.97	\$64.78	
WC4	<p>Cost of kerbside recyclables collection service</p> <p>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</p>	\$26.87	\$26.69	\$28.16	\$36.51	The increase is due to collection cost increases associated with the closure of SKM Recycling in July 2019 and the requirement to direct haul to Polytrade, an alternative recycling processor.
WC5	<p>Waste diversion Kerbside collection waste diverted from landfill</p> <p>Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	50.95%	52.53%	53.62%	55.31%	The slight increase in the 'kerbside collection waste diverted from landfill' result reflects our community's commitment to the environment and is primarily an increase in the uptake of the opt-in kerbside green waste service. There were 4,000 new opt-in kerbside green waste services during 2019/20. Council also engaged Solo Resource Recovery (from 29 July 2019) to ensure household recycling avoided landfill after contracted provider SKM Recycling stopped operating and accepting recyclable material in late July of 2019.





Our connectivity











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


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

Major Initiatives to 2021	Progress in FY20	FY19 Status
<p>Advocate for significant improvements across our roads network consistent with the Shire's VicRoads advocacy priority list</p>	<p>Council's Road Improvement Strategy provides a prioritised list of actions used to inform internal and external funding applications, advocacy, planning and design. Shire officers met with representatives from the Department of Transport and Major Road Projects Victoria to plan for works at the following major roads projects:</p> <ul style="list-style-type: none"> • A full grade-separated freeway interchange at Jetty Road, Rosebud, including pedestrian operated signals and duplication to Boneo Road. • Sound barriers on the Mornington Peninsula Freeway; and • Roundabouts at the intersections of Nepean Highway with Forest Drive and Uralla Road. <p>These projects were partially funded by the federal government at the 2019 election following Shire and community advocacy efforts. They are likely to require significant additional state funding to proceed, which the Shire is continuing to advocate for.</p> <p>We also called upon Victorian and Australian governments' support for a \$320 million infrastructure plan, which included road upgrades, to spearhead economic recovery in the region.</p> <p>With approximately \$8 million allocated to the Mornington Peninsula Shire for road projects, from 2019 to 2024 through the Australian Government's Roads to Recovery Program, work commenced on:</p> <ul style="list-style-type: none"> • Broadway in Capel Sound and Merricks/Stanleys roundabout in Merricks – planning and design • Bentons Road Stage 3 upgrade - detailed design and approvals • Tendering of Wilkinson & Carmichael upgrade in Tootgarook. 	<div style="border: 1px solid black; border-radius: 10px; padding: 5px; display: inline-block;"> </div> <p>Ongoing</p>

<p>Implement the Sustainable Transport Strategy, including the development of a transport advocacy plan</p>	<p>The Shire's draft Climate Emergency Plan has a focus on transport-related emissions that will be incorporated into the Integrated Transport Strategy (Transport to 2050), which is under development.</p> <p>The Shire's Better Buses campaign, our most successful advocacy and community engagement to date, received over 92,500 engagements and completed 2,500 written and online surveys. The success of the campaign demonstrated our community's support for bus service improvements and gave us a good understanding of the utilisation of a future cross-link peninsula and on-demand public transport service.</p> <p>As a result of the campaign a meeting occurred with the Minister for Public Transport, Melissa Horne. Better Buses was also discussed with local MP's and Councillors as part of their regular meetings and engagement also occurred with officers at the Department of Transport to advocate for Departmental budget bids that complement Council's advocacy priorities to be submitted for the 2020/2021 State Budget that has yet to be released.</p>	 <p>On track</p>
<p>Advocate for increased investment in the arterial network throughout the Mornington Peninsula Shire</p>	<p>Council continues to work with all levels of government in an ongoing effort to secure the State's necessary funding contribution towards key road projects (with existing federal election commitments). These include:</p> <ul style="list-style-type: none"> • A full grade-separated freeway interchange at Jetty Road, Rosebud, including pedestrian operated signals. • Sound barriers on the freeway, and • Roundabouts at the intersections of Nepean Highway with Forest Drive and Uralla Road. <p>The release of a proportion of the federal funding will allow Council to progress the first stages of these projects including necessary investigation and design works. These projects are likely to require significant additional funding from state government to proceed, which the Shire is taking every opportunity to advocate for.</p>	 <p>Ongoing</p>
<p>Apply for Federal Black Spot Program funding</p>	<p>Submissions for the 20/21 Black Spot Program were presented to the Department of Transport (DoT) in October 2019.</p> <p>Among the 11 Black Spot applications submitted by the Shire, four are of particular interest due to their high community benefit. These include the implementation of area-wide speed limit treatments in the Dromana and Hastings Townships, pedestrian safety improvements on Mount Eliza Way and safety improvements at the Myers Road / Hendersons Road Intersection.</p> <p>Three additional projects of interest include sites at Point Leo Road, the intersection of Hodgins Road and Stumpy Gully Road, and the intersection of Ligar Street and Codrington Street. The Department advised that these projects meet key criteria for submissions and we now await the Minister's announcement for final approval.</p>	 <p>Ongoing</p>
<p>Deliver the annual Roads to Recovery program of works</p>	<p>The Roads to Recovery State and Federal funding program supports the maintenance of local road infrastructure, which facilitates greater access for residents and improves safety and economic and social outcomes.</p>	 <p>Ongoing</p>

	<p>Work commenced in preparation for delivery of the 2019-24 Roads to Recovery projects. This included planning and design for Broadway in Capel Sound and Merricks/Staneleys roundabout in Merricks, detailed design and approvals for Bentons Road Stage 3 upgrade and tendering of Wilkinson & Carmichael upgrade in Tootgarook.</p> <p>In addition to these larger projects, pavement rehabilitation on Cool Store Road, Hastings and Cemetery Drive, Dromana was completed under the Roads To Recovery Program.</p>	
<p>Deliver the Safer Local Roads contracts to maintain and improve the local roads condition</p>	<p>The Safer Local Roads program continues to deliver road management in accordance with the Shire's adopted Road Management Plan.</p> <p>All services were delivered in line with the agreed services standards with the triennial pavement condition index demonstrating an overall improvement in the road network, which is over and above the standard of maintenance.</p>	 Ongoing
<p>Continue to pursue implementation of the 'Towards Zero Municipality Initiative'</p>	<p>In April 2016, the Mornington Peninsula Shire became a Towards Zero Municipality and continues to be a priority to reduce the risk of road trauma for our community and visitors.</p> <p>The Shire collaborated with the Monash University Accident Research Centre and Dr Bruce Corben on a Road Safety Strategy to reduce road trauma on the Mornington Peninsula. The strategy focuses on systemic crash types that tend to occur on certain types of roads and intersections.</p> <p>Following state-wide media coverage of the Shire's need for more appropriate speed limits on our high-risk sealed rural roads, Council resolved in November 2019 to write to the Department of Transport Regional Director of the Metro South East Region to seek expedited approval for the speed limit reductions. Road Safety Victoria approved the 80 km/h speed limits on 38 Shire managed roads as a two-year trial. The changes were implemented in time for Christmas 2019 and we are working with Road Safety Victoria to evaluate the trial over the next two years.</p> <p>The Shire worked again with road safety expert Dr Bruce Corben to prepare a submission to the Parliamentary Inquiry into the increase in Victoria's road toll. The submission highlighted challenges that local government face trying to reduce road trauma and suggested that the Mornington Peninsula be considered a Towards Zero demonstration area due to its high rates of road trauma and unique environment. The submission was endorsed by Council on 25 February 2020 with the Shire invited to present to the Committee, but no date has been set due to COVID-19.</p>	 Ongoing
<p>Revise and implement the Road Management Plan in accordance with legislative requirements</p>	<p>The Road Management Plan was amended and compiled following community consultation to ensure the Shire's approach to managing the peninsula's road network was in line with community expectations.</p> <p>The latest version of the Road Management Plan was adopted by Council on 22 May 2018 and came into effect on 8 June 2018.</p>	 Complete

<p>Complete and implement the Road Improvement Strategy</p>	<p>The Road Improvement Strategy is primarily used to inform projects for delivery through the Federal Roads to Recovery Program.</p> <p>Work commenced in preparation for delivery of the 2019-24 Roads to Recovery projects. This included planning and design for Broadway in Capel Sound and Merricks/Stanleys roundabout in Merricks, detailed design and approvals for Bentons Road Stage 3 upgrade and tendering of Wilkinson & Carmichael upgrade in Tootgarook.</p> <p>In addition to these larger projects, pavement rehabilitation on Cool Store Road, Hastings and Cemetery Drive, Dromana was completed under this Roads To Recovery Program.</p>	 <p>Ongoing</p>
<p>Continue to construct Local Area Traffic Management treatments</p>	<p>Throughout the year, Council identified priorities for local area traffic management works based on feedback and requests from our community, traffic count data and proximity to community facilities.</p> <p>The Safer Residential Areas project was completed with construction of treatments in residential areas in Rosebud, Hastings and Dromana. The applications to the State Government for 40 km/h areas in each of these townships were approved with the Rosebud 40 km/h area scheduled for delivery in July 2020.</p> <p>Funding has also been sought through the Black Spot Program to install best practice threshold treatments in Dromana and Hastings.</p>	 <p>Ongoing</p>
<p>Revise and implement the Footpath Construction Strategy</p>	<p>Council adopted the Pedestrian Access Strategy in March 2019. The Strategy is intended to create safe, accessible, and connected pedestrian networks that facilitate pedestrian movement to key destinations. The strategy aims to enhance the pedestrian experience and guide Council in its implementation of pedestrian infrastructure across the Mornington Peninsula. A number of actions were completed throughout the year, including:</p> <ul style="list-style-type: none"> • The concept design of Alma/Field Street path in Tootgarook and Hotham Road in Sorrento. • Detailed design of Harrap Road footpath (Mount Martha). • Camp Hill Road path (Somers) design. • Surveys completed for the Crib Point School Path with an alignment proposed (along Milne Street/Collins Parade, Crib Point). • Construction of the Bayview Road (McCrae) path. <p>Construction of a missing link path and pedestrian refuge on Craigie Road near Dunns Road, Mount Martha neared completion by 30 June 2020 and is expected to be finished in the new financial year.</p>	 <p>Ongoing</p>
<p>Plan and advocate for the construction of our key bay trail and inland trail missing links</p>	<p>The Shire also started development of an advocacy plan to strategically target the next state and federal government elections in 2022 for additional funding.</p>	 <p>Ongoing</p>
<p>Provide accessible coastal paths and bay trails to promote inclusive activities for people of all abilities and ages</p>	<p>Work accelerated on the planning of the top three missing links of the Bay Trail to progress them to investment-ready projects. The three links are Baxter to Somerville, Mornington to Moorooduc, and the Port Philip section.</p>	 <p>Ongoing</p>

	The resurfacing works on the Cameron's Bight to Whitecliffs section of trail were completed and following the announcement of a second round of funding by the Victorian Government in June 2020, the Baxter to Somerville application for funding will be resubmitted to the Growing Suburbs Fund in the 2020/21 financial year.	
Continue to support the work of Peninsula Transport Assist	<p>Peninsula Transport Assist (PTA) provide volunteer assisted transport to disadvantaged people.</p> <p>Both support payments to the PTA were made with an additional \$15,000 paid to help subsidise trips for residents of the Shire suffering financial hardship.</p>	 Ongoing

Services Funded in FY19/20 Budget

Service area	Description of services provided	Net Actuals	
		Net Budget	Variance
		(\$'000)	
Parking Enforcement	Regulate the parking and use of vehicles in the municipality in compliance with the <i>Road Safety Act 1986</i> , Road Safety Road Rules 2009 and <i>Infringements Act 2006</i> .	Actuals	659
		Budget	577
		Variance	82
Road and Pathway Maintenance	Maintain the sealed and gravel road network across the Shire, ensuring a safe environment for road users whilst complying with Council's Road Management Plan.	Actuals	(11,058)
		Budget	(11,233)
		Variance	176
School Crossings	To ensure the safe crossing of children at identified high-risk locations through the management of traffic at these sites.	Actuals	(1,160)
		Budget	(1,220)
		Variance	60
Transport and Traffic Management	To effectively manage Traffic and Transport within the Shire through strategies, plans and programs to improve road safety, road infrastructure and transport services. Includes the delivery of statutory requirements relating to traffic and transport for Council.	Actuals	(1,203)
		Budget	(1,175)
		Variance	(28)

Service Performance Indicators

Service/indicator/measure		2017	2018	2019	2020	Material variations & comments
Roads						
R1	<p>Satisfaction of use <i>Sealed local road requests</i></p> <p>[Number of sealed local road requests / Kilometres of sealed local roads] x100</p>	73.79	82.21	64.10	82.23	The increase in requests are directly linked to rainfall, which infiltrate the road pavement and result in an increase of defects such as potholes. Total rainfall in 2019/20 increased by 41% over the previous year.
R2	<p>Condition <i>Sealed local roads maintained to condition standards</i></p> <p>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</p>	99.78%	100.00%	99.71%	99.57%	
R3	<p>Service cost <i>Cost of sealed local road reconstruction</i></p> <p>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</p>	\$49.19	\$70.06	\$54.28	\$86.80	The increase in the cost of sealed local road reconstruction is due to the number of projects. Three roads were reconstructed compared to just the one last year. Costs of reconstruction works are also influenced by geographical location and traffic volumes.
R4	<p>Service Cost <i>Cost of sealed local road resealing</i></p> <p>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</p>	\$11.14	\$8.14	\$10.57	\$9.60	There were no asphalt resurfacing works (more expensive treatment type) undertaken this year, which resulted in a decrease in the cost of resealing local roads. 6% of last year's program area consisted of asphalt works.
R5	<p>Satisfaction <i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	54.00	53.00	57.00	51.00	The decrease from 2018/19 should be read in conjunction with 'Sealed Local Road Requests' and 'Sealed Local Roads Maintained to Condition Standards' results over the 4 year period. The Sealed Local Road Maintained to Condition Standard results would indicate that overall conditions of roads have been maintained whilst the increase in requests is linked to an increase in rainfall from the preceding year, which may have affected the 'Satisfaction with sealed local roads' result.

Our prosperity










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





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





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

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

Major Initiatives to 2021	Progress in FY20	FY20 Status
<p>Promote business participation in employment program opportunities for all citizens</p>	<p>In regular contact with our business associations and businesses, the Mornington Peninsula Shire focused on promoting government business and employment programs and supporting businesses throughout COVID-19 by providing them with advice and information needed to access grants and navigate restrictions.</p> <p>The Shire’s mpbusiness.com.au newsletter and website kept businesses up to date with fortnightly newsletters that were issued throughout the year promoting:</p> <ul style="list-style-type: none"> • Various economic stimulus packages. • The Shire’s Business Support Package and concierge service. • Online workshops and virtual mentoring services. • A suite of webinars and virtual offerings from organisations such as the Council of Small Business Australia. <p>The Shire also made available ‘Funding Finder’, an online tool to all local businesses, community groups, not-for-profits and individuals, which provides access to funding programs all in one location.</p>	 <p>Ongoing</p>
<p>Promote education pathways that lead to employment</p>	<p>Council continued to sponsor the Frankston Mornington Peninsula Local Learning and Employment Network annual career expo and provided support to the annual Victorian Certificate of Applied Learning cook-off by providing local chefs and produce.</p> <p>We also collaborated with the number of farms to host farm days for local primary students where they learn about the workings of farms and about the types of skills and occupations involved.</p>	 <p>Ongoing</p>

Provide workshops to enhance business capability	The Shire held fourteen business workshops throughout the year that covered a range of topics including: online marketing, women returning to work and building resilience. Over 30 mentoring sessions were also provided to businesses throughout the year. Business mentoring and workshops were transitioned online during COVID-19 restrictions.	 Ongoing
Implement actions from the Home Based Business Audit	<p>Council continue to implement actions from the Home-Based Business Audit, including:</p> <ul style="list-style-type: none"> • Provided access to workshops in areas that are of interest to home-based businesses. • Provided free initial mentoring sessions with SBMS. • Promoted co-working spaces on the mpbusiness website for home based businesses that wanted to expand or relocate. <p>All of these were promoted though our fortnightly newsletter.</p>	 Ongoing
Support policy in relation to the Port of Hastings	Council continues to actively perform our role as a major stakeholder in the Port of Hastings, including advocating on behalf of community in regard to associated developments.	 Ongoing
Support the Mornington Peninsula Regional Tourism Board to promote the region as a year round destination for all	<p>Council continues to provide support through partnering with the Mornington Peninsula Tourism Board, the peak body for the peninsula's visitor economy, to drive year-round visitation.</p> <p>We implemented and delivered the Mornington Peninsula Regional Tourism's four seasonal marketing campaigns via social media posts on Facebook and Instagram, e-newsletters and blogs that promoted tourism activities, packages and events to experience throughout the seasons.</p> <p>With COVID-19 restrictions in place from mid-March, the Mornington Peninsula Regional Tourism Board industry development workshop series was replaced by a series of webinars designed to assist partner tourism businesses to survive and grow their customer base.</p> <p>Social media activities were utilised to celebrate regional characteristics and gave #couchtravel inspiration to our customers for future travel plans, whilst showcasing local tourism activities available within current restrictions. We also provided information on how you could support and access your local business during restrictions.</p>	 Ongoing
Increase industry participation in the business conferencing and events sector	<p>The Shire works in partnership with the region's conference bureau, Business Events Mornington Peninsula. Business Events Mornington Peninsula provides a free service offering impartial event planning assistance for businesses and corporate groups.</p> <p>Business Events Mornington Peninsula attracted 41 business event enquiries and secured seven events held in Mornington Peninsula venues. Business Events is an important market which helps attract off peak events to help sustain our tourism industry.</p> <p>The annual RACV Victorian Tourism Awards Ceremony were held in December 2019 with the Mornington Peninsula Shire receiving a finalist placing in the Tourism Education & Training category, which was a joint</p>	 Ongoing

	submission between the Shire and Mornington Peninsula Regional Tourism Board.	
Develop and support niche commercial, coastal and hinterland sectors and products	<p>The Shire worked closely with our Chambers of Commerce to support our townships and retail precinct businesses, this included renewing a number of special charge scheme promotional funds.</p> <p>Before COVID-19 restrictions took place discussion groups were run for the agricultural industry.</p> <p>We also held virtual farm walks on regenerative farming in vineyards and a webinar was held on sustainable farming energy initiatives and accessing the Energy Upgrade Agreements through Mornington Peninsula Shire.</p>	 <p>Ongoing</p>
Continue to implement the Local Food Strategy	<p>The Shire is committed to fostering a thriving local food economy and building resilience to climate change through sustainable farming practices, enhancing biodiversity and adopting circular economy principles.</p> <p>To do this, work commenced on updating the local food strategy. The Food Economy and Agroecology project will provide an analysis of the local agriculture and food industry and develop a five-year strategy to drive growth in agriculture and farming productivity whilst preserving the region's ecology and biodiversity. Development of a business survey and a stakeholder survey for engagement commenced with implementation in the 2020/21 financial year.</p> <p>We continued to work with the Western Port Land Care Network to support and develop the local food and agricultural sector with several farmer discussion groups held for the agricultural industry on biodynamic farming, livestock parasite diagnosis and current best practice in fencing.</p> <p>Before COVID-19 restrictions took place a demonstration on carbon soil testing was held and discussion groups were run for the agricultural industry including:</p> <ul style="list-style-type: none"> • Finding new revenue streams, and • Diversifying production 	 <p>Ongoing</p>
Advocate to enhance the productivity of our region throughout the Bunyip Food Belt	<p>Work progressed on the Tyabb Somerville Recycled Water Scheme updated business case with the project due for completion in 2020/21 financial year. Upon completion approximately 1,555 megalitres of Class A water will be delivered to farms in Tyabb and Somerville for irrigation from South East Water's eastern treatment plant.</p> <p>The feasibility for the Hinterland Recycled Water scheme also commenced.</p>	 <p>On track</p>
Support the agritourism industry on the peninsula	<p>The Shire continues to support agritourism industry on the peninsula through promotion through its social media platforms and through initiatives such as the Mornington Peninsula Produce (MPP), which had a designated fresh food area at the Red Hill Show (MPPaddock) that showcased and sold Mornington Peninsula produce under the MPP branded banner.</p> <p>We also continued working with the Food Industry Advisory Body and the Western Port Land Care Network to enhance the business capability of the sector.</p> <p>The Shire also ran a seasonal marketing campaigns highlighting businesses, including agritourism, over blogs, social media posts via Facebook and Instagram, and e-</p>	 <p>Ongoing</p>

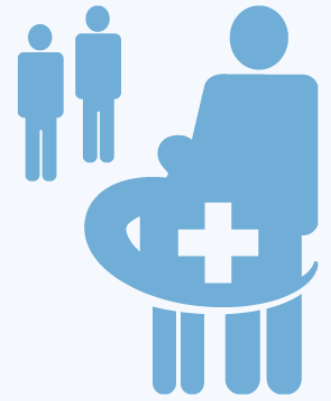
	newsletters that promoted activities, packages and events to experience the Mornington Peninsula.	
Support and further the strategy for the Mornington Peninsula Produce (MPP) branding and Food Advisory Boards	<p>The MPP certified trade mark, developed by the Mornington Peninsula Shire and the Food Industry Advisory Body (FIAB), gives consumers confidence in the provenance of fresh produce when purchasing from farm gates, farmers' markets and retail outlets.</p> <p>The aim of the trade mark is to strengthen the identity of the Mornington Peninsula as a quality, fresh and innovative food economy, and it provides consumers with a guarantee of authentic provenance from the Mornington Peninsula with the legal backing of the Australian Consumer and Competition Commission (ACCC).</p> <p>The MPP Produce FaceBook page continues to be a key platform to market and promote our food producing businesses. During the COVID-19 restrictions both Facebook and the Mornington Peninsula Shire's website promoted MPP branded and local produce with the Shire creating and listing a Support Local Business Directory.</p>	 Ongoing
Provide skills development and support to food economy businesses, including our agriculture, agritourism and value-added food production sectors	<p>The Shire continued its work with the Western Port Land Care Network (WPLCN) to support and develop the local food and agricultural industry. Videos of the Regenerative Farmers field days and Market Gardens and Small Farmers Discussion Groups were available via the WPLCN and Mornington Peninsula Shire websites. The Shire also hosted these videos on its YouTube channel with participants invited to a follow up Q and A session with the farmer via webinars.</p> <p>Several farmer discussion groups took place, although some field days and two virtual farm walking tours were moved online due to COVID-19. Topics include regenerative agriculture, produce diversity, sustainable farming energy, finding new revenue streams, diversifying production and alternative meat and nut farming.</p>	 Ongoing
Support rural business through networking and industry development	<p>In conjunction with Western Port Land Care Network, several discussion groups including diversifying production; finding new revenue streams and alternative meat and nut farming were held. We also held two virtual farm walks on regenerative farming in vineyards.</p> <p>The Shire also hosted the State Parliamentary Inquiry into tackling climate change where the issues facing our local farming community were presented and discussed.</p>	 Ongoing
Foster and encourage agriculture and promote the Mornington Peninsula's rural sector	<p>Council continues to support and provide assistance to the Food Industry Advisory Body, the Mornington Peninsula Vignerons Association and the Western Port Land Care Network to support and develop the local food and agriculture industry.</p> <p>We continued working with the Vignerons Association and Agriculture Victoria to declare the peninsula Phylloxera free (Phylloxera is an insect that can infest the roots and subsequently kill grape vines, which can have a devastating impact on vineyards).</p> <p>The Shire advocated for recycled water and access to recycled water to drought-proof the Peninsula, reduce our reliance on potable water supply, protect us from fire and develop economic growth in agriculture for the region (while also protecting and enhancing our natural environment).</p>	 On track

	The Food Systems and Agroecology project is well underway with development of a business survey and a stakeholder survey for engagement in the first quarter of 2020/21. The project will provide an analysis of the local agriculture and food industry and develop a five-year strategy to drive growth in agriculture and farming productivity whilst preserving the region's ecology and biodiversity.	
Develop and grow local business, including agritourism and intensive agriculture	<p>The Shire announced a business and economic stimulus package in response to COVID-19. The package included a range of innovative support initiatives including a Business Concierge Service, 'Supporting Local Business' campaign, advocacy to State and Federal departments, fast tracking of approvals, temporary cessation of fees and charges, support for local contractors and rate and rent relief options for those in Council properties.</p> <p>The Shire's business website www.mpbusiness.com.au was updated regularly as new Government support packages were announced for businesses and their employees. Additionally, website listed business services being provided during the quarantine period, including takeaway and no contact delivery, and business to business support such as financial and legal advice were included.</p>	 Ongoing

Services Funded in FY19/20 Budget




Service area	Description of services provided	Net Actuals Net Budget Variance \$'000	
Economic Development	To support the business community by improving productivity and capability, enhance employment growth, support the diversification of the local economy and undertake collaborative projects with business, government, service providers and regional bodies. Also provides timely, accurate and appropriate information and advice to the community, businesses and current and potential investors.	Actuals	(860)
		<u>Budget</u>	(860)
		Variance	0
Tourism Marketing	Enhance, facilitate and promote existing and new experiences through the quality and diversity of the region. Ensure marketing reflects the diverse visitor appeal of the region and build on shoulder and off-season visitation throughout the whole region. Build capacity, professionalism and improved coordination within the sector by facilitating and growing strategic local and regional tourism partnerships.	Actuals	(643)
		<u>Budget</u>	(683)
		Variance	40






Our wellbeing









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




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




Major Initiatives to 2021	Progress in FY20	FY20 Status
Implement the Municipal Public Health and Wellbeing Plan	<p>Planning commenced for development of our new Municipal Public Health and Wellbeing Plan 2021-25 and an organisational review of the current Municipal Public and Health Plan was undertaken through our Year 3 action plan.</p> <p>We also submitted to the Victorian Department of Health and Human Services a 'Climate Change in Municipal Public Health and Wellbeing Plans' discussion paper and Mayoral letter of support to the Victorian Commission for Gambling and Liquor Regulation for the Designated Orders Project. Designated Orders aim to reduce harm associated with alcohol consumption in public places.</p>	 <p>Ongoing</p>
Undertake the Community Houses and Centres Study	<p>The Community House Review was adopted by Council in July 2020.</p> <p>The Community House Review made several recommendations in relation to financial capability, governance, social impact, and appropriate facilities.</p>	 <p>Complete</p>
Support the Best Bites Program	<p>The Shire continues to support the Best Bites program which aims to support and promote local food business in the areas of food safety, healthy eating, sustainability, reduction of tobacco/alcohol and access and inclusion.</p> <p>More than 150 customers nominated their favourite food business as part of the 2020 Best Bites People's Choice Awards. A panel of three independent judges comprised of representatives from the Shire, Peninsula Health and the Disability Advisory Committee assessed the nominees based on how well they performed in all categories.</p> <p>Congratulations to Cooe Café in Rosebud who were announced as the overall winner of 2020 Best Bites People's Choice Awards.</p>	 <p>Ongoing</p>







<p>Implement the Positive Ageing Strategy</p>	<p>Following extensive consultation with community and local aged care providers, the Draft Positive Ageing Strategy 2020-2025 was developed and set to be presented to Council for adoption in the new financial year.</p> <p>The Positive Ageing Strategy 2020-2025 is based on the vision of what an age-friendly Mornington Peninsula can look like in five years and aims to support all of us to live and age well on the Peninsula.</p>	 <p>On track</p>
<p>Upgrade preschool facilities and implement works from the Kindergarten Strategy</p>	<p>Works continued on the preparation of Tyabb Kindergarten for the upgrade that will include a second room. This has been funded via a successful grant application under the Victorian Government's Growing Suburbs Fund from which we received \$727,000. This is in an identified significant growth area on the Peninsula and with new housing subdivisions approved, the project seeks to prepare for the anticipated increase in demand for services.</p>	 <p>On track</p>
<p>Complete and enact the Early Years Plan</p> <p>Develop a Youth Services Strategy</p>	<p>The Early Years Plan and the Youth Strategic Plan will be merged into one plan titled Birth to 25 Years Plan. This was approved by Council with the consultation being undertaken as part of the Council Plan and Health and Wellbeing Plan. The new plan will follow the Community Plan for adoption which will likely be in 2021.</p> <p>The Shire also contributed to the development of the State Government's Initiative of a 'Sleep and settling model of care' and Early Parenting Centre's Model of Care.</p>	 <p>On track</p>
<p>Implement the Child Safe Policy and initiate appropriate actions to meet requirements under the 'child safe' legislation</p>	<p>Mornington Peninsula Shire is committed to be a Child Safe Organisation, assisting in the prevention of child abuse, identifying risks early and removing and reducing these risks. We have implemented robust human resources and recruitment policies (including our Employee Code of Conduct, Child Safe Policy and Employment Checks Policy) and procedures to achieve this commitment. It is now a requirement for all MPS employees to hold a valid Victorian Employee Working with Children Checks and undertake Child Safe Training.</p> <p>Working with Children Check compliance for employees currently working for MPS is 100%, with a renewal process in place to ensure ongoing compliance. All new employees are required to undertake both an Australian Criminal History Check and hold a valid Working with Children Check prior to their commencement with MPS.</p> <p>As part of the ongoing commitment we will continue to undertake Child Safe training across the organisation, MPS has a number of current employees who have been accredited by Child Wise to provide inhouse Child Safe training with online training to be introduced.</p>	 <p>Complete</p>
<p>Implement the Communities That Care Healthy Neighbourhoods Schools Survey</p>	<p>Communities That Care (CTC) Mornington Peninsula is a preventative approach to improving the health and wellbeing of children and young people on the Peninsula. CTC aims to promote the healthy development of children and young people by reducing risk factors and increasing protective factors in order to see favourable change in behaviour over time.</p> <p>The Communities That Care Healthy School survey was completed and received on 28 June 2019 with all secondary and primary schools on the Peninsula</p>	 <p>Complete</p>

	<p>participating. The CTC 2018 Healthy Neighbourhoods Schools Survey report provided Council with an understanding of current youth health and wellbeing data and the findings were presented to Council in September 2019.</p>	
<p>Support and implement programs and services for parents and families</p>	<p>The Shire continues to support and deliver a number of initiatives and programs that are available to parents and families, including Maternal and Child Health (MCH); Immunisation; first time parent groups; Family Day Care; kindergarten registration; Youth Service; best start partnership; supported playgroups; Social Planning and Community Development; Health and Wellbeing; disability inclusion and walk to school program.</p> <p>Work continues in each of these areas and whilst COVID-19 restricted our ability to deliver some services or were modified in their delivery to ensure our community stays safe and healthy, we've taken this opportunity to connect with families via a number of alternative platforms: MCH provided telehealth style appointments with minimal face to face contact. All children aged birth to 8 weeks were still seen as was any child/family experiencing vulnerabilities or children who identify as Aboriginal or Torres Strait Islander. Immunisation continued on an appointment-based system.</p>	 <p>Ongoing</p>
<p>Support and implement preventative and awareness programs to support families and impact on rates of family violence</p>	<p>We launched the Shire's first Gender Equality Strategy 2020-230 on International Women's Day with over 500 community members and staff in attendance. Guest speakers were Natasha Stott Despoja and Rosie Batty. A video at the launch featured boys and men from the community talking about gender equality.</p> <p>The Shire continued developing strong working relationships with family violence agencies and Child Protection to improve access to services for families in need of additional support and for victims of family violence. Staff from the Shire's Child and Family Health team also undertook a state-wide training program on Multi Agency Risk Assessment and Management (MARAM) Screening and Identification of Family violence. The MARAM training has been designed to increase the safety and wellbeing of families by supporting services to identify, assess and manage family violence risk effectively.</p> <p>We also increased our messages to ensure support for people experiencing family violence during lockdown, and we also received confirmation of a successful grant application under VicHealth Healthier Masculinities Partnership Grants Program for delivery of Morn Pen Men and Boys Making It Happen project. The project, in partnership with Family Life (lead agency) and several key agencies including Women's Health, Community Health, Primary Care Partnership and Victoria Police, is aimed at addressing toxic masculinity and improving gender equality by engaging local men and boys as change champions.</p>	 <p>Ongoing</p>
<p>Support and implement strategies and outcomes in the Disability Action Plan</p>	<p>On 4 December 2019, the Shire and Belgravia Leisure celebrated the annual All Abilities Day by hosting over 400 people in a fun day of sport and activity at Civic Reserve Recreation Centre in Mornington.</p> <p>The Shire installed a new mobility hoist at Pelican Park Recreation Centre and undertook an organisation-wide review of Disability Inclusion in Year 2 of our Annual</p>	 <p>Ongoing</p>

	<p>Action Plan. We also commenced planning for development of our Universal Design Policy, which aims to address the barriers faced not only by people with a disability but guide efforts to improve accessibility of places, spaces, facilities, and services. More than 60 Shire officers received Universal Design training.</p> <p>Council also submitted Mayoral Letters to the Victorian and Australian Government to ensure their COVID-19 response and the Home Builders Grant Scheme take people with a disability into consideration.</p>	
<p>Continuous implementation of arts projects and initiatives for all ages and abilities</p>	<p>The Mornington Peninsula Regional Gallery (MPRG) presented 12 diverse exhibitions, including David Hockney Prints, on tour from the National Gallery of Australia and Sublime Sea: Rapture & Reality, developed by guest curator Dr Vivien Gaston.</p> <p>Over 23,000 people visited the gallery or participated in a public program and 500 plus school students visited the MPRG. 170 preschool children joined in the popular 'Young at Art' program, which introduces pre-schoolers to the wonderful world of art and a new Art and Dementia program was trialled with great success.</p> <p>More than 100 dedicated volunteers assisted the MPRG team across a range of roles including Visitor Services, gallery tours, exhibition, and event support. The gallery was closed to the public from 17 March to 30 June 2020 due to COVID-19.</p>	 <p>Ongoing</p>
<p>Continue to implement the Mornington Peninsula Shire's Reconciliation Action Plan</p>	<p>Council placed the Draft Reconciliation Action Plan on public exhibition from 17 September to 14 October 2019 to seek feedback on our vision for reconciliation.</p> <p>The Reconciliation Action Plan Innovate 2020-2022 was adopted by Council on 10 December 2019 and endorsed by Reconciliation Australia on 1 April 2020.</p> <p>The Plan focuses on the important task of developing and strengthening relationships with Aboriginal and Torres Strait Islander peoples, engaging the Shire and stakeholders in reconciliation, and developing and piloting innovative strategies to empower our Indigenous residents.</p>	 <p>Ongoing</p>
<p>Continue to work with partner agencies to update the Municipal Emergency Management Plan</p>	<p>The Municipal Emergency Management Plan (MEMP) was formally reviewed and tested in 2019/20.</p> <p>Formal review was undertaken through the quarterly multi-agency Municipal Emergency Management Planning (MEMP) Committee, through which the MEMP sub plans for bushfire, flood and pandemic were assessed. The Committee also undertook a process to review the Community Emergency Risk Assessment and confirmed eight key risks: Bushfire; Utility Disruption; Human Epidemic/Pandemic; Plant/Animal Disease Incursion; Flood & Storm; Extreme Weather; Marine Pollution and Hazardous Materials Release.</p> <p>The MEMP was activated twice in 2020. In January in response to the Victorian bushfires and in March in response to the COVID-19 pandemic.</p> <p>Between 4-8 January 2020, the Shire activated its emergency management plan to partner with Victoria Police, the Royal Australian Navy, the State Government, and Non Governmental Organisations (NGOs) in response to the evacuation of 1300 people from the</p>	 <p>Ongoing</p>

	<p>bushfire-threatened Mallacoota. Operation Genesis involved the establishment of an Emergency Relief Centre at Somerville Recreation Centre, and relief services being delivered by the Shire and NGOs at Cerberus. The activation included providing animal management services to evacuees with pets, catering and first aid, and registration and transport. To date, Operation Genesis is the largest maritime evacuation in Australia and provided a unique opportunity for the Shire to test a whole of organisation response to an emergency. An After-Action Review was completed on 14 February 2020.</p> <p>The MEMP was activated again in March 2020 in response to the COVID-19 declaration of a State of Emergency. Since March, the Shire has supported response activities, provision of relief through the 'Caring for our Communities' initiative and established a Relief and Recovery Committee to support planning and implementation of emergency relief services and a community-focused recovery.</p>	
<p>Build a pool for the community of the Southern Peninsula</p>	<p>By the end of 2019/20, building works were approaching 60 per cent completion.</p> <p>Council approved an expansion of the roof top solar panel array from 231 kW to 375 kW at its meeting on 21 April 2020, which will provide up to 50 percent of electricity demand during peak generation periods.</p> <p>Upon completion, the centre will provide a 50-metre competition pool with moveable boom, learn to swim and warm water pools, play and splash area, wellness centre, gym and associated multi-purpose rooms as well as a café, school group and family change rooms and spectator seating. Council's Disability Advisory Committee and a qualified access specialist were consulted in the design stages, which resulted in a range of accessible features including Changing Places toilet, ramps and hoists into all pools, a safe area for assistance animals and accessible counter-tops built into the centre.</p>	 <p>On track</p>
<p>Implement the Playspace Strategy</p>	<p>Council manages 143 public playgrounds in parks, recreation reserves and other areas.</p> <p>Over the course of the year, Council completed concept designs for Robertson Park, Balnarring; Tarana Reserve, Mornington; George Bishop Reserve, Dromana; Olivia Way, Hastings; Percy Ceruty, Portsea and Hillview Community Reserve, Dromana.</p>	 <p>Ongoing</p>
<p>Implement the Sports Capacity Plan</p>	<p>Council adopted the 'Sports Capacity Plan – V1. Sports Fields' on 25 June 2019. The plan identifies and prioritises a broad range of projects across the Peninsula to address the field-based sporting needs of the community until year 2036.</p> <p>As part of the implementation of the Plan, the following projects have been completed or are underway:</p> <ul style="list-style-type: none"> • Completion of Crib Point Oval reconstruction • Completion of sports field lighting projects at Alexandra Park, Olympic Park Soccer, Olympic Park Senior Oval, Red Hill Junior Oval, Hastings Senior Oval, Hastings Junior Oval, Rye. • Commencement of sports field lighting projects at Sorrento, Red Hill Junior Oval and Hastings Junior Oval. 	 <p>Ongoing</p>

	<ul style="list-style-type: none"> • Completion of Truemans Road Netball complex reconstruction. • Completion of design plans for the redevelopment of ovals at Rosebud and Balnarring and for an additional new oval at Narambi Reserve in Mornington. • Completion of Stage 1 of Sports Capacity Plan Volume 2 and 3 and a draft State of Play has been prepared for each of the 17 sports that will be considered as part of this work. <p>Workshops on the future provision for their sport with the clubs and associations were to be held in April but were postponed due to COVID-19 but work on Stage 2 of the document commenced, including: the development of provision ratios, the facility hierarchy for each sport and facility standards.</p>	
<p>Identify, support and develop major events within the municipality to raise awareness for health and wellbeing issues</p>	<p>Council continues to support and participate in events that raises awareness about health and wellbeing.</p> <p>In response to COVID-19 many events were cancelled so we increased our online content to promote and communicate key health and wellbeing messages to our community.</p> <p>We also submitted to the Victorian Department of Health and Human Services a 'Climate Change in Municipal Public Health and Wellbeing Plans' discussion paper and a Mayoral letter of support to the Victorian Commission for Gambling and Liquor Regulation for the Designated Orders Project. Designated Orders aim to reduce harm associated with alcohol consumption in public places.</p>	 <p>Ongoing</p>
<p>Rehabilitate Shire ovals to ensure they can meet the usage demands of the community</p>	<p>COVID-19 significantly impacted on the use of Shire ovals in the second half of 2019/20 with their enforced closure. Whilst challenging for local clubs, the Shire took the opportunity to bring forward oval improvement works for when sports resumes.</p> <p>The annual program was expended in full to deliver the extra capacity services over and above the maintenance contract requirements.</p> <p>The Shire was also successful in obtaining a significant grant through the State's 'Growing Suburbs Fund' (matching funds) for the installation of new lights at several sporting fields throughout the Shire.</p>	 <p>Ongoing</p>
<p>Undertake an audit of existing sports field lighting and develop a new program</p>	<p>An audit of sports field lighting lux (brightness) levels undertaken in April 2017 highlighted sports fields that needed to be upgraded to meet Australian Standards. Council was successful in obtaining significant funds for 13 lighting projects to be delivered in the 19/20 and 20/21 financial years as part of The Sports Growth Lighting Package.</p> <p>Works were completed at the following sites: Olympic Park Senior Oval (Rosebud); Olympic Park Soccer Pitch (Rosebud); Alexandra Park (Mornington) and Hastings Park Senior Oval (Hastings).</p> <p>Construction on the following sites was nearing completion at 30 June 2020 and will be delivered at the end of July 2020: Hastings Park Junior Oval (Hastings); Red Hill Recreation Reserve Junior Oval (Red Hill); David MacFarlan Reserve (Sorrento) and RJ Rowley Reserve (Rye).</p>	 <p>On track</p>

<p>Review and implement the Sports Pavilion Strategy</p>	<p>Auditing of existing sporting pavilions to assess condition and functionality was ongoing throughout the year. Audits of all 86 Shire pavilions were completed as was the draft prioritisation framework.</p> <p>Final information to complete the audit reports, which is in relation to work currently being undertaken for the Sports Capacity Plan Vol 2 & 3, is expected in the new financial year.</p> <p>The draft prioritisation listing, audit report and draft strategy report were nearing completion as of 30 June 2020 and are expected to be complete by the end of July.</p>	 <p>Ongoing</p>
<p>Following major refurbishments in 2016, continue to update library assets and resources</p>	<p>Council continues to update library assets and resources as appropriate.</p> <p>With the temporary closure of our libraries due to COVID-19, all public and education programs were made available online and we increased our eAudiobooks and eBooks for availability to support the community.</p>	 <p>Ongoing</p>
<p>Implement the Arts and Culture Plan</p>	<p>The Arts and Culture Plan 2020-2024 was adopted by Council on 21 April 2020.</p> <p>The Plan sets a vision and guide for Council's involvement and investment in arts and cultural activities within the community and was developed in response to over 1,000 community members' feedback.</p> <p>The Shire commenced development of an Action and Implementation Plan that will direct activities and support for creative and cultural communities in 2020/21.</p>	 <p>Ongoing</p>
<p>Investigate options for the development and siting for the Mornington Peninsula Regional Gallery</p>	<p>The development and siting of a MP regional gallery will continue following the Business Transformation Operating Model Review in 2020/21.</p>	 <p>On track</p>
<p>Continue digitisation program and presentation, and interpretation of material culture and stories of the Shire</p>	<p>The digitisation of important historical documents and images relevant to the peninsula is ongoing. Council visits and assists local history societies with their valuable work, which includes scanning, cataloguing and collections management issues, restoration and repairs.</p> <p>With the closure of some front facing customer services due to COVID-19, staff were diverted to other services, which allowed a significant transcription project to be completed in the Local History program.</p> <p>As a result of all the scanning and cataloguing work completed in 2019/20, a collection of archives titled 'Treasures from the Shire Archives' will be placed online in the new financial year.</p>	 <p>Ongoing</p>
<p>Carry out stage improvements to the Peninsula Community Theatre</p>	<p>Completed in 2018/19.</p>	 <p>Complete</p>

Services Funded in FY19/20 Budget

Services area	Description of services provided	Net Actuals Net Budget Variance \$'000	
Aboriginal Cultural Heritage Management & Community Development	The service is provided to implement the Council Reconciliation Action Plan Innovate 2020 – 2022, and the new RAP currently under development which identifies Council's commitment to support the traditional and local Aboriginal community through community development, social support and heritage management that reflects current social, cultural, legislative and political contexts.	Actuals	(223)
		<u>Budget</u>	(323)
		Variance	100
Active and Passive Open Spaces Maintenance	To provide the wider Community the opportunities and the facilities for recreational and entertainment-based sporting programs, competitions and activities. Also includes open and passive reserves across the Peninsula.	Actuals	(6,500)
		<u>Budget</u>	(6,369)
		Variance	(131)
Aquatic and recreational facilities	To provide the wider Community the opportunities and the facilities for recreational and entertainment facilities. Also includes the Mornington Peninsula Golf course.	Actuals	(3,046)
		<u>Budget</u>	(2,807)
		Variance	(239)
Arts and Culture	To provide a culturally enriching experience for the community and visitors to the Mornington Peninsula through arts and culture offerings.	Actuals	(1,484)
		<u>Budget</u>	(1,635)
		Variance	151
Child and Family Health	To enhance child health, wellbeing, development and safety, whilst supporting parents to improve family functioning. The aim is to build stronger, more resilient families and communities.	Actuals	(1,417)
		<u>Budget</u>	(1,485)
		Variance	69
Community Development and Capacity Building	Address economic and social disadvantage through a community consultation process that identifies priority projects, programs, events and initiatives.	Actuals	(614)
		<u>Budget</u>	(680)
		Variance	66
Communication, Media & Events	To ensure the community is kept informed across major projects and our events; and to act as a platform that brings our community together, celebrating arts, culture and diversity and to attract tourists to the region.	Actuals	(2,211)
		<u>Budget</u>	(2,385)
		Variance	174
Education and care	To provide a high quality and flexible childcare options, provide a central registration process for children attending (3 year and 4 year old) kindergarten, provide high quality child care during the school holiday periods and facilitate Supported Playgroups.	Actuals	(157)
		<u>Budget</u>	(118)
		Variance	(40)
Emergency management	To comply with the Emergency Management Acts of 1986 & 2013; provide statutory roles of Municipal Fire Prevention Officer (MFPO), Municipal Emergency Resource Officer (MERO) and Municipal Recovery Manager (MRM); operate in accordance with our Mornington Peninsula Municipal Emergency Management Plan.	Actuals	(222)
		<u>Budget</u>	(204)
		Variance	(18)
Grants program	To provide community grant funding to community groups and not-for-profit organisations to support projects, programs and services that respond to identified community need.	Actuals	(1,500)
		<u>Budget</u>	(1,657)
		Variance	157
		Actuals	(171)

HACC- Aged & Disability Services	To provide support and community transport to older residents over 60, and residents with a disability: with the aim to improve their accessibility and social connectedness to their community.	<u>Budget</u>	(188)
		Variance	17
HACC- Delivered Meals	Meals on Wheels ensures older people, people with disabilities, and their carers who are nutritionally at risk, have access to healthy meals and provides a daily welfare monitoring service. It also delivers much needed social interactions for clients who are socially isolated.	Actuals	(503)
		<u>Budget</u>	(558)
		Variance	55
HACC Unit assessment service	To provide a broad understanding of a person and their carer's needs, in order to assist the person to manage their individual health and well-being expectations.	Actuals	(12)
		<u>Budget</u>	(138)
		Variance	126
HACC- Home Based Services	Home Based Services provides minor household maintenance, domestic and personal care to frail older people, people with disabilities and respite care to their carers so they can continue to live safe and active lives, independently in their own home.	Actuals	(3,299)
		<u>Budget</u>	(3,953)
		Variance	653
HACC- Senior Citizens	Council demonstrates its support for older residents through the provision of an age friendly community and providing a subsidised venue for seniors groups that offer regular activities (both physical and mental) for social interaction.	Actuals	(309)
		<u>Budget</u>	(332)
		Variance	23
Health and wellbeing	The <i>Public Health and Wellbeing Act 2008</i> requires local governments to develop Municipal Health & Wellbeing Plans. Each council's approach and strategy is documented in their Municipal Public Health and Wellbeing Plan (MPHWP). The MPHWP sets the broad mission, goals and priorities to enable people living in the municipality to achieve maximum health and wellbeing.	Actuals	(422)
		<u>Budget</u>	(462)
		Variance	40
Libraries	Provide a free lending library and information service to the community. Service aim is to deliver equitable access to the community to meet lifelong educational, informational and recreational needs through the provision of print and digital based resources in a variety of formats; i.e. collection services, e-resources and interactive learning programs.	Actuals	(2,870)
		<u>Budget</u>	(3,175)
		Variance	304
Recreation Development & Support	To provide sports and recreation facilities that are risk free, compliant and meet the expectations of the community and that are fit for purpose, welcoming to all genders and abilities.	Actuals	(897)
		<u>Budget</u>	(1,305)
		Variance	408
Youth Services	Through support, empower young people to feel happy, healthy and connected.	Actuals	(1,596)
		<u>Budget</u>	(1,741)
		Variance	146

Service Performance Indicators

Service/indicator/measure		2017	2018	2019	2020	Material variations & comments
Aquatic Facilities						
AF2	<p>Service standard Health inspections of aquatic facilities</p> <p>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</p>	1.50	3.00	3.00	2.50	
AF6	<p>Utilisation Utilisation of aquatic facilities</p> <p>[Number of visits to aquatic facilities / Municipal population]</p>	1.62	1.35	1.31	1.00	Pelican Park, our indoor aquatic centre, was closed from 16 March due to COVID-19 restrictions. The centre partially reopened on 1 June.
AF7	<p>Service cost Cost of aquatic facilities</p> <p>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</p>	New in 2020	New in 2020	New in 2020	\$8.06	<i>Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities'.</i>
Food Safety						
FS1	<p>Timeliness Time taken to action food complaints</p> <p>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</p>	2.65	3.01	3.19	2.10	The decrease in time taken to respond to food complaints can be attributed to continual improvement in data management and processes.
FS2	<p>Service standard Food safety assessments</p> <p>[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</p>	92.82%	87.50%	98.71%	97.36%	
FS3	<p>Service cost Cost of food safety service</p> <p>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p>	\$619.68	\$675.39	\$721.11	\$688.16	The slight decrease against last year is mainly attributed to a reduction in normal salary and wages, and legal fees.

Service/indicator/measure		2017	2018	2019	2020	Material variations & comments
FS4	<p>Health and safety <i>Critical and major non-compliance outcome notifications</i> 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</p>	93.17%	99.56%	98.51%	96.40%	
Libraries						
LB1	<p>Utilisation <i>Physical library collection usage</i> [Number of physical library collection item loans / Number of physical library collection items]</p>	7.83	7.64	8.57	5.50	<p>The physical collection usage decrease can be attributed to Library centre closures due to COVID-19 restrictions and a difference in the calculation of parameters, which now excludes eBooks and eAudioBooks.</p> <p><i>Note: From 2019-20, this indicator measures the performance of physical library items as a subset of the wider library collection.</i></p>
LB2	<p>Resource standard <i>Recently purchased library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100</p>	77.76%	78.79%	70.22%	78.63%	<p>The increase is a result of last year's clearing out of outdated magazines, deleting lost / missing items and a decrease of the number of items purchased in 2018/19 compared to current and previous years. Additionally, there was no damage, losses or weeding to our collection this year because of Library Centre closures due to COVID-19 restrictions.</p>
LB4	<p>Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</p>	19.09%	16.73%	15.76%	15.60%	
LB5	<p>Service cost <i>Cost of library service per population</i> [Direct cost of the library service / Population]</p>	New in 2020	New in 2020	New in 2020	\$23.61	<p><i>Note: This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits.</i></p>

Service/indicator/measure		2017	2018	2019	2020	Material variations & comments
Maternal and Child Health (MCH)						
MC2	Satisfaction <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	100.82%	100.97%	101.03%	
MC3	Service cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	\$61.69	\$61.49	\$59.84	\$64.37	The Cost of the Maternal Child Health (MCH) service increased due to the recruitment of new staff to deliver the Victorian Government's new sleep and settling model of care and an expanded Enhanced MCH program, and an increase in casual staff hours. Additional casual staff hours were needed to undertake compulsory state-wide training and to help continue delivery of the MCH service during COVID-19 restrictions.
MC4	Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	71.96%	70.98%	75.83%	74.85%	
MC5	<i>Participation in the MCH service by Aboriginal children</i> [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	73.25%	77.93%	89.19%	87.16%	
MC6	Satisfaction <i>Participation in 4-week Key Age and Stage visit</i> [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	New in 2020	New in 2020	99.45%	Note: This indicator is replacing the previous 'Participation in first MCH Home Visit' which was a measure of first MCH visits as opposed to participation in 4 week Key Age and stage visits.

Governance, Management and Other Information

Governance

The Mornington Peninsula Shire Council is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

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

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

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

Meetings of Council

Council conducts open public meetings on the second and fourth Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the council, make a submission or speak to an item. For the 2019/20 year council held the following meetings:

- 19 ordinary Council meetings
- 2 special Council meetings.

The following table provides a summary of Councillor attendance at Council meetings and special Council meetings for the 2019/20 financial year.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Brooks	17	2	19
Cr Celi	18	2	20
Cr Clark	19	2	21
Cr Colomb	18	2	20
Cr Fraser	17	1	18
Cr Gill	19	1	20
Cr Hearn	18	2	20
Cr Martin	14	0	14
Cr Morris	16	1	17
Cr Payne	16	2	18
Cr Roper	19	2	21

Special Committees

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

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

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

Special committee	Councillors	Officers	Other	Purpose
Section 223 Submission Committee	3	0	0	To consider all submissions made under section 223 of the Act
Planning Services Committee ¹	11	0	0	To determine strategic and statutory planning application and scheme amendments
Forward Planning Committee	11	0	0	To discuss items of a strategic and policy nature.

¹ Has delegated functions, duties or powers

Councillor Code of Conduct

The Act requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 20 February 2017, Council adopted a revised Councillor Code of Conduct which is designed to:

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

Conflict of Interest

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

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

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2019/20, six conflicts of interest were declared at Council and Special Committee meetings.

Councillor Allowances

In accordance with Section 74 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 Victorian Government sets the upper and lower limits for all allowances paid to councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance Mornington Peninsula Shire Council is recognised as a category three Council.

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

Councillor	Allowance \$	Superannuation \$	Total \$
Cr Simon Brooks	31,187	2,963	34,150
Cr Antonella Celi	31,187	2,963	34,150
Cr Rosie Clark	31,187	2,963	34,150
Cr Bev Colomb	31,187	2,963	34,150
Cr Hugh Fraser	31,187	2,963	34,150
Cr David Gill	55,921	5,312	61,233
Cr Sam Hearn	74,731	7,099	81,831
Cr Frank Martin	31,187	2,963	34,150
Cr Julie Morris	31,187	2,963	34,150
Cr Bryan Payne	31,187	2,963	34,150
Cr Kate Roper	31,187	2,963	34,150

Councillor Expenses

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

The details of the expenses including reimbursement of expenses for each Councillor and member of a Council committee paid by Council for the 2019/20 year are:

Councillor	CC \$	CM \$	CT \$	IC \$	TR \$	OT \$	Total \$
Cr Simon Brooks	-	2,516	291	562	100	222	3,691
Cr Antonella Celi	-	8,798	2,213	1,073	123	264	12,471
Cr Rosie Clark	-	-	545	682	171	79	1,477
Cr Bev Colomb	-	4,397	508	747	47	53	5,753
Cr Hugh Fraser	-	3,281	154	865	20	566	4,886
Cr David Gill	-	-	-	1,405	-	-	1,405
Cr Sam Hearn	-	-	97	597	154	-	848
Cr Frank Martin	-	4,529	47	613	71	109	5,369
Cr Julie Morris	10,980	2,700	-	571	-	-	14,251
Cr Bryan Payne	-	4,599	2,802	1,057	22	77	8,558
Cr Kate Roper	-	7,624	1,995	911	33	51	10,615

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

Audit and Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit and Risk Committee consists of three independent members and two Councillors. The independent members for 2019/2020 financial year were:

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

The Councillor members for 2019/2020 financial year were:

Councillor Bryan Payne	Appointed November 2018 for a one-year term and re-appointed for a further one-year term until November 2020
Councillor Hugh Fraser	Appointed November 2017 for a one-year term, re-appointed for a further one-year term and retired November 2019
Councillor Kate Roper	Appointed November 2019 for a one-year term until November 2020

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

The Audit and Risk Committee meets five times a year. The Chief Executive Officer, Director of Corporate Services, Chief Financial Officer and Governance Manager 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

Council's internal audit function provides independent and objective external assurance that the appropriate processes and controls are in place across Council. The internal audit function is resourced by an external provider which was Crowe Horwath for the 2019/2020 financial year. Council's Finance team coordinates the process as well as following up the closure of internal audit recommendations. A three-year Strategic Internal Audit Plan (SIAP) is revised and endorsed by the Audit and Risk Committee annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, prior audit coverage and management input.

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

The SIAP for 2019/2020 was completed with the following reviews finalised:

- Management of Bank Guarantees
- Child Safety Standards
- Business Continuity Planning & Disaster Recovery Planning
- Project Management – Aquatic Centre
- IT Cyber Security
- Various Financial Functions (non-infrastructure assets, rates debtors, FBT compliance and related data analytics)

External Audit

For the 2019/20 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General. The external auditors attend all Audit and Risk Committee meetings and present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee. The external auditors were an apology for the meeting on 29 August 2019.

Risk Management

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

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

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

During 2019/2020 Council continued to progress its Enterprise Risk Management Improvement Plan, which enables Officers to confidently anticipate risk and opportunities in pursuit of Shire's strategy.

Business Continuity

In December 2018, Council adopted a Business Continuity Management (BCM) Policy, underpinned by a Business Continuity Plan (BCP) which defines and enables an immediate response by Council to ensure a continuation of critical functions and services to the community. Council's BCP methodology is in line with ISO 22301:2012 Business continuity management system – Requirements, ISO 22313:2012 Business continuity management systems – Guidance and the Business Continuity Institute Good Practice Guidelines 2018 Edition.

Covid-19 and related Federal and State Government interventions have caused significant disruptions to Council's ability to provide critical functions and services to the community. In response, the Crisis Leadership Group activated its BCP and Business Continuity Team (BC Team) on 16 March 2020 at Level 3 for a Major Disruption. Activation of the BCP and BC Team allowed Council to minimise the consequences of Covid-19 disruptions and focused on getting critical Council functions back up and running.

In or around early May 2020 the Crisis Leadership Group made the decision cycle down the BCP from a Level 3 Major Disruption to a Level 1 Minor Disruption. This was a result of Council navigating Covid-19 risks and restrictions to a point where the majority of Council services were back up and running, albeit some services being provided in a different manner. Council is in crisis management mode, which will likely oscillate between degrees of severity for some time. The Crisis Leadership Group continues to monitor and manage the effects of Covid-19 on Council services.

Governance Service Performance Indicators



Service/indicator/measure		2017	2018	2019	2020	Material variations & comments
Governance						
G1	<p>Transparency <i>Council decisions made at meetings closed to the public</i></p> <p>[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100</p>	7.98%	7.92%	8.67%	3.36%	Council continues to make decisions in an open and transparent manner and only four decisions were made at meetings closed to the public. Of these, two related to an employment matter, a commercial contract and the last an internal audit services tender. All decisions were retained as confidential items pursuant to section 77(2) (a) of the Local Government Act.
G2	<p>Consultation and engagement <i>Satisfaction with community consultation and engagement</i></p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	52.00	57.00	56.00	55.00	
G3	<p>Attendance <i>Councillor attendance at council meetings</i></p> <p>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100</p>	89.51%	88.46%	85.52%	93.75%	The increase in Councillor attendance at Meetings is attributed to Councillors having more time and less professional commitments, due to COVID-19 restrictions, and a move to online meetings, which has also enabled Councillors to attend meetings which they would not normally be able to due to travel, personal and health reasons.
G4	<p>Service cost <i>Cost of elected representation</i></p> <p>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$51,146	\$53,542	\$62,035	\$55,561	The decrease in the cost of Governance is mainly attributed to the affects of the COVID-19 pandemic, which has seen a move to online meetings and a pause on catering requirements.
G5	<p>Satisfaction <i>Satisfaction with council decisions</i></p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	52.00	53.00	55.00	54.00	

Governance and Management Checklist

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

Governance and Management Items	Assessment
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Draft policy in place and used by staff. New policy being developed in accordance with the requirements of the <i>Local Government Act 2020</i> .
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Draft guidelines in place and used by staff. New guidelines being developed in conjunction with policy.
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 18 August 2020
4 Annual budget (plan under section 130 of the Act 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 130 of the Act Date of adoption: 18 August 2020
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years).	Buildings, Drainage, Parks & Open Space, and Roads Asset Management Plans all last updated and approved 1 September 2020
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation Date of adoption: 18 August 2020
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of adoption: 8 October 2019
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of operation of current policy: 24 April 2019
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 5 December 2018 (last amended 21 September 2020).

Governance and Management Items	Assessment
<p>10 Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)</p>	<p>Prepared and approved in accordance with section 186A of the Act</p> <p>Date of approval: 23 October 2018</p>
<p>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)</p>	<p>Current plan in operation</p> <p>Date of adoption: 31 March 2020</p>
<p>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)</p>	<p>Current plan in operation</p> <p>Date current plan approved: 5 February 2019</p>
<p>13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)</p>	<p>Risk Management Strategy</p> <p>Date of adoption: 8 October 2019</p>
<p>14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Established in accordance with section 139 of the Act</p> <p>Date of establishment: 11 June 1996</p>
<p>15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)</p>	<p>Current provider Pitch Partners.</p> <p>Date commenced 1 July 2020</p> <p>Crowe Horwath were Internal Audit providers from 1 July 2017 - 30 June 2020.</p>
<p>16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Current framework in operation</p> <p>Date of operation of current framework: 1 July 2015</p>
<p>17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Report on the Council Plan is included in the Quarterly Community Report to Council</p> <p>Date of reports: 06/11/2019 (Q1), 11/02/2020 (Q2), 12/05/2020 (Q3) and 11/08/2020 (Q4).</p>

Governance and Management Items	Assessment
<p>18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to Council in accordance with section 138(1) of the Act</p> <p>Date statements presented: 06/11/2019 (Q1), 11/02/2020 (Q2), 12/05/2020 (Q3) and 11/08/2020 (Q4)</p>
<p>19 Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports</p> <p>Date of reports: 29/08/2019, 28/11/2019, 27/02/2020 and 28/05/2020</p>
<p>20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)</p>	<p>Bi-annual reports to the Audit and Risk Committee</p> <p>Date of reports: 27/02/2020 and 27/08/2020</p>
<p>21 Annual Report (Annual Report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements).</p>	<p>Considered at a meeting of Council in accordance with section 134 of the Act on 22 October 2019</p>
<p>22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Reviewed in accordance with Section 76C of the Act</p> <p>Date of adoption: 20 February 2017</p>
<p>23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Dates of review: 12/05/2020 (Council to Officers) & 09/06/2020 (Council to Officers)</p>
<p>24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)</p>	<p>Meeting Procedures Protocol 2018 adopted by Council 11 December 2018 and incorporated into Meetings Procedure and Common Seal Local Law 2012. Meetings Procedure and Common Seal Local Law 2012 is made under Section 91(1) and Section 111 of the <i>Local Government Act 1989</i>. Local Law made by resolution of Council on 24 September 2012 and commenced 5 October 2012. From the commencement of the Meetings Procedure Protocol – 2018 on 29 January 2019 the Meetings Procedure Protocol – 2012 was repealed.</p>
<p></p> <hr/> <p>John Baker Chief Executive Officer Dated: 13 October 2020</p>	<p></p> <hr/> <p>Cr Sam Hearn Mayor Dated: 13 October 2020</p>

Statutory Information

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

Documents Available for Public Inspection

In accordance with regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection via the Shire website or copies of the documents can be obtained for the purposes of section 222 of the Act at 90 Besgrove Street, Rosebud:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by Councillor or any member of Council staff in the previous 12 months
- minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best Value

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

The following Best Value initiatives were undertaken during 2019/20:

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

Contracts

During the year MPSC did not enter into any contracts valued at \$150,000 or more for goods and services or \$200,000 or more for works or more without engaging in a competitive process.

Disability Inclusion Plan 2018 - 2022

The Disability Inclusion Plan aims to build upon the Mornington Peninsula Shire's long-standing commitment to and success in ensuring our community is inclusive and accessible for everyone. This commitment allows us to ensure that people of all ages and abilities have opportunities to live active, connected and fulfilling lives.

The following actions from the Disability Inclusion Plan annual action plan were achieved during the 2019-2020 financial year:

- 95 people (officers, architects, members of the Disability Advisory Committee) attended Universal Design Training over three sessions.
- Infrastructure Planning team have established a working group to increase focus on accessibility
- Extra budget requested to fund minor accessibility works for parking bays.
- Occupational Therapy Students and undergraduate Engineers involved in auditing Principal Pedestrian Networks to identify gaps and opportunities.
- Kissing Gate installed at Warringine Park with alternate wheelchair access available at second gate.
- Beach matting purchased in anticipation of being used at more beaches in coming summers.

- Developed project to engage an access consultant to audit four local beaches and provide a template for future foreshore upgrades.
- Foreshore Camping Strategy development underway which will include accessible features in future camping areas.
- Triple A Housing Plan and Social Affordable Housing Policy adopted by Council in April 2020
- A Frankston Peninsula Carer's Bittern House project providing accommodation for people with a disability consisting of one building containing two one- bedroom units and a group home for 3 adults was opened on opened in February 2020.
- Advocacy package for public transport improvements on the peninsula sent to relevant State ministers. DAC members involved in campaign. Meeting held with Public Transport Minister.
- Hastings Mobility Map updated, printed and distributed. Mornington and Rosebud Mobility Maps have been audited.
- Disability Advisory Committee sent letters to Transport minister and CEO of Ventura busses, specifically requesting tie downs for wheelchairs on all public buses.
- Video Captioning has been added to Shire videos on Youtube and social media
- Accessibility / WCAG2.0 introduction is provided as part of all Web Content Editor Training and resources made available to staff.
- Investigating the Readspeak platform as an option to improve accessibility by incorporating a 'Listen Now' button on each page for it to be read aloud.
- Accessible font options investigated and will be tested as next step.
- Email bulletins sent out monthly to over 400 recipients, updating people on disability news and events.
- New Events Policy developed with reference to accessible events, checklist to be developed as next step.
- Weekly Fit and Fun program delivered at Civic Reservice in Mornington, as well as other accessible and affordable fitness classes offered by Belgravia Leisure.
- All Abilities Day event occurred in December 2019 to celebrate International Day of People with Disability, in partnership with Belgravia Leisure.
- Universal Design and access features incorporated through engaging an access consultant and meeting with DAC, including Changing Places, Assistance Animal provisions, hoists into all pools and other inclusive designs.
- Libraries collection purchasing in the following formats: Large Print items, Audio books, music, playaways. Digital resources; website, eBooks, eTalking Books, eMagazines, eMusic.
- Libraries also delivered home library and mobile services, ran a community program on training guide dog puppies, offered a resume workshop for people with disabilities seeking work, and a STEM program to disability group. All programs were interrupted by COVID-19 and are currently on hold.
- Members of the Disability Advisory Committee participated in planning meetings, assessment of criteria and judging of restaurants for the Access category of Best Bites awards.
- Eligible residents were supported to transition from Shire services to the NDIS (National Disability Insurance Scheme).
- MetroAccess position funding from DHHS ended and was picked up by the Shire as an ongoing, permanent position.
- Disability Advisory Committee met monthly, to advocate and provide feedback on relevant plans, including letters to relevant State and Federal Ministers regarding concerns around COVID-19, liveable housing, and ongoing funding for Changing Places facilities.
- Outcrop Music Jam workshops were delivered as part of the Shire's Inclusive Arts funding.
- Writability workshops were planned for 2019 however due to COVID-19 had to be postponed until further notice.
- Carers groups were supported to run events during Carers Recognition Week.

The Shire has responsibilities under international, national and state laws and policies.

Progress on Plan implementation included annually in the Council Annual Report, in line with our responsibilities under section 38 of the Disability Act 2006 towards:

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

Gender Equality Strategy 2020 – 2030

The Shire has a long-standing commitment to promoting and improving gender equality and acknowledging and responding to the link between gender inequities and family violence. In February 2020, the Shire launched its first Gender Equality Strategy 2020-30 (adopted by Council in November 2019). Since the launch, the Year One Annual Action Plan has been developed outlining actions under the key settings of the Strategy, who is responsible and the timelines (see below). Key achievements under the Gender Equality Strategy in 2020 include:

- Stories of men and boys demonstrating healthy masculinities and respectful relationships captured and promoted in a video showcased on International Women's Day and on social media platforms.
- Secured VicHealth Healthier Masculinities grant to deliver the Morn Pen Men and Boys Making It Happen project over the next two years, commencing 1 July 2020. The Project aims to engage, educate and empower men and boys across the Mornington Peninsula to raise awareness and increase understanding of rigid gender roles that reinforce dominant ideas of masculinity.
- Ongoing coordination of Mornington Peninsula Family Violence Prevention Collaborative - an active committee comprising representatives from Shire, Peninsula Health, Frankston Mornington Peninsula Primary Care Partnership, Victoria Police, Women's Health in the South East, Brotherhood of St Laurence, Department of Health and Human Services and a victim survivor / Family Safety Victoria board member.
- Scheduled delivery of Bystander and Gender Equality training for Belgravia Leisure staff aimed at equipping frontline staff in recreation centres across the Shire to respond to signs or disclosures of family violence amongst patrons or staff.
- Shire's Senior Leadership Team briefed on the legislative requirements of the new Gender Equality Act.
- Promotion of key messages about family violence and gender equality during COVID-19 on Shire's social media platforms.
- Continued collaboration with the Family Violence Service Sector to understand and respond to emerging trends related to family violence, particularly during COVID-19.
- Shire's Child & Family Health (C&FH) Team supported families at risk of or experiencing family violence.
- Supported initiatives aimed at preventing elder abuse (as outlined in Positive Ageing Strategy).
- Embedded gender equity design principles into infrastructure planning for community facilities.

The Shire's Gender Equality Strategy will contribute to meeting the legislative requirements on the new Victorian Gender Equality Act which was passed in March 2020 and comes into effect in March 2021. Under the Act, the Shire will be required to:

- Undertake an organisational Gender Equity Audit
- Develop a Gender Equality Action Plan
- Undertake Gender Impact Assessments

The Shire has been proactive in this space and has achieved development of a Gender Equality Strategy, however an organisational Gender Equity Audit did not precede this as required under the Act. Therefore, the Shire will need to commence undertaking an Audit.

There is a need for continued cross-organisational commitment to deliver on actions outlined in the Shire's Gender Equality Strategy and to undertake Gender Impact Assessments when developing new policies or programs. Training and appropriate tools can be made available to staff to assist with the Gender Impact Assessments.

The Social Planning and Community Development team are working collaboratively with the People and Culture team to plan for the implementation of the Gender Equity Audit. The Audit process will commence in 2021 and will involve:

- Workplace Equality and Respect Staff Survey. This can be standalone or embedded into Staff Culture Survey, if appropriate.
- Review of relevant organisational policies. Under a gender equity lens (i.e. Code of Conduct, Sexual Harassment Policy, Equal Opportunity Policy, Breastfeeding Policy, Family Violence Policy, Parental Leave Policy).
- Gender Impact Assessment. Continue to undertake Gender Equality Training and develop tools to support gender impact assessments.

Domestic Animal Management Plan

The Domestic Animal Management Plan was adopted by Council on 24 October 2017 and remains in force until 2021. The following actions were implemented during the 2019/20 period:

- The Community Animal Shelter & Pound continues to provide a service 7 days a week (except Christmas Day & Easter Sunday).
- Continuation of the cat trapping program to address issues caused by feral cats and cats wandering in contravention of the cat curfew.
- Programs promoting responsible pet ownership continued, such as proactive enforcement patrols and a door knock program following up on pets that remain unregistered.
- The completion of audits of 148 sites as part of a leash free audit process with a view to developing a standard for leash free areas.
- Reducing the number of unclaimed and surrendered pets being euthanised by continuing our work with Rescue Groups, updating and improving the Council adoption and lost pet pages on the web and continuing to use the PetRescue website.
- Review of the process relating to dealing with barking dogs and redesign of fact sheets and forms to ensure clarity and easy access to information.
- Continuation of a microchipping and de-sexing program for all suitable pets adopted from the Shelter.
- Continuing to enhance the Shire's animal management services and facilities throughout the Peninsula.
- Raising community awareness about feral and semi-owned cat populations through education by Community Safety Officers/Shire Rangers and distribution of literature from the Shelter.
- An expanded beach patrol and dog control enforcement program as a result of a Memorandum of Understanding entered into with the Department of Energy, Land, Water and Planning.
- Continued implementation of agreements under section 84Y of the *Domestic Animals Act 1994* signed between Council and vets located in the Shire to return animals to owners.

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 financial year.

Freedom of Information

The *Freedom of Information Act 1982 (Vic)* promotes openness, accountability and transparency in the Victorian public service by giving the public the right to access government information.

The object of the Act is to 'extend as far as possible the right of the community to access documents in the possession of the Government of Victoria'.

All members of the public have the right to apply for access to documents about their personal affairs and the activities of Council unless that information is deemed exempt under the Act. Certain exemptions exist to protect interests such as the personal privacy of individuals and trade secrets of businesses.

During the 2019/20 period the Mornington Peninsula Shire received 99 Freedom of Information Requests. Outcomes of these requests received in the period 1 July 2019 to 30 June 2020 are provided in the tables below:

Freedom of Information Requests

Requests Received	99
Access granted in full (no exempt material)	9
Access granted in part (some exempt material)	25
Access denied in full (all material exempt)	8
Other:	
Withdrawn	1
Not proceed with	8
Act does not apply	0
Not processed	0
No documents	5
Outside the act	16
Not yet finalised	27

Office of the Victorian Freedom of Information Commissioner Reviews & Complaints

OVIC Reviews Received	0
Outcome of OVIC Review Received 2019/20 period	OVIC Decision – overruled original decision
OVIC Complaints Received	1 privacy complaint
Outcome of OVIC Complaints Received 2019/20 period	1 privacy complaint found no breach

VCAT Reviews

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

Further information is available on Freedom of Information requests processed by the Mornington Peninsula Shire for the 2019/20 financial year through the OVIC Annual Report. The report is currently being prepared and can be accessed through the following link <https://ovic.vic.gov.au/about-us/annual-reports/>. Further information on Freedom of Information is available on the web site of the Office of the Victorian Information Commissioner through the link provided.

Protected Disclosure Procedures

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures.

In accordance with section 69 of the *Protected Disclosure Act 2012* a Council must include in its Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosure complaints made and investigated during the financial year.

To access the Shire's Protected Disclosure Procedures, please go to mornpen.vic.gov.au and put 'protected disclosure' in the search box.

During the 2019/20 year there were three (3) public interest disclosures referred to the Independent Broad-based Anti-Corruption Commission.

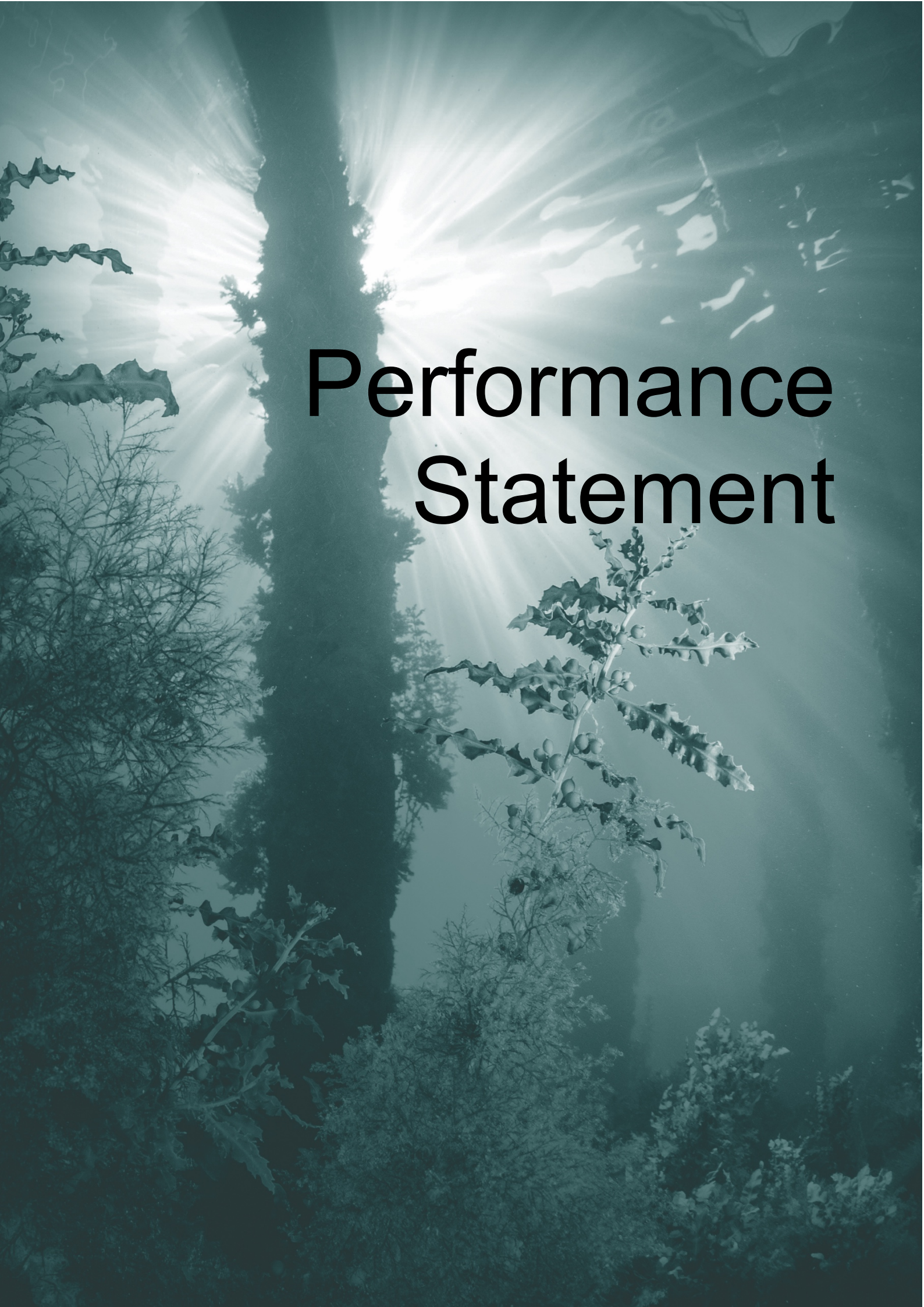
Materiality Thresholds

This section is provided to set out the quantitative materiality thresholds used for explaining material variations in the performance section.

Service/indicator/measure	Measure expressed as:	Materiality threshold:
Aquatic Facilities		
Service Standard		
Health inspections of aquatic facilities	Number of health inspections per Council aquatic facility	Movement of +/- 1
Utilisation		
Utilisation of aquatic facilities	Number of visits to aquatic facilities per head of municipal population	Movement of +/- 2 visits
Service Cost		
Cost of aquatic facilities	\$ direct cost less any income received of providing aquatic facilities per visit	Movement of +/- \$1
Animal Management		
Timeliness		
Time taken to action animal requests	Number of days taken to action animal requests	Movement of +/- 1 day
Service Standard		
Animals reclaimed	% of collected animals reclaimed	Movement of +/- 7.5%
Animals rehomed	% of collected animals rehomed	
Service Cost		
Cost of animal management service	\$ direct cost of the animal management service per head of municipal population	Movement of +/- \$5
Health and Safety		
Animal management prosecutions	% of successful animal management prosecutions	Movement of +/- 10 prosecutions
Food Safety		
Timeliness		
Time taken to action food complaints	Number of days taken to action food complaints	Movement of +/- 1 day
Service Standard		
Food safety assessments	% of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment	Movement of +/- 10%
Service Cost		
Cost of food safety service	\$ direct cost of the food safety service per registered food premises	Movement of +/- \$75
Health and Safety		
Critical and major non-compliance notifications	% of critical and major non-compliance outcome notifications that are followed up by Council	Movement of +/- 10%

Service/indicator/measure	Measure expressed as:	Materiality threshold:
Governance		
Transparency		
Council resolutions at meetings closed to the public	% of Council resolutions made at meetings closed to the public	Movement of +/- 1.5%
Consultation and Engagement		
Satisfaction with community consultation and engagement	Satisfaction rating out of 100	Movement of +/- 5
Attendance		
Council attendance at Council meetings	% of Council attendance at ordinary and special Council meetings	Movement of +/- 10%
Service Cost		
Cost of governance	\$ direct cost of the governance service per Councillor	Movement of +/- \$5000
Decision-making		
Satisfaction with Council decisions	Satisfaction rating out of 100	Movement of +/- 5
Libraries		
Utilisation		
Physical library collection usage	Number of physical library collection item loans per physical library collection item	Movement of +/- 0.5 loans
Resource Standard		
Recently purchased library collection	% of the library collection that has been purchased in the last 5 years	Movement of +/- 7.5%
Participation		
Active library borrowers in municipality	% of the municipal population that are active library members	Movement of +/- 5%
Service Cost		
Cost of library service per population	\$ direct cost of the library service per population	Movement of +/- \$1
Maternal and Child Health		
Service Standard		
Infant enrolments in the MCH service	% of infants enrolled in the MCH service	Movement of +/- 5%
Service Cost		
Cost of the MCH service	\$ cost of the MCH service per hour of service delivered	Movement of +/- \$10
Participation		
Participation in MCH service	% of children enrolled who participate in the MCH services	Movement of +/- 5%
Participation in MCH service by Aboriginal children	% of Aboriginal children enrolled who participate in the MCH service	Movement of +/- 10%
Participation in 4 week Key Age and Stage visit	% of infants enrolled in the MCH service who participate in 4 week Key Age and Stage visit	Movement of +/- 5%

Service/indicator/measure	Measure expressed as:	Materiality threshold:
Roads		
Satisfaction of Use		
Sealed local road requests	Number of sealed local road requests per 100 kilometres of sealed local road	Movement of +/- 20 requests
Condition		
Sealed local roads below the intervention level	% of sealed local roads that are below the renewal intervention level	Movement of +/- 5%
Service Cost		
Cost of sealed local road reconstruction	\$ direct reconstruction cost per square metre of sealed local roads reconstructed	Movement of +/- \$15
Cost of sealed local road resealing	\$ direct resealing cost per square metre of sealed local roads resealed	Movement of +/- \$2
Satisfaction		
Satisfaction with sealed local roads	Satisfaction rating out of 100	Movement of +/- 5
Statutory Planning		
Timeliness		
Time taken to decide planning applications	Days between receipt of a planning application and a decision on the application	Movement of +/- 10 days
Service Standard		
Planning applications decided within required time frames	% of planning application decisions made within required time frames	Movement of +/- 7.5%
Service Cost		
Cost of statutory planning service	\$ direct cost of the statutory planning service per planning application	Movement of +/- \$250
Decision-making		
Planning decisions upheld at VCAT	% of decisions subject to review by VCAT that were not set aside	Movement of +/- 10%
Waste Collection		
Satisfaction		
Kerbside bin collection requests	Number of kerbside bin collection requests per 1000 kerbside bin collection households	Movement of +/- 10 requests
Service Standard		
Kerbside collection bins missed	Number of kerbside collection bins missed per 10,000 scheduled kerbside collection bin lifts	Movement of +/- 5 bins
Service Cost		
Cost of kerbside garbage collection service	\$ direct cost of the kerbside garbage bin collection service per kerbside garbage collection bin	Movement of +/- \$10
Cost of kerbside recyclables collection service	\$ direct cost of the kerbside recyclables collection service per kerbside recyclables collection bin	Movement of +/- \$5
Waste Diversion		
Kerbside collection waste diverted from landfill	% of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill	Movement of +/- 10%



Performance Statement

Independent Auditor's Report

To the Councillors of Mornington Peninsula Shire Council

<p>Opinion</p>	<p>I have audited the accompanying performance statement of Mornington Peninsula Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors' responsibilities for the performance statement</p>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p>Auditor's responsibilities for the audit of the performance statement</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>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.</p>

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
22 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Performance Statement

For the year ended 30 June 2020

Description of Municipality

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

Our Community

The Shire has 40 towns and villages spread across the peninsula, with the majority of the residential population living along the coastline. The Shire has an estimated permanent resident population of 167,636, as well as a non-resident population who spend part of the week, or their holidays, on the peninsula. Many beach holiday houses are based along the Port Phillip coastline, with the population swelling by up to 30 per cent in the summer months.

Our Environment

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

Our Economy

The Shire has a strong local economy, with \$8.2 billion in GRP (Gross Regional Product). There are over 14,000 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 also another sector that plays a significant role in our local economy.

COVID-19

On 30 January 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken by the Mornington Peninsula Shire to mitigate it are reported in our COVID-19 summary in the Report of Operations and Financial Statements.

Sustainable Capacity Indicators

For the year ended 30 June 2020

<i>Indicator / measure / formula</i>	Results				Material Variations and Comments
	2017	2018	2019	2020	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,285.65	\$1,302.00	\$1,388.31	\$1,391.75	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$7,909.56	\$8,312.01	\$8,354.51	\$8,587.23	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	94.68	95.86	97.14	97.92	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,185.13	\$1,199.04	\$1,233.01	\$1,273.29	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$161.89	\$140.32	\$131.36	\$128.42	

<i>Indicator / measure / formula</i>	2017	2018	2019	2020	Material Variations and Comments
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	8.00	8.00	8.00	8.00	
Workforce turnover					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.0%	19.1%	10.9%	10.6%	

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2020

Service / indicator / measure	Results				Material Variations and Comments
	2017	2018	2019	2020	
Aquatic facilities					
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.62	1.35	1.31	1.00	Pelican Park, our indoor aquatic centre, was closed from 16 March due to COVID-19 restrictions. The centre partially reopened on 1 June.
Animal management					
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/ Number of animal Management prosecutions] x100	New in 2020	New in 2020	New in 2020	98.98%	Note: This measure is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion.
Food safety					
Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	93.17%	99.56%	98.51%	96.40%	

Results					
Service / indicator / measure	2017	2018	2019	2020	Material Variations and Comments
Governance					
Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	52.00	53.00	55.00	54.00	
Libraries					
Participation <i>Active library members</i> [The sum of the number of active library borrowers in the last 3 financial years / The sum of the population in the last 3 financial years]	19.09%	16.73%	15.76%	15.60%	
Maternal and child health					
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	71.96%	70.98%	75.83%	74.85%	
<i>Participation in the MCH service by Aboriginal children</i> [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	73.25%	77.93%	89.19%	87.16%	

Results					
Service / indicator / measure	2017	2018	2019	2020	Material Variations and Comments
Roads					
<p>Satisfaction <i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	54.00	53.00	57.00	51.00	The decrease from 2018/19 should be read in conjunction with 'Sealed Local Road Requests' and 'Sealed Local Roads Maintained to Condition Standards' results over the 4 year period. The Sealed Local Road Maintained to Condition Standard results would indicate that overall conditions of roads have been maintained whilst the increase in requests is linked to an increase in rainfall from the preceding year, which may have affected the 'Satisfaction with sealed local roads' result.
Statutory Planning					
<p>Decision making <i>Council planning decisions upheld at VCAT</i></p> <p>[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</p>	66.67%	64.94%	32.35%	39.13%	The increase in the number of decisions upheld by VCAT during 2019/20 is in part due to a tempering of the Shire's application of the Housing and Settlement Strategy. The figure still remains lower than historical figures, which may be attributed to the legacy of 2018/19 Housing and Settlement Strategy decisions being decided at the Tribunal during 2019/20.
Waste Collection					
<p>Waste diversion <i>Kerbside collection waste diverted from landfill</i></p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	50.95%	52.53%	53.62%	55.31%	The slight increase in the 'kerbside collection waste diverted from landfill' result reflects our community's commitment to the environment and is primarily an increase in the uptake of the opt-in kerbside green waste service. There were 4,000 new opt-in kerbside green waste services during 2019/20. Council also engaged Solo Resource Recovery (from 29 July 2019) to ensure household recycling avoided landfill after contracted provider SKM Recycling stopped operating and accepting recyclable material in late July of 2019.

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended 30 June 2020

Dimension/indicator/measure	Results				Forecasts				Material Variations and Comments
	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency									
<i>Expenditure level</i> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,079.29	\$2,103.20	\$2,256.99	\$2,290.41	\$2,364.95	\$2,428.57	\$2,444.29	\$2,501.65	
<i>Revenue level</i> <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	New in 2020	New in 2020	New in 2020	\$1,452.06	\$1,481.61	\$1,505.24	\$1,532.68	\$1,560.69	
Liquidity									
<i>Working capital</i> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	198.89%	214.08%	203.86%	229.34%	130.72%	118.55%	104.35%	90.61%	Capital works expenditure slowed down in the last quarter of the year due to COVID-19 restrictions causing a larger cash balance as at 30 June than predicted. This has contributed to a large carry-forward capital amount for the YAWA Aquatic Centre of \$10.8M.
<i>Unrestricted cash</i> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-7.97%	23.80%	69.47%	119.58%	75.20%	46.62%	34.45%	23.62%	Given the low interest rate in the market, term deposits were not of value. The cash on call was a more favourable rate and therefore more cash was held in Cash at bank and was therefore unrestricted.

	Results				Forecasts				
Dimension/indicator/measure	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations and Comments
Obligations									
Loans and borrowings <i>Loans and borrowings compared to rates</i> <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	12.33%	10.00%	7.53%	19.37%	22.90%	20.09%	17.57%	15.69%	\$26.5M borrowings drawn down for the construction of the YAWA Aquatic Centre.
Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	5.73%	5.20%	2.67%	2.51%	3.23%	2.89%	2.64%	1.97%	
Indebtedness Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	9.48%	9.68%	8.35%	19.66%	24.07%	20.96%	18.77%	17.15%	Increase driven by \$26.5M borrowings draw down for YAWA aquatic centre causing Non-current liabilities to increase by \$22M.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation <i>[Asset renewal and asset upgrade expense / Asset depreciation] x100</i>	New in 2020	New in 2020	New in 2020	102.42%	88.45%	44.80%	48.86%	50.52%	

	Results				Forecasts				
Dimension/indicator/measure	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations and Comments
Operating position									
Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	5.12%	3.39%	-0.94%	2.27%	-0.57%	0.32%	1.50%	1.01%	Increase driven by a higher adjusted underlying surplus compared to prior year. This is due to a high net loss on disposal of property, infrastructure, plant & equipment of \$10M for FY19 where the main driver was the disposal of drainage based on the Vic Roads ownership assessment. This is compared to a \$2M net loss for FY20.
Stability									
Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	71.88%	73.85%	76.00%	76.76%	79.33%	77.78%	77.75%	77.74%	
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.24%	0.25%	0.20%	0.20%	0.21%	0.21%	0.22%	0.22%	

Retired Measures										
Animal Management Health and Safety <i>Animal management prosecutions</i> [Number of successful animal prosecutions]	#N/A	#N/A	#N/A	Retired In 2020						This measure was replaced by AM7 from 1 July 2019.
Efficiency Revenue level Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	#N/A	#N/A	#N/A	Retired In 2020						This measure was replaced by E4 from 1 July 2019.
Obligations Asset renewal Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	#N/A	#N/A	#N/A	Retired In 2020						This measure was replaced by O5 from 1 July 2019.

Other Information

For the year ended 30 June 2020

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan in the budget on 18 August 2020. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.



Bulent Oz, CPA

Chief Financial Officer

Dated: 14 October 2020

In our opinion, the accompanying performance statement of the Mornington Peninsula Shire Council for the year ended 30 June 2020 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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 2014 to certify this performance statement in its final form.



Cr Sam Hearn

Mayor

Dated: 14 October 2020



Cr Kate Roper

Deputy Mayor

Dated: 14 October 2020



John Baker

Chief Executive Officer

Dated: 14 October 2020



Financial Statements

**Mornington Peninsula Shire
Financial Report
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Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Bulent Oz CPA
Principal Accounting Officer

Date : 14-October-2020

In our opinion the accompanying financial statements present fairly the financial transactions of Mornington Peninsula Shire Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

As 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 2014* to certify the financial statements in their final form.



Cr Sam Hearn
Mayor

Date : 14-October-2020



Cr Kate Roper
Deputy Mayor

Date : 14-October-2020



John Baker
Chief Executive
Officer

Date : 14-October-2020

Independent Auditor's Report

To the Councillors of Mornington Peninsula Shire Council

Opinion	<p>I have audited the financial report of Mornington Peninsula Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the annual financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

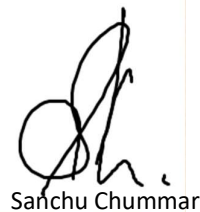
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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
22 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	183,256	173,333
Statutory fees and fines	3.2	7,221	7,343
User fees	3.3	19,471	19,501
Grants - operating	3.4	24,315	22,189
Grants - capital	3.4	10,701	13,519
Contributions - monetary	3.5	2,564	6,424
Contributions - non monetary	3.5	4,419	7,433
Other income	3.7	3,502	4,283
Total income		255,449	254,025
Expenses			
Employee costs	4.1	80,392	76,033
Materials and services	4.2	111,674	106,148
Depreciation	4.3	32,903	31,174
Amortisation - intangible assets	4.4	181	181
Amortisation - right of use assets	4.5	190	-
Borrowing costs	4.6	865	811
Finance costs - leases	4.7	28	-
Other expenses	4.8	4,937	5,302
Net loss on disposal of property, infrastructure, plant and equipment	3.6	2,010	10,174
Fair value adjustments for investments	6.4	128	390
Total expenses		233,308	230,213
Surplus/(deficit) for the year		22,141	23,812
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	81,798	(2,613)
Total comprehensive result		103,939	21,199

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

Balance Sheet
As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	64,727	35,619
Trade and other receivables	5.1 (c)	20,954	14,864
Other financial assets	5.1 (b)	15,584	32,582
Inventories	5.2 (a)	224	148
Non-current assets classified as held for sale	6.1	4,601	-
Other assets	5.2 (b)	2,491	2,135
Total current assets		108,581	85,348
Non-current assets			
Trade and other receivables	5.1 (c)	366	366
Other financial assets	5.1 (b)	43	39
Property, infrastructure, plant and equipment	6.2	2,526,696	2,416,019
Right-of-use assets	5.8	706	-
Investment property	6.3	8,932	9,064
Intangible assets	5.2 (c)	899	1,080
Total non-current assets		2,537,642	2,426,568
Total assets		2,646,223	2,511,916
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	17,582	17,837
Trust funds and deposits	5.3 (b)	5,308	4,802
Unearned Income	5.3 (c)	3,947	1,797
Provisions	5.5	14,718	12,697
Interest-bearing liabilities	5.4	5,512	4,734
Lease liabilities	5.8	278	-
Total current liabilities		47,345	41,867
Non-current liabilities			
Trust funds and deposits	5.3 (b)	1,864	1,731
Provisions	5.5	9,667	7,019
Interest-bearing liabilities	5.4	29,983	8,315
Lease liabilities	5.8	440	-
Total non-current liabilities		41,954	17,065
Total liabilities		89,299	58,932
Net assets		2,556,923	2,452,983
Equity			
Accumulated surplus		1,045,809	1,023,657
Reserves	9.1	1,511,114	1,429,326
Total Equity		2,556,923	2,452,983

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

**Statement of Changes in Equity
For the Year Ended 30 June 2020**

2020	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,452,983	1,023,657	1,428,242	1,084
Surplus/(deficit) for the year		22,141	22,141	-	-
Net asset revaluation increment/(decrement)	9.1	81,798	-	81,798	-
Transfers to other reserves	9.1	-	(21)	-	21
Transfers from other reserves	9.1	-	30	-	(30)
Balance at end of the financial year		2,556,923	1,045,809	1,510,040	1,075

2019		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,451,718	1,019,703	1,430,855	1,160
Prior year adjustment*	9.4	(19,935)	(19,935)	-	-
Balance at beginning of the financial year as restated		2,431,783	999,768	1,430,855	1,160
Surplus/(deficit) for the year		23,812	23,812	-	-
Net asset revaluation increment/(decrement)	9.1	(2,613)	-	(2,613)	-
Transfers from other reserves	9.1	-	76	-	(76)
Balance at end of the financial year		2,452,983	1,023,657	1,428,242	1,084

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

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

Statement of Cash Flows
For the Year Ended 30 June 2020

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		179,505	172,733
Statutory fees and fines		6,735	6,446
User fees		18,646	20,766
Grants - operating		24,701	21,259
Grants - capital		10,701	13,519
Contributions - monetary		3,772	8,221
Interest received		1,511	2,095
Dividends received		3	3
Trust funds and deposits taken		(36)	1,770
Other receipts		2,120	2,283
Net GST refund/payment		16,581	16,249
Employee costs		(77,385)	(74,889)
Materials and services		(119,257)	(116,984)
Short-term, low value and variable lease payments		(923)	-
Other payments		(5,126)	(5,502)
Net cash provided by/(used in) operating activities		61,548	67,969
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(73,588)	(64,596)
Proceeds from sale of property, infrastructure, plant and equipment		1,971	694
Payments for investments		(37,000)	(142,503)
Proceeds from sale of investments		54,500	165,058
Net cash provided by/(used in) investing activities		(54,117)	(41,347)
Cash flows from financing activities			
Finance costs		(788)	(873)
Proceeds from borrowings *		26,500	-
Repayment of borrowings		(3,809)	(3,748)
Interest paid - lease liability		(30)	-
Repayment of lease liabilities		(196)	-
Net cash provided by/(used in) financing activities		21,677	(4,621)
Net increase (decrease) in cash and cash equivalents		29,108	22,001
Cash and cash equivalents at the beginning of the financial year		35,619	13,618
Cash and cash equivalents at the end of the financial year	5.1	64,727	35,619
* Proceeds from borrowings is in relation to the loan for the construction of the Yawa Aquatic Centre. \$26.5 million drawdown in 2019/20 with a further \$13.9 million drawdown in 2020/21			
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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 2020**

	2020 \$'000	2019 \$'000
Property		
Land	584	82
Buildings	33,502	21,968
Total property	<u>34,086</u>	<u>22,050</u>
Plant and equipment		
Plant, machinery and equipment	435	436
Fixtures, fittings and furniture	83	176
Computers and telecommunications	5,950	3,119
Art Works	-	37
Library books	936	895
Total plant and equipment	<u>7,404</u>	<u>4,663</u>
Infrastructure		
Roads	9,233	9,490
Drainage	76	3,931
Bridges	2,609	35
Footpaths and cycleways	2,151	2,429
Recreational, leisure and community facilities	2,962	8,793
Parks, open space and streetscapes	6,818	5,629
Marine structures	786	1,703
Total infrastructure	<u>24,635</u>	<u>32,010</u>
Total capital works expenditure	<u>66,125</u>	<u>58,723</u>
Represented by:		
New asset expenditure	31,580	7,000
Asset renewal expenditure	26,923	29,079
Asset expansion expenditure	847	1,206
Asset upgrade expenditure	6,775	21,438
Total capital works expenditure	<u>66,125</u>	<u>58,723</u>

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

OVERVIEW

Introduction

The Mornington Peninsula Shire was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate.

The Council's main office is located at 90 Besgrove Street, Rosebud.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- 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 (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Impact of COVID 19 pandemic on operations and 2019-20 financial report

On 30 January 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted Council in the following areas for the financial year ended 30 June 2020:

- In response to significant decrease in demand / government directive amidst the COVID19 outbreak, the leisure centre facilities / libraries/ community centres/ tipping facilities/ sports & recreation/ foreshore camping were closed or significantly impacted. These closures resulted in a decrease in the Council user fee revenue by \$3 million and also increased associated expenses by \$0.6 million.
- Council provided rent waivers for a fixed period from 16 March 2020. This resulted in decrease in rent revenue of \$0.1 million.
- Council activated its financial hardship policy on 26 May 2020 with no interest to be raised on overdue balances until 31 August 2020.

OVERVIEW continued

Impact of COVID 19 pandemic on management accounting estimates, judgements and assumptions

A number of asset and liability accounts apply judgements and assumptions about the future to determine the carrying amounts and while there is uncertainty about the impact of COVID 19 on these judgements and assumptions the emerging impact is unable to be reliably quantified. Potential impacts include, receivables and expected credit loss provision, fair value and impairment of non-financial assets as well as defined benefits superannuation. As a result management has not made any adjustments to the judgements and assumptions applied in the 2019-20 financial report due to COVID 19.

Note 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 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$1 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

1.1 Income and expenditure

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	182,346	183,256	910	0%	
Statutory fees and fines	7,573	7,221	(352)	(5%)	
User fees	19,958	19,471	(487)	(2%)	
Grants - operating	21,370	24,315	2,945	14%	1
Grants - capital	6,915	10,701	3,786	55%	2
Contributions - monetary	3,054	2,564	(490)	(16%)	3
Contributions - non monetary	200	4,419	4,219	2110%	4
Other income	3,136	3,502	366	12%	5
Total income	244,552	255,449	10,897	4%	
Expenses					
Employee costs	82,107	80,392	1,715	2%	6
Materials and services	106,687	111,674	(4,987)	(5%)	7
Depreciation	29,937	32,903	(2,966)	(10%)	8
Amortisation - Intangible assets	182	181	1	0%	
Amortisation - Right of use assets	-	190	(190)	100%	9
Borrowing costs	1,183	865	318	27%	10
Finance costs - Leases	-	28	(28)	100%	11
Other expenses	6,784	4,937	1,847	27%	12
Net loss on disposal of property, infrastructure, plant and equipment	-	2,010	(2,010)	100%	13
Fair value adjustments for investments	-	128	(128)	100%	14
Total expenses	226,880	233,308	(6,428)	(3%)	
Surplus for the year	17,672	22,141	4,469	25%	

1.1 (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Variance Fav / Unfav	Explanation
1	Grants - operating	Fav	Operating grants are higher than budget due to funding received in Communities relating to HACC Aged Care and Delivered meals. Recyclable grants and State Govt. grants not budgeted for including Schools Focussed and Corridors of Green.
2	Grants - capital	Fav	Capital grants are higher than budget due to early funding payments from State Govt. for Rye Township planning and various public facilities.
3	Contributions - monetary	Unfav	Monetary contributions were lower than budget due to expected capital contributions still to be received for Alexandra Park Pavilion and Creswell Street, Crib Point.
4	Contributions - non monetary	Fav	Non monetary contributions is higher than budget due to development activity which has resulted in unbudgeted revenue from contributed Land and Infrastructure assets, mainly roads and drains.
5	Other income	Fav	Income shown higher than budget as a result of the Volunteer services treatment based on the new accounting standard AASB1058 which was not in the budget.
6	Employee costs	Fav	Employee Costs were favourable compared to budget due to vacancies throughout the year.
7	Materials and services	Unfav	Expenses are higher than budget due to an increase in recycling processing costs some of which was offset by a government grant, waste disposal tipping charges and legal costs relating to changes to a planning strategy.
8	Depreciation	Unfav	Depreciation higher than expected due to unbudgeted additions and disposals, mainly in Footpaths.
9	Amortisation - Right of use assets	Unfav	New accounting standard not included in model budget 19/20.
10	Borrowing costs	Fav	Budget interest calculation for Yawa Aquatic Centre loan calculated before tender was awarded. Actual borrowing costs lower than budget due to favourable interest rates.
11	Finance costs - Leases	Unfav	New accounting standard not included in model budget 19/20.
12	Other expenses	Fav	Other expenses lower than budget due to reduced family day care fee relief payments as a result of a lower number of carers than expected. In addition due to the COVID19 impact on income, a reduction in expenditure has been identified across a number of areas including staff training.
13	Net loss on disposal of property, infrastructure, plant and equipment	Unfav	The net gain on sale of real estate is lower than budget but offset against a number of existing assets (mainly infrastructure assets) being disposed/replaced as part of Council's Capital Works Program.
14	Fair value adjustments for investments	Unfav	Investment Property have been decreased in fair value due to current market rate.

1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	100	584	(484)	(484%)	1
Buildings	39,795	33,502	6,293	16%	2
Total property	39,895	34,086	5,809	15%	
Plant and equipment					
Plant, machinery and equipment	400	435	(35)	(9%)	
Fixtures, fittings and furniture	150	83	67	44%	3
Computers and telecommunications	4,000	5,950	(1,950)	(49%)	4
Library books	975	936	39	4%	
Total plant and equipment	5,525	7,404	(1,879)	(34%)	
Infrastructure					
Roads	9,145	9,233	(88)	(1%)	
Bridges	75	76	(1)	(1%)	
Footpaths and cycleways	2,474	2,609	(135)	(5%)	
Drainage	3,301	2,151	1,150	35%	5
Recreational, leisure and community facilities	3,075	2,962	113	4%	
Parks, open space and streetscapes	5,433	6,818	(1,385)	(25%)	6
Marine structures	1,519	786	733	48%	7
Total infrastructure	25,022	24,635	387	2%	
Total capital works expenditure	70,442	66,125	4,317	6%	
Represented by:					
New asset expenditure	39,223	31,580	7,643	19%	
Asset renewal expenditure	19,286	26,923	(7,637)	(40%)	
Asset expansion expenditure	873	847	26	3%	
Asset upgrade expenditure	11,060	6,775	4,285	39%	
Total capital works expenditure	70,442	66,125	4,317	6%	

(i) Explanation of material variations

Variance Ref	Item	Variance	Explanation
		Fav / Unfav*	
1	Land	Unfav	Land is higher than budget due to land purchases not budgeted for and the delay in 2018/19 of design approval for Rye Landfill cell 3.
2	Buildings	Fav	Buildings spend is lower than budget due to project work delays including Yawa Aquatic Centre, RM Hooper Reserve Pavilion, Crib Point Recreation Reserve and Red Hill Mechanics Hall public toilets.
3	Fixtures, fittings and furniture	Fav	Favourable due to Library fitting costs under budget.
4	Computers and telecommunications	Unfav	Budget has been adjusted at mid-year in line with Council requirements following a business case refresh. Although it is over budget, it is in line with approved forecast.
5	Drainage	Fav	Drainage lower than budget due to projects carried forward to complete in 2020/21 including Boneo Tennis Club, Wetland & Rain Garden Civic Reserve with attention focused on Emergency works.
6	Parks, open space and streetscapes	Unfav	Parks, open space and streetscapes higher than budget due to unbudgeted projects carried forward from previous years including Emil Madsen Reserve, Timber Structures Renewal, Hastings Activity Structure Plan, Point Nepean Rd, Sorrento and Jetty Road Streetscapes.
7	Marine structures	Fav	Marine Structures is lower than budget due to Safety Beach Rock Remedial Works and Hastings Boat Ramp - Design.

*Note: Unfavourable variances indicate additional spend above budget on Capital Works program due to carry forwards of prior year and grants received during the financial year.

The variances between budget and actual categories (new, renewal, expansion and upgrade) are caused by estimated budget splits at the point of adoption where actual reflects works performed including carry forwards for the financial year.

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Chief Executive Office

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

Communities

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

Corporate Services

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

Place

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

Planning & Building

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

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Chief Executive Office	395	10,637	(10,242)	5	-
Communities	16,614	32,773	(16,159)	14,083	1,924
Corporate Services	188,538	23,851	164,687	6,457	110,130
Place	42,748	153,210	(110,462)	14,472	2,534,169
Planning & Building	7,154	12,837	(5,683)	-	-
	255,449	233,308	22,141	35,017	2,646,223

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Chief Executive Office	552	10,523	(9,971)	15	-
Communities	16,773	32,821	(16,048)	14,243	1,910
Corporate Services	178,386	23,574	154,812	6,099	91,314
Place	50,159	150,872	(100,712)	15,051	2,444,286
Planning & Building	8,155	12,423	(4,268)	300	-
	254,025	230,213	23,813	35,708	2,537,510

Note: During the year directorates have been restructured and therefore the financial year 2019 do not directly align to 2020 for comparative purposes.

Note 3 Funding for the delivery of our services	2020	2019
3.1 Rates and charges	\$'000	\$'000

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 2019/20 was \$91.101 billion (2018/19 \$84,091 billion).

General rates	146,769	141,887
Waste service charge	29,268	24,542
Service rates and charges (opt-in green waste)	5,161	4,687
Supplementary rates and rate adjustments	1,063	1,222
Culture and recreational	155	155
Revenue in lieu of rates	840	840
Total rates and charges	183,256	173,333

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation will be first applied in the rating year commencing 1 July 2019.

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

3.2 Statutory fees and fines

Infringements and costs	1,604	1,440
Town planning fees	2,804	3,312
Land information certificates	221	202
Permits	2,491	2,004
Other fees and charges	101	385
Total statutory fees and fines	7,221	7,343

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

3.3 User fees

Aged and health services	1,701	1,890
Animal shelter fees	65	69
Art gallery fees	101	132
Building services	618	508
Child, youth and family care services	344	363
Events & festivals fees	10	60
Foreshore camping fees	3,062	3,172
Grounds and pavilions	206	128
Halls and community centres	330	485
Legal reimbursement	238	439
Leisure centre and recreation	790	857
Library fees and fines	92	131
Nursery and homestead	294	295
Parking and boat ramp	54	676
Planning fees	413	438
Registration and other permits	2,924	2,261
Tourism fees	10	18
Valuations and property	949	635
Waste management services	6,634	6,488
Other fees and charges	636	454
Total user fees	19,471	19,501

User fees by timing of revenue recognition

User fees recognised over time	-	-
User fees recognised at a point in time	19,471	19,501
Total user fees	19,471	19,501

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	2020	2019
Grants were received in respect of the following :	\$'000	\$'000
Summary of grants		
Commonwealth funded grants	17,460	19,526
State funded grants	17,556	16,182
Total grants received	35,016	35,708
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grant	6,253	5,806
Family day care	749	886
Aged Care	7,262	6,843
Indigenous Programs	87	84
Total Recurrent - Commonwealth Government	14,351	13,619
Recurrent - State Government		
Aged care	2,012	2,337
School crossing supervisors	469	459
Libraries	1,017	996
Maternal and child health	1,682	1,520
Community safety	136	158
Family and Children	508	736
Indigenous Programs	71	84
Other	318	453
Total Recurrent - State Government	6,213	6,743
Total recurrent operating grants	20,564	20,362
Non-recurrent - Commonwealth Government		
Family and Children	2	-
Libraries	5	-
Other	14	14
Total Non-recurrent - Commonwealth Government	21	14
Non-recurrent - State Government		
Aged Care	-	4
Waste Management Services	1,382	214
Parking and Boat Ramp	845	-
Natural Disaster	157	-
Indigenous Programs	-	72
Environmental planning	164	511
Community safety	54	96
Maternal and child health	-	15
Family and children	557	537
Vegetation	370	343
Other	202	21
Total non-recurrent - State Government	3,731	1,813
Total non-recurrent operating grants	3,752	1,827
Total operating grants	24,315	22,189

3.4 Funding from other levels of government continued

(b) Capital Grants	2020	2019
<i>Recurrent - Commonwealth Government</i>	\$'000	\$'000
Roads to recovery	964	1,421
Total recurrent capital grants	964	1,421
<i>Non-recurrent - Commonwealth Government</i>		
Community Safety	-	20
Recreation	125	2,700
Other - Yawa Aquatic Centre	2,000	1,753
<i>Non-recurrent - State Government</i>		
Community Safety	894	55
Libraries	20	20
Recreation	1,337	2,685
Roads and Intersections	54	1,715
Drainage	-	50
Boat ramps and piers	978	147
Buildings	727	2,621
Township	3,371	-
Other	231	332
Total non-recurrent capital grants	9,737	12,098
Total capital grants	10,701	13,519
(c) Unspent grants received on condition that they be spent in a specific manner		
<i>Capital</i>		
Balance at start of year	8,317	5,555
Received during the financial year and remained unspent at balance date	6,785	6,368
Received in prior years and spent during the financial year	(5,966)	(3,606)
Balance at year end	9,136	8,317

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

3.5 Contributions

Monetary	2,564	6,424
Non-monetary	4,419	7,433
Total contributions	6,983	13,857
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	2,693	103
Buildings	-	19
Roads	426	3,107
Drainage	987	2,654
Land under roads	178	9
Footpaths & cycleways	81	804
Parks & open spaces	54	737
Total non-monetary contributions	4,419	7,433

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

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

Proceeds of sale	1,971	694
Written down value of assets disposed	(3,981)	(10,870)
Total net loss on disposal of property, infrastructure, plant and equipment	(2,010)	(10,174)

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	2020	2019
	\$'000	\$'000
Interest	1,141	1,997
Dividends	3	3
Investment property rental	2,057	2,234
Other rent	14	2
Volunteer services	234	-
Other	53	47
Total other income	3,502	4,283

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	59,980	56,576
WorkCover	1,433	1,626
Casual staff	3,200	2,936
Superannuation	6,703	6,433
Fringe benefits tax	540	997
Annual leave and long service leave	7,442	6,895
Redundancies	1,094	572
Total employee costs	80,392	76,033

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	153	197
Total Defined Benefit	153	197
Employer contributions payable at reporting date.	50	33

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,920	3,996
Employer contributions - other funds	2,630	2,240
Total Accumulation Funds	6,550	6,236

Employer contributions payable at reporting date.	100	158
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Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contract payments		
Waste Management Services	26,158	21,684
Sport & Recreation	2,153	2,054
Other	1,224	1,349
Rye landfill rehabilitation provision *	2,390	200
Building maintenance	7,977	7,964
General maintenance	44,093	43,612
Utilities	3,894	4,470
Parking and travel	909	1,055
Operating leases	1,808	1,646
Information technology	4,397	4,887
Insurance	1,572	1,398
Legal	1,753	2,221
Consultants	4,975	3,918
Priority Projects **	4,268	5,267
Other	4,103	4,422
Total materials and services	111,674	106,148

* Rye Landfill Rehabilitation provision has been adjusted to net present value. Prior year expenditure related to recognition of future rehabilitation expenditure. See note 5.5(b) for provision balance.

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

4.3 Depreciation	2020	2019
	\$'000	\$'000
Property	5,509	5,339
Plant and equipment	1,380	1,601
Infrastructure	26,014	24,234
Total depreciation	32,903	31,174

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

4.4 Amortisation - Intangible assets		
Software	181	181
Total Amortisation - Intangible assets	181	181

4.5 Amortisation - Right of use assets		
Property	76	-
Vehicles	114	-
Total Amortisation - Right of use assets	190	-

4.6 Borrowing costs		
Interest - Borrowings	865	811
Total borrowing costs	865	811

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

4.7 Finance Costs - Leases

Interest - Lease Liabilities	28	-
Total finance costs	28	-

Refer to note 5.8 for further details of the accounting policy.

4.8 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	94	94
Auditors' remuneration - Internal	166	159
Councillors' allowances	450	452
Community grants, contributions and subsidies paid	2,035	2,081
Family day care fee relief paid (offset by income)	713	854
Indirect recruitment costs (recruitment, staff training and uniforms)	648	795
Insurance excesses and small claims	61	98
Operating lease rentals	123	278
Training, conferences and seminars	64	74
Volunteer services	234	-
Others	349	417
Total other expenses	4,937	5,302

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	6	15
Cash at bank	64,721	11,604
Term deposits	-	24,000
Total cash and cash equivalents	64,727	35,619

(b) Other financial assets

Current		
Term deposits	15,584	32,582
Non-Current		
Shares	43	39
Total other financial assets	15,627	32,621
Total financial assets	80,354	68,240

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3)	5,308	4,802
Total restricted funds	5,308	4,802
Total unrestricted cash and cash equivalents	59,419	30,817

Intended allocations

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

- cash held to fund carried forward capital works	47,552	28,243
- include details of other allocated amounts	1,075	1,084
Total funds subject to intended allocations	48,627	29,327

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less.

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

	2020	2019
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	9,345	4,711
Rates Pensioner	971	946
Special rate assessment	311	557
Infringement debtors	2,679	2,198
Provision for doubtful debts - infringements	(2,116)	(1,926)
Grants - Government and Statutory Bodies	2,156	1,600
Net GST receivable	2,599	2,465
<i>Non statutory receivables</i>		
Other debtors	5,009	4,313
Total current trade and other receivables	<u>20,954</u>	<u>14,864</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	366	366
Total non-current trade and other receivables	<u>366</u>	<u>366</u>
Total trade and other receivables	<u>21,320</u>	<u>15,230</u>

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

(d) Ageing of Receivables

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

Current (not yet due)	3,377	3,317
Past due by up to 30 days	125	320
Past due between 31 and 180 days	233	84
Past due between 181 and 365 days	1,274	592
Total trade and other receivables	<u>5,009</u>	<u>4,313</u>

(e) Ageing of individually impaired Receivables

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

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	2,116	1,926
Total trade & other receivables	<u>2,116</u>	<u>1,926</u>

5.2 Non-financial assets	2020	2019
(a) Inventories	\$'000	\$'000
Inventories held for distribution	224	148
Total inventories	224	148

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

(b) Other assets

Prepayments	1,175	792
Accrued income	1,316	1,343
Total other assets	2,491	2,135

(c) Intangible assets

Software	899	1,080
Total intangible assets	899	1,080

**Software
\$'000**

Gross carrying amount

Balance at 1 July 2019	4,545
Balance at 1 July 2020	4,545

Accumulated amortisation and impairment

Balance at 1 July 2019	(3,465)
Amortisation expense	(181)
Balance at 1 July 2020	(3,646)

Net book value at 30 June 2019	1,080
Net book value at 30 June 2020	899

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

5.3 Payables

(a) Trade and other payables

Trade payables	7,943	11,235
Accrued expenses	9,639	6,602
Total trade and other payables	17,582	17,837

(b) Trust funds and deposits

Refundable deposits	778	778
Fire services levy	992	317
Retention amounts	760	772
Bank guarantees	261	261
General	493	373
Hillview Quarries restoration fund	477	477
Rate recoveries	341	341
Subdivision maintenance deposits	1,206	1,483
Total trust funds and deposits	5,308	4,802

Non-current

Refundable deposits	1,864	1,731
Total Non-current	1,864	1,731
Total trust funds and deposits	7,172	6,533

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

Purpose and nature of items

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

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

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

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

(c) Unearned income

Grants received in advance - operating	440	-
Grants received in advance - capital	500	-
Developer Contributions	3,007	1,797
Total unearned income	3,947	1,797

5.4 Interest-bearing liabilities	2020	2019
	\$'000	\$'000
Current		
Bank overdraft	679	924
Borrowings - Secured *	4,833	3,810
Total Current	5,512	4,734
Non-current		
Borrowings - Secured *	29,983	8,315
Total Non-current	29,983	8,315
Total Interest-bearing liabilities	35,495	13,049

*Borrowings are secured by general rates

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

Not later than one year	5,512	4,734
Later than one year and not later than five years	12,234	7,700
Later than five years	17,749	615
Total	35,495	13,049

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

5.5 Provisions

	Employee	Landfill restoration	Native vegetation management	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2020				
Balance at beginning of the financial year	14,203	4,708	803	19,714
Additional provisions	7,574	2,167	19	9,760
Amounts used	(5,392)	-	(97)	(5,489)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	177	223	-	400
Balance at the end of the financial year	16,562	7,098	725	24,385
2019				
Balance at beginning of the financial year	13,165	4,508	1,006	18,679
Additional provisions	6,857	200	16	1,254
Amounts used	(5,820)	-	(219)	(219)
Balance at the end of the financial year	14,203	4,708	803	19,714

5.5 Provisions continued

	2020	2019
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	4,864	4,028
Long service leave	1,332	1,320
Redundancies	352	28
Total	6,548	5,376
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,103	836
Long service leave	6,940	6,323
Total	8,043	7,159
Total current employee provisions	14,591	12,535
Non-current		
Long service leave	1,971	1,668
Annual leave	-	-
Total non-current employee provisions	1,971	1,668
Aggregate carrying amount of employee provisions:		
Current	14,591	12,535
Non-current	1,971	1,668
Total aggregate carrying amount of employee provisions	16,562	14,203

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

Wages and salaries and annual leave

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

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

Long service leave

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

	2020	2019
Key assumptions:		
- discount rate	0.24%	1.04%
- index rate	2.90%	3.20%

	2020	2019
	\$'000	\$'000
(b) Landfill restoration		
Non-current	7,098	4,708
Total	7,098	4,708

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

An independent audit conducted and this resulted in an increased provision based on new method of capping applied

	2020	2019
Key assumptions:		
- discount rate	0.7% - 3.7%	1.7% - 3.8%
- inflation rate	0.3%	1.2%
- estimated cost to rehabilitate	\$3,251	\$3,251

(c) Native vegetation management

Current	128	162
Non-current	598	641
Total	726	803

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2020.

Bank overdraft	5,000	5,000
Bank Loans	34,816	12,125
Credit card facilities	200	200
Bank Guarantees	100	100
Asset Finance - Leasing	3,000	3,000
Total facilities	43,116	20,425
Used facilities	35,510	13,064
Unused facilities	7,606	7,361

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.

2020	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Cleansing	12,295	12,726	13,171	-	38,193
Parks and Roadside	11,486	11,888	12,304	-	35,678
Furniture and Signs	4,155	4,300	4,451	-	12,906
Buildings	7,695	7,965	8,244	-	23,903
Safer Local Roads	15,945	-	-	-	15,945
Garbage Collection	3,057	-	-	-	3,057
Green Waste	1,340	-	-	-	1,340
Landfill & Transfer Station Management	6,244	6,463	6,689	-	19,396
Recycling	13,747	-	-	-	13,747
Recreational & Leisure	628	650	421	-	1,699
Telecommunications and IT	1,409	1,314	1,794	-	145
Consulting	906	51	-	-	5,329
Internal Audit	67	69	72	-	207
Total	78,974	45,426	47,146	-	171,545
Capital					
Buildings	3,000	-	-	-	3,000
Recreation Facilities	16,531	106	-	-	16,637
Footpaths & Street Scapes	876	-	-	-	876
Total	20,407	106	-	-	20,513
2019					
	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Cleansing	12,646	13,089	27,568	-	53,303
Parks and Roadsides	11,183	11,574	24,378	-	47,135
Furniture and Signs	3,983	4,122	8,682	-	16,787
Buildings	7,606	7,873	16,582	-	32,061
Safer Local Roads	11,702	12,111	-	-	23,813
Garbage Collection	9,032	9,348	13,057	-	31,437
Green Waste	1,204	1,246	-	-	2,450
Landfill & Transfer Station Management	1,928	-	-	-	1,928
Recycling	9,869	9,049	-	-	18,918
Recreation and Leisure	1,063	882	1,150	-	3,095
Telecommunications and IT	2,209	2,044	3,836	-	8,089
Consulting	799	302	-	-	1,101
Internal Audit	186	-	-	-	186
Total	73,409	71,640	95,252	-	240,301
Capital					
Buildings	1,012	-	-	-	1,012
Recreation Facilities	736	389	-	-	1,125
Roads	683	-	-	-	683
Footpaths & street scapes	476	-	-	-	476
Drainage	231	-	-	-	231
Total	3,139	389	-	-	3,528

* Transfer Stations, Waste Hoppers and Rye Landfill costs reclassified from Garbage Collection in 2018/19 to Landfill & Transfer Station Management Costs 2019/20

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:

	2020	2019
	\$'000	\$'000
Not later than one year	1,785	1,763
Later than one year and not later than five years	1,348	3,690
Later than five years	19	3,492
	3,152	8,945

5.8 Leases

Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied AASB 16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB 16 Leases, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied AASB 16 Leases only to contracts that were previously identified as leases.

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

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

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

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

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

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

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

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

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

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

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

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

Currently our peppercorn leases relate to:

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

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

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

Right-of-Use Assets	Property	Vehicles	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2019	-	-	-
Additions	217	678	895
Amortisation charge	(76)	(114)	(190)
Balance at 30 June 2020	141	564	705
Lease Liabilities	2020		
Maturity analysis - contractual undiscounted cash flows	\$'000		
Less than one year	278		
One to five years	487		
More than five years	-		
Total undiscounted lease liabilities as at 30 June:	765		
Lease liabilities included in the Balance Sheet at 30 June:			
Current	278		
Non-current	440		
Total lease liabilities	718		

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.

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

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

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

Payable:

Within one year	463
Later than one year but not later than five years	10
Total lease commitments	473

i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying AASB 16 Leases to leases previously classified as operating leases under AASB 117 Leases .

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117 Leases , the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 Leases immediately before that date.

Council is not required to make any adjustments on transition to AASB 16 Leases for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with AASB 16 Leases from the date of initial application.

Impact on financial statements

On transition to AASB 16 Leases , Council recognised an additional \$0 of right-of-use assets and \$0 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 0%.

Note 6 Assets we manage	2020	2019
6.1 Non current assets classified as held for sale	\$'000	\$'000
Property assets held for sale	4,601	-
Total non current assets classified as held for sale	4,601	-

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

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers between categories \$'000	Transfers \$'000	At Fair Value 30 June 2020 \$'000
Land	1,051,672	-	2,871	44,377	-	(958)	(4,601)	72	1,093,433
Buildings	145,067	-	-	6,533	(5,509)	(269)	-	6,689	152,511
Plant and equipment	6,538	25	-	-	(1,380)	(41)	(418)	1,562	6,286
Infrastructure	1,183,239	-	1,549	30,888	(26,014)	(2,589)	418	30,716	1,218,207
Work in progress	29,503	66,132	-	-	-	-	(337)	(39,039)	56,259
	2,416,019	66,157	4,420	81,798	(32,903)	(3,857)	(4,938)	-	2,526,696

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Buildings	8,607	34,086	(7,112)	35,581
Plant and equipment	3,580	7,432	(1,407)	9,604
Infrastructure	17,316	24,614	(30,857)	11,073
Total	29,503	66,132	(39,376)	56,258

Notes to the Financial Report
For the Year Ended 30 June 2020

(a) Property

	Land - specialised	Land - non specialised	Land Under Roads	Total Land & Land Improvements	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	1,046,234	3,709	1,729	1,051,672	339,668	435	340,103	8,607	1,400,382
Accumulated depreciation at 1 July 2019	-	-	-	-	(194,695)	(341)	(195,036)	-	(195,036)
	1,046,234	3,709	1,729	1,051,672	144,973	94	145,067	8,607	1,205,345
Movements in fair value									
Additions	72	-	-	72	-	-	-	34,086	34,158
Contributions	2,693	-	178	2,871	-	-	-	-	2,871
Revaluation increments/decrements	43,967	222	188	44,377	19,600	17	19,617	-	63,994
Disposal	(958)	-	-	(958)	(876)	(184)	(1,060)	-	(2,018)
Transfers between categories	(3,071)	(1,530)	-	(4,601)	-	-	-	-	(4,601)
Transfers	-	-	-	-	6,689	-	6,689	(7,112)	(423)
	42,703	(1,308)	366	41,761	25,413	(167)	25,246	26,974	93,981
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(5,509)	-	(5,509)	-	(5,509)
Accumulated depreciation of disposals	-	-	-	-	621	170	791	-	791
Revaluation increments/decrements	-	-	-	-	(13,043)	(42)	(13,085)	-	(13,085)
	-	-	-	-	(17,931)	128	(17,803)	-	(17,803)
At fair value 30 June 2020	1,088,937	2,401	2,095	1,093,433	365,081	268	365,349	35,581	1,494,363
Accumulated depreciation at 30 June 2020	-	-	-	-	(212,626)	(213)	(212,839)	-	(212,839)
	1,088,937	2,401	2,095	1,093,433	152,455	55	152,510	35,581	1,281,524

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(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecoms \$'000	Artworks \$'000	Library books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2019	7,298	3,699	1,015	2,595	5,167	3,580	23,354
Accumulated depreciation at 1 July 2019	(6,064)	(2,942)	(975)	-	(3,256)	-	(13,237)
	1,234	757	40	2,595	1,911	3,580	10,118
Movements in fair value							
Additions	25	-	-	-	-	7,432	7,457
Disposal	(240)	-	(289)	-	(1,277)	-	(1,806)
Transfers between categories	(1,073)	-	-	-	-	-	(1,073)
Transfers	184	461	9	-	908	(1,408)	154
	(1,104)	461	(280)	-	(369)	6,024	4,732
Movements in accumulated depreciation							
Depreciation and amortisation	(159)	(295)	(32)	-	(895)	-	(1,381)
Accumulated depreciation of disposals	198	-	289	-	1,278	-	1,765
Transfers between categories	655	-	-	-	-	-	655
	694	(295)	257	-	383	-	1,039
At fair value 30 June 2020	6,194	4,159	735	2,595	4,798	9,604	28,085
Accumulated depreciation at 30 June 2020	(5,370)	(3,236)	(718)	-	(2,873)	-	(12,197)
	824	923	17	2,595	1,925	9,604	15,888

Notes to the Financial Report
For the Year Ended 30 June 2020

(c) Infrastructure

	Roads	Drainage	Bridges	Footpaths and cycleways	Recreational, leisure and community	Parks open spaces and streetscapes	Marine Structures	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	915,060	597,959	2,173	134,803	27,019	106,827	6,074	17,317	1,807,232
Accumulated depreciation at 1 July 2019	(273,448)	(193,728)	(698)	(65,699)	(15,466)	(54,792)	(2,845)	-	(606,676)
	641,612	404,231	1,475	69,104	11,553	52,035	3,229	17,317	1,200,556
Movements in fair value									
Additions	-	-	-	-	-	-	-	24,614	24,614
Contributions	426	987	-	81	-	55	-	-	1,549
Revaluation increments/decrements	6,664	62,906	(28)	(87)	(215)	(6,410)	(441)	-	62,389
Disposal	(10,109)	(1,544)	-	(291)	(168)	(1,146)	-	-	(13,258)
Transfers between categories	5	-	-	12,772	2,763	(16,832)	2,369	-	1,077
Transfers	10,082	2,127	60	3,466	8,165	6,390	428	(30,857)	(139)
	7,068	64,475	32	15,941	10,545	(17,943)	2,356	(6,243)	76,232
Movements in accumulated depreciation									
Depreciation and amortisation	(10,488)	(6,416)	(29)	(3,391)	(1,379)	(4,193)	(118)	-	(26,014)
Accumulated depreciation of disposals	9,192	436	-	169	141	731	-	-	10,669
Revaluation increments/decrements	(9,379)	(20,462)	(7)	(816)	(162)	(566)	(110)	-	(31,502)
Transfers between categories	2	-	-	(6,427)	(2,105)	7,961	(86)	-	(655)
	(10,673)	(26,442)	(36)	(10,465)	(3,505)	3,933	(314)	-	(47,502)
At fair value 30 June 2020	922,128	662,435	2,205	150,743	37,564	88,884	8,431	11,074	1,883,464
Accumulated depreciation at 30 June 2020	(284,121)	(220,170)	(734)	(76,165)	(18,971)	(50,858)	(3,160)	-	(654,179)
	638,007	442,265	1,471	74,579	18,593	38,026	5,271	11,074	1,229,285

Acquisition

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

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

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

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

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

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Land - Specialised	-	-	1,088,937	Jun-20
Land - Non Specialised	-	2,401	-	Jun-20
Land Under Roads	-	-	2,095	Jun-20
Buildings - Specialised	-	-	152,455	Jun-20
Buildings - Non Specialised	-	55	-	Jun-20
Total	-	2,456	1,243,487	

Valuation of infrastructure

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

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	638,007	Jun-20
Bridges	-	-	1,471	Jun-20
Footpaths and cycleways	-	-	74,579	Jun-20
Drainage	-	-	442,265	Jun-20
Recreational, leisure and community facilities	-	-	18,593	Jun-20
Parks, open space and streetscapes	-	-	38,026	Jun-20
Marine structures	-	-	5,271	Jun-20
Total	-	-	1,218,212	

Description of significant unobservable inputs into level 3 valuations

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

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

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

	2020	2019
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	2,095	1,729
Parks and reserves	1,088,937	1,046,234
Total specialised land	1,091,032	1,047,963

	2020	2019
	\$'000	\$'000
6.3 Investment property & shares		
Balance at beginning of financial year	9,064	9,300
Capital improvements	-	149
Fair value adjustments	(132)	(385)
Balance at end of financial year	<u>8,932</u>	<u>9,064</u>

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

Valuation of investment property

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

Shares

Balance at beginning of financial year	39	44
Fair value adjustments	4	(5)
Balance at end of financial year	<u>43</u>	<u>39</u>

6.4 Fair value adjustments for investments

Investment property	(132)	(385)
Shares	4	(5)
Total	<u>(128)</u>	<u>(390)</u>

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Mornington Peninsula Shire is the parent entity

Subsidiaries and Associates

Mornington Peninsula Cemetery Trust

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

(b) Key Management Personnel

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

	2020 No.	2019 No.
Councillors		
Mayor Sam Hearn (12 November 2019 - current)		
Deputy Mayor Kate Roper		
Councillor Antonella Celi		
Councillor Bev Colomb		
Councillor Bryan Payne		
Councillor Frank Martin		
Councillor Hugh Fraser		
Councillor Julie Morris		
Councillor Rosie Clark		
Councillor David Gill (former Mayor 13 November 2018 - 11 November 2019)		
Councillor Simon Brooks		
Key Management Personnel		
Chief Executive Officer		
Director Place		
Director Corporate Services		
Director Communities		
Director Planning & Building		
Chief Financial Officer		
Director Performance & Development (finished 20/09/2019)		
Total Number of Councillors	11	11
Total of Chief Executive Officer and other Key Management Personnel	7	12
Total Number of Key Management Personnel	<u>18</u>	<u>23</u>

(c) Remuneration of Key Management Personnel

	2020 \$'000	2019 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	2,129	2,514
Long-term benefits	165	29
Post employment benefits	118	254
Termination benefits	231	554
Total	<u>2,643</u>	<u>3,351</u>

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

	2020 No.	2019 No.
\$30,000 - \$39,999	9	10
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	1	1
\$80,000 - \$89,999	1	2
\$210,000 - \$219,999	1	-
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	-	2
\$250,000 - \$259,999	-	1
\$280,000 - \$289,999	1	1
\$290,000 - \$299,999	1	-
\$310,000 - \$319,999	1	-
\$320,000 - \$329,999	1	1
\$330,000 - \$339,999	-	1
\$350,000 - \$359,999	-	1
\$380,000 - \$389,999 *	2	-
\$440,000 - \$449,999	-	1
	<u>18</u>	<u>23</u>

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

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:
a) has management responsibilities and reports directly to the Chief Executive; or
b) whose total annual remuneration exceeds \$151,000

The number of Senior Officers are shown below in their relevant income bands:	2020 No.	2019 No.
Income Range:		
\$0 - \$99,999	3	6
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	-	2
\$140,000 - \$149,999	3	-
\$150,000 - \$159,999	2	2
\$160,000 - \$169,999	3	1
\$170,000 - \$179,999	4	3
\$180,000 - \$189,999	6	4
\$190,000 - \$199,999	2	3
\$200,000 - \$209,999	3	2
\$220,000 - \$229,999	3	3
\$250,000 - \$259,999	1	-
	31	27
	2020	2019
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	5,338	4,078

7.2 Related party disclosure

(a) Transactions with related parties

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

Responsible Officer	Position Held (including related parties of responsible officer)	Supplier / Entity	Nature of Transactions (on normal commercial terms)	Transaction Amount (\$'000)
Councillor Antonella Celi Councillor Frank Martin Councillor Kate Roper	Trustees	Mornington Peninsula Cemetery Trust	Trustees	28
David Bergin	Spouse of an Employee	Mornington Legal	Legal Services	691

(b) Outstanding balances with related parties

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

Nil

(c) Loans to/from related parties

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

Nil

(d) Commitments to/from related parties

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

Nil

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

There were no contingent assets to disclose for 2019/2020.

(b) Contingent liabilities

Superannuation

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

Liability Mutual Insurance

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

Other

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

(c) Guarantees for loans to other entities

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

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

	2020 \$'000	2019 \$'000
The Mornington Peninsula Shire has guaranteed loans of: *	Loan Balance	Loan Balance
Mornington District Basketball Association \$650,000	116	182
Rosebud Beach Community Bowls Club \$130,000	116	127
Mt Martha Bowls Club Inc. \$240,000**	177	30
Somers Tennis Club \$50,000	14	22
Mt Eliza Bowls Club \$364,000	2	9
Somerville Bowls Club \$140,000	2	4
Mornington Bowls Club \$132,000 (partial drawdown)	1	1
Balnarring Bowls Club \$100,000 (yet to be drawn down)	-	-
Hastings Bowls Club Inc. \$300,000 ***	24	84
Total	452	459

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

** New Loan Guarantee entered in to with Mount Martha Bowls Club Inc 23 September 2019 for the maximum value of \$240,000.

*** Hastings Bowls Club 2019 comparatives corrected.

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities,

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

- (a) a description of the arrangements;
- (b) significant terms of the arrangements that may affect the amount, timing and uncertainty of future cash flows (e.g. the period of the arrangement,
- (c) the nature and extent (e.g. quantity, time period, or amount, as appropriate) of:
 - (i) rights to receive specified services from the operator;
 - (ii) the carrying amount of service concession assets as at the end of the reporting period, including separate disclosure for existing assets of the grantor reclassified as service concession assets during the reporting period;
 - (iii) rights to receive specified assets at the end of an arrangement;
 - (iv) renewal and termination options;
 - (v) other rights and obligations (e.g. major overhaul of service concession assets); and
 - (vi) obligations to provide the operator with access to service concession assets or other revenue-generating assets; and
- (d) changes in arrangements occurring during the reporting period.

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

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

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

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.5% and -0.2% in market interest rates (AUD) from year-end rates of 0.45%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

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

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

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

Impairment of assets

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

8.5 Events occurring after balance date

On 18 August 2020, Mornington Peninsula Shire adopted the 2020/21 Annual Budget. This budget included the estimated impact of COVID-19, including income reducing by \$6.4 million. In particular, given the stage 4 restrictions, it was assumed the direct 6 month impact would affect the following user fees which reduced by 20%:

- Waiving all non-commercial sporting club leases/licence fees for 2020/21
- Providing ongoing support to organisations that lease council facilities on commercial terms via lease payments waivers or deferrals
- a business support package, including financial relief for footpath trading and licence fees with fee waivers up to 31 December, to help the local community through the unprecedented effects of the pandemic
- Impact on direct user fee income services, for example foreshore camping

Council was still able to adopt a balanced budget by reducing expenditure and deferring \$1 million in capital works, along with no increase in employee costs and reductions in other areas of expenditure including legal fees, consultants, training, etc. However, there will be no impact on service provided to the community.

Council does acknowledge that it is not possible to fully quantify or anticipate the ongoing impact of COVID-19, and will continue to closely monitor the situation through the financial year.

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2020			
Property			
Land and land improvements	809,838	44,190	854,028
Land Under Roads	645	188	833
Buildings	57,236	6,532	63,768
	<u>867,719</u>	<u>50,910</u>	<u>918,629</u>
Infrastructure			
Roads	221,969	(2,716)	219,253
Bridges	621	(35)	586
Footpaths and cycleways	38,424	(903)	37,521
Drainage	275,405	42,444	317,849
Recreational, leisure and community facilities	8,297	(377)	7,920
Parks, open space and streetscapes	15,429	(6,977)	8,452
Marine structures	380	(549)	(169)
	<u>560,525</u>	<u>30,888</u>	<u>591,412</u>
Total asset revaluation reserves	1,428,244	81,798	1,510,041
2019			
Property			
Land and land improvements	809,838	-	809,838
Land Under Roads	645	-	645
Buildings	57,236	-	57,236
	<u>867,719</u>	<u>-</u>	<u>867,719</u>
Infrastructure			
Roads	243,886	(21,917)	221,969
Bridges	540	81	621
Footpaths and cycleways	27,871	10,553	38,424
Drainage	266,188	9,216	275,405
Recreational, leisure and community facilities	8,672	(374)	8,297
Parks, open space and streetscapes	13,242	2,187	15,429
Marine structures	856	(476)	380
Other infrastructure	1,883	(1,883)	-
	<u>563,138</u>	<u>(2,613)</u>	<u>560,524</u>
Total asset revaluation reserves	1,430,856	(2,613)	1,428,243

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				
2020				
Sustainability energy fund	645	-	(30)	615
Recreation land reserve	39	-	-	39
Municipal emergency reserve	400	-	-	400
Developer Contribution Plan Reserve	-	21	-	21
Total Other reserves	1,084	21	(30)	1,075
2019				
Sustainability energy fund	721	-	(76)	645
Recreation land reserve	39	-	-	39
Municipal emergency reserve	400	-	-	400
Total Other reserves	1,160	-	(76)	1,084

Sustainable Energy (Fund) Reserve

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

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

Recreation Land Reserve

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

Municipal Emergency Reserve

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

Developer Contribution Plan Reserve

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

	2020	2019
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus/(deficit) for the year	22,141	23,812
Depreciation/amortisation	33,273	31,355
Profit/(loss) on disposal of property, infrastructure, plant and equipment	2,010	10,174
Fair value adjustments for investment property	128	390
Rye landfill rehabilitation provision	2,390	200
Employee provisions	2,359	1,038
Native vegetation management	(77)	(203)
Contributions - Non-monetary assets	(4,419)	(7,433)
Other	1,119	1,027
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(6,090)	(1,694)
(Increase)/decrease in other assets	(356)	958
Increase/(decrease) in trade and other payables	(255)	(1,045)
Increase/(decrease) in trust funds and deposits	638	1,713
Increase/(decrease) in GST on capital purchases	6,613	5,872
Increase/(decrease) in unearned income	2,150	1,797
(Increase)/decrease in inventories	(76)	6
Net cash provided by/(used in) operating activities	61,548	67,967

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Defined Benefit

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

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

Funding arrangements

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

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the actual VBI at 30 June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2017 full 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 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation

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

9.3 Superannuation continued

Funding calls

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 2019 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 conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and the last full actuarial investigation was conducted as at 30 June 2017.

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

	2019	2017
	\$m	\$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

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 2019.

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 2019.

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 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020.

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020	2019
			\$,000	\$,000
Vision super	Defined benefit	9.50%	153	197
Vision super	Accumulation fund	9.50%	3,920	3,996

9.4 Prior period adjustments

During the revaluation process, it was noted that the fixed asset system had not been accurately calculating depreciation for buildings in the past. A manual re-calculation of accumulated depreciation to 30 June 2020 based on the useful life and the start date of asset was undertaken and resulted in an overall adjustment of \$25.59m additional depreciation given the understatement of previous years depreciation.

The Council continued the process of capturing all assets with spatial reference in the asset register and identified additional \$5.65m assets.

These adjustments have been made by restating each of the affected financial statement line items for the prior year resulting in a net impact of \$19.94m. Net assets has been decreased by \$19.94m and equity has been decreased by \$19.94m.

Impact of correction of error on the Balance Sheet	2020 \$'000	2019 \$'000 (Restated)	2019 \$'000 as previously presented
Non-current assets			
Property, infrastructure, plant and equipment	2,526,696	2,416,019	2,435,953
Total non-current assets	2,537,642	2,426,568	2,446,502
Total assets	2,646,223	2,511,916	2,531,850
Net assets	2,556,923	2,452,983	2,472,918
Equity			
Accumulated surplus	1,045,809	1,023,657	1,043,592
Total Equity	2,556,923	2,452,983	2,472,918

Impact of correction of error on the Statement of Changes in Equity

Balance at the beginning of the financial year	2,452,982	2,431,783	2,451,718
Surplus/(deficit) for the year	22,141	23,812	23,812
Net asset revaluation increment/(decrement)	81,799	(2,613)	(2,613)
Balance at end of the financial year	2,556,922	2,452,982	2,472,917

10 Change in accounting policy

Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted AASB 15 Revenue from Contracts with Customers using the modified (cumulative catch up) method. Revenue for 2019 as reported under AASB 118 Revenue is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted AASB 1058 Income of Not-for-Profit Entities using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019 \$'000
Retained earnings at 30 June 2019	1,023,657
Revenue adjustment - impact of AASB 15 Revenue from Contracts with Customers	-
Income Adjustment - impact of AASB 1058 Income of Not-for-Profit Entities [revenue adjustment]	-
Retained earnings at 1 July 2019	1,023,657

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

	As reported 30 June 2019 \$'000	Adjustments \$'000	Post adoption \$'000
Assets			
Right of use assets	-	-	-
Grants receivable	-	-	-
	-	-	-
Liabilities			
Unearned income - operating grants	-	-	-
Unearned income - capital grants	-	-	-
Lease liability - current	-	-	-
Lease liability - non-current	-	-	-