



**Mornington
Peninsula Shire**

AGENDA

COUNCIL MEETING

MONDAY, 29 JUNE 2026

6:30 PM

**MUNICIPAL OFFICES
BESGROVE STREET, ROSEBUD**

MORNINGTON PENINSULA SHIRE COUNCIL

WARDS AND COUNCILLORS

Beek Beek	Cr Kate Roper
Benbenjie	Cr Max Patton
Briars	Vacant
Brokil	Cr Patrick Binyon
Coolart	Cr David Gill
Kackeraboite	Cr Stephen Batty
Moorooduc	Cr Bruce Ranken
Nepean	Cr Andrea Allen
Tanti	Cr Paul Pingiaro
Tootgarook	Cr Cam Williams
Warringine	Cr Michael Stephens

EXECUTIVE TEAM

Mr Mark Stoermer	Chief Executive Officer
Ms Cheryl Casey	Director – Communities
Mr Andrew Pomeroy	Director – Planning and Liveability
Mr Davey Smith	Director – Assets and Infrastructure
Ms Kelly Gillies	Chief of Staff

OBSERVERS

Prue Digby	Municipal Monitor
Rebecca McKenzie	Municipal Monitor

RECORDING

Please note that this Council Meeting will be livestreamed to the Mornington Peninsula Shire's YouTube channel and a recording of the meeting will be available on the Shire's website.

Recording of persons in the public gallery is not intended but may occur incidentally. By attending this meeting, you consent to being filmed at the meeting and the possible use of subsequent recordings in a live streaming or published video of the meeting.

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1 OPENING AND WELCOME

Appointed Chairperson – Mayor, Cr Stephen Batty

1.1 Acknowledgement of Country

To be read by Cr Roper.

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

2 PROCEDURAL MATTERS

2.1 Apologies

2.2 Disclosure of Conflicts of Interest Pursuant to Sections 126 – 131 of the *Local Government Act 2020*

3 MANAGEMENT REPORTS

ASSETS & INFRASTRUCTURE

3.1 Long Term Capital Works Plan 2026–27 to 2035–36

Issued By	Director – Assets & Infrastructure
Authorised By	Manager – Infrastructure & Waste Services
Document ID	A14049647
Briefing Note Number	Not applicable
Attachment(s)	1. Long-Term Capital Works Plan 2026–27 to 2035–36

EXECUTIVE SUMMARY

The purpose of this report is to seek Council endorsement of the Long-Term Capital Works Plan (LTCWP) as a strategic guide for future capital investment.

The LTCWP represents the Shire’s first comprehensive 10-year capital planning framework and marks a significant step forward from previous short-term approaches. It provides a structured, transparent and prioritised pipeline of capital works aligned with the Council Plan, Long Term Financial Plan, Asset Plan and other adopted strategies.

The LTCWP has been developed through an internal prioritisation process, Councillor workshops and community consultation undertaken alongside the 2026–2027 Annual Budget. Community feedback highlighted strong interest in ensuring that capital investment is well-targeted, delivers value for money, and prioritises safety, renewal and core infrastructure, while balancing competing demands across the municipality. In response, the LTCWP reflects:

- A strong focus on asset renewal, safety and compliance
- Targeted inclusion of projects supported by community feedback
- A financially responsible allocation of available funding, with flexibility to respond to emerging priorities in future years.

The LTCWP outlines approximately \$172 million in capital investment over the first four years, with a 10-year outlook informed by forecast funding availability.

3.1 (Cont.)

Recognising that community expectations are diverse and often competing, the LTCWP has been prepared as a balanced response within a constrained financial environment. It is designed as a “living document” that will continue to evolve through future consultation and Council deliberation.

Endorsement of the LTCWP will:

- Improve transparency of capital investment decisions
- Strengthen governance and prioritisation
- Support readiness for grant funding opportunities
- Provide a clear framework to guide annual budget development.

RECOMMENDATION

That Council:

- 1. Endorses the Long-Term Capital Works Plan (LTCWP) as a strategic guide for future capital investment priorities.**
- 2. Approves that the Chief Executive Officer (CEO) may:**
 - A. Reallocate funding between projects within the adopted annual Capital Works Budget or to projects endorsed in the LTCWP within the next four years, including where:**
 - i. the total Capital Works Budget remains unchanged**
 - ii. the reallocation does not materially impact the delivery of adopted priorities**
 - iii. the receiving project has a documented readiness assessment and is endorsed by the Capital Works Steering Committee**
 - iv. the original project retains sufficient funds for interim works and funding is reinstated in a future budget cycle**
 - v. the value of any individual funding reallocation does not exceed \$2 million per project.**
 - B. Provide a funding commitment towards external grant applications for projects listed in years 1-4 of the endorsed Long Term Capital Works Plan, where Council’s contribution does not exceed \$1 million in a financial year.**

3.1 (Cont.)

- C. Support grant applications for projects listed as a 'future consideration', within the endorsed Long Term Capital Works Plan, where no Council funding contribution is required.**

- 3. Requires the CEO to report to Council, details of any actions undertaken under part 2 of this resolution.**

COUNCIL PLAN

This aligns with the Council Plan 2025–2029, in particular:

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

- Strategic Objective 1.2: Connected townships with integrated and accessible transport and well-maintained infrastructure.

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

- Strategic Objective 2.1: A safe, accessible, inclusive and healthy community.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles B, D and I which are:

- B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations.
- D. The municipal community is to be engaged in strategic planning and strategic decision making.
- I. The transparency of Council decisions, actions and information is to be ensured.

RELEVANT COUNCIL DECISIONS AND POLICIES

The LTCWP has been developed in alignment with:

- Council Plan 2025–2029
- Long-Term Financial Plan 2025–2026 to 2035–2036
- Asset Plan 2025–2026 to 2035–2036

3.1 (Cont.)

- Council's adopted strategies and masterplans
- Relevant Council resolutions relating to capital works investment.

The LTCWP also supports Council's obligations under the *Local Government Act 2020* to undertake long-term financial and asset planning.

DISCUSSION

Purpose

The purpose of this report is to present the LTCWP for endorsement as the guiding framework for long-term capital investment, supporting informed and transparent decision-making.

Background

This is the first year Council has developed a published 10-year Long-Term Capital Works Plan, representing a significant progression from the previous 1–2 year planning approach.

The LTCWP has been developed using:

- Financial and asset planning frameworks
- Policies, strategies and masterplans adopted by Council
- Identified service and community needs
- Legislative and compliance requirements
- An internal project prioritisation methodology and evaluation panel process
- Community and Councillor feedback.

Future iterations will expand the pipeline as new strategic documents are adopted and additional projects are developed to a consistent level of scope and costing.

Options for Consideration

1. Endorse the LTCWP (Recommended)
 - Provides transparency and structure to capital investment decisions
 - Aligns with community expectations for improved prioritisation and accountability
 - Supports long-term financial sustainability

3.1 (Cont.)

- Enables flexibility to respond to changing conditions and funding opportunities.
2. Defer endorsement (Not recommended)
- Delays alignment with the Annual Budget process
 - Uncertainty regarding future investment priorities
 - Reduced ability to plan and respond to funding opportunities.

ENGAGEMENT

A four-week Community consultation was undertaken alongside the Draft Annual Budget, with over 400 participants.

Key themes from Community Engagement Feedback

Feedback indicated:

- Limited consensus on overall funding levels
- Strong emphasis on value for money, effective prioritisation and transparency and clarity
- A consistent expectation that Council will prioritise maintenance and renewal of existing assets, safety improvements and core community infrastructure.

Strong support was also identified for:

- Active transport and cycling infrastructure
- Community and recreation infrastructure
- Delivering resilient assets with environmental sustainability in mind.

Community feedback and workshops with Councillors having informed refinements to the LTCWP, including:

- Inclusion of local bike park facilities
- Additional road safety projects
- Progression of grant and co-contribution opportunities
- Refinement of project scopes to improve clarity and understanding.

3.1 (Cont.)

While not all recommendations were able to be included in the LTCWP due to financial constraints, submissions and feedback will continue to be considered in future versions of the plan.

COMMUNICATIONS PLAN

The LTCWP will be published on Council's website and communicated alongside the adopted Annual Budget.

Where appropriate, updates to the LTCWP will be communicated through:

- Budget reporting processes
- Council updates and publications
- Future consultation activities.

LEGAL AND REGULATORY FRAMEWORK

The LTCWP supports Council's compliance with:

- *Local Government Act 2020*
- Financial and asset planning requirements
- Relevant environmental and infrastructure legislation

Individual projects within the LTCWP are subject to applicable legislative approvals and compliance requirements.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

The LTCWP incorporates a range of initiatives supporting sustainability and climate resilience, including:

- Solar and battery systems across Council facilities
- Energy efficiency upgrades (e.g. lighting, heating systems)
- Water sensitive urban design projects
- Coastal and erosion mitigation works.

These projects contribute to reducing emissions, improving resource efficiency, and strengthening resilience to climate impacts.

FINANCIAL CONSIDERATIONS

The LTCWP is based on forecast funding from the Long-Term Financial Plan.

3.1 (Cont.)

Total capital investment of approximately \$172 million over the first four years with a portion of funding in future years remaining unallocated to:

- Maintain flexibility whilst the plan matures
- Respond to emerging priorities
- Incorporate future project development.

The LTCWP does not change the amount of overall capital expenditure, instead it provides a structured approach to allocating available funding.

OFFICER DECLARATION

No person involved in the preparation of this report has a General or Material interest requiring disclosure.

OFFICE OF THE CEO

3.2 Adoption of the 2026/2027 Annual Budget

Issued By	Financial Controller
Authorised By	Chief Executive Officer
Document ID	A14049781
Briefing Note Number	Not applicable
Attachment(s)	1. Proposed Budget 2026-2027 ⇒

EXECUTIVE SUMMARY

Council developed the 2026/2027 Budget through extensive community consultation to ensure a fair and balanced outcome. A range of workshops were held with Council and Shire officers to consider service needs and support the maintenance and improvement of infrastructure. Despite challenges with external funding and broader global economic pressures, the budget was prepared in line with statutory requirements and best practice and aligns with the Council Plan 2025–2029. Council thanks community members for their valuable input and looks forward to delivering positive outcomes for the community.

This proposed budget, as part of the budget process was developed systematically from Rates and Revenue, Operating Expenditure and Capital Works and Operating Projects. It was also prepared in conjunction with the long-term capital works plan.

14 April 2026: Council approved draft budget for Community Consultation

20 April 2026 to 17 May 2026: Draft budget out for community consultation online and eight outreach sessions.

The Community feedback identified a number of concerns and initiatives that Council believes can be addressed, either through its current programs and plans, or through additional funding provided. The community feedback also supported the 2.75% rate cap increase to maintain services and infrastructure requirements as opposed to a rate freeze or rate rebate.

Community feedback was clear about the impact of increased waste charges. For those properties with kerbside collection, the waste charge went from \$433 in

3.2 (Cont.)

2025/2026 to \$570 in the draft budget. After considering this feedback and reviewing several options, Council has reduced the total charge to \$507.

The purpose of this report comprises of two matters for consideration by Council, being:

1. Adoption of the Proposed 2026/2027 Budget (Attachment 1)
2. Adoption of the Rates and Charges for the year 2026/2027.

This budget report being proposed for adoption follows the best practice guidance as specified by Local Government Victoria. Council have elected to take up many of the optional reporting elements ensuring transparency to the community.

These matters are dealt with together as Council is required to adopt a budget and declare the rates before the 30 June 2026 in accordance with *Local Government Act 2020* section 94.

It is proposed to issue rate notices during August with the first instalment due by 30 September 2026.

This report recommends adoption of the 2026/2027 Budget and Declaration of Rates and Charges as outlined in the report.

RECOMMENDATION**Part A****The Budget**

That Council resolves, pursuant to section 94 of the *Local Government Act 2020*, to adopt the 2026/2027 Annual Budget.

Part B**Declaration of Rates and Charges – Amount to be Raised**

1. **That it is intended to raise the amount of \$249,557,758 for the rating year commencing 1 July 2026 to 30 June 2027 by application of Rates and Charges detailed as follows:**

3.2 (Cont.)

Type or Class of Land	2026/2027 \$'000
General land	\$176,367
Vacant residential land/rural land	\$5,023
Vacant commercial land	\$116
Vacant industrial land	\$289
Mornington Peninsula agricultural rate land	\$2,272
Conservation land rate	\$1,078
Trust for nature land	\$21
Retirement villages	\$1,956
Cerberus land	\$60
Steel works	\$840
Cultural and recreational land	\$188
Supplementary rates	\$1,300
Heritage rebate	\$(90)
Valuations objections	\$(100)
<u>Total amount to be raised by General Rates</u>	<u>\$189,321</u>
Waste Service Charge	\$49,816
Green Waste Charge (optional)	\$10,420
<u>Total Rates and Charges</u>	<u>\$249,558</u>

Basis of Valuation

- That Capital Improved Value (CIV) be used as the basis for rating of all properties within the Mornington Peninsula Shire for 2026/2027.

3.2 (Cont.)

- 3. That the determination of the 2026/2027 rates for all properties be based on 1 January 2026 levels of property valuations returned to Council on 30 April 2026 and as subsequently amended by supplementary valuations.**

General Rates

- 4. A General Rate be declared for the 2026/2027 financial year.**
- 5. It be further declared that the General Rate be raised by the application of Differential Rates.**

Differential Rate Percentages

- 6. That each Differential Rate will be determined by multiplying the CIV of each rateable land (categorised by the characteristics described in the section 4.1 of Attachment 1), by the relevant percentages indicated in table below:**

Type or Class of Land	2026/2027 Cents/\$ CIV
General Rate for rateable general properties	0.14113
General Rate for rateable vacant residential properties	0.19758
General Rate for rateable vacant commercial properties	0.19758
General Rate for vacant industrial properties	0.19758
General Rate for rateable Mornington Peninsula Agricultural Rate properties	0.04940
General Rate for rateable Conservation Land Rate properties	0.10585
General Rate for Trust for Nature properties	0.04940
General Rate for Retirement Village properties	0.11290

- 7. It be recorded that Council considers that each Differential Rate will contribute to the equitable and efficient carrying out of Council functions, and that:**
- A. The respective objectives of each Differential Rate be those specified in the Statutory Disclosures within the 2026/2027 Budget as adopted.**

3.2 (Cont.)

- B. The respective types or classes of land which are subject to each Differential Rate be those specified in the Statutory Disclosures within the 2026/2027 Budget as adopted.**
- C. The respective uses and levels of each Differential Rate in relation to those respective types or classes of land be those specified in the Statutory Disclosures within the 2026/2027 Budget as adopted.**
- D. The relevant:**
 - i. Uses of**
 - ii. Geographical locations of**
 - iii. Planning Scheme zonings of**
 - iv. Types of buildings on the respective types or classes of land be those identified in the Statutory Disclosures, within the attached 2026/2027 Budget as adopted.**

Curtilage on Properties Classified as Farmland and Conservation Land

- 8. That pursuant to sections 158 and 158A of the *Local Government Act 1989*, the General Rate in the dollar on CIV for general properties be levied for the 2026/2027 rating year on the curtilage component of all properties classified as farmland and conservation land.**

Rebates

- 9. That pursuant to section 169 of the *Local Government Act 1989*:**
 - A. A Heritage Rebate of 25% (with a minimum of \$100) on the rates levied on the improvements of heritage properties listed in the Mornington Peninsula Planning Scheme**
 - B. A Heritage Rebate of 12.5% (with a minimum of \$50) on the rates levied on the improvements of properties within a designated heritage precinct that meet the criteria of the Heritage Rate Rebate for the 2026/2027 rating year.**

Services Charges

- 10. Annual Waste Collection Charge be declared for the kerbside collection and disposal of municipal refuse.**
- 11. Annual Public Cleaning Charge be declared for the indirect waste related expenditure such as public bin collection and street sweeping.**

3.2 (Cont.)

12. The annual Waste Collection charge is \$353 for all properties receiving a kerbside collection and the Public Cleaning Charge is \$154 for all rateable properties with the only exceptions being:
- A. Properties rated under the *Cultural and Recreational Lands Act 1963*
 - B. Properties subject to the *Western Port (Steel Works Rating) Act 1971*.
13. An annual Service Charge be declared for the collection and disposal of refuse taking the form of green waste.
14. The annual Service Charge be the sum of \$178 for each service of one 240 litre green waste bin for each rateable land (or part) located within the eligible service areas in respect of which the owner has given notice to Council that the collection and disposal of green waste from the land is desired.

Cultural and Recreation Lands Act

15. That pursuant to the provisions of the *Cultural and Recreation Lands Act 1963*, the following rates be levied on the listed properties for the 2026/2027 rating year:

Property No.	Property	Rates
12018	Sorrento Golf Club	\$37,330.28
153438	Portsea Golf Club	\$30,212.14
54951	Rosebud Country Club Ltd	\$22,398.15
61372	Mornington Country Golf Club	\$13,065.61
87869	Devilbend Golf Club	\$6,131.11
123392	Flinders Golf Club	\$14,932.12
15902	Flinders Yacht Club	\$1,918.14
17439	Rosebud Yacht Club Inc.	\$1,598.54
26463	Rye Sailing Club	\$1,822.26
28769	McCrae Yacht Club	\$2,061.19
39007	Sorrento Sailing Club	\$5,398.58
141024	Safety Beach Sailing Club	\$2,143.53

3.2 (Cont.)

46705	Blairgowrie Yacht Squadron	\$3,822.62
78645	Mount Martha Yacht Club	\$2,152.41
78974	Somers Yacht Club	\$2,348.01
80020	Rosebud Motorboat Squadron	\$1,000.92
80912	Western Port Yacht Club	\$1,705.89
84465	Merricks Yacht Club	\$1,841.81
85013	Point Leo Boat Club	\$1,746.24
88027	Hastings Yacht Club	\$1,187.00
118429	Mornington Yacht Club	\$1,085.96
111616	Davey's Bay Yacht Club	\$3,746.59
98964	Canadian Bay Club	\$2,769.23
88029	Western Port Angling Club	\$387.57
84471	Merricks Beach Residents Association	\$735.55
62833	Mornington Racing Club	\$21,719.44
89370	Peninsula Aero Club	\$3,171.03
Total		\$188,431.92

Consequential

- 16. The rate of 10 per centum be specified as the Rate of Interest set by Council for the purpose of section 172(2) of the *Local Government Act 1989* and be so set until a new rate is set in accordance with the *Local Government Act 1989*.**
- 17. The Chief Executive Officer (CEO) be authorised to levy and recover the General Rates and annual Service Charges in accordance with the *Local Government Act 1989*.**
- 18. The CEO is authorised to make any administrative changes to the 2026/2027 Annual Budget.**

3.2 (Cont.)**Part C**

That Council adopts the deferral of forecast new borrowings (\$3,467,000) from 2025/2026 to 2026/2027.

COUNCIL PLAN

This aligns with the Council Plan 2025–2029, in particular:

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

- Strategic Objective 4.1: A financially sustainable, high-performing and well-governed Council.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles A, B, D, G and I which are:

- A. Council decisions are to be made and actions taken in accordance with the relevant law.
- B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations.
- D. The municipal community is to be engaged in strategic planning and strategic decision making.
- G. The ongoing financial viability of the Council is to be ensured.
- I. The transparency of Council decisions, actions and information is to be ensured.

RELEVANT COUNCIL DECISIONS AND POLICIES

The Proposed 2026/2027 Annual Budget has been developed in alignment with:

- Council Plan 2025–2029
- Long-Term Financial Plan 2025–2026 to 2035–2036
- Asset Plan 2025–2026 to 2035–2036.

3.2 (Cont.)**DISCUSSION****Purpose**

The purpose of this report comprises two related matters for consideration by Council, being:

- Adoption of the 2026/2027 Annual Budget
- Declaration of the Rates and Charges for the year 2026/2027.

Background

The budget process this year included workshops with Councillors to walk through operating income, operating expenditure and capital works needs. As with all budget determinations, competing priorities for the use of Council's limited resources have been assessed in the best interests of the Mornington Peninsula Shire Community. A draft budget was approved by Council on 14 April 2026 to go on exhibition for four weeks.

Council has had to accommodate a number of external challenges in developing the budget whilst still maintaining its commitment to achieve the status of a low rating Council and meeting the expectations set under the Victorian State Government's Fair Go Rates System (FGRS). The rate cap for 2026/2027 has been set at 2.75% and Council is in compliance with the cap.

Other challenges include:

1. Inflation increases in comparison to rate cap.
2. Ongoing cost shifting from other levels of Government.
3. Increased waste costs.
4. Impact of rising fuel costs and subsequent materials and service delivery costs.

From the draft budget issued for exhibition, the following includes a summary of the amendments made:

- Increase in interest income assumption based on current investment rates
- Finalisation of the rates income
- Increase to statutory penalty unit increase from \$203.51 to \$209.10
- Removal of card surcharge from 1 July 2026

3.2 (Cont.)

- Updated WorkCover premium
- Inclusion of budget for emergency response works
- Update of inflation assumption for maintenance contracts
- Revision of waste costs which included the following changes:
 - Inflation impacts on contracts
 - Extension of closing date for Rye landfill
 - Removal of changing bin lids in 2026/2027
 - Borrowings to fund Food Organic and Garden Organic (FOGO) bin purchase
 - Fuel levy impacts.

The result of the changes is unallocated funds available in the Financial Performance Statement of \$0.62 million. Shire officers recommend this be considered as part of the mid-year reforecast.

Proposed Rates and Charges

The average rate will rise by 2.75% in line with the order by the Minister for Local Government in December 2025 under the Fair Go Rates System. Council did not seek a variation to the cap for 2026/2027.

In relations to Rates and Charges, the following rate in the dollar to be levied as General Rates under section 94 of the *Local Government Act 2020* include:

Table 1

Type or Class of Land	2026/2027 Cents/\$ CIV
General Rate for rateable general properties	0.14113
General Rate for rateable vacant residential properties	0.19758
General Rate for rateable vacant commercial properties	0.19758
General Rate for vacant industrial properties	0.19758
General Rate for rateable Mornington Peninsula Agricultural Rate properties	0.04940

3.2 (Cont.)

General Rate for rateable Conservation Land Rate properties	0.10585
General Rate for Trust for Nature properties	0.04940
General Rate for Retirement Village properties	0.11290

The estimated total amount to be raised by General Rates in relation to each type or class of land, and the estimated total amount to be raised by General Rates include:

Table 2

Type or Class of Land	2026/2027 \$'000
General land	\$176,367
Vacant residential land/rural land	\$5,023
Vacant commercial land	\$116
Vacant industrial land	\$289
Mornington Peninsula agricultural rate land	\$2,272
Conservation land rate	\$1,078
Trust for nature land	\$21
Retirement villages	\$1,956
Cerberus land	\$60
Steel works	\$840
Cultural and recreational land	\$188
Supplementary rates	\$1,300
Heritage rebate	\$(90)
Valuations objections	\$(100)
<u>Total amount to be raised by General Rates</u>	<u>\$189,321</u>

3.2 (Cont.)**Community Feedback**

The exhibition of the annual budget and long-term capital works plan ran from 20 April 2026 to 17 May 2026. Community members had the opportunity to complete an online survey, make an online submission and participate in the activities in the community outreach sessions. In total, we received 409 online survey and submissions along with over 1,200 votes in the outreach sessions which were conducted in Rosebud, Mornington and Hastings Libraries along with Yawa Aquatic Centre.

For the last three years of the budget consultation, community prioritisation was for investment in roads and drainage. The draft budget showed a 19% increase and the community were asked if this increased level of investment was right. 65.1% of the total votes showed this was 'yes'. The proposed budget has now increased to 24% above the budgeted expenditure for 2025/2026.

This budget has been about 'Delivering What Matters'. The online survey asked "Do you support the 'Delivering What Matters Most Budget 2026-27 draft'? The highest vote was for 'Not Sure' 41.2%, 'Yes' 33.6% and 'No' 25.2%. A summary of the comments for those selecting No or Not Sure included:

Reasons for providing 'No':

1. Underinvestment in arts, culture and community services
2. Insufficient focus on climate action and environmental outcomes
3. Misaligned priorities and lack of investment in active/community infrastructure.

Reasons for providing 'Not Sure':

1. Budget transparency, accessibility and trust issues
2. Stronger focus on community wellbeing and social priorities
3. Concerns about spending priorities, efficiency and financial discipline.

The community was asked for a preferred option in relation to application of the rate cap. The three options presented were rates freeze, rates rebate or applying the rate cap of 2.75% in order to maintain capital works and service levels. 78.9% of the votes were for applying the 2.75% rate cap in order to maintain services and infrastructure.

In response to what Council can do to support cost of living pressures and additional comments provided, the following high-level points were identified:

3.2 (Cont.)

- Public transport (advocacy)
- Homelessness support and affordable housing
- Reduction of waste costs and objections to public cleaning charge.

Following this feedback, Council reviewed the waste charges which reduced the cost for those properties with a kerbside collection from \$570 in the draft budget to \$507 in the proposed budget. An executive summary has also been added to the proposed budget, based on feedback received.

Options for Consideration

It is recommended by Shire officers that given the global impacts on fuel and inflationary cost pressures, that the unallocated funds identified in the Financial Performance Statement are considered during the mid-year reforecast process.

ENGAGEMENT

The exhibition of the annual budget and long-term capital works plan ran from 20 April 2026 to 17 May 2026. Community members had the opportunity to complete an online survey, make an online submission and participate in the activities in the community outreach sessions. In total, we received 409 online survey and submissions along with over 1,200 votes in the outreach sessions which were conducted in Rosebud, Mornington and Hastings Libraries along with Yawa Aquatic Centre.

While not all submissions were able to be included in the Annual Budget due to financial constraints, submissions and feedback will continue to be considered in future budgets.

COMMUNICATIONS PLAN

The Adopted 2026/2027 Annual Budget will be published on Council's website and communicated alongside the Long-Term Capital Works Plan.

LEGAL AND REGULATORY FRAMEWORK

Not applicable.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

Not applicable.

FINANCIAL CONSIDERATIONS

The recommendation from Shire officers ensures delivery of services this financial year along with upkeep of Shire infrastructure assets, with the unallocated funds

3.2 (Cont.)

to be considered in the 2026/2027 mid-year reforecast due to inflation and fuel levy pressures.

OFFICER DECLARATION

No person involved in the preparation of this report has a General or Material interest requiring disclosure.

COMMUNITIES

3.3 Emil Madsen Western Pavilion – Project Update

Issued By	Manager – Community Spaces & Recreation
Authorised By	Director – Communities
Document ID	A14050033
Briefing Note Number	BN2163 – 27 January 2026; BN2138 – 11 November 2025; BN2110 – 30 September 2025
Attachment(s)	<ol style="list-style-type: none">1. Emil Madsen Reserve – Outcome of variation request ⇒2. Emil Madsen Reserve Master Plan ⇒

EXECUTIVE SUMMARY

This report provides Council with an update on correspondence received from the Australian Government Department of Infrastructure regarding the Emil Madsen Reserve Upgrade project that is funded by a \$15 million commitment through the Priority Community Infrastructure (PCIP) program.

The Department has advised that Council’s request to extend project delivery timeframes to October 2028 to allow for use of underspent funds to construct the Western (Australian Football League (AFL) / Cricket / Netball) Pavilion has not been approved (Attachment 1. Emil Madsen Reserve – Outcome of variation request).

Council has however been provided with the opportunity to submit a revised variation request to re-scope the project to utilise approximately \$5 million in projected underspend, provided works and all program acquittal requirements can be completed within the existing program timeframe (by 30 June 2027).

This report recommends that Council pursue a revised scope variation to deliver additional eligible projects within Emil Madsen Reserve.

RECOMMENDATION

That Council:

1. **Notes the correspondence from the Australian Government Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (DITRDCSA) dated 17 June 2026 regarding Council’s request to**

3.3 (Cont.)

vary the scope and timing for the Emil Madsen Reserve Upgrade project has not been approved.

- 2. Notes the projected underspend of approximately \$5 million in Priority Community Infrastructure Program (PCIP) funding.**
- 3. Endorses the preparation and submission of a revised variation request to the DITRDCSA to re-scope the project to either:**
 - A. Include additional eligible works consistent with the Emil Madsen Reserve Masterplan deliverable before the end of the PCIP appropriation period on 30 June 2027.**

OR

- B. Support the submission of a revised variation request to the DITRDCSA to deliver the Emil Madsen Western Pavilion if all activities can be completed before the end of the PCIP appropriation period on 30 June 2027.**

COUNCIL PLAN

This aligns with the Council Plan 2025–2029, in particular:

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

- Strategic Objective 2.1: A safe, accessible, inclusive and healthy community.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles B and G which are:

- B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations.**
- G. The ongoing financial viability of the Council is to be ensured.**

RELEVANT COUNCIL DECISIONS AND POLICIES

At the 12 May 2026 Council Meeting Council resolved in part:

That Council:

3.3 (Cont.)

1. *Notes that the redevelopment Option 3 previously endorsed for the Emil Madsen Western Pavilion has a significant funding shortfall to deliver the project.*
2. *Endorses Shire officers to progress a design based on Option 2 as the design for the Emil Madsen Western Pavilion Redevelopment.*
3. *Notes the confirmed financial contribution from tenant clubs toward the redevelopment of the Emil Madsen Western Pavilion.*
4. *Authorises Shire officers to work collaboratively with tenant clubs to apply a value management approach and refine the project deliverables, ensuring the delivery meets:*
 - A. *Councils adopted standards and state sporting association guideline requirements, aligns with accessibility, gender-equity and sport-specific compliance requirements*
 - B. *Remains within Council's previously adopted Council Contribution funded position of \$6.6million and external confirmed funding contributions.*
5. *Approves a Contract Over Expenditure of \$174,200 plus \$17,420 GST to finalise CN2864 being the contract for the detailed design of Emil Madsen Western Pavilion.*
6. *That this contract over expenditure for the completion of the detailed design will be managed within Council's current grant agreement, ensuring a net zero impact on the 2025-2026 financial year Capital Works budget.*
7. *A further report will be presented following the completion of the detailed design and tendering process outlining the preferred tenderer, final costings, delivery timelines and tender options for Council's consideration.*

At the 17 February Council Meeting 2026 Council meeting, Council resolved:

- *That Council progress detailed design as per Option 3, which is supported by all user groups, community associations and the community as a whole.*
- *That no additional Council funding is committed to in addition to previous decisions.*

In addition to previous decisions regarding Federal funding, Council also resolved at its meeting on 22 July 2025, in part:

3.3 (Cont.)

- *That Council commits funding of \$6.6 million towards delivery of the Western Pavilion across Council's 2026–27 and 2027–28 Financial Year budgets, should the Federal Government grant variation be approved.*

DISCUSSION**Purpose**

- This report provides an update regarding the outcome of Council's request for a timing and scope variation to the Australian Government's Priority Community Infrastructure Program (PCIP) to allow unspent funds to be allocated to construction of the AFL / Cricket / Netball (Western) Pavilion at Emil Madsen Reserve.
- This report also seeks Council approval to submit a further scope variation to the PCIP proposing alternative priority projects identified within the Emil Madsen Reserve Masterplan to be undertaken and delivered within the program appropriation period prior to 30 June 2027.

Background

Council entered into a Funding Agreement with the Australian Government in January 2024 under the Priority Community Infrastructure Program (PCIP) for \$15million to deliver the Emil Madsen Reserve Upgrade Project.

The original scope of works focused on delivery of the Emil Madsen Reserve Master Plan with specific deliverables identified within the agreement being:

- Early Works Package (site services upgrades)
- Construction of new Cricket Nets
- Construction of the Eastern (Soccer) Pavilion
- Detailed Design of the Western Pavilion.

Council are currently on track to meet the scope of works identified above in the funding agreement.

This original scope of projects was determined based on Quantity Surveyor estimates received at the time, however these were developed during the pandemic period when construction costs were volatile, and have subsequently resulted in an underspend of approximately \$5 million.

On 7 May 2026, Council submitted a variation request to the Australian Government seeking to include construction of the Western Pavilion with a combination of the approximate \$5 million underspent funds, \$6.6 million in

3.3 (Cont.)

Council funding, and a funding commitment from user groups. This variation also sought to extend project delivery timeframes to 28 October 2028.

The Department has now formally advised that this request has not been approved. The refusal is based on the requirement that all funded activities must be completed before the end of the PCIP program appropriation period on 30 June 2027.

It is noted that the Western Pavilion at Emil Madsen Reserve remains the highest priority sporting pavilion within the Shire for redevelopment as it has reached the end of its life, does not meet the needs of user groups and no longer complies with current standards.

Options for Consideration

The Australian Government Department responsible for administering the PCIP have proposed 2 options for consideration:

- Option 1 - That Council deliver the currently contracted activity in the Funding Agreement executed on 11 January 2024 as originally agreed.

This option is not recommended as it does not maximise the funding available for development of much needed additional community and sporting infrastructure at Emil Madsen Reserve.

- Option 2 - Council submits a new Variation Request form to amend the project Activity to include additional items to utilise projected underspend that can be delivered within the originally agreed timeframes.

Shire officers are supportive of this option and are currently working on a list of projects that can be completed within the funding timeframe. These projects will be determined based on:

- Constructability / deliverability
- Meeting the PCIP Timeline
- Emil Madsen Reserve Master Plan and user group priority

Initial projects being considered for inclusion within the variation are as follows, however will depend on capacity to meet deliverability requirements and may / may not be included in the proposed variation:

- Site access improvements (roundabout, additional left turn exit, sealing internal roadways)
- Electrical upgrade

3.3 (Cont.)

- Sports field lighting upgrade and replacement
- Reconstruction of Oval 2
- Sports field improvements, including additional turf, sand slit drainage, synthetic turf in high wear areas, new coaches/players boxes
- Improved pedestrian connectivity
- Upgrading spectator areas and providing shelters
- Behind goal netting / fencing

Shire officers note that in order to allow for the maximum available time to deliver additional works, the recommended variation will need to be submitted to the Australian government as soon as possible.

In addition to the above options, Shire officers also considered an alternative option to seek to deliver a modular pavilion in place of the traditional construction that is currently being designed for the Western Pavilion. This option has initially been determined to be unachievable due to significant complexities in a short timeframe and lack of compliance with funding agreement guidelines. As this is the preferred option by the user groups a final comprehensive review of this option remains underway and further advice will be provided prior to the Council meeting.

ENGAGEMENT

Emil Madsen Reserve Master Plan was adopted by Council in September 2020. The plan and its actions were informed by a significant stakeholder engagement process with reserve user groups, the broader community, Councillors and relevant Council staff. A full breakdown of the stakeholder engagement process can be found in Attachment 2 – Emil Madsen Reserve Master Plan.

Shire officers have also recently discussed other priority projects identified within the Master Plan with reserve user groups. This information has informed the priorities proposed for inclusion within the recommended variation.

COMMUNICATIONS PLAN

Not applicable.

LEGAL AND REGULATORY FRAMEWORK

Not applicable.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

3.3 (Cont.)

Not applicable.

FINANCIAL CONSIDERATIONS

Delivery of the scope of works within the PCIP Emil Madsen Reserve Upgrade project are on track to be delivered with an approximate \$5 million underspend.

Noting the unsuccessful outcome of Councils request for a scope and timing variation to delivery of the Western Pavilion, delivery of this pavilion will now be dependant on alternative funding sources.

Shire officers are currently working to determine additional projects that could be funded with the remaining underspend, and within the funding timelines. It is proposed that all additional works sought through an additional funding variation would be funded through PCIP funds, with no immediate impact on Councils budget.

OFFICER DECLARATION

No person involved in the preparation of this report has a General or Material interest requiring disclosure.