

# CEO Report

#65 May 2020



Council respectfully acknowledges the Yalukut Weelam Clan of the Boon Wurrung. We pay our respect to their Elders – past, present and emerging. We acknowledge and uphold their continuing relationship to this land.

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### Guide to reading this report

The symbols below are used to indicate the status of a measure or current milestone within a project or strategy.

They do not convey the overall tracking of a project or strategy beyond the current milestone, and further information is provided within the report that explains the overall status. As all elements are weighted equally the relevant milestone could be significant or small.



**On track** Latest result has achieved target for measure. On track across all elements.



**At risk** Latest result experienced a minor miss in relation to target for measure. One or more elements are at risk.



**Off track** There is a significant large variation from targeted result for measure. Off track for one or more elements.

This report uses the best available information. While care has been taken to ensure the content in the report is accurate, it cannot be guaranteed at time of publication. There may be errors and omissions, or it may not be wholly appropriate for your particular purposes. In addition, the publication is a snapshot in time based on historic information and subject to change.

'We don't fully know the long-term implications of the COVID-19 pandemic. What is certain is that we will emerge as a stronger community.'

**PETER SMITH**  
CEO City of Port Phillip



## Welcome to the May issue of the CEO Report

Few of us have been untouched by COVID-19. For many, these have been the toughest times of our lives. What has emerged, though – even as we live in various degrees of isolation – is the strength and spirit of our community here in Port Phillip.

Since the outbreak occurred, keeping our community safe and well has been our priority. Council activated the emergency pandemic plan early on to reduce the risk of exposure and prevent the spread of the virus.

We have had to respond to rapidly evolving conditions, to make effective decisions as the landscape changed every day. Key measures include:

- delegating a range of items to my role as CEO to enable quick decision making to occur
- increasing communications and media activity to provide information to community
- lobbying for online Council meetings and other ways people can participate from home
- temporarily closing our town halls, public libraries, recreational and leisure facilities, customer service counters, arts and culture centres and youth centres. Additionally, all Council-run events were cancelled.



*City of Port Phillip beaches closed during COVID-19*

This time calls for our organisation to be agile and flexible in a changing environment. Many of our services have been innovative in adjusting their service provision in response to COVID-19. This enables us to continue to provide services and support where its most needed.

Council signed off on a \$2.5 million emergency relief package to support those most affected in our community, including many of our traders. We are also providing up to \$500,000 from our social housing fund to services supporting people experiencing homelessness.



*South Melbourne Market implements order and collect services during COVID-19*

We are still in the thick of things, and ensuring our community remains safe and well remains our focus. But we are looking ahead. We are preparing for recovery, looking at ways to best support our City as things stabilise.

This emergency has brought unforeseen pressures and costs with a significant financial impact on Council. While we remain committed to the current Council Plan some projects face delays as a result. Several projects have temporarily moved to the 'at risk' or 'off track status', however overall 92 per cent of the Council Plan priorities are either in progress or completed.

Due to the financial implications of COVID-19, Council is working diligently to prepare a revised budget and delivery program for 2020/21. Page 5 provides more detail of the broader impacts on the Council Plan and we continue to engage with the community on this topic.

Know that we are committed to making the right decisions to help our City and our community recover from this shared crisis and provide a solid foundation for Port Phillip into the future.

We don't fully know the long-term implications of the COVID-19 pandemic. What is certain is that we will emerge as a stronger community.

Regards,  
Peter Smith

## Strategic Partnerships

Local government plays a key role in protecting and enhancing the liveability and wellbeing of our current and future communities. Our work directly influences vital factors like social development and safety, transport, land-use, housing, protection of the natural environment, and mitigating aspects of climate change.

Strategic Partnerships seeks to resolve complex issues that affect the liveability and wellbeing of the city through relationships with community, government and other organisations. The team supports the Mayor, CEO, Councillors and Council officers in engagement and advocacy to progress delivery of the Council Plan 2017-27.

### Partnerships during COVID-19

The outbreak of COVID-19 has required Strategic Partnerships to conduct an urgent rethink of Council's advocacy priorities. Council officers coordinating strategic partnerships are working on a new advocacy plan to help Council respond to the current pandemic. This includes advocating for the state and federal governments to be flexible in areas like the delivery of council budgets and meetings; seeking relief from state government charges so these can be directed to providing relief to the community and thinking about how we can stimulate economic growth and jobs post COVID-19.

Council officers are also working closely with counterparts in other Inner Melbourne Action Plan councils (City of Melbourne, Stonnington, Yarra and Maribyrnong) in coordinating responses to the outbreak of COVID-19. This includes weekly meetings, joint project and advocacy efforts, and sharing information, data, ideas and resources on how best support our communities during this time. The Inner Melbourne Action Plan also has worked to co-ordinate local government efforts associated with the Working for Victoria initiative.

## Delivering on the Council Plan

The Council Plan 2017-27 is structured around six strategic directions and the health and wellbeing outcomes we want to achieve for our City by 2027. We set out how we will address and track our progress on these strategic directions through a range of strategies, actions and measures.

The Council Plan commits us to a project portfolio worth more than \$66 million in 2019/20. This section provides a detailed update on the status of each major initiative in the plan and the overall project portfolio for each of the directions as at the end of March 2020.

### Council Plan and COVID-19

**Council Plan (Year 4) 2020/21:** Council officers were in the final stages of preparing our draft Council Plan and 2020/21 Budget when COVID-19 developed. Unfortunately, the financial impact of the pandemic on Council is significant, which means Council is unable to proceed with the budget it had planned for 2020/21. We estimate the overall impact on Council finances is likely to be \$32 million, with \$12.7 million to be felt in this financial year 2019/20, followed by another \$19.3 million in the next financial year 2020/21. Our total annual Budget is typically around \$230 million, so the impact is substantial. Council is now working diligently to prepare a revised budget and delivery program for 2020/21. The Minister for Local Government has provided Councils with an extension until the end of August 2020 to finalise the 2020/21 Budget and Council Plan.

Council is currently prioritising everything we are doing, including reviewing all projects to look carefully at all opportunities to save costs. We are focused on minimising the impact of service closures and how we can protect the wellbeing of our community particularly the most vulnerable. We are also looking at ways to provide additional relief to impacted businesses and ratepayers to help the community recover as quickly as possible. This work is being undertaken diligently, with great care and as quickly as possible.

**Building Projects:** Building project commitments continue under the Council Plan 2019/20. Procurement via assessment of tenders, design development with head consultants and construction at sites are in progress. Our project teams continue to deliver and manage all active construction sites, ensuring the builders are adhering to COVID-19 restrictions and policies. To date, the necessary health and safety measures such as social distancing have not impacted the productivity of our builders. While Council officers have identified shortage and delayed delivery of building materials as a high risk, especially those imported from overseas, there has not yet been any impact to delivery.

**Open Space Projects:** Open space projects are also still under construction during the COVID-19 period. While the bulk of these projects rely on local suppliers and contractors, the main impact of COVID-19 to date has been delays in the supply chain for some specialised outdoor products that can only be sourced overseas. While construction is still an essential service, physical distancing procedures are strictly followed on Council construction sites with changes made to items including vehicle occupancy, the availability of wash-up facilities on-site and the design of lunchrooms. With exercise representing one of the four activities permitted under Stage 3 COVID-19 restrictions, the importance of open space has increased during this period of social isolation. When restrictions are eased and facilities such as playgrounds, fitness equipment and the foreshore are again available for use, these open spaces will be an important part of the recovery.

## DIRECTION 1 We embrace difference, and people belong

A safe and active community with strong social connections

An increase in affordable housing

Access to services that support the health and wellbeing of our growing community

Community diversity is valued and celebrated

The most current results for the service performance measures outlined in the Council Plan 2017-27 are summarised below.

### Service measures



### Areas for focus

Five service measures were available for reporting in March 2020, with three on track and two at risk.

This month, the 100 per cent target of enrolment in maternal and child health services has been reached. The current cost of maternal and child health services is \$85.36 per hour, which is on track for our target of \$85.

Participation in first maternal and child health home visits is slightly under the 100 per cent target at 96 per cent this month. The target is an annual measure, and results are expected to increase as the year progresses.

Participation of children (0-3.5 years) in maternal and child health services (43 per cent) and participation by Aboriginal and Torres Strait Islander children in maternal and child health services (71 per cent) are below the targets of greater than 85 per cent. These are cumulative measures on an annual basis and results are expected to increase as the year progresses.

**Portfolio status** There are 24 projects contributing to the outcomes in this direction






### Key Achievements

Program/Project	Achievements
<b>JL Murphy Play Space Upgrade</b>	Sustainable solutions implemented include an adjustment to the playground design to retain three existing mature trees and take advantage the shade they provide. Soil stockpiled from the JL Murphy Pavilion project has also been kept and reused as mounding around the play area.
<b>Sports Playing Field Renewal Program</b>	Reconstruction of Esplanade Oval at Elwood Park is nearing completion with all infrastructure installed and the new grass laid.
<b>Peanut Farm Reserve</b>	Final landscape works were completed at the Peanut Farm Reserve in St Kilda including the opening of a new rebound wall bringing all works at Peanut Farm to completion.

## Completed projects

- Peanut Farm Reserve Sports Pavilion
- South Melbourne Life Saving Club Redevelopment

## Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>In Our Backyard Strategy Implementation</b>			
	Project is off track. State funding for delivery of new affordable housing projects remains uncertain. Work has therefore been undertaken to consider alternative approaches for Council to contribute (cash and or property), towards the delivery of new housing projects over the next five years. The COVID-19 outbreak may delay or alter the way Council delivers the In Our Backyard strategy, depending on resources available to contribute to housing projects in 2020/21 and beyond. State investment in affordable housing may also be impacted by COVID-19.	Jun 2021	200
<b>JL Murphy Reserve Pavilion Upgrade</b>			
	Project is at risk. Council resolved to forward fund the kitchen equipment and cool room infrastructure in the form of a loan that will be repaid over a four-year period. The upgrade has reached practical completion; however, the official opening event has been postponed due to current government physical distancing requirements in response to the COVID-19 pandemic.	Jun 2020	2,479
<b>North Port Oval Upgrade</b>			
	Project is on track. Preliminary design work including perimeter fencing, sports field lighting location and public access gates is ongoing.	Jun 2021	20

## Off track non-major initiative project status

### Outdoor Fitness Station – Elwood Foreshore

Project is off track. An integrated design for an adult fitness equipment installation at the Elwood Foreshore has been developed and the contract has been awarded for the supply and installation of suitable marine-grade fitness equipment. Additional design work predominately associated with the replacement of a large stormwater drain at the site has contributed to delays with advertising these works for public tender.

### Sports Field Lighting Expansion – Elwood Park Sports Fields

Project is off track. Following the completion of detailed design and the tender process to install 16 sports field lights at Elwood Park's four playing fields, tender submissions are being reviewed. COVID-19 associated supply chain delays, especially for outdoor lights, poles and lighting components that may need to be sourced from overseas, may delay installation dates.

## DIRECTION 2 We are connected and it's easy to move around

An integrated transport network that connects people and places

The demand for parking and car travel is moderated as our City grows

Our streets and places are designed for people

The most current results for the service performance measures outlined in the Council Plan 2017-27 are summarised below.

### Service measures

### Areas for focus



The four available service indicators are all on track for March 2020.

These service indicators relate to the condition, maintenance, reporting and costs of maintaining local roads. There have been 47 sealed local road requests with a target of less than 70 and sealed roads are on track with 97 per cent below the intervention level. Our performance on sealed local road construction is on track, with costs at \$22.60 per square metre well below the target of \$65.

### Portfolio status

There are 26 projects contributing to the outcomes in this direction



Key Achievements	
Program/Project	Achievements
<b>Footpath Renewal Program</b>	Fitzroy Street, St Kilda (outside St Kilda Bowling Club) had footpath resurfacing this month. Land surveying has been undertaken for the VicTrack Pedestrian and Bicycle Path project.
<b>Kerb and Gutter Renewal Program</b>	The two projects for delivery in 2019/20 have been completed. These are Dorcas Street and Ferrars Street intersection, South Melbourne, and Lorne Street Kerb and Gutter renewal, between Queens Road and Queens Lane, South Melbourne. This month, kerb renewal at 282 Canterbury Road, St Kilda West included a 15m concrete kerb replacement and one tree square modified.
<b>Road Renewal Program</b>	Road resurfacing and major preventative road works completed this month included Stage 2 of Park Street, South Melbourne (Palmerston Crescent to Millers Lane).



<p><b>Integrated Transport Strategy</b>  <b>Action 9:</b> (Disability Discrimination Act Compliance works)</p>	<p>Upgrades to seven car spaces across Middle Park, Ripponlea, Port Melbourne and South Melbourne have taken place over the last three months. These works may involve installing a ramp, widening the parking bay or indenting the parking. The intention is to make our accessible bays near community and health facilities more user friendly, which in turn will enable easier movement and connectedness.</p>
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**Completed Projects**

- Domain Public Realm Masterplan
- ITS Action 35 Paid Parking Fee Trial and Evaluation

**Major initiatives status updates**

Status	Comments	Current Approved Completion	2019/20 Forecast \$'000
<b>Integrated Transport Strategy (ITS) Implementation</b>			
✔	Program is on track. See page 10 for details on progress against the Integrated Transport Strategy.	Jun 2028	360
<b>Kerferd Road Safety Improvements</b>			
✔	Project is on track. The Shrine to Sea corridor project is being led by the Department of Environment, Land, Water and Planning (DELWP) for the Victorian Government in partnership with Council. The project is now in the initiation phase and key project updates are available via <a href="http://planning.vic.gov.au/policy-and-strategy/shrine-to-sea">planning.vic.gov.au/policy-and-strategy/shrine-to-sea</a> .	Jun 2022	100

**Off track non-major initiative project status**

**✘ ITS Action 13 Wellington Street Upgrade**

Project is off track again this month due to delays of the Department of Transport's (DoT) approval of the final plan and the power authority's design work for the relocation of the public lighting poles. DoT requested further changes to the traffic signal plan and detailed design plans that have been submitted.

**✘ ITS Action 18 Bike Infrastructure Delivery**

Action is off track due to the COVID-19 outbreak delaying design development and consultation on the Inkerman and Garden City bike corridors. The contract for design of the Park Street bike lane has been awarded and design work commenced in April 2020.

## Move, Connect, Live – Integrated Transport Strategy 2018-28

The Move, Connect, Live – Integrated Transport Strategy 2018-28 provides a considered approach to make it easy for people to move around and connect with places in a way that suits them as our City grows.

### Action Progress

The implementation program for the Integrated Transport Strategy is on track with 37 actions in progress, three actions not started, and two actions completed.



### Highlights

**ITS Action 7: Blackspot safety improvements:** Successful funding of \$116,000 through the Federal Black Spot Infrastructure Program for lighting upgrade and installation of Flashing Give Way to Pedestrian signs at Chapel Street and Inkerman Road, St Kilda intersection.

**ITS Action 09: Safe and accessible streets:** Disability Discrimination Act compliance works are progressing well and planned to be completed by early May 2020.

**ITS Action 15: Pedestrian infrastructure delivery:** Construction of Park Street and Montague Street, Albert Park Raised Pavement Zebra Crossings commenced in March 2020.

**ITS Action 16: Active travel to school program:** Fifteen schools participated in Ride2School Day on Friday 13 March 2020. This meets the 2019/20 targets in the Council Plan and Move, Connect, Live Strategy for at least 14 schools to participate.



*St Kilda Primary School Ride to School Day*

**Action 20 St Kilda Road Transport Improvements:** A letter from the Mayor has been prepared requesting the Minister for Roads and Road Safety provide an update and fast-track the delivery of St Kilda Road Transport Improvements.

### Challenges

**Action 32 and 33 Parking Provision Rates Investigation:** Project is at risk. The Victorian Government has provided advice that parking rates changes should be completed via parking overlays. The project team is investigating the potential to introduce parking overlays as part of future area-based structure plans.

**Action 36 Car Share Expansion:** Council is at risk of not meeting its annual expansion targets for car share bays due to consolidation in the number of commercial car share operators. With reallocation of the 17 bays to existing car share providers, only one round of car share applications for new bays will be undertaken. This is also likely to be delayed due to COVID-19 outbreak.

**Action 38 Regulating Shared Transport Services:** Council entered a Memorandum of Understanding with JUMP Mobility and the cities of Melbourne and Yarra for a 12-month trial of shared dockless electric bicycles. The trial commenced on 4 March 2020, however, has been suspended temporarily in line with government guidance for Covid-19.

**Action 13 Wellington Street Upgrade**

**Action 18 Garden City Bike Path**

These actions are outlined in off track non-major initiative project status on page 9.

## DIRECTION 3 We have smart solutions for a sustainable future

A greener, cooler and more liveable City

A City with lower carbon emissions

A City that is adapting and resilient to climate change

A water sensitive City

A sustained reduction in waste

### Climate Emergency Declaration

The City of Port Phillip declared a climate emergency at the 18 September 2019 Council meeting. The declaration acknowledges that Council was already providing a comprehensive response to the climate emergency through the Act and Adapt – Environmental Sustainability Strategy 2018-28 and other initiatives. Council officers are now working through the process of embedding the declaration in relevant policies and strategies and reviewing opportunities for advocacy to the Victorian and Australian governments. Council has written letters to the Premier and Prime Minister advocating for the declaration of a climate emergency and promoted this on social media receiving a very positive response from the community.

The chart below summarises current results for the outcome indicator and service performance measures outlined in the Council Plan 2017-27.

#### Service measures

#### Areas for focus



Seven service indicators are available for March 2020 under this strategic direction primarily related to waste collection and water management. Five measures are on track, one at risk and one off track.

There has been 31.37 per cent of kerbside collection waste diverted from landfill. 28 kerbside garbage requests have occurred, on track under target of less than 35. Of kerbside bin collections, 3.16 were missed, meeting target of less than 4.35. The cost of kerbside garbage bin collection service this quarter is \$63.70, meeting target of less than \$80 and cost of kerbside recycling collection is off track at \$49.82 compared to target of less than \$36. This year to date we have sourced 28.37 megalitres of water from alternative sources reaching above target of 20 megalitres. Investments in fossil free institutions is 78.70 per cent, within target range of 60-80 per cent.

**Portfolio status** There are 19 projects contributing to the outcomes in this direction



#### Key Achievements

Program/Project	Achievements
Waste Management Strategy Community Recycling Education	Kerbside and communal glass recycling trials began in March 2020. Kerbside glass Recycling has begun in Garden City and communal drop off points have been installed

at Albert Park and South Melbourne to support community glass recycling. Neighbourhoods are responding well to the new services and contamination rates are low.

**Completed projects**

- Alma Park Stormwater Harvesting Development
- South Melbourne Market Solar

**Major initiatives status updates**

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>Sustainable Environment Strategy Implementation</b>			
✔	Program is on track. See page 13 for more details on progress against the Sustainable Environment Strategy.	Jun 2028	547
<b>Waste Strategy Implementation</b>			
⚠	Program is at risk. See page 14 for details on progress against the Waste Strategy.	Jun 2028	887

**Off track non-major initiative project status**

**✘ Litter Bin Program**

Project is off track. The solar compaction litter bin delivery is off track. Additional planning and feasibility work is required.

## Act and Adapt – Sustainable Environment Strategy 2018-2028

The Act and Adapt – Sustainable Environment Strategy 2018-28 was developed to help address climate change and improve waste and water management as well as other sustainable environment challenges. It was endorsed by Council and outlines 31 actions to be delivered in 2019/20.

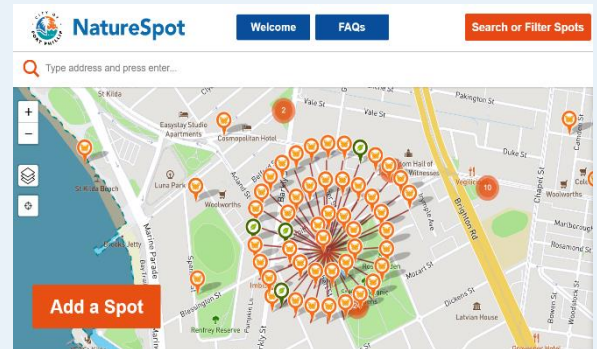


**Overall progress:** The sustainable environment strategy delivery is on track. There are 31 Actions scheduled to be in delivery phase in 2019/20. Of these, one action has been completed and 30 actions are underway.

### Highlights

**Action 1: Greening Port Phillip Strategy and Street Tree Planting** is underway with works at Beaconsfield Parade, Albert Park and Graham Street, Port Melbourne.

**Action 3 Develop a Biodiversity Study and Action Plan:** The Biodiversity Study and Action Plan is on track for delivery by June 2020. Consultants have completed field surveys and a draft Biodiversity Study and Action Plan has been produced.



*Community identification of flora and fauna spots in our City*

As a result of COVID-19 a decision was made to cancel face-to-face NatureSpot activities and focus on online delivery of this activity with tutorial videos created and uploaded to the Port Phillip EcoCentre's social media channels. The next round of community NatureSpots have transitioned online due to COVID-19. The community has recorded 562 individual sightings on the NatureSpot website.

Log your spotting at: [portphillipnaturespot.crowdspot.com.au](http://portphillipnaturespot.crowdspot.com.au)

**Action 9 Reduce energy use in Council buildings by investing in renewable energy, energy efficiency in Council buildings and changing our behaviour:** Albert Park Library and Port Melbourne Town Hall heating, ventilating and air conditioning projects are progressing and lighting upgrades at six council buildings are completed. Collectively, these upgrades will improve energy efficiency in our buildings.

**Action 31 Develop a Water Sensitive City Plan to drive an integrated approach to water management:** Installation of control units for irrigation of parks and reserves is nearing completion. The next stage to upgrade irrigation infrastructure has commenced and will continue over the next month.

**Action 37 Plan and deliver Water Sensitive Urban Design projects to reduce the amount of pollution entering Port Phillip Bay:** Works at Landgridge and Patterson streets, Page Street and McGregor Street are currently under construction.

## Don't Waste It! – Waste Management Strategy 2018-28

This strategy provides a blueprint for how Council and the community will work together to create a more sustainable future for Port Phillip. It is a call to action for our community to work together to manage waste better over the next four years, whilst we investigate new investigate new, advanced ways, to manage waste.



**Overall progress:** The Don't Waste it! Waste Management Strategy is at risk due to some actions being impacted by the COVID-19 situation. Officers have paused project delivery that involves community and contractor engagement.

### Advocacy Actions: (05, 06, 07, 09, 11, 14, 23, 24, 25)

Actions are on track. Officers are working with the Victorian Government to prepare a transition plan to deliver requirements of its new policy, *Recycling Victoria – a new economy*.

### Project Actions: (01, 02, 03, 04, 08, 10, 13, 19)

Actions are at risk. Resourcing diverted from general waste education to a focus on delivery of new service trials kerbside and communal glass recycling and food organics and garden organics trial (FOGO), endorsed by Council in the Don't Waste It! Review on 4 December 2019.

Kerbside and communal glass recycling trials began in March 2020. Garden City, Albert Park and South Melbourne neighbourhoods are responding well to the new services, and contamination rates are low. The FOGO trial is being reviewed until COVID-19 uncertainty ceases.

The Solar Green Cone program delivered seven units in March 2020. Total sales at 282.

Expressions of Interest for the Food to Farm program closed. Program will install two communal food composters into two high-rise apartment complexes.

The new Victorian Government policy, *Recycling Victoria - a new economy*, has committed to additional support for businesses and to a Victorian-wide waste education campaign.

### Service Delivery Actions: (12, 15, 16, 17, 18, 20, 21, 22)

Officers are working with Metropolitan Waste and Resource Recovery Group (MWRRG) on group procurement for sorting kerbside recyclables. Council is also working with MWRRG on the business case development plan for advanced waste processing.

Council is working with Four Seasons to ensure management of illegally dumped waste and collection of hard waste continues as normal during COVID-19.

Our Summer Ranger Program featured a Victorian Government event promoting responsible visitation and sustainable behaviour to reduce litter at beaches. Program has been closed early due to COVID-19.

To view Don't Waste It Strategy actions in full visit, <http://www.portphillip.vic.gov.au/Dont-Waste-It.htm>

### Challenges

COVID-19, increased recycling costs, waste export bans, and rising landfill fees from 1 July 2020 present service and financial challenges to Council. Several Don't Waste It! projects that are mid-delivery are currently under review.



Newly installed Community Glass Recycling Drop Off Point

## DIRECTION 4 We are growing and keeping our character

### Liveability in a high density City

#### A City of diverse and distinctive neighbourhoods and places

The chart below summarises current results for the outcome indicator and service performance measures outlined in the Council Plan 2017-27.

#### Service measures



#### Areas for focus

Eleven service measures were available for the month of March 2020 with four on track, four at risk and three off-track.

Planning decisions upheld by VCAT are at 75 per cent and planning applications decided within timeframes are 66 per cent with both measures on track. However, planning applications are taking 91 days to decide, off track with a target of 75 days or less. The cost of statutory planning service is also above \$2,400 target at \$3,063.

Street cleaning audit compliance is on target at 95 per cent, an increase from the previous month of 93.51 per cent and the highest result to date this financial year.

There have been four animal management prosecutions and 51 per cent of animals have been reclaimed, slightly lower than the target of 55 per cent. Days between receipt and response for animal management requests is on track while the cost of animal services is \$80 just above target of \$76. Public space community requests resolved on time is 79 per cent, below target of above 85 per cent. The cost of food safety service per premises is \$625 above target of \$562.

#### Portfolio status There are 28 projects contributing to the outcomes in this direction






#### Key Achievements

Program/Project	Achievements
<b>Parks and Playground Renewal and Upgrade Program</b>	Under playground safety audit work, independent audits of all City of Port Phillip playgrounds were completed in March 2020. All minor repairs were then completed based on the asset condition data.

#### Completed Projects

- Ferrars Street Education Community Precinct – Construction of Montague Park
- Ferrars Street Education Community Precinct – Streetscapes Upgrade

## Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>Gasworks Arts Park Contamination Management Plan</b>			
	Project is off track. There have been no changes to the overall status since February 2020. Council Officers continue to work with the Victorian Government and nominated environmental consultants to progress the Contaminated Management Action Plan. Further work to determine the extent of groundwater contamination is required and will continue into 2020. Public notification of the new timelines will be delivered in early 2020-21. Engagement with the community regarding contamination is now anticipated in first six months of the new financial year.	Jun 2022	50
<b>Public Spaces Strategy Development</b>			
	Project is off track. Due to COVID-19, the CEO under delegation of Council formally postponed community engagement on the draft Public Space Strategy. This was scheduled to occur from 30 March to 3 May 2020. A revised date is not yet known. A new timeframe for delivery will be forecast in line with Council's overall review of the priority of strategic projects. The project costs remain on track.	Jun 2020	200
<b>St Kilda Marina</b>			
	Project is at risk. The project is tracking in line with the Council approved program. The overall project status is at risk as there is ongoing pressure on the budget and the schedule. These are being closely monitored and managed. In terms of procurement, the evaluation process is progressing well. In relation to the planning scheme amendment, the planning panel meetings arranged for end of March 2020 to consider submissions received will, as a result of the COVID-19 outbreak, need to occur 'on the papers' (in writing electronically). This has delayed the planning program by just over one week. This delay is anticipated to be absorbed by the current program.	Jun 2021	460

## Off track non-major initiative project status

-  **Elwood Foreshore Facilities Strategy**  
Project is off track. The Elwood Foreshore Facilities Strategy project is off track due to schedule and budget. Due to COVID-19 outbreak there will be a four-month delay to the project as consultant availability is becoming reduced and stakeholder interactions modified to meet good health practices. Independent consultants continue to be engaged to complete the site investigation works. Through an initial contamination assessment completed we now have information that the site has a higher than anticipated contamination risk profile. Additional funding will be required as the additional cost is unlikely to be accommodated within budget contingency.



### **❌ Public Space Lighting Renewal and Upgrade – Bay Trail**

Project is off track. Following the completion of stages 1 and 2 (Station Pier to Port Melbourne Lifesaving Club), work is now underway on Stage 4 (South Melbourne Lifesaving Club to Kerferd Road). It is anticipated that this stage will be completed in May 2020.

### **❌ Public Toilet Plan Implementation**

Project is off track. A report outlining site options was presented to Councillors early March 2020; however, due to the COVID-19 outbreak, the Public Toilet Plan – Fitzroy Street will now go on hold. The design of the preferred site is also on hold pending further advocacy work with the land owner which has not yet occurred due to the COVID-19 outbreak. Further delays are likely.

## **Fishermans Bend Program 2019/20**

Fishermans Bend represents an unparalleled opportunity to reshape how Australia thinks about urban growth, housing, working and sustainable transport.

It is a Council priority to ensure that the Fishermans Bend Precinct Plans maximise outcomes for current and future Port Phillip residents, including employment, housing choice, quality public space and community facilities, and early delivery of fast, frequent public transport.

### **Status update**

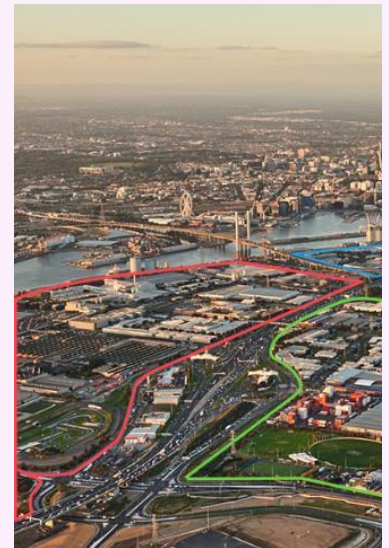
Some key initiatives have been progressed including the completion of the Water Sensitive City Strategy and initial work with key stakeholders on place creation.

Further analysis has also progressed to understand and reconcile the cost-saving opportunities as presented by the Victorian Government. A review of the value management work is underway, and this will need to be formally discussed and agreed before any financial strategy is released.

Further work will be required following the determination of the Infrastructure Contributions Plan.

### **Challenges**

The COVID-19 pandemic has highlighted major issues regarding future investment in Fishermans Bend. It is likely that there will be a fundamental rethink in how state resolves the major macroeconomic challenges introduced over the last few months. In turn, Council will need to reappraise the existing risk profile and rethink the work we need to undertake to position Council appropriately. This is likely to be established and reappraised as broader adjustments occur in the economy.



*Aerial view of Fishermans Bend*

## DIRECTION 5 We thrive by harnessing creativity

A City of dynamic and distinctive retail precincts

A prosperous City that connects and grows business

A City where arts, culture and creative expression is part of everyday life

The chart below summarises the most current results for the outcome indicator and service performance measures outlined in the Council Plan 2017-27.

### Service measures

### Areas for focus



Five service measures are available for the month of March 2020 with three on track, one at risk and one-off track.

16 per cent of the community are active members in the library, under the target of 20 per cent. 50 per cent standard of library items have been purchased in the last five years meeting the target of 49 per cent. 5.34 visits to library per capita is under target 6.3 for this quarter, a drop was expected given the COVID-19 outbreak. 4.15 is the rate of turnover for physical items (loans per item), just falling short of target 4.5. The cost of the library service per person is higher than the target of \$6.47 with \$10.32.

**Portfolio status** There are 13 projects contributing to the outcomes in this direction



### Key Achievements

Program/Project	Achievements
<b>Placemaking – Comeback Fitzroy Street</b>	Sales to traders from regional Victoria total approximately \$37,000. Initiative proved that using empty stores with strong publicity brings activity, people and economic benefit back to the Street.

### Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>Art and Soul – Creative and Prosperous City Strategy 2018-22</b>			
✓	Program on track. The Art and Soul – Creative and Prosperous City Strategy 2018-22 outlines the cultural change and collaborative actions required across a range of Council services. It was endorsed by Council on 20 June 2018 and outlines 18 actions to be delivered in 2019/20.	Jun 2022	960

## Art and Soul – Creative and Prosperous City Strategy 2018-22

The Art and Soul – Creative and Prosperous City Strategy 2018-22 sets out the creative, cultural and economic development objectives for the City of Port Phillip. It outlines the cultural change and collaborative actions required over the next four years across a range of Council services, including arts, culture and heritage, economic development and tourism, festivals, libraries, markets, city planning and urban design, to create a thriving social, cultural and economic future. The Art and Soul Strategy also includes a four placemaking actions, reported in more detail on page 20.

### Overall Progress

The Art and Soul – Creative and Prosperous City Strategy is on track. There are 18 Actions scheduled to be in delivery phase in 2019/20.

### Updates

**Action 08 Commission Art on Hoardings:** Two pilot sites have been completed for this project. Challenges in availability of sites and commitment of developers to the test program have been encountered. A report will be presented to Council for review and to seek recommendation for the future of the program. In addition, COVID-19 may impact new developments and therefore the ability to engage new developer stakeholders to the pilot project.

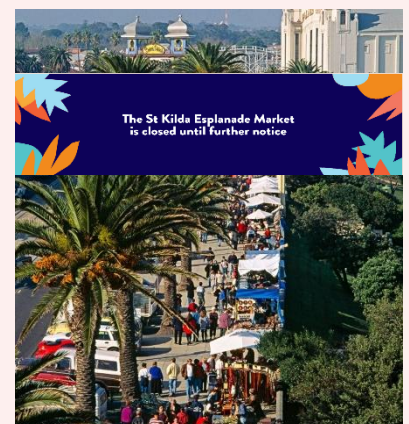
**Action 21 Support Community Led Festivals:** This action supports the community to plan and produce their own festivals, events and cultural projects. Through this program, 191 community events have been supported this year. Events are given a dedicated support officer to guide them through the permitting process and provide advice on event production. This support is complemented by the Community Event Resources webpage which provides guidance, templates and checklists. Currently events are suspended due to the impact of COVID-19.

**Action 22 Develop a Live Music Action Plan:** Public consultation has been completed and the feedback received is informing edits to the document.

**Action 26 Art Acquisition, Preservation and Exhibition:** This project has commenced with site visits to galleries and studios to identify current works available. Contemporary research, artist practices and evaluation of the needs of the Port Phillip City Collection will inform the consideration of works. A draft list of proposed acquisitions is planned to be presented to the Art Acquisition Reference Committee, however the overall art acquisition budget for 2019/20 is being reviewed due to COVID-19.

**Action 31 Maintain Markets as Key Activation of Public Space:** St Kilda Esplanade Market is currently suspended due to COVID-19. Efforts now are focused on rescheduling all event production, logistics, marketing and communication for events and activations within the next six months. Stallholder profiles and links to online stores on the website are being uploaded. An action plan for relaunch is under development.

**Action 33 Invest and Maintain Public Art:** Maintenance of the public art collection continues with the scheduled cleaning of public art work, memorials and monuments. It is anticipated that the Wonderment Walk Victoria public art work will be installed at Kirrip Park, South Melbourne in April 2020. A conservator has been appointed to repair the Charles Moore Memorial in St Vincent Gardens, Albert Park following its damage by vandals.



*St Kilda Esplanade Markets have been suspended due to COVID-19*

## Placemaking Action Plan 2018-2021

The Placemaking Action Plan describes seven key actions and resources required to achieve Council's placemaking aspirations described in the Art and Soul Strategy 2018-2022. Placemaking is an action learning process that enables the community and Council to work together to create great places. It is based on the philosophy that those who use a place are often in the best position to know what a place should look and feel like, including providing input into the way places are planned, funded and the services provided.

### Overall progress

The Placemaking program is being delivered in line with agreed scope, schedule and costs. Overall, there has been a mix of wins and minor setbacks with some projects delayed or paused due to COVID-19.

### Love My Place Grants – Fitzroy Street

- Tramways Band, Ocean, Five Months of Fitness have been postponed due to COVID-19
- Into the Water Festival and Dark Water Swim is a midwinter performance, music and swimming festival scheduled for June 2020. Delivered through the Linden Art Gallery, it is planned to continue, subject to considerations of any restrictions that may be in place at that point in time.
- St Kilda Illuminations takes place nightly at 117 Fitzroy Street, St Kilda
- Park Gateway – Installation at the entry to Albert Park has been completed

### The High Country and Gippsland Comeback – Fitzroy Street

- The initiative proved that using empty stores with strong publicity brings activity, people and economic benefit back to the street. It attracted sponsorship over \$200,000, however Comeback Fitzroy Street was unfortunately forced to close early due to the impact of COVID-19.
- The cost to City of Port Phillip was approximately \$8,000 with sales of approximately \$37,000 in total to the traders from regional Victoria.

### COVID-19 Impacts

- Fitzroy Street has been heavily affected, particularly the food and hospitality sector. Most businesses have switched to takeaway and home delivery model which is being monitored in partnership with the Fitzroy Street Traders' Association.
- We are maintaining a close relationship with Small Business Victoria to support businesses.

### South Melbourne

- The Art and Design Exhibition opening has been postponed until 18 June 2020. Two mural artworks have commenced.
- Pop-up Sustainable gardens continue at HH Skinner Reserve, South Melbourne until the end of June 2020. Garden beds have been installed and planting commenced. VidCast workshops to run via Facebook instead of on-site workshops.
- Suitcase Rummage has been postponed until September or October 2020 to then assist our artisan community after a difficult period economically and to encourage spending.
- Trader Forum has been cancelled.



Mural by Chanel Tang - South Melbourne

### Waterfront Place

- Pop-up creators' market occurred 6 to 8 March 2020 with a great response from local community and some ship passengers.

## DIRECTION 6 Our commitment to you

A financially sustainable, high-performing, well-governed organisation that puts the community first

The chart below summarises the most current results for the service performance measures outlined in the Council Plan 2017-27.

### Service measures



### Areas for focus

Thirteen service measures were available for reporting in March 2020, with 9 on track, 2 at risk and 2 off track. Measures include:

- Percentage of priority projects on track (81 per cent)
- Delivering Councils governance service per Councillor (\$53,165)
- Asset renewal as a percentage of depreciation (77 per cent)
- Council decisions closed to the public (8 per cent)
- Audit actions completed on time (93 per cent)
- Community time saved (1,550 days)
- Staff time saved (1,913 hours)
- Requests resolved within agreed timeframes (94 per cent)
- Councillor attendance rate at Council meetings (93 per cent)

At risk measures include total year to date recordable injury frequency rate at 26.18 and calls answered within 30 seconds is 72%. Off track measures included staff turnover with a 12-month rolling result of 16.49 per cent, higher than the 10 per cent target. Material legislative breaches, where one has been reported this financial year, further detail on page 31.


**Portfolio status** There are 17 projects contributing to the outcomes in this direction




### Key Achievements

Program/Project	Achievements
<b>Customer Experience Program (new websites)</b>	The Festival websites were successfully launched on 5 March 2020 and can now be used by the community. A review of the current content for the main website is complete, including a review of customer insights to ensure we deliver a productive and easy to use website for our staff and community.  The COVID-19 outbreak presents a new and critical issue for the Customer Experience Program. However, given the benefits provided to the community, particularly an increase in services available online, the program will continue to be delivered.
<b>St Kilda Festival</b> stkildafestival.com.au	
<b>St Kilda Film Festival</b> stkildafilmfestival.com.au	
<b>Live N Local</b> livenlocal.com.au	
<b>Yalukut Weelam Ngargee</b> ywnf.com.au	

## Major initiatives status updates










Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>Customer Experience Program</b>			
	Program is at risk. The COVID-19 outbreak presents a new and critical time for the program. However, given the benefits provided to the community, particularly an increase in services available online, the program will continue to be delivered. The program will closely monitor the changing situation and impact on resources, as well as the ability to meet key critical dates. Preparation for the next stage of design and implementation has commenced and will include modules to support customer relationship management, building and planning applications and issuing of permits. A risk review has been conducted on the impact of the COVID-19 outbreak on the current risks and risk profile. Three new risks were identified, 11 established risks in the program considered impacted by COVID-19 and three risks have increased in rating. A COVID-19 and risk management sub-committee has been established to continue to monitor and oversee mitigations.	Jun 2021	7,833

### Off Track non-major initiative project status




 **Building Safety and Accessibility Program – Bubup Nairm Cladding Rectification:** Project is off track. Contract award and commencement of construction was expected in January; however, the tender submission review period has been extended. Despite the slippages, the project is still expected to be completed within the current schedule.

**We monitor our performance under Direction 6 – Our commitment to you** to ensure Council is a financially sustainable, high performing, well-governed organisation that puts the community first. These are the latest results for our organisation for the March 2020 period. Additional information is available within this report.

**The following results are for the financial year 2019/20:**

Improving customer experience and technology, and being more innovative	Latest results	
80 per cent community requests completed on time	98 per cent	
80 per cent community complaints completed on time	98 per cent	
<b>Improving community engagement, advocacy, transparency and governance</b>		
90 per cent risk and audit actions completed on time	98 per cent	
90 per cent councillor attendance at Council meetings	93 per cent	
90 per cent Council decisions made in public	92 per cent	
0 material legislative breaches	1	
<b>Ensuring sustainable financial and asset management, and effective project delivery</b>		
Financial sustainability rating of low	Low	
Operating savings	\$951k	
80 per cent of major initiative project delivery is on track	81 per cent	

**The following are rolling 12-month results:**

<b>Inspiring leadership, a capable workforce and a culture of high performance and safety</b>		
Total recordable injury frequency rate below 21.8	26.18	
Unplanned Leave (days/EFT) below 10.8	12.77	
Staff turnover below 10 per cent	16.49 per cent	

## Financial performance Chief Financial Officer Summary for month of March 2020

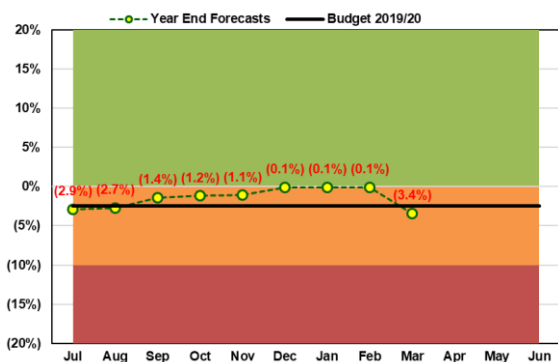
Council's decision-making is reflected by the principles of sound financial management, to ensure our financial position is sustainable. We assess our financial performance using the Victorian Auditor General Office (VAGO) financial sustainability indicators.

As highlighted by the seven VAGO financial indicators below, the full year forecast as at March indicates an overall medium risk financial sustainability rating for Council.

- The Covid-19 pandemic is expected to impact Council's financial position by \$12.8m this financial year. Officers have put in place tight fiscal controls (e.g. vacant positions put on hold unless necessary; controllable expenditure minimised) and will find savings over the 15 months to address this deficit.
- Council expects a cumulative cash deficit of \$4.66 million for 2019/20.

### Assessment against VAGO Financial sustainability indicators

#### 1.1 Net Result per cent (Net Surplus over Total Income)

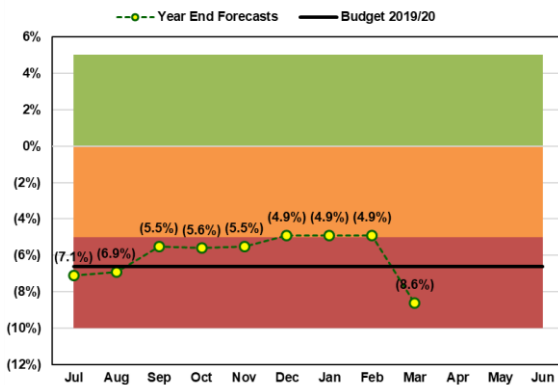


**Target:** Greater than 0%      **Year-end forecast:** -3.4%      **Status:** ▲

**This financial indicator assesses Council's ability to generate sufficient funds for asset renewals.**

A small deficit (-2.5%) is budgeted for 2019/20 which includes non-recurrent Customer Experience Program expenditure. This project will provide better and more responsive customer service whilst delivering a more efficient enterprise. As at March 2020, Council has forecast a deterioration to -3.4% largely due to the \$12.8m impact of the Covid-19 pandemic to our financial performance. Officers have put in place tight fiscal controls (e.g. vacant positions put on hold unless necessary; controllable expenditure minimised) and will find savings over the 15 months to address this deficit.

#### 1.2 Adjusted underlying result % (Net results excluding capital grants & contributions)

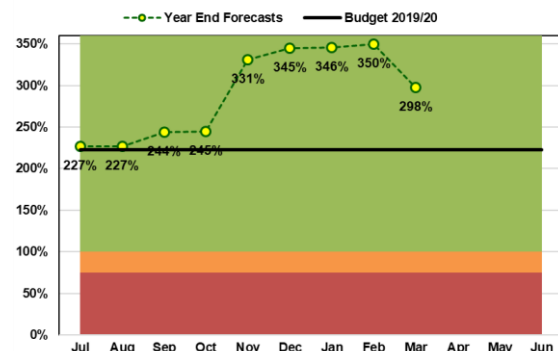


**Target:** Greater than 5%      **Year-end forecast:** -8.6%      **Status:** ✘

**This financial indicator assesses Council's ability to generate surplus in the ordinary course of business to fund capital expenditure excluding other capital funding sources.**

The Budget 2019/20 had an adjusted underlying result of -6.6% mainly due to the Customer Experience program as explained in the above ratio. As at March 2020, the forecast for the financial year is -8.6%. The factors have been highlighted in the above ratio. A large portion of our annual capital program is funded by capital income particularly Open Space contributions for open space improvements. This ratio does not fully reflect how local government finances work.

#### 1.3 Working Capital % (Current Assets over Current Liabilities)



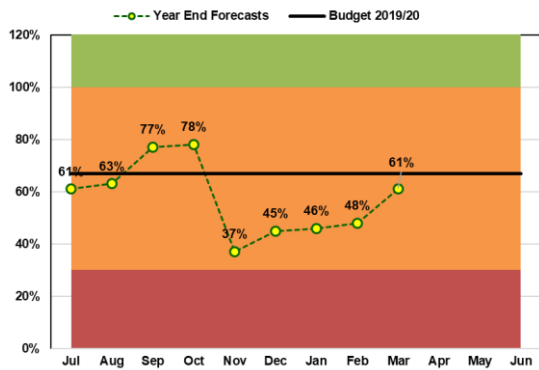
**Target:** Greater than 100%      **Year-end forecast:** 298%      **Status:** ✔

**This financial indicator assesses Council's ability to pay short term liabilities as they fall due.**

The Budget 2019/20 had a working capital ratio of 223%. The full year forecast as at March 2020 is 298%. The material change since last month is due to the \$12.8m financial impact from the Covid-19 pandemic. Council has no issues in paying suppliers and employees when payments fall due.

## Financial sustainability indicators (continued)

### 1.4 Internal Financing % (Net Operational Cashflows compared to Net Cash Capital Outlay)

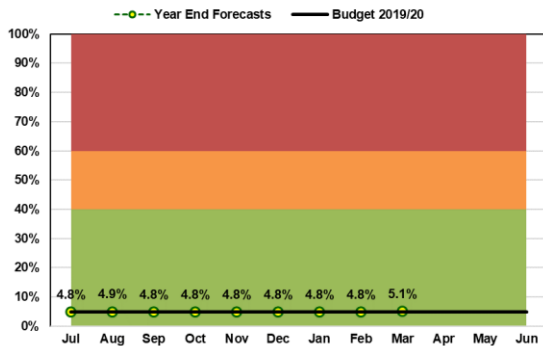


**Target:** Greater than 100%      **Year-end forecast:** 61%      **Status:** ▲

**This financial indicator assesses Council's ability to finance capital works using cash generated from its operations.**

A ratio below 100% means cash reserves or borrowing are being used to fund capital works & major strategies, which is acceptable on occasions. The Budget 2019/20 (67%) includes the Customer Experience program expenditure. This program is partly funded from a drawdown on general reserve. The full year forecast as at March 2020 shows an improvement since February to 61%. This is largely due to the \$7.3m capital spend reduction identified in March comprising \$2.9m of savings/underspends and \$4.4m deferrals to next financial year.

### 1.5 Indebtedness % (Own Sourced Revenue compared to Non Current Liabilities)

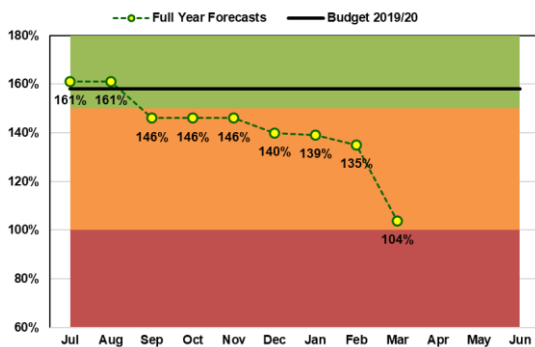


**Target:** Less than 40%      **Full year forecast:** 4.9%      **Status:** ✓

**This financial indicator assesses Council's ability to repay its non-current debt from its own source revenue.**

This indicator shows a low risk for Council as the ratio of 4.9% for Budget 2019/20 is significantly lower than the 40% target. The full year forecast as at March 2020 shows Council is on track to achieve budget.

### 1.6 Capital Replacement % (Total cash capital outlay / Depreciation)

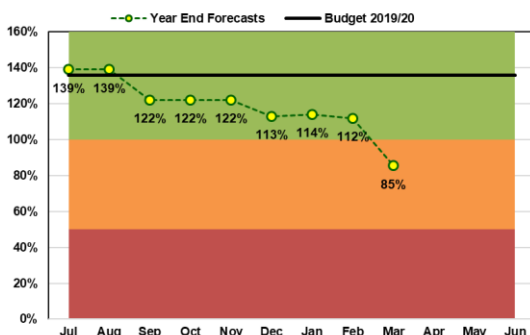


**Target:** Greater than 150%      **Year-end forecast:** 104%      **Status:** ▲

**This financial indicator assesses whether Council's spend overall in renewing, growing and improving its asset base is sufficient.**

The Budget 2019/20 is a ratio of 158%. The full year forecast as at March shows the ratio has decreased to 104%. The \$12.8m financial impact due to the Covid-19 pandemic will require Council to find savings from both operating and capital expenditure in order address the funding shortfall. \$2.9m of savings have been found and \$4.4m of capital projects to be deferred to 2020/21. The low ratio performance in 2020/21 will be addressed over the long-term. Council's 10-Year Financial Plan includes annual targets at 150%+ so that we continue to renewal, grow and improve our asset base."

### 1.7 Infrastructure Renewal Gap % (Renewal & Upgrade Capital Expenditure compared to Depreciation)



**Target:** Greater than 100%      **Year-end forecast:** 85%      **Status:** ✓

**This financial indicator assesses if Council's spend on its asset base is keeping up with the rate of asset depletion.**

The Budget 2018/19 ratio of 136% indicates sufficient provision in the capital program for asset renewal and upgrade. The full year forecast as at March shows the ratio has decreased to 85%. The \$12.8m financial impact due to the Covid-19 pandemic will require Council to find savings from both operating and capital expenditure in order address the funding shortfall. \$2.9m of savings have been found and \$4.4m of capital projects to be deferred to 2020/21. The low ratio performance in 2019/20 will be addressed over the long-term. Council's 10-Year Financial Plan includes annual targets of 120%+ so that we continue to renewal and improve our asset base.



## Comprehensive Income Statement Converted to Cash – March 2020

We use the Comprehensive Income Statement Converted to Cash to ensure prudent financial management by maintaining a cumulative cash surplus. The current forecast for 2019/20 is a cumulative cash deficit of \$4.66m which compares unfavourably against the budgeted cash surplus of \$0.43m. Officers have put in place tight fiscal controls (e.g. vacant positions put on hold unless necessary; controllable expenditure minimised) and will find savings over the 15 months to address this deficit.

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual	Forecast	Actual to Forecast		Forecast	Budget	Forecast to Budget		
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	
<b>Income</b>									
Rates and Charges	97,115	96,976	139	0%	129,213	129,149	64	0%	
Statutory Fees and Fines	16,045	16,289	(244)	(2%)	18,263	24,046	(5,783)	(24%)	
User Fees	32,690	32,333	357	1%	35,572	38,801	(3,229)	(8%)	
Grants - Operating	7,122	7,396	(274)	(4%)	11,029	9,430	1,599	17%	
Grants - Capital	1,480	120	1,360	1133%	2,655	2,586	69	3%	
Contributions - Monetary	6,999	7,263	(264)	(4%)	7,945	6,045	1,900	31%	
Contributions - Non Monetary	68	0	68	0%	0	0	0	0%	
Other Income	11,267	10,477	790	8%	16,423	14,381	2,041	14%	
<b>Total Income</b>	<b>172,784</b>	<b>170,854</b>	<b>1,930</b>	<b>1%</b>	<b>221,100</b>	<b>224,438</b>	<b>(3,337)</b>	<b>(1%)</b>	1
<b>Expenses</b>									
Employee Costs	70,842	70,678	(165)	(0%)	92,715	96,637	3,922	4%	
Materials and Services	50,722	53,367	2,645	5%	75,923	78,567	2,644	3%	
Professional Services	7,109	7,838	729	9%	13,136	12,899	(237)	(2%)	
Bad and Doubtful Debts	3,429	3,767	338	9%	5,038	3,862	(1,176)	(30%)	
Depreciation	18,701	18,781	80	0%	25,441	24,911	(530)	(2%)	
Borrowing Costs	231	178	(53)	(30%)	353	450	97	22%	
Other Expenses	5,573	5,163	(411)	(8%)	11,691	8,473	(3,218)	(38%)	
Net (Profit) or Loss on Disposal of Assets	(66)	345	411	119%	4,310	4,310	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
<b>Total Expenses</b>	<b>156,541</b>	<b>160,116</b>	<b>3,575</b>	<b>2%</b>	<b>228,608</b>	<b>230,109</b>	<b>1,501</b>	<b>1%</b>	2
<b>Operating Surplus / (Deficit)</b>	<b>16,243</b>	<b>10,738</b>	<b>5,505</b>	<b>51%</b>	<b>(7,507)</b>	<b>(5,671)</b>	<b>(1,836)</b>	<b>32%</b>	
<b>Income Statement Converted to Cash</b>									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	18,701	18,781	(80)	(0%)	25,441	24,911	530	2%	
• Add back written-down value of infrastructure assets disposals	0	450	(450)	(100%)	4,450	4,450	0	0%	
• Add back written-down value of fleet asset disposals	152	180	(28)	(16%)	240	240	0	0%	
• Add back balance sheet work in progress reallocated to operating	10	900	(890)	(99%)	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	(68)	0	68	0%	0	0	0	0%	
	<b>18,795</b>	<b>20,311</b>	<b>(1,516)</b>	<b>(7%)</b>	<b>31,331</b>	<b>30,801</b>	<b>530</b>	<b>2%</b>	
<b>Adjustments for investing items:</b>									
• Less capital expenditure - Infrastructure	(16,163)	(16,083)	(80)	(0%)	(23,629)	(36,023)	12,394	34%	
• Less capital expenditure - IT, Plant and Equipment	(1,767)	(1,437)	(330)	(23%)	(2,802)	(3,219)	418	13%	
	<b>(17,929)</b>	<b>(17,519)</b>	<b>(410)</b>	<b>(2%)</b>	<b>(26,431)</b>	<b>(39,242)</b>	<b>12,811</b>	<b>33%</b>	3
<b>Adjustments for financing items:</b>									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(514)	(525)	11	(2%)	(693)	(670)	(23)	(3%)	
	<b>(514)</b>	<b>(525)</b>	<b>11</b>	<b>(2%)</b>	<b>(693)</b>	<b>(670)</b>	<b>(23)</b>	<b>(3%)</b>	
<b>Adjustments for reserve movements:</b>									
• Discretionary Reserve Drawdown/ (Replenish)	1,978	3,519	(1,541)	(44%)	(2,083)	13,392	(15,475)	(116%)	
• Statutory Reserve Drawdown/ (Replenish)	0	(1,596)	1,596	(100%)	(137)	632	(769)	(122%)	
	<b>1,978</b>	<b>1,923</b>	<b>55</b>	<b>3%</b>	<b>(2,220)</b>	<b>14,024</b>	<b>(16,244)</b>	<b>(116%)</b>	4
<b>Current Year Cash Surplus/(Deficit)</b>	<b>18,573</b>	<b>14,928</b>	<b>3,645</b>	<b>24%</b>	<b>(5,520)</b>	<b>(758)</b>	<b>(4,762)</b>	<b>(628%)</b>	
Opening balance carry forward surplus	862	862	0	0%	862	1,192	(330)	(28%)	
<b>Accumulated Cash Surplus</b>	<b>19,435</b>	<b>15,790</b>	<b>3,645</b>	<b>23%</b>	<b>(4,658)</b>	<b>434</b>	<b>(5,092)</b>	<b>(1173%)</b>	

Refer to Notes for explanation on changes to forecast in the current reporting month.

## Notes to the Comprehensive Income Statement Converted to Cash – March 2020

The following adjustments have been identified as at March 2020 and are reflected in the Comprehensive Income Statement Converted to Cash (see previous page).

### Note 1. Operating income forecast decreased by \$3.34 million:

#### Net forecast income changes in the month of March 2020 included the following material items:

↑	\$0.43m	There has been minimal impact to the construction/development sector for now due its classification as an essential service during this Covid-19 pandemic. Council continues to earn income from Street Occupation.
→	\$1.43m	Updated forecast includes the prepayment of 2020/21 Victoria Grants Commission funding for Local Governments in 2019/20.
↓	(\$7.30m)	Council has seen a material drop in paid parking utilisation due to Covid-19 travel restrictions. This also impacts on infringement notices from non-compliance of parking restrictions.
↓	(\$2.95m)	Council endorsed on the 25 March meeting to provide transparent, effective, efficient and affordable support to our community and economy, to enhance resilience to and recovery from the Covid-19 pandemic. The updated financial projection is \$2.95m, \$0.45m more than was expected.
↓	(\$1.78m)	The Federal Government's Early Childhood Education and Care Relief Package payable to Council for our childcare services is based on 50% of the lower capped fee. In addition to lower utilisation, Council expects an income loss of \$1.78m this financial year. Officers are minimising costs where possible including agency and contract staff. However, the service cost base has a high fixed component - permanent childcare employees.
↓	(\$0.42m)	South Melbourne Market has been impacted by the Covid-19 pandemic included the suspension of NEFF cooking classes, lower utilisation of rooftop paid parking, rent relief and other income.
↓	(\$0.31m)	The impact of Covid-19 is placing further pressure to an already weak development market particularly in the high value development category. We expect lower income from development activity in the near to medium term.

#### Net forecast income changes year to date March 2020 included the following material items:

↑	\$1.88m	Greater income from street occupation, road closures and skin bin fees than expected mainly due to several large development projects.
↑	\$0.58m	Greater utilisation of paid parking mainly due to the successful implementation of PayStay (a convenient payment option via mobile devices).
↑	\$0.56m	Unbudgeted compensation from Rail Project Victoria for the loss of Domain precinct paid parking income.
↑	\$0.43m	Project portfolio funding increased due to: <ul style="list-style-type: none"> <li>• Deferral of Kirrip Park works from 2018/19 including contribution from the Victorian Government \$0.16m.</li> <li>• 2018/19 Alma Park Stormwater Harvesting funding from State Government \$0.12m.</li> <li>• other minor \$0.06m.</li> </ul>
↑	\$0.34m	Unbudgeted Federal Government funding for Sports Field Lighting.
↑	\$0.16m	One-off unbudgeted Victoria Government support funding as a result of the Council's recycling contractor site closure.
↑	\$0.10m	The SKM recycling processing contract included \$0.10m of Bank Guarantee as collateral for non-performance of contract. This is to be remitted to Council this financial year.
→	\$1.60m	A greater amount of open space contributions expected in 2019/20 as a number of large developments have reached the subdivision stage. These funds are to be quarantined in reserves for future open space enhancement projects.
→	\$1.43m	Updated forecast includes the prepayment of 2020/21 Victoria Grants Commission funding for Local Governments in 2019/20.
→	\$0.97m	Council has approved a number of Right of Way divestments not required for servicing the community. Funds will be quarantined in reserve for future strategic property acquisition and development.
→	\$3.50m	Council's Accounting Policy is to take up the market value of rent to community groups as non-cash income and expenditure in the financial year the new agreements have been agreed by Council. It is expected that Council will renew \$0.48 million of lease agreements in addition to the \$3.02 million recognised in 2018/19. This reflects GAAP obligations.
→	\$0.24m	Income relating to 2018/19 State Revenue Office land valuation services fully offset by valuation expenditure.
→	\$0.10m	Victorian Government awarded funding for Water Sensitive Urban Design at Langbridge/ Patterson Streets
→	(\$0.53m)	Park St Bike Link part of the public realm improvements to the ANZAC station precinct has been rescheduled to align with the Masterplan timelines - completion expected in 2021/22. Additional community consultation will be required and Council will receive funding in line with new schedule.
→	(\$0.48m)	Council has been diverting offenders with multiple parking infringements to the Magistrate Court which has improved our cash position (higher collection rate and lower payments of lodgement fees). The accounting impact is lower filing fee income and lower lodgement fee expenditure for the financial year.
→	(\$0.24m)	Lower utilisation of council run child care centres offset by lower expenditure.
→	(\$0.18m)	Realignment of Parking Infringement Notices cancellation budget and the Parking Infringement Notices doubtful debt provisions (net neutral impact).
→	(\$0.15m)	Lower utilisation of council facilities partially offset by lower expenditure. Officers are undertaking a strategic review including future use of facilities, marketing, operational costs and pricing.
→	(\$0.11m)	Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.
↓	(\$7.30m)	Council has seen a material drop in paid parking utilisation due to Covid-19 travel restrictions. This also impacts on infringement notices from non-compliance of parking restrictions.
↓	(\$2.95m)	Council endorsed on the 25 March meeting to provide transparent, effective, efficient and affordable support to our community and economy, to enhance resilience to and recovery from the Covid-19 pandemic. The updated financial projection is \$2.95m, \$0.45m more than was expected.

## Notes to the Comprehensive Income Statement Converted to Cash – March 2020

↓	(\$1.78m)	The Federal Government's Early Childhood Education and Care Relief Package payable to Council for our childcare services is based on 50% of the lower capped fee. In addition to lower utilisation, Council expects an income loss of \$1.78m this financial year. Officers are minimising costs where possible including agency and contract staff. However, the service cost base has a high fixed component - permanent childcare employees.
↓	(\$0.63m)	The impact of Covid-19 is placing further pressure to an already weak development market particularly in the high value development category. We expect lower income from development activity in the near to medium term.
↓	(\$0.42m)	South Melbourne Market has been impacted by the Covid-19 pandemic included the suspension of NEFF cooking classes, lower utilisation of rooftop paid parking, rent relief and other income.
↓	(\$0.30m)	The Investment Income budget was prepared based on Deloitte Access Economic projections. Since then, the money market yield has dropped materially. Currently, investment yields offered by financial institutions are approximately 1.7%, approximately 1% lower than budgeted.
↓	(\$0.30m)	The implementation PayStay enabled a more convenience payment option for paid parking. Council has seen greater utilisation of our metered parking spaces and increased parking compliance, which has contributed to the reduction of Parking Infringement Notices issued.
↓	(\$0.15m)	Lower income from building permits than budgeted due to lower development activity.

### Note 2. Operating expenditure forecast decreased by \$1.50 million:

#### Net forecast operating expenditure changes in the month of March 2020 included the following material items:

↑	\$2.69m	Tight fiscal controls are in place to address the expected cash deficit. To date we have identified \$2.69m from the operating budget: <ul style="list-style-type: none"> <li>• \$2.19m of employee costs as all vacant positions are put on hold unless necessary (OHS or statutory requirements), agency and contract staff minimised.</li> <li>• \$0.4m of staff training and conferences budget.</li> <li>• \$0.1m of other discretionary expenditure.</li> </ul> More reviews are being undertaken.
The operating portfolio is being reviewed regularly and the results for March are:		
↑	\$0.58m	Savings to be realised including the Fishermans Bend Program, Elster Creek Catchment Partnership, Site Contamination Policy, Standard Drawings & Designs, Carlisle St Supermarket Strategy, Placemaking Program, Community Action Plan, Bio-diversity Study and Action Plan, and Heat& Solar Data Analysis.
→	\$0.72m	Projects experiencing delays due to a number of factors including the impact of Covid-19, reliance on Victorian Government Agencies and procurement delays. The following projects have deferrals to 2020/21 including the Future Operations Centre and Hub Feasibility, In Our Backyard Strategy Implementation, Waste Strategy Implementation Program, South Melbourne Market Strategic Business Case, and Carlisle St Carparks Strategy Implementation.
↓	(\$0.20m)	Increased tree root maintenance in response to increasing number of tree root damage requests. Future claims for damages can be avoided by additional upfront expenditure.
↓	(\$0.15m)	Ongoing cost of maintaining Northport Oval post Capital Works upgrade. The additional cost is being negotiated with users of the facility.

#### Net forecast operating expenditure changes year to date March 2020 included the following material items:

↑	\$2.69m	Tight fiscal controls are in place to address the expected cash deficit. To date we have identified \$2.69m from the operating budget: <ul style="list-style-type: none"> <li>• \$2.19m of employee costs as all vacant positions are put on hold unless necessary (OHS or statutory requirements), agency and contract staff minimised.</li> <li>• \$0.4m of staff training and conferences budget.</li> <li>• \$0.1m of other discretionary expenditure.</li> </ul> More reviews are being undertaken.
↑	\$0.66m	Lower employee costs for Council managed childcare services due to active management of staffing levels in response to changes in utilisation, monitoring and minimising use of agency staff and where possible backfill with existing staff.
↑	\$0.58m	Savings to be realised including the Fishermans Bend Program, Elster Creek Catchment Partnership, Site Contamination Policy, Standard Drawings & Designs, Carlisle St Supermarket Strategy, Placemaking Program, Community Action Plan, Bio-diversity Study and Action Plan, and Heat& Solar Data Analysis.
↑	\$0.54m	Reduced Employee costs due to vacancies across the Enterprise.
↑	\$0.13m	Efficiency savings from competitive tendering Public Liability insurance which resulted in lower premiums and greater insurance cover.
→	\$3.33m	Delays in procurement and rephasing following detailed planning with vendors for the Customer Experience program will result in budget deferrals to 2020/21.
→	\$0.72m	Projects experiencing delays due to a number of factors including the impact of Covid-19, reliance on Victorian Government Agencies and procurement delays. The following projects have deferrals to 2020/21 including the Future Operations Centre and Hub Feasibility, In Our Backyard Strategy Implementation, Waste Strategy Implementation Program, South Melbourne Market Strategic Business Case, and Carlisle St Carparks Strategy Implementation.
→	\$0.48m	Council has been diverting offenders with multiple parking infringements to the Magistrate Court which has improved our cash position (higher collection rate and lower payments of lodgement fees). The accounting impact is lower filing fee income and lower lodgement fee expenditure for the financial year.
→	\$0.15m	Reduced expenditure to offset lower hall hire utilisation. Officers are undertaking a strategic review including future use of facilities, marketing, operational costs and pricing.
→	\$0.11m	Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.

## Notes to the Comprehensive Income Statement Converted to Cash – March 2020

➔	(\$3.50m)	Council's Accounting Policy is to take up the market value of rent to community groups as non-cash income and expenditure in the financial year the new agreements have been agreed by Council. It is expected that Council will renew \$0.48 million of lease agreements in addition to the \$3.02 million recognised in 2018/19. This reflects GAAP obligations.
➔	(\$0.34m)	A number of 2018/19 Operating Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Standard drawings & design, Art on Hoardings, Placemaking program, Parking controls & permit policy, and Business enablement & innovation fund.
➔	(\$0.24m)	Income relating to 2018/19 State Revenue Office land valuation services fully offset by valuation expenditure.
↓	(\$1.20m)	Increased doubtful debt provision for parking debtors managed by Fines Victoria reflecting ongoing collection and system issues.
↓	(\$0.62m)	Forecast additional cost of recycling processing due to market disruptions and contractor issues. This disruption is likely to continue to place cost pressure to Council.
↓	(\$0.32m)	Project increase for Sports Playing Fields Renewal - Following the completion of tender documentation and an independent Opinion of Probable Costs to implement the full scope of the project will cost more than the allocated budget.
↓	(\$0.28m)	A number of key changes to the St Kilda Marina lease project scope approved by Council for additional site investigates, planning scheme amendment, and advice for legal, procurement, probity and design.
↓	(\$0.20m)	Increased tree root maintenance in response to increasing number of tree root damage requests. Future claims for damages can be avoided by additional upfront expenditure.
↓	(\$0.15m)	Ongoing cost of maintaining Northport Oval post Capital Works upgrade. The additional cost is being negotiated with users of the facility.
↓	(\$0.15m)	Additional legal expenditure required for planning appeals and Fishermans Bend planning amendments.
↓	(\$0.11m)	Newly tendered South Melbourne Market Cleaning contract greater than budgeted due to market pricing.
↓	(\$0.09m)	Gender Equality Game Jam - funding was received in 2018/19.

### Note 3. Capital expenditure forecast decreased by \$12.8 million:

#### Net forecast changes to capital expenditure in month of March 2020 included the following material items.

The operating portfolio is being reviewed regularly and the results for March are:

↑	\$2.93m	Savings to be realised due to a number of factors including the Covid-19 impact constraints such as supply chain, procurement savings, reduced scope of works, project not going ahead, works deferred and funded in 2020/21. The larger project savings include: Annual Fleet Renewal, South Melbourne Renewal Works, Healthy Tracks, Hostile Vehicle Mitigation Foreshore Security Gate, Drainage Condition CCTV Assessment, South Melbourne Life Saving Club Redevelopment, Building Minor Capital Works, Road Resurfacing Program, Stormwater Renewal Program, and Public Toilet Plan Implementation.
➔	\$4.38m	Projects experiencing delays due to a number of factors including the impact of Covid-19 on supply chain, reliance on Victorian Government Agencies, procurement delays and design delays. The larger projects include Garden City Bike Path, Elwood Park Lighting Expansion, JL Murphy Play Space Upgrade, Graham Street Overpass Skate Park, St Kilda Town Hall Staff Accommodation, Accessibility Improvements in Council Facilities, Wellington Street Upgrade Stage 3, Fitzroy St Public Toilet, and Lagoon Reserve Sports Field Redevelopment.

#### Net forecast changes to capital expenditure year to date March 2020 included the following material items:

↑	\$2.93m	Savings to be realised due to a number of factors including the Covid-19 impact constraints such as supply chain, procurement savings, reduced scope of works, project not going ahead, works deferred and funded in 2020/21. The larger project savings include: Annual Fleet Renewal, South Melbourne Renewal Works, Healthy Tracks, Hostile Vehicle Mitigation Foreshore Security Gate, Drainage Condition CCTV Assessment, South Melbourne Life Saving Club Redevelopment, Building Minor Capital Works, Road Resurfacing Program, Stormwater Renewal Program, and Public Toilet Plan Implementation.
↑	\$0.40m	The Maritime Asset Audits which has determined that there are no design or rectification works required for 2019/20. Funds to be quarantined in Asset Renewal Reserve.
↑	\$0.31m	St Kilda Town Security Upgrade underspends expected due to reduced number of front counter reconfigurations required. Funds to be quarantined in Asset Renewal Reserve for future renewal requirements.
↑	\$0.14m	Safe Roof Access underspends to be transferred to Asset Renewal Reserve for future renewal requirements.
↓	(\$0.40m)	Additional budget required for JL Murphy Reserve to address costs associated with the poor structural condition of the building revealed during demolition and additional contaminated soil costs.
↓	(\$0.33m)	Accessibility Improvements in Council Buildings - three Disability Discrimination Act compliant and accessible public toilet facilities are to be delivered in 2019/20. Market driven pricing through the public tender process are higher than anticipated costs.
↓	(\$0.13m)	Cora Graves Accessibility Improvements - Project has been brought forward to meet urgent OH&S requirements as identified in the Audit report.
↓	(\$0.31m)	Gasworks Theatre Seats - additional budget required for works associated with the environmental assessment, design, structural, electrical and fire engineering works.
↓	(\$0.20m)	Chipton Reserve overspends mainly due to higher tendered prices. The project overspend will partially be offset from a drawdown on Open Space Reserves.
↓	(\$0.18m)	Hostile Vehicle Mitigation for Luna Park & Palais part of the rolling Public Space Security Program required additional funding to include public realm improvement works. The overspend will be funded from brought forward of 2020/21 funds.

Notes to the Comprehensive Income Statement Converted to Cash – March 2020

↓	(\$0.17m)	RF Julier Reserve Pavilion and Park Improvement project require additional funding to meet design, installation of light and site contamination management. A drawdown from Open Space Reserve will be required to partially offset the additional expenditure.
→	\$6.55m	A number of project have been identified as deferrals to 2020/21. They include the South Melbourne Town Hall major works \$3.0m, Port Melbourne and St Kilda Town Hall accommodation strategy \$0.98m, St Vincent Gardens playground redevelopment \$0.5m, Palais Theatre \$0.46m, Gasworks Arts Park Reinstatement \$0.45m, EcoCentre Redevelopment \$0.36m, Building Safety Corrective Actions \$0.29m, Fitzroy St Streetscape (public toilets) \$0.20m, Adventure Playgrounds Upgrade \$0.13m and Shakespeare Grove Hostile Vehicle Mitigation works \$0.08m.
→	\$4.38m	Projects experiencing delays due to a number of factors including the impact of Covid-19 on supply chain, reliance on Victorian Government Agencies, procurement delays and design delays. The larger projects include Garden City Bike Path, Elwood Park Lighting Expansion, JL Murphy Play Space Upgrade, Graham Street Overpass Skate Park, St Kilda Town Hall Staff Accommodation, Accessibility Improvements in Council Facilities, Wellington Street Upgrade Stage 3, Fitzroy St Public Toilet, and Lagoon Reserve Sports Field Redevelopment.
→	\$1.47m	The following project have been identified in February 2020 for deferral to 2020/21: <ul style="list-style-type: none"> <li>• \$0.60m South Melbourne Market Compliance - due to dependency on the South Melbourne Market Master planning including additional detailed design work and project management resourcing.</li> <li>• \$0.34m Bike Infrastructure Planning &amp; Design - detailed design of the Garden City Bicycle path is expected to be completed in mid April 2020. The design of Inkerman St bike route has been delayed in order to explore design options for a bike corridor along Inkerman Bike Route with the City of Glen Eira. Port Phillip officers have formed a technical working group with Glen Eira to explore alternative design options across our boundaries. A draft tender has been completed to engage external consultants to engage design consultants</li> <li>• \$0.30m St Kilda Foreshore Missing Link - a conceptual design has been developed and will inform future budget considerations. Relevant stakeholder consultation required in order to complete design and commencing construction.</li> <li>• \$0.13m St Kilda Pier Foreshore Upgrade - high level strategic assessment and options for foreshore upgrades has been completed. The Council's next steps are dependent upon Parks Victoria's design work for the new Pier, which will be commenced from April/May 2020. As such, the \$130K has been deferred to 2020/21.</li> <li>• \$0.10m Public Toilet Plan Implementation - additional feasibility and consultation work required to determine a possible location for the new public amenities along Fitzroy St following the decision from Parks Victoria not to allow Council to utilise space on their land which has caused delays in commencing design development and construction commencement.</li> </ul>
→	\$0.53m	Park St Bike Link part of the public realm improvements to the ANZAC station precinct has been rescheduled to align with the Masterplan timelines - completion expected in 2021/22. Additional community consultation will be required and Council will receive funding in line with new schedule.
→	(\$0.96m)	A number of 2018/19 Capital Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Elwood public space wall & play space, Alma Park stormwater harvesting, Public space lighting - Bay Trail, Public space security improvements, Acland St CCTV, South Melbourne Town Hall Lift & Ramp, and South Melbourne Solar PV.
→	(\$0.87m)	A number of projects have been brought forward from 2020/21 planned works to offset project deferrals in 2019/20 as part of the Mid-year financial review. The three projects included: \$0.25m for Parking Sensors, \$0.51m for Bubup Nairn Cladding Rectification, and \$0.11m for Cora Graves Accessibility Improvements.
→	(\$0.34m)	Federal Government funding to be used on lighting at four Sporting fields in 2019/20.
→	(\$0.22m)	Additional scope of works identified in the building surveyor audit to address Childcare Centre Fence compliance funded from the Children Centre Infrastructure fund.
→	(\$0.14m)	Ferrars St Streetscape works to be funded from general reserves and Victorian Government contributions.
→	(\$0.11m)	Victorian Government awarded funding for Water Sensitive Urban Design at Langbridge/ Patterson Streets
<b>Note 4. Net replenishing of reserves increased by \$16.2 million:</b>		
<b>Net forecast changes to reserves in the month March 2020 included the following items:</b>		
→	(\$4.38m)	Capital Projects experiencing delays due to a number of factors including the impact of Covid-19 on supply chain, reliance on Victorian Government Agencies, procurement delays and design delays. The larger projects include Garden City Bike Path, Elwood Park Lighting Expansion, JL Murphy Play Space Upgrade, Graham Street Overpass Skate Park, St Kilda Town Hall Staff Accommodation, Accessibility Improvements in Council Facilities, Wellington Street Upgrade Stage 3, Fitzroy St Public Toilet, and Lagoon Reserve Sports Field Redevelopment.
→	(\$0.72m)	Projects experiencing delays due to a number of factors including the impact of Covid-19, reliance on Victorian Government Agencies and procurement delays. These projects include the Future Operations Centre and Hub Feasibility, In Our Backyard Strategy Implementation, Waste Strategy Implementation Program, South Melbourne Market Strategic Business Case, and Carlisle St Carparks Strategy Implementation.
<b>Net forecast changes to reserves year to date March 2020 include following material items:</b>		
→	\$1.87m	Net drawdown on Asset Renewal Reserve for additional expenditure on JL Murphy, Council Buildings Accessibility Improvement, Cora Graves Accessibility Improvements, Gasworks Theatre Seats, Sport Playing Fields Renewal, and St Kilda Marina Lease Project.
→	\$0.96m	A number of 2018/19 Capital Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Elwood public space wall & play space, Alma Park stormwater harvesting, Public space lighting - Bay Trail, Public space security improvements, Acland St CCTV, South Melbourne Town Hall Lift & Ramp, and South Melbourne Solar PV.
→	\$0.87m	A number of projects have been brought forward from 2020/21 planned works to offset project deferrals in 2019/20 as part of the Mid-year financial review. The three projects included: \$0.25m for Parking Sensors, \$0.51m for Bubup Nairn Cladding Rectification, and \$0.11m for Cora Graves Accessibility Improvements.

## Notes to the Comprehensive Income Statement Converted to Cash – March 2020

➔	\$0.34m	A number of 2018/19 Operating Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Standard drawings & design, Art on Hoardings, Placemaking program, Parking controls & permit policy, and Business enablement & innovation fund.
➔	\$0.22m	Additional scope of works identified in the building surveyor audit to address Childcare Centre Fence compliance funded from the Children Centre Infrastructure fund.
➔	(\$7.07m)	A number of project have been identified as deferrals to 2020/21. They include the South Melbourne Town Hall major works \$3.0m, Port Melbourne and St Kilda Town Hall accommodation strategy \$0.98m, St Vincent Gardens playground redevelopment \$0.5m, Palais Theatre \$0.46m, EcoCentre Redevelopment \$0.36m, Building Safety Corrective Actions \$0.29m, Fitzroy St Streetscape (public toilets) \$0.20m, Adventure Playgrounds Upgrade \$0.13m and Shakespeare Grove Hostile Vehicle Mitigation works \$0.08m.
➔	(\$4.38m)	Capital Projects experiencing delays due to a number of factors including the impact of Covid-19 on supply chain, reliance on Victorian Government Agencies, procurement delays and design delays. The larger projects include Garden City Bike Path, Elwood Park Lighting Expansion, JL Murphy Play Space Upgrade, Graham Street Overpass Skate Park, St Kilda Town Hall Staff Accommodation, Accessibility Improvements in Council Facilities, Wellington Street Upgrade Stage 3, Fitzroy St Public Toilet, and Lagoon Reserve Sports Field Redevelopment.
➔	(\$3.33m)	Delays in procurement and rephasing following detailed planning with vendor for the Customer Experience program will result in budget deferrals to 2020/21.
➔	(\$1.60m)	A greater amount of open space contributions expected in 2019/20 as a number of large developments have reached the subdivision stage. These funds are to be quarantined in reserves for future open space enhancement projects.
➔	(\$1.47m)	The following project have been identified in February 2020 for deferral to 2020/21: <ul style="list-style-type: none"> <li>• \$0.60m South Melbourne Market Compliance - due to dependency on the South Melbourne Market Master planning including additional detailed design work and project management resourcing.</li> <li>• \$0.34m Bike Infrastructure Planning &amp; Design - detailed design of the Garden City Bicycle path is expected to be completed in mid April 2020. The design of Inkerman St bike route has been delayed in order to explore design options for a bike corridor along Inkerman Bike Route with the City of Glen Eira. Port Phillip officers have formed a technical working group with Glen Eira to explore alternative design options across our boundaries. A draft tender has been completed to engage external consultants to engage design consultants</li> <li>• \$0.30m St Kilda Foreshore Missing Link - a conceptual design has been developed and will inform future budget considerations. Relevant stakeholder consultation required in order to complete design and commencing construction.</li> <li>• \$0.13m St Kilda Pier Foreshore Upgrade - high level strategic assessment and options for foreshore upgrades has been completed. The Council's next steps are dependent upon Parks Victoria's design work for the new Pier, which will be commenced from April/May 2020. As such, the \$130K has been deferred to 2020/21.</li> <li>• \$0.10m Public Toilet Plan Implementation - additional feasibility and consultation work required to determine a possible location for the new public amenities along Fitzroy St following the decision from Parks Victoria not to allow Council to utilise space on their land which has caused delays in commencing design development and construction commencement.</li> </ul>
➔	(\$1.60m)	A greater amount of open space contributions expected in 2019/20 as a number of large developments have reached the subdivision stage. These funds are to be quarantined in reserves for future open space enhancement projects.
➔	(\$0.97m)	Council has approved a number of Right of Way divestments not required for servicing the community. Funds will be quarantined in reserve for future strategic property acquisition.
➔	(\$0.72m)	Projects experiencing delays due to a number of factors including the impact of Covid-19, reliance on Victorian Government Agencies and procurement delays. These projects include the Future Operations Centre and Hub Feasibility, In Our Backyard Strategy Implementation, Waste Strategy Implementation Program, South Melbourne Market Strategic Business Case, and Carlisle St Carparks Strategy Implementation.

## Legislative update

### Legislative changes

No legislative changes were made during March 2020 that may affect the City of Port Phillip.

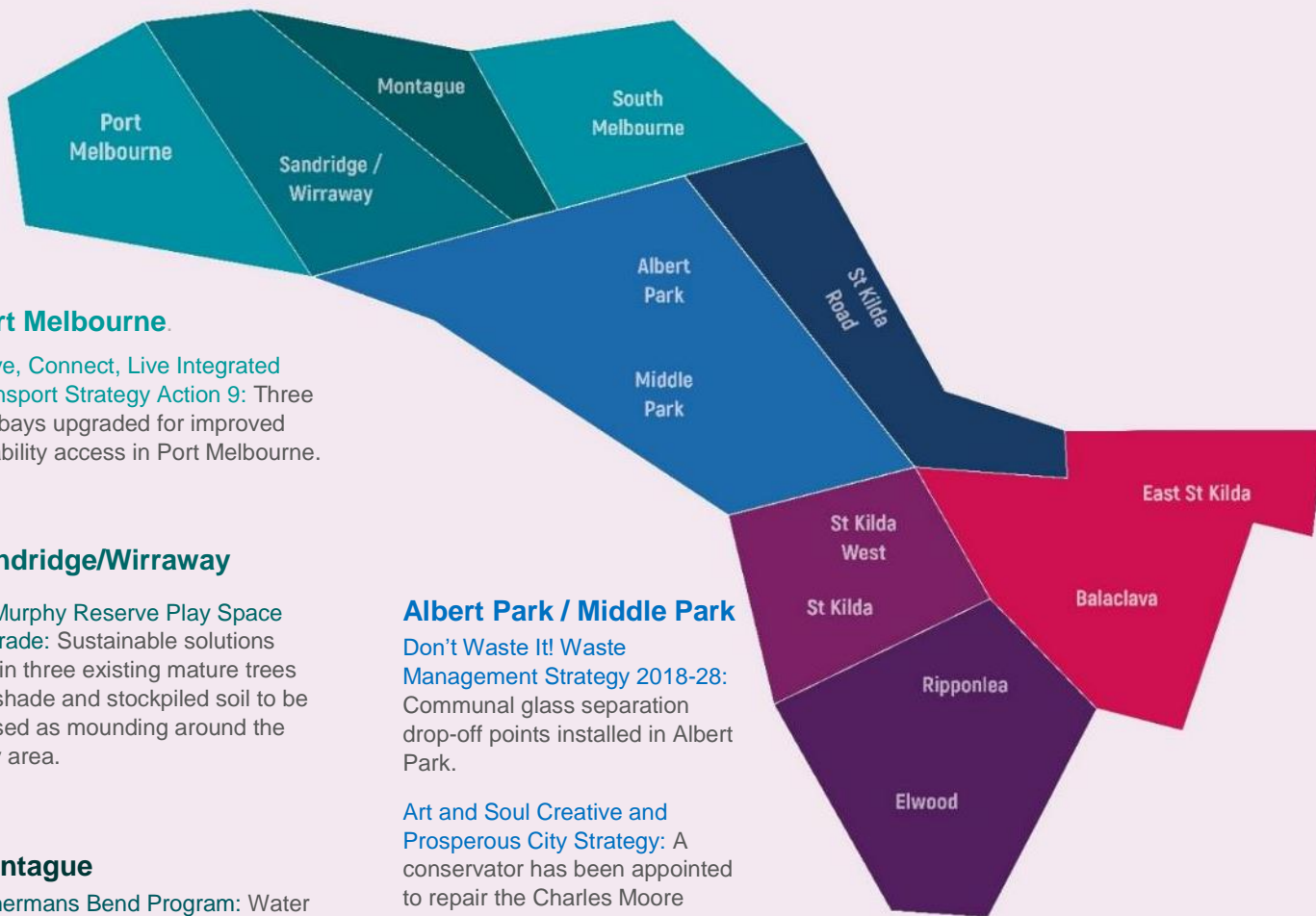
### Material legislative breaches

There were zero material legislative breaches recorded in March 2020.

One material breach of the Local Government Act was recorded in August 2019 over a two-year period where the \$150,000 threshold was exceeded for untendered social media communications activity. Our year to date total is one material legislative breach.

The City of Port Phillip has received Ministerial approval for the purposes of section 186(5)(c) of the *Local Government Act 1989*, to engage directly with Facebook Australia Pty Ltd for the provision of advertising services through its social media platform from 1 October 2019 until 30 September 2021.

## What's happened in our local neighbourhoods?



### Port Melbourne.

**Move, Connect, Live Integrated Transport Strategy Action 9:** Three car bays upgraded for improved disability access in Port Melbourne.

### Sandridge/Wirraway

**JL Murphy Reserve Play Space upgrade:** Sustainable solutions retain three existing mature trees for shade and stockpiled soil to be reused as mounding around the play area.

### Montague

**Fishermans Bend Program:** Water Sensitive City Strategy completed and Place Creation work underway.

### South Melbourne

**Move, Connect, Live Integrated Transport Strategy Action 9:** Two car bays upgraded for improved disability access.

**Road Renewal:** Stage 2 of Park Street, South Melbourne (Palmerston Crescent to Millers Lane) road resurfacing and preventative road works completed.

**Kerb and Gutter Renewal:** Completed work at Dorcas Street and Ferrars Street, Lorne Street, Queens Road.

### Albert Park / Middle Park

**Don't Waste It! Waste Management Strategy 2018-28:** Communal glass separation drop-off points installed in Albert Park.

**Art and Soul Creative and Prosperous City Strategy:** A conservator has been appointed to repair the Charles Moore Memorial in St Vincent Gardens following its damage by vandals.

### St Kilda / St Kilda West

**Kerb Renewal:** Canterbury Road St Kilda West included 15m concrete kerb replacement and 1 tree square modified.

**Footpath Renewal:** Fitzroy Street, St Kilda (outside St Kilda Bowling Club) had footpath resurfacing this month.

**Placemaking Program:** Sales to traders from regional Victoria approximately \$37,000 in total. Initiative proved that using empty stores with strong publicity brings activity, people and economic benefit back to Fitzroy Street.

**Peanut Farm Reserve:** Landscape works and new rebound wall completed.

### Elwood / Ripponlea

**Sports Field Renewal:** New grass laid and infrastructure installed at Esplanade Oval, Elwood Park

### Balaclava / St Kilda East

**Alma Park:** The integration works at Alma Park are now complete. These works have included the construction of bluestone retaining walls, establishment of lawn and garden areas and planting of several large shade trees.