

# CEO Report

#63 – March 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.

# CEO Report

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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 in subject to change.

**Our City is growing rapidly and so is the amount of waste we produce. This has all kinds of implications, both locally and globally.**

**PETER SMITH**

CEO City of Port Phillip



**Welcome to the March issue of the CEO Report.**

We have emerged from a challenging summer, one that has underscored the urgency of Council declaring a climate emergency last year. There are things we can do as a community to better manage our resources and lead more sustainable lives. One of the most pressing issues this year is changing how we manage waste.

**Waste – a shared challenge**

The City of Port Phillip is growing rapidly and so is the amount of waste we produce. This has all kinds of implications both locally and globally and the way we have been managing waste – landfilling and exporting our recycling – is no longer an option. The time has come for all of us to change how we manage waste. In doing so, however, we face challenges, key among these are cost increases and environmental targets.

**Cost increases**

Following the 2019 recycling crisis, there have been significant changes in the waste and recycling industries, and the cost of managing waste is increasing every year at a much higher rate than CPI. In fact, the running costs of our current waste services have increased by more than 11 per cent over the last two years, and are expected to increase even more in coming years. These costs are well above the allowable rate-cap

increase, and do not account for any additional services.

**Environmental targets**

Council has committed to delivering waste services that meet our environmental targets and provide better outcomes for our community. This includes trialling new services in 2020, such as glass recycling in Garden City, Albert Park and South Melbourne, ahead of rolling them out to the broader community.

Council has achieved efficiency savings to offset these new services, with approximately \$1.5 million of efficiency savings allocated to offset the additional cost in 2019/20. Yet, given the increases outlined above, these savings fall short of covering additional costs.

The need to tackle these challenges is why Council is considering the introduction of a waste and amenity levy, like those already implemented by most Victorian councils. This would be charged separately to rates. We are consulting with the community on this topic throughout March. Visit [Have Your Say](#) for more information.

**New e-bike scheme hits the streets**

An innovative e-bike share scheme, launched this month, provides a new and enjoyable way to move sustainably and efficiently around our City. The City of Port Phillip, the City of Melbourne and City of Yarra signed a Memorandum of Understanding (MOU) with

JUMP to run the e-bike scheme on a one-year trial. The e-bikes were introduced with the plan of rolling out additional bikes if the trial is successful. In line with Council's Move, Connect, Live strategy, the e-bikes offer an alternative, sustainable and affordable transport option for our community.

**Live Music Action Plan**

As the 40th anniversary of St Kilda Festival has recently demonstrated, live music is at the heart of cultural life in Port Phillip. To help protect and shape the future of local music in all its forms, Council has developed a draft Live Music Action Plan.

We want to work with our community to lay the best foundations for our live music scene so it can flourish, diversify and be sustainable, while minimising barriers as much as possible. Consultation will be open until 22 March 2020.

**Celebrating our community**

Thank you to those who joined us in celebrating our diverse and inclusive community at landmark events such as We-Akon Dilinja, our first Australia Day dawn ceremony; the 15th anniversary of Yaluk-ut Weelam Ngargee Festival; the 25th anniversary of Pride March, with 10,000 people taking to St Kilda streets; and the 40th anniversary of St Kilda Festival, headlined by Icehouse, with a reported 400,000 visitors.

## Strategic partnerships

The Strategic Partnerships team supports the Mayor, CEO, Councillors and Council officers in developing and implementing a strategic engagement approach and advocacy to the Victorian and Federal Governments, government departments, statutory agencies and other key external stakeholders.

The team supports Council officers to prepare briefings, letters and policy submissions.

### Highlights

- Working with Council and the Executive Leadership Team on strategic relationships and meetings with state and federal representatives, including state ministers and departments.
- Providing secretariat support and briefings to the Mayor and CEO to participate in networks such as Inner South Metropolitan Mayors Forum (ISMMF), the Inner Melbourne Action Plan (IMAP) and Fishermans Bend Mayors Forum.
- Leading the co-ordination of Council engagement with the state government to progress planning and delivery of infrastructure at Fishermans Bend, including precinct planning, governance, public transport and affordable housing.
- Working with the Victorian Government on options to increase social and affordable housing.

### Advocacy

- Ongoing work with the state government to progress election commitments and priority projects, including the redevelopment of the EcoCentre, St Kilda Junction and Station Pier.
- Continued advocacy to the Victorian Government for high-frequency public transport (tram and train) links to Fishermans Bend.

### Looking forward

- Developing a report on Council memberships for Council consideration as part of 2020 Membership Review.
- Developing a report on activity in Fishermans Bend, including the development of precinct plans, affordable housing and governance.
- Continue working on Council's advocacy priorities and responding to requests for project support across the City of Port Phillip.

# 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 2017-27 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 January 2020.

## Direction 1 – We embrace difference, and people belong

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**

No service measures are available to be reported on in January 2020.

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

	Key achievements	
	Program/Project	Achievements
	JL Murphy Reserve Pavilion upgrade	All main internal works were completed January 2020 and inspections by the building surveyor, Council and designers have commenced in anticipation of building completion.
	Peanut Farm Reserve site management plan	New cricket nets were opened to the public.
	RF Julier Reserve Pavilion and Park improvement	Received final reports for soil contamination and geotechnical assessments at the two sites.

### Completed projects

**Peanut Farm Reserve Sports Pavilion upgrade**





The pavilion upgrade was completed in March 2019. The official opening event was held in August 2019.

**South Melbourne Life Saving Club redevelopment**

Construction works are complete and the South Melbourne Life Saving Club has commenced operations in the building. An opening event was held on 2 November 2019.

## Direction 1 – We embrace difference, and people belong (continued)

### Major initiatives status updates

Status	Comments	Current approved completion	2019/20 forecast \$'000
<b>In Our Backyard (IOBY) strategy implementation</b>			
	<p>Project is off track. Victorian Government funding for delivery of new affordable housing projects remains uncertain. This presents a major risk to successful implementation of Council's IOBY strategy, in particular delivery of new housing projects through Council's contribution of cash and land.</p> <p>Continued discussions with the Victorian Government relating to funding and specific project opportunities will help refocus the IOBY program. Confirmation of Council's contributions (cash and/or land) and program delivery guidelines (parameters for how Council will partner with others to deliver new housing) will be finalised as opportunities, funding and delivery approaches are confirmed. The project scope and schedule will be adjusted accordingly.</p> <p>On-going work is focused on setting up the program for accelerated housing delivery over the next five years. This includes local and regional housing needs frameworks and assessment of Council property assets for possible housing projects. Planning approval for the Marlborough Street housing project is subject to review by Victorian Civil and Administrative Tribunal in July 2020 and Social Housing Growth Funding for project construction is pending. There is a focus on initiatives that will maximise opportunities to deliver housing through the planning system, including advocacy for stronger planning controls via the Ministerial Advisory Committee on Affordable Housing, and the development of guidelines for delivering affordable housing and Fishermans Bend.</p>	Jun 2021	200
<b>JL Murphy Reserve Pavilion upgrade</b>			
	Project is on track. All main internal works were completed January and inspections have commenced by the Building Surveyor and Council in anticipation of building completion. Transition planning for the clubs' return to the building is ongoing and a tentative date for an opening event has been proposed.	Jun 2020	2,479
<b>Lagoon Reserve Pavilion replacement</b>			
	Project is at risk. Technical investigations have been completed and cost estimates prepared for options to deal with the soil at the reserve. The soil is highly contaminated and will require additional budget to manage. The options will be reviewed in March 2020.	Jan 2023	75
<b>North Port Oval upgrade</b>			
	Project is on track. The oval upgrade works have been completed. Preliminary design work for the surrounds, including the design of perimeter fencing, sports field lighting and public access gates to encourage public access during non-fixture matches has commenced.	Jun 2021	20

### Approved changes

#### Youth Places feasibility and planning

Further information is required in relation to a funding grants model suitable to address gaps for young people in recreation, facilities and access. The project has been extended to allow time to reconsider and present an appropriate model of funding for Council to consider.

### 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 awarded for the supply and installation of suitable marine-grade fitness equipment. There is a requirement to replace a section of storm water drain as part of the project. Depending on what is found on-site during construction and the condition of existing storm water assets this could add additional costs and time delays. Following completion of the procurement process to appoint a construction contractor for the landscape works surrounding equipment, are expected to commence in March 2020.

#### Adventure Playgrounds upgrade

Project is off track. The upgrade of the Adventure Playgrounds has been delayed to allow for the development of an Adventure Playgrounds strategy that will inform the upgrade work.

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

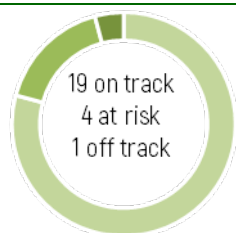
The chart below summarises the most current results for the service performance measures outlined in the Council Plan 2017-27.

### Service measures

### Areas for focus

No service measures are available to be reported on in January 2020.

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



### Key achievements

Program/Project	Achievements
ITS Action 15 Pedestrian Infrastructure Delivery	Consultation completed for two locations from the 2019 Healthy Tracks Program. Concept design for infrastructure improvements at the intersection of Tribe and Iffla streets has been completed.
ITS Action 35 Paid Parking Fee Trial and Evaluation	This project is complete. Council officers have implemented Council's decision on the trials made on 20 November 2019 to retain the seasonal parking prices for the Fitzroy Street Precinct, Waterfront Place Precinct and Elwood Beach Carpark.

### Major initiatives status updates

Status	Comments	Current approved completion	2019/20 forecast \$'000
<b>Integrated Transport Strategy implementation</b>			
✓	Program is on track, except for the Wellington Street upgrade. See Move, Connect, Live – Integrated Transport Strategy update on the next page.	Jun 2028	360
<b>Kerferd Road Safety improvements</b>			
	The Shrine to Sea corridor project is being led by the Department of Environment, Land, Water and Planning with Council negotiating for improved outcomes in public realm and transport network enhancements. Council officers have been participating in the project working group, discussing resourcing, communications and engagement and the project work plan. Interim measures at three Black Spot intersections along Kerferd Road, including line marking and textured pavement markings have been completed.	Jun 2022	100

### Off track non-major initiative project status

#### ✗ ITS Action 13 Wellington Street upgrade: Stage 3

Project is off track. Wellington Street upgrade project is off track due to delays of the VicRoads approval of the final plan and the power authority's design work for the relocation of the public lighting poles.



## Direction 2 – We are connected and it's easy to move around (continued)

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

The Move, Connect, Live Strategy 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. It was endorsed by Council and outlines 42 actions to be delivered or commenced in 2019/20.

#### Action progress

The implementation program for the Integrated Transport Strategy is on track. Of the 42 actions contained in the strategy, 40 are in progress, including one that is off track, and two have been completed.

#### Completed

- Action 2: The Domain Public Realm Masterplan was adopted by Council on 18 September 2019.
- Action 5: The Community Bus service was reviewed as part of the Aged Care Transition Service review (in response to national reforms in aged care).

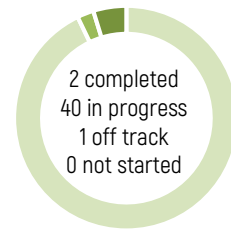
#### Highlights

- Action 15: Two pedestrian improvement projects are under construction (at Mary Street and Canterbury Road intersection and at Normandy and Glen Huntly roads) and will be completed by the end of next month
- Action 16: Preparations for Ride2School Day happening on Friday 13 March 2020 have commenced.
- Action 18: For the Garden City Bike Path, a traffic engineering firm has been appointed and detailed design and construction documentation has started to be prepared in preparation for construction in mid-2020.
- Actions 30 and 31: The results of community consultation on the draft Parking Management Policy has been analysed and updates identified by Council officers to address this feedback. The aim is to bring the updated Parking Management Policy to a Council meeting in February 2020 to seek formal endorsement.
- Action 38: Worked in partnership with the City of Melbourne on an Expression of Interest process to establish a dockless shared e-bike share scheme to operate across inner Melbourne.

#### Challenges

- Action 13: Wellington Street upgrade project is off track due to delays of the VicRoads approval of the final plan and the power authority's design work for the relocation of the public lighting poles.
- Action 38: The need for legislative and regulatory changes by the Victorian Government are delaying Council's ability to establish a shared e-scooter pilot scheme within the municipality.

#### Transforming transport and parking





## Direction 3 – We have smart solutions for a sustainable future

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

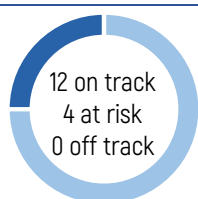
### Service measures



### Areas for focus

Two measures were available for reporting in January 2020, both of which met target. We have sourced 10.28 megalitres of water from alternative sources progressing towards our annual target of 15 megalitres. The second measure on track was the investments in fossil-free institutions with a result of 84 per cent, exceeding target of 80 per cent.

**Portfolio status** – There are 16 projects contributing to the outcomes in this direction.



Key achievements	
Program/Project	Achievements
Greening Port Phillip Strategy implementation program 2019-20	Graham Street, Port Melbourne has been completed.
SES Action 07 and 19 Community Action Plan implementation 2019-20	The H2O check-up program launched with three check-ups conducted at businesses and several leaks identified. Climate Conversations event was held with 140 attendees and many residents making their own Climate Emergency Declarations. An additional five businesses joined the Sustainable Business Network. A mailout was conducted promoting Council's grant for low-income residents to install solar.
Open Space Irrigation Renewal and Upgrade Program 2019-20	Installation of control units at CoPP reserves are complete with automation functionality operating. Water savings have been made by efficient turning on and off of irrigation during rain events recently experienced in January 2020.
SES Action 10 South Melbourne Market Solar	Issued practical completion on 7 January 2020. The project may now be closed.

### Completed projects

#### Alma Park Stormwater Harvesting development

The project is complete and the system is fully operational.

#### South Melbourne Market Solar

The installation of the solar panels was completed in September 2019. After minor modifications to the safe roof access, practical completion was issued in January 2020. 612 solar panels were installed that generate 263,000kWh of electricity each year, the equivalent of powering 45 houses in Port Phillip.

### 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 10 for more details on progress against the Sustainable Environment Strategy.	Jun 2028	570
<b>Waste Strategy implementation</b>			
✓	Program is on track. See page 11 for details on progress against the Waste Strategy.	Jun 2028	888

**Direction 3 – We have smart solutions for a sustainable future (continued)** The Council Plan 2017-27 sets out four areas where Council will focus its efforts to see significant transformation over the next 10 years, including:

**Act and Adapt – Sustainable Environment Strategy 2018-2028  
and Climate Emergency Declaration**

*Transforming waste and water management*

The Act and Adapt Strategy was developed to help address 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.

The City of Port Phillip declared a climate emergency at the 18 September 2019 Council meeting. Council staff are now embedding the declaration in relevant policies and strategies and reviewing opportunities for advocacy to the Victorian and Federal governments. The action progress and highlights listed below further describe how we are addressing the climate emergency through the Sustainable Environment and Don't Waste It Strategies.



**Action 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, 28 actions are underway and the final two (actions 4 and 5) began in January 2020.

**Highlights**

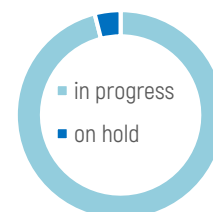
- Action 1: Delivery of the Greening Port Phillip program is underway with works at Beaconsfield Parade, Albert Park and Graham Street, Port Melbourne.
  - Action 3: Field surveys to inform the development of the Biodiversity Study and Action Plan were completed. A draft discussion paper was received from consultants. The second round of community NatureSpot activities have finished with 336 recorded 'naturespots'.
  - Action 9: The boiler at St Kilda Town Hall was upgraded and lighting upgrades at six Council buildings are progressing to improve energy efficiency.
  - Action 31: 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 two months.
  - Action 37: Construction of permeability and greening improvements at Gibbs Street, Balaclava have commenced. Works at Landgridge and Patterson streets are scheduled to commence in February 2020.
-

## Direction 3 – We have smart solutions for a sustainable future (continued)

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

*Transforming waste management*

The Don't Waste It Strategy provides a blueprint for how Council and the community will work together to create a more sustainable future for Port Phillip, ensuring it has a sustained reduction in waste. It was endorsed by Council on 17 October 2018 and outlines 25 actions to commence in 2018-19. Recycling services resumed at the end of September 2019 and will continue with Cleanaway, the new owners of the SKM plant at Laverton.



#### Action progress

Of the 25 actions in the Don't Waste It Strategy, 24 are in progress and one action is on hold (Action 2).

#### Highlights

- Summer Rangers attended Midsumma Carnival promoting waste avoidance and reuse using reusable bag giveaways which were well received.
- Officers submitted a feedback submission to the Standing Committee on Industry, Innovation, Science and Resources on their Terms of Reference into Innovative Solutions in Australia's Waste Management and Recycling Industries.
- The communal glass and kerbside glass trials are planned to begin in March, and conclude at the end of October 2020. The Food Organics Garden Organics trial is planned to begin in May and conclude at the end of December.
- In December 2019, Council endorsed officers to undertake community consultation to introduce a waste and amenity levy via the 2020/21 Council Plan and Budget consultation process. This consultation began in February and will continue through March with a series of community pop-up events and an online survey on Have Your Say. The community is being invited to learn about the challenges faced in the waste sector at present, including increasing costs, export bans, and a growing population, and then to comment on suggested approaches to manage this changing landscape.
- Mailout to 1,500 houses in St Kilda to inform of correct recycling habits following results from a recent Cleanaway recycling bin audit which showed high levels of contamination.
- Multi-unit development (MUDs) education toolkit has been developed, and will provide clear and consistent messaging to residents in MUDs.
- Composting with Community Green Cone program has delivered 269 Green Cones since launch, with 21 delivered/dispatched in January.
- Closed Loop have been selected to provide food composters for installation in high-rise apartment complexes.
- Appointment of MRA Consulting to deliver feasibility study with City of Glen Eira.
- Updates to e-services hard-waste booking portal are complete.
- Updates reinforce and improve clarity around guidelines for compliant collection, as well as introducing automated emails to customers upon booking.
- CoPP has been granted a ministerial exemption to extend current kerbside contracts to 30 June 2021. This extension will ensure the specification of our new contracts meet the requirements of pending market changes.
- Six-month evaluation of activities undertaken so far as part of the Street and Beach Service Review has been completed.
- Recently adopted four-week street cleaning cycles have yielded 35 per cent more streets cleaned per month through efficiencies in route planning. 91 per cent of streets are now being cleaned each month.

#### Challenges

- Officers are working with Council to ensure current programs will enable the strategy targets to be met, given the 2019 recycling challenges and the delayed release of the Victorian Government's Circular Economy Policy. The policy is now expected in February 2020. There is an urgent need to build a circular economy in Victoria in order to create local markets for recycled materials and increase the diversion of waste from landfill.
- Action 8: Cleanaway (Council's kerbside recycling contractor) has undertaken recycling audits and high levels of contamination have been noted. This is being addressed through direct engagement with multi-unit developments and residential neighbourhoods via provision of signage and via online communications.
- Action 8: Council is working with the Victorian Government and other councils to improve state-wide waste management. While the strategy is currently listed as on track it is reliant on this process achieving substantial investment and improvement in waste management and recycling across the state in the medium term.

## Direction 4 – We are growing and keeping our character

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

One measure was available for reporting in January 2020 – the street cleaning audit compliance, which just fell short of the target (95 per cent) with 94 per cent.

**Portfolio status** – There are 28 projects contributing to the outcomes in this direction.



### Key achievements

Program/Project	Achievements
Library Radio Frequency Identification Equipment replacement	Contract has been completed and initial planning discussions have commenced with vendor, including site assessments for implementation. Preferred vendor has been appointed.
Heritage Program Implementation 2019/20	The preliminary review of the new Heritage webpage has been completed.

### 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. Further work to determine the extent of groundwater contamination is required and will continue into 2020. Council officers continue to work with the Victorian Government and environmental consultants to progress the Contamination Management Action Plan. Once this plan is finalised, the draft Park Plan will commence development. Engagement with community is planned for the first half of 2020.	Jun 2022	50
<b>Public Spaces Strategy development</b>			
⚠	Project is at risk. There has been a delay in some of the deliverables, which may impact the completion of the Draft Action Plan costings. The project team is working with the consultant to mitigate this risk. The first phase of public consultation has been completed and the engagement summary report has been finalised.	Jun 2020	195
<b>St Kilda Marina</b>			
⚠	Project is at risk. The project incurred a slight delay to the planning scheme amendment program. Overall, however, it is tracking in line with the Council-approved program. A significant milestone was achieved when a Special Council meeting held on 29 January 2020 endorsed: 1. the officers' response to the issues raised by the submissions to the amendment, including minor recommended changes; 2. that a request be made to the Minister for Planning to appoint an independent planning panel to consider the submissions received. The Request for Proposal period closed on 19 December 2019, and evaluation has commenced. While the program is tight, it is progressing well and the risks highlighted, relating to procurement and budget, are being closely managed.	Jun 2021	460

### Off track non-major initiative project status

#### ✘ Public Space Lighting renewal and upgrade – Bay Trail

Project is off track. The project is eight-weeks behind schedule due to construction delays. Two stages of the four-stage lighting project were completed before Christmas. Construction for stages 3 and 4 was suspended over the Christmas/New Year industry shut-down to minimise disruption to foreshore public activities. Construction has recommenced on the installation of the remaining seven new light poles for stage 2.

#### ✘ Public Toilet Plan implementation

The Fitzroy Street Public Toilet project is off track due schedule slippage caused by a Parks Victoria's decision to not to allow Council to put amenities on their land. Alternate locations are being considered. Other toilet feasibility and design projects within the program are on track.

## Direction 4 – We are growing and keeping our character (continued)

The Council Plan 2017-27 sets out four areas where Council will focus its effort to see significant transformation over the next 10 years. The Fishermans Bend Program 2019/20, is one of these.

### 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.

### Highlights

- The updated work plan is still under development. The plan sets out a staggered release of the precincts supported by a communications and engagement approach with the initial focus on Montague precinct. Following the development of the successful Ferrars Street precinct, the Victorian Government is considering how to catalyse development to maintain momentum across the urban renewal area.
- The new work plan advocates the release of the Montague Precinct Plan in May followed by extensive community consultation over the following three months.
- A critical analysis of the new schedule was undertaken at a risk workshop held between City of Melbourne Fishermans Bend Taskforce and City of Port Phillip on 11 and 14 February 2020. Key risks were examined regarding the new schedule. Following the completion of the risk analysis, changes to the schedule will be recommended to the Intergovernmental Delivery Group for approval. Following the formalisation of the new schedule, Council will be able to develop its own perspective and work to an approved timeline including resource impacts.
- Guidelines have been received for affordable housing and are being appraised by officers.
- Funding work continues to be progressed by the taskforce with involvement from CoPP officers. The intent is to release a draft of the finance and funding plan by midyear including a draft determination on the Infrastructure Contributions Plan.
- A governance review is now underway by Department of Environment Land Water and Planning.
- Council officers will develop options for JL Murphy Reserve. This will be presented through a briefing to Councillors in February 2020.
- Work has now commenced on place creation and a workshop is being scheduled for 4 March 2020.
- The Water Sensitive Cities Strategy is scheduled for discussion with Councillors on 11 March followed by a confidential resolution on 18 March 2020.



### Challenges

The risk profile of the project has been updated. The scope of the Infrastructure Contributions Plan and availability of funding continues to remain a challenge. Key funding risks are being identified and this will need to be progressed further.



## Direction 5 – We thrive by harnessing creativity

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

One service measure was available for reporting in January 2020, visits to library per capita just fell short of target with 5.6 compared to target of 6.3.

**Portfolio status** – There are 12 projects contributing to the outcomes in this direction.



### Key achievements

Program/Project	Achievements
South Melbourne Town Hall Lifts and Ramp upgrade	Asphalting works completed. Electrical and fire services consultants have commenced assessment of the building. Resolved civil design issues.
South Melbourne Market Strategic Business Case	Stakeholders agree on value outcomes. Successful Council briefing with the attainment of consensus and Council supports the direction of the work. Community and trader consultation planned. Request for quote issued to invited consultants for submission by the end of February.

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

### Highlights

#### Actions 1, 2, 3 & 4 – Placemaking program

Love My Place grant projects have been funded and a placemaking program communications plan has been completed.

**Fitzroy Street** place audits for 2019 have been finalised and discussions continue with Creative Victoria and Renew Australia regarding joint funding for the rejuvenation program. Investigation undertaken on the possibility of working with owners of vacant shops to assist bushfire effected businesses in Regional Victoria establish pop-up shops on Fitzroy Street during their rebuilding process. Stakeholder engagement continues along with planning for the one year celebration of placemaking on Fitzroy Street in February 2020.

A Suitcase Rummage held on 11 January 2020 in **South Melbourne** attracted 42 stall holders and approximately 100 visitors. History and heritage trail tested for the Love South Melbourne App and a video filmed for the introduction.

A mid-season Crew Club Review took place at **Waterfront Place** on 10 January 2020. All stakeholders agreed to continue the rest of the season, except for venue owners. Crew Club has moved to the West Finger Pier Kiosk.

#### Action 22 – Develop a Live Music Action Plan

Draft plan released for six-week public consultation and engagement period at the Ordinary Council Meeting on 5 February.

#### Action 25 – Engage with Gasworks and Linden Boards to better leverage Council's investment

Officers will continue to progress direct negotiations to develop strategic partnerships with Gasworks Arts Inc and Linden New Art. Council report will be developed for February outlining progress on key performance indicators and seeking endorsement to commence statutory processes for the leases.

#### Action 31 – Maintain markets as a key activation space

St Kilda Esplanade Market television commercial to air on Channel 7 to promote 50th Anniversary. Event planning underway for birthday event featuring live music, food stalls and other activities in Alfred Square. New website built and ready to go live at the end of the month – includes new booking system which will help to streamline processes

## Direction 6 – Our commitment to you

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

Eleven service measures were available for reporting in January 2020, with seven on track, two at risk and two off track. On track measures included:

- Percentage of priority projects on track
- Council decisions closed to the public
- Audit actions completed on time
- Community time saved
- Staff time saved
- Calls answers within 30 seconds
- Requests resolved within agreed timeframes

At risk measures included Councillor attendance rate at Council meetings (just falling under target with 89 per cent compared to target of 90 per cent) and total recordable injury frequency rate per million work hours (slightly over target with 37.4 compared to target of 21.8).

Off track measure included material legislative breaches (with two breaches recorded this financial year) and staff turnover with a 12-month rolling result of 15.16 per cent compared to 10 per cent. Melbourne has a very competitive labour market and City of Port Phillip staff are well regarded in their profession, which makes them well placed for roles elsewhere. We continue to implement the People and Culture Strategy 2019 that outlines how we plan to attract and retain talent, invest in our people and support them to operate at the best of their ability.

### Portfolio status – There are 17 projects contributing to the outcomes in this direction.



Key achievements	
Program/Project	Achievements
Building CCTV project	Contract awarded to consultant. Resources allocated to continue project.
Acland Street Precinct CCTV Cameras	Obtained owner corporation's approval to install additional wireless equipment for Acland Street CCTV on their rooftop.
Council Plan and Budget Community Engagement 2019-20	Engagement and communication plan finalised and artefacts prepared for engagement, which will commence on 15 February 2020.

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>Customer Experience Program</b>			
▲	Program is at risk due to the overall complexity of the program, managing delivery within budget and timelines, and the management of high risks associated with delivering successful data migration activities. Training sessions have taken place for the core systems to familiarise key Council staff with the finance, asset management and procurement systems. The festivals' website is on track for completion in March 2020 and a review of the current content for the main website has commenced to ensure we deliver productive and user-friendly websites for our staff and community.	Jun 2021	7,833

### Off track non-major initiative project status

#### ✘ Building Renewal and Upgrade – Childcare Fencing



Program is off track. Works at North St Kilda have been inspected by the building surveyors with remedial works to obtain final certification expected by end of February 2020, three months behind schedule. The remaining compliance items requiring rectification at The Avenue are underway. The designs for Coventry Children's Centre are nearing completion. The concept designs for Ada Mary A'Beckett and Clark Street Childcare Centres have commenced. Procurement for a head design consultant has commenced for the remaining five sites.










## Direction 6 – Our commitment to you (continued)

We monitor our performance under Direction 6 – Our commitment to you, ensuring 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 December 2019 period. Additional information is available within this report.




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

<b>Improving customer experience and technology, and being more innovative</b>	<b>Latest results</b>	
80% community requests completed on time	95%	
80% community complaints completed on time	96%	

<b>Improving community engagement, advocacy, transparency and governance</b>		
90% risk and audit actions completed on time	93%	
90% councillor attendance at Council meetings	89%	
90% Council decisions made in public	92%	
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	\$857k	
80% of priority project delivery is on track	88%	

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

Inspiring leadership, a capable workforce and a culture of high performance and safety		
Total recordable injury frequency rate below 21.8	37.36	
Unplanned Leave (days/EFT) below 10.8	12.07	
Staff turnover below 10%	15.2%	

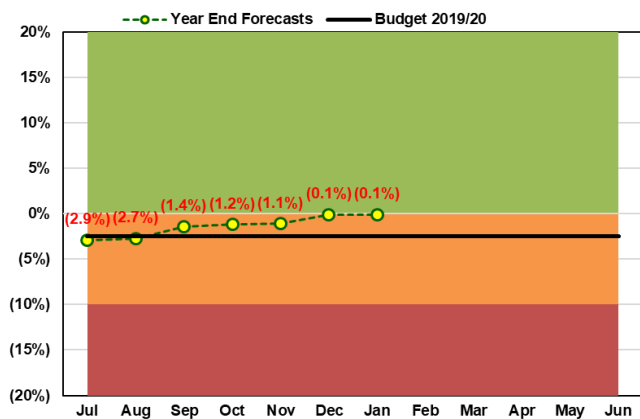
## Financial performance

Council’s decision-making is reflected by the principles of source 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 January indicates an overall low risk financial sustainability rating for Council. Notwithstanding there are some expenditure items having a negative financial impact to Council including waste sector disruptions.
- Council expects to achieve a cumulative cash surplus of \$0.84 million for 2019/20.

### Financial sustainability indicators

#### 1.1 Net result % (net surplus over total income)



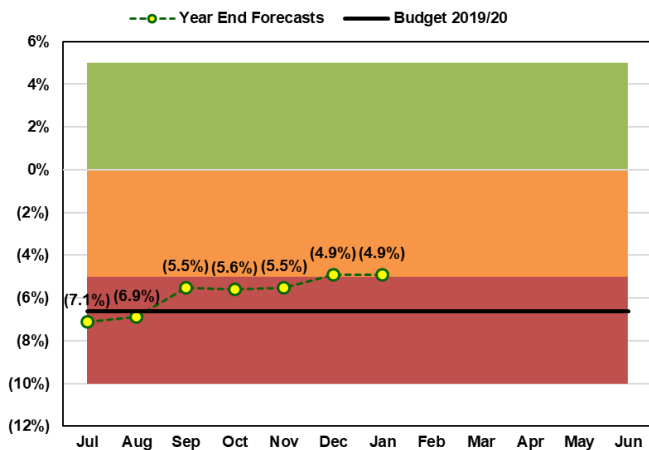
**Target** Greater than 0% **Year-end forecast** -0.1% **Status** ▲

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 while delivering a more efficient enterprise.

As at January 2020, Council has forecast an improvement to -0.1% largely due to the \$3.3 million of program expenditure deferred to 2020/21 following detailed planning after the engagement of vendors.

#### 1.2 Adjusted underlying result % (net results excluding capital grants and contributions)



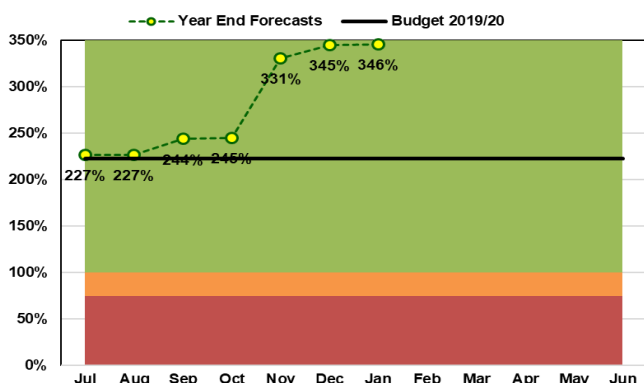
**Target** Greater than 5% **Year-end forecast** -4.9% **Status** ▲

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 January 2020, the forecast for the financial year is -4.9%. 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)



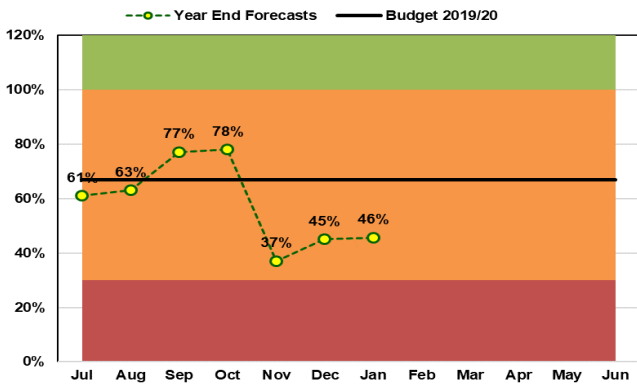
**Target:** Greater than 100% **Year-end forecast:** 346% **Status:** ✓

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 January is 346%. The material change is due to the planned clear-out of all creditor balances by year-end prior to the roll-out of the new financial system on 1 July 2020 to mitigate data migration risks. Council has no issues in paying suppliers and employees when payments fall due.

## Financial sustainability indicators (continued)

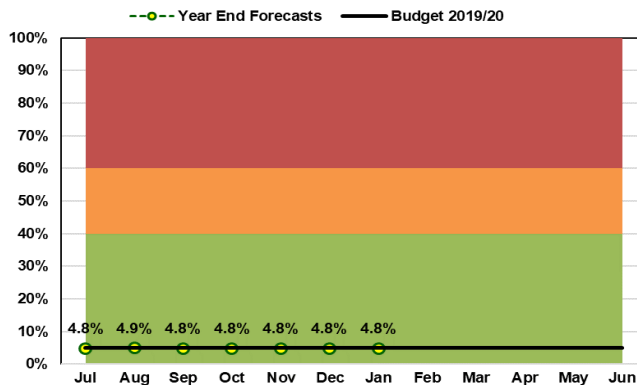
### 1.4 Internal financing % (net operational cashflows compared to net cash capital outlay)



**Target:** Greater than 100%     **Year-end forecast:** 46%     **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 and 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 January shows a deterioration to 46%. This is not a major concern as it relates to the bringing forward of creditor payments for June 2020 invoices to clear out all creditor balances by year-end prior to the roll-out of the new financial system on 1 July 2020. This payment run of approximately \$14m usually takes place in July.

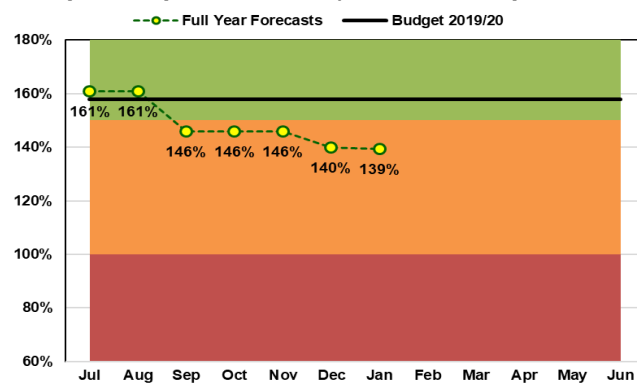
### 1.5 Indebtedness % (own sourced revenue compared to non-current liabilities)



**Target:** Less than 40%     **Full year forecast:** 4.8%     **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 January shows Council is on track to achieve budget.

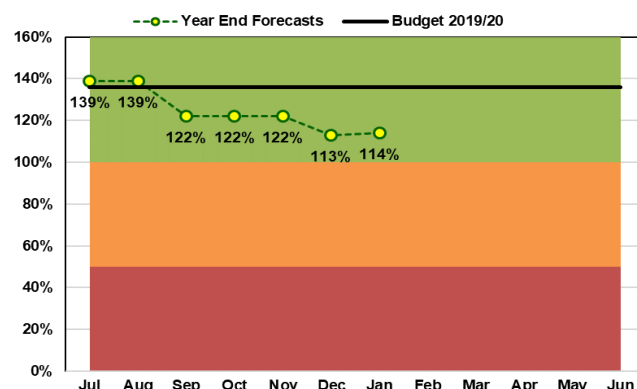
### 1.6 Capital Replacement % (Total cash capital outlay / Depreciation)



**Target:** Greater than 150%     **Year-end forecast:** 139%     **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 January shows a ratio decrease to 139%. This is largely due to a number of capital portfolio projects deferred to 2020/21. Officers have reviewed our project delivery capacity and will be recommending projects identified in the Council Plan that can be brought forward to 2019/20 to address the decline.

### 1.7 Infrastructure renewal gap % (renewal and upgrade capital expenditure compared to depreciation)



**Target:** Greater than 150%     **Year-end forecast:** 114%     **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. A large drop in September mainly due to the deferral of South Melbourne Town Hall major works. At January, the full-year forecast shows a ratio decrease to 114%, mainly due to capital deferred to 2020/21. Our ratio, however, is materially above 100%.

## Comprehensive Income Statement Converted to Cash – January 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 surplus of \$0.84m which compares favourably against the budgeted cash surplus of \$0.43m.

	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	75,632	75,752	(120)	(0%)	129,213	129,149	64	0%	
Statutory Fees and Fines	13,182	13,852	(670)	(5%)	23,626	24,046	(421)	(2%)	
User Fees	25,396	24,855	541	2%	40,075	38,801	1,275	3%	
Grants - Operating	6,102	6,403	(302)	(5%)	9,537	9,430	107	1%	
Grants - Capital	1,276	120	1,156	963%	2,655	2,586	69	3%	
Contributions - Monetary	5,731	5,995	(264)	(4%)	7,950	6,045	1,905	32%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	8,798	8,282	515	6%	18,692	14,381	4,310	30%	
<b>Total Income</b>	<b>136,115</b>	<b>135,259</b>	<b>857</b>	<b>1%</b>	<b>231,747</b>	<b>224,438</b>	<b>7,310</b>	<b>3%</b>	<b>1</b>
<b>Expenses</b>									
Employee Costs	55,918	56,646	729	1%	95,119	96,637	1,518	2%	
Materials and Services	37,544	39,881	2,337	6%	77,193	78,567	1,374	2%	
Professional Services	6,062	6,574	512	8%	13,269	12,899	(370)	(3%)	
Bad and Doubtful Debts	2,757	2,908	151	5%	5,038	3,862	(1,176)	(30%)	
Depreciation	14,595	14,531	(64)	(0%)	24,911	24,911	0	0%	
Borrowing Costs	218	175	(43)	(25%)	350	450	100	22%	
Other Expenses	4,325	4,280	(44)	(1%)	11,782	8,473	(3,310)	(39%)	
Net (Profit) or Loss on Disposal of Assets	(34)	(82)	(48)	59%	4,310	4,310	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
<b>Total Expenses</b>	<b>121,385</b>	<b>124,915</b>	<b>3,530</b>	<b>3%</b>	<b>231,973</b>	<b>230,109</b>	<b>(1,864)</b>	<b>(1%)</b>	<b>2</b>
<b>Operating Surplus / (Deficit)</b>	<b>14,731</b>	<b>10,344</b>	<b>4,386</b>	<b>42%</b>	<b>(225)</b>	<b>(5,671)</b>	<b>5,446</b>	<b>(96%)</b>	
<b>Income Statement Converted to Cash</b>									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	14,595	14,531	64	0%	24,911	24,911	0	0%	
• Add back written-down value of infrastructure assets disposals	0	0	0	0%	4,450	4,450	0	0%	
• Add back written-down value of fleet asset disposals	69	140	(71)	(51%)	240	240	0	0%	
• Add back balance sheet work in progress reallocated to operating	10	700	(690)	(99%)	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	0	0	0	0%	0	0	0	0%	
	<b>14,674</b>	<b>15,371</b>	<b>(698)</b>	<b>(5%)</b>	<b>30,801</b>	<b>30,801</b>	<b>0</b>	<b>0%</b>	
<b>Adjustments for investing items:</b>									
• Less capital expenditure - Infrastructure	(12,154)	(16,101)	3,947	25%	(31,512)	(36,023)	4,511	13%	
• Less capital expenditure - IT, Plant and Equipment	(1,605)	(1,905)	300	16%	(3,219)	(3,219)	0	0%	
	<b>(13,760)</b>	<b>(18,006)</b>	<b>4,246</b>	<b>24%</b>	<b>(34,731)</b>	<b>(39,242)</b>	<b>4,511</b>	<b>11%</b>	<b>3</b>
<b>Adjustments for financing items:</b>									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(390)	(391)	1	(0%)	(670)	(670)	0	0%	
	<b>(390)</b>	<b>(391)</b>	<b>1</b>	<b>(0%)</b>	<b>(670)</b>	<b>(670)</b>	<b>0</b>	<b>0%</b>	
<b>Adjustments for reserve movements:</b>									
• Discretionary Reserve Drawdown/ (Replenish)	1,978	2,750	(772)	(28%)	4,829	13,392	(8,563)	(64%)	
• Statutory Reserve Drawdown/ (Replenish)	0	(1,596)	1,596	(100%)	(27)	632	(659)	(104%)	
	<b>1,978</b>	<b>1,154</b>	<b>824</b>	<b>71%</b>	<b>4,802</b>	<b>14,024</b>	<b>(9,222)</b>	<b>(66%)</b>	<b>4</b>
<b>Current Year Cash Surplus/(Deficit)</b>	<b>17,232</b>	<b>8,473</b>	<b>8,760</b>	<b>103%</b>	<b>(23)</b>	<b>(758)</b>	<b>735</b>	<b>97%</b>	
Opening balance carry forward surplus	862	862	0	0%	862	1,192	(330)	(28%)	
<b>Accumulated Cash Surplus</b>	<b>18,094</b>	<b>9,335</b>	<b>8,760</b>	<b>94%</b>	<b>839</b>	<b>434</b>	<b>405</b>	<b>93%</b>	

## Notes to the Comprehensive Income Statement Converted to Cash

## Notes to the Comprehensive Income Statement Converted to Cash

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

### Note 1. Operating income forecast increased by \$7.31 million:

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

⇒ (\$0.11m) Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.

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

↑	\$1.32m	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.
⇒	\$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.
↓	(\$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.
↓	(\$0.25m)	Lower planning permit application fees income due to weaker activity levels particularly in the large development sector.
↓	(\$0.15m)	Lower income from building permits than budgeted due to lower development activity.

## Notes to the Comprehensive Income Statement Converted to Cash (continued)

<b>Note 2. Operating expenditure forecast increased by \$1.86 million:</b>	
<b>Net forecast operating expenditure changes in the month of January 2020 included the following material items:</b>	
↑	\$0.19m Reduction in Long Day Care employee costs due to temporary closure of centres for renovation over the Christmas period and partly lower utilisation.
⇒	\$0.11m Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.
<b>Net forecast operating expenditure changes year to date January 2020 included the following material items:</b>	
↑	\$0.33m Reduced Employee costs due to vacancies across the Enterprise.
↑	\$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.
↑	\$0.13m 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.
⇒	\$0.48m 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.
⇒	(\$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 additional 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.
↓	(\$0.15m) 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.



## Notes to the Comprehensive Income Statement Converted to Cash (continued)

<b>Note 3. Capital expenditure forecast decreased by \$4.51 million:</b>		
<b>Net forecast changes to capital expenditure in month of January 2020 included the following material items.</b>		
⇒	(\$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.
<b>Net forecast changes to capital expenditure year to date January 2020 included the following material items:</b>		
↑	\$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.
↓	(\$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.
⇒	\$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.
⇒	(\$0.34m)	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



## Notes to the Comprehensive Income Statement Converted to Cash (continued)

<b>Note 4. Net drawdown on reserves decrease by \$9.22 million:</b>	
<b>Net forecast changes to reserves in the month January 2020 included the following items:</b>	
⇒	\$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.
<b>Net forecast changes to reserves year to date January 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.
⇒	\$0.34m 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.
⇒	(\$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.
⇒	(\$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.

## Legislative update

### Legislative changes

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

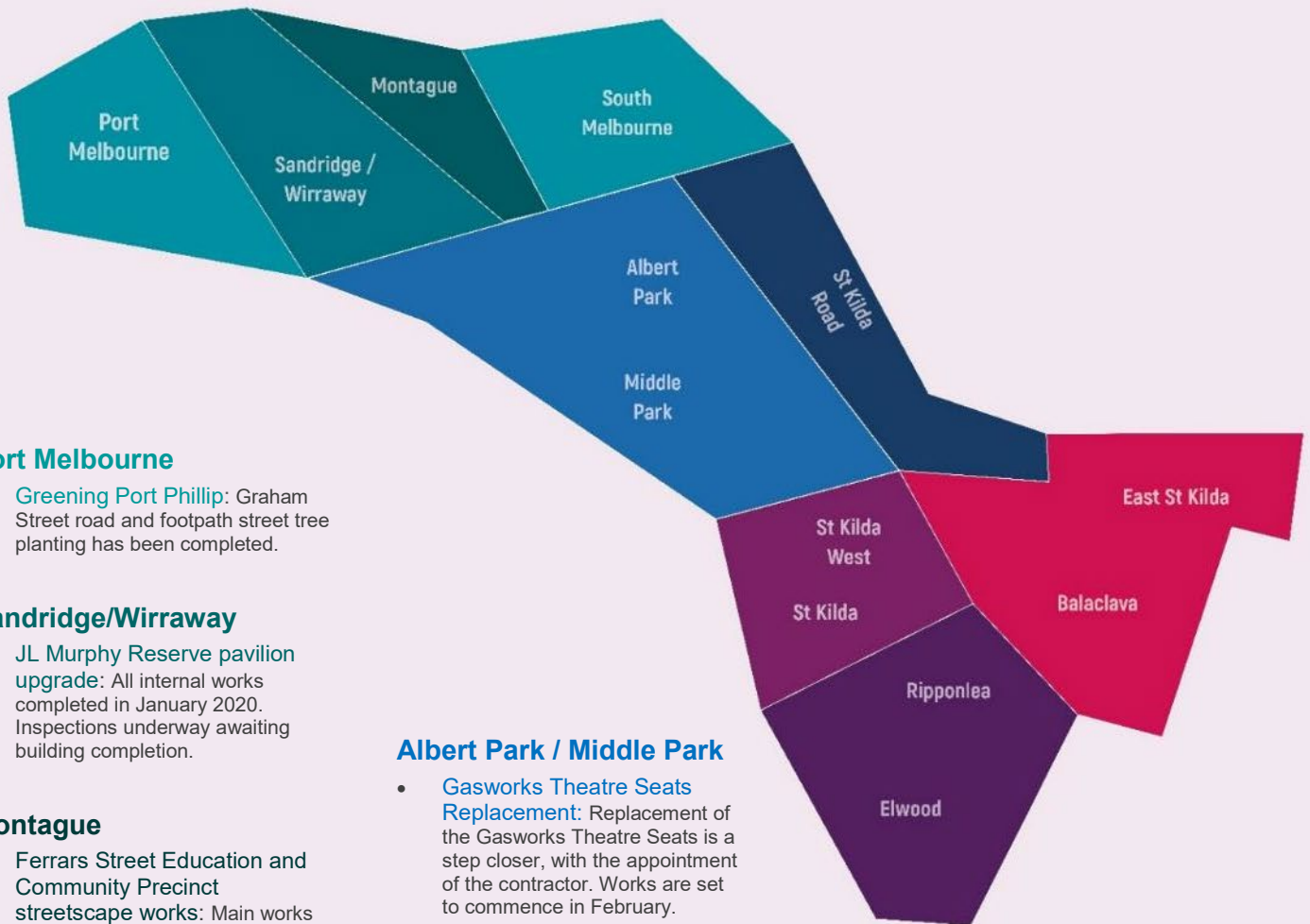
### Material legislative breaches

There was one material legislative breach recorded in January 2020. It was a breach of the *Privacy and Data Protection Act 2014* in relation to a personal name being sent within an email to an external person.

In addition to the breach mentioned above, one material breach was recorded during August 2019, with our year-to-date total at two material breaches. It was a breach of the *Local Government Act* over a two-year period where the \$150,000 threshold was exceeded for untendered activity. This attributed to paid social media communications – which is a legitimate form of advertising and promotion.

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

- **Greening Port Phillip:** Graham Street road and footpath street tree planting has been completed.

## Sandridge/Wirraway

- **JL Murphy Reserve pavilion upgrade:** All internal works completed in January 2020. Inspections underway awaiting building completion.

## Montague

- **Ferrars Street Education and Community Precinct streetscape works:** Main works were completed in early April 2019. All works are now complete.

## South Melbourne

- **South Melbourne Life Saving Club Redevelopment:** The project is completed. The Club is occupying the building under a new lease, and the new kiosk is leased and operating.
- **Pedestrian Infrastructure Delivery:** Concept design for infrastructure improvements at Tribe Street and Iffla Street intersection completed.
- **South Melbourne Town Hall:** Asphaltting works have been completed for the pedestrian ramps. Electrical and fire services consultants have commenced assessment of the building in preparation of the renewal and upgrade works.

## Albert Park / Middle Park

- **Gasworks Theatre Seats Replacement:** Replacement of the Gasworks Theatre Seats is a step closer, with the appointment of the contractor. Works are set to commence in February.

## St Kilda Road

- **Domain Precinct:** The Domain Public Realm Masterplan was adopted by Council on 18 September 2019. Community members and stakeholders involved in the preparation of the plan were notified of the adoption.

## St Kilda / St Kilda West

- **Palais Theatre Renewal:** Heritage Victoria exemption application approved for new female amenities within the existing annexe area.
- **Peanut Farm Reserve:** LED sports field lighting has been installed, the rebound wall construction has commenced and new cricket nets were opened to the public.

## Elwood / Ripponlea:

- **Elwood Wall and Playspace:** Playground has been completed and audit undertaken. Soft landing has been installed and the play space is open to the public.

## Balaclava / St Kilda East

- **Alma Park Reserve:** Alma Park integration works are now complete. These works have included the construction of blue-stone retaining walls, establishment of lawn and garden areas and planting of large shade trees.
- **Greening Port Phillip:** Commenced Gibbs Street greening improvements.