

CEO Report

#59 – October 2019



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Council respectfully acknowledges the Yalukut Weelam Clan of the Boon Wurrung.

We pay our respect to their Elders, both past and present.

We acknowledge and uphold their continuing relationship to this land.

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.

“Community is at the heart of what we do”

PETER SMITH

CEO City of Port Phillip

Welcome to the October issue of the CEO Report.

Council endorsement of new policies and plans

Community is at the heart of what we do and, on 4 September, Councillors endorsed the new Children’s Services Policy *Every Child, Our Future*. The focus is on ensuring all current and future children in Port Phillip have access to quality services - helping them learn, develop and reach their full potential, regardless of their family circumstances. The policy was developed after two rounds of community consultation, with around 700 adults and 70 children involved. Councillors have ruled out selling the four childcare services it runs, and requested more information before deciding between continuing to run the services or transition the centres to community-based not-for-profit providers. The business case for both options will be considered by Council early next year.

Council also adopted the Community Safety Plan 2019-23 following public consultation. Council also agreed to the development of a CCTV in Public Places Policy.

At the same council meeting, Councillors endorsed the Elster Creek Catchment Flood Management Plan 2019-2024.

Safety improvement works

Perceptions of safety at the Moray Street protected roundabouts have improved, with the proportion of both bike riders and walkers who rated the safety of Moray Street as very good or good increasing by 21 percentage points. Rail Projects Victoria upgraded Moray Street - with two protected roundabouts, separate bike lanes and raised zebra crossings at Dorcas and Coventry Streets - following advocacy by the City of Port Phillip.

Recyclable waste

Kerbside recycling collection is set to resume on 30 September. Our Port Phillip Resource Recovery Centre - located on the corner of White and Boundary Streets, South Melbourne –continued accepting general recyclables while the situation with SKM Recycling was worked through, distributing to other processors across Melbourne. More information is available [website](#).

Hybrid surfaces to improve conditions and reduce costs

Alma Park Reserve and the Peanut Farm have had new hybrid surfaces laid around their cricket pitches to improve conditions and eliminate wear and tear and ongoing maintenance of these high traffic areas of the playing field.

Recognition

The City of Port Phillip was recognised this past month:

- the SES Audit Award - Certificate of the Municipal Emergency Management Plan Audit Pass for the City of Port Phillip
- The Municipal Engineering Foundation of Victoria for the continued excellence and leadership of one of our municipal engineers – Lachlan Johnson
- The Butterfly Effect - a joint project between Albert Park Kindergarten and City of Port Phillip – is Australia’s first carbon-neutral kindergarten, and was named Community Engagement Project of the Year at the Cities Power Partnership Awards.



Transforming the City

The Council Plan 2017-27 sets out four areas where Council will focus its effort to see significant transformation over the next 10 years.

Fishermans Bend Program 2019/20

Transforming Fishermans Bend

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

- **Precinct Planning:** Work continues to finalise the scope of work agreed by Councillors in November 2018 which primarily focused on analysis in relation to water, transport, open space, heritage, employment attraction, and urban ecology.
- **Partnerships, Advocacy and Engagement Strategy:** Work has commenced on the development of a formal advocacy position based on the key issues established through the planning to date.
- The main streetscape works at Ferrars Street were completed at in early April 2019. After further traffic engineering assessments, advice has been given that no further work on the turnaround area within Railway Place is required. The final bollards and pedestrian lighting upgrades will be completed in the coming months.

Challenges

There are increased program risks given the re-positioning of the Victorian Government's role. A risk analysis has been undertaken which demonstrates the significant work ahead of both Victorian Government and Councils to address the major risk in financing and funding, strategic outcomes, market and brand achievement; and Council and Victorian Government reputation.

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

Transforming waste management

The Don't Waste It! – Waste Management Strategy 2018-28 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 2019/20. Kerbside recycling services are set to resume on 30 September 2019. In the intervening time, SKM Recycling issues forced us to send tonnes of recyclables to landfill, however our Resource Recovery Centre has been receiving recyclable waste direct from residents, to be distributed by individual processors.

Action progress

- Program is on track with all 25 actions in the Don't Waste It! – Waste Management Strategy in progress.



Highlights and collaborative procurement of services

- Action 13: Green Cone sales have exceeded 150 units, and the program continues to be popular with residents.
- Engagement with the Department of Environment, Land, Water and Planning and the National Retailers Association to ensure Port Phillip retailers are aware of the upcoming ban on single-use lightweight plastic bags and their obligations.

Challenges

Council continues to strongly advocate to both the Australian and Victorian Governments for action to strengthen the recycling industry, including the MAV.

We are also looking for partnership opportunities with other councils and the MAV to accelerate recycling solutions and find a better, more sustainable way forward for our community.

The Sustainability Hub land acquisition challenge remains.

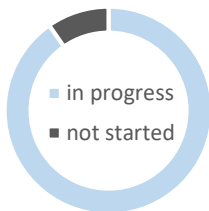
Act and Adapt – Sustainable Environment Strategy 2018-2028

Transforming waste and water management

The Act and Adapt - Sustainable Environment Strategy 2018-28 was developed to help address waste and water management as well as other sustainable environment challenges. It was endorsed by Council and outlines 22 actions to be delivered in 2019/20.

Action progress

Program is on track. There are 31 actions scheduled to be in delivery phase in 2019/20. Of these, 28 actions have already commenced with the final three scheduled to begin in November 2019.



Highlights

- Action 3: Procurement of consultants to complete a Biodiversity Study and Action Plan has commenced.
- Action 35: Feedback from key stakeholders on the Draft Elster Creek Catchment Flood Management Plan was received. An updated version of the Plan was considered by Council at a Council Meeting on 4 September 2019.
- Action 7: Council and Albert Park Kindergarten were awarded the Cities Power Partnership Community Engagement Achievement Award for the 'Butterfly Effect' project. Council worked with the Kindergarten staff, children and parents to reduce carbon emissions, water and waste. Albert Park Kindergarten is now the first certified carbon neutral kindergarten in Australia.

Challenges

The EcoCentre Redevelopment is dependent on receiving partnership funding. Council is working closely with the EcoCentre and other stakeholders to identify the best solution for a new building and to maximise future funding opportunities.

Not scheduled

Actions 4, 5 and 39: these projects are due to start in November 2019.

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

Transforming transport and parking

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. It was endorsed by Council and outlines 42 actions to be delivered or commenced in 2019/20.

Action progress

The implementation program for the Move, Connect, Live - Integrated Transport Strategy is on track. Of the 42 actions contained in the Strategy, 41 are in progress and 1 is complete.



Highlights

- Action 2: The consultation on the draft Domain Public Realm closed on 14 August 2019 with 57 submissions received.
- Action 16: Multiple engagement activities held with schools during August to support and encourage active travel to and from school.
- Action 19: Council officers have met with representatives from Department of Environment, Land, Water and Planning as the new lead agency for the Shrine to Sea Project to establish how we will work as partners in progressing this project to delivery. The first meeting of the Working Group is scheduled for September and Project Control Group in October.
- Actions 30 and 31: Targeted community engagement on the development of the Parking Management Policy is now concluded. A draft Policy for public release and community consultation is scheduled to commence in October 2019.

Challenges

- Action 13: Wellington Street Upgrade project is off track due to VicRoads approval delays for the final plan, and unconfirmed increased costs from external agencies for this project.
- Action 35: Parking fee trial project is off track due to delays in receiving the necessary data to complete the Fitzroy St and Elwood Foreshore report, which will be prepared in October 2019.





Completed

Action 5: Review the Community Bus service as part of the Aged Care Transition Service review (in response to national reforms in aged care).

Council Scorecard

This section summarises the most current results for the outcome indicators and service performance measures outlined in the Council Plan 2017-27.

Data presented below is based on current period measures and indicators only. When data becomes available it will be depicted in the graphs and relevant commentary below.

	Service measures	Areas for focus
Direction 1 We embrace difference, and people belong		<ul style="list-style-type: none"> No service measures are available to be reported for this period.
Direction 2 We are connected and it's easy to move around		<ul style="list-style-type: none"> No service measures are available to be reported for this period.
Direction 3 We have smart solutions for a sustainable future	 <p>2 on track 0 at risk 0 off track</p>	<ul style="list-style-type: none"> Two service measures were available for assessment during this period, both were considered on track: <ul style="list-style-type: none"> Megalitres of alternative water use was nil due to the seasonal rainfall Investment in fossil fuel institutions is at 75% which is within the expected range.
Direction 4 We are growing and keeping our character	 <p>0 on track 1 at risk 0 off track</p>	<ul style="list-style-type: none"> One service indicator was available for assessment and was considered at risk. This relates to the street and beach cleaning score, which just fell shy of target (94.24 per cent compared to 95 per cent).
Direction 5 We thrive by harnessing creativity	 <p>0 on track 1 at risk 0 off track</p>	<ul style="list-style-type: none"> One service indicator was available for assessment and was considered at risk. This relates to visits to our library per capita (5.7 compared to 6.3), but at the same time e-borrowing has increased. So, as our municipality continues to grow, and physical visits continued to decrease down by nearly 6,000 visits compared to the same period last year, the increase in e-borrowing is positive.
Direction 6 Our commitment to you	 <p>7 on track 2 at risk 2 off track</p>	<ul style="list-style-type: none"> Of the 11 measures where data was available, seven are on track; two were considered at risk; two were considered off-track. For details on the on-track measures refer to the <i>Organisational Scorecard</i>. The at-risk measures relates to: <ul style="list-style-type: none"> the total recordable injury frequency rate (per million work hours) was also higher than target with a result of 34.6 compared to target of 21.8 Councillor decisions made in public 84% compared to target of 90%. We regularly review our decisions and lift the confidentiality of some decisions on a quarterly basis. A report will be presented at the 2 October Council Meeting lifting the confidentiality of some decisions which will reduce our cumulative result. The off-track measures relate <ul style="list-style-type: none"> to staff turnover with 15 staff departing in August, against our target of not more than 8.2 people per month; or 1.51% turnover rate versus the target of 0.83% material legislative breaches with one breach recorded in August 2019, refer to the <i>Legislative Update</i> for more details.

Organisational scorecard

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.

The below table outlines the latest results for our organisational scorecard. Results presented are those of the August 2019 period.

Improving customer experience and technology, and being more innovative

	Latest Results	
80% community requests completed on time	93%	✓
80% community complaints completed on time	82%	✓

Inspiring leadership, a capable workforce and a culture of high performance and safety

	Latest Results	
Total recordable injury frequency rate below 21.8	34.6	✗
Unplanned Leave (days/EFT) below 0.9	1.1	▲
Staff turnover below 0.8%	1.5%	✗

Improving community engagement, advocacy, transparency and governance

	Latest Results	
90% risk and audit actions completed on time	90%	✓
90% councillor attendance at Council meetings	92%	✓
90% Council decisions made in public	84%	▲
0 material legislative breaches	1	✗

Ensuring sustainable financial and asset management, and effective project delivery

	Latest Results	
Financial sustainability rating of low*	Low	✓
Operating savings	\$30k to be banked	✓
80% of priority project delivery is on track	94%	✓

Strategic partnerships

This section is new to the CEO Report. However, we're not changing the way we do things. We already recognise the importance of the partnerships we have and need, to get work done for our community. The major infrastructure works projects, such as Domain Station and changes along St Kilda Road, are examples of how Council actively works with the Victorian Government. We work closely with neighbouring Councils, state and federal representatives and departments, community and business groups, and inter-Council bodies, to achieve successful outcomes for our community. Strategic partnerships are a part of Council's 'business as usual'. Recognising and talking about them here is a step towards further enhancing transparency in our processes and activities.

Highlights:

Strategic partnership outcomes we have recently delivered, or are in the process of delivering:

- Victorian government election commitment to a community and education performing arts centre at Gasworks Arts Park – we are working with government to scope their commitment;
- South Melbourne Life Saving Club building and public amenities with funding support from the Victorian Government through Life Saving Victoria. The project is jointly funded by Council (\$5.6 million) and Life Saving Victoria (\$2 million). Extensive community and club consultation was undertaken to inform the design and ensure the building is fit for purpose and sustainable. The new building will meet Life Saving Victoria Clubhouse of the Future Development Guidelines, and enable the Club to deliver this important community service. The redevelopment will also provide a new kiosk, a multipurpose room for community use, accessible public toilets, landscaping and improvements to the safety of the bike path adjacent to the building. Construction and internal works are now complete and executed a Tenancy Agreement between Council and the Club allowing the club to now move in.

Challenges:

Important issues our strategic partnerships are currently addressing:

- Working with the Victorian Government to develop plans and strategies for the Fishermans Bend Urban Renewal Area including advocating for an affordable housing target and early delivery of high-frequency public transport links to the precinct;
- Advocating to the Victorian Government for expedited funding and delivery of the St Kilda Road safety improvement project;
- Advocacy for Sustainability Hub to provide options to the waste and recycling disruption.

Looking forward:

What is coming up / what the Strategic Partnerships team are aiming for:

- We will continue to advocate on waste and recycling. Port Phillip led the call on the Victorian Government to meet with the Municipal Association of Victoria and Councils to ensure the waste sector is secure against future challenges. Officers then made a submission in response to the Victorian government's subsequent 'Circular Economy' discussion paper, advocating for leadership and certainty within the waste and recycling industry. We will continue to advocate for Victorian Government leadership and support in the recycling sector.
 - A submission was made in response to the Mental Health Inquiry.
 - In September, the Mayor will attend meetings with State members in the Government and Opposition. Officer representatives will attend meetings of the Inner Metro Partnership Forum, the Inner South Metropolitan Mayors Forum (ISMMF), and the Inner Melbourne Action Plan (IMAP).
-

Project delivery update

The Council Plan 2017-27 commits us to a project portfolio worth more than \$65 million in 2019/20. This section provides a detailed update on the status of each major initiatives in the Plan and the overall project portfolio for each of the six directions as at the end of August 2019.

Direction 1 – We embrace difference, and people belong

Stage	Status	Comments	Original completion	Current approved completion	2019/20 Budget \$'000	2019/20 Forecast \$'000
In Our Backyard strategy implementation						
	✘	Project is off track. Following adoption of the IOBY Action Plan 2018/19, implementation has progressed, focusing on investigation of: Governance Mechanisms, Planning Controls, Housing Investment Portfolio, Approved Projects and Project Pipeline, and development of Program Delivery Guidelines. Specific progress has included completion of the Housing Needs Framework report to inform the preparation of Program Delivery Guidelines, 90 per cent completion of investigating the Council property pipeline, progressing initial assessment of the planning application for the Marlborough St project, and progressing 70 per cent of investigation of a private market affordable rental housing delivery model.	Jun 2021	Jun 2021	200	200
JL Murphy Reserve Pavilion upgrade						
	⚠	Project is at risk due to the project budget overspend due to the additional costs associated with the poor structural condition of the building revealed during demolition phase, plus additional contaminated soil requiring appropriate removal and management. The construction schedule of the building is on track. Lock-up of the building was achieved in August 2019 and internal works have commenced including wall and ceiling surfaces.	Jun 2019	Jun 2020	2,747	2,479
North Port Oval upgrade						
	✔	Project is on track. The Oval upgrade works were completed in April 2019. The 12-month maintenance program post construction is ongoing.	Jun 2021	Jun 2021	20	20
Peanut Farm Reserve Oval Lighting, Cricket Nets and hit-up wall						
	✘	Project is off track. The cricket nets and hit-up wall are due for completion prior to Christmas. The oval lights are being installed and will be operational in October 2019. Project schedule to be re-baselined.	Jun 2019	Aug 2019	200	200
South Melbourne Life Saving Club redevelopment						
	✔	Project is on track. Construction works are completed and Council has executed the Tenancy Agreement with the Club who are moving into the new facility.	Jun 2019	Oct 2019	905	638

Overall project status



There are 24 projects contributing to the outcomes in this direction. At the end of August 2019 one was considered off track, and two were not assessed.

Off track non-major initiative project status

✘ Outdoor Fitness Station Program 2018/19

Project is off track due to delays in completing detailed design and preparing construction documentation for the Elwood Foreshore. An integrated design for the fitness station is now completed and a contract for the supply and installation of suitable marine-grade fitness equipment has been awarded. Construction will now start in late October 2019 and completed prior to Christmas. Project schedule to be re-baselined.

Completed major initiatives

✔ North Port Oval upgrade

Project is on track. The Oval upgrade works were completed in April 2019. The 12-month maintenance program post construction is ongoing.

✔ Peanut Farm Reserve Sports Pavilion upgrade

Project is on track. The pavilion upgrade was completed and the building handed over to the sporting clubs in March 2019, and the official opening event was held in August 2019.

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

Stage	Status	Comments	Original completion	Current approved completion	2019/20 Budget \$'000	2019/20 Forecast \$'000
Integrated Transport Strategy implementation						
	✔	Program is on track, except for the Wellington Street Upgrade project (see below). Refer to <i>Transforming the City</i> section of this document for details on progress.	Jun 2028	Jun 2028	310	360
Kerferd Road Safety Improvements						
		Project is on hold until the scope of the Victorian Government's funding commitment of \$13 million for the 'Shrine to Sea' corridor and its implementation is determined. Council has received the results of Parks Victoria's initial community consultation. Interim measures at three Black Spot intersections along Kerferd Road, including line marking and textured pavement markings have been completed.	Jun 2020	Jun 2022	100	100

Overall project status



There are 25 projects contributing to the outcomes in this direction. At the end of August 2019 two were considered off track, and three were not assessed.

Off track non-major initiative project status

✘ Public Space Security Improvement Program

Project is off track due to delays in delivering concept plans for hostile vehicle mitigation for Luna Park and the Palais Theatre. Project schedule to be re-baselined. All other projects within the program are on track.

✘ Wellington Street Upgrade

Project is off track due to delays in VicRoads approval for the final plan and increased unconfirmed costs from external agencies for this project. Project schedule to be re-baselined.

Direction 3 – We have smart solutions for a sustainable future

Stage	Status	Comments	Original completion	Current approved completion	2019/20 Budget \$'000	2019/20 Forecast \$'000
Alma Park Stormwater Harvesting development						
	✓	Project is on track. Power has been connected to the site and commissioning activities have been completed. There are minor rectification works to occur in the coming weeks to the disturbed areas, such as levelling a section of Alma Oval surface and turfing some areas of the park. The system will be operated 'off-line' for several months as the filter media stabilises. This will prevent silt entering the new tanks. Once filter media has stabilised the system will be fully operational.	Jun 2019	Aug 2019	24	354
Sustainable Environment Strategy implementation						
	✓	Program is on track. Refer to <i>Transforming the City</i> section of this document for details on progress.	Jun 2022	Jun 2028	570	570
Waste Strategy implementation						
	✓	Program is on track. Refer to <i>Transforming the City</i> section of this document for details on progress. Program initiatives are progressing, however the ability to achieve the outcomes of the strategy are at risk.	Jun 2022	Jun 2028	888	888

Overall project status



There are 19 projects contributing to the outcomes in this direction. At the end of August 2019 one was considered off track and one was not assessed.

Off track non-major initiative project status

- ✘ **EcoCentre Redevelopment**
Project is off track as the building design is on hold while Council works with the EcoCentre and other stakeholders to identify the best solution for a new building and to maximise funding opportunities in the future.

Direction 4 – We are growing and keeping our character

Stage	Status	Comments	Original completion	Current approved completion	2019/20 Budget \$'000	2019/20 Forecast \$'000
Ferrars Street Education and Community Precinct – Streetscape Upgrade						
	✘	Project is off track. Refer to <i>Transforming the City</i> section of this document for details on progress.	Jun 2019	Jun 2019	-	-
Gasworks Arts Park Contamination Management Plan						
	✘	This project is off track. Additional works associated with the environmental assessment (particularly groundwater contamination) has slowed overall progress of the Contamination Management Action Plan (CMAP) and subsequent draft Park Plan. Engagement with community is still expected this financial year.	Jun 2021	Jun 2022	500	500
Public Spaces Strategy development						
	✔	Project is on track. Eight neighbourhood pop-up sessions were run by consultants Conversation Caravan and supported by officers. These were well attended with over 90 people pre-session. The number of workshops was reduced from four to two due to lower than anticipated interest. These were facilitated by consultants OurSay and a preliminary report has been prepared. An on-line survey and interactive map to capture ideas was available on Have Your Say with 124 contributors to date. Key inputs to the Technical Report that will underpin the Public Space Strategy have been progressed. The second Project Working Group Meeting with Thompson Berrill Landscape Design was held on Tuesday 20 August and an internal workshop to discuss Open Space Contributions and Future Change was held on Friday 23 August.	Jun 2020	Jun 2020	195	195
St Kilda Marina						
	✔	Project is on track. The schedule is currently on target in accordance with the updated program that was approved in June 2019. The budget for the 2019/20 financial year is currently under review to ensure it is sufficient to cover the procurement activities being undertaken. Risks associated with the planning and procurement process have been identified and are being closely managed by the project team.	Jun 2019	Jun 2019	180	180

Overall project status



There are 27 projects contributing to the outcomes in this direction. At the end of August 2019 three were considered off track and four were not assessed.

Off track non-major initiative project status

✘ Gasworks Arts Park Reinstatement

Project is off track due to additional works associated with the environmental assessment (in particular, groundwater contamination) slowing overall progress of the Contamination Management Action Plan (CMAP) and subsequent draft Park Plan. Engagement on the Plan with community is still expected this financial year. Project schedule to be re-baselined.

✘ Graham Street Overpass Skate Park and Carparking Upgrade

Project is off track due to delays design work arising from prioritisation. Work on detail designs commenced in September 2019. Project schedule to be re-baselined.

✘ Public Space Security Improvements Program 2019-20

Program is off track due to delays in completing the Luna Park and the Palais Hostile Vehicle Mitigation concept plans. Project schedule to be re-baselined. All the other initiatives within the program are on track.

Direction 5 – We thrive by harnessing creativity

Stage	Status	Comments	Original completion	Current approved completion	2019/20 Budget \$'000	2019/20 Forecast \$'000
Art and Soul – Creative and Prosperous City Strategy 2018-22						
	✔	Program is 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	Jun 2022	835	960

Action progress

All 18 actions have started, 1 is completed and 17 are in progress.

Highlights

Actions 1,2,3 & 4 – Placemaking - Placemaking Open Doors Emerald Hill Event showcased arts venues in South Melbourne in partnership with Open House Melbourne. Three Washington Palms Trees installed in front of 7Eleven and 75 Fitzroy Street. Delivery commenced on South Melbourne's 'Lightboxes and Signage Wayfinding Plan'.

Action 8 – Commission Art on Hoardings - Two sites have been locked in with content developed and costings being obtained. One further site is awaiting confirmation.

Action 19 – Tourism Marketing and Communications Plan – The new 'What's On St Kilda' website went live and is showcasing all of the events which are happening throughout Port Phillip. The site collects information from a variety of digital sources to make it easier for local businesses to gain exposure.

Action 22 – Develop a Live Music Action Plan – Initial research and consultation has been undertaken and will be submitted to council in September. This background report will be used to inform the final plan.

Action 25 – Engage with Gasworks and Lynden Boards to better leverage Council's investment. Officers are working with the two organisations to develop a framework for the next funding and leasing arrangement. The framework will align the new Property Strategy and Community Funding Policy.

Action 31 – Maintain Markets as a Key Activation Space – The Esplanade Market held an expression of interest for new stallholder members to join the Reference Committee. Applications are also open to attract a new market at Alma Park in East St Kilda.

Action 32 – Update Indigenous Arts Plan – Recruitment of Indigenous Arts Officer is complete and work will commence to assemble an Indigenous Advisory Committee.

Action 34 Develop a Library Action Plan – Consultation is continuing and will be complete in the next month, a variety of groups have been consulted alongside library users. Including Teen Book Club, Multicultural Advisory Committee, Middle Park Library Action Group, Emerald Hill friends of the Library, Older Persons Consultative Committee and Library Staff.

Overall project status



There are 12 projects contributing to the outcomes in this direction. At the end of August 2019, none were off track, two were at risk and one was not assessed.

Direction 6 – Our commitment to you

Stage	Status	Comments	Original completion	Current approved completion	2019/20 Budget \$'000	2019/20 Forecast \$'000
Customer Experience Program						
	▲	<p>Program is at risk, primarily due to the additional time dedicated to conduct due diligence through the procurement phase for the technology solutions. At this stage, the Program completion date of June 2021 remains unchanged. We are working with the vendors to maintain the June 2021 deadline or earlier, and bring the program status back on track.</p> <p>TechOne (core technology solution vendor) commenced at Council on 12 August 2019. The Project is in the planning stage which includes detailed preparation of the schedule for the first phase of the project that will include financials, asset management and procurement. Workshops have been scheduled to take place over the next two months with key stakeholders to refine and confirm business needs.</p> <p>Versa (website and intranet vendor) commenced at Council on 12 August 2019. The first phase of the project is the re-development of the Festivals websites, these provide important websites to pilot prior to undertaking the key CoPP website and Intranet. Early work includes, a review of the existing Festivals websites, and stakeholder needs workshop.</p> <p>Business resources have commenced working with the Program team to provide the vendors with the internal knowledge required to build the website and technology solutions and ensure business connection and ownership to outcomes and benefits.</p>	Jun 2021	Jun 2021	11,235	11,235

Overall project status



There are 16 projects contributing to the outcomes in this direction. At the end of August 2019 three were considered off track and two were not assessed.

Off track non-major initiative project status

✘ Building Renewal and Upgrade program 2019/20

Program is off track due to delays in completing the North St Kilda Childcare fence after substantial tree roots inhibited footing construction as part of the Childcare Centre Fence Compliance project. Designs are continuing to progress for Poet's Grove Childcare Centre and Coventry Children's Centre through reviews and updates continuing between the architects and the building surveyor. These are expected to be completed by mid-October 2019. All other projects within this program are on track.

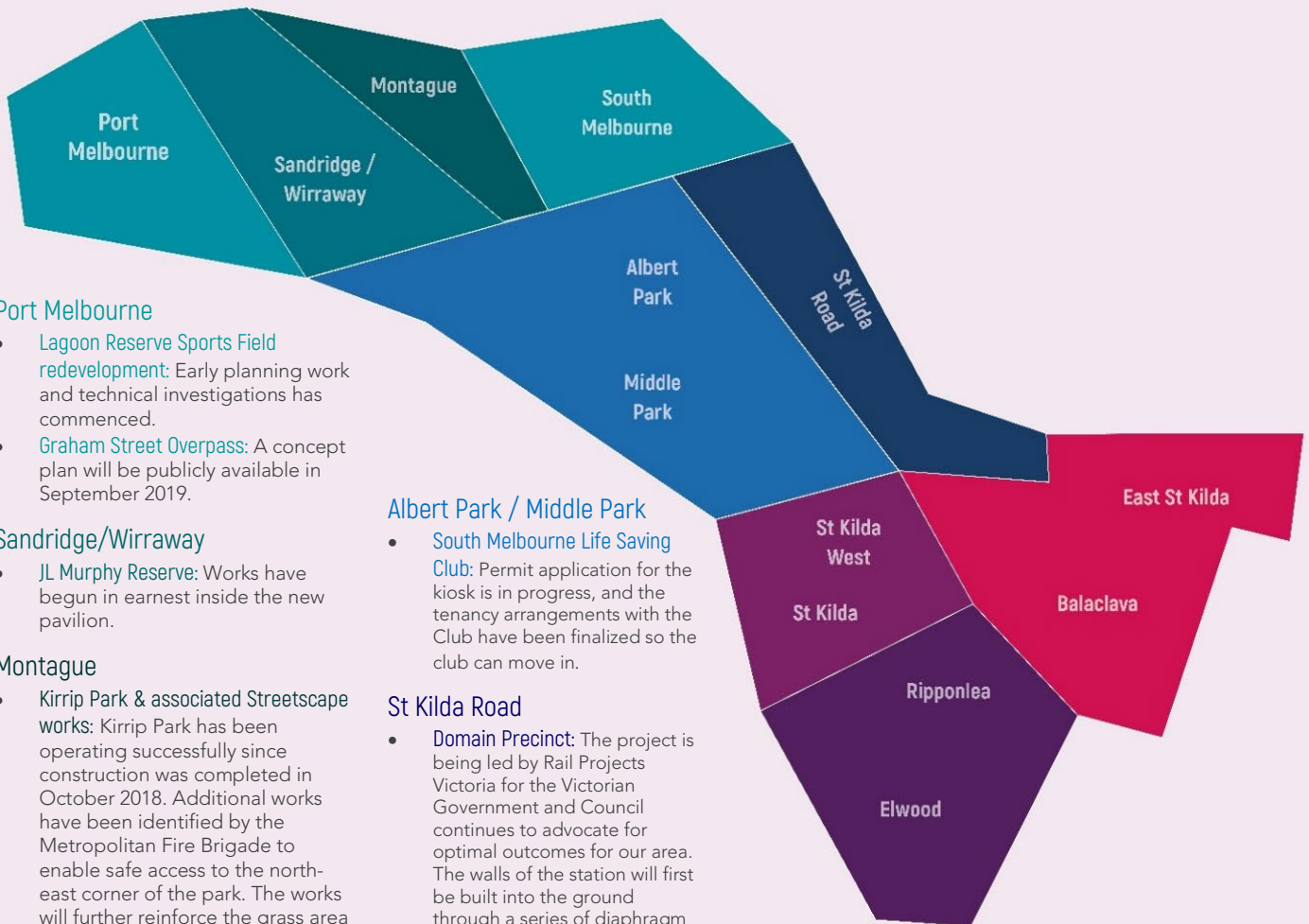
✘ Building Safety and Accessibility program 2019/20

Program is off track due to delays in finalising the detailed design one month behind schedule for the St Kilda Town Hall Security Upgrade project. The project will be re-baselined. All other projects within the program are on track.

✘ South Melbourne Town Hall Renewal and Upgrade

Project is off track due to delays in schedule related to level of evaluation required following the closure of the publicly advertised architect and head consultant tender in June 2019. Minor cleaning and temporary lighting works were completed in the Theatre to mitigate safety concerns and 3S scanning and modelling has been completed providing the base model for the entire building.

What's happened in our local neighbourhoods?



Port Melbourne

- **Lagoon Reserve Sports Field redevelopment:** Early planning work and technical investigations has commenced.
- **Graham Street Overpass:** A concept plan will be publicly available in September 2019.

Sandridge/Wirraway

- **JL Murphy Reserve:** Works have begun in earnest inside the new pavilion.

Montague

- **Kirrip Park & associated Streetscape works:** Kirrip Park has been operating successfully since construction was completed in October 2018. Additional works have been identified by the Metropolitan Fire Brigade to enable safe access to the north-east corner of the park. The works will further reinforce the grass area so that it can sustain heavy vehicles.

South Melbourne

- **Lilian Cannam Kindergarten fence renewal and foyer redesign:** A stakeholder meeting is scheduled to occur in early September 2019. Following this project scoping and documentation will be drafted for review and approval.
- **Moray Street protected roundabouts:** In late 2018 following advocacy by the City of Port Phillip, Rail Projects Victoria upgraded Moray Street with two protected roundabouts and separate bike lanes and raised zebra crossings at Dorcas and Coventry Streets. Mid-block bike lanes were protected from traffic either by painted buffers or concrete separators. Perceptions of safety were surveyed in-person and online with people who rode a bike or walked along Moray Street before (n=351, April 2018) and after (n=389, March 2019) the upgrade. The proportion of both bike riders and walkers who rated the safety of Moray Street as very good or good increased by 21 percentage

Albert Park / Middle Park

- **South Melbourne Life Saving Club:** Permit application for the kiosk is in progress, and the tenancy arrangements with the Club have been finalized so the club can move in.

St Kilda Road

- **Domain Precinct:** The project is being led by Rail Projects Victoria for the Victorian Government and Council continues to advocate for optimal outcomes for our area. The walls of the station will first be built into the ground through a series of diaphragm walls, or D-walls; and once the station box roof is in place, a temporary acoustic shed will be installed over the northern end of the station box, allowing excavation to occur 24/7 under the roof slab and acoustic shed.

St Kilda / St Kilda West

- **Peanut Farm Reserve Sports Pavilion upgrade:** The pavilion upgrade was completed on time in March 2019. The Peanut Farm has had new hybrid surfaces laid around the cricket pitch to improve conditions and eliminate wear and tear and ongoing maintenance of these high traffic areas of the playing field.
- **Peanut Farm Reserve Oval lighting:** is currently being installed, and the cricket nets and hit up wall will be completed by Christmas.

Elwood / Ripponlea

- **Elwood Wall and Playspace upgrade:** Demolition works and site set-out have been completed. The project remains on-track for re-opening in November 2019.
- **Moran Reserve Pedestrian Bridge upgrade:** This project is on track with project documentation to commence in September 2019.

Balaclava / St Kilda East

- **Alma Park Stormwater Harvesting:** Construction of the storm water harvesting system and all the necessary connections are completed. The system will now be operated 'off-line' for several months as the filter media stabilises, then the system will become operational.
- **Alma Park Reserve surface:** The Reserve had a new hybrid surface laid around the cricket pitch to improve conditions and eliminate wear and tear and ongoing maintenance of these high traffic areas of the playing field.
- **Friends of Suai:** A flag raising ceremony was held on 6 September, commemorating the 1999 massacre of priests and hundreds of local men, women and children at the Suai church. This is part of Port Phillip community's formal commitment to support the East Timorese coastal community of Suai and surrounding district of Covalima.

Changes to the portfolio

The City of Port Phillip enterprise portfolio comprises over 120 of programs and projects with a total budget of over \$66 million.

The table below outlines significant changes to the project portfolio during August 2019.

Project	Change
Accessibility Improvements in Council Facilities (name change from DDA Compliance Retrofit for Council Facilities)	Overall increase of \$625,000 to program budget due to increased cost estimates based on final designs for toilet compliance works at St Kilda Library, Gas Works Art Park and Vegout Art Park. This will be funded from savings in other building programs.

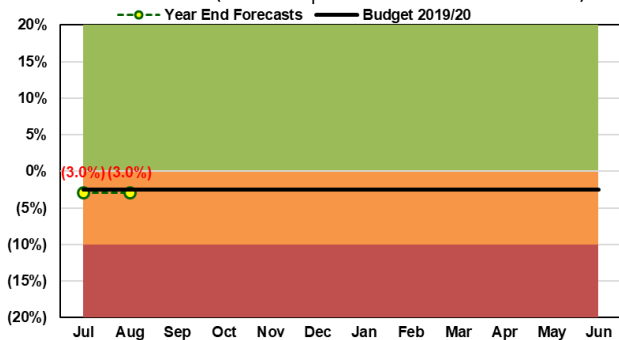
Financial performance

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 six VAGO financial indicators below, the full year forecast as at July 2019 indicates an overall low risk financial sustainability rating for Council.
- Council expects to achieve a cumulative cash surplus of \$1.1 million for 2018/19.

Financial sustainability indicators

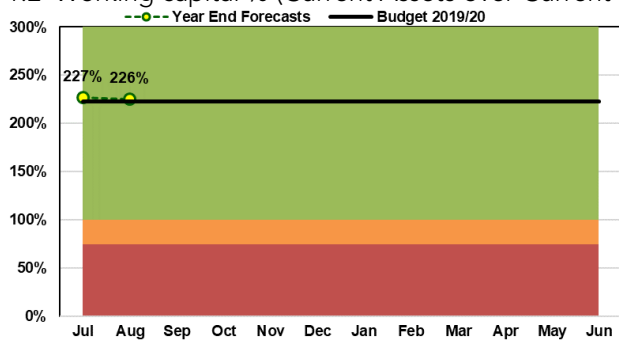
1.1 Net Result % (Net Surplus over Total Income)



Target: Greater than 0%
Year-end forecast: -3%
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 August 2019, Council has forecast a deterioration in this ratio to - 2.9% mainly due to: continued system & collections issue by Fines Victoria to negatively impact Council's parking doubtful debt provision and the additional costs to Council from the recycling sector disruptions.

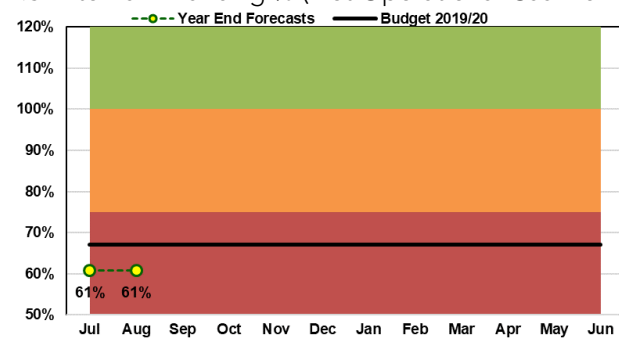
1.2 Working capital % (Current Assets over Current Liabilities)



Target: Greater than 100%
Year-end forecast: 226%
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 August is 226%. Council has no issues in paying suppliers and employees when payments fall due.

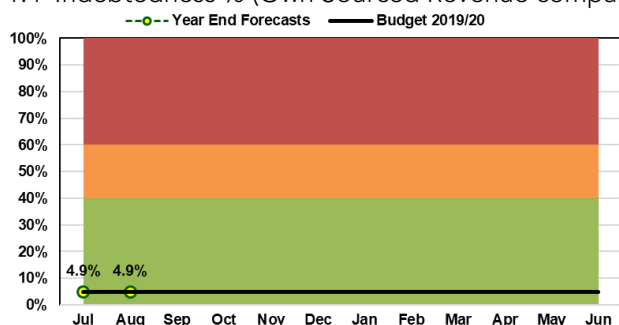
1.3 Internal Financing % (Net Operational Cashflows compared to Net Cash Capital Outlay)



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, 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 August shows a decrease to 61% mainly due to additional cost from waste sector disruption and the continued issue parking debtor collection issues from Fines Victoria.

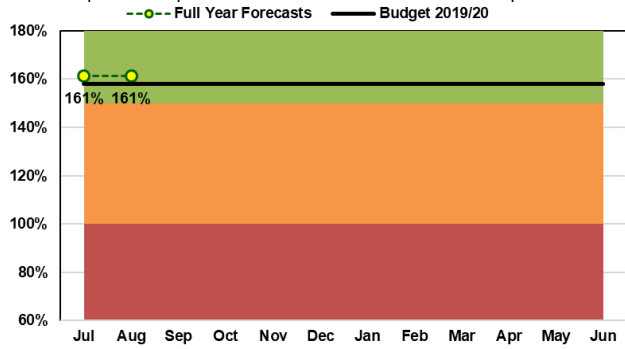
1.4 Indebtedness % (Own Sourced Revenue compared to Non Current Liabilities)



Target: Less than 40%
Year-end 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 August shows Council is on track to achieve budget.

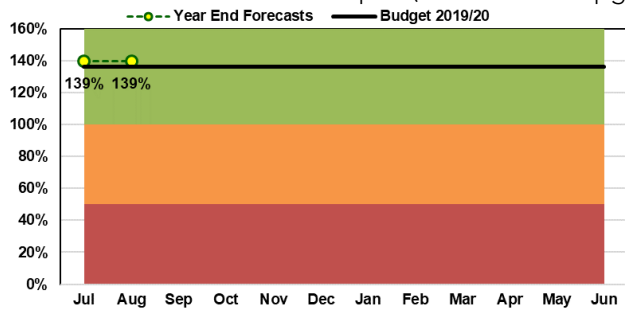
1.5 Capital Replacement % (Total Cash Capital Outlay / Depreciation)



Target: Greater than 150% **Year-end forecast:** 161% **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 August shows Council is on track to achieve budget.

1.6 Infrastructure Renewal Gap % (Renewal and Upgrade Capital Expenditure compared to Depreciation)



Target: Greater than 100% **Year-end forecast:** 139% **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 August shows a ratio of 139% which is track to achieve budget.

Comprehensive Income Statement Converted to Cash – August 2019

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 \$0.6m which compares unfavourably against the budgeted cash surplus of \$0.45m.

	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)	%	
Income									
Rates and Charges	22,208	22,098	110	0%	129,178	129,149	29	0%	
Statutory Fees and Fines	3,666	3,785	(119)	(3%)	24,706	24,046	659	3%	
User Fees	8,240	8,251	(11)	(0%)	38,538	38,801	(262)	(1%)	
Grants - Operating	2,166	2,201	(36)	(2%)	9,430	9,430	0	0%	
Grants - Capital	0	0	0	0%	2,771	2,586	185	7%	
Contributions - Monetary	1,461	1,528	(67)	(4%)	6,204	6,045	159	3%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	2,757	2,634	124	5%	14,646	14,381	264	2%	
Total Income	40,498	40,497	1	0%	225,473	224,438	1,035	0%	1
Expenses									
Employee Costs	17,009	17,613	605	3%	95,993	96,637	644	1%	
Materials and Services	2,435	2,926	491	17%	80,490	78,567	(1,923)	(2%)	
Professional Services	10,003	10,489	486	5%	12,688	12,899	211	2%	
Bad and Doubtful Debts	780	836	56	7%	5,062	3,862	(1,200)	(31%)	
Depreciation	4,220	4,152	(68)	(2%)	24,911	24,911	0	0%	
Borrowing Costs	13	17	3	19%	450	450	0	0%	
Other Expenses	2,381	2,276	(105)	(5%)	8,293	8,473	180	2%	
Net (Profit) or Loss on Disposal of Assets	(21)	(23)	(2)	10%	4,310	4,310	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
Total Expenses	36,820	38,285	1,465	4%	232,197	230,109	(2,088)	(1%)	2
Operating Surplus / (Deficit)	3,678	2,212	1,466	66%	(6,724)	(5,671)	(1,053)	19%	
Income Statement Converted to Cash									
Adjustments for non-cash operating items:									
• Add back depreciation	4,220	4,152	68	2%	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 disposal:	35	40	(5)	(13%)	240	240	0	0%	
• Add back balance sheet work in progress reallocated to operating	0	200	(200)	(100%)	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%	
	4,255	4,392	(137)	(3%)	30,801	30,801	0	0%	
Adjustments for investing items:									
• Less capital expenditure - Infrastructure	(1,878)	(2,653)	775	29%	(36,978)	(36,023)	(955)	(3%)	
• Less capital expenditure - IT, Plant and Equipment	(481)	(523)	42	8%	(3,219)	(3,219)	0	0%	
	(2,359)	(3,177)	818	26%	(40,197)	(39,242)	(955)	(2%)	3
Adjustments for financing items:									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(111)	(112)	1	(1%)	(670)	(670)	0	0%	
	(111)	(112)	1	(1%)	(670)	(670)	0	0%	
Adjustments for reserve movements:									
• Discretionary Reserve Drawdown/ (Replenish)	1,830	1,830	(0)	(0%)	13,786	13,392	394	3%	
• Statutory Reserve Drawdown/ (Replenish)	0	0	0	0%	1,497	632	865	137%	
	1,830	1,830	(0)	(0%)	15,283	14,024	1,259	9%	4
Current Year Cash Surplus/(Deficit)	7,293	5,146	2,147	42%	(1,507)	(758)	(749)	(99%)	
Opening balance carry forward surplus	862	862	0	0%	862	1,192	(330)	(28%)	
Accumulated Cash Surplus	8,155	6,008	2,147	36%	(645)	434	(1,079)	(249%)	

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

Notes to the Comprehensive Income Statement Converted to Cash

The following adjustments have been identified as at August 2019 and are reflected in the Comprehensive Income Statement Converted to Cash (see previous page).

Note 1. Operating income forecast increased by \$1.41 million:

Net forecast income changes for the full year to August 2019 included the following material items:

↑	\$0.56m	Compensation from Rails Project Victoria for the loss of Domain precinct paid parking income.
↑	\$0.34m	Project portfolio funding increased due to: <ul style="list-style-type: none"> • Deferral of Kirrip Park works from 2018/19 including contribution from the Victorian Government \$0.16m. • 2018/19 Alma Park Stormwater Harvesting funding from State Government \$0.12m. • other minor \$0.06m.
↑	\$0.30m	Greater utilisation of paid parking mainly due to the successful implementation of PayStay (a convenient payment option via mobile devices).
→	\$0.24m	Income relating to 2018/19 State Revenue Office land valuation services fully offset by valuation expenditure.
→	(\$0.18m)	Realignment of Parking Infringement Notices cancellation budget and the Parking Infringement Notices doubtful debt provisions (net neutral impact).

Note 2. Operating expenditure forecast increased by \$1.75 million:

Net forecast operating expenditure changes for the full year to August 2019 included the following material items:

↑	\$0.13m	Efficiency savings from competitive tendering Public Liability insurance which resulted in lower premiums and greater insurance cover.
↑	\$0.27m	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.
↑	\$0.33m	Reduced Employee costs due to vacancies across the Enterprise.
→	\$0.00m	Customer Experience program budget realigned to expenditure profile (employee costs reduced by \$0.37m offset by an increase to contract payments \$0.37m).
→	(\$0.32m)	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)	Additional cost of sending recycling materials to landfill due to contractor unable to provide recycling service.
↓	(\$0.09m)	Gender Equality Game Jam - funding was received in 2018/19.

Note 3. Capital expenditure forecast increased by \$0.96 million:

Net forecast changes to capital expenditure for the full year to August 2019 included the following material items:

→	(\$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.
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Note 4. Net drawdown on reserves increased by \$1.26 million:

Net forecast changes to reserves for the full year to August 2019 include following material items:

→	\$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.
→	\$0.96m	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.

Legislative update

Legislative changes

No legislative changes were made during August 2019 that may affect the City of Port Phillip.

Material legislative breaches

One material legislative breach was recorded during August 2019.

It was a major breach where we exceeded the \$150,000 threshold stipulated in the Local Government Act over a period of 2 years for untendered activity. This is attributed to paid social media communications – which is a legitimate form of advertising and promotion. The service is only provided by a small number of organisations who are highly unlikely to participate in a government tender or expression of interest process. A full report on this matter was provided to the Audit Committee. This report provided background to the matter as well as the controls that have been put in place.

To prevent such a breach occurring again, a range of stronger controls have been put in place, including:

- seeking approval from the Minister regarding the use of social media providers given the Local Government Act breach
- blocking the direct engagement by officers of paid social media with certain providers (some activity can occur where necessary, albeit through a third-party media buyer)
- stronger controls on vendors being engaged outside of a purchase order system
- independent review of the value for money of some paid social media activities, particularly where the Council activity is predominantly a digital initiative
- greater involvement of Officers with expertise in establishing marketing and communications plans across the organisation