

# CEO Report

#66 June 2020



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

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

“As we work through the changes ahead, we continue to seek community input on those issues that affect us all.”

**PETER SMITH**

CEO City of Port Phillip



## Welcome to the June issue of the CEO Report

The draft Budget for 2020/21 will be available for the community to review and comment on later this month.

A decrease in revenue caused by the COVID-19 pandemic, combined with increasing costs and cost-shifting by other tiers of government, means Council will need to make some difficult decisions for the Budget 2020/21.

Subdued economic conditions are forecast for Australia and we need to be prepared for:

- a reduction in planning, building, and development revenue
- low consumer spend impacting businesses across the municipality, including the South Melbourne Market, footpath trading and parking revenue
- high unemployment rates reducing demand for childcare services
- low money market yield reducing income from interest.

Before the pandemic, Council had achieved a range of productivity and service improvements and efficiency savings. Over the past five budgets, Council delivered \$13 million of efficiency savings and we were in a sound financial position. We estimate the overall impact on Council finances to be around \$32 million, with \$12.7 million to be felt in 2019/20 followed by another \$19.3 million in 2020/21. As our total budget is

about \$230 million each year, this presents an immense challenge.

Over the next fifteen months, for example, we expect our parking revenue will be reduced by over \$15 million, income from development activities will reduce by \$8 million and revenue from property leases and rent will decrease by over \$7 million.

As a result of the current situation, Council has revisited the draft budget and reprioritised expenditure against a set of principles that focuses on maintaining a sound financial position and keeping our community, particularly the most vulnerable, well supported.

While the draft is being finalised, I am reviewing the resources required for each priority. I have outlined to staff my plan to review our operating model to make sure it is financially sustainable and provides the capacity to deliver on Council priorities.

Despite the challenges, Council has provided \$2.95 million in emergency relief and is looking at other ways to provide support through the draft budget. Council will also not be seeking an exemption to lift rates beyond the rate cap nor take on additional borrowings.

## Have Your Say Port Phillip

From 19 June to 17 July 2020, the draft Budget 2020/21 and updated Council Plan 2017-27 will be available for you to review on our

Have Your Say website. You will be able to download it, review it and complete a survey to share your thoughts on the draft.

We have already started engaging with the community: holding two online Q&A sessions in May and we will shortly be running in-depth focus groups for each neighbourhood in line with best-practice market research.

The feedback gained through the survey, focus groups and Council's budget submission process will shape the final Budget 2020/21 and updated Council Plan 2017-27 and our City over the next twelve months. The Budget will be finalised in August 2020.

## Council meetings online

In response to COVID-19, our Council meetings are temporarily closed to in-person attendance, however the community are invited to participate by viewing on our livestreaming site or Facebook page. Our community can also participate in these meetings to ask questions or make statements on items through the online platform WebEx.

Forthcoming meetings are scheduled for Wednesdays at 6.30 pm on 17 June, 1 July and 15 July, 2020.

Regards, Peter Smith

## Strategic partnerships

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

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

### Partnerships during COVID-19

A pivotal role for local government is protecting and enhancing the liveability and wellbeing of our community. COVID-19 has meant that Council has focused on helping our community through the crisis. Council's advocacy function is critical to providing the support that our community needs in this climate. Advocacy has focused on working with the state and federal governments to improve outcomes for those who sleep rough, support local businesses and households, and ensure that Council decision making is not impacted by the limitations imposed by the pandemic.

**Housing and homelessness:** COVID-19 has increased the vulnerability of those who are homeless. We are working closely with the Victorian Government to jointly fund and deliver secure housing and advocating for increased services for people experiencing homelessness. We have received approval for \$122,400 of Victorian Government funding for an Inner Metro Partnership project that will inform the delivery of Common Ground housing on sites identified by government or other parties.

**Small business and households:** Small businesses have had a dramatic loss of customers and revenue. We are trying to help small business by reducing the burden of taxes and charges like the Victorian Government land tax and congestion levies. For households we have campaigned to keep the cost of waste disposal down by successfully seeking to defer proposed increases to the landfill levy.

**Local governance processes:** We have been working to protect our democracy by ensuring that Councillors can continue to meet and make decisions. A focus has been seeking changes to Victorian Government legislation so we can have 'online' Council meetings that are open to the public. We have also advocated for changes including postponing endorsement of our budget so we can fully and transparently account for the impact of COVID-19 on Council's finances.

We are planning forward to the post-COVID-19 economic recovery, seeking state and federal government funding for capital projects, road and bike path improvements and other infrastructure that will provide immediate jobs and long-term amenity benefits for the community.

## Delivering on the Council Plan

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

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

### 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 in the report that explains the overall status. As all elements are weighed 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.

## DIRECTION 1 We embrace difference, and people belong

A safe and active community with strong social connections

An increase in affordable housing

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

Community diversity is valued and celebrated

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

### Service measures

### Areas for focus

The service measures for this strategic direction are measured on a quarterly and annual basis.

There are no monthly service measures available for reporting in April 2020.

### Portfolio status

There are 24 projects contributing to the outcomes in this direction



### Key achievements

Program/Project	Achievements
<p><b>Peanut Farm Reserve</b></p>  <p><i>Mural on the rebound wall, Peanut Farm Reserve by Mysterious AI. Photo by p1xels.</i></p>	<p>Following the construction of a new rebound wall at Peanut Farm Reserve in St Kilda, a mural was painted by well-known mural artist Mysterious AI in mid-March 2020.</p> <p>The completion of the rebound wall and mural is the final item to be implemented from the park integration plan at Peanut Farm Reserve including a new pavilion, cricket nets, sports field lighting, multi-purpose courts, tree planting, garden beds, irrigation and new paths.</p>

### Completed projects

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

**Major initiatives status updates**

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>In Our Backyard Strategy Implementation</b>			
	<p>Project remains off track. The Victorian Government has recently announced funding allocations under its \$2 billion Social Housing Growth Fund, with funded projects in Port Phillip comprising 45 units in Emerald Street, South Melbourne for South Port Community Housing Group, and 50 units in South Melbourne for Housing Choices Australia. A second announcement on funded projects under the \$115 million Rapid Housing Response program will be made shortly. Additional Victorian Government funding for future affordable housing projects, beyond the Social Housing Growth Fund, remains uncertain; however, there is potential through likely government economic stimulus programs. The budget allocated for the expression-of-interest process has been deferred to 2020/21. Work previously undertaken to identify alternative delivery approaches for Council contributions (cash and/or property) towards new housing projects, is being further assessed for the social, economic and financial impacts of COVID-19. This includes a focus on opportunities for securing Victorian Government stimulus funding for the delivery of housing projects during the COVID-19 recovery phase, targeting projects that address homelessness/sleeping rough. Planning is also underway for initiatives that may be effective in progressing housing delivery in the event of no (or limited) Victorian Government capital funding for new projects.</p>	Jun 2021	10
<b>JL Murphy Reserve Pavilion Upgrade</b>			
	<p>Project is on track. Practical completion for the pavilion was achieved on 19 February 2020 with handover and familiarisation for building users undertaken during March 2020. The budget component is noted at risk as the accounts are currently being finalised. This is due to funding adjustments required after Council resolved to forward fund the kitchen equipment and cool room infrastructure in the form of a loan that will be repaid over a four-year period. The official opening for the building has been postponed due to COVID-19 lockdown restrictions and will be rescheduled as appropriate.</p>	Jun 2020	2,479
<b>North Port Oval Upgrade</b>			
	<p>Project is on track. There are no changes to the overall status from March 2020. Preliminary work associated with design is ongoing. This includes designs for perimeter fencing, sports field lighting location and public access gates.</p>	Jun 2021	20

**Approved changes**

**Outdoor Fitness Station – Elwood Foreshore:** It is anticipated that construction of the new fitness equipment and integration works at Elwood Foreshore is expected to start in July 2020 and take approximately eight-weeks to commence.

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

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

Project is off track. The tender evaluation panel was unable to appoint a suitable contractor after completing the tender process in April 2020. In May 2020, the specification will be updated to reflect a modified scope of works and a new public tender process will be undertaken. Delays associated with COVID-19 including the disruption in supply chains for lanterns and poles are probable in the current environment. This is likely to add three to six months to the overall construction program once a contractor has been appointed. The construction budget has now been deferred to 2020/21.

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

An integrated transport network that connects people and places

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

Our streets and places are designed for people

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

### Service measures Areas for focus

The service measures for this strategic direction are measured on a quarterly and annual basis.

There are no monthly service measures available for reporting in April 2020.

### Portfolio status

There are 25 projects contributing to the outcomes in this direction



### Key achievements

Program/Project	Achievements
<p><b>Integrated Transport Strategy: Pedestrian Infrastructure Delivery</b></p>  <p><i>Two sections of new pedestrian infrastructure for safer crossing at the roundabout.</i></p>	<p>Construction of two sections of raised pavement zebra crossings at Park and Montague streets in South Melbourne commenced in March 2020 and was completed in May 2020.</p>

### Completed projects

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



## Major initiatives status updates

Status	Comments	Current Approved Completion	2019/20 Forecast \$'000
✔	<b>Integrated Transport Strategy (ITS) Implementation</b> Program is on track. See page 10 for details on progress against the Integrated Transport Strategy.	Jun 2028	260
✔	<b>Kerferd Road Safety Improvements</b> Project is on track. The Shrine to Sea corridor project is being led by the Department of Environment, Land, Water and Planning (DELWP) for the Victorian Government in partnership with Council. This month, officers continued to work closely with the Department of Transport to test project options. A tree health survey has been conducted for the project area. As part of this survey, a number of trees of poor health have been marked for removal and will provide for opportunities for new tree planting in the area.	Jun 2022	0

## Approved changes

**Public Space Accessibility Improvement – West Beach Boardwalk:** Detailed design for West Beach has been completed; however, it's unlikely a contractor will be secured to deliver the project before the end of the financial year. The delivery timeframe will be extended into the 2020/21 financial year.

## Off track non-major initiative project status

### ✘ ITS Action 13 Wellington Street Upgrade

Project is off track due to the Department of Transport (DoT) requiring expansion to the scope of the project. DoT has requested to include a deceleration lane on Dandenong Road, which would significantly increase costs for this project. Key stakeholders have provided feedback to any proposed changes and funding will be considered through the 2020/21 budget process.

### ✘ ITS Action 18 Bike Infrastructure Delivery

Project is off track. A tender for design consultants was drafted for the Inkerman Street bike corridor in St Kilda, but this was postponed due to the COVID-19 outbreak. Project planning and concept designs will now be undertaken by Council officers. Consultations planned for the Garden City Bike Path in May 2020 have also been postponed due to the difficulty in undertaking community engagement with physical distancing restrictions in place. As a result, the construction budget has been deferred to 2020/21. The contract for the design of the Park Street bike lane was awarded and this work commenced in April 2020.

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

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

### Action progress

The implementation program for the Integrated Transport Strategy is on track. Of the 42 actions outlined in the strategy, 37 actions are in progress, three actions have not started, and two actions are completed.



### Updates

**Action 08 Local Area Traffic Management Delivery:** Works at the intersection of Rouse and Dow Streets, Port Melbourne are scheduled to commence in May 2020 and to be completed by the end of the financial year.

**Action 09 Safe and Accessible Streets:** *Disability Discrimination Act* compliance works at all seven accessible parking spaces scheduled for 2019/20 have been completed. Planning and design has begun for 2020/21 projects.

**Action 20 St Kilda Road Transport Improvements:** Council is awaiting a response to the letter sent by the Mayor on 31 March 2020 to the Hon Jacinta Allan, Minister for Transport Infrastructure, requesting the St Kilda Road Transport Improvement project be fast-tracked after the death of a person bike riding in St Kilda Junction.

### Challenges

**Action 13 Wellington Street Upgrade Stage 3:** Delays to this project are occurring as noted on page 9 under off track projects.

**Action 18 Bike Infrastructure Delivery:** Delays to this project are occurring as noted on page 9 under off track projects.

**Action 32 and 33 Parking Provision Rates Investigation:** This funding for this project is being deferred to 2020/21 to support developing a parking overlay as part of the South Melbourne Structure Plan.

**Action 36 Car Share Expansion:** Project is currently at risk of not meeting expansion targets set in the Car Share Policy 2016-2021. The consultation for the round of car share applications for expansion for 2019/20 financial year has been delayed due to the physical distancing requirements of COVID-19. Council officers are working with car share operators to assess the global and local impacts of COVID-19 on car sharing, along with reviewing sanitisation protocols. Officers continue to liaise with community members to address any outstanding concerns regarding location of bays.

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

A greener, cooler and more liveable City

A City with lower carbon emissions

A City that is adapting and resilient to climate change

A water sensitive City

A sustained reduction in waste

### Climate Emergency Declaration

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

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

#### Service measures



#### Areas for focus

The two service indicators are available for April 2020 under this strategic direction both are on track.

In April 2020, 5.9 megalitres of water came from alternative sources, bringing the year to date measure up to 34, which achieves the 20 megalitre annual target. Investments in fossil free institutions is 71.60 per cent, within target range of 60 to 80 per cent.

**Portfolio status** There are 18 projects contributing to the outcomes in this direction





#### Key achievements

Program/Project	Achievements
<b>Action 15 Don't Waste It!</b> Illegal dumping collection and management (increased use of services for residential hard waste collections)	Demand has increased for residential hard waste collections, and an additional collection vehicle has been deployed to meet service levels. Community members are using service correctly by pre-arranging hard waste collection for items such as furniture, mattresses, white goods, and are playing their part to keep streets clean by avoiding dumped waste.

## Completed projects

- Alma Park Stormwater Harvesting Development
- South Melbourne Market Solar

## Major initiatives status updates

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

## Approved changes

**Solar Compaction Litter Bin Project:** After undertaking additional feasibility work to ascertain the value of installing solar compaction bins within the municipality, it has been determined that more supporting data is needed before a commitment to purchase the bins can be made. This data will enable Council to make an informed decision as to the potential quantities and location of bins at a later stage. As such, this project will be closed, and funding will be reallocated to other Council priorities.

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

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

### Overall progress

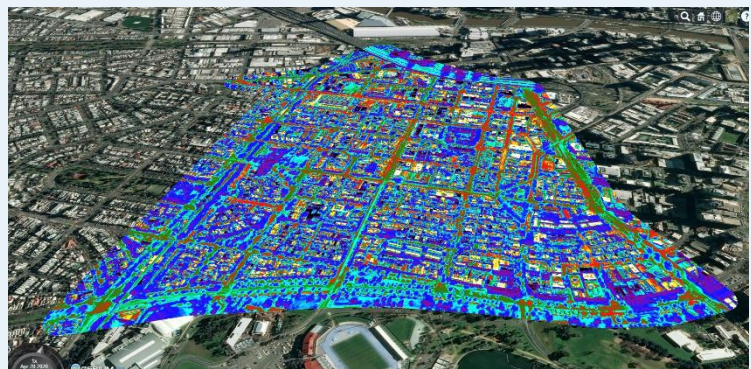
The sustainable environment strategy delivery is on track. There are 31 actions scheduled to be in delivery phase in 2019/20. Of these, one action has been completed and 30 actions are underway.



### Updates

**Action 3 Develop a Biodiversity Study and Action Plan:** The community has recorded 692 individual sightings on the NatureSpot website. The NatureSpot activities in April 2020 focused on online delivery of tutorial videos created and uploaded to the Port Phillip EcoCentre's social media channels. Since the January 2020 face-to-face observation event, the number of active surveyors increased from 87 to 121 people (40 per cent). The celebration event scheduled for May 2020 has been transferred to an online event. The funds originally dedicated to hosting this at the EcoCentre and giving plants to volunteers have been redirected to creating more online content and keeping the NatureSpot website online for a further two months.

**Action 4 Urban Heat and Solar data analysis:** The University of New South Wales was engaged to undertake thermal mapping and modelling of the South Melbourne precinct. An aerial camera surveyed the area to map land surface temperature. Static monitoring stations will be installed around the precinct in the coming month. Land surface temperature mapping was completed, and mesoscale modelling of the City has commenced.



*Thermal mapping of South Melbourne*

**Action 06 and 20 Sustainable Design Assessment in the Planning Process:** Environmentally sustainable design advice was provided to developers and statutory planners through the planning process. Specific sustainable design initiatives were negotiated and agreed with development applicants. Officers continued to provide referral advice within statutory timeframes. Built Environment Sustainability Scorecard data indicates 84 per cent of private development projects are meeting best practice standard at the planning stage.

**Action 37 Water Sensitive Urban Design Program:** Works at Gibbs Street, St Kilda East, Landgridge and Patterson streets, Middle Park; and Page and McGregor streets, Middle Park have now been completed. The remaining project in the program (Southey and Milton streets, Elwood) is scheduled to commence in early May 2020. There is a total of 11 designs in the program and ten have been completed. The remaining one will be completed by the end of June 2020.

### Challenges

COVID-19 has presented challenges to some projects; however, in most cases, alternative options such as moving activities to an online format have been pursued to keep projects on track or revision of scope and budget have been considered.

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

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

**Overall progress:** Delivery of the Don't Waste It! Waste Management Strategy Implementation Program is at risk. Two actions, 10 and 23 are completed, and all other actions in progress.



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

Actions are on track. Officers continuing work with the Victorian Government to prepare a transition plan to deliver requirements of its new policy, *Recycling Victoria – a new economy*. Research has begun on how to best embed circular economy principles into Council policies and procedures, including purchasing. The *Environment Protection Act 2018* will now commence on 1 July 2021 (not 1 July 2020) due to COVID-19.

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

Actions are at risk. Resourcing diverted from general waste education to a focus on delivery of new service trials of kerbside and communal glass recycling, and food organics and garden organics (FOGO), endorsed by Council in the Don't Waste It! Review on 4 December 2019. Some funds have been preserved this year; however, the project will continue with allocated funding for 2020/21.

Officers are preparing for a delayed FOGO trial in Elwood, and Council's Green Cone program is still available for residents who wish to recycle food waste at home.

Request for tender for procurement of Mobile Resource Management System closed and submissions are being assessed.

Leaf season services have commenced across the municipality. Safety measures have been put in place for operations staff to ensure compliance with COVID-19 hygiene and social distancing laws.

Demand has increased for residential hard waste collections; an additional collection vehicle has been deployed to meet service levels. While most community members are playing their part to keep streets clean, there is still a need for dumped rubbish pick-up and hotspot patrols are continuing. This month an increased contamination in recycling has been reported to Council by our kerbside collection contractor, Cleanaway.

The Summer Ranger end-of-season report has been completed and submitted, including analysis of litter audit data. Results will be reviewed and used to inform future programs.

### **Challenges**

The impact of COVID-19 and associated social distancing measures and resource diversion have meant that the Elwood food organics and garden organics (FOGO) trial and the Food to Farm project have been delayed until the new financial year.

COVID-19, increased recycling costs and waste export bans (from 1 July 2020) present service and financial challenges to Council.

Several Don't Waste It! projects that are mid-delivery face postponement or cancellation as resources are diverted. As such, part of this financial year's budget has now been deferred to 2020/21.

## DIRECTION 4 We are growing and keeping our character

### Liveability in a high density City

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

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

#### Service measures



#### Areas for focus

One service measure was available for the month of April 2020 and this is on track.

Street cleaning audit compliance score is 94 per cent, just below target of 95 per cent.

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

#### Key achievements



#### Program/Project

##### Autumn leaf season 2020



*Council's Street and Beach team leaf collection in action*

#### Achievements

Leaf season 2020 commenced with Council's street and beach team managing the falling leaves of 32,500 trees spread across 530 streets. Areas of Elwood, St Kilda, Middle Park, Albert Park, Port Melbourne and Ripponlea draw extra resources to combat their leaf fall, with 95 of the municipality's 530 streets reclassified as high impact zones for the duration of the season. Throughout last year's leaf season, six sweeper trucks averaged 20 truckloads of material per day, amounting to enough to fill three and a half Olympic-sized swimming pools with leaves.

#### Completed projects

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


#### Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
	<b>Gasworks Arts Park Contamination Management Plan</b> Project is off track. There have been no changes to the overall status from March 2020. Council officers continue to work with the Victorian Government	Jun 2022	50


and nominated environmental consultants to progress the Contamination Management Action Plan (CMAP). Development of the draft Park Plan will begin once the CMAP is finalised.

Additional work is needed to determine the extent of groundwater contamination and will continue into 2020. Public notification of the new timelines will be delivered in 2020. Any potential schedule delays will be better known in May 2020 and the schedule will be updated accordingly.

### Public Spaces Strategy Development

	Project is off track. There have been no changes to the overall status from March 2020. Due to COVID-19, the CEO under delegation of Council formally postponed community engagement on the draft Public Space Strategy. This was scheduled to occur from 30 March to 3 May 2020. A revised date has been agreed. A new timeframe for delivery will be forecast in line with Council's review of the priority of strategic projects currently being undertaken. The project costs remain on track.	Jun 2020	200
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### St Kilda Marina

	Project is at risk. The project continues to track in line with the Council approved program. The overall project status is at risk, however, due to the ongoing pressure on the budget and schedule, which are being closely monitored and managed. In terms of procurement, the evaluation process continues to evolve and is progressing in line with the overall program. In relation to the planning scheme amendment, a milestone was achieved when the planning panel concluded in mid-April 2020. This was behind schedule due to the need to accommodate a modified process as a result of the COVID-19 outbreak. The process was conducted 'on the papers' (electronically in writing) and via video conferences for presentations. This delay is anticipated to be absorbed within the current program.	Jun 2021	460
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### Approved changes

**Graham Street Overpass Skate Park:** A precinct plan has been completed for the skate park, rebound wall, half-court, rock-climbing wall and lighting. Pending a result on a supporting grant application, the project will now will be deferred to 2020/21.

**Point Ormond Playground:** The concept plan for Point Ormond Reserve includes building a new playground, upgrading park facilities and improving path connectivity to the Bay Trail, the Beacon and other park facilities. Finalising the detailed design has required additional time to consider feedback received from the community.

**Public Space Lighting Renewal and Upgrade – Bay Trail:** The project was behind schedule due to environmental management plan considerations for stage three of the four-stage project. Stages one and two (Station Pier to Port Melbourne Lifesaving Club) have been completed and stage four (South Melbourne Lifesaving Club to Kerferd Road) is currently under construction and due to be completed by 30 June 2020. Stage three (Port Melbourne Life Saving Club to South Melbourne Life Saving Club) will now be completed in 2020/21. A new project timeline has been approved following the preparation of the Environmental Management Plan options analysis that guided decisions on project scope, schedule and cost based on the recommendations from the plan.



## Off track non-major initiative project status



### Hostile Vehicle Mitigation – Foreshore Security Gate Cameras

Project is off track due to recommendations to undertake an additional tender to ensure submissions represent the best value for money. A new two-staged process is proposed including an expression of interest followed by a public tender. It is anticipated that this will be finalised in May 2020. Council plans to install fixed cameras to monitor gates and access paths as additional security measures to reduce the risk of incidents to Council assets. The security gate cameras will monitor potential unauthorised vehicle access along the foreshore and provide a sense of safety to the public while in these areas.



### Public Toilet Plan Implementation

Project is off track. The Public Toilet Implementation Program is off track due to the status of the Fitzroy Street Public Toilet Implementation. The design will be progressed for a newly identified location based on a modular removable toilet block. Further advocacy work is required to the land owner for the preferred location and if approved, the design will be suitable for this site. This advocacy work has been delayed and funding for this project has been deferred to 2021/22 in the draft budget.

## Fishermans Bend Program 2019/20

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

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

### Status update

The project status has not seen any significant change since last month; however, changes are likely to occur regarding the scope of work given the COVID-19 pandemic.

Place recovery is now seen as a critical part of the work that Council will need to undertake in the short term. The expectation is that a greater focus may be given to business recovery. Precinct planning for Montague precinct has progressed during April 2020.

The program budget is expected to be favourable by end of year given resource changes and potential changes to key tasks. Changes in resourcing have now been confirmed and the budget will be updated.

### Challenges

The COVID-19 pandemic has introduced major uncertainty in both the schedule and scope of work for Fishermans Bend. Further to the status update from last month, a new schedule has not been released and Council is still relying on this to determine how our work should be organised.



## DIRECTION 5 We thrive by harnessing creativity

A City of dynamic and distinctive retail precincts

A prosperous City that connects and grows business

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

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

### Service measures



### Areas for focus

One service measure is available for the month of April 2020.

There have been 4.8 visits to library per capita which is under the target of 6.3. Libraries have been closed due to the COVID-19 outbreak, with online and delivery services contributing to the measure this month.

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



### Key achievements

#### Program/Project

#### Achievements

**South Melbourne Placemaking (Art and Soul – Creative and Prosperous City Strategy 2018-22)**



Mural - Physical Distancing by Brigitte Dawson

A new mural, The Creation of #physicaldistancing has been completed by artist Brigitte Dawson at Clarendon Centre's Coventry Street Wall in South Melbourne.

The Clarendon Centre provided the wall and the artist painted the nine-metre mural free of charge as a generous donation to the community. As South Melbourne is known as a creative hub, it is a great home for this new take on a much-loved masterpiece.

### Major initiatives status updates

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

## Approved changes

**South Melbourne Market Compliance Works:** Project works have commenced and the design process is underway. Delays have required some works and milestones to be reset, along with deferring unspent funding into the 2020/21 financial year.

**South Melbourne Town Hall Renewal and Upgrade:** Finalisation of specialist service reports (electrical, fire and structural) have resulted in delays to the schedule. As a result, some deliverables have been moved to 2020/21.

**South Melbourne Market Strategic Business Case:** Project is on hold as the impact of COVID-19 is being assessed.

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

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

### Overall progress

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

Key engagement with business and the creative community continues through digital platforms during the time COVID-19 restrictions are in place.

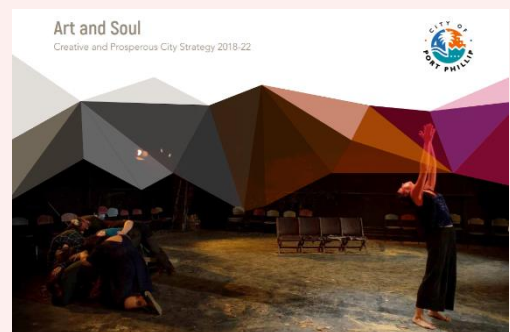
### Updates

#### Action 10 Develop and Implement Action Plan for Creative

**Clusters:** Officers met online with various creatives and creative business to understand existing conditions and develop relationships. They included digital creatives, game designers, education, Film Victoria, virtual and augmented reality companies in South Melbourne, and working on various creative-cluster enabling projects. Officers have been involved in strategic work being undertaken by the Victorian Government. The scope for this project will rely on work being conducted for the South Melbourne Structure Plan. Also contributing is work from the Victorian Government on affordability in enterprise precincts as well as Creative Victoria's creative neighbourhoods work.

**Action 11 Protect, Promote and Grow the Local Creative Economy:** Local creative enterprises continue to contact officers for assistance with promotion for future events in the municipality. Where appropriate these enquiries have been forwarded for inclusion on the Explore Port Phillip website. New relationships have been developed, linking and supporting local creatives to providing content for events. Online networking has continued for growing creative businesses cross sector and with state agencies and major events.

**Action 24 Develop Strategic Arts Partnerships:** Council officers continued regular engagement with strategic arts organisations including The Torch and Arts Access, and a range of others. Impact of COVID-19 on broader arts activity informs discussions and ability for council officers to build and sustain new relationships as organisations shift into managing their own risks and challenges. This is particularly relevant as Council plans pathways to best support artists and creative businesses impacted by COVID-19.



*Art and Soul- Creative and Prosperous City Strategy 2018-22*

## Challenges

The impact of the COVID-19 pandemic on the creative arts has meant a shift in focus to economic stimulus and recovery for this sector. This has resulted in the establishment of a proposed \$150,000 fund being developed from various sources including the strategic program as well as business-as-usual funds. The key focus is now shaping the strategy for 2020/21 and determining the timing for these projects.

## Placemaking Action Plan 2018-2021

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

## Overall progress

The Placemaking program is being delivered in line with agreed scope, schedule and costs. No extreme or high risks have been identified to date. Overall, there has been a mix of wins and minor setbacks with some projects delayed/paused due to COVID-19. Waterfront Place activity will not progress in May-June 2020.

## Love My Place Grants – Fitzroy Street

- The team held five teleconferences with landlords reaching 139 owners to inform of the COVID-19 support available.
- The 'Open for Business' link on the Love My Place webpage was initiated to profile business that are still open for business and promote the inventive initiatives they are delivering to their consumers.
- We delivered four webinars to traders and the community on the best way to maintain your business, whether it be online, bricks-and-mortar or a combination of both.
- The Comeback Fitzroy Street initiative closed early due to COVID-19 and an analysis document has been delivered.



Open for Business online directory  
<https://lovemyplace.com.au/open-business>

## South Melbourne

- In collaboration with the reference group, officers are assessing the impact of COVID-19 on the community and planning for recovery.
- Two mural artworks were completed on Bank Street, South Melbourne and have received positive community feedback.
- A new mural titled Physical Distancing by artist Brigitte Dawson, commenced on 27 April 2020, is located on Clarendon Centre's Coventry Street Wall, South Melbourne. This is a collaborative installation and a mural message during the crisis (refer to key achievements on page 18.)
- Live Facebook workshops were held for the pop-up sustainable gardens at HH Skinner Reserve, South Melbourne in April, with over 3,500 viewers. More workshops took place in May.
- Final testing and fixes were implemented for the Love South Melbourne app.

## DIRECTION 6 Our commitment to you

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

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

### Service measures



### Areas for focus

Eleven service measures were available for reporting in April 2020, with seven on track, one at risk and three off track. Measures include:

- Percentage of priority projects on track (82 per cent exceeding target of 80 per cent)
- Council decisions closed to the public (eight per cent, compared to target of 10 per cent)
- Councillor attendance at Council meetings (93 per cent, exceeding target of 90 per cent)
- Audit actions completed on time (91 per cent, compared to target of 90 per cent)
- Community time saved (2,040 days progressing towards annual target of 11,000 days)
- Staff time saved (4,315 hours, achieving target of 4,000 hours)
- Requests resolved within agreed timeframes (95 per cent, exceeding target of 90 per cent)
- Councillor attendance rate at Council meetings (100 per cent, exceeding target of 90 per cent)

The at risk measure relates to calls answered within 30 seconds with 74 per cent, just falling short of 80 per cent target.

The 12-month rolling recordable injury frequency result is 31.7 exceeding the annual target of 21.4. The target for this measure will be reviewed as part of the Council Plan 2020/21 to reflect the changing workplace environment. Staff turnover continues to be off track, with a rolling 12 month result of 16.37 per cent compared to target of 10 per cent. Staff turnover continues to be a focus and a key piece of the People and Culture Strategy. One material legislative breach has been recorded, exceeding the target of zero, further details provided on page 32.

## Portfolio status



There are 17 projects contributing to the outcomes in this direction

## Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>Customer Experience Program</b>			
▲	The program remains at risk based in part on the assessed impact of COVID-19. However, given the benefits provided to the community, particularly the increase in efficiencies, such as providing online services, the program will continue to be delivered, predominately through a remote workforce. Preparation for the next stage of design and implementation has commenced and will include modules to support customer relationship management, building and planning applications and issuing of permits. The design of Council's main website has been finalised to ensure we deliver a productive and easy-to-use website for our staff and community. The 'go-live' date for the website and intranet in August 2020 remains on track. Revised project delivery schedules from vendors has shifted expenditure to future years.	Jun 2021	7,833

## Approved changes

**Building Safety and Accessibility Program – Bubup Nairm Cladding Rectification:** The contract has been awarded and works will commence soon. Materials for the balustrade works have a long lead-time and will not be received this financial year, causing a delay to the project completion. Part of the construction funding has therefore been deferred to 2020/21.

**St Kilda Town Hall Staff Accommodation:** Before the project proceeds to design development, further workplace analysis is underway to inform the requirements for the refurbishment and ways of working in the organisation.

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

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

	<i>Latest results</i>	
<b>Improving customer experience and technology, and being more innovative</b>		
80 per cent community requests completed on time	95 per cent	
80 per cent community complaints completed on time	95 per cent	
<b>Improving community engagement, advocacy, transparency and governance</b>		
90 per cent risk and audit actions completed on time	96 per cent	
90 per cent councillor attendance at Council meetings	100 per cent	
90 per cent Council decisions made in public	92 per cent	
0 material legislative breaches (refer to page 32)	1	
<b>Ensuring sustainable financial and asset management, and effective project delivery</b>		
Financial sustainability risk rating of low	Medium	
Operating savings (delivering efficiency and cost savings)	\$4.9 million	
80 per cent of major initiative project delivery is on track	82 per cent	

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

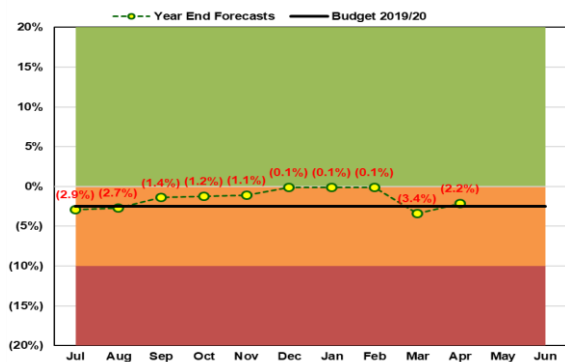
<b>Inspiring leadership, a capable workforce and a culture of high performance and safety</b>		
Total recordable injury frequency rate below 21.8	31.71	
Unplanned Leave year to date (days/EFT) below 10.8	10.59	
Staff turnover below 10 per cent	16.37 per cent	

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

Council's decision-making is reflected by the principles of sound financial management, to ensure our financial position is sustainable. We assess our financial performance using the Victorian Auditor General Office (VAGO) financial sustainability indicators. As highlighted by the seven VAGO financial indicators below, the full-year forecast as at April indicates an overall medium risk financial sustainability rating for Council. The COVID-19 pandemic is expected to impact Council's financial position by \$12.8m this financial year. Officers have put in place tight fiscal controls (e.g. vacant positions put on hold unless necessary; controllable expenditure minimised) and will find savings over the 15 months to address this deficit. Council expects a cumulative cash deficit of \$3.8 million for 2019/20 after actions taken by officers to mitigate the impact of Covid-19.

### Assessment against VAGO financial sustainability indicators

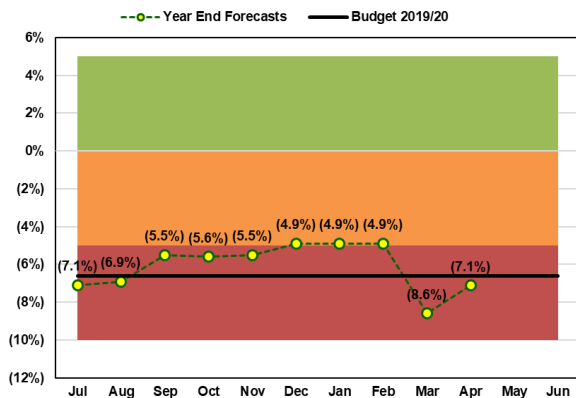
#### 1.1 Net result per cent (net surplus over total income)



**Target:** Greater than 0% **Year-end forecast:** -2.2% **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 March 2020, Council has forecast a deterioration to -3.4% largely due to the \$12.8m impact of the COVID-19 pandemic to our financial performance. Council has forecast an improvement in April with a ratio of -2.2% due largely to the tight fiscal controls put in place which resulted in further operating savings \$1.8m including lower operating expenditure on portfolio projects. \$1.1m of Customer Experience Program deferrals also contributed to the improvement.

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

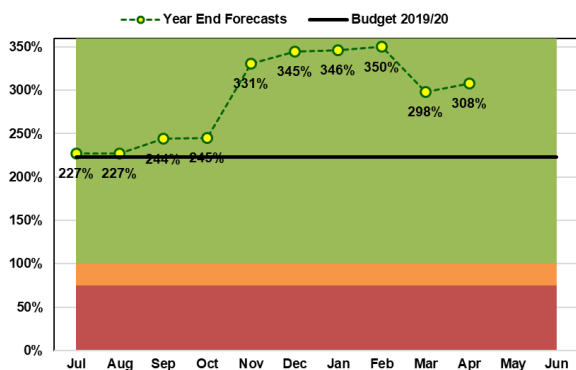


**Target:** Greater than 5% **Year-end forecast:** -7.1% **Status:** ❌

**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 April 2020, the forecast for the financial year is -7.1%. 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:** 308% **Status:** ✅

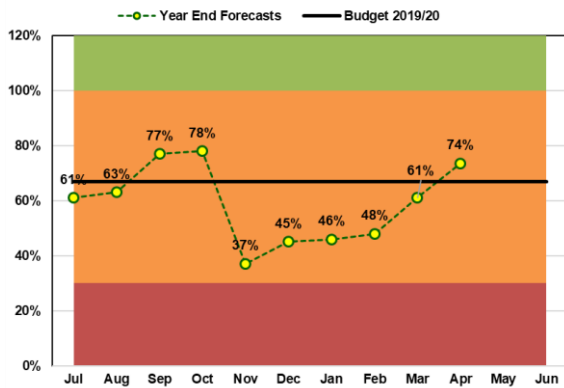
**This financial indicator assesses Council's ability to pay short term liabilities as they fall due**

The Budget 2019/20 had a working capital ratio of 223%. The full year forecast as at April 2020 is 308%. The material change March is due to the \$12.8m financial impact from the Covid-19 pandemic. Council has no issues in paying suppliers and employees when payments fall due.



## Financial sustainability indicators (continued)

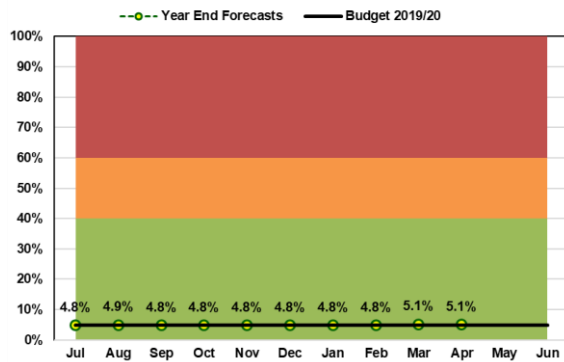
### 1.4 Internal financing % (net operational cashflows compared to net cash capital outlay)



**Target:** Greater than 100%     **Year-end forecast:** 74%     **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 April 2020 shows an improvement since February to 74%. This is largely due to \$9.0m capital spend reduction identified in March and April comprising \$3.3m of savings/underspends and \$5.7m deferrals to next financial year.

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

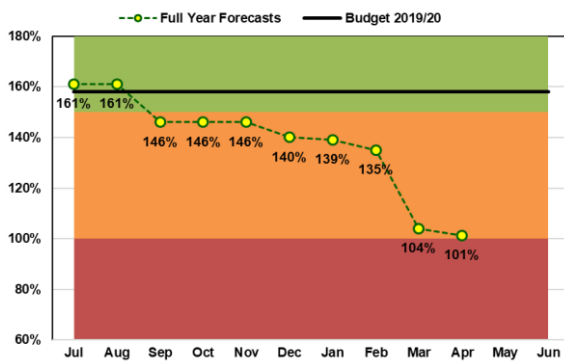


**Target:** Less than 40%     **Full year forecast:** 4.9%     **Status:** ✓

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

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

### 1.6 Capital replacement % (total cash capital outlay/depreciation)

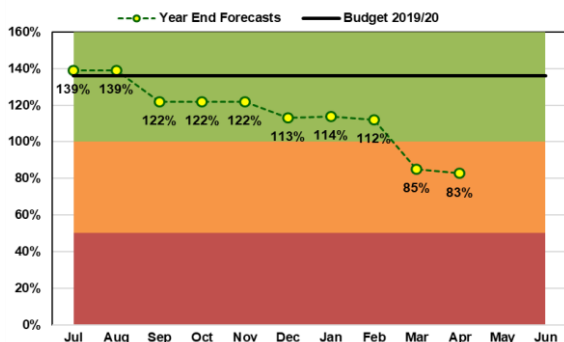


**Target:** Greater than 150%     **Year-end forecast:** 101%     **Status:** ▲

**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 April shows the ratio has decreased to 101%. The \$12.8m financial impact due to the COVID-19 pandemic will require Council to find savings from both operating and capital expenditure in order address the funding shortfall. \$3.3m of savings have been found and \$5.7m of capital projects to be deferred to 2020/21.

The low ratio performance in 2020/21 will be addressed over the long-term. Council's 10-Year Financial Plan includes annual targets at 150%+ so that we continue to renew, grow and improve our asset base.

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



**Target:** Greater than 100%     **Year-end forecast:** 83%     **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 April shows the ratio has decreased to 83%. The \$12.8m financial impact due to the COVID-19 pandemic will require Council to find savings from both operating and capital expenditure in order address the funding shortfall. \$3.3m of savings have been found and \$5.7m of capital projects to be deferred to 2020/21. The low ratio performance in 2019/20 will be addressed over the long-term. Council's 10-Year Financial Plan includes annual targets of 120%+ so that we continue to renew and improve our asset base.

## Comprehensive Income Statement Converted to Cash – April 2020

We use the Comprehensive Income Statement Converted to Cash to ensure prudent financial management by maintaining a cumulative cash surplus. The current forecast for 2019/20 is a cumulative cash deficit of \$3.8m which compares unfavourably against the budgeted cash surplus of \$0.43m. Officers have put in place tight fiscal controls (e.g. vacant positions put on hold unless necessary; controllable expenditure minimised) and will find savings over the 15 months to address this deficit.

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual	Forecast	Actual to Forecast		Forecast	Budget	Forecast to Budget		
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	
<b>Income</b>									
Rates and Charges	107,728	107,729	(2)	(0%)	129,213	129,149	64	0%	
Statutory Fees and Fines	17,172	17,245	(73)	(0%)	18,307	24,046	(5,739)	(24%)	
User Fees	34,612	34,453	160	0%	36,215	38,801	(2,586)	(7%)	
Grants - Operating	8,130	8,469	(339)	(4%)	11,475	9,430	2,045	22%	
Grants - Capital	2,780	120	2,660	2216%	2,286	2,586	(301)	(12%)	
Contributions - Monetary	7,629	7,893	(264)	(3%)	8,008	6,045	1,963	32%	
Contributions - Non Monetary	68	0	68	0%	0	0	0	0%	
Other Income	12,410	11,614	796	7%	16,443	14,381	2,061	14%	
<b>Total Income</b>	<b>190,528</b>	<b>187,522</b>	<b>3,006</b>	<b>2%</b>	<b>221,947</b>	<b>224,438</b>	<b>(2,491)</b>	<b>(1%)</b>	1
<b>Expenses</b>									
Employee Costs	78,022	77,793	(229)	(0%)	92,180	96,637	4,457	5%	
Materials and Services	59,897	58,564	(1,333)	(2%)	74,530	78,567	4,037	5%	
Professional Services	7,109	7,838	729	9%	13,136	12,899	(237)	(2%)	
Bad and Doubtful Debts	3,812	4,155	343	8%	5,038	3,862	(1,176)	(30%)	
Depreciation	20,519	20,845	326	2%	25,441	24,911	(530)	(2%)	
Borrowing Costs	239	178	(61)	(34%)	353	450	97	22%	
Other Expenses	6,681	6,333	(348)	(5%)	11,732	8,473	(3,259)	(38%)	
Net (Profit) or Loss on Disposal of Assets	862	333	(529)	(159%)	4,310	4,310	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
<b>Total Expenses</b>	<b>177,140</b>	<b>176,039</b>	<b>(1,101)</b>	<b>(1%)</b>	<b>226,720</b>	<b>230,109</b>	<b>3,389</b>	<b>1%</b>	2
<b>Operating Surplus / (Deficit)</b>	<b>13,388</b>	<b>11,483</b>	<b>1,905</b>	<b>17%</b>	<b>(4,773)</b>	<b>(5,671)</b>	<b>898</b>	<b>(16%)</b>	
<b>Income Statement Converted to Cash</b>									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	20,519	20,845	(326)	(2%)	25,441	24,911	530	2%	
• Add back written-down value of infrastructure assets disposals	819	450	369	82%	4,450	4,450	0	0%	
• Add back written-down value of fleet asset disposals	261	200	61	30%	240	240	0	0%	
• Add back balance sheet work in progress reallocated to operating	1,475	1,000	475	48%	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	(68)	0	68	0%	0	0	0	0%	
	<b>23,006</b>	<b>22,495</b>	<b>511</b>	<b>2%</b>	<b>31,331</b>	<b>30,801</b>	<b>530</b>	<b>2%</b>	
<b>Adjustments for investing items:</b>									
• Less capital expenditure - Infrastructure	(18,094)	(18,991)	897	5%	(23,030)	(36,023)	12,993	36%	
• Less capital expenditure - IT, Plant and Equipment	(1,997)	(1,925)	(72)	(4%)	(2,742)	(3,219)	477	15%	
	<b>(20,091)</b>	<b>(20,916)</b>	<b>825</b>	<b>4%</b>	<b>(25,772)</b>	<b>(39,242)</b>	<b>13,470</b>	<b>34%</b>	3
<b>Adjustments for financing items:</b>									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(580)	(581)	1	(0%)	(693)	(670)	(23)	(3%)	
	<b>(580)</b>	<b>(581)</b>	<b>1</b>	<b>(0%)</b>	<b>(693)</b>	<b>(670)</b>	<b>(23)</b>	<b>(3%)</b>	
<b>Adjustments for reserve movements:</b>									
• Discretionary Reserve Drawdown/ (Replenish)	1,978	3,583	(1,605)	(45%)	(4,774)	13,392	(18,166)	(136%)	
• Statutory Reserve Drawdown/ (Replenish)	0	(1,286)	1,286	(100%)	54	632	(578)	(91%)	
	<b>1,978</b>	<b>2,297</b>	<b>(319)</b>	<b>(14%)</b>	<b>(4,720)</b>	<b>14,024</b>	<b>(18,744)</b>	<b>(134%)</b>	4
<b>Current Year Cash Surplus/(Deficit)</b>	<b>17,701</b>	<b>14,778</b>	<b>2,923</b>	<b>20%</b>	<b>(4,627)</b>	<b>(758)</b>	<b>(3,869)</b>	<b>(510%)</b>	
Opening balance carry forward surplus	862	862	0	0%	862	1,192	(330)	(28%)	
<b>Accumulated Cash Surplus</b>	<b>18,563</b>	<b>15,640</b>	<b>2,923</b>	<b>19%</b>	<b>(3,765)</b>	<b>434</b>	<b>(4,199)</b>	<b>(967%)</b>	
Refer to Notes for explanation on changes to forecast in the current reporting month.									

## NOTES to the Comprehensive Income Statement Converted to Cash – April 2020

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

### Note 1. Operating income forecast decreased by \$2.49 million:

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

↑	\$0.65m	Several large developments commenced prior to Covid-19 have been progressing as planned. The requirement for greater street occupation space and road closures for social distancing and work delays will result in additional income.
⇒	\$0.38m	Additional Commonwealth funding for Food services due to increased demand from the vulnerable. Offset by additional expenditure.
↓	(\$0.34m)	Commonwealth Funding (Ausport) for Sports field lighting not likely to be forthcoming this financial year. Expenditure has been reduced.

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

↑	\$2.53m	Greater income from street occupation, road closures and skin bin fees than expected mainly due to several large development projects.
↑	\$0.58m	Greater utilisation of paid parking mainly due to the successful implementation of PayStay (a convenient payment option via mobile devices).
↑	\$0.56m	Unbudgeted compensation from Rail Project Victoria for the loss of Domain precinct paid parking income.
↑	\$0.43m	Project portfolio funding increased due to: <ul style="list-style-type: none"> <li>• Deferral of Kirrip Park works from 2018/19 including contribution from the Victorian Government \$0.16m.</li> <li>• 2018/19 Alma Park Stormwater Harvesting funding from State Government \$0.12m.</li> <li>• other minor \$0.06m.</li> </ul>
↑	\$0.34m	Unbudgeted Federal Government funding for Sports Field Lighting.
↑	\$0.16m	One-off unbudgeted Victoria Government support funding as a result of the Council's recycling contractor site closure.
↑	\$0.10m	The SKM recycling processing contract included \$0.10m of Bank Guarantee as collateral for non-performance of contract. This is to be remitted to Council this financial year.
⇒	\$1.60m	A greater amount of open space contributions expected in 2019/20 as a number of large developments have reached the subdivision stage. These funds are to be quarantined in reserves for future open space enhancement projects.
⇒	\$1.43m	Updated forecast includes the prepayment of 2020/21 Victoria Grants Commission funding for Local Governments in 2019/20.
⇒	\$0.97m	Council has approved a number of Right of Way divestments not required for servicing the community. Funds will be quarantined in reserve for future strategic property acquisition and development.
⇒	\$3.50m	Council's Accounting Policy is to take up the market value of rent to community groups as non-cash income and expenditure in the financial year the new agreements have been agreed by Council. It is expected that Council will renew \$0.48 million of lease agreements in additional to the \$3.02 million recognised in 2018/19. This reflects GAAP obligations.
⇒	\$0.38m	Additional Commonwealth funding for Food services due to increased demand from the vulnerable. Offset by additional expenditure.
⇒	\$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.
⇒	(\$0.22m)	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.
⇒	(\$0.18m)	Realignment of Parking Infringement Notices cancellation budget and the Parking Infringement Notices doubtful debt provisions (net neutral impact).
⇒	(\$0.11m)	Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.
↓	(\$7.30m)	Council has seen a material drop in paid parking utilisation due to Covid-19 travel restrictions. This also impacts on infringement notices from non-compliance of parking restrictions.
↓	(\$2.95m)	Council endorsed on the 25 March meeting to provide transparent, effective, efficient and affordable support to our community and economy, to enhance resilience to and recovery from the Covid-19 pandemic. The updated financial projection is \$2.95m, \$0.45m more than was expected.
↓	(\$1.78m)	The Federal Government's Early Childhood Education and Care Relief Package payable to Council for our childcare services is based on 50% of the lower capped fee. In addition to lower utilisation, Council expects an income loss of \$1.78m this financial year. Officers are minimising costs where possible including agency and contract staff. However, the service cost base has a high fixed component - permanent childcare employees.
↓	(\$0.63m)	The impact of Covid-19 is placing further pressure to an already weak development market particularly in the high value development category. We expect lower income from development activity in the near to medium term.
↓	(\$0.42m)	South Melbourne Market has been impacted by the Covid-19 pandemic included the suspension of NEFF cooking classes, lower utilisation of rooftop paid parking, rent relief and other income.
↓	(\$0.34m)	Commonwealth Funding (Ausport) for Sports field lighting not likely to be forthcoming this financial year. Expenditure has been reduced.
↓	(\$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.

## NOTES to the Comprehensive Income Statement Converted to Cash – April 2020

↓	(\$0.30m)	The implementation PayStay enabled a more convenience payment option for paid parking. Council has seen greater utilisation of our metered parking spaces and increased parking compliance, which has contributed to the reduction of Parking Infringement Notices issued.
↓	(\$0.15m)	Lower income from building permits than budgeted due to lower development activity.
<b>Note 2. Operating expenditure forecast decreased by \$3.39 million:</b>		
<b>Net forecast operating expenditure changes in the month of April 2020 included the following material items:</b>		
↑	\$0.66m	Budget savings are due to lower spend in response to lower demand, delay of some work, and staff trying to do as much as they can within existing resources noting this is not sustainable over the medium to longer-term: <ul style="list-style-type: none"> <li>• \$0.44m Employee costs - tight fiscal controls are in place for recruitment approvals.</li> <li>• \$0.12m Professional service - minimise and greater utilisation of on existing staff.</li> <li>• \$0.10m Other minor reductions.</li> </ul>
↑	\$1.00m	In accordance with accounting standards, portfolio expenditure such as demolition, landscaping, soil remediation, community consultation and planning are to be classified as operating expenditure. This expenditure is proportionately reduced in line with a reduced portfolio program.
⇒	\$1.11m	Customer experience program delays expected due to timing of work streams deferred to 2020/21 and contingency not being required which has been deferred to 2021/22. Project completion date in August 2021 expected to be met.
⇒	(\$0.38m)	Additional Commonwealth funding for Food services due to increased demand from the vulnerable. Offset by additional expenditure.
↓	(\$0.34m)	Additional expenditure incurred due to Covid-19: <ul style="list-style-type: none"> <li>• \$0.16m Additional cleaning to meet OHS requirements at work sites.</li> <li>• \$0.11m Additional kerbside collection crew to meeting social distancing requirements.</li> <li>• \$0.07m Additional tipping costs as household waste increased due to lockdown.</li> </ul>
<b>Net forecast operating expenditure changes year to date April 2020 included the following material items:</b>		
↑	\$3.35m	Tight fiscal controls are in place to address the expected cash deficit. <ul style="list-style-type: none"> <li>• \$2.63m of employee costs as all vacant positions are put on hold unless necessary (OHS or statutory requirements), agency and contract staff minimised.</li> <li>• \$0.4m of staff training and conferences budget.</li> <li>• \$0.12m Professional service - minimise and greater utilisation of on existing staff.</li> <li>• \$0.2m of other discretionary expenditure.</li> </ul> More reviews are being undertaken.
↑	\$1.00m	In accordance with accounting standards, portfolio expenditure such as demolition, landscaping, soil remediation, community consultation and planning are to be classified as operating expenditure. This expenditure is proportionately reduced in line with a reduced portfolio program.
↑	\$0.66m	Lower employee costs for Council managed childcare services due to active management of staffing levels in response to changes in utilisation, monitoring and minimising use of agency staff and where possible backfill with existing staff.
↑	\$0.58m	Savings to be realised including the Fishermans Bend Program, Elster Creek Catchment Partnership, Site Contamination Policy, Standard Drawings & Designs, Carlisle St Supermarket Strategy, Placemaking Program, Community Action Plan, Bio-diversity Study and Action Plan, and Heat& Solar Data Analysis.
↑	\$0.54m	Reduced Employee costs due to vacancies across the Enterprise.
↑	\$0.13m	Efficiency savings from competitive tendering Public Liability insurance which resulted in lower premiums and greater insurance cover.
⇒	\$3.33m	Delays in procurement and rephasing following detailed planning with vendors for the Customer Experience program will result in budget deferrals to 2020/21.
⇒	\$1.11m	Customer experience program delays expected due to timing of work streams deferred to 2020/21 and contingency not being required which has been deferred to 2021/22. Project completion date in August 2021 expected to be met.
⇒	\$0.72m	Projects experiencing delays due to a number of factors including the impact of Covid-19, reliance on Victorian Government Agencies and procurement delays. The following projects have deferrals to 2020/21 including the Future Operations Centre and Hub Feasibility, In Our Backyard Strategy Implementation, Waste Strategy Implementation Program, South Melbourne Market Strategic Business Case, and Carlisle St Carparks Strategy Implementation.
⇒	\$0.48m	Council has been diverting offenders with multiple parking infringements to the Magistrate Court which has improved our cash position (higher collection rate and lower payments of lodgement fees). The accounting impact is lower filing fee income and lower lodgement fee expenditure for the financial year.
⇒	\$0.15m	Reduced expenditure to offset lower hall hire utilisation. Officers are undertaking a strategic review including future use of facilities, marketing, operational costs and pricing.
⇒	\$0.11m	Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.
⇒	(\$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.
⇒	(\$0.38m)	Additional Commonwealth funding for Food services due to increased demand from the vulnerable. Offset by additional expenditure.
⇒	(\$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.

## NOTES to the Comprehensive Income Statement Converted to Cash – April 2020

➔	(\$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.
↓	(\$0.34m)	Additional expenditure incurred due to Covid-19: <ul style="list-style-type: none"> <li>• \$0.16m Additional cleaning to meet OHS requirements at work sites.</li> <li>• \$0.11m Additional kerbside collection crew to meeting social distancing requirements.</li> <li>• \$ 0.07m Additional tipping costs as household waste increased due to lockdown.</li> </ul>
↓	(\$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 investigations, planning scheme amendment, and advice for legal, procurement, probity and design.
↓	(\$0.20m)	Increased tree root maintenance in response to increasing number of tree root damage requests. Future claims for damages can be avoided by additional upfront expenditure.
↓	(\$0.15m)	Ongoing cost of maintaining Northport Oval post Capital Works upgrade. The additional cost is being negotiated with users of the facility.
↓	(\$0.15m)	Additional legal expenditure required for planning appeals and Fishermans Bend planning amendments.
↓	(\$0.11m)	Newly tendered South Melbourne Market Cleaning contract greater than budgeted due to market pricing.
↓	(\$0.09m)	Gender Equality Game Jam - funding was received in 2018/19.

### Note 3. Capital expenditure forecast decreased by \$13.47 million:

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

↑	\$0.20m	South Melbourne Operations Server Room reprioritised as contribution towards impact of Covid-19.
➔	\$0.40m	South Melbourne Town Hall Major Works experiencing delays due to a number of specialised investigations required to progress project further. Funds deferred to 2020/21.
➔	\$0.39m	Bubup Nairn Cladding Rectification works - \$0.29m deferrals to account for long lead time on balustrade materials and \$0.10m savings from competitive tenders.
➔	\$0.34m	Scope reduction due to Commonwealth Funding (Ausport) for Sports field lighting not forthcoming.
➔	\$0.30m	Further deferrals to 2020/21 identified for the South Melbourne Market Building Compliance Works due to resourcing constraints in additional to Covid-19 delays.
➔	\$0.10m	Children Centres Fencing Works - inadequate number of tender submissions on one site which will be deferred to 2020/21.
↓	(\$0.13m)	Updated Road Resurfacing Program will require full budget previously reduced due to Covid-19.

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

↑	\$2.93m	Savings to be realised due to a number of factors including the Covid-19 impact constraints such as supply chain, procurement savings, reduced scope of works, project not going ahead, works deferred and funded in 2020/21. The larger project savings include: Annual Fleet Renewal, South Melbourne Renewal Works, Healthy Tracks, Hostile Vehicle Mitigation Foreshore Security Gate, Drainage Condition CCTV Assessment, South Melbourne Life Saving Club Redevelopment, Building Minor Capital Works, Road Resurfacing Program, Stormwater Renewal Program, and Public Toilet Plan Implementation.
↑	\$0.40m	The Maritime Asset Audits which has determined that there are no design or rectification works required for 2019/20. Funds to be quarantined in Asset Renewal Reserve.
↑	\$0.31m	St Kilda Town Security Upgrade underspends expected due to reduced number of front counter reconfigurations required. Funds to be quarantined in Asset Renewal Reserve for future renewal requirements.
↑	\$0.20m	South Melbourne Operations Server Room reprioritised as contribution towards impact of Covid-19.
↑	\$0.14m	Safe Roof Access underspends to be transferred to Asset Renewal Reserve for future renewal requirements.
➔	\$6.55m	A number of project have been identified as deferrals to 2020/21. They include the South Melbourne Town Hall major works \$3.0m, Port Melbourne and St Kilda Town Hall accommodation strategy \$0.98m, St Vincent Gardens playground redevelopment \$0.5m, Palais Theatre \$0.46m, Gasworks Arts Park Reinstatement \$0.45m, EcoCentre Redevelopment \$0.36m, Building Safety Corrective Actions \$0.29m, Fitzroy St Streetscape (public toilets) \$0.20m, Adventure Playgrounds Upgrade \$0.13m and Shakespeare Grove Hostile Vehicle Mitigation works \$0.08m.
➔	\$4.38m	Projects experiencing delays due to a number of factors including the impact of Covid-19 on supply chain, reliance on Victorian Government Agencies, procurement delays and design delays. The larger projects include Garden City Bike Path, Elwood Park Lighting Expansion, JL Murphy Play Space Upgrade, Graham Street Overpass Skate Park, St Kilda Town Hall Staff Accommodation, Accessibility Improvements in Council Facilities, Wellington Street Upgrade Stage 3, Fitzroy St Public Toilet, and Lagoon Reserve Sports Field Redevelopment.

## NOTES to the Comprehensive Income Statement Converted to Cash – April 2020

➔	\$1.47m	The following project have been identified in February 2020 for deferral to 2020/21: <ul style="list-style-type: none"> <li>• \$0.60m South Melbourne Market Compliance - due to dependency on the South Melbourne Market Master planning including additional detailed design work and project management resourcing.</li> <li>• \$0.34m Bike Infrastructure Planning &amp; Design - detailed design of the Garden City Bicycle path is expected to be completed in mid April 2020. The design of Inkerman St bike route has been delayed in order to explore design options for a bike corridor along Inkerman Bike Route with the City of Glen Eira. Port Phillip officers have formed a technical working group with Glen Eira to explore alternative design options across our boundaries. A draft tender has been completed to engage external consultants to engage design consultants</li> <li>• \$0.30m St Kilda Foreshore Missing Link - a conceptual design has been developed and will inform future budget considerations. Relevant stakeholder consultation required in order to complete design and commencing construction.</li> <li>• \$0.13m St Kilda Pier Foreshore Upgrade - high level strategic assessment and options for foreshore upgrades has been completed. The Council's next steps are dependent upon Parks Victoria's design work for the new Pier, which will be commenced from April/May 2020. As such, the \$130K has been deferred to 2020/21.</li> <li>• \$0.10m Public Toilet Plan Implementation - additional feasibility and consultation work required to determine a possible location for the new public amenities along Fitzroy St following the decision from Parks Victoria not to allow Council to utilise space on their land which has caused delays in commencing design development and construction commencement.</li> </ul>
➔	\$0.53m	Park St Bike Link part of the public realm improvements to the ANZAC station precinct has been rescheduled to align with the Masterplan timelines - completion expected in 2021/22. Additional community consultation will be required and Council will receive funding in line with new schedule.
➔	\$0.40m	South Melbourne Town Hall Major Works experiencing delays due to a number of specialised investigations required to progress project further. Funds deferred to 2020/21.
➔	\$0.39m	Bubup Nairm Cladding Rectification works - \$0.29m deferrals to account for long lead time on balustrade materials and \$0.10m savings from competitive tenders.
➔	\$0.34m	Scope reduction due to Commonwealth Funding (Ausport) for Sports field lighting not forthcoming.
➔	\$0.30m	Further deferrals to 2020/21 identified for the South Melbourne Market Building Compliance Works due to resourcing constraints in additional to Covid-19 delays.
➔	\$0.10m	Children Centres Fencing Works - inadequate number of tender submissions on one site which will be deferred to 2020/21.
➔	(\$0.96m)	A number of 2018/19 Capital Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Elwood public space wall & play space, Alma Park stormwater harvesting, Public space lighting - Bay Trail, Public space security improvements, Acland St CCTV, South Melbourne Town Hall Lift & Ramp, and South Melbourne Solar PV.
➔	(\$0.87m)	A number of projects have been brought forward from 2020/21 planned works to offset project deferrals in 2019/20 as part of the Mid-year financial review. The three projects included: \$0.25m for Parking Sensors, \$0.51m for Bubup Nairm Cladding Rectification, and \$0.11m for Cora Graves Accessibility Improvements.
➔	(\$0.34m)	Federal Government funding to be used on lighting at four Sporting fields in 2019/20.
➔	(\$0.22m)	Additional scope of works identified in the building surveyor audit to address Childcare Centre Fence compliance funded from the Children Centre Infrastructure fund.
➔	(\$0.14m)	Ferrars St Streetscape works to be funded from general reserves and Victorian Government contributions.
➔	(\$0.11m)	Victorian Government awarded funding for Water Sensitive Urban Design at Langbridge/ Patterson Streets
↓	(\$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.
↓	(\$0.31m)	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.
↓	(\$0.13m)	Updated Road Resurfacing Program will require full budget previously reduced due to Covid-19.
↓	(\$0.13m)	Cora Graves Accessibility Improvements - Project has been brought forward to meet urgent OH&S requirements as identified in the Audit report.

### Note 4. Net replenishing of reserves increased by \$18.7 million:

#### Net forecast changes to reserves in the month April 2020 included the following items:

➔	(\$1.11m)	Customer experience program delays expected due to the impact of remote workforce. Expenditure deferred to 2020/21. Project completion date in August 2021 expected to be met.
➔	(\$0.89m)	A number of capital projects identified in April for deferral to 2020/21 mainly due to procurement, resourcing and OHS requirement delays related to Covid-19. These projects included the Bubup Nairm Cladding Rectification works, South Melbourne Market Building Compliance and other minor projects.
➔	(\$0.40m)	South Melbourne Town Hall Major Works experiencing delays due to a number of specialised investigations required to progress project further. Funds deferred to 2020/21.

NOTES to the Comprehensive Income Statement Converted to Cash – April 2020

⇒	(\$0.10m)	Children Centres Fencing Works - inadequate number of tender submissions on one site which will be deferred to 2020/21.
<b>Net forecast changes to reserves year to date April 2020 include following material items:</b>		
⇒	\$1.87m	Net drawdown on Asset Renewal Reserve for additional expenditure on JL Murphy, Council Buildings Accessibility Improvement, Cora Graves Accessibility Improvements, Gasworks Theatre Seats, Sport Playing Fields Renewal, and St Kilda Marina Lease Project.
⇒	\$0.96m	A number of 2018/19 Capital Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Elwood public space wall & play space, Alma Park stormwater harvesting, Public space lighting - Bay Trail, Public space security improvements, Acland St CCTV, South Melbourne Town Hall Lift & Ramp, and South Melbourne Solar PV.
⇒	\$0.87m	A number of projects have been brought forward from 2020/21 planned works to offset project deferrals in 2019/20 as part of the Mid-year financial review. The three projects included: \$0.25m for Parking Sensors, \$0.51m for Bubup Nairm Cladding Rectification, and \$0.11m for Cora Graves Accessibility Improvements.
⇒	\$0.34m	A number of 2018/19 Operating Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Standard drawings & design, Art on Hoardings, Placemaking program, Parking controls & permit policy, and Business enablement & innovation fund.
⇒	\$0.22m	Additional scope of works identified in the building surveyor audit to address Childcare Centre Fence compliance funded from the Children Centre Infrastructure fund.
⇒	(\$7.07m)	A number of project have been identified as deferrals to 2020/21. They include the South Melbourne Town Hall major works \$3.0m, Port Melbourne and St Kilda Town Hall accommodation strategy \$0.98m, St Vincent Gardens playground redevelopment \$0.5m, Palais Theatre \$0.46m, EcoCentre Redevelopment \$0.36m, Building Safety Corrective Actions \$0.29m, Fitzroy St Streetscape (public toilets) \$0.20m, Adventure Playgrounds Upgrade \$0.13m and Shakespeare Grove Hostile Vehicle Mitigation works \$0.08m.
⇒	(\$4.38m)	Capital Projects experiencing delays due to a number of factors including the impact of Covid-19 on supply chain, reliance on Victorian Government Agencies, procurement delays and design delays. The larger projects include Garden City Bike Path, Elwood Park Lighting Expansion, JL Murphy Play Space Upgrade, Graham Street Overpass Skate Park, St Kilda Town Hall Staff Accommodation, Accessibility Improvements in Council Facilities, Wellington Street Upgrade Stage 3, Fitzroy St Public Toilet, and Lagoon Reserve Sports Field Redevelopment.
⇒	(\$3.33m)	Delays in procurement and rephasing following detailed planning with vendor for the Customer Experience program will result in budget deferrals to 2020/21.
⇒	(\$1.60m)	A greater amount of open space contributions expected in 2019/20 as a number of large developments have reached the subdivision stage. These funds are to be quarantined in reserves for future open space enhancement projects.
⇒	(\$1.47m)	The following project have been identified in February 2020 for deferral to 2020/21: <ul style="list-style-type: none"> <li>• \$0.60m South Melbourne Market Compliance - due to dependency on the South Melbourne Market Master planning including additional detailed design work and project management resourcing.</li> <li>• \$0.34m Bike Infrastructure Planning &amp; Design - detailed design of the Garden City Bicycle path is expected to be completed in mid April 2020. The design of Inkerman St bike route has been delayed in order to explore design options for a bike corridor along Inkerman Bike Route with the City of Glen Eira. Port Phillip officers have formed a technical working group with Glen Eira to explore alternative design options across our boundaries. A draft tender has been completed to engage external consultants to engage design consultants</li> <li>• \$0.30m St Kilda Foreshore Missing Link - a conceptual design has been developed and will inform future budget considerations. Relevant stakeholder consultation required in order to complete design and commencing construction.</li> <li>• \$0.13m St Kilda Pier Foreshore Upgrade - high level strategic assessment and options for foreshore upgrades has been completed. The Council's next steps are dependent upon Parks Victoria's design work for the new Pier, which will be commenced from April/May 2020. As such, the \$130K has been deferred to 2020/21.</li> <li>• \$0.10m Public Toilet Plan Implementation - additional feasibility and consultation work required to determine a possible location for the new public amenities along Fitzroy St following the decision from Parks Victoria not to allow Council to utilise space on their land which has caused delays in commencing design development and construction commencement.</li> </ul>
⇒	(\$1.60m)	A greater amount of open space contributions expected in 2019/20 as a number of large developments have reached the subdivision stage. These funds are to be quarantined in reserves for future open space enhancement projects.
⇒	(\$1.11m)	Customer experience program delays expected due to the impact of remote workforce. Expenditure deferred to 2020/21. Project completion date in August 2021 expected to be met.
⇒	(\$0.97m)	Council has approved a number of Right of Way divestments not required for servicing the community. Funds will be quarantined in reserve for future strategic property acquisition.
⇒	(\$0.89m)	A number of capital projects identified in April for deferral to 2020/21 mainly due to procurement, resourcing and OHS requirement delays related to Covid-19. These projects included the Bubup Nairm Cladding Rectification works, South Melbourne Market Building Compliance and other minor projects.
⇒	(\$0.72m)	Projects experiencing delays due to a number of factors including the impact of Covid-19, reliance on Victorian Government Agencies and procurement delays. These projects include the Future Operations Centre and Hub Feasibility, In Our Backyard Strategy Implementation, Waste Strategy Implementation Program, South Melbourne Market Strategic Business Case, and Carlisle St Carparks Strategy Implementation.
⇒	(\$0.40m)	South Melbourne Town Hall Major Works experiencing delays due to a number of specialised investigations required to progress project further. Funds deferred to 2020/21.
⇒	(\$0.10m)	Children Centres Fencing Works - inadequate number of tender submissions on one site which will be deferred to 2020/21.

## Legislative update

### Legislative changes

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

### Material legislative breaches

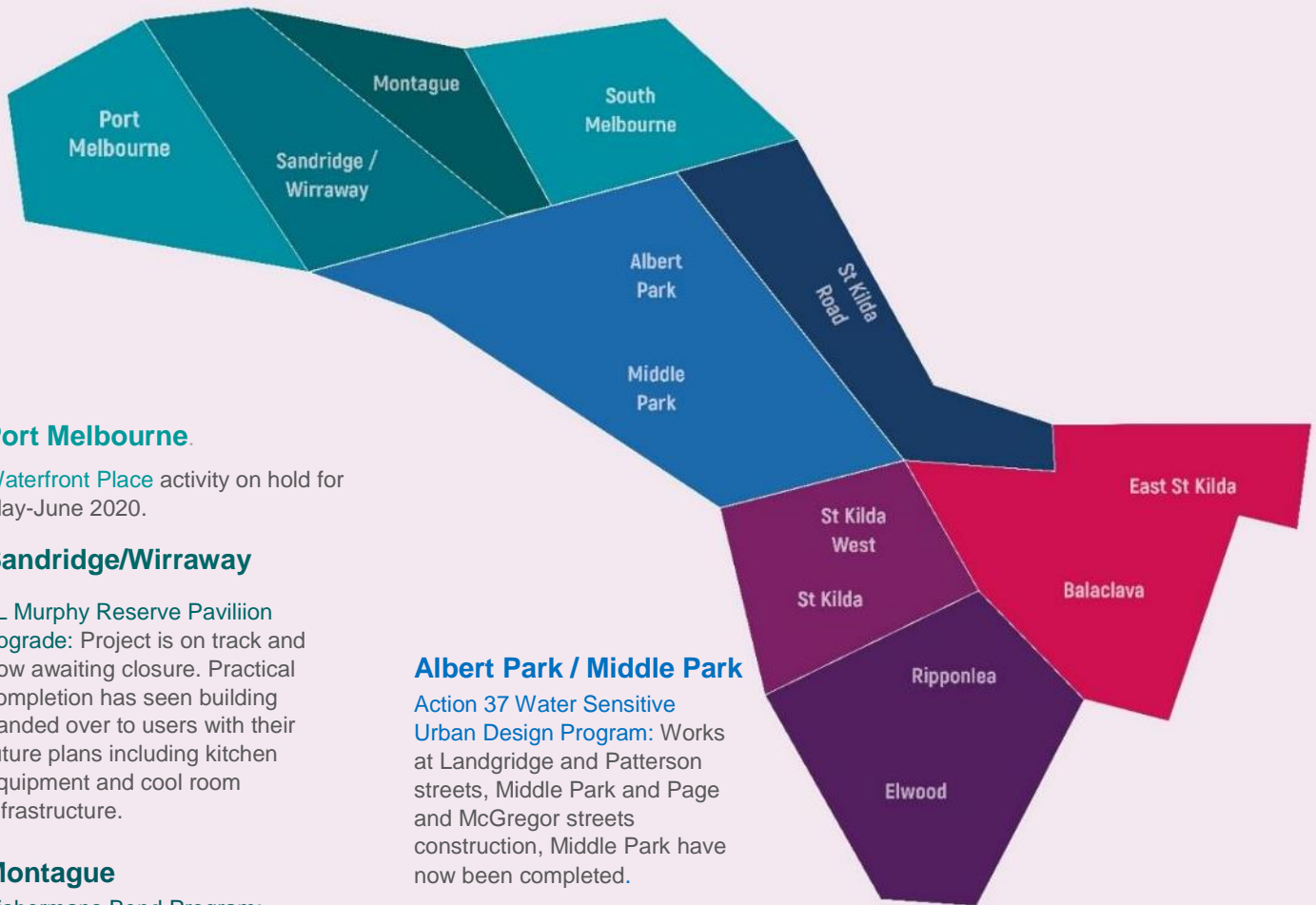
There were zero material legislative breaches recorded in April 2020.

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

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



## What's happened in our local neighbourhoods?



### Port Melbourne

**Waterfront Place** activity on hold for May-June 2020.

### Sandridge/Wirraway

**JL Murphy Reserve Pavillion upgrade:** Project is on track and now awaiting closure. Practical completion has seen building handed over to users with their future plans including kitchen equipment and cool room infrastructure.

### Montague

**Fishermans Bend Program:** Precinct planning for Montague precinct has progressed during April 2020.

### South Melbourne

**Move, Connect, Live Integrated Transport Strategy Pedestrian Infrastructure:** Construction of Park and Montague streets, South Melbourne raised pavement zebra crossings commenced in March 2020 and is scheduled to be completed in May 2020.

**Act and Adapt – Urban heat and solar analysis:** thermal mapping has been completed providing data on land surface temperature in South Melbourne.

**Art and Soul Placemaking:** A new mural, The Creation of #physicaldistancing has been completed by artist Brigitte Dawson at Clarendon Centre's Coventry Street Wall, South Melbourne.

### Albert Park / Middle Park

**Action 37 Water Sensitive Urban Design Program:** Works at Landridge and Patterson streets, Middle Park and Page and McGregor streets construction, Middle Park have now been completed.

### St Kilda / St Kilda West

**Public Space Accessibility Improvement West Beach Boardwalk:** Detailed design has been completed.

**Peanut Farm Reserve:** Following the construction of a new rebound wall at the Peanut Farm Reserve in St Kilda, a mural was painted by well-known mural artist Mysterious AI in mid-March 2020.

### Elwood / Ripponlea

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

### Balaclava / St Kilda East

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

### ACROSS THE CITY OF PORT PHILLIP

**Waste Services:** Demand has increased for residential hard waste collections. An additional collection vehicle has been deployed to meet service levels. Community members are using service correctly by pre-arranging hard waste collection.

**NatureSpot data:** The community has recorded 692 individual sightings on the NatureSpot website.

**Leaf season 2020:** collection of the falling leaves of 32,500 trees spread across 530 streets of City of Port Phillip commenced.

**Supporting the local creative economy:** Key engagement with business and the creative community continues through digital platforms to understand and respond to the broader impacts of COVID-19.