

# CEO Report

#76 May 2021



Council respectfully acknowledges the Yaluk-ut Weelam Clan of the Boonwurrung. 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.

Our new Council Plan's five strategic directions include: "Our City is vibrant with a flourishing economy, where our community and local business thrive, and we maintain and enhance our reputation as one of Melbourne's cultural and creative hubs".

**PETER SMITH**  
CEO, City of Port Phillip



## Welcome to the July issue of the CEO Report

### Council Plan 2021-31 and Budget 2021/22 adopted

The most important task of every newly elected Council is to develop a Council Plan to use as roadmap when making decisions for our community.

I am delighted to inform you that the Council Plan 2021-31 (which includes a ten-year Community Vision) was adopted at the 23 June Council Meeting, along with the annual Budget and Municipal Health and Wellbeing Plan.

Community input was crucial, both in consultation before drafts were formulated and during the submission stage, and I'd like to thank everyone who participated.

Council has done its best to future-proof our City from current and looming challenges while targeting support to those hardest hit by the COVID-19 pandemic. Economic development, sustainability and building on our reputation as a cultural hub continue to be major themes as we navigate the way forward.

The recent circuit-breaker lockdown underlined how the pandemic continues to impact many in our community. Several exposure sites were in Port Phillip, adding an extra dimension to the challenges affecting some residents, business owners and staff.

Our Budget 2021/22 recognises this hardship by providing extra

support for those need it most. This includes raising the rates hardship waiver from \$1000 to \$1500 and ensuring that those who have lost their jobs due to the pandemic are among those who can apply for this assistance worth an estimated \$825,000.

In further support, the pensioner rates rebate will rise from \$175 to \$200, at a cost to Council of \$70,000. Both these initiatives are for 2021/22 only and subject to eligibility.

The Budget also contains a \$311,600 economic and cultural recovery package, which includes rent relief for tenants in Council-owned properties and South Melbourne Market, and there is an additional \$200,000 for business support.

Arts funding has been extended for one year for six organisations whose triennial funding had ended. During 2021/22 Council will facilitate a competitive expression of interest process for the 2022/23-2024/25 triennial funding round. The Food Organic Green Organic (FOGO) trial in Elwood will also continue for another two years.

These are just a few examples of what we will be delivering. I encourage everyone to go to <https://www.portphillip.vic.gov.au/about-the-council/council-plan-and-budget/council-plan-2021-31> to explore these important City-shaping documents, informed by our community.

## Renew Fitzroy Street Project opens more doors

The Renew Fitzroy Street Project is living up to its name with another three creative enterprises officially opening in St Kilda on 1 July. They join four other shops which opened about three months ago. The new arrivals are:

Shop 107: Art @ The Thomas (local artists' collective which runs regularly rotating exhibitions)

Shop 52: Domestic Fantasies (vintage homewares and furniture)

Shop 6/63 PluginHUMAN (illumination and immersive art by award-winning duo Dr Betty Sargeant and Justin Dwyer).

Under the program, landlords donate vacant shops to up-and-coming traders, with a rolling 30-day rent-free licence negotiated by Renew Australia. This gives the temporary traders time to test new ideas for a commercial market without committing to a lengthy commercial lease agreement.

Council contributed \$75,000 to the project, with matching funding provided by the Fitzroy Street Business Association (FSBA). Mentors from Renew and Council networks are readily available to provide business advice.

This is just one of the ways we are assisting traders at this challenging time. I was excited to hear the first participants' stories and recommend a visit to Fitzroy Street for those who haven't popped by recently.

### **A new chapter for our libraries**

The Library Action Plan, the final major plan from our Art and Soul - Creative and Prosperous City Strategy, was adopted in June. This will allow our libraries to respond to current and future community needs for spaces and services, programming, collections, resources, and emerging technology. It will also help better inform and direct service development and delivery for the next five years. Our libraries are well-loved and well-used, so we are looking forward to updating you as the Plan rolls out. This follows the adoptions of the Games Action Plan and Live Music Action Plan.

### **EcoCentre funding a win for environment and community**

The Victorian Government has announced it is providing \$2.8 million towards the construction of a new Port Phillip EcoCentre in St Kilda as the current ageing building is no longer fit-for-purpose. This has been a key advocacy priority for Council for some years and Council's commitment to this exciting project is outlined further on page 6.

**Peter Smith**  
**CEO, City of Port Phillip**

## 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 our 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.

### Budget Review

In April 2021, the City of Port Phillip submitted a Victorian Government Budget bid to the Treasurer that advocated for Council priorities which would create local jobs, improve roads and transport options, and enhance amenity, open spaces and services across the municipality.

On the 20 May the Victorian Government released 2021/22 Budget papers, with a focus on recovering from the COVID-19 pandemic.

Several projects were funded in the City of Port Phillip including:

- \$2.8 million over 3 years to contribute to the design and construction of a new facility for the Port Phillip EcoCentre in St Kilda. The EcoCentre is a leading community-managed organisation with a team of scientists, educators and volunteers involved with innovative environmental programs. Council is making a \$2.75 million co-contribution.
- \$15.4 million over 4 years to upgrade Albert Park College and the Victorian College of the Arts Secondary School. Funding is to deliver state-of-the art performance and rehearsal spaces in the Albert Park Arts facility.
- \$15 million to continue planning, development and protection of transit corridors in Fishermans Bend. This will enhance existing bus services between the CBD and Fishermans Bend over the next two years and includes planning for land acquisition and further enhancement of the Fishermans Bend tram business case over the next 12 months.
- \$15 million over 2 years for improvements across the public transport network including the completion of the Mills Street tram stop upgrade in Middle Park and minor accessibility, amenity and safety improvements to tram stops including braille plates at trams stops and tactile ground surface indicators.
- \$276 million over 4 years for land acquisition for new schools across Victoria, including in Port Phillip.

In addition, [Victorian Government Budget Paper No. 3](#) identified state-wide initiatives and asset programs which will benefit the City of Port Phillip, including funding for the health of the Bay, tram and bus infrastructure, housing and homelessness services, new community hospitals, creative industries, local tourism, small business, job creation and road safety.

## EcoCentre in spotlight

The Victorian Government Budget committed \$2.8 million to co-fund a new building to house the Port Phillip EcoCentre (EcoCentre).

The EcoCentre delivers sustainability education, services and support to Port Phillip and the wider community. Over the past 15 years, its programs and services have increased substantially to support more than 19,000 participants annually.

The City of Port Phillip has a long-standing partnership with the EcoCentre which includes annual funding and a lease for premises in the St Kilda Botanical Gardens.

The current EcoCentre building has reached the end of its structural life and is no longer fit for purpose. The Victorian Government funding announcement is a win for the municipality, with the construction of a new building creating jobs, enabling enhanced environmental program delivery and education across Victoria and providing a leading example of environmentally sustainable design.

The City of Port Phillip has worked closely with the EcoCentre to develop designs for the site and to advocate for funding.

The redevelopment will facilitate increased:

- volunteering from 20,385 to 31,580 hours per year by 2030
- program delivery and community participation from 19,000 to 35,000 participants by 2030.
- practical action projects on Victorian waterways from four catchments to eight catchments by 2030.
- participation in climate preparedness and adaptation programs from 300 to 5000 people by 2030
- support to other organisations through the provision of data and expertise from 12 to 20 organisations by 2030.



*Figure 1 Design image of Port Phillip EcoCentre development*

### **Local Government Business Concierge and Hospitality Support Program.**

Council has successfully obtained \$120,000 in funding from the Victorian Government to establish a Local Government Business Concierge and Hospitality Support program.

The program will specifically target COVIDSafe practice awareness within businesses, particularly the hospitality industry. Education and assistance will be provided to businesses to ensure they are utilising the QR Code System, have their COVIDsafe plans in place and are undertaking continuous cleaning and sanitising of their premises.

Council is in the process of recruiting two Business Support Officers for a six-month full-time contract to assist the Public Health Unit in delivering the Program. Council's Environmental Health Officers have also performed these education visits within their current scope of work.

The program will run to 30 November 2021.

## 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 \$54 million in 2020/21.

The Council Plan 2021-31 was considered by Council on 23 June 2021 and will come into effect in July 2021. For the remainder of this financial year, this report will provide content based on the Council Plan 2017-27.

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 with the data available at the end of May 2021.

### 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

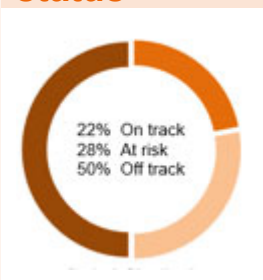
Community diversity is valued and celebrated

### Report on outcomes

Performance data for this strategic direction is measured on a quarterly and annual basis.

There are no monthly service measures available for reporting in May 2021.

### Portfolio status



#### Program/Project

#### Elwood Park Sports Field Lighting


#### Key updates Highlights

The light poles have been delivered to the site and the site compound fence has been erected. Works are expected to commence in June 2021 and will finish early September 2021.

### Major initiatives status updates

Status	Comments	Current approved completion	2020/21 Forecast \$'000
<b>North Port Oval Upgrades</b>			
▲	<p>Project is at risk.</p> <p>The Port Melbourne Football Club has received Victorian and Australian Government funding for broadcast level lighting at Northport Oval. A planning permit has been submitted and the Club is currently developing community engagement material to inform residents of the proposed works. The project will be reported 'at risk' until a planning permit has been obtained and delivery timeline is understood and agreed by Council.</p> <p>The preliminary design work on the perimeter fencing, sports field lighting locations and public access gates is ongoing.</p>	2023/24	4

**Major initiatives status updates**

Status	Comments	Current approved completion	2020/21 Forecast \$'000
<b>In Our Backyard Strategy Implementation</b>			
	<p>Project is at risk. Implementation with respect to the quantum of housing delivered under the program remains at risk due to earlier delays in State project funding. New and emerging stimulus funding streams from the Victorian Government's 'Big Housing Build' are now providing the best opportunities for delivery of new housing projects in the City in the next five years (including 141 units with confirmed State funding).</p> <p>The three key current focuses of the program are:</p> <ol style="list-style-type: none"> <li>1. Working with the Victorian Government and St Kilda Community Housing (St KCH) to progress development of supported social housing, using the Common Ground model to provide long-term housing for persons who are sleeping rough. This will implement Council's decision on 2 September 2020 to contribute \$4 million in cash towards delivery by St KCH of a Common Ground facility at 28 Wellington St, St Kilda. This project has been progressing with St KCH lodging a planning application in June.</li> <li>2. Investigating / brokering opportunities with a private developer for a proposed new private affordable rental housing project.</li> <li>3. Progressing the 46-unit Marlborough Street community housing project in Balaclava, being delivered by HousingFirst over replacement public car parking. This project commenced construction in June, and local residents and businesses have been informed about the project delivery and temporary closure of the car park.</li> </ol>	June 2021	115

## 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

### Report on outcomes

Performance data for this strategic direction is measured on a quarterly and annual basis. There are no monthly service measures available for reporting in May 2021.

### Project Portfolio status

	Program/Project	Key updates
		Highlights
	<b>Laneway Construction</b>	A laneway reconstruction at Clyde Street St Kilda (R3483) was completed in May 2021.
	<b>Kerb and Gutter Construction</b>	Kerb and pavement reconstruction on Beach Street, Port Melbourne was completed in May 2021.

### Major initiatives status updates

Status	Comments	Current Approved Completion	2020/21 Forecast \$'000
<b>Move, Connect, Live – Integrated Transport Strategy (ITS) Implementation</b>			
⚠️	<p>Program is at risk.</p> <p>Some of the actions within the Strategy were impacted by COVID-19, however out of a total of 42 actions, 38 are in progress, 3 projects have been completed, and action 1 not started. See the 'Move Connect, Live – Integrated Transport Strategy on page 12 for details on progress against the Strategy.</p>	2028	200
<b>Shrine to Sea Boulevard</b>			
✅	<p>Project is on track.</p> <p>The Shrine to Sea project is being led by the Department of Environment, Land, Water and Planning for the Victorian Government in partnership with Council. Officers are working as a key stakeholder to secure improved public space, safer transport connections and community engagement within the City of Port Phillip. During May 2021, Officers attended and contributed to the content for the second community workshop.</p>	2023	-

## 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. Overall, the strategy has 42 Actions. There are 38 actions 'in progress', 1 action is 'not started' and 3 actions are 'completed'.

### Updates

The implementation program for the Integrated Transport Strategy is at risk. The COVID-19 pandemic has had a significant impact on the delivery of our projects due to reduced ability to consult, budget impacts, and limitations in what work can be done in the public domain.

**Action 8: Deliver Local Area Traffic Management treatments to deter through traffic and maintain safe vehicle speeds on local streets.** The detailed design for the raised pedestrian crossing and kerb extensions at the intersection of Danks and Withers streets, Albert Park, is complete in preparation for lighting upgrades in 2021/22 and construction in 2022/23.

**Action 16: Work with school communities to support active travel to school as a popular, safe and easy travel option.** Data on student participation in Ride2School day events has just been finalised and shows an increase in active travel among those that submitted data. Thirteen schools ran Ride2School events in March 2021, and Middle Park Primary School had the highest percentage of students using active travel on the day of the event at 93 per cent. St Kilda Park Primary held a delayed Ride2School event in May 2021 and had an excellent response with over 80 per cent of students using active transport to get to school.

**Actions 30 and 31: Develop and implement a new Parking Permit Policy, and new Parking Controls Policy.** Implementation of the Parking Management Policy endorsed by Council 19 February 2020 to go live on 1 July 2021. Letters and emails to existing residential parking permit holders about changes to Parking Areas were sent in May 2021 and signage of Areas will be installed by early July 2021. Changes for new applicants are being communicated through updates to the Council website, social media and a Diversity article.

**Action 38: Partner with the Victorian Government and other councils to regulate and promote shared transport services and manage disruptive shared transport technologies.** The Victorian Government announced a 12-month trial of shared dockless electric scooters (e-scooters) will be undertaken in 2 metropolitan and 1 regional Local Government Areas. The City of Port Phillip was invited by the Department of Transport to be one of five metropolitan Councils to submit an expression of interest to host the trial. On 19 May 2021 Council endorsed the submission of an Expression of Interest to the Victorian Government to participate in the shared e-scooters trial.

## Challenges

**Action 8: Deliver Local Area Traffic Management treatments to deter through traffic and maintain safe vehicle speeds on local streets.** The Black Spot submission for works at the intersection of Alma Road and Alexandra Street, St Kilda, was not successful. Funding for this project will be sought through other external avenues or referred to future budget processes.

**Action 10: Support the Victorian Government to develop Movement and Place Strategy for St Kilda Junction and Council to deliver safety and amenity improvements.** Safety upgrades for the St Kilda Junction have been delayed due to Department of Transport delays. The works are scheduled to be delivered in the second half of the 2021/22 financial year.

**Action 18: Deliver a network of dedicated and continuous priority bike lanes to create safer routes for all ages and abilities.** Council is awaiting Victorian Government confirmation of funding and delivery for Shimmy routes. Funding for this project has been deferred to 2021/22

**Action 20: Partner with VicRoads to deliver a better walking, bike riding and public transport environment along St Kilda Road.** Council is awaiting a Victorian Government response to our request to bring the St Kilda Road Safety Corridor forward as a trial. Funding for this project has been deferred to 2021/22.

**Action 23: Partner with Rail Projects Victoria to design and deliver place and transport improvements around Anzac Station.** Following a Council decision on 3 March 2021, consultation on the Park Street temporary bike lane has been postponed pending a redesign of the concept that allows loading zones between Kings Way and St Kilda Road, South Melbourne. Funding for this project has been deferred to 2021/22.


**Action 36: Continue to deliver more convenient car share locations with providers and encourage car share provision in new developments.** Car share providers continue to consolidate and adjust services due to the impact of COVID-19 restrictions during 2020/21. We know that usage has been increasing in Melbourne, and in some cities in Australia is well on the way to reaching pre-COVID 19 levels. Work is underway to assess possible new locations for car share and engage with providers on expansion from the second half of 2021. Applications from providers are assessed on established criteria including number of members within 500m, utilisation of nearby car share vehicles, connection to other transport modes, type of vehicle being proposed for installation and number of car share vehicles in the vicinity. Consideration is also given to the target number of car share vehicles proposed in the Car Share Policy 2016-2021.

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

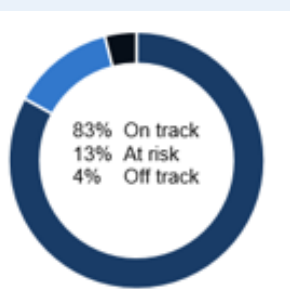
- A greener, cooler and more liveable City
- A City with lower carbon emissions
- A City that is adapting and resilient to climate change
- A water sensitive City
- A sustained reduction in waste

### 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 Strategy and other strategies. Council is now focused on embedding the declaration in relevant policies and strategies, seeking opportunities to highlight the emergency with the Victorian and Australian Governments and supporting the community to take their own climate actions.

Service measures	Report on outcomes
 <p>1 On track 0 At risk 1 Off track</p>	<p>Two indicators measuring performance for May 2021 are under this strategic direction.</p> <p>Investments in fossil free institutions is at 60.70 per cent, year to date, meeting the target range.</p> <p>Given the uncertainty and the need to ensure the financial sustainability of Council, during the first year of the COVID-19 pandemic Council focused its investment activity on A-1 rated institutions seeing a reduction in fossil free investments. This approach has now been relaxed and we continue to seek opportunities to invest in fossil free deposits where possible. This is impacted by the state of the term deposit market and the likelihood that banks will remain almost closed for new term deposits and continue to offer very low term deposit rates for an extended period as a result of the current Reserve Bank of Australia monetary policy, which provides funding at very low rates to financial institutions to support the Australian Economy during COVID-19.</p>

## Project Portfolio status



### Key updates

Program/Project	Highlights
<b>EcoCentre Redevelopment</b>	The Victorian Government announced on 20 May 2021 that the 2021/22 budget includes a \$2.8 million (Incl GST) contribution to the project. This is a culmination of many years of community and Council advocacy. Once details of the funding agreement are finalised, Council will be able to confirm timelines and investment for construction.

## Major initiatives status updates

Status	Comments	Current approved completion	2020/21 Forecast \$'000
<b>Act and Adapt – Sustainable Environment Strategy 2018-28</b>			
✓	Program is on track. All 31 actions are in progress. See the 'Act and Adapt – Sustainable Environment Strategy 2018-28' for details on progress against the strategy on page 16.	2028	185
<b>Don't Waste It! – Waste Management Strategy Implementation</b>			
✓	Program is on track. From 2018 to March 2021, 6 Actions have been completed. See the 'Don't Waste It! – Waste Management Strategy' for details on progress against the strategy on page 17.	2028	800

## Act and Adapt – Sustainable Environment Strategy 2018-28

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 changes. It was endorsed by Council and outlines 31 Actions to be delivered in 2020/21.

### Overall progress

The Sustainable Environment Strategy delivery is on track. All 31 Actions are in progress.

### Updates

**Action 1: Greening Port Phillip:** The design of the Woody Meadow on Gibbs and Bothwell streets in Balaclava has been finalised. Planting in the section of the Danks Street BioLink (between Kerferd Road and the playground west of Phillipson Street) was completed. Planting will begin on the Woody Meadow project in June 2021. The first stage includes the wide nature strip on Bothwell Street, adjacent to Chapel Street.

**Action 6: Community Action Plan:** Council officers signed a Memorandum of Understanding to participate in a joint project to review the Environmentally Sustainable Design requirements for new developments. The partnership includes the Council Alliance for a Sustainable Built Environment (CASBE) with 28 councils across Victoria. The project will develop new standards for how developments are designed and constructed to deliver energy, integrated water management, indoor environment quality, circular economy, transport, urban ecology and climate resilience objectives. Part of the project will include an evidence-based strategic justification, cost-benefit analysis and legal review of new objectives and standards in the Local Planning Policy.

**Action 7: Community Action Plan:** Two free online community sustainability events were delivered in May 2021– ‘Creating a resilient and sustainable business in a changing climate’ and ‘Climate Craftivism’. Residents and businesses were also invited to attend an additional four webinars being delivered by our council event collaboration partners. The Sustainable Business Network continued to be active with a webinar and individual advice and support provided.

**Action 30: Water Sensitive City Plan:** Council officers contributed to the development of Integrated Water Management Plans for the Dandenong and Yarra river catchments. The development of these Plans is being led by the Victorian Government, in collaboration with other stakeholders, and will guide management of water. Draft Plans will be presented to the Integrated Water Management Forums in August 2021.

**Action 35: Elster Creek Partnership:** Council worked with Melbourne Water to launch the Flood Resilient Guide to Retrofitting Your Home. An online event and panel discussion with the architect involved in developing the guide, along with the SES and Insurance Council of Australia, was attended by 32 participants from across the catchment and other areas within Melbourne. A poster promoting flood management in sports clubs was designed and sent to each Council in the catchment partnership for distribution to sports clubs in each municipality.

**Action 39: Permeability on private land:** A consultant has completed preliminary work to map and analyse permeability and vegetation across the City and prepare recommendations of policy changes to determine minimum levels of permeability for new developments in the City. In June 2021 a workshop with council officers and Melbourne Water reviewed findings.

### Challenges

**Action 6: Community Action Plan:** Two in-person events for participants in the Environmental Leaders program were postponed due to COVID-19 restrictions



## **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 with us to better manage waste over the next ten years while we investigate new, advanced processes and technologies.

### **Overall progress**

The majority of actions within the Don't Waste It! Strategy are on track to be delivered or are already completed. Despite the significant amount of work that has taken place to deliver on these actions, they may not be on a scale that is big enough to meet the strategy targets. These challenges will be addressed in 2021/22, when the Year 4 Strategy evaluation will take place, to inform the 'next' for waste management in Port Phillip, which will take into consideration current Victorian Government policy.

### **Updates**

**Action 7: Advocate for a circular economy** Officers have completed the development of the Draft Waste Advocacy Plan to set out advocacy actions.

**Action 8: Council and community recycling education**

The results of Council's Recycling Reset campaign are currently being evaluated. All residents who had three bin inspections without contamination went into a competition and 30 lucky community members have been rewarded with a \$50 voucher to local businesses for their efforts.

**Action 10 Waste Management Plan Guidelines for apartments**

Collection of waste management data in multi-unit developments across the municipality has now finished and data is being evaluated. Officers are proactively providing waste educational material to multi-unit developments.

**Action 12 Waste contracts maximise recycling**

Council continues to contribute reporting to State and regional waste authorities regarding waste and recycling streams.

**Action 13: Trials for community and communal food recycling**

The Communal Food Organics Recycling Hub trial has commenced at HR Johnson Reserve, Lagoon Reserve and Rats of Tobruk Reserve. The bins have been well-used with little contamination or negative amenity impact. Approximately 1.5 tonnes of food organics have been diverted from landfill since December 2020 by the food organics collection trial in a South Melbourne apartment building. Twenty-two collections have taken place since the food organics and garden organics (FOGO) trial, and approximately 105 tonnes of food organics and garden organics materials have been collected since the trial began.

**Action 15 dumped rubbish and hard waste services**

South Melbourne Resource Recovery Centre remained open to residents during recent COVID-19 restrictions. Officers are continuing to monitor, collect and investigate illegal dumping on Council land.


### **Challenges**


Changes to the recycling industry and the impacts of COVID-19 on the generation and disposal of household waste have delayed the delivery of targets in the 'Don't Waste It! Waste Management Strategy'. Officers continue to deliver trial projects to determine the best way for our community to meet the requirements of the Victorian Government's Circular Economy Policy, 'Recycling Victoria, a new economy'.

## DIRECTION 4 We are growing and keeping our character

### Liveability in a high-density City

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

Service measures	Report on outcomes
 <p>1 On track 0 At risk 0 Off track</p>	<p>The indicator measuring performance for May 2021 under this strategic direction is on track/off track/at risk.</p> <p>In May 2021 our street cleaning service performance remained above 90 per cent, delivering a monthly performance rating of 94 per cent. A fantastic result throughout the month across all residential streets and commercial trade locations. Results are expected to remain on performance targets as the team now moves towards the end of leaf fall season. A great effort keeping performance results at a high level during the height of leaf fall, street cleaning staff provided services 12 hours a day across seven days a week.</p>

Project Portfolio status							
 <p>54% On track 23% At risk 23% Off track</p>	Key updates						
	<table border="1"> <thead> <tr> <th data-bbox="443 1086 718 1120">Program/Project</th> <th data-bbox="718 1086 1538 1120">Highlights</th> </tr> </thead> <tbody> <tr> <td data-bbox="443 1160 718 1227"><b>Astor Theatre</b></td> <td data-bbox="718 1160 1538 1227">Bike racks, seating and landscaping at the corner of Chapel Street and Dandenong Road have been completed in conjunction with the Wellington Street Upgrade project.</td> </tr> <tr> <td data-bbox="443 1189 718 1227"><b>Garden Landscaping</b></td> <td data-bbox="718 1189 1538 1288">This project improves the amenity and accessibility of the area.</td> </tr> </tbody> </table>	Program/Project	Highlights	<b>Astor Theatre</b>	Bike racks, seating and landscaping at the corner of Chapel Street and Dandenong Road have been completed in conjunction with the Wellington Street Upgrade project.	<b>Garden Landscaping</b>	This project improves the amenity and accessibility of the area.
Program/Project	Highlights						
<b>Astor Theatre</b>	Bike racks, seating and landscaping at the corner of Chapel Street and Dandenong Road have been completed in conjunction with the Wellington Street Upgrade project.						
<b>Garden Landscaping</b>	This project improves the amenity and accessibility of the area.						

#### Major initiatives status updates

Status	Comments	Current approved completion	2020/21 Forecast \$'000
	<p>Project is off track.</p> <p>The draft Park Plan development has been delayed and will commence once the Contamination Management Action Plan (CMAP) is finalised. Council officers continue to work with the Victorian Government and nominated environmental consultants to progress the CMAP.</p> <p>Work has commenced on a draft concept plan to be shared with community stakeholders in the coming months.</p>	2023/24	12

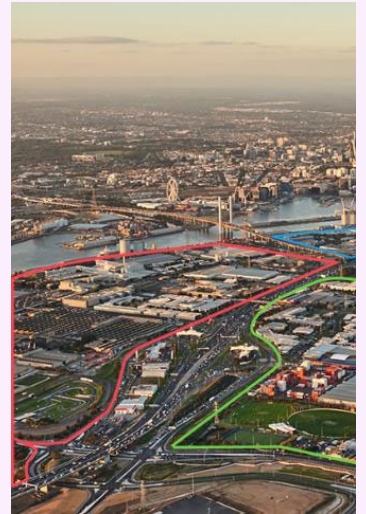
<b>Palais Theatre and Luna Park Precinct</b>			
	<p>Project is off track. Following community consultation on design and schedule, Council has made amendments to the project schedule to reduce impact on businesses. Works will commence in May 2022. The final design will be confirmed after the adoption of the Budget 2021/22.</p>	June 2022	895
<b>St Kilda Marina Project</b>			
	<p>Project is on track With just under one year to go to the commencement of the new lease (1 May 2022), working group meetings with the new tenant continue with increased focus on design development, planning and kicking off the community engagement program. This program, running from 7 June to 4 July 2021, will present the details of the concept design to the public and invite feedback on elements of the design and use of the site through in person and online forums. Works to assess contamination across the site have concluded. An analysis report and plan to remediate and/or manage contamination is currently underway. The plan will inform the redevelopment to ensure safe construction and occupation. The budget is continuing to be monitored closely due to tight budget allocations.</p>	April 2022	175
<b>Public Spaces Strategy Development</b>			
	<p>Project is off track. The completion of the strategy is off track while a third party undertakes assurance on strategy costings, given the significant Council investment and long-term timeframe of the document. The Strategy is now scheduled to be adopted towards the end of 2021.</p>	Dec 2021	85

## Fishermans Bend Program

Fishermans Bend represents an unparalleled opportunity to reshape how Australia thinks about urban growth, housing, working and sustainable transport. This with quality public space and community facilities, and early delivery of fast and frequent public transport, is a Council priority to ensure that the Fishermans Bend precinct maximises outcomes for current and future Port Phillip residents.

### Status Update

The program is reporting at risk given the major delays to the schedule and the level of financial risk that the program is managing recognising the investment in Fishermans Bend over the coming year. This is a State Government project and delays are not in the control of Council.



Work is still progressing on finalisation of the precinct plans and the authorisation required from the State Government to share with Council.

During May 2021 work has continued on developing appropriate governance structures for the delivery of the plans. We have yet to receive the authorisation from the Victorian Government to enable the release of the Montague Precinct Implementation Plan (MPIP) to Council. Officers will also provide a separate briefing on key issues identified with the MPIP.

Officers are also progressing a greater understanding of how the planning process will operate following the release of the MPIP for community engagement and any subsequent panel process.

The Taskforce has indicated that the Montague Heritage Planning Changes will be absorbed and presented as an integral component as part of this process.

## 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

### Service measures

### Report on outcomes



The indicator measuring performance for May 2021 under this strategic direction is on track/off track/at risk.

The cumulative result for visits to library per capita is 1.77, below the target of 6.3. Visits per capita are tracking at a lower rate, mostly due to the ongoing impact of COVID-19 and reduced numbers in library branches.

### Project Portfolio status



### Key updates

#### Program/Project

#### Highlights

#### Palais Theatre Amenities Upgrade

The project was completed in May and included;

- 4 refurbished toilet areas (2 Female and 2 Male).
- Conversion of the annexure under croft to a new female toilet.
- Provided rear DDA compliant access.

Council worked closely with Live Nation and Heritage Victoria to deliver the new amenities without impacting the historical significance of the existing internal features.

There was some additional budget required to cover works that were necessary to respond to latent conditions and the complex heritage requirements.

### Major initiatives status updates

Status	Comments	Current approved completion	2020/21 Forecast \$'000
<b>South Melbourne Town Hall Renewal and Upgrade</b>			
✘	Project is off track. Work has commenced to approach the market for an appropriately qualified heritage designer. The project is off track while the schedule and costs are updated following recent Council decisions regarding the project.	Mid 2022/23	490
<b>Art and Soul – Creative and Prosperous City Strategy 2018-22</b>			
✔	Program is on track. 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. The actions were reviewed and updated in early 2021 in response to the changed circumstances borne out of the COVID-19 pandemic. Recent achievements include the Renew Fitzroy Street project and the adoption of the Live Music and Library Action Plans. For further strategy update please see page 22.	June 2022	230

## 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.

### Overall progress

All actions were reviewed and updated in early 2021 in response to the change in circumstances borne out of the COVID-19 pandemic. Only a small range of actions had budget allocated in 2020/21. These are mostly on track with some deferral of funds necessitated by COVID-19. The three key Plans of the Strategy: Games, Live Music and Libraries will be completed outside the duration of the Strategy which is entering its final year.

### In Progress

Action 13: Games Action Plan Implementation

Actions 1-4: Reactivation of Public Space

Actions 1-4: Business Support

Action 19: Develop and implement a marketing and communications plan to promote the local environment, attractions and events to locals and visitors

### Not Started

Action 22: Live Music Action Plan Implementation

Action 34: Library Action Plan Implementation

### Completed

Action 23: Implement Multi-Year Grants Program

Action 34: Develop a Library Action Plan

### Updates

The Games Action Plan continues to be rolled out with focus being given to ensuring affordable spaces can be sourced to continue accommodating our local gaming providers.

The Business Advisory Group has been involved in preliminary preparation for the Creative Sector and Business Attraction Strategy and the Art and Soul Advisory Panel will be consulted in the near future. Planning will commence shortly for the next 12 months of the Public Space Activation Programming.

To ensure our local traders and shopping strips continue to be supported in the wake of the pandemic, a winter incarnation of the Live Love Local marketing campaign will shortly be rolled out across the City to remind our community to support their local businesses and traders – and explore their neighbouring suburbs as well.

The Library Action Plan was endorsed by Council on June 16 and implementation will commence soon.

### Challenges

The Live Music Action Plan will commence roll out shortly. This is behind schedule with the development of a detailed timeline for the implementation of the Plan a high priority. Preliminary discussions are taking place regarding how best to progress Live Music Precincts.

## DIRECTION 6 Our commitment to you

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

### Service measures

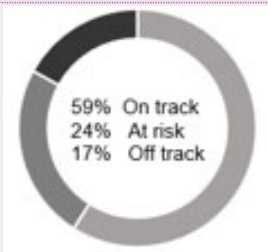
### Report on outcomes



Council’s Organisational Scorecard on the following page outlines detailed performance measures relating to our commitments under Strategic Direction 6.

The Organisational Scorecard provides insights into the overall performance in customer experience, governance, our workforce, financial management, assets and project delivery.

### Project Portfolio Status



### Key updates

Program/Project	Highlights
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**Council Plan 2021-31**

The consultation period closed with over 550 submissions and 370 surveys received. Officers have reviewed the feedback from the community and are developing the final document for endorsement by Council on 23 June 2021.

### Major initiatives status updates

Status	Comments	Current approved completion	2020/21 Forecast \$'000
<b>Customer Experience Program</b>			
<b>X</b>	<p>Program is off track.</p> <p>Due to key data migration activities, work is required to complete connections with critical external systems and further defect resolution and testing for the compliance module (predominately building and planning and permitting). On 27 May 2021, the Program Board granted a go-live extension from 5 July to 2 August 2021 for core system implementation that supports customer requests, building and planning applications, infringement and animal management, permits, rates and property and enterprise content management. The extension allows adequate time to ensure the system is thoroughly tested, critical data is available in the new system and that all council staff are sufficiently trained to minimise disruptions to business operations and customer service when we go live.</p> <p>The later go-live date of 2 August is designed to ensure we are best placed for a successful transition to new processes and the system to makes things easier and better for our staff, customers and community. No further budget is being requested to support this extension.</p>	August 2021	9,286

## City of Port Phillip Council - Organisational Scorecard

The following are the (month) 2021 results for the financial year 2020/21:

<b>Improving customer experience and technology, and being more innovative</b>		<b>Latest results</b>	
TARGET:	80 per cent community requests completed on time	96%	
	80 per cent community complaints completed on time	96%	
	80 per cent calls answered within 30 seconds timeframe	87.47%	
<b>Improving community engagement, advocacy, transparency and governance</b>		<b>Latest results</b>	
TARGET:	90 per cent risk actions on track	100%	
	90 per cent audit actions completed on time (average)	93.43%	
	90 per cent Councilor attendance at Council meetings	100%	
	90 per cent Council decisions made in public	85%	
	0 material legislative breaches (see legislative update section page 20)	0	
<b>Ensuring sustainable financial and asset management, and effective project delivery</b>		<b>Latest results</b>	
TARGET:	Financial sustainability risk rating of low	Medium	
	Efficiency savings achieved in addition to the budget. (\$)(cumulative)	\$0.588M	
	80 per cent of major initiative project delivery is on track	67%	
	<i>A third of our major initiatives are performing off track, details for each can be read under the strategic directions they relate to.</i>		
<b>The following are rolling 12-month results: Inspiring leadership, a capable workforce and a culture of high performance and safety</b>		<b>Latest results</b>	
	Total recordable injury frequency rate below 21.8	Rolling YTD average 17.1	
	Personal Leave year to date (days/EFT) below 10.8	Rolling YTD average 10.81 (month – 1.63)	
	Staff turnover year to date (days/EFT) below 10%	Rolling YTD 13.27% (month – 1.52%)	
	<i>Despite being over target, staff turnover remains consistent with industry benchmarks and is a slight decrease compared to the same period last year (14.91%). Port Phillip staff continue to be highly sought after employees in both the Victorian Government and private sector.</i>		



## Comprehensive Income Statement Converted to Cash – May 2021

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual (\$'000)	Forecast (\$'000)	Actual to Forecast (\$'000)	%	Forecast (\$'000)	Budget (\$'000)	Forecast to Budget (\$'000)	%	
Rates and Charges	123,052	122,398	653	1%	133,385	132,585	800	1%	
Statutory Fees and Fines	15,486	15,442	44	0%	16,927	18,668	(1,741)	(9%)	
User Fees	28,727	28,960	(233)	(1%)	31,421	32,650	(1,229)	(4%)	
Grants - Operating	12,399	12,428	(29)	(0%)	13,252	9,386	3,866	41%	
Grants - Capital	2,144	1,798	347	19%	2,607	3,370	(763)	(23%)	
Contributions - Monetary	5,247	5,282	(35)	(1%)	5,544	2,532	3,012	119%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	8,369	8,104	265	3%	19,811	19,114	697	4%	
<b>Total Income</b>	<b>195,423</b>	<b>194,412</b>	<b>1,011</b>	<b>1%</b>	<b>222,946</b>	<b>218,305</b>	<b>4,641</b>	<b>2%</b>	<b>1</b>
Employee Costs	79,451	79,862	411	1%	90,260	91,046	786	1%	
Materials & Services	61,335	64,636	3,301	5%	85,210	91,011	5,801	6%	
Depreciation	22,603	23,170	567	2%	22,519	25,276	2,757	11%	
Amortisation of Right of Use assets	0	0	0	0%	950	950	0	0%	
Bad & Doubtful Debts	3,524	3,398	(126)	(4%)	3,908	5,141	1,233	24%	
Borrowing Costs	349	317	(32)	(10%)	349	349	0	0%	
Interest - Right of Use	57	77	20	26%	86	75	(11)	(14%)	
Impairment	0	0	0	0%	0	0	0	0%	
Other expenses	6,069	6,208	138	2%	18,497	17,873	(624)	(3%)	
Net proceeds from asset disposals	(1,353)	(1,592)	(238)	15%	3,896	3,896	(0)	(0%)	
Share of Joint Venture	0	0	0	0%	0	0	0	0%	
<b>Total Expenses</b>	<b>172,035</b>	<b>176,076</b>	<b>4,041</b>	<b>2%</b>	<b>225,674</b>	<b>235,617</b>	<b>9,943</b>	<b>4%</b>	<b>2</b>
<b>Operating Surplus / (Deficit)</b>	<b>23,388</b>	<b>18,336</b>	<b>5,052</b>	<b>28%</b>	<b>(2,728)</b>	<b>(17,312)</b>	<b>14,584</b>	<b>84%</b>	
<b>Income Statement Converted to Cash</b>									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	22,603	23,170	(567)	(2%)	22,519	25,276	(2,757)	(11%)	
• Add back amortisation	0	0	0	0%	950	950	0	0%	
• Add back written-down value of infrastructure assets disposals	2,510	2,200	310	14%	7,951	7,951	0	0%	
• Add back balance sheet work in progress reallocated to operating	0	0	0	0%	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	0	0	0	0%	0	0	0	0%	
	<b>25,113</b>	<b>25,370</b>	<b>(257)</b>	<b>-1%</b>	<b>32,620</b>	<b>35,377</b>	<b>(2,757)</b>	<b>-8%</b>	
<b>Adjustments for investing items:</b>									
• Less Capital Expenditure	(10,939)	(14,723)	3,784	26%	(16,662)	(31,172)	14,510	47%	3
<b>Adjustments for financing items:</b>									
• Add New Borrowings			0	0%		0	0	0%	
• Less Loan Repayments	0	0	0	0%	0	0	0	0%	
• Less Lease Repayments	(673)	(594)	(79)	13%	(648)	(648)	0	0%	
	<b>(673)</b>	<b>(594)</b>	<b>(79)</b>	<b>13%</b>	<b>(648)</b>	<b>(648)</b>	<b>0</b>	<b>0%</b>	
<b>Adjustments for financing items:</b>									
Net reserves drawdown/(replenishment)	0	0	0	0%	(7,274)	15,331	(22,605)	(247%)	3
<b>Current Year Cash Surplus/ (Deficit)</b>	<b>36,889</b>	<b>28,389</b>	<b>8,501</b>	<b>(70%)</b>	<b>5,308</b>	<b>1,576</b>	<b>3,732</b>	<b>237%</b>	
Opening balance cash surplus/ (Deficit)	(276)	(276)	0	0%	(276)	(441)	165	37%	
<b>Accumulated Cash Surplus</b>	<b>36,613</b>	<b>28,113</b>	<b>8,501</b>	<b>30%</b>	<b>5,032</b>	<b>1,135</b>	<b>3,897</b>	<b>343%</b>	

## Notes to the Comprehensive Income Statement Converted to Cash – May 2021

**Note 1. Operating income forecast adjustments:**

↑ → ↓	\$ Variance	Operating income forecast explanatory notes
↑	\$1.76m	Favourable Long Day Child Care income due to: 1) Transitional Commonwealth COVID-19 Childcare relief package has been extended to January 2021 which was not budgeted and 2) Greater utilisation (77% year to date) than the 70% budgeted.
↑	\$0.80m	Additional supplementary rates from completed developments mainly at Port Melbourne.
↑	\$0.40m	Victorian Government funding for the Kirrip Park and Ferrars St Streetscape works finalised in 2020/21 (most of the expenditure incurred in 2019/20). Funding have been delayed by COVID and staff/structural changes at the Fishermans Bend Taskforce.
↑	\$0.22m	Unbudgeted Victorian Government COVID-19 funding for Kindergarten services.
↑	\$0.43m	South Melbourne Market stallholder rent forecast increased to reflect updated gross rent and lower vacancy rates. Rent waiver as part of the COVID response is reported separately.
↑	\$0.16m	Safe System Road Infrastructure Program funding taken up in 2020/21 due to delays in finalising project. Capital expenditure had taken place in prior financial year.
↑	\$0.12m	Unbudgeted State Government grant received to support community compliance and education for Covid-19 safe such as QR code compliance.
↑	\$0.12m	Utilisation in planning permit applications exceeding forecast expectations.
↑	\$0.10m	Greater than budgeted Street Occupation income from development activity.
↑	\$0.10m	Animal registrations increased at a greater rate than budget (mainly dogs).
→	\$2.98m	Open Space Contributions are expected to be greater than budgeted mainly in the Elwood and Montague neighbourhoods. All receipts are to be quarantined in the Statutory Resort & Recreation Reserve for future enhancement of open space facilities.
→	\$1.12m	Council received funding from Victorian Government as part of their Working for Victoria Fund to keep people employed impacted COVID-19. This will be offset by matching expenditure.
→	\$1.50m	Victorian Government COVID-19 funding to facilitate Outdoor Eating and Entertainment initiatives. This will be offset by matching expenditure.
→	\$0.60m	Insurance payout for South Melbourne Townhall to be ringfenced in reserve to offset works at SMTH in 2021/22.
→	\$0.40m	Unbudgeted Victorian Government funding for Homelessness and Social Inclusion initiatives. This will be offset by matching expenditure.
→	\$0.25m	Additional COVID-19 meals funding which will be offset by matching expenditure.
→	\$0.20m	VicRoad funding related to prior financial year works at Foote St, Reed St & Beaconsfield parade. The favourable funds are to be used to offset the cost increases for Wellington St Upgrade Stage 3.
→	\$0.15m	Alma Park East funding from Victorian Government received earlier than expected. This is to be ringfenced in reserve to offset capital expenditure in 2021/22.
→	\$0.11m	Unbudgeted Victorian Government funding for Maternal Child Health Sleep & Settling program. This will be offset by matching employee costs.
→	(\$0.87m)	Budgeted funding for EcoCentre Redevelopment (construction) will not materialise this financial year. Project contingent on Victorian Government funding, therefore project deferred to next financial year.

## Notes to the Comprehensive Income Statement Converted to Cash – May 2021

↑ → ↓	\$ Variance	Operating income forecast explanatory notes
→	(\$0.36m)	Major events income reduced due to COVID cancellations. A large portion of budgeted expenditure will not be spent and to be used as offsets to the income loss.
→	(\$0.18m)	Commonwealth Blackspot program funding for the Fitzroy St and Loch St work was not successful. Project will not go ahead.
→	(\$0.77m)	Council endorsed a further \$1.21m of COVID-19 Economic and Social Relief Package to be funded from the unutilised St Kilda Festival budget. \$0.77m relates to income reduction including: A further 25% food premise registration fees and 50% health premise registration fee, further 50% waiver of footpath trading fees, further rental waivers for Council tenants, and Carlisle Art Space Exhibitor Fee waivers.
↓	(\$4.30m)	Transport and Parking income has been impacted by multiple lockdowns in the current financial year which was not expected. Further, the Victorian Government had also prohibited enforcement of overstay offences, which account for approximately 60% of our parking infringement income. Parking infringement income is expected to be down by \$1.8m and paid parking forecast reduced by \$2.5m.
↓	(\$0.43m)	Council experienced greater revenue impact due to extended COVID-19 restrictions which resulted in loss of stallholder revenue from the Esplanade Market, reduction in sporting licences and leases, and loss of Council hall hire income. The impacts are partially offset by lower operating expenditure.
↓	(\$0.17m)	South Melbourne Market parking fees reduced due to extended COVID lockdown than was budgeted.

**Note 2. Operating expenditure forecast adjustments:**

↑ → ↓	\$ Variance	Operating expenditure forecast explanatory notes
↑	\$2.58m	Lower employee costs and savings due to enterprise vacancies and COVID-19 impacting on service delivery. The main services impacted include: Long Day Care centres, Adventure Playgrounds, Library Services, Festivals & Major Events, Parking Enforcements, School Crossings, Aged and Diversity services.
↑	\$1.20m	Lower parking doubtful debts expected due to lower number of parking infringements issued.
↑	\$1.01m	In accordance with Accounting Standards project expenditure such as feasibility studies, landscaping, and soil contamination are to be expensed. These costs are expected to be lower in line with the lower forecast capital expenditure portfolio program than budgeted and deferrals.
↑	\$0.46m	The lower number of parking infringement notices cause by COVID-19 has resulted in lower registration costs payable to Fines Victoria and contractor fees. Council's remainder service trial has proven to be successful with a higher collection rates and reduced legislative penalty late payment fees payable by the offenders.
↑	\$0.59m	Lower building and property maintenance requests <u>as a result of temporary service closures</u> .
↑	\$0.33m	Net reduction in landfill tipping expenditure due to Victorian Government has delayed the 2020/21 landfill levy increase until the 2021/22 financial year. This is offset by the increase in household waste.
↑	\$0.22m	Victoria Government COVID-19 support included one-off 25% reduction on congestion levy expenditure for 2021/21.

## Notes to the Comprehensive Income Statement Converted to Cash – May 2021

↑ → ↓	\$ Variance	Operating expenditure forecast explanatory notes
↑	\$0.49m	Forecast savings from target employee training and lower training spend due COVID-19.
↑	\$0.25m	Beaconsfield Parade Bike Lanes project has been cancelled due to the Victorian Government not accepting Council's preferred and optimal design option.
↑	\$0.20m	Forecast reduction in Parking Infringement refunds (Appeals Function Outsourcing issue) based on year to date rate of refunds.
↑	\$0.1m	Reduction in St Kilda Esplanade Market expenditure to offset ongoing impacts of COVID on revenue.
→	\$2.76m	Officers are reviewing asset conditions and useful lives with updated data using Council's new finance and asset systems. At this stage, we expect depreciation to reduce by up to \$2.76m in 2020/21.
→	\$1.34m	Delivery of operating project impacted by extended lockdowns and staff vacancies. Funds are to be deferred to 2021/22 including Reactivation of Public Space program, Business Support, Live Music Plan, Parking Management Policy, South Melbourne Market Precinct Strategic Plan, Site Contamination Management plan, and other lower value projects.
→	\$0.97m	Wattie Watson Oval reconstruction is expected to award contract in the last quarter of this financial year. A forecast deferral of \$0.92m to 2021/22.
→	\$0.50m	In-Our-Backyard annual provision is unlikely to be spent. The funds are to be moved to reserves.
→	\$0.36m	Forecast updated to reflect Customer Experience program payment milestone resulting in some deferrals. Project is still expected to be completed in FY22 Quarter 1.
→	\$0.28m	Budgeted Council contribution to the Victorian Government Montague Stimulus Package no longer required. Budget reallocated to Rotary Park <u>Playspace Development</u> (Capital expenditure).
→	\$0.28m	Council is seeking funding from the Victorian Government for the St Kilda Road Central Bike Corridor Trial. It is expected to be deferred to 2021/22.
→	\$0.30m	Council is seeking full Victorian Government funding for the Park Street Temporary Bike Lane at the Domain Precinct and the Shimmy Routes projects. Projects deferred to 2021/22 to align with updated timeframe.
→	(\$1.12m)	Council received funding from Victorian Government as part of their Working for Victoria Fund to keep people employed impacted COVID-19.
→	(\$1.10m)	Victorian Government COVID-19 funding to facilitate Outdoor Eating and Entertainment initiatives.
→	(\$0.45m)	Council endorsed a further \$1.21m of COVID-19 Economic and Social Relief Package to be funded from the unutilised St Kilda Festival budget. \$0.45m relates to expenditure reallocations toward: Hostile Vehicle Mitigation for Acland St, <u>Data</u> and measurement of all initiatives, COVID safe community event and live music support, further Arts Rescue Grants, One-off recovery grant funding to key organisations.
→	(\$0.49m)	Council endorsed a further \$0.49m of COVID-19 Economic and Social Support funded from the remaining St Kilda Festival budget as part of the Mid-year financial report toward: concerts at the Palais, seed funding for trader associations, St Kilda Road Tourism initiatives, High St Business Support and Beautification projects, St Kilda Blues Festival, Community Public Art Fund, fee reduction for Esplanade Market stallholders and financial support to ANAM for free community concerts.
→	(\$0.30m)	Expenditure related to the Victorian Government funding for Homelessness Housing Support (temporary common ground).
→	(\$0.25m)	Additional COVID-19 meals offset by additional Victorian Government funding.

## Notes to the Comprehensive Income Statement Converted to Cash – May 2021

↑ → ↓	\$ Variance	Operating expenditure forecast explanatory notes
→	(\$0.11m)	Unbudgeted employee expenditure due to receipt of Sleep & Settling Maternal Child Health program from Victorian Government.
↓	(\$0.56m)	Additional COVID-19 expenditure for Vulnerable Employees. This is offset by savings from enterprise vacancies.
↓	(\$0.68m)	Additional budget approved by Council as part of the First Quarter Financial Review: \$0.4m Summer Management, \$0.11m Heritage Program, \$0.17m Pressure Cleaning, \$0.035m Kerferd Road Safety Trial.

**Note 3. Capital expenditure forecast adjustments:**

↑ → ↓	\$ Variance	Capital expenditure forecast explanatory notes
→	\$2.72m	Luna Park and Palais Hostile Vehicle Mitigation - Scope and timing of the project is being reconsidered due to current budget pressures due to COVID. An updated delivery schedule will consider the impact on the social and economic recovery of businesses in the area.
→	\$1.80m	<u>EcoCentre</u> redevelopment - Council committed to delivering a redevelopment of the Port Phillip <u>EcoCentre</u> subject to receiving a 50 per cent contribution from a funding partner. Funding was announced in the State Budget in May 2021.
→	\$1.00m	South Melbourne Market Compliance works - Building Surveyors required more extensive investigations than anticipated to obtain building permit and Fire Engineering approvals. This has extended the timeline for tender and delivery of the works, which can only occur after all permits have been obtained.
→	\$0.80m	Elwood Park Sports Field Lighting - Project delayed <u>to provide</u> time for building permit approval and soil contamination report completion.
→	\$0.65m	Public Space Lighting Elwood Foreshore - Procurement was delayed <u>to align</u> with the Bay Trail lighting procurement process and additional time built into the schedule to allow for a realistic tender evaluation period.
→	\$0.64m	Childcare Centre Fence Compliance - Unanticipated delays in obtaining temporary waiver to commence construction at Poets Grove Childcare Centre and longer than anticipated time to obtain planning referrals have delayed completion of the design documentation at the remaining 7 sites.
→	\$0.55m	Graham St Overpass Skate Park - Procurement process delayed as opportunities for additional grant funding were considered. The budget decision had a significant impact on scope so until this was resolved the project was held at a design point.
→	\$0.54m	Building Safety Corrective Action Response - Delays have been incurred due to site access restrictions under COVID-19 restrictions, and additional site documentation that was not readily available required by the Building Surveyor to confirm building permit requirements. Fire Engineering Victoria reports are expected to take an additional 6 weeks following final consultation with the building <u>surveyor</u> , therefore the majority of the works will not commence until the 21/22 financial year.
→	\$0.47m	Building Asset Renewal – Several renewal jobs delayed due to extended COVID restrictions. These will be prioritised in next years' program.
→	\$0.38m	Core IT renewal and upgrade program – delays due to global supply chain shortages for laptops and tablets. The supply is scheduled for early part of next financial year
→	\$0.37m	Garden City Shared Bike Path - Final Cost Plan estimates were higher than expected due to the requirement to include vehicle intersection safety

## Notes to the Comprehensive Income Statement Converted to Cash – May 2021

↑ → ↓	\$ Variance	Capital expenditure forecast explanatory notes
		improvements. As a result, it was decided to deliver the project across two financial years, resulting in deferrals.
→	\$0.36m	Waterfront Public Toilet - Additional investigations and options assessment into an appropriate location for the new toilet were required following information received regarding the proposed 1-7 Waterfront PI development, which has impacted the timeline for delivery.
→	\$0.32m	Cora Graves Accessibility - Delays were incurred due to design modifications required to ensure the best outcome for the community. Planning permit activities required for legislative compliance have also taken longer than anticipated to complete, resulting in deferrals.
→	\$0.30m	Sandbar public toilet upgrade - Redesign of the proposed unisex toilets, and additional investigations relating to the impact on the building occupancy limits during construction were required following advice received from the Building Surveyors. This has extended the timeline for delivery.
→	\$0.30m	Access Control Renewal - Project has been put on hold while the Security Policy, which includes access control principles, is being developed. The policy is currently being finalised and the project plan being revised to recommence the project.
→	\$0.28m	St Kilda Town Hall Staff Accommodation - Staff Accommodation plan to be reviewed to respond to COVID related changes to workplace design, function and policies resulting in deferral of \$250,000 to next financial year. The remaining \$50,000 has been reallocated to the Workplace Locker and Team Storage Project.
→	\$0.27m	Buildings CCTV - Additional site visits requested by the design consultant initially impacted the schedule. The procurement approach has also been revised to ensure best value which will take longer than the original approach.
→	\$0.26m	South Melbourne Market Cecil Street Essential Services - Additional scope items were required to ensure compliance with current regulations, this required additional design works to be completed. The revised design now requires a building permit and Fire Engineering Reports to be completed by Fire Rescue Victoria, which has impacted the timeline for construction.
→	\$0.25m	South Melbourne Market Public Safety Improvements - Evaluation of the tender submission process delayed due to lack of competitive tender price and participation. Contracts cannot be awarded until a change request is submitted for additional costs are considered and approved.
→	\$0.23m	Gasworks Arts Park Reinstatement - Awaiting further testing and a contaminated soil remediation plan from State Government before Council can progress landscape design and construction works.
→	\$0.24m	Bubup Nairn Cladding Rectification Works - Delays due to increased design scope and additional time required to conduct site investigations as a result of COVID restrictions.
→	\$0.21m	Rotary Park Playspace Development - Extensive underground services have been detected on the southern side of the park. This encumbrance has required additional design work to re-configure. Options are being prepared for Councillors feedback and approval.
→	\$0.18m	South Melbourne Operations Centre Fire Escape - Additional information required to grant an in-principle building permit has delayed business case and procurement stages. Works now anticipated to commence in July.
→	\$0.18m	Broadway Bridge Works - Council decided not to proceed to detailed design until ownership issue is resolved. Project is on hold.

## Notes to the Comprehensive Income Statement Converted to Cash – May 2021

↑ → ↓	\$ Variance	Capital expenditure forecast explanatory notes
→	\$0.17m	Moran Reserve Pedestrian and Cycle Bridge - Original quotes received through the request for quote process were well above the allocated budget and not considered best value. A revised procurement approach (public tender) will be implemented which has impacted the timeline for delivery.
→	\$0.17m	South Melbourne Town Hall Renewal Upgrade – delayed by the need for further structural investigations and the approval process.
→	\$0.15m	Shakespeare Grove Public Toilet – delays in engaging a consultant for design documentation and relocation of the exceloo to a suitable site.
→	\$0.14m	St. Kilda Town Hall Façade Rectification - design process has been longer than anticipated due to lack of availability of historical design documents.
→	\$0.14m	Building Roof Renewals – delivery delayed at four sites due to COVID restrictions and project management resourcing issues.
→	\$0.14m	Safe Roof Access – Recently closed tender informs the Contractors work schedule requiring additional time than originally anticipated
→	\$0.13m	Fitzroy & Loch St Safety Improvements – Project now on hold as no funding allocation is to be provided from the Commonwealth Blackspot program.
→	\$0.12m	Public Safety Lighting Bay Trail – scope variations and cost escalations with tender process has affected the delivery schedules.
→	\$0.11m	Cobden Place Pocket Park – Concept design has taken longer than anticipated to site complexity.
→	\$0.10m	St Kilda Junction Safety Upgrade program – several unexpected delays including the contractor unavailability, coordination of works with Department of Transport, and exploring synergies to upgrade along with Junction Underpass works.
→	(\$0.20m)	Wellington Street stage 3 - Wellington Street Stage 3 upgrade tenders received had a higher than expected cost of construction. Requirements to comply with VicRoads design standards also increased the cost of the project.
→	(\$0.11m)	Laneway Construction Meredith Street - Construction is in progress and is expected to be completed by the end of this Financial year. Additional budget is re-prioritised from the program to accelerate completion of Meredith Street this financial year.
↓	(\$0.11m)	Open Space Irrigation Upgrade – Project is near completion. Additional budgets are funded from reserves from prior years.

Notes to the Comprehensive Income Statement Converted to Cash – May 2021

**Note 4. Reserve forecast adjustments:**

↑ → ↓	\$ Variance	Reserve forecast adjustment explanatory notes
→	\$1.63m	Council endorsed a further COVID-19 Economic and Social Relief Package to be funded from the unutilised St Kilda Festival budget.
→	(\$2.98m)	Open Space Contributions are expected to be greater than budgeted mainly at St Kilda Hill, Elwood and Montague neighbourhoods. All receipts are to be quarantined in the Statutory Resort & Recreation Reserve for future enhancement of open space facilities.
→	(\$2.01m)	Funds to be ring-fenced in Asset Renewal Reserve for future asset renewal requirements as a result of lower than budgeted capital project spend in 2020/21.
→	(\$1.48m)	Luna Park and Palais Hostile Vehicle Mitigation - Scope and timing of the project is being reconsidered due to current budget pressures due to COVID. An updated delivery schedule will consider the impact on the social and economic recovery of businesses in the area.
→	(\$1.34m)	Delivery of operating project impacted by extended lockdowns and staff vacancies. Funds are to be deferred to 2021/22 including Reactivation of Public Space program, Business Support, Live Music Plan, Parking Management Policy, South Melbourne Market Precinct Strategic Plan, Site Contamination Management plan, and other lower value projects.
→	(\$1.32m)	A number of minor project deferrals identified included Alma Park East minor construction, Lagoon Reserve Pavilion Replacement, Kings Place Plaza Pocket Park, St Kilda Junction Safety Upgrade, JL Murphy Synthetic Field and other projects.
→	(\$1.00m)	South Melbourne Market Compliance works - Building Surveyors required more extensive investigations than anticipated to obtain building permit and Fire Engineering approvals. This has extended the timeline for tender and delivery of the works, which can only occur after all permits have been obtained.
→	(\$0.92m)	Wattie Watson Oval reconstruction is expected to award contract in the last quarter of this financial year. A forecast deferral of \$0.92m to 2021/22.
→	(\$0.92m)	Drawdown on Rates cap reserve not required due to favourable operating result compared to budget.
→	(\$0.87m)	Victorian Government funding for the EcoCentre redevelopment was announced in the State Budget in May 2021 – expenditure to occur in 2021/22.
→	(\$0.75m)	Elwood Foreshore Lighting delays in procurement and lead time on light pole deliveries will result in deferrals to 21/22.
→	(\$0.72m)	Elwood Park Sports Field Lighting - Project delayed to provide time for building permit approval and soil contamination report completion.
→	(\$0.64m)	Childcare Centre Fence Compliance - Unanticipated delays in obtaining temporary waiver to commence construction at Poets Grove Childcare Centre and longer than anticipated time to obtain planning referrals have delayed completion of the design documentation at the remaining 7 sites.
→	(\$0.60m)	Insurance payout for South Melbourne Townhall to be ringfenced in reserve to offset works at SMTM in 2021/22.
→	(\$0.58m)	A number of bike infrastructure projects including St Kilda Rd Central Bike Corridor Trial, Shimmy Routes, and Domain Precinct - Park St Temp Bike Lane have been deferred to 2021/22 to align council decisions and seeking funding from the Department of Transport.
→	(\$0.57m)	Net replenishment of the In Our BackYard Reserve including the annual \$0.5m provision not to be spent and other homeless initiatives.
→	(\$0.56m)	Graham St Overpass Skate Park - Procurement process delayed as opportunities for additional grant funding were considered. The budget decision had a



Notes to the Comprehensive Income Statement Converted to Cash – May 2021

↑ → ↓	\$ Variance	Reserve forecast adjustment explanatory notes
		significant impact on scope so until this was resolved the project was held at a design point.
→	(\$0.49m)	Core IT renewal and upgrade program – delays due to global supply chain shortages for laptops and tablets. The supply is scheduled for early part of next financial year
→	(\$0.47m)	Building Safety Corrective Action Response - Delays have been incurred due to site access restrictions under COVID-19 restrictions, and additional site documentation that was not readily available required by the Building Surveyor to confirm building permit requirements. Fire Engineering Victoria reports are expected to take an additional 6 weeks following final consultation with the building <a href="#">surveyor</a> , therefore the majority of the works will not commence until the 21/22 financial year.
→	(\$0.44m)	Garden City Shared Bike Path - Final Cost Plan estimates were higher than expected due to the requirement to include vehicle intersection safety improvements. As a result, it was decided to deliver the project across two financial years, resulting in deferrals.
→	(\$0.39m)	Rotary Park Playspace Development - Extensive underground services have been detected on the southern side of the park. This encumbrance has required additional design work to re-configure. Options are being prepared for Councillors feedback and approval.
→	(\$0.36m)	Waterfront Public Toilet - Additional investigations and options assessment into an appropriate location for the new toilet were required following information received regarding the proposed 1-7 Waterfront PI development, which has impacted the timeline for delivery.
→	(\$0.36m)	Forecast updated to reflect Customer Experience program payment milestone resulting in some deferrals. Project is still expected to be completed in FY22 Quarter 1.
→	(\$0.32m)	Cora Graves Accessibility - Delays were incurred due to design modifications required to ensure the best outcome for the community. Planning permit activities required for legislative compliance have also taken longer than anticipated to complete, resulting in deferrals.
→	(\$0.30m)	Sandbar public toilet upgrade - Redesign of the proposed unisex toilets, and additional investigations relating to the impact on the building occupancy limits during construction were required following advice received from the Building Surveyors. This has extended the timeline for delivery.
→	(\$0.30m)	Building Asset Renewals - Several jobs delayed commencing their program due to COVID restrictions. These will be prioritised in next year's program.
→	(\$0.30m)	Access Control Renewal - Project has been put on hold while the Security Policy, which includes access control principles, is being developed. The policy is currently being finalised and the project plan being revised to recommence the project.
→	(\$0.30m)	South Melbourne Market Public Safety Improvements - Evaluation of the tender submission process delayed due to lack of competitive tender price and participation. Contracts cannot be awarded until a change request is submitted for additional costs are considered and approved. Deferrals expected.
→	(\$0.29m)	Gasworks Arts Park Reinstatement - Awaiting further testing and a contaminated soil remediation plan from State Government before Council can progress landscape design and construction works.
→	(\$0.29m)	South Melbourne Market Cecil Street Essential Services - Additional scope items were required to ensure compliance with current regulations, this required additional design works to be completed. The revised design now requires a

## Notes to the Comprehensive Income Statement Converted to Cash – May 2021

↑ → ↓	\$ Variance	Reserve forecast adjustment explanatory notes
		building permit and Fire Engineering Reports to be completed by Fire Rescue Victoria, which has impacted the timeline for construction.
→	(\$0.29m)	St Kilda Town Hall Staff Accommodation - Staff Accommodation plan to be reviewed to respond to COVID related changes to workplace design, function and policies resulting in deferral to next financial year.
→	(\$0.27m)	Bubup Najm Cladding Rectification Works - Delays due to increased design scope and additional time required to conduct site investigations as a result of COVID restrictions.
→	(\$0.27m)	Buildings CCTV - Additional site visits requested by the design consultant initially impacted the schedule. The procurement approach has also been revised to ensure best value which will take longer than the original approach.
→	(\$0.25m)	Beaconsfield Parade Bike Lanes project has been cancelled due to the Victorian Government not accepting Council's preferred and optimal design option. Drawdown on Sustainable Transport Reserve not required.
→	(\$0.25m)	Public Safety Lighting Bay Trail – scope variations and cost escalations with tender process has affected the delivery schedules.
→	(\$0.18m)	South Melbourne Operations Centre Fire Escape - Additional information required to grant an in-principle building permit has delayed business case and procurement stages. Works now anticipated to commence in July.
→	(\$0.17m)	Moran Reserve Pedestrian and Cycle Bridge - Original quotes received through the request for quote process were well above the allocated budget and not considered best value. A revised procurement approach (public tender) will be implemented which has impacted the timeline for delivery.
→	(\$0.15m)	South Melbourne Town Hall Renewal Upgrade – delayed by the need for further structural investigations and the approval process.
→	(\$0.15m)	Shakespeare Grove Public Toilet – delays in engaging a consultant for design documentation and relocation of the <del>exloo</del> to a suitable site.
→	(\$0.15m)	Building Roof Renewals – delivery delayed at four sites due to COVID restrictions and project management resourcing issues.
→	(\$0.14m)	St. Kilda Town Hall Façade Rectification - design process has been longer than anticipated due to lack of availability of historical design documents.
→	(\$0.14m)	Safe Roof Access – Recently closed tender informs the Contractors work schedule requiring additional time than originally anticipated.

## Legislative update

### **Material legislative breaches**

No major breaches occurred in the month of May 2021.