

CEO Report

#49 - November 2018



CEO Report




Issue 49



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

Guide to reading this report

-  **On track** Latest result has achieved target for measure
Project is on track across all elements
-  **At risk** Latest result experienced a minor miss in relation to target measure
One or more elements of project are at risk
-  **Off track** There is a significantly large variation from targeted result for measure
Project is off track for one or more elements

All elements are weighted equally and milestones could be significant or small.

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 is subject to change.

“Council is committed to creating a City that minimises waste, maximises recycling opportunities and reduces our impact on the environment.”

PETER SMITH

CEO City of Port Phillip

Welcome to the November issue of the CEO Report.

Council is committed to creating a City that minimises waste, maximises recycling opportunities and reduces our impact on the environment by becoming a leader in managing waste. The Don't Waste It! - Waste Management Strategy 2018-28 was endorsed by Council on 17 October and details the proposed targets and outcomes to improve the way we manage waste now.

This is the fourth strategy endorsed in 2018 to respond to the challenges identified in the Council Plan and achieve the vision outlined in the Council Plan 2017-27.

This issue of the CEO Report includes for the first time a progress update on the agreed priority actions in each of the adopted strategies. These updates will be provided on a quarterly basis.

The final Fishermans Bend Framework and planning controls were announced in October, more information in the following section.



Seniors festival

The annual Seniors Festival was celebrated from 8 to 21 October in recognition of the valuable contribution older people have made and continue to make to our community. Over 1,000 events were held as part of the festival with some of the highlights including the Mirror Ball Disco Dance, Port Phillip Writes: Seniors Festival Awards, and Pinaroo Village Festival.

South Melbourne Market Charter endorsed

On 3 October the revised South Melbourne Market Charter and governance arrangements were endorsed by Council. The new Charter ensures increased independence to make decisions and manage the market operations more efficiently.

Melbourne Renewal Energy project award

On 11 October we were awarded the Premier's Sustainability Award in the Government category for the work undertaken to make the ambitious Melbourne Renewable Energy Project a reality.

The project is a local government-led collaboration between public and private sectors to deliver electricity cost certainty while driving investment in renewable energy projects. The project will supply Council with 100 per cent green power for the next decade, reducing Council's gross emissions by 87 per cent and making it possible to attain and sustain our goal of zero net emissions by 2020/21 and beyond.

Customer experience delivery partner moves in

Council endorsed KPMG as our delivery partner and began working with us on 8 October. The appointment of the delivery partner is a major milestone for the program and the team are bringing specialist knowledge, proven methodologies and valuable toolsets essential to our business needs.

Over the next two and a half years this program will enhance integration, performance of core business systems and further develop our community mindset, capability and practices.

Interim General Manager

I'd like to welcome Tony Keenan to our executive team, who commenced as Interim General Manager Community and Economic Development in October. Tony brings extensive and highly relevant senior leadership experience from the not-for-profit sector. Tony is well known as a leader in public policy, homelessness, youth issues and social inclusion.

I'd like to thank Mary McGorry for acting in the role of General Manager Community and Economic Development after the resignation of Carol Jeffs.

Little Grey Street CCTV

In response to community safety audits and community concerns, eight CCTV cameras were installed along Little Grey Street. To ensure the infrastructure could be installed as quickly as possible, a decision was made to use a mix of existing and temporary infrastructure. This led to three cameras being installed with temporary concrete blocks. The unsuitability of these blocks became apparent and a new design which incorporates inground footings is underway. It is anticipated that these works will be completed by mid-November.

Further information about the installation process can be found on our Closed-circuit Television (CCTV) [webpage](#).

South Melbourne Town Hall

South Melbourne Town Hall is temporarily closed following an incident on 19 October where a suspected burst water pipe in the ceiling has caused widespread damage. This included a portion of a ceiling in an office to fall down.

Emergency works have commenced to return the space to safe working order.

Transforming the City

The Council Plan 2017-27 sets out four areas where Council will focus its effort to see significant transformation over the next 10 years. Three key strategies were developed in 2018 to address these areas.

Fishermans Bend

What has happened?

- The final Fishermans Bend Framework and planning controls were announced in October. The framework and controls provide for a plan for parks, schools, roads and transport and community facilities and services to ensure the liveability of the precinct as it grows over the next 30 years.
- The new community park, Kirrip Park opened on 20 October. 'Kirrip' means friendship or mate, in the Boon Wurrung language and was chosen after extensive community consultation.
- Streetscape works commenced to connect the South Melbourne Primary School, Kirrip Park and light rail stop. Works are anticipated to take 18 weeks.

What's coming up?

- Officers will undertake a review of the Ferrars Street Education and Community Precinct to assess the benefits of the integrated service model.
-

Waste management

What has happened?

- Feedback from community consultation was incorporated into the final strategy which was endorsed by Council on 17 October.
- On 16 August the Minister for Environment announced funding for a Business Case for the Inner Metro Sustainability Hub. The Metropolitan Waste and Resource Recovery Group has confirmed it will lead and oversee the Business Case analysis on behalf of the Partnership Executive Steering Committee.

What's coming up?

- Planning is underway for the implementation of actions outlined in the strategy.
-

Act and Adapt - Sustainable Environment Strategy 2018-28

Transforming waste and water management

The Act and Adapt - Sustainable Environment Strategy 2018-28 was endorsed by Council on 20 June 2018 and outlines 29 actions to be delivered in 2018/19.

This strategy was developed to help address waste and water management as well as other sustainable environment challenges.

Action progress

Below shows a progress update of the actions due for completion in 2018/19.



Highlights

- The second year of the Sustainable City Community Action Plan commenced with sustainability audits held at ten apartment buildings and recruitment of 35 Enviro Champs.
- Completed detailed designs of raingardens at Foote and Reed streets, Albert Park and Hambleton and Mills streets, Middle Park.
- Continued working with partners to deliver the Elster Creek Action Plan. Progress against each item can be viewed on our website.
- Refer to page 14 for an update on Albert Park and Alma Park stormwater harvesting schemes.
- Refer to page 14 for an update on the development of the Don't Waste It! - Waste Management Strategy.

Challenges

- A peer review found some elements of the Alma Park stormwater harvesting scheme should be redesigned to improve operation and reliability.
- Redevelopment of the EcoCentre is dependent on partnership funding. Officers continue to seek further partnership funding for construction.
- Refer to page 13 for detailed update on Energy Efficiency and Solar Program 2018/19.

Actions not started

All actions scheduled to commence in quarter one have been started.

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

Transforming transport and parking

The Move, Connect, Live - Integrated Transport Strategy 2018-28 was endorsed by Council on 20 September 2018.

The strategy was developed 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

Planning is underway for the implementation of actions outlined in the strategy.

Highlights

- The Move, Connect, Live - Integrated Transport Strategy 2018-28 was endorsed by Council on 20 September 2018.
- A detailed progress update will be provided next quarter.

Art and Soul - Creative and Prosperous City Strategy 2018-2022

The Art and Soul - Creative and Prosperous City Strategy 2018-22 was endorsed by Council on 20 June 2018 and outlines 29 actions to be delivered in 2018/19 after two actions from 2019/20 were brought forward.

The strategy outlines the cultural change and collaborative actions required across a range of Council services.

Action progress

Below shows a progress update of the actions due for completion in 2018/19.



Highlights

- Funding Agreement for the Waterfront Welcomers has been renewed with Port Melbourne Neighbourhood Centre to run the Volunteer Program for Cruise Season 2018/19.
- Endorsement of the St Kilda Festival three year plan in August 2018.
- Endorsement of the Art and Soul Advisory Panel on 3 October 2018. All nominees have been advised with the first meeting planned for end November 2018.
- Commenced consultation with Council and the community on the Indigenous Arts Plan with a draft expected by the end of 2018.

Challenges

- Scope and viability of South Melbourne Market Strategic Business Case is currently under review. Project is dependant on outcomes on Building Compliance Assessment Workscoping Study. Findings to be delivered in November 2018.
- The IMAP Committee resolved to not the update on the *Liquor Control Reform Act 1998* and defer consideration of further submissions on the liquor licensing and planning.







Actions not started







Six actions have been identified to commence later in 2018/19.

Council scorecard

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

Updates are provided when information is available, many of the measures can only be presented on a quarterly basis.

	Outcome indicators	Service measures	Areas for focus
Direction 1 We embrace difference, and people belong	 <p>2 on track 1 at risk 0 off track</p>	 <p>7 on track 6 at risk 0 off track</p>	<ul style="list-style-type: none"> The outcome indicator at risk relates to residents that agree Port Phillip is welcoming and supportive for everyone which remained stable and just below target (93 per cent compared to >95 per cent). Four of the service measures at risk relate to community satisfaction survey results (recreational facilities, services contributing to health and wellbeing of the community, supporting older people and people with disabilities and family, youth and children), where a slight decrease was experienced and results dropped below target. Community visits per capita fell short of the target, 1.74 compared to 1.90. Participation in first MCH home visit fell slightly below target (96.23 per cent compared to 100 per cent). Over 300 infants participated in the first home visit.
Direction 2 We are connected and it's easy to move around	 <p>3 on track 0 at risk 0 off track</p>	 <p>6 on track 2 at risk 0 off track</p>	<ul style="list-style-type: none"> Two of the service measures at risk relate to community satisfaction survey results (transport planning policy, safety and design and sealed local roads), where a slight decrease was experienced and results dropped below target.
Direction 3 We have smart solutions for a sustainable future	 <p>3 on track 2 at risk 0 off track</p>	 <p>7 on track 7 at risk 0 off track</p>	<ul style="list-style-type: none"> Two outcome indicators at risk relate to potable water usage and kerbside waste diversion. The 2017/18 result for potable water usages was above target (226ML compared to 159ML). The August result for kerbside waste diversion was below target (31 per cent compared to 35 per cent). Three service measures at risk relate to community satisfaction survey results (making Port Phillip more environmentally sustainable, street cleaning and waste and recycling), where a slight decrease was experienced and results dropped below target. Three measures related to waste with cost of kerbside garbage collection (\$65.59 compared to \$50.00), council waste production (59.6T compared to 50T) and kerbside bins missed exceeding target (2.61 compared to 2.50). Total suspended solids removed from stormwater fell short of target (46.5T compared to 47.3T).





	Outcome indicators	Service measures	Areas for focus
<p>Direction 4 We are growing and keeping our character</p>	 <p>2 on track 2 at risk 0 off track</p>	 <p>12 on track 4 at risk 0 off track</p>	<ul style="list-style-type: none"> Community satisfaction survey results related to residents who feel a sense of security in Port Phillip experienced a decrease and results dropped below target. Council planning decisions upheld at VCAT also fell short of our target (63 per cent compared to 70 per cent). This was an increase from 2017/18 and when we include mediated and withdrawn outcomes upheld at VCAT the result would be 80 per cent. Community satisfaction with planning services experienced a decrease and results dropped below target (78 per cent compared to 80 per cent). The quarter one result for time taken to decide planning applications was slightly above target (77 days compared to target of 75 days). The quarter one result dropped below target with 57 per cent of applications decided on time compared to a target of 60 per cent. The quarter one result for cost of planning service was above annual target (\$2,683.92 compared to \$2,500.00)
<p>Direction 5 We thrive by harnessing creativity</p>	 <p>1 on track 3 at risk 0 off track</p>	 <p>5 on track 4 at risk 0 off track</p>	<ul style="list-style-type: none"> Two of the outcome indicators at risk relate to community satisfaction survey results (culture of creativity and opportunity to participate in affordable events or activities), where a slight decrease was experienced and results dropped below target. The third outcome indicator relates to the percentage of people employed in the top five industries of total employment (50 per cent compared to 54 per cent). Two of the service measures at risk relate to community satisfaction survey results (visitor management and good range of business services), where a slight decrease was experienced and results dropped below target. The two remaining measures relate to our libraries - cost of library service (\$7.31 compared to \$7.00) and visits to library per capita (6.09 compared to 6.50).
<p>Direction 6 Our commitment to you</p>	 <p>3 on track 2 at risk 0 off track</p>	 <p>26 on track 9 at risk 0 off track</p>	<ul style="list-style-type: none"> Two of the outcome indicators at risk relate to community satisfaction survey results (community engagement and overall performance), where a slight decrease was experienced and results dropped below target. Three of the service measures at risk relate to community satisfaction survey results (advocacy, Council decisions, and website ease of use and navigation), where a slight decrease was experienced and results dropped below target. The asset management and project maturity scores (assessed annually) fell slightly short of target (asset maturity 952 compared to 1000 and project maturity 20.4 compared to 21). Staff turnover remained above target (cumulative result of 3.25 per cent compared to 2.50 per cent). Four material legislative breaches have been recorded, one in September relating to a breach of Privacy through our Information Protection Agreement with VicRoads and three in August all relating to the disclosure of employee details. Audit actions were below target (81 per cent compared to 90 per cent). Councillor decisions made at meetings closed to the public rose above target (11.50 per cent compared 10.00 per cent).


Project delivery update

The Council Plan 2017-27 commits us to a project portfolio worth more than \$66 million in 2018/19. This section provides a detailed update on the status of each major initiative identified in the plan and the overall project portfolio for each of the six directions as at the end of September.

T indicates this project contributes to the delivery of a transformation.

Direction 1 - We embrace difference, and people belong

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
In Our Backyard strategy implementation						
Deliver		<p>Project is at risk. A review of IOBY has been undertaken to redefine targets and priority actions, with a draft 12-month action plan prepared and out for consultation. When finalised the action plan will refocus the approach to delivering on the strategy's goal of growing affordable housing in Port Phillip. Specific initiatives within the project are on-track for completion and aligned to the draft action plan:</p> <ul style="list-style-type: none"> • short-listing of sites for Council's property pipeline • preparation of a Housing Needs Framework. <p>Delivery of the first 'pop-up' housing project was completed earlier this year.</p>	Jun 2019	Jun 2019	226	226
JL Murphy Reserve Pavilion upgrade						
Deliver		<p>Project schedule is at risk due to the building permit application taking longer than planned to be finalised, creating a five week delay to the schedule. The project team is working to make up this time. The Request for Tender was issued in mid October and a report to Council recommending a preferred contractor is planned for late November. The Funding Agreement between Council and the JL Murphy Pavilion Committee (for sporting clubs' contribution) was executed in October, as was the Funding Agreement between Council and Sport and Recreation Victoria. The project team is working closely with key stakeholders to minimise the impacts of construction on neighbours, sports field and park users.</p>	May 2020	May 2020	1,368	1,368
North Port Oval upgrade						
Plan		<p>Project is at risk due to delays in the Funding Agreement being signed. The Funding Agreement was approved and signed in early October. The planning permit has been issued and the design work was completed. Construction commenced in mid October 2018</p>	Jun 2019	Jun 2019	1,950	1,950
Peanut Farm Reserve Sports Pavilion upgrade						
Deliver		<p>Project is on track. Construction work has progressed with 43 per cent of work completed. The building is nearing 'lock-up' stage, and work is continuing on the netball courts.</p>	Mar 2019	Apr 2019	2,315	2,315

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
South Melbourne Life Saving Club redevelopment						
Deliver		Project budget is at risk due to unplanned costs including the reconstruction of the seawall, the need to re-route the bicycle and pedestrian lane, and the very high quantity of sand that had to be excavated. Officers are working to identify cost savings and efficiencies. Concrete slabs have been poured and installation of the precast concrete panels commenced. Coastal Consent was received from Department of Environment, Land, Water and Planning for a revised layout of the temporary facilities that will be installed on the foreshore during the summer period to support the Club's patrols, and provide additional toilets.	Oct 2019	Oct 2019	3,700	2,834

Overall project status



There are 21 projects contributing to the outcomes in this direction. At the end of September no projects were considered off track.

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

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
Integrated Transport Strategy implementation T						
Plan	✔	<p>Program is on track. Council adopted the ten-year strategy on 20 September and planning is underway on the following initiatives:</p> <ul style="list-style-type: none"> • Parking Permit Policy review • Parking Controls Policy and Parking Occupancy surveys and analysis • Investigating the use of Parking Overlays for applying different parking rates and transport provision 	Jun 2019	Jun 2019	300	300
Kerferd Road safety improvements T						
Plan		Project is on hold until the scope and scale of the Victorian Government's funding commitment for the 'Shrine to Sea' is determined.			175	175

Overall project status



There are 20 projects contributing to the outcomes in this direction. At the end of September no projects were considered off track.

Completed major initiative projects

Integrated Transport Strategy development ✔

Project is completed. Council adopted the ten-year strategy, *Move, Connect, Live*, on 20 September following extensive community feedback.

Direction 3 - We have smart solutions for a sustainable future

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
Albert Park Stormwater Harvesting development T						
Deliver	✔	Project is on track. Project partners are progressing the next stage of the project, which includes an assessment of the social and environmental impact of water harvesting, further review of water extraction and drought upon lake water levels; and a workshop on potential partnership and governance models. Work has begun to identify possible water storage locations at each of the schemes reserves.	Jun 2019	Jun 2019	100	100
Alma Park Stormwater Harvesting development T						
Deliver	⚠	Project schedule is at risk due to the scheme's detailed designs taking longer than planned to be completed. However it is still possible to complete the main construction works by the end of March 2019. The Request for Tender is planned for mid October and a report to Council recommending a preferred contractor is planned for late November. The project team is working closely with key stakeholders to ensure that construction activity has a minimal impact on neighbours, sports field and park users. The revised project scope includes the development of an augmented reality representation of the scheme.	Jun 2019	Jun 2019	2,815	2,815
Sustainable Environment Strategy implementation T						
Deliver	✔	Program is on track. Engaged a consultant to benchmark the municipality through a 'Water Sensitive City Index' process. Commenced planning for coastal climate adaptation and began identifying sites at risk of affect of coastal climate change within the municipality. Refer to page 6 for further details on progress in delivering the strategy.	Jun 2019	Jun 2019	280	280
Waste Strategy development T						
Plan	⚠	Project is at risk due to delay in presenting the strategy to Council. The final strategy was presented to Council for endorsement on 17 October.	Jun 2018	Oct 2018		
Waste Strategy implementation T						
Plan	✔	Program is on track. Planning is underway on the following initiatives: <ul style="list-style-type: none"> • Implementation of education campaigns for waste reduction and improved recycling outcomes • Development of an Advanced Waste Treatment plan that compares the benefits and costs of different technologies available. 	Jun 2019	Jun 2019	280	280

Overall project status



There are 22 projects contributing to the outcomes in this direction. At the end of September Energy Efficiency and Solar Program 2018/19 was considered off track.

Off track non-major initiative project status

Energy Efficiency and Solar Program 2018/19 ✘

Project schedule is off track due to proposed changes to internal layouts in buildings that may result in changes to the lighting and air conditioning. Work continued on the revised project scope and was finalised in October 2018 with project completion by June 2019.

Direction 4 - We are growing and keeping our character

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
Ferrars Street Education and Community Precinct - Construction of Montague Park (proposed name Kirrip Park) T						
Deliver	✔	Project works were completed and Kirrip Park officially opened on 20 October attended by members of the community, Mayor, Councillors and Hon. Martin Foley, MP.	Jul 2018	Sep 2018	1,600	1,600
Ferrars Street Education and Community Precinct - Streetscape Upgrade T						
Deliver	⚠	Project is at risk due to additional costs associated with soil contamination. Officers are assessing options to complete the project within budget. Works commenced at Railway Place.	Dec 2018	Dec 2018	2,434	2,434
Gasworks Arts Park Contamination Management Plan						
Deliver	✔	Project is on track. Council officers continue to work with the Victorian Government to develop a draft Park Plan in accordance with the draft Contamination Management Action Plan.	Jun 2018	Dec 2018	20	20
Public Spaces Strategy development						
Plan	✔	Project is on track. Background research is underway to prepare a directions and opportunities paper that will form the basis for community engagement in early 2019 and development of the strategy.	Jun 2020	Oct 2019	125	125
St Kilda Marina						
Plan	⚠	Project is at risk due to additional technical investigations placing pressure on the budget. The budget will be monitored carefully to manage the additional costs. A Community Panel has been established to provide input into the development of options for the site that meet the site vision and objectives. The Panel will review the design work and progress with the interim lease.	Jun 2021	Jun 2021	460	460

Overall project status



There are 27 projects contributing to the outcomes in this direction. At the end of September the Bollard Security Improvements, South Melbourne Market Traffic Study, and Maritime Infrastructure renewal program 2018/19 (discussed over the page) were considered off track.

Off track non-major initiative project status

Bollard Security Improvements ✘

Project is off track due to a delay in finalising a security risk assessment to the area surrounding Luna Park and Palais Theatre. This has delayed completion of the conceptual design. Guiding principles are being prepared to govern our approach to public safety improvements. Approval of these principles was received in October. Project schedule and scope will be reviewed to be re-baselined.

South Melbourne Market Traffic Study ✘

Project schedule is off track due to a delay in finalising the scope and assigning project management resources. A contractor has since been engaged to undertake this work. Project costs and completion data of April 2019 remain unchanged.

Maritime Infrastructure Renewal Program 2018/19 

Program is off track due to delay in commencing audit and register of maritime assets. A contractor has since been engaged to undertake this work. Project schedule will be reviewed and re-baselined.

The Maritime Capital Reactive Works sub-project is on track with the structural rectification of 27 piles at Beacon Cove under the Station Pier Promenade. This work was completed in mid October 2018.

Direction 5 - We thrive by harnessing creativity

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	208/19 Forecast \$'000
Creative and Prosperous City Strategy implementation						
Plan	✓	<p>Program is on track with planning and implementation of actions underway. Refer to page 8 for more details. Placemaking activities are also on track. Highlights include:</p> <ul style="list-style-type: none"> • Held meetings with internal and external stakeholder to improve the response to safety and amenity in Fitzroy Street • Held the first Placemaking Forum with the South Melbourne community • On 20 September Council delegated placemaking decision making to the CEO for a period of 12 months • Held a forum with landlords, developers and real estate agents. • Held a forum with the Fitzroy Street residents, where they outlined their vision for the future of Fitzroy Street and identified some projects that could be undertaken in the street • Scheduled additional meetings with Fitzroy Street focus groups and individual stakeholders. 	Jun 2019	Jun 2019	640	640
Linden Gallery upgrade						
Deliver	✓	<p>Project is on track. Additional scope has been approved to include findings of the Crime Prevention Through Environmental Design report and to respond to safety concerns raised in the laneway behind Linden Gallery.</p>	Dec 2018	Dec 2018	490	490

Overall project status



There are 16 projects contributing to the outcomes in this direction. At the end of September no projects were considered off track.

Direction 6 - Our commitment to you

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
Customer Experience Program						
Deliver	✔	Program is on track. The delivery partnership was endorsed by Council on 5 September, with the contract with the delivery partner signed by both parties on 26 September. The program commenced on 8 October with the onboarding of the delivery partner. Planning activities and establishing of the core program team commenced.	Jun 2021	Jun 2021	8,180	8,180

Overall project status



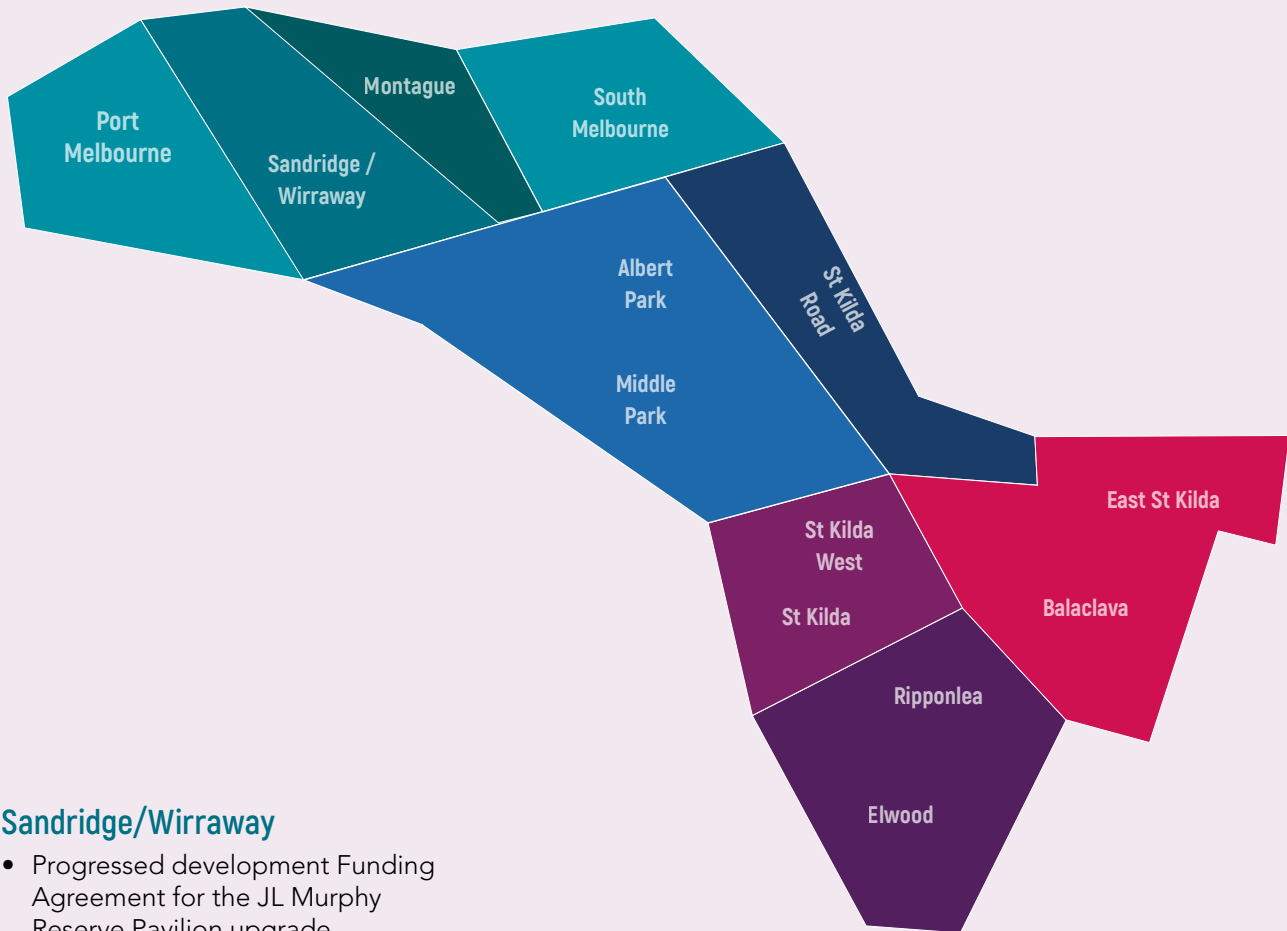
There are 13 projects contributing to the outcomes in this direction. At the end of September the Building safety and accessibility program was considered off track.

Off track non-major initiative project status

Building safety and accessibility program ❌

Program is off track due to a delay in the on-boarding of a consultant to provide functionality and design advice for the three Town Hall counters. Project schedule to be re-baselined. All other projects within the program are on track to be delivered.

What's happened in our local neighbourhoods?



Sandridge/Wirraway

- Progressed development Funding Agreement for the JL Murphy Reserve Pavilion upgrade.

Montague

- Official opening of the new community park, Kirrip Park, was held on 20 October.

South Melbourne

- Continued works at South Melbourne Community Centre to improve accessibility and use of the space.
- Continued works upgrading South Melbourne Town Hall.
- Completed installation of fire sprinkler system at South Melbourne Market.

Port Melbourne

- Signed Funding Agreement for North Port.
- A report on the key stakeholder engagement for the draft design guidelines for Waterfront Place and public realm concept design was shared with participants in September.

St Kilda Road

- Continued to work closely with partners to deliver on the Metro Tunnel project.

Albert Park/ Middle Park

- Continued construction to redevelop the South Melbourne Life Saving Club building and public amenities.
- Worked with the Victorian Government to develop a draft Park Plan in accordance with the Gasworks Arts Park Contamination Management Action Plan.
- Began identifying possible water storage locations at each of the Albert Park Stormwater Harvesting Development schemes reserves.

St Kilda / St Kilda West

- Council continued to work with partners to plan the Victorian Pride Centre.
- Continued construction of the pavilion at Peanut Farm Reserve.
- Continued work on O'Donnell Gardens wall.

Elwood / Ripponlea

- Held the first Elster Creek Community Reference Group and finalised the catchment wide policy review.

Balaclava / St Kilda East

- Worked with HousingFirst to satisfy the conditions of transfer of land including lodgement of development application.

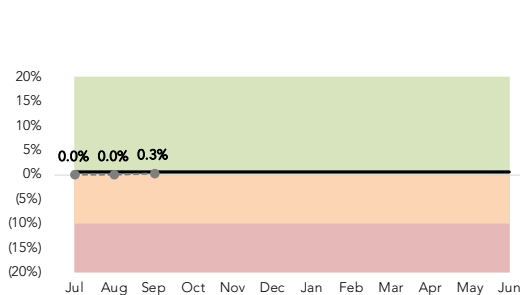
Financial performance

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's Office (VAGO) financial sustainability indicators.

- As highlighted by the six VAGO financial indicators below, the full year forecast in September indicates an overall low risk financial sustainability rating for Council.
- Council expects to achieve a cumulative cash surplus of \$2.4 million for 2018/19.

Financial sustainability indicators

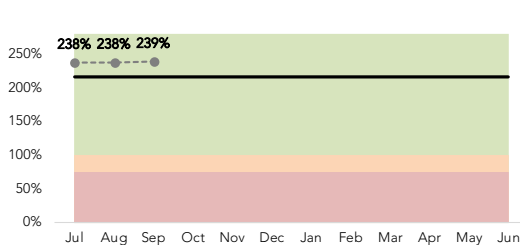
1.1 Net Result % (Net Surplus over Total Income)



Target: Greater than 0% Year-end forecast: (0.3%) Status:

Comments: This financial indicator assesses Council's ability to generate sufficient funds for asset renewals. A small surplus is budgeted for 2018/19 which includes non-recurrent Customer Experience Program expenditure. Council is expected to deliver a small surplus, 0.3 per cent of total income.

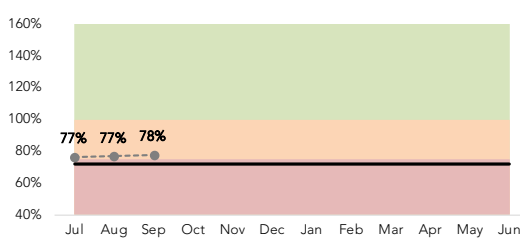
1.2 Working Capital % (Current Assets over Current Liabilities)



Target: Greater than 100% Year-end forecast: 239% Status:

Comments: This financial indicator assesses Council's ability to pay short term liabilities as they fall due. The Budget 2018/19 had a working capital ratio of 216 per cent. The actual financial position for 2017/18 compared favourably to the forecast position for 2017/18 when the 2018/19 budget was prepared. This will continue for the rest of the 2018/19 which is reflected in the current full year forecast in September of 239 per cent. Council has no issues in paying suppliers and employees when payments fall due.

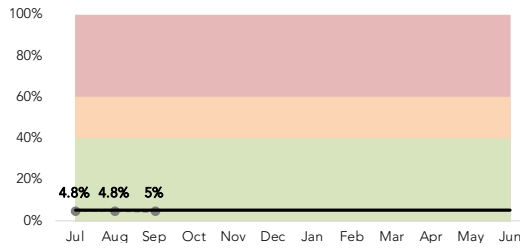
1.3 Internal Financing % (Net Operational Cashflows compared to Net Cash Capital Outlay)



Target: Greater than 100% Year-end forecast: 78% Status:

Comments: This financial indicator assesses Council's ability to generate sufficient cash from operations to fund new assets. The Budget 2018/19 includes non-recurrent Customer Experience Program expenditure. The full year forecast in September for Council's capital spend is lower than budgeted which results in a favourable internal financing ratio than budgeted.

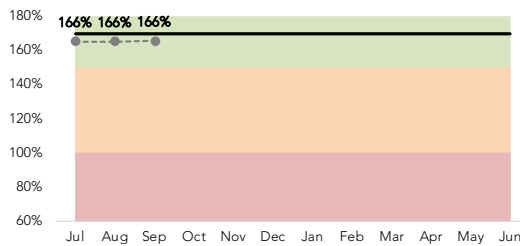
1.4 Indebtedness % (Own Sourced Revenue compared to Non Current Liabilities)



Target: Less than 40% Year-end forecast: 4.8% Status: ✔

Comments: 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 4.8 per cent for Budget 2018/19 is significantly lower than the 40 per cent target.
The full year forecast in September shows Council is on track to achieve budget.

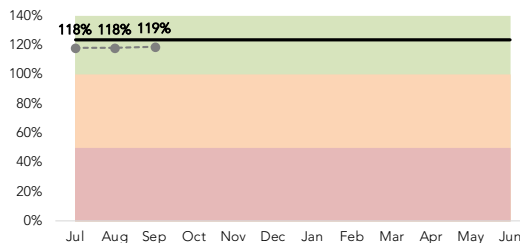
1.5 Capital Replacement % (Total cash capital outlay / Depreciation)



Target: Greater than 150% Year-end forecast: 166% Status: ✔

Comments: This financial indicator assesses whether Council’s spend overall in renewing, growing and improving its asset base is sufficient. The Budget 2018/19 ratio of 170 per cent included our planned strategic land acquisition.
The full year forecast in September shows a ratio of 166 per cent mainly due to reclassification of capital expenditure (\$0.55 million) to operating expenditure and a forecast down of the BlackSpot Safety program due to an unsuccessful grants application. A number of capital expenditure items will be recommended to Council in the September Quarter Financial report.

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



Target: Greater than 100% Year-end forecast: 118% Status: ✔

Comments: 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 124 per cent indicates sufficient provision in the capital program for asset renewal and upgrade.
The full year forecast in August shows a ratio of 118 per cent mainly due to reclassification of capital expenditure (\$0.55 million) to operating expenditure and forecast down of the BlackSpot Safety program due to unsuccessful grants application. A number of capital expenditure items will be recommended to Council in the September Quarter Financial report.

Key

— Budget 2017/18 —●— Year end forecast

Comprehensive Income Statement Converted to Cash - September 2018

We use the Comprehensive Income Statement Converted to Cash to ensure prudent financial management by maintaining a cumulative cash surplus. The current forecast for 2018/19 is a cumulative cash surplus of \$2.4 million which compares favourable against the budget of \$0.7 million.

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual	Forecast	Actual to Forecast		Forecast	Budget	Forecast to Budget		
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	
Income									
Rates and Charges	31,909	31,884	25	0%	125,195	124,899	296	0%	
Statutory Fees and Fines	5,634	5,668	(34)	(1%)	23,956	23,956	0	0%	
User Fees	9,838	10,112	(274)	(3%)	38,194	38,194	0	0%	
Grants - Operating	2,932	2,750	182	7%	10,043	9,233	810	9%	
Grants - Capital	432	436	(4)	(1%)	3,774	3,573	201	6%	
Contributions - Monetary	1,262	1,230	32	3%	7,739	7,124	615	9%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	3,587	3,490	97	3%	14,150	14,477	(327)	(2%)	
Total Income	55,594	55,570	24	0%	223,051	221,456	1,596	1%	1
Expenses									
Employee Costs	23,837	23,803	(34)	(0%)	95,991	95,582	(409)	(0%)	
Materials and Services	14,810	15,442	632	4%	76,008	75,047	(961)	(1%)	
Professional Services	1,443	1,509	66	4%	8,723	7,989	(734)	(9%)	
Bad and Doubtful Debts	1,172	865	(307)	(35%)	3,464	3,464	0	0%	
Depreciation	6,335	6,335	(0)	(0%)	25,338	25,338	0	0%	
Borrowing Costs	9	25	16	64%	450	450	0	0%	
Other Expenses	2,614	2,530	(84)	(3%)	8,177	8,214	37	0%	
Net (Profit) or Loss on Disposal of Assets	(65)	1,084	1,149	106%	4,335	4,335	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
Total Expenses	50,154	51,593	1,439	3%	222,487	220,419	(2,067)	(1%)	2
Operating Surplus / (Deficit)	5,440	3,977	1,463	37%	565	1,037	(472)	(46%)	
Income Statement Converted to Cash									
Adjustments for non-cash operating items:									
• Add back depreciation	6,335	6,335	0	0%	25,338	25,338	0	0%	
• Add back written-down value of infrastructure assets disposals	0	1,112	(1,112)	(100%)	4,950	4,950	0	0%	
• Add back written-down value of fleet asset disposals	56	125	(69)	(56%)	500	500	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%	
	6,390	7,572	(1,182)	(16%)	31,988	31,988	0	0%	
Adjustments for investing items:									
• Less capital expenditure - Infrastructure	(4,792)	(5,594)	802	(14%)	(38,877)	(39,706)	828	(2%)	
• Less capital expenditure - IT, Plant and Equipment	(420)	(334)	(86)	26%	(3,244)	(3,244)	0	0%	
	(5,212)	(5,928)	716	(12%)	(42,121)	(42,950)	828	(2%)	3
Adjustments for financing items:									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(116)	(167)	52	(31%)	(670)	(670)	0	0%	
	(116)	(167)	52	(31%)	(670)	(670)	0	0%	
Adjustments for reserve movements:									
• Discretionary Reserve Drawdown/ (Replenish)	9,399	9,399	0	0%	8,468	7,775	693	9%	
• Statutory Reserve Drawdown/ (Replenish)	0	0	0	0%	1,595	1,109	486	44%	
	9,399	9,399	0	0%	10,064	8,884	1,180	13%	4
Current Year Surplus/(Deficit)	15,902	14,853	1,049	7%	(175)	(1,711)	1,536	(90%)	
Opening balance carry forward surplus	2,595	2,595	0	0%	2,595	2,389	206	9%	
Accumulated Cash Surplus	18,497	17,448	1,049	6%	2,420	678	1,742	257%	

Notes to the Comprehensive Income Statement Converted to Cash

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

Note 1: Operating income forecast increased by \$0.75 million:

- \$0.12m Additional \$0.1 million of interest income expected due to higher investment yields from active treasury management, currently average yield at 2.7 per cent which is higher than budgeted yield of 2.4 per cent. \$20,000 relates to greater quantum of funds available for investment.
- \$0.46m Victorian Government funding the Joint Committee Access All Ability program for 2018/19, which was not expected. This will be fully offset by associated expenditure - a large portion relates to labour.
- \$0.11m Federal Government increased funding for delivered meals greater than budgeted.
- \$0.18m Victorian Government provided funding for the concept design of the EcoCentre redevelopment project, which was not budgeted. At this stage, funding for the construction phase is unconfirmed.

Note 2: Operating expenditure forecast increased by \$0.2 million:

- \$0.42m Organisational vacancies to date have been realised as savings.
- (\$0.46m) Expenditure for the Joint Committee Access All Ability program which Council received funding Victorian Government for 2018/19. This was not budgeted. \$0.35 million will be spent on labour and \$0.11 million on materials and services.

Note 3: Capital expenditure forecast decreased by \$0.15 million:

- (\$0.15m) Linden Gallery upgrade project increased scope to address Disability Discrimination Act non-compliance and safety concerns at the rear laneway.

Note 4: Net replenish of reserves decreased by \$0.28 million

- \$0.20m Forecast drawdown on reserves for South Melbourne Town Hall works funded by tenant.
- \$0.90m Drawdown on Child Care Infrastructure reserve for building works at Coventry Child Care.
- (\$0.18m) Victorian Government Funding for the EcoCentre redevelopment has been quarantined in reserves to be used in 2019/20.

Changes to the portfolio

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

The table below outlines significant changes to the project portfolio during September to 17 October 2018.

Project	Change
Alma Park Stormwater Harvesting Development	Scope has been revised to include the development of an augmented reality representation for the Alma Park Stormwater Harvesting Scheme. This is additional scope and will use existing funding. The completion date of June 2019 is unchanged.
Children's Services Policy Development	Internal resource has been added to this project to assist with completing the additional scope, which includes ongoing focus on strategic communication and stakeholder engagement, economic and social analysis.
EcoCentre Redevelopment	Schedule for planning has been extended to September 2020 to engage a head consultant for designing and consulting on a new building. The planning costs will be co-funded by the Victorian Government and the City of Port Phillip. Construction of the building is contingent on receiving an additional contribution from the Victorian Government.
Fishermans Bend Parking Controls Implementation	Scope has been revised to include further community consultation and parking surveys following a Council Resolution in June. Project completion has been extended by three months to December 2019.
Paid Parking Fee Trial and Evaluation	Schedule has been extended by two months to September 2019 to complete the South Melbourne Trial Evaluation Report to Council. The delay is due to the completion date in receiving parking occupancy survey data.

Organisational scorecard

We monitor our performance under **Direction 6 - Our commitment to you** to ensure Council is a financially sustainable, high performing, well-governed organisation that puts the community first.

The below table outlines the latest results for our organisational scorecard. Results with an * are annual measures where results are from 2017/18 year end, all other measures are July results.

Improving customer experience and technology, and being more innovative

	Latest Result	
Community satisfaction with Council's performance greater than 65*	63	⚠️
80% community requests responded to on time	95%	✅
80% calls answered within 30 seconds	86%	✅

Improving community engagement, advocacy, transparency and governance

	Latest Result	
90% risk and audit actions completed on time	81%	⚠️
90% councillor attendance at Council meetings	96%	✅
90% Council decisions made in public	89%	⚠️
0 material legislative breaches	4	⚠️
Average community satisfaction rating for community consultation, advocacy and decision making above 60*	56	⚠️

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

	Latest Result	
100% performance plans complete	85%	⚠️
Total recordable injury frequency rate	10.14	✅
Unplanned Leave (days/EFT) below 0.9	1.16	⚠️
Staff turnover below 0.8%	1.08%	⚠️

Ensuring sustainable financial and asset management, and effective project delivery

	Latest Result	
Financial sustainability rating of low*	Low	✅
Operating savings	\$21k \$11k to be banked	✅
80% of priority project delivery is on track	95%	✅

Legislative update

Legislative changes

No legislative changes that may affect the City of Port Phillip were received in September 2018.

Material legislative breaches

During September we recorded a breach of Privacy through the Information Protection Agreement with VicRoads where a vehicle registration search outside the scope of our agreement was undertaken.

Year to date there has been a total of four legislative breaches. Three breaches of privacy occurred in August all relating to the disclosure of employee payroll details. One breach related to a Payment Summary being emailed to the wrong person. One incident related to payment slips being sent to the depot which were not in individual sealed envelopes. The other breach related to a pay slip being mailed to the wrong employee.