

Public Question Time – answers to questions taken on notice*

Question regarding drug/alcohol testing of school crossing supervisors (Jon Webster)

Response - *Current Council policy does not provide for routine drug and alcohol testing of staff. The performance of School Crossing Supervisors, like all staff, is monitored and managed in accordance with the Port Phillip Council's performance management procedures. Past experience leads us to believe that there is no reason to manage the Supervisors in any different way.*

Question/s regarding Triangle Development Agreement and other matters (Paul Morgan)

Question/s	Response/s
<i>1. What would have been the consequences flowing from the development agreement had Council rejected the development plan in February 2008?</i>	There are no consequences flowing from the Development Agreement had Council rejected the Development Plan in February 2008. Planning approval is a Developer's risk.
<i>2. What was the legal advice to Council on the consequences of it rejecting the proposed Development Plan at its February 7 meeting?</i>	Any legal advice obtained by Council is subject to legal professional privilege. As advised above here are no consequences flowing from the Development Agreement had Council rejected the Development Plan in February 2008. Planning approval is a Developer's risk.
<i>3. Does BBC have committed and guaranteed financing for the proposed Triangle Development? If yes, has the recent financial meltdown affected this guarantee? If no, will Council continue to support a project where financing has not been committed?</i>	BBC has met the financing requirements under the contract. It is a requirement of the contract that appropriate financing is in place as and when milestones are reached. The delays in the project and the changed economic conditions have led to the suspension of some arrangements. These can be reactivated as required. BBC is providing some equity and mezzanine financing.

<p><i>4. Has Council reviewed the financial capacity of BBC to undertake this development in the contracted time frame? If yes, what is the outcome of that review? If not, does Council intend to review the capacity of Babcock and Brown to raise the loans required to fund the Triangle project?</i></p>	<p>The Developer has kept the Council informed of its financial capacity. Council is satisfied that the contracted parties are able to fulfil their financial obligations when required. The financial position of the contracted parties is routinely monitored throughout the project control process. Additional information has been provided clarifying the financial position of all parties when requested by Council.</p>
<p><i>5. Is the Triangle project in any way threatened by the Global Financial Crisis and the financial position of Babcock and Brown? Did the financial position of Babcock and Brown play any part in Council, last October, allowing a 12 month extension to its contractual obligations?</i></p>	<p>The Global Financial Crisis is a concern for all development projects, including this one. At this stage the delays to the project have been brought about primarily because of the legal challenges to the project. The contract allows for extension where delays have been caused by legal challenges.</p>
<p><i>6. Would you kindly explain the extent of exposure to the possible market failure of this partner of the City of Port Phillip?</i></p>	<p>This is a matter better directed to BBC. As outlined above in Q 4 Council is satisfied that the contracted parties are able to fulfil their financial obligations when required.</p>
<p><i>7. Babcock & Brown is selling its real estate assets. Would you kindly outline the terms and conditions under which it could on-sell its development rights to the site?</i></p>	<p>The Council would be required to approve any change in control to the Developer. The contract provides for the Council to approve any change of control in some circumstances and reasonably establish whether the change would adversely affect the developer's capacity to comply with the agreement. BBC itself does not have development rights. The contract is with BBC Triangle Investments as described in Q 10.</p>
<p><i>8. What is the process for assessing substitute financial partners proposed by Citta?</i></p>	<p>This information is contained within the confidential sections of the Development Agreement entered into by the Council, Developer and State Government.</p>
<p><i>9. Has Council offered BBC any financial concessions before or since Feb 2008 – for example, will BBC receive any rental or rate concessions?</i></p>	<p>This information is confidential and has been fully reported to the new Council in a series of briefings. There have been no rate concessions provided. An adjustment was made to</p>

	the first year rental.
10. <i>Would you kindly explain the ownership structures of, and relationships between Citta Property Group, Babcock and Brown, and the entity known as BBC Triangle Investments, signatory to the DA.</i>	In addition to its financing involvement BBC is also a 50% owner in CITTA. CITTA fully owns BBC Triangle Investments pty ltd.
11. <i>Would you kindly make public:</i>	
a) <i>The amount directly spent on consultants and other expenses such as PR/advertising; in particular including and itemizing:</i>	Attached is a table showing a total Operating results from 2003/04 to 2007/08 of \$3.577m. In January 2004 these costs were estimated at \$2.9m The specific items requested are detailed below
<ul style="list-style-type: none"> • <i>Cost, to 31 December 2008, of contract number 0959, signed on 17 January 2007 between CoPP and Quotable Communications.</i> 	<ul style="list-style-type: none"> • Quotable Communications – July to 31 Dec 08 - \$90,590
<ul style="list-style-type: none"> • <i>Cost of design, hosting, writing and maintaining the website St Kilda Live.</i> 	<ul style="list-style-type: none"> • Estimated at \$10k¹
<ul style="list-style-type: none"> • <i>Cost of Mayor's Triangle flyers to residents – writing, printing and distribution.</i> 	<ul style="list-style-type: none"> • Estimated at \$1500 for the last flyer.²
<ul style="list-style-type: none"> • <i>Value of contributions, if any, from BBC towards any joint advertising/PR campaigns, and Council's share of the costs of the same.</i> 	There have been no joint advertising/PR campaigns between BBC and the Council.
b) <i>The amount of internal resources utilising including Council planners, building staff PR staff, senior management involved in the Triangle project since May 2007. Of particular interest is the composition of the 'triangle site campaign team' mentioned in contract 0959.</i>	The amount of internal resources has not been costed specifically against Triangle Site specific items.
12. <i>Will Council make public sections of the Development Agreement blacked out when a redacted version was released in November?</i>	The Council is unable to make all these sections public as they are currently the source of a proceeding before VCAT. However the Council is proposing to release some additional sections in the near future following the advice of the VCAT Member hearing the VCAT Compulsory Conference after due process has occurred.

Question regarding Triangle Development Agreement, fire at the Palace and other matters (Paul Morgan on behalf of Trevor White)

Question/s	Response/s
<p>1. That the CEO provide Council with a detailed report outlining a chronological list of all the contracts made with parties associated with the Triangle development from 2000 to the date of this requested report being submitted to Council.</p>	<p>The requested information would take considerable resources to compile and is not considered an appropriate expenditure of public funds.</p> <p>The CEO has provided two comprehensive compilations of information for the new Council outlining the issues associated with the project.</p> <p>A summary of key milestones is contained on the website in a report to Council – at http://www.portphillip.vic.gov.au/cgi-bin/getObject.cgi?id=o26583</p>
<ul style="list-style-type: none"> • This report to include all meetings, correspondence and phone records that Councillors, officers and their advisors have had with all parties, prospective tenders, Babcock and Brown, and their subsidiaries, partners, contractors and their advisors, state and federal politicians and their officers and advisors and anyone else who has made representations or been involved in discussions about or associated with the project known as the Triangle proposal. 	<ul style="list-style-type: none"> • See above
<ul style="list-style-type: none"> • This report to include names of all present, date, costs, entertainment benefit, outcomes and record of discussions. 	<ul style="list-style-type: none"> • See above
<ul style="list-style-type: none"> • This report to include all declared interests that former Councillors and officers have in any of the parties associated with any aspect of the Triangles development. 	<ul style="list-style-type: none"> • Any declared interests are available for public inspection at the Council offices in the conflict of interest register completed annually.
<p>2. That the CEO provide Council with all the information and reports that the police and officers have about the circumstances surrounding the fire at the Palace and the status of police action up to the date of this requested report being given to Council.</p>	<p>Council has not undertaken any investigation as any arson investigation is a Police matter.</p> <p>It is understood that the investigation is continuing and no charges have</p>

	been laid.
<i>3. That the CEO prepare a report as to whether any of Council's IT or hard copy files or documents have been destroyed, mislaid, shifted or forwarded to third parties over the last 2 years. If no audit has been undertaken, that the CEO undertakes such an audit and report the findings to Council.</i>	<p>Council records are managed in accordance with relevant legislation including the Information Privacy Act 2000 and Public Records Act 1973.</p> <p>No audit of Council files or their movements is currently proposed.</p>

**Note: answers to any questions in Public Question Time which were answered at the meeting are included in the minutes of that meeting.*