



**ORDINARY
MEETING OF
COUNCIL**

MINUTES

28 APRIL 2008

MINUTES OF THE ORDINARY MEETING OF THE PORT PHILLIP CITY COUNCIL HELD ON 28 APRIL, 2008 IN THE COUNCIL CHAMBER, ST KILDA TOWN HALL

The meeting opened at 6.04pm.

PRESENT

Cr Cribbes (Chairperson), Cr Bolitho, Cr Gross (from 6.08pm), Cr Klepner, Cr Logan, Cr Ray, David Spokes Chief Executive Officer, Geoff Oulton Executive Director Community Development & Planning, David Yeouart Executive Director Community Assets and Services, David Filmlter Manager Finance, Greg Wood Manager Community Services, Sam Hewett Manager Asset Services, David Graffen Property Coordinator, Katrina Terjung Coordinator Strategic Planning, Sheena Frost Communications Consultant.

Council pays its respects to the people and elders, past and present, of Yalukit Willam and the Kulin Nation. We acknowledge and uphold their relationship to this land.

1. APOLOGIES

MOVED Crs Bolitho / Klepner

An apology was received and leave of absence granted to Cr Sait.

A vote was taken and the MOTION was CARRIED.

2. CONFIRMATION OF MINUTES

MOVED Crs Ray / Logan

That the Minutes of the Ordinary Meeting of the Port Phillip City Council held on 25 March 2008 be confirmed.

That the Minutes of the Statutory Planning Committee Meeting of the Port Phillip City Council held on 14 April 2008 for noting by Council (previously circulated to Councillors).

A vote was taken and the MOTION was CARRIED.

3. PETITIONS AND JOINT LETTERS

Nil.

4. SEALING SCHEDULE

The following documents are submitted for signature and sealing:

TRANSFER OF LAND between PORT PHILLIP CITY COUNCIL and AKO HOLDINGS PTY LTD, for the sale & transfer of land (right of way) at the rear of 202 Carlisle Street, St Kilda.

Item previously considered by Council in December 2007.

<i>Councillor Note</i>	<i>6 September 2007</i>
<i>Advertising</i>	<i>16 October 2007</i>

Responsible Executive Director: Sally Calder, Executive Director Organisation Systems and Support.

TRANSFER OF LAND between PORT PHILLIP CITY COUNCIL and OCTAY PTY LTD, for the sale & transfer of land (right of way) at the rear of 180 and 184 Carlisle Street, St Kilda.

Item previously considered by Council in February 2008.

<i>Councillor Note</i>	<i>10 October 2007</i>
<i>Advertising</i>	<i>27 November 2007</i>

Responsible Executive Director: Sally Calder, Executive Director Organisation Systems and Support.

TRANSFER OF LAND between PORT PHILLIP CITY COUNCIL and JOHN RAYMOND TAFFE and SUSAN ELIZABETH TAFFE, for the sale & transfer of land (right of way) abutting 94 Blessington Street, St Kilda.

Item previously considered by Council in November 2007.

<i>Councillor Note</i>	<i>16 August 2007</i>
<i>Advertising</i>	<i>18 September 2007</i>

Responsible Executive Director: Sally Calder, Executive Director Organisation Systems and Support.

TRANSFER OF LAND between PORT PHILLIP CITY COUNCIL and KAYE HILLIAR, for the sale & transfer of land (right of way) abutting 87 Cruikshank Street, Port Melbourne.

Item previously considered by Council in July 2007.

<i>Councillor Note</i>	<i>8 March 2007</i>
<i>Advertising</i>	<i>8 May 2007</i>

Responsible Executive Director: Sally Calder, Executive Director Organisation Systems and Support.

SECTION 173 AGREEMENT between PORT PHILLIP CITY COUNCIL and OWNERS CORPORATION PLAN NO. RP003464, Condition 10 of Planning Permit No. 966/2006 for land at 165 Stokes Street, Port Melbourne issued by Council on the 22 November 2007 states that.

Prior to this issue of a Statement of Compliance, the owner shall enter into an agreement with the responsible authority pursuant to Section 173 of the Planning and Environment Act 1987 under which it specifically covenants that:

- a) The land shall only be developed in accordance with the plans endorsed under Planning Permit No. 373/2007 dated 18/9/2007 or any further Planning Permit issued by the Responsible Authority; and
- b) It shall pay the Responsible Authority's Solicitor/client costs in respect to the preparation and registration of the agreement.

The agreement shall otherwise be on the terms satisfactory to the Responsible Authority.

RESPONSIBLE MANAGER: George Borg, Manager City Development

MOVED Crs Bolitho / Ray

That the Common Seal of the Port Phillip City Council be affixed to the above documents.

A vote was taken and the MOTION was CARRIED.

5. CORRESPONDENCE

Item 1

A copy of the Confidential List of Registered Correspondence for the Mayor and Councillors between the month of 17 March 2008 and 22 April 2008 is attached for information.

****No formal discussion ensued on this matter***

6. PUBLIC QUESTION TIME

Cr Gross arrived 6.08pm

Item 1

Helen Halliday posed the following question:

'Prior to Council's February approval of the revised development plan for the Triangle crown land site, the developer, Citta, stated in the media that it "needed every square metre of the 25,000 square metres of retail space" and that there would be no further negotiations to reduce the number of shops. When a last minute reduction in retail was announced as a condition of approval of the development plan, the media flagged the possibility of a deal with the State Government, which would fund the costs of decontaminating the site.

The question is:

- *Did Council approach the State Government for funding contribution to the Triangle project, following, or in the lead up to, the negotiation of the reduction in retail?*
- *In negotiating the conditions of the revised development plan, has Council made any commitments to the developer to reduce or cancel rental payments due to Council, or to reduce or cancel any other revenue flows to Council from the triangle site?'*

****David Spokes advised Council would take these questions on notice and provide a written response to the Ms Halliday.***

Item 2

Krystyna Kynst posed the following question:

'In his letter to Peter Holland, dated 21 April, the CEO advised that "had Council decided to refuse the Development Plan for the Triangle in February 2008, it is presumed that the developer would have sought advice as to any legal avenues available to it".

My questions arise from that statement; the questions are:

- *Had the Council taken legal advice on the consequences of it rejecting the proposed Development Plan in its February meeting?*
- *Did the CEO advise Councillors of the possible legal consequences of Council rejecting the proposed Development Plan in its February meeting?*
- *Councillors, did you know the possible legal consequences of rejecting the proposed Development Plan in February 2008? If yes, what is the nature of such advice and what would have been the legal consequences of rejection?'*

****David Spokes advised Council would provide a written response to the questions, however did add that at all stages legal advice has been provided to Council in the decision points and given that legal action is pending from a range of parties, it is not proposed to release that legal advice.***

Ms Kynst went on to clarify that:

'I am referring specifically to the legal advice surrounding the possible rejection, not any other legal advice that may follow from the court action'.

David Spokes stated that it is not proposed to release legal advice that would weaken Council's position.

Item 3

Anna Griffiths posed the following question:

'In December, the CEO promised "to make public those sections of the Development Agreement that are not commercial in confidence by mid 2008 (2.20 page 10)".

- *If they are not commercial-in-confidence, why can't we see these sections now?*
- *Is there any reason why the Council cannot ask the CEO to release the sections of the Agreement before the promised deadline of 30 June 2008?*
- *What sections of the Agreement are regarded as commercial in confidence and why?*
- *What are the provisions in the Development Agreement concerning the rights of the Developer to transfer its interest to a third party?'*

****David Spokes advised we would provide a written response to these questions and added that Councillors are aware that the request for the Development Agreement has been subject to a Freedom of Information Request and Council is responding to that request in those terms as laid out by the legislation.***

7. COUNCILLOR QUESTION TIME

Nil.

8. PRESENTATION OF REPORTS AND RECOMMENDATIONS FROM S86 SPECIAL COMMITTEE MEETINGS

8(A) REPORTS OF THE STRATEGY AND POLICY REVIEW COMMITTEE HELD AT THE ST KILDA TOWN HALL ON 7 APRIL 2008

Items were MOVED in block by Crs Ray / Logan

- A1 REVIEW OF COMMUNITY AMENITY LOCAL LAW NO 3 AND PROCEDURES AND PROTOCOLS MANUAL
- A2 NEW YEAR'S EVE STRATEGY
- A3 AMENDMENT C68: HERITAGE OVERLAY FOR NIGHTINGALE STREET PRECINCT - CONSIDERATION OF SUBMISSIONS
- A4 FITZROY STREET TASKFORCE
- A8 PROPOSED DISCONTINUANCE AND SALE OF A SECTION OF DRAINAGE RESERVE AT THE REAR OF 19 AUSTIN AVENUE, ELWOOD
- A10 CAPITAL WORKS STAGED PROJECTS UPDATE

A vote was taken and the MOTION was CARRIED.

Items were considered in the following order:

- A5 FITZROY STREET STREETSCAPE UPDATE
- A6 INVESTMENT POLICY
- A7 PROPERTY POLICY & STRATEGY
- A9 PROPOSED TRANSFER OF 121 LIARDET STREET TO PORT PHILLIP HOUSING ASSOCIATION, SALE OF 1& 2/144 NOTT STREET PORT MELBOURNE AND SALE OF 2/63 CARLISLE STREET, ST KILDA
- A11 PROVISION OF CITY OF PORT PHILLIP'S DIVERCITY NEWSLETTER - TENDER OUTCOMES (CONFIDENTIAL)

A1 REVIEW OF COMMUNITY AMENITY LOCAL LAW NO 3 AND PROCEDURES AND PROTOCOLS MANUAL

Purpose

To make amendments to Community Amenity Local Law No. 3.

MOVED Crs Ray / Logan

That Council having considered the recommendation of the Strategy and Policy Review Committee resolve:

1. That Council in accordance with Sections 119 and 223 of The Local Government Act 1989, give notice in the Government Gazette and a public notice that it proposes to amend Community Amenity Local Law No. 3 and the Procedures and Protocols Manual.
2. That the notices referred to in recommendation 8.1 be generally in the form of the notice attached (Attachment 4)
3. That any submissions made in respect to the notices referred to in recommendation 8.1 be considered by the Strategy and Policy Review Committee of the Council at its meeting on the 7 July 2008.
4. That further advice be received by Council that outlines:-
 - 4.1 The status of progress on a Code of Conduct for the use of public spaces for exercise activities by personal trainers.
 - 4.2 The efficacy of a central register of permits issued contrary to provisions of the Local Law especially as these relate to the use of public roads, footpaths and laneways by builders.

A vote was taken and the MOTION was CARRIED.

A2 NEW YEAR'S EVE STRATEGY

Purpose

To outline Council's Strategy for managing New Year's Eve to ensure it operates in a coordinated, managed and sustainable manner.

MOVED Crs Ray / Logan

That Council having considered the recommendation of the Strategy and Policy Review Committee resolve:

- 1.1 Manage New Year's Eve internally as an event, for the purposes of organisational service coordination and management, in accordance with the matters outlined in the NYE framework attached.
- 1.2 Develop a NYE Management Plan that will result in a coordinated management response to New Year's Eve, involving liaison with internal and external stakeholders including Victoria Police, Emergency Service agencies, the City of Port Phillip Licensees' Accord, private event organisers in the precinct and neighbouring municipalities.
- 1.3 A New Year's Eve Management Plan will address matters including, but not limited to:
 - Defining and communicating levels of service for beach cleaning and rubbish management for New Year's Eve;
 - A review of the City of Port Phillip foreshore alcohol policy in consultation with relevant stakeholders including Victoria Police and Consumer Affairs Victoria - Liquor Licensing with a view to implementing a No Alcohol Policy from 12 noon New Year's Eve to 7am New Year's Day each year in the St Kilda Foreshore and Environs area;
 - Any increased service levels for health and amenity enforcement, including implementation of a No Alcohol policy;
 - Any increased coordination costs, including meeting with Victoria Police and neighbouring municipalities prior to New Year's Eve events to ensure development of a coordinated management plan;
 - The need and costs (if any) for implementation of additional infrastructure.

A vote was taken and the MOTION was CARRIED.

**A3 AMENDMENT C68: HERITAGE OVERLAY FOR NIGHTINGALE STREET
PRECINCT - CONSIDERATION OF SUBMISSIONS**

Purpose

For Council to consider submissions lodged in respect of Amendment C68 to the Port Phillip Planning Scheme - Heritage Overlay for the Nightingale Street Precinct.

MOVED Crs Ray / Logan

That Council having considered the recommendation of the Strategy and Policy Review Committee resolve to:

1. Request that the Minister for Planning appoint an Independent Panel to consider submissions to the amendment, in accordance with Part 8 of the *Planning and Environment Act 1987*.
2. Refer all submissions, and any late submissions received, to the Panel to be appointed by the Minister for Planning.
3. Inform all submitters of Council's decision.

A vote was taken and the MOTION was CARRIED.

A4 FITZROY STREET TASKFORCE

Purpose

The purpose of this report is to provide an update on the consultation process and project delivery of the Fitzroy Street Taskforce.

MOVED Crs Ray / Logan

That Council having considered the recommendation of the Strategy and Policy Review Committee resolve to:

1. Retain the Fitzroy Street Taskforce for review in September 2008 to allow further community consultation and collaboration to take place in relation to items listed in the Action Plan.
2. Support development of a new governance structure for the Fitzroy Street Taskforce to ensure that Council's key policies and strategies on community consultation, affordable housing, and health and wellbeing are understood and taken into account by members of the Taskforce.
3. Support outreach community consultation to supplement consultations with the Fitzroy Street Taskforce to ensure that a cross-section of the community contributes to implementation and overseeing of the Action Plan.
4. Endorse further research and analysis of community consultation, policy, and strategy in entertainment precincts at the local, national and international levels in order to develop an informed approach to how Council manages future community consultation in complex entertainment precincts.

A vote was taken and the MOTION was CARRIED.

A8 PROPOSED DISCONTINUANCE AND SALE OF A SECTION OF DRAINAGE RESERVE AT THE REAR OF 19 AUSTIN AVENUE, ELWOOD

Purpose

This report is to finalise the discontinuance and sale of a section of Drainage Reserve at the rear of 19 Austin Ave, Elwood.

MOVED Crs Ray / Logan

That Council having considered the recommendation of the Strategy and Policy Review Committee resolve:

- That the statutory procedures to discontinue the section of Drainage Reserve at the rear of 19 Austin Ave, Elwood, be completed. That the land from the reserve be sold to the owners of 19 Austin Ave, Elwood, subject to the land being consolidated to the property.

A vote was taken and the MOTION was CARRIED.

A10 CAPITAL WORKS STAGED PROJECTS UPDATE

Purpose

A report to advise Council of the progress of staged capital works projects over the past few years.

MOVED Crs Ray / Logan

That Council having considered the recommendation of the Strategy and Policy Review Committee resolve:

- The staging of capital works projects continues as a useful management tool to achieve project delivery and that this is key to the approved Capital Works Improvement Plan, which incorporates achieving a roll over target of no greater than 10% by June 30 2009.
- Segmenting Capital Works Projects into three (3) components (the Development Program, the Design Program and the Implementation Program) as outlined in the Capital Works Improvement Plan, be endorsed as an effective way to manage capital works projects.
- Segmenting of all capital works projects is developed for the implementation of the 2009/10 Capital Works Program.

A vote was taken and the MOTION was CARRIED.

A5 FITZROY STREET STREETScape UPDATE

Purpose

To inform Council of the progress of the Fitzroy Street Masterplan, and outline the current status of capital works project being delivered in the precinct.

MOVED Crs Ray / Gross

That Council having considered the recommendation of the Strategy and Policy Review Committee:

1. Notes the project approach and implementation strategy to develop a Masterplan for Fitzroy Street.
2. Notes the status and approves the continued implementation of projects as outlined in this report and supporting attachments.
3. Adopt the schematic design for the Fitzroy Street Foreshore Connections project and approve lodging a planning permit application.
4. Approve the Park Street Tram Terminus as the preferred location for a new toilet facility, and proceed with schematic design and planning permit application.
5. Consider the additional submission in relation to Item A5 Fitzroy Streetscape Update Supplementary Report.

A vote was taken and the MOTION was CARRIED.

Note:

Cr Ray made reference to a letter Council received today from lawyers representing the owners of a Fitzroy Street address. Cr Ray stated that through the process of discussions he felt comfortable that he had enough information to make a decision; however the lawyers did talk about a lack of confidence in the process leading up to Council making its decision. He therefore requested the Executive Director of Community Development & Planning provide some feedback.

Geoff Oulton, Executive Director of Community Development & Planning advised that the recommendation does not say that we will categorically build a toilet at a location; what it does say is that it is a preferred location which we should commence a Planning Permit process for the site. He went on to add that some of the issues raised in the letter go to some of the issues that will be addressed through the Planning Permit process.

A6 INVESTMENT POLICY

Purpose

Report back to Council on the review of the investment policy for surplus cash holdings and obtain their endorsement of the proposed policy.

MOVED Crs Klepner / Ray

That Council having considered the recommendation of the Strategy and Policy Review Committee:

1. That the Council adopt the revised investment policy set out in Attachment 1 to this report and to incorporate the paragraph 2.3 from the officer's report into the body of the Investment Policy.
2. That the Manager, Finance & Investments be given delegated authority to exercise investment decisions on behalf of Council that are in accordance with this policy.
3. That where Council elects to invest in managed equity funds, it investigates Ethical investment options in the first instance and proceeds with these providing they achieve equivalent returns.
4. That Council receive a quarterly report on the performance of its investment portfolio against the proposed benchmarks.

A vote was taken and the MOTION was CARRIED.

A7 PROPERTY POLICY & STRATEGY

Purpose

To consider the draft Property Policy & Strategy.

MOVED Crs Klepner / Logan

That Council having considered the recommendation of the Strategy and Policy Review Committee resolve:

1. That the attached proposed Property Policy & Strategy (**as amended**) be adopted, including this following Policy statement:

3. Corporate Property Policy

3.1 What is property?

Property is a type of asset which has value both in an accounting sense and in how it contributes to service delivery.

For something to be categorised as a property asset it must have a value. This does not necessarily imply dollars and cents: however the “value” of a property asset is measured in monetary terms so it is able to be recognised in financial statements.

Property Assets have service potential. In the public sector it is perhaps often more important to appreciate the non-monetary aspects of a property’s value. The term “service potential” is used to describe the utility of a property asset in meeting service delivery objectives and is a useful concept to employ where a property asset does not generate income. It is also referred to as the expected “future benefit” to be derived.

Assets take a variety of forms. This Strategy deals with property assets that are physical in nature.

Property in the context of this Strategy is used to describe any kind of interest in land, which the Council either holds or has granted. It includes all buildings or rooms within buildings, rights of way, leases, tenancies, licences, easements, rent charges, ground rents – in fact every possible interest in land imaginable.

3.2 Why does Council Hold and Manage Property?

Council holds property to support the effective delivery of the broad range of services it provides for the people who live, work in and visit the City of Port Phillip.

Some of the services Council has responsibility for include the maintenance and upgrade of drains, roads, kerbing, nature strips, footpaths and garbage collection as well as libraries and art spaces, child care centres, cleaning of parks and beaches, installation of street lighting and furniture and planting and watering of trees.

Property assets are used and deployed in many different ways in order that the Council can provide these services. At the most fundamental level, and for the purpose of defining policy, property assets may be held for operational and non-operational reasons.

The operational reasons for holding property have been divided into three (3) sub-categories:

3.2.1 Operational Property

(a) Direct Community Service

First and foremost the Council uses and occupies property in order to provide direct services to the community, such as libraries, elderly person's homes, child care centres, youth clubs, parks and open spaces, leisure facilities and depots etc.

(b) Service Support

Council occupies property in order to house office and administrative and civic government functions, which support direct service provision. This includes support service staff within operational directorates, as well as groups of staff offering support services to operational directorates.

(c) Indirect Community Service

The Council also makes properties available, often on preferential lease terms, to outside organisations so that they can provide services to the community, which support the Council in the exercise of its powers and duties. These include services such as charities, voluntary support groups, community organisations and registered social landlords. By making properties available to others on preferential terms, the value of the concession given can often be used to generate or to lever funding from external sources. In certain cases funding can be generated which could exceed the property value.

3.2.2 Non-Operational Property

In addition to land held for operational purposes, the Council holds land for certain non-operational purposes, primarily for income generation. The non-operational properties have been divided into three (3) sub-categories, for the purposes of defining policies. These three sub-categories are:

(a) Commercial

The Council has a general power to hold land for the benefit of its area and it is in pursuance of that power that the Council owns and manages a range of commercial properties. Through ownership the Council can not only control the balance of property uses but it can also influence how the commercial vitality and viability of the municipality grows and develops. In addition, the rental income and capital generation go a long way to supporting the various services and facilities the Council provides.

(b) Development

The Council is as concerned with the future as it is with the past. For this reason the Council holds areas of land for future regeneration. In this way the Council can use its land ownership to control or influence the way areas are improved or developed. Many of the areas of land that fall into this category have not yet been identified with any particular development or regeneration scheme or project, but are strategically placed. Land held for an identified development, which is intended to be in support of one of the other five uses listed above, would fall into that respective category.

(c) Surplus/vacant

From time to time, a performance review of a property will conclude that the property does not currently meet community needs, that is, it does not fit in any of the above five categories. If its use cannot be adjusted or the property developed to fit into one of those categories, then the Council may choose to declare the asset surplus to requirements. These may be surplus to operational requirements, or may have become surplus to the non-operational commercial or development requirements. At the same time, property which is held for non-operational purposes, may occasionally fall vacant (e.g. between tenant occupiers).

- 2 That the full text of the Property Policy & Strategy as adopted (below) be included as an attachment to the minutes.

Attachment

CORPORATE PROPERTY POLICY & STRATEGY

Purpose of this Corporate Property Policy & Strategy

This Property Strategy provides for the first time a 'whole-of-Council' framework for the management of property assets and sets out a framework and guiding principles for the alignment of the Council's property portfolio with its service delivery objectives.

The Property Strategy:

- Is forward looking
- Develops a coordinated strategic response to the use of Council owned and controlled property
- Helps in the assessment of how property can meet the existing and emerging community needs and in its contribution to achieving Council's four pillars of sustainability.

1.1 Relationship to other policies

Council's overarching goals are the four pillars of sustainability – social equity, cultural vitality, economic viability and environmental responsibility.

Other corporate documents set out frameworks for managing aspects of council's assets and spaces. For instance, the *Open Space Strategy* is a framework setting out principles for supplying and managing open space for the city.

Council's *Physical Asset Management policy* describes council's stewardship role for physical assets. It sets a broad framework for the City of Port Phillip to manage its assets in line with Council's four pillars of sustainability and in accordance with Best Value principles.

This *Corporate Property Strategy* sits alongside those other organisational strategies. The purpose of this strategy is to establish a consistent approach to property management based on a clear understanding of the requirements of the Council and the services it delivers combined with best practice in property management.

1.2 Outline of this policy & strategy

The Property Strategy sets out the guiding principles by focusing on service delivery and the properties used to deliver these services. This holistic approach to property management supports the delivery of best value services and the well-being of the residents, and those who work in the City of Port Phillip. It aligns with and is responsive to the Council's role vision and values as described in the Appendix.

The Property Strategy provides an integrated framework for all elements of property ownership:

- Buying property – identifying what property is needed so that the right purchase decisions are made at the right time, and so that the necessary resources (including lifecycle costs) can be planned in advance
- Identifying non-ownership alternatives to property solutions
- Owning property – knowing what property is owned and why it is owned
- Managing property – knowing that the property owned is fulfilling its purpose
- Investing in property – capturing the benefits of growth for the community
- Releasing property – making informed choices about when and why to dispose of property that has no further purpose in Council ownership.

The scale of investment exposes the Council to a range of risks. The approach set out in the Property Strategy will enable the Council to manage these risks, and obtain better value for money in the delivery of services to the community. The benefits of this strategic approach are:

1.3 Appropriateness

- A. Align assets with services and community expectations.
- B. Promote sustainable development objectives.
- C. Effectively allocate resources available to the council across departments maximising outcomes and minimising duplication.

1.4 Effectiveness:

- A. Minimises demand for new assets.
- B. All associated costs are considered and optimised over the life cycle of assets.
- C. All associated costs are considered and optimised over the life cycle of assets.
- D. Existing assets are maintained and used more effectively (timely maintenance is cheaper than repairs or new asset acquisitions).
- E. Realises opportunities to use partner agencies and private sector assets for public purposes.
- F. Realises opportunities for the public sector to partner with the private sector.

1.5 Efficiency:

- A. Demonstrates to the community and the government that services are being delivered effectively.
- B. Achieves improved accountability for use of resources through published performance measures.
- C. Provides a basis for the council to evaluate and balance the trade-off between service, price and quality.
- D. Provides benchmarks which can be used to evaluate outcomes and plan future investments.

The Property Strategy is intended to inform elected members and officers of the Council and external parties with whom the Council may work in respect of the use of its assets in facilitating the delivery of its service objectives.

In developing the Strategy, existing governance arrangements including the legislative framework governing the use and management of property as well as disparate property strategies of the Council have been consolidated, reviewed and where appropriate streamlined to clarify and strengthen existing arrangements.

Legislative and Policy Framework

The framework governing property management practice in the City of Port Phillip consists of:

- Acts of Parliament;
- Regulations made under Acts of Parliament;
- Council's Policy Framework.

Council's property activities will be managed within legislative parameters including those enacted in the following:

- Local Government Act 1989
- Crown Land (Reserves) Act 1978
- Land Act 1958
- Retail Leases Act 2003

This strategy also sits alongside other policy and strategy documents such as the Physical Assets Management Plan.

The Property Strategy has integral links with Council's Community Plan, Council Plan and Strategic Resource Plan.

Corporate Property Policy

3.1 What is property?

Property is a type of asset which has value both in an accounting sense and in how it contributes to service delivery.

For something to be categorised as a property asset it must have a value. This does not necessarily imply dollars and cents: however the "value" of a property asset is measured in monetary terms so it is able to be recognised in financial statements.

Property Assets have service potential. In the public sector it is perhaps often more important to appreciate the non-monetary aspects of a property's value. The term "service potential" is used to describe the utility of a property asset in meeting service delivery objectives and is a useful concept to employ where a property asset does not generate income. It is also referred to as the expected "future benefit" to be derived.

Assets take a variety of forms. This Strategy deals with property assets that are physical in nature.

Property in the context of this Strategy is used to describe any kind of interest in land, which the Council either holds or has granted. It includes all buildings or rooms within buildings, rights of way, leases, tenancies, licences, easements, rent charges, ground rents – in fact every possible interest in land imaginable.

3.2 Why does Council Hold and Manage Property?

Council holds property to support the effective delivery of the broad range of services it provides for the people who live, work in and visit the City of Port Phillip.

Some of the services Council has responsibility for include the maintenance and upgrade of drains, roads, kerbing, nature strips, footpaths and garbage collection as well as libraries and art spaces, child care centres, cleaning of parks and beaches, installation of street lighting and furniture and planting and watering of trees.

Property assets are used and deployed in many different ways in order that the Council can provide these services. At the most fundamental level, and for the purpose of defining policy, property assets may be held for operational and non-operational reasons.

The operational reasons for holding property have been divided into three (3) sub-categories:

3.2.1 Operational Property

- (a) *Direct Community Service*
First and foremost the Council uses and occupies property in order to provide direct services to the community, such as libraries, elderly person's homes, child care centres, youth clubs, parks and open spaces, leisure facilities and depots etc.
- (b) *Service Support*
Council occupies property in order to house office and administrative and civic government functions, which support direct service provision. This includes support service staff within operational directorates, as well as groups of staff offering support services to operational directorates.
- (c) *Indirect Community Service*
The Council also makes properties available, often on preferential lease terms, to outside organisations so that they can provide services to the community, which support the Council in the exercise of its powers and duties. These include services such as charities, voluntary support groups, community organisations and registered social landlords. By making properties available to others on preferential terms, the value of the concession given can often be used to generate or to lever funding from external sources. In certain cases funding can be generated which could exceed the property value.

3.2.2 Non-Operational Property

In addition to land held for operational purposes, the Council holds land for certain non-operational purposes, primarily for income generation. The non-operational properties have been divided into three (3) sub-categories, for the purposes of defining policies. These three sub-categories are:

- (a) *Commercial*
The Council has a general power to hold land for the benefit of its area and it is in pursuance of that power that the Council owns and manages a range of commercial properties. Through ownership the Council can not only control the balance of property uses but it can also influence how the commercial vitality and viability of the municipality grows and develops. In addition, the rental income and capital generation go a long way to supporting the various services and facilities the Council provides.
- (b) *Development*
The Council is as concerned with the future as it is with the past. For this reason the Council holds areas of land for future regeneration. In this way the Council can use its land ownership to control or influence the way areas are improved or developed. Many of the areas of land that fall into this category have not yet been identified with any particular development or regeneration scheme or project, but are strategically placed. Land held for an identified development, which is intended to be in support of one of the other five uses listed above, would fall into that respective category.

(c) *Surplus/vacant*

From time to time, a performance review of a property will conclude that the property does not currently meet community needs, that is, it does not fit in any of the above five categories. If its use cannot be adjusted or the property developed to fit into one of those categories, then the Council may choose to declare the asset surplus to requirements. These may be surplus to operational requirements, or may have become surplus to the non-operational commercial or development requirements. At the same time, property which is held for non-operational purposes, may occasionally fall vacant (e.g. between tenant occupiers).

Corporate Property Strategy

4.1 Vision

The Council's vision for its property over the next 10 years is to have a well-managed property portfolio which:

- (a) Meets current and future community and service needs and enables the delivery of good services
- (b) Is in good condition with no maintenance backlog and meets all legislative requirements
- (c) Enhances the physical environment of the city, helps conserve special places and provides leisure and cultural opportunities for citizens
- (d) Is environmentally sustainable
- (e) Has its performance regularly reviewed using agreed criteria, based on a four pillared approach relevant to local government and specifically Port Phillip
- (f) Uses capital for property assets which are held for a firm future purpose and which meet community needs
- (g) Maximises the potential for Council to influence the cultural look and feel of neighbourhoods, either through strategic purchasing, development or other land use decisions
- (h) Provides working conditions that encourage the best performance from staff
- (i) Takes up opportunities for co-location and partnerships, where this results in community benefit
- (j) Provides best value for money, maximising community benefit and minimising costs
- (k) Is rationalised where appropriate in order to realise policy objectives, so that capital can be reinvested in the portfolio to better meet community needs
- (l) Allocates investment in future property according to a robust corporate prioritisation framework.

4.2 Strategic Property Objectives

The key objectives of the Corporate Property Strategy therefore are to enable the Council to meet its service delivery objectives effectively, efficiently and economically and to provide a foundation for the wellbeing of those who live and work in the City of Port Phillip through:

Objective 1: Providing the services required by residents

- By focusing on outputs and outcomes
- By ensuring assets are appropriately used and maintained
- By applying best practice asset management principles

Objective 2: Optimising the service potential of assets

- Through improved management of the existing asset base
- Through improved flexibility of the asset base
- By using economies of scale for more cost effective service delivery

Objective 3 - Maximising value for money

- By taking account of the full costs of acquiring, holding, using and disposing of assets throughout their life cycles
- Through appropriate partnerships with the private sector/partner agencies

Objective 4 - Contributing to economic growth

- Through meeting service delivery demands by providing the right assets in the right location in the right amounts
- To encourage asset improvements that will improve the wellbeing of the residents of the municipality

Objective 5 - Assigning responsibility and accountability

- By clearly defining ownership and control of assets
- By determining and communicating accountability and reporting responsibilities throughout each step of the integrated approach to asset management

Objective 6 - Promoting balance between development and sustainability

- By minimising demand of new assets through the use of non-asset service delivery alternatives where appropriate
- By making asset decisions that consider and protect the needs of future generations

Objective 7 – Using Council property to influence private development

- New and renewed assets should be good examples of built form and environmentally sustainable architecture
- Council should use its property asset base where possible to leverage desired land use and optimum built form by private development

Objective 8 – Using Council property to influence cultural vitality

- By using strategic purchasing to deliver desired social cultural or environmental outcomes
- Using existing owned or controlled land to deliver specific social cultural or environmental outcomes

4.3 Key Outcomes

Council aims to achieve the following outcomes through the Property Strategy:

4.3.1 Tangible community benefits

- (a) Services and assets that meet current and future community needs
- (b) Innovative ways of providing services and sharpen the focus on property as a means of getting services to users as opposed to ownership being an end in itself
- (c) Modernisation of service delivery
- (d) A network of popular and viable community centres
- (e) A sustainable built environment that accommodates a growing population
- (f) Places and spaces and support for the well being of the community
- (g) Well-used community and civic facilities

4.3.2 Getting the best from valuable property resources

- (a) Raise the profile of property management and introduce property into resource decisions at all levels of the organisation
- (b) Effective stewardship of Council's property assets
- (c) Best Practice in property management
- (d) Review holdings and challenge the need to retain property
- (e) Financial strength and asset growth

4.4 Property Strategies

In order to achieve the Strategic Property Objectives, Council's Corporate Property Strategy is to:

Strategy 1 - Hold, plan and strategically manage all property assets corporately

Strategy 2 – Strengthen the function of Corporate Property Services in the day-to-day management of property

Strategy 3 – Support Best Practice Property Management Procedures

Strategy 4 – Promote accountability for use of property resources

Strategy 5 – Continually review the property portfolio to determine performance, utilisation, need and provision

Strategy 6 – Measure the performance of operational property to identify under performing assets and to inform and ensure objective decision making

Strategy 7 – Continue to resource and improve the accessibility and sustainability of all Council properties

Strategy 8 – Explore innovative ways of providing services incorporating both property as well as non-property based solutions

Strategy 9 – Collectively and corporately maintain adequate property data to enable efficient asset management and planning

Strategy 10 – Align assets with service and community expectations

Strategy 11 – Invest in property that will deliver economic, social, cultural and or environmental outcomes

Strategy 12 – Promote sustainable development objectives

Strategy 13 – Following completion of a property performance review, refer poor performing properties to Council for consideration of options.

4.5 Critical Success Factors

There are three factors which are critical to the success of this strategic approach to property:

- (a) Council's property portfolio is regularly reviewed using evaluation criteria which reflect community needs
- (b) Property Management supports service provision and service units contribute to strategic property planning
- (c) Councillors and staff are well informed when making decisions related to property.

4.6 Implementation Framework

Council has developed supporting guidance material to ensure that each part of the Property Strategy is properly implemented to achieve the objectives articulated.

The implementation components have been separated into the following five (5) groups:

(a) Corporate Land Policy

Describes the purpose and fundamental headline principles and policies of effective property management in the Council, and provides the strategic and legislative framework through which these can be effectively implemented.

(b) Organisational Arrangements, Roles and Responsibilities

Outlines the functions and responsibilities required for the support of property management.

(c) Procedures and Guidelines

Sets out practices for property management and provides assistance for managers involved in asset management to interpret policy requirements in the light of their particular situation.

(d) Performance Measures Manual

Monitoring required for assessing and controlling asset performance in terms of outputs and inputs.

(e) Implementation Plan

Implementation Plan setting out specific actions, resources, budgets and timelines relevant to delivering this Strategy.

APPENDIX

Council's Role

Council is the closest tier of government to the community and plays a key role in people's everyday lives. It provides services and infrastructure to allow residents and businesses to prosper. It is responsible for making and enforcing local laws and collecting revenue to fund activities. It is responsible for planning and delivering a wide range of services affecting residents, businesses, neighbourhoods and the local community.

Our Mission

“To make the community a better place”

To build a sustainable and inclusive city that is focussed on the future and provides excellent service – we see a future where the city is popular, prosperous and people enjoy a good quality of life and the city is improved through the provision of excellent services and information.”

Our Vision

“To be the best place in the best city for all”

Council's vision for the City of Port Phillip is of a city where diversity and harmony are sustained and encouraged - a place where all members of our community feel connected through a sense of belonging and pride in our city. There is a shared responsibility to ensure all people, regardless of age or of cultural and socio-economic background enjoy the benefits of our city and participate in all it has to offer.

We envisage a city where the environment is valued and protected; where our air and water are clean, and our parks and gardens are well maintained for the enjoyment of all. Our foreshore is protected and enhanced and provides a sanctuary for citizens and wildlife alike. We take pride in the responsibility we have for our environment and shall be seen as leaders in the field of environmental management.

Our city will be one in which the needs of residents, businesses and visitors are met through responsible planning and innovative development that is responsive to our unique heritage and identity. Inappropriate and poorly located high-rise development is restricted and a balance is maintained between everyone's needs.

Traffic and transport in our city shall be effectively managed to improve traffic flow and the benefits to public transport users, pedestrians and cyclists. Parking facilities are balanced to reduce traffic congestion and optimise public transport links whilst encouraging environmentally sustainable modes of travel.

We value a city, which has dynamic neighbourhoods with distinct character and unique identities; a city within which we can move freely and safely. We see our local council as a leader in its field, particularly in the areas of community consultation and communication, strategic planning, financial management and implementing the community's wishes.

We envisage that our city's services match the people's needs, are innovative, responsive and continually improving. Our services are wide ranging and address the needs of our community on a physical, human and cultural level. Our vision is of a city where the council services provide support to the four key pillars of our community - environmental responsibility, economic viability, cultural vitality and social equity – to create a sustainable and harmonious future.

Our Values

This Property Strategy is built upon the achievement of four fundamental goals. We refer to them as the pillars upon which our success depends:

Social equity: building a just, resilient, healthy and inclusive city with equitable access to responsive and relevant services and resources.

Economic viability: promoting effective stewardship of the council's assets and positive economic development within Port Phillip that also supports the council's social, cultural and environmental goals.

Environmental responsibility: fostering a liveable and attractive urban environment that uses fewer finite resources.

Cultural vitality: fostering conditions that allow communities within Port Phillip to express, experience and enjoy a diversity of values, beliefs and aspirations.

A9 PROPOSED TRANSFER OF 121 LIARDET STREET TO PORT PHILLIP HOUSING ASSOCIATION, SALE OF 1& 2/144 NOTT STREET PORT MELBOURNE AND SALE OF 2/63 CARLISLE STREET, ST KILDA

Purpose

It is proposed to transfer 3 Kyme Place, Port Melbourne to the PPHA for a community housing development while retaining title to ground level car parking. This plan is subject to PPHA enabling the sale of two residential properties.

Cr Ray declared an interest in this item as he on the board of the Port Phillip Housing Association. Cr Ray noted that he has excluded himself from all discussions and votes on this item to date and intends to do so in the future.

Cr Ray left chamber 6.35pm

MOVED Crs Gross / Logan

That Council suspends Standing Orders to allow members of the public to make verbal submissions in relation to this item.

A vote was taken and the MOTION was CARRIED

The following speaker made a verbal submission in relation to this item:

Mr Andrew Cocking:

'Will Council adjourn the decision to transfer land at Kyme Place, Port Melbourne so that interested parties may prepare for objections?'

Geoff Oulton, Executive Director Community Development & Planning clarified that the meeting tonight is to decide to start a process to call for submissions. What will now flow is the information night on Wednesday, *prior* to the public notification.

MOVED Crs Gross / Klepner

That Council resumes Standing Orders.

A vote was taken and the MOTION was CARRIED

MOVED Crs Klepner / Gross

That Council having considered the recommendation of the Strategy and Policy Review Committee resolve:

1. That it intends to reconfigure the boundary of the property generally known as 121 Liardet Street, , Port Melbourne comprising four Certificates of Title as follows: Volume 1884 Folio 619, Volume 9254 Folio 602, Volume 8838 Folio 197 and Volume 9254 Folio 603
 - 1.1.1 by adding a small portion (16.54 square metres) through the discontinuance of part of the road known as Kyme Place that is not currently used or required for vehicle access and to remove a small portion (10.57 square metres) by subdivision and assign the status of "road" to that portion and to transfer the land defined by the reconfigured property to the Port Phillip Housing Association but retaining proprietary rights to 27 car spaces at ground level and therefore directs as follows:
 - That the statutory procedures under Section 189 and of the Local Government Act 1989 (the Act) be commenced and notice is published in

local newspapers inviting interested persons to make a submission under Section 223 of the Act for sale for no monetary consideration (transfer) of the land shown on the attached plan, to the Port Phillip Housing Association Ltd. save for proprietary rights to a 27 space, ground level car parking which will be retained by Council.

- The statutory procedures under Section 206 and Schedule 10 Clause 3 of the Act be commenced and notice is published in local newspapers inviting interested persons to make a submission under Sections 207A (a) and 223 of the Act for discontinuance of the road shown on the attached plan and for sale for no monetary consideration (transfer) of the land shown on the attached plan, to the Port Phillip Housing Association Ltd., save for proprietary rights to ground level car parking which will be retained by Council.
 - That officers are authorised make application for subdivision to create the property title for transfer to the Port Phillip Housing Association as described above.
- 1.1.2 That the statutory procedures under Section 189 and of the Local Government Act 1989 (the Act) be commenced and notice is published in local newspapers inviting interested persons to make a submission under Section 223 of the Act for sale of the land described as 1 and 2/ 144 Nott Street, Port Melbourne, more particularly described in Certificate of Title, Volume 10168 Folio 898.
- 1.1.3 That the statutory procedures under Section 189 and of the Local Government Act 1989 (the Act) be commenced and notice is published in local newspapers inviting interested persons to make a submission under Section 223 of the Act for sale of the land described as 2/ 63 Carlisle Street, St Kilda, more particularly described in Certificate of Title, Volume 9198 Folio 981.
- 1.1.4 That Council resolves to appoint its Strategy and Policy Review Committee to hear and consider any submissions made under Section 223 related to the statutory procedures in 1.1.1, 1.1.2 and 1.1.3 above at its meeting to be held on 2nd June 2008.

And notes that decisions to be made in regard to the procedures commenced pursuant to the resolutions above are subject to the Office of Housing surrendering entitlements in regard to proceeds from the sale of 2/63 Carlisle Street, St Kilda, and Port Phillip Housing Association agreeing that the previous commitment by Council to transfer the property at 1&2, 144 Nott Street, Port Melbourne has lapsed.

A vote was taken and the MOTION was CARRIED.

Note:

Cr Klepner requested it be noted that this is the commencement of the process but it does indicate Council's genuine intention to enhance the portfolio of the Port Phillip Housing Association and that she was confident that the issues related to traffic management, access and parking will be picked up in the consultation process. Cr Klepner stated that she looked forward to seeing an extra 31 units of public housing and that it is not a rooming house that is proposed. Cr Klepner referred to the successful development in Woodstock Street and stated that it is a model that we should be emulating and making the most of what would otherwise simply be a ground level car park in the municipality where land is at such a premium. Cr Klepner stated that she looked forward to those matters being addressed.

Note:

An Information Evening concerning this issue will be held Wednesday 30th April 2008 at the Port Melbourne Town Hall. It will commence at 7pm.

**A11 PROVISION OF CITY OF PORT PHILLIP'S DIVERCITY NEWSLETTER –
TENDER OUTCOMES (CONFIDENTIAL)**

Please refer to the confidential section of the Minutes for Council's resolution on this item

12. URGENT BUSINESS

Cr Ray returned to the chamber 7.00pm

MOVED Crs Gross / Logan

That this item be included as a late urgent business item.

A vote was taken and the MOTION was CARRIED.

UB1 NEW RESIDENTIAL ZONES FOR VICTORIA

Purpose

To present the City of Port Phillip's submission to the proposed new residential zones, as outlined in the DPCD discussion paper *New Residential Zones for Victoria*, to Council for endorsement

MOVED Crs Gross / Klepner

That Council resolve to endorse the City of Port Phillip's submission to DPCD on the proposed new residential zones for Victoria, and that Council formally request a minimum 3 month period to consider the draft zones when they are released mid-2008.

A vote was taken and the MOTION was CARRIED.

Note:

Crs Gross & Ray noted that organisations they are associated with had put in a submission, however it did not disqualify them from the vote as it is a non-pecuniary interest.

**8(B) REPORTS OF THE STATUTORY PLANNING COMMITTEE HELD AT THE ST
KILDA TOWN HALL ON 14 APRIL 2008**

Note: Business items B1 and B2 were resolved by the Statutory Planning Committee held on 14 April 2008 in accordance with Section 86 of the Local Government Act 1989.

10. ORDERS OF THE DAY

**Order 1 CONTRACT RECOMMENDATION FOR ELWOOD COMMUNITY CENTRE
REFURBISHMENT AT 51 BROADWAY, ELWOOD – (CONFIDENTIAL)**

Please refer to the confidential section of the Minutes for Council's resolution on this item

MOVED Crs Gross / Bolitho

That the meeting be closed to members of the gallery in accordance with Section 89 2 (d) of the Local Government Act 1989.

A vote was taken and the MOTION was CARRIED.

The meeting closed to the public at 7.03pm.

13. CONFIDENTIAL MATTERS

**Order 1 CONTRACT RECOMMENDATION FOR ELWOOD COMMUNITY CENTRE
REFURBISHMENT AT 51 BROADWAY, ELWOOD – (CONFIDENTIAL)**

Please refer to the confidential section of the Minutes for Council's resolution on this item

**A11 PROVISION OF CITY OF PORT PHILLIP'S DIVERCITY NEWSLETTER –
TENDER OUTCOMES (CONFIDENTIAL)**

Please refer to the confidential section of the Minutes for Council's resolution on this item

9. CHIEF EXECUTIVE OFFICER'S REPORT

Nil.

**11. REPORTS BY COUNCILLOR DELEGATES APPOINTED TO
OTHER BODIES**

Nil.

As there was no further business the meeting closed at 7.10pm.

Confirmed: 26 May, 2008

Chairperson: _____