



**STRATEGY AND POLICY
REVIEW COMMITTEE**

AGENDA

4 AUGUST 2008

Welcome

Welcome to this Strategy and Policy Review Committee Meeting of the Port Phillip City Council.

Committee Meetings are a useful way for Councillors to be presented with, and consider, a large amount of information, from which a recommendation to the full Council can be made. They also allow the public to be involved in the decision making process of Council.

About this meeting

There are a few things to know about tonight's meeting. The first page of tonight's Agenda itemises all the different parts to the meeting. Some of the items are administrative and are required by law. In the agenda you will also find a list of all the items to be discussed this evening.

Each item has a report written by a Council officer outlining the purpose of the report, all relevant information and a recommendation. The Committee will consider the report and either accept the recommendation or make amendments to it.

As this Committee does not have delegated authority, all decisions of the Committee are not final and will be presented to the next Ordinary Meeting of Council for further refinement and adoption.

A recommendation is carried if it receives majority support of the Councillors in attendance at the Committee meeting.

Public Question Time

Provision is made at the beginning of the meeting for question time from members of the public. Question time is limited to 20 minutes unless the meeting resolves to extend this time.

If you would like to ask a question tonight, please fill in the blue 'Do You Wish to ask a Question or make a Public Comment' form located outside the chamber and give it to the Administrative Officer.

Public Comment

Any person who has made a written submission on an item pursuant to section 223 of the Local Government Act and requested that she or he be heard in support of that written submission will be entitled to address the Committee.

If you would like to address the Committee on any of the items being discussed tonight, please fill in the blue 'Do You Wish to ask a Question or make a Public Comment' form located outside the chamber and give it to the Administrative Officer.

When your item is being discussed the Chairperson will call your name and ask you to address the Committee. You will have 3 minutes to speak. If somebody has already raised an issue you agree with, there is no need to repeat it.



PORT PHILLIP CITY COUNCIL

STRATEGY AND POLICY REVIEW COMMITTEE

To Councillors

Notice is hereby given that a Meeting of the **Strategy and Policy Review Committee** of the **Port Phillip City Council** will be held in the **Council Chamber, St Kilda Town Hall** on **Monday, 4 August 2008 commencing at 6.00pm.**

AGENDA

- 1. APOLOGIES**
- 2. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**
Minutes of the Strategy and Policy Review Committee held on 7 July 2008.
- 3. CORRESPONDENCE**
- 4. PUBLIC QUESTION TIME**
- 5. COUNCILLOR QUESTION TIME**
- 6. PRESENTATION OF REPORTS**
 - 6.1 Policy and Planning**
 - 6.2 Governance and Compliance**
- 7. CHIEF EXECUTIVE OFFICER'S REPORT**
- 8. REPORTS BY DELEGATES (COUNCILLOR) APPOINTED TO OTHER BODIES**
- 9. URGENT BUSINESS**
- 10. PRESENTATION OF CONFIDENTIAL REPORTS**
 - 10.1 Policy and Planning**
 - 10.2 Governance and Compliance**

David Spokes
Chief Executive Officer
30 JULY 2008

STRATEGY AND POLICY REVIEW COMMITTEE

REPORT INDEX

6. PRESENTATION OF REPORTS

6.1 POLICY AND PLANNING

A1 Amendment C74 – Updates And Corrections To The Port Phillip Planning Scheme

Responsible Executive Director: Geoff Oulton, Executive Director Community Development And Planning

Purpose: To Present Amendment C74, Incorporating Corrections And Updates To The Port Phillip Planning Scheme And Port Phillip Heritage Review, To Council For Endorsement.

Recommendation: That Council Request The Minister For Planning To Authorise The Preparation Of Amendment C74 And Request The Minister To Grant An Exemption From Notification Pursuant To Section 20(2) Of The *Planning And Environment Act 1987*.

A2 Amendment C62 – Revised Local Planning Policy Framework (MSS And Local Policies) And Schedule To Clause 52.01

Responsible Executive Director: Geoff Oulton, Executive Director Community Development And Planning

Purpose: To Present The Revised Local Planning Policy Framework To Council For Endorsement, To Enable The Commencement Of Formal Public Exhibition Of Amendment C62 To The Port Phillip Planning Scheme.

Recommendation: That Council Endorse The Revised Local Planning Policy Framework To The Port Phillip Planning Scheme, To Enable The Commencement Of Formal Public Exhibition Of Amendment C62.

A3 South Melbourne Town Hall - Parameters For The Lease Of Vacant Space On The 1st Floor

Responsible Executive Director: Geoff Oulton, Executive Director Community Development & Planning

Purpose: Present Parameters To Guide The Commercial Lease Of Space Not Required For Council Or Community Hub Purposes On The 1st Floor Of The South Melbourne Town Hall.

Recommendation: Lease Of 1st Floor Space: To A Not For Profit Organization; To Produce A Commercial Return Or A Rebated Rent If Council Or Community Benefits Can Be Demonstrated As A Result Of The Tenancy; For A Term Not Extending Beyond 2016; Use Consistent With The Precinct Principles.

6. PRESENTATION OF REPORTS (CONT)

A4 Monuments And Memorials

Responsible Executive Director: Geoff Oulton Executive Director Community Development And Planning

Purpose: Request For Commitment Of Funding For Restoration And Maintenance Of Monuments And Memorials.

Recommendation: That The Council Adopt In Principle The Memorials And Monuments Work And Cost Plan 2008 – 2011, And Refer This To The 2008/09 Mid Year Budget Review.

A5 Proposed Re-Development Of North Port Oval (Aka Port Melbourne Cricket Ground)

Responsible Executive Director: Geoff Oulton Executive Director Community Development And Planning

Purpose: To Update Council On Progress To Date In Respect To The Port Phillip Life Saving Clubs Strategy, And Request Matching \$30 Funding For A Feasibility And Design Study For A New Clubhouse Solution At Port Melbourne/South Melbourne.

Recommendation: That Council Notes The Update On The Port Phillip Life Saving Clubs Strategy And Supports The Funding Of \$30,000 Matching Funding To The Sport And Recreation Victoria Grant To Undertake A Feasibility Study And Design.

6. PRESENTATION OF REPORTS (CONT)

6.2 GOVERNANCE AND COMPLIANCE

A6 Audit Committee Activities Update

Responsible Executive Director: Sally Calder, Executive Director Organisation Systems And Support

Purpose: To Advise Council About The Matters Considered At The June 2008 Meeting Of The City Of Port Phillip Audit Committee.

Recommendation: Council Receive And Note The Report Outlining The Matters Considered At The June 2008 Meeting Of The City Of Port Phillip Audit Committee.

A7 Proposed Lease Agreement To Melbourne Water Corporation - Use Of Fennell Reserve, Melbourne Main Sewer Replacement

Responsible Executive Director: Sally Calder, Executive Director Organisation Systems And Support

Purpose: To Provide Council With The Results Of The Section 190 And 223 Advertising And Submission Process With Respect To The Proposed Lease.

Recommendation: That Council Resolves To Finalise The Statutory Procedures And Enter Into The Proposed Lease Agreement With Melbourne Water Corporation.

A8 Naming Of Reserve Bounded By Cnrs Victoria Avenue, O'grady & Moubay Streets, Albert Park

Responsible Executive Director: Sally Calder, Executive Director Organisation Systems And Support

Purpose: This Report Advises Council Of The Results Of The Public Submission Process In Relation To The Naming Of Reserve Bounded By The Cnrs Victoria Avenue, O'Grady & Moubay Streets Albert Park 'Rats Of Tobruk Reserve'.

Recommendation: Council To Resolve To Agree To Name The Reserve On The Corner Of Victoria Avenue, O'Grady & Moubay Streets, Albert Park 'Rats Of Tobruk Reserve'.

A9 Proposed Discontinuance And Sale Of A Section Of Right Of Way No. R2791 (510) At The Rear Of 208 Albert Road, South Melbourne

Responsible Executive Director: Sally Calder, Executive Director Organisation Systems And Support

Purpose: This Report Is To Finalise The Discontinuance And Sale Of A Section Of Right Of Way No. R2791 At The Rear Of 208 Albert Rd, South Melbourne.

Recommendation: That The Statutory Procedures To Discontinue The Section Of Right Of Way No. R2791 Rear Of 208 Albert Rd, South Melbourne, Be Completed. That The Land From The Road Be Sold To The Owners Of 208 Albert Rd, South Melbourne, Subject To The Land Being Consolidated To The Property.

6. PRESENTATION OF REPORTS (CONT)

A10 Neighbourhood Programs Committee

Responsible Executive Director: Sally Calder, Executive Director Organisation Systems And Support

Purpose: To Consider Recommendations From The Neighbourhood Programs Committee To Amend Its Terms Of Reference.

Recommendation: That The Terms Of Reference Be Amended As Set Out In The Report.

A11 Capital Works End Of Financial Year Position

Responsible Executive Director: David Yeouart, Executive Director Community Assets And Services

Purpose: To Inform Council Of The Final Financial Position Of The Capital Works Program And To Recommend Carryover Projects.

Recommendation: To Note The Progress Of The Capital Works Program And To Recommend The Projects For Carryover Into 2008/2009.

6. PRESENTATION OF REPORTS (CONT)

10. PRESENTATION OF CONFIDENTIAL REPORTS

10.1 POLICY AND PLANNING

A12 APPOINTMENTS TO PORT MELBOURNE AFFORDABLE HOUSING PROJECT PLANNING ASSESSMENT PANEL

(This report is classified as a confidential item in accordance with Section 99 2 (h) of the Local Government Act 1989)

10.2 GOVERNANCE AND COMPLIANCE

A13 ITEM WITHDRAWN

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008

POLICY AND PLANNING

A1	AMENDMENT C74 – UPDATES AND CORRECTIONS TO THE PORT PHILLIP PLANNING SCHEME
LOCATION/ADDRESS:	VARIOUS - CITY OF PORT PHILLIP
RESPONSIBLE EXECUTIVE DIRECTOR:	GEOFF OULTON, EXECUTIVE DIRECTOR COMMUNITY DEVELOPMENT AND PLANNING
AUTHOR:	SUZY THOMAS, STRATEGIC PLANNER
FILE NO.:	66/02/168
ATTACHMENTS:	ATTACHMENT 1 – PROPOSED UPDATES AND CORRECTIONS INCLUDED IN AMENDMENT C74

1. EXECUTIVE SUMMARY

- 1.1. Amendment C74 proposes to make updates and corrections to the Port Phillip Planning Scheme, including minor text and mapping changes. The amendment also proposes to make corrections to the Port Phillip Heritage Review, Heritage Policy Map, and Neighbourhood Character Policy Map, which are incorporated documents in the planning scheme.
- 1.2. It is proposed to process the amendment pursuant to section 20(2) of the *Planning and Environment Act 1987*, under the Ministerial protocol for 'correction amendments'. Notice of the amendment is limited, given that the proposed changes are minor updates and corrections only which do not alter the effect of the provisions of the scheme.
- 1.3. It is recommended that Council request the Minister for Planning to authorise preparation of Amendment C74 and to grant an exemption from notice requirements pursuant to section 20(2) of the *Planning and Environment Act 1987*.

2. BACKGROUND AND CONTEXT

- 2.1. Council is committed to ensuring that the provisions of the Port Phillip Planning Scheme are up-to-date. To do this, it is necessary to regularly review the provisions of the scheme to identify any errors and anomalies and then undertake an amendment process to correct them.
- 2.2. The State Government has developed a protocol for the assessment of correction amendments, to 'fast-track' processing times and reduce the costs associated with amendments.

- 2.3. Under section 20(2) of the *Planning and Environment Act 1987* (the Act), the Minister for Planning may grant an exemption from the requirements relating to giving notice of an amendment, if the Minister considers that compliance with any of those requirements is not warranted. The types of amendments that are able to be considered for Ministerial exemption under section 20(2) of the Act are:
- A correction to the planning scheme.
 - A plain English translation of an existing provision where the effect of the provision is unchanged.
- 2.4. Council may also request authorization from the Minister to approve the amendment itself, pursuant to section 11 of the Act, rather than forwarding the amendment to the Minister to approve. This process was introduced to streamline minor amendments such as C74.
- 2.5. Attachment 1 outlines the corrections that are required to be made to the planning scheme. The corrections relate to:
- Text and map corrections / updates to the citations in the Port Phillip Heritage Review.
 - A correction to the Statement of Significance for HO3, by changing 'Kerferd Road' to 'Kerferd Road'.
 - Minor changes to the wording of the Design and Development Overlay provisions for Ormond Road (DDO18) that do not change the effect of the provisions (these changes were recommended by the Panel in their consideration of Amendment C57 Part 2).
 - Updating and corrections to the heritage gradings (e.g. where a new building has been constructed, or a site is vacant, and it is incorrectly graded as 'significant' when it should be 'non-contributory').

Amendment C74 proposes to facilitate these corrections and updates.

Port Phillip Heritage Review

The Port Phillip Heritage Review comprises:

- Individual citations for individual heritage properties and areas.
- The *City of Port Phillip Heritage Policy Map* which shows the heritage grading applied to individual properties covered by a Heritage Overlay.
- The *City of Port Phillip Neighbourhood Character Policy Map* which shows properties that "contribute" to the neighbourhood character of areas not covered by a Heritage Overlay.

As an Incorporated Document, it is important that the Port Phillip Heritage Review contains information that is accurate and correct.

The changes proposed as part of Amendment C74 will achieve this.

- 2.6. The changes to the DDO18 Schedule are in response to the recommendations of the Panel in their report considering Amendment C57 Part 2. This was presented to Council last month in the July cycle of meetings, where Council resolved to incorporate minor wording changes to the DDO18 in proposed Amendment C74 (recommendation 10.3 of the Council report) . Officers from the Department of Planning and Community Development (DPCD) were consulted with regard to processing the changes to the DDO18, and advised that an amendment pursuant to section 20(2) of the Act would be appropriate.

3. RECOMMENDED OPTION

- 3.1. It is recommended that Council resolve to prepare Amendment C74 to the Port Phillip Planning Scheme and request authorisation to exhibit pursuant to section 8(a) of the Act.
- 3.2. It is further recommended that Council request the Minister to grant an exemption from the notification, pursuant to section 20(2) of the Act, on the basis that the amendment proposes corrections and updates which do not alter the effect of the provisions of the scheme.
- 3.3. It is also recommended that Council request the Minister to authorise Council to approve the amendment, pursuant to section 11 of the Act.

3.4. Criterion for recommendation

The amendment is required to ensure that the provisions of the planning scheme are correct and up-to-date. The amendment is considered administrative only and as such, will not materially affect any property owners, developers, current applications or other parties.

3.5. Sustainability assessment

Social Equity	Amendment C74 will ensure that the Council is providing the community with correct planning scheme information.
Economic Viability	Correcting errors in the planning scheme, via Amendment C74, will improve the quality and cost effectiveness of Council's Services to the community by reducing the time spent on queries brought about by the planning scheme not operating at an optimum level. The 'process' associated with the amendment minimise administrative costs to Council.
Environmental Responsibility	The 'process' associated with the amendment will have no environmental implications.
Cultural Vitality	The corrections to heritage citations in the Port Phillip Heritage Review will ensure that the City's physical and cultural heritage is accurately reflected in the planning scheme.

3.6. Policy and legislative implications

Section 20(2) of the Act allows the Minister to grant an exemption from the requirements relating to giving notice of an amendment if the Minister considers that compliance with any of those requirements is not warranted. The types of amendments that can be considered for Ministerial exemption from notice under section 20(2) of the Act include a correction to the planning scheme.

Amendment C74 involves corrections and updates only. It is therefore appropriate to be processed without full public notification, given the changes do not alter the effect of the provisions of the scheme.

The changes proposed under Amendment C74 will not result in policy changes to the planning scheme.

3.7. Risk implications

Support from DPCD and ultimately from the Minister for Planning is anticipated. No risk implications are therefore identified.

3.8. Resource implications

There will be minimal resource implications as a result of supporting the preparation of the amendment, given that public notification (and hence a potential Panel hearing) is not proposed as part of the amendment process.

4. ALTERNATIVE OPTIONS

4.1. Alternative 1

Council could determine not to support the preparation of Amendment C74. This is not recommended, as the amendment is required to facilitate the corrections and updates to the planning scheme as outlined in Attachment 1.

4.2. Alternative 2

Council could determine to support the preparation of Amendment C74 and direct that full notification to all owners and occupiers affected by the amendment be given. This is not recommended, as the changes proposed under Amendment C74 are updates and corrections only which do not alter the effect of the provisions of the scheme. Undertaking a full notification process would be an unnecessary use of Council resources.

5. PARTICIPATION AND ENGAGEMENT

5.1. Internal

5.1.1. The people who have been engaged with in relation to this issue are:

- David Islip, Urban Design and Heritage Advisor

5.2. External

5.2.1. The external people and/or organisations who have been engaged with in relation to this issue are:

- Department of Planning and Community Development

6. RECOMMENDATION

6.1. That the Strategy and Policy Review Committee recommend that Council resolve to:

6.1.1. Endorse the changes to the Port Phillip Planning Scheme proposed as part of Amendment C74 (outlined in Attachment 1).

6.1.2. Request the Minister for Planning to authorise the preparation of Amendment C74 to the Port Phillip Planning Scheme pursuant to section 8(a) of the *Planning and Environment Act 1987*.

6.1.3. Request the Minister to grant an exemption from notification pursuant to section 20(2) of the *Planning and Environment Act 1987*, on the basis that Amendment C74 proposes corrections and updates only which do not alter the effect of the provisions of the Port Phillip Planning Scheme.

6.1.4. Request the Minister to authorise Council to approve the amendment, pursuant to section 11 of the *Planning and Environment Act 1987*.

6.1.5. Authorise the Executive Director, Community Development and Planning, to finalise the amendment documentation.

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008

POLICY AND PLANNING

A2	AMENDMENT C62 – REVISED LOCAL PLANNING POLICY FRAMEWORK (MSS AND LOCAL POLICIES) AND SCHEDULE TO CLAUSE 52.01
LOCATION/ADDRESS:	CITY OF PORT PHILLIP
RESPONSIBLE EXECUTIVE DIRECTOR:	GEOFF OULTON, EXECUTIVE DIRECTOR COMMUNITY DEVELOPMENT AND PLANNING
AUTHOR:	SUZY THOMAS, STRATEGIC PLANNER
FILE NO.:	66/02/161
ATTACHMENTS:	ATTACHMENT 1 – DRAFT LOCAL PLANNING POLICY FRAMEWORK AND SCHEDULE TO CLAUSE 52.01

1. EXECUTIVE SUMMARY

- 1.1. Amendment C62 proposes to introduce a revised Local Planning Policy Framework (LPPF), incorporating the Municipal Strategic Statement (MSS) and Local Policies, and a new Schedule to Clause 52.01 – Public Open Space Contribution and Subdivision, to the Port Phillip Planning Scheme.
- 1.2. In October 2007, the draft Amendment C62 was presented to Council for endorsement. Council resolved to endorse the amendment documentation and request that the Minister for Planning authorise the preparation and exhibition of Amendment C62.
- 1.3. The request for authorisation was sent to the Minister in November 2007. Following a number of discussions and meetings with officers from the Department of Planning and Community Development, authorisation to prepare and exhibit the amendment was granted in April 2008, subject to conditions.
- 1.4. The conditions of the authorisation required some changes to be made to the amendment documentation, namely associated with housing and activity centres and the Accessible Buildings policy.
- 1.5. It is recommended that Council endorse the proposed changes to the draft LPPF documents, in accordance with the conditions of the authorisation, to enable the formal exhibition process to commence.

2. BACKGROUND AND CONTEXT

- 2.1. The Local Planning Policy Framework (LPPF) of the Port Phillip Planning Scheme incorporates Clause 21 – Municipal Strategic Statement (MSS) and Clause 22 – Local Policies. The MSS provides a 10 to 15 year vision for land use planning and development in the City of Port Phillip and reflects the objectives of Council and the community. The MSS provides a framework for the application of objectives, strategies and policies to achieve the desired land use and development outcomes.
- 2.2. The Local Policies are one of the tools available for implementing the objectives and strategies in the MSS. Local Policies provide guidance for decision making in relation to planning permit applications.
- 2.3. Section 12B of the *Planning and Environment Act 1987* (the Act) requires a planning authority to regularly review the provisions of the planning scheme at least once in every three years, including the MSS and Local Policies.
- 2.4. In October 2006, a comprehensive audit of the planning scheme was completed in accordance with the requirements of the Act. The audit found that the MSS and Local Policies needed to be updated to reflect the Council and Community Plan and relevant state, regional, and local policy and strategy references.
- 2.5. In November 2006, Council resolved to endorse the audit of the planning scheme. In accordance with the recommendations of the audit, Council also resolved to commence a review and redraft of the Local Planning Policy Framework (incorporating the MSS and Local Policies) and make other amendments to the scheme as required.
- 2.6. The review of the MSS and Local Policies was conducted over a series of months from the beginning of 2007, in consultation with a number of key staff and internal departments of Council, and with the Department of Planning and Community Development.
- 2.7. Amendment C62 to the Port Phillip Planning Scheme implements the recommendations of the audit through a revised LPPF incorporating the MSS and Local Policies, and a new Schedule to Clause 52.01 – Public Open Space Contribution and Subdivision.
- 2.8. Amendment C62 was presented to Council in October 2007 for endorsement. Council resolved to endorse the amendment and request that the Minister authorise the preparation and exhibition of the amendment. The request for authorisation was subsequently sent to DPCD on 31 October 2007.
- 2.9. Following receipt of the request for authorisation and the amendment documentation, officers at DPCD raised concerns with the wording of a number of strategies relating to housing and activity centres in the MSS and with the wording of the proposed Accessible Buildings policy. Written advice was provided from the Activity Centres Unit at DPCD, who raised the following specific issues:
 - Although activity centres may be at a “mature stage of development”, it does not limit their capacity for further ‘infill’ housing development.

- Heritage provisions do not necessarily limit housing and other development opportunities.
- The strategy to direct 'moderate' residential growth to activity centres is inappropriate and Council will need to modify its response to the challenges facing development in activity centres. This may include allowing well-designed developments that are respectful of heritage values and that include a modest number of storeys. It is unrealistic to expect building heights to remain unaltered throughout metropolitan Melbourne's activity centres when the city is growing by approximately 1,000 residents each week.
- The Housing Opportunities Framework Plan should be modified to identify all activity centres as areas appropriate for housing growth.
- The table of activity centres in the Port Phillip needs to be modified in accordance with the Melbourne 2030 classification.
- Council should be encouraging increased housing densities in all activity centres in accordance with State policy.

2.10. A number of meetings and discussions were held with DPCD to address their concerns. Council's strategic approach to housing growth and activity centres was further explained, emphasising:

- It is consistent with the Inner Regional Housing Statement – a joint inner Council and State Government Strategy.
- That a 'blanket' approach promoting housing growth across all activity centres was inappropriate and that Council was actively preparing Structure Plans to deliver new housing opportunities in activity centres which are appropriate to local conditions.
- That the strategy of 'moderate' growth related specifically to the retail / commercial strips within activity centres, where heritage considerations are.
- That the 'significant' housing growth areas identified in the MSS – such as mixed use zones – were generally a part of (or at least proximate to) major activity centres, and hence delivered on Melbourne 2030's objective for well located / sustainable opportunities for housing growth.
- Council officers meet with key DPCD officers during the development of its housing strategy (which underpins the directions for housing growth in the MSS) with strong indications that the approach did meet State objectives and was a strategically robust approach.

2.11. Following these meetings, Council received formal notification from DPCD in April 2008 that authorisation to prepare and exhibit the amendment had been approved. The authorisation was subject to the following conditions:

- Local policy should not include accessibility matters that are more appropriately addressed by building regulations. It should also not replicate standards already legislated for.
- That Council have regard to the State Government Review of Advertising Sign Provisions, once released, to inform the final content of the proposed Outdoor Advertising Policy.

- That Council have regard to the advice provided by the Activity Centres Unit to inform the final content of the Activity Centre Policy.
- The Council remove the reference in the planning scheme to deleted Clauses and restructure its numbering in Clause 22 to ensure that a sequential numbering system is adopted.

2.12. Following receipt of the conditions of authorisation, changes were made to the MSS and Local Policies to ensure that the documents complied with the requirements of the authorisation. The key changes to the documents are:

- Clarifying that the 'moderate' residential growth areas referred to in Clause 21.04-1 are the retail strips (generally defined by the Business 1 Zone boundaries) within the Major Activity Centres of Clarendon Street, South Melbourne; Bay Street, Port Melbourne; Carlisle Street, Balaclava; and Fitzroy/Acland Streets, St Kilda; and the Neighbourhood Activity Centre of Ormond/Glen Huntly Road, Elwood).
- Acknowledging the potential (and anticipated demand) for retail growth within activity centres, to reflect directions set in the Port Phillip Activity Centres Review, 2006.
- Clarifying that heritage constraints may limit the ability to develop at higher densities in the Neighbourhood Activity Centres of Bridport Street/ Victoria Avenue, Albert Park; Armstrong Street, Middle Park; and Glen Eira Road, Ripponlea.
- Clarifying that residential development will be limited in the Neighbourhood Activity Centres of Tennyson Street, Elwood and Centre Avenue, Port Melbourne, being locations which do not offer direct access to the Principle Public Transport Network.
- Amending the table of activity centre in Clause 21.04-2 to align with the definitions in Melbourne 2030.
- Re-drafting the Accessible Buildings policy in accordance with the conditions of the authorisation. In drafting the policy, consideration has been given to the interim and final Panel reports (August 2007 and February 2008 respectively) for Amendment C84 to the Yarra Planning Scheme, which proposed to introduce a revised Local Planning Policy Framework including an Accessible Buildings Policy. The Panel generally supported the inclusion of an Accessible Building policy, but stated that it was inappropriate to apply the relevant Australian Standards as a mandatory requirement and that the Standards should be used as a reference tool to assist applicants. The recommendations from this Panel have been adopted for Council's proposed Accessible Buildings Policy.
- Some minor changes have also been made to wording in the document, including updating the figures in the Municipal Profile (Clause 21.02-2) to reflect 2006 ABS data.
- Renumbering of the Local Policies (Clause 22) in accordance with the conditions of the authorisation.

3. RECOMMENDED OPTION

It is recommended that Council resolve to endorse the revised Local Planning Policy Framework, which incorporates the changes to meet the conditions of authorisation granted by the Minister for Planning. It is further recommended that Council commence formal public exhibition of the LPPF over a two month period in February and March 2009. Any submissions received to the amendment would then be considered by Council in April 2009

3.1. Criterion for recommendation

The revised LPPF (incorporating the MSS and Local Policies) consolidates Council's position in regard to land use and development issues affecting the municipality, and provides the strategic basis for the determination of planning applications. The MSS and Local Policies need to be updated to reflect the current state, regional, and local policy and strategy references.

Endorsement of the revised LPPF will enable the formal public exhibition process to commence, which is proposed to commence in February 2009. It is not intended to direct mail each resident and non-resident owner of land in the municipality, as is normally required Planning Scheme amendments, but rather utilise the distribution of Divercity. Divercity is delivered to each property in the municipality on a bi-monthly basis, with the February/March 2009 edition distributed in the last week of January 2009.

The bi-monthly distribution of Divercity, coupled with the impending Council elections in November and preceding Caretaker period, restricts earlier exhibition of the amendment.

Although earlier exhibition of the amendment could technically occur over October and November 2008 (to coincide with the October/November issue of Divercity), this option is not recommended given the politically sensitive environment leading up to the elections and during the Caretaker period.

3.2. Sustainability assessment

Social Pillar	The revised LPPF places a higher emphasis on social equity, particularly in relation to community health and wellbeing, in comparison to the existing local planning scheme provisions.
Economic Pillar	The revised LPPF reflects the Council Plan and relevant state, regional and local policy and strategy references. The revised document will facilitate appropriate development in the City, which will help build the economic prosperity of Port Phillip.
Environmental Pillar	The revised LPPF will facilitate the development of the City in a way that helps create a more sustainable Melbourne, in accordance with Melbourne 2030 principles. There is a much stronger focus on environmental sustainability in the reviewed document, in particular Clause 21.03 – Environmental Sustainability, incorporating Environmentally Sustainable Land Use and Development, and Sustainable Transport.
Cultural Pillar	The revised LPPF is cognisant of the diversity of the Port Phillip community and visitors to the city. Strategies and objectives in the reviewed document help support the cultural vitality pillar by encouraging and fostering a diverse community.

3.3. Policy and legislative implications

- 3.3.1. Section 12B of the Act requires Council to review its planning scheme every three years. The audit, which was endorsed by Council in November 2006, meets Section 12B of the Act.
- 3.3.2. The audit identified a wide range of state government, regional and Council policies and strategies that have been prepared but are not reflected in the Port Phillip Planning Scheme. The revised LPPF will ensure the planning scheme is up to date and properly reflects Council's current policy position on land use planning and development matters.

3.4. Risk implications

- 3.4.1. Not adopting the recommendation may expose Council to some risk in regard to criticism by the community that the planning scheme does not adequately reflect Council's current policy position on land use planning and development.

3.5. Resource implications

- 3.5.1. The costs associated with exhibiting the amendment have been budgeted for in the Strategic Planning Unit budget for 2008-09.

4. ALTERNATIVE OPTIONS

4.1. Alternative 1

That Council endorses the revised LPPF and resolves to exhibit the amendment during October and November 2008. Exhibition during this time would coincide with Council elections and the preceding Caretaker period. This option is not recommended by officers, as the amendment represents a major planning policy and would be exhibited in a politically sensitive environment.

4.1.1. Policy and legislative implications

Council has invested a high level of resources in the LPPF policy development over the last four years and has a robust planning policy framework based around the four pillars. Exhibiting a major policy document in a politically sensitive environment could give rise to submissions that are not directly related to the planning / policy merits of the document.

4.1.2. Risk implications

The risks associated with exhibiting during the election period include time delays in addressing submissions and associated changes sought to the document which are political rather than planning based.

4.1.3. Resource implications

There are no direct resource implications associated with exhibition of the amendment in either February/March 2009 or October/November 2008. The costs associated with exhibiting the amendment have been budgeted for in the 2008-09 financial year.

5. PARTICIPATION AND ENGAGEMENT

5.1. Internal

5.1.1. The people who have been engaged with in relation to this issue are:

- Manager City Development
- Statutory Planning
- Economic Development
- Councillors

Note: A wide range of Council departments were involved in development of the earlier version of the new LPPF.

5.2. **External**

- 5.2.1. Consultation with key external stakeholders has been undertaken with the Department of Planning and Community Development.
- 5.2.2. The wider community will be consulted through the formal amendment process.

6. IMPLEMENTATION

- 6.1. Amendment C62 will be exhibited for a period of 2 months, during which time submissions may be made. All submissions made to the amendment will be reported to Council along with any recommended changes to the amendment documentation. Submissions made are likely to be referred to an independent Panel (appointed by the Minister for Planning) for review.

7. COMMUNICATION

- 7.1. Public exhibition of Amendment C62 will occur in accordance with Section 19 of the Act. This process allows all members of the community to make submissions to the amendment, which will be further considered prior to approval of the amendment.
- 7.2. A communications strategy has been developed which goes further than the requirements of the Act in order to encourage wide community understanding and ownership of the proposed MSS and Local Policies.
- 7.3. The key elements of this communications strategy are:

Statutory Requirements

- Formal public exhibition for a period of 2 months, rather than the required 1 month.
- Advertisements in the local papers to notify the community that submissions can be made.
- Public notice in The Age to notify non-resident owners of the amendment.
- Articles in Diversity, delivered to each household in the municipality.
- Direct mail of information to key stakeholder groups including residents associations, industry groups, adjacent Councils, Port of Melbourne Corporation, advocacy groups and VCAT, and meetings with these groups as requested.
- Direct mail to Ministers and authorities as required by the Act.
- Notice in the Government Gazette as required by the Act.

Non-Statutory Communication Proposed

- Development of key messages to guide development of all communications materials (see below).
 - Distribution of a detailed flyer informing the community of key issues addressed in the MSS and Local Policies, and how they may make a submission.
 - A “travelling road show” in each neighbourhood (for example, Bay Street, Port Melbourne on a Saturday morning) during the consultation period.
 - Detailed web site through which submissions can be made.
 - Telephone and email enquiry lines.
 - A media strategy to generate interest in the amendment.
 - Ongoing discussions with the Department of Planning and Community Development.
- 7.4. The communications strategy does not propose to direct mail each resident and non resident owner of land in the municipality as is normally undertaken for Planning Scheme amendments.
- 7.5. Under Section 19 (1A) of the Act, the planning authority (Council) is not required to give notice by direct mail if it considers the number of owners and occupiers affected makes it impractical to notify them all individually about the amendment.
- 7.6. This is considered to be the case with Amendment C62, in which case, under Section 19 (1B) of the Act, the planning authority is required to take reasonable steps to ensure that public notice of the proposed amendment is given in the area affected by the amendment. The proposed communications strategy meets these requirements.
- 7.7. Council informed the Minister for Planning of its intention to undertake notification in accordance with Section 19 (1B) of the Act at the time of seeking authorisation for the amendment. DPCD officers verbally advised that the proposed notification was acceptable.
- 7.8. The key messages that have been developed to guide the communications strategy for the amendment are as follows:
- We heard what you (the community) said at the community summit and we have responded.
 - As part of the process there will be opportunity for community feedback. We want everyone to have a say.
 - This is a simple, responsible and easy to use approach to planning in the City of Port Phillip.
 - This is an important part of Port Phillip’s response to Melbourne 2030.
 - This amendment updates Council’s planning policy to be more reflective of Port Phillip’s priorities.

- 7.9. Tailored key messages will also be developed for specific issues, such as environmental sustainability, community health and wellbeing and accessibility.

8. RECOMMENDATION

- 8.1. That the Strategy and Policy Review Committee recommend that Council resolve to:
- 8.1.1. Endorse the proposed changes to the Local Planning Policy Framework (incorporating the Municipal Strategic Statement and Local Policies) as outlined in Attachment 1, and that formal public exhibition of Amendment C62 to the Port Phillip Planning Scheme be commenced in February 2009.
 - 8.1.2. Authorise the Executive Director, Community Development and Planning to finalise the amendment documentation, prior to exhibition.

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008

POLICY AND PLANNING

A3	SOUTH MELBOURNE TOWN HALL - PARAMETERS FOR THE LEASE OF VACANT SPACE ON THE 1ST FLOOR
LOCATION/ADDRESS:	N/A
RESPONSIBLE EXECUTIVE DIRECTOR:	GEOFF OULTON, EXECUTIVE DIRECTOR COMMUNITY DEVELOPMENT & PLANNING
AUTHOR:	CAROL MAYELL, MANAGER COMMUNITY DEVELOPMENT
FILE NO.:	96/01/19
ATTACHMENTS:	THREE – COMPARISON OF SPACES ALLOCATED FOR THE COMMUNITY HUB BETWEEN THE 2005 FLOORPLAN TO THE 2007 FLOOR PLAN; COMMUNITY SPACE COMPARISONS JULY 2008; FLOOR PLAN OF SMTH 1ST FLOOR SPACE

1. EXECUTIVE SUMMARY

- 1.1. There is approximately 400m² of vacant net lettable space on the 1st floor of South Melbourne Town Hall (SMTH) as a result of relocation of council staff to the council's administration centre at St Kilda Town Hall offices.
- 1.2. The Council has previously determined that the subject space on the 1st floor is not required for the SMTH Community Hub or Council purposes.
- 1.3. Council resolved in July 2007 to offer the Australian National Academy of Music (ANAM) 'first right of refusal' for the vacant lettable space on the 1st floor, subject to commercial terms and conditions satisfactory to the Council. The offer was to be taken up by 30 June 2008 or it would lapse.
- 1.4. A letter from ANAM was received by the Council on 25 June 2008 advising that they would not be taking up the offer.
- 1.5. Council is therefore requested to endorse the Executive Director Community Planning & Development and the Property Coordinator to proceed with the process of seeking Expressions of Interest, compliant with sections 190 & 223 of the Local Government Act, for commercial lease of the vacant space of approximately 400 square meters on the 1st floor of the South Melbourne Town Hall (SMTH), subject to the following additional parameters:
 - 1.5.1. That any leases do not extend beyond 2016;
 - 1.5.2. That it is with a not for profit organization;
 - 1.5.3. That it is on commercial terms based on market value (currently valued by Westlink Consulting at \$145per m² per annum, ie

\$58,000) or at a rebated rent if beneficial outcomes for the Port Phillip community can be demonstrated; and

- 1.5.4. That it is consistent with heritage protection requirements, land use planning and South Melbourne Central Structure Plan principles.

2. BACKGROUND AND CONTEXT

- 2.1. Council determined to proceed with the development of the South Melbourne Town Hall (SMTH) Community Hub on the ground floor of SMTH on 23 July 2007, in the area vacated by council staff.
- 2.2. The SMTH Community Hub core services and activities are: Council's ASSIST; the cashier; maternal & child health service; welfare & counseling services; community group office space; larger and smaller meeting spaces; on-line services; reception and information display areas; and a multi-purpose event area.
- 2.3. The Community Hub development commenced in July 2008 with a Council commitment of \$2million for the project, endorsed in the Council's 2007/08 and 2008/09 budgets and consistent with the Council's five year Strategic Resource Plan.
- 2.4. The Council's decision to locate the Community Hub on the ground floor only, rather than over the ground and 1st floors, as previously planned in 2005, was made on the basis that no loss of functional space would occur for the core hub services and activities. These services and activities were identified with the SMTH Community Hub Reference Panel in 2005 as the essential components of the Community Hub.
- 2.5. The 2005 floor plan allocated a total of 542m² for these core services and activities, with 82m² allocated for community group office space on the 1st floor and the remaining 460m² on the ground floor.
- 2.6. The core hub functions had been designed over two floors in the 2005 plan due to an initial proposal for some Council staff to remain in South Melbourne. This however was inconsistent with the Council's Long-Term Accommodation Strategy. The location of all council administration functions was able to be achieved at the St Kilda offices and so these staff groups have since been relocated to St Kilda. This freed up both ground floor and 1st floor space at SMTH.
- 2.7. The revised 2007 Community Hub floor plan took into account that all Hub functions could be accommodated on the ground floor, now that Council staff did not require space at SMTH, apart from those engaged in the Hub functions such as ASSIST, the Cashier and the Maternal & Child Health service.
- 2.8. This relocation of all Hub functions to the one level slightly increased the space allocated from 542m² to 543m² for core Community Hub activities and meant that the community group office space previously planned on the 1st floor was able to be re-located to the ground floor. The comparison of hub space reconfigured on the ground floor with the spaces over both floors is at Attachment One.

- 2.9. This shift to the ground floor of the community group office space provides a significant advantage for the community groups, their members and volunteers. They will now have street level access and easy out of hours access as well as being located adjacent to a key meeting space.
- 2.10. An assessment of community space needs and available community space was conducted in 2007. The assessment identified there is no unmet need for community space across the city. This assessment also found that the South Melbourne community has access to more community space per m2 of persons than the other neighbourhoods across the city. This will increase even further with the opening of the SMTH Community Hub early in 2009 (see Attachment Two).
- 2.11. The Council's Community Hubs Policy and implementation strategy has significantly improved the amount, access, functionality, standards of facilities and multi-purpose uses.
- 2.12. ANAM had approached the Council in late 2006 requesting more space in SMTH to expand their operations. On 23 July 2007, the Council determined to offer ANAM the vacant space on the 1st floor of SMTH on commercial terms via a first right of refusal to be taken up by 30 June 2008. The offer was subject to specified conditions being met to the satisfaction of the Council.
- 2.13. The basis of the offer was to provide the Council with the opportunity to negotiate a new commercial lease with ANAM for their existing occupied space, plus any new space, on terms and conditions far more beneficial to the Council and the community than currently provided in the Occupancy Agreement set up by the Council under Commissioners in 1995 for 21 years.
- 2.14. ANAM informed the Council in a letter received on 25 June 2008 that it would not take up the offer.
- 2.15. This report therefore proposes a strategy to manage this valued asset in a manner consistent with previous Council decisions and policy.

3. RECOMMENDED OPTION

- 3.1. The vacant space of approximately 400m2 on the 1st floor is not required for Community Hub or council purposes. Council had previously determined in July 2007 to seek a commercial return for this space on the 1st floor.
- 3.2. The recommended option therefore proposes that the 1st floor space be leased for a commercial return, according to the provisions of the Local Government Act which relates to premises worth in excess of a market value of \$50,000 per annum. Further, that any lease/s is within the parameters specified by the Council, ie:
- 3.2.1. For a term not extending beyond 2016;
 - 3.2.2. With a not for profit organization;
 - 3.2.3. On commercial terms based on market value or at a rebated rent if beneficial outcomes for the Port Phillip community can be demonstrated; and
 - 3.2.4. Consistent with heritage, land use planning and South Melbourne Central Structure Plan principles

3.3. Sustainability assessment

SOCIAL EQUITY

Social Pillar	The needs of eligible community groups for office space at SMTH Community Hub and needs for community space in South Melbourne and surrounding neighbourhoods are able to be met currently and in the future. Leasing of this space to a not for profit organization provides additional service opportunities to the community and provides a base for a medium or larger size community service organization that may have otherwise had to relocate outside of the city.
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ECONOMIC VIABILITY

Economic Pillar	Underutilized space will provide a financial return to council, which in turn may increase opportunities for investment in the precinct. It is an effective and efficient use of a valued council and community asset
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ENVIRONMENTAL RESPONSIBILITY

Environmental Pillar	Co-location of activities and services may provide more efficient use of energy resources while also locating a service within an activity hub to minimize travel etc.
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CULTURAL VITALITY

Cultural Pillar	Location of a medium to larger not for profit organization within this community, cultural and civic precinct adds further diversity and potentially enhances the experience of people visiting and accessing services in the area
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3.4. Policy and legislative implications

The Community Hubs Policy and Council's Property Strategy provide the framework from which to consider this consistent use of the space not required for community hub or council purposes. The recommendation supports the policy objectives of effective and efficient use of existing council infrastructure for the benefit of the community.

The Local Government Act sections 190 & 223, relevant to leasing of council property market valued at more than \$50,000.00 per annum, will be applied to the process. Public Expressions of Interest will be sought and a preferred application that fits within the recommended parameters will be referred to the Council for consideration.

3.5. Risk implications

A return of the full market value return may not be achieved if a rebated rent is negotiated, however an anticipated rent has not been factored into the Council budget. A notice of Intention to Lease will be advertised once the Council has endorsed a preferred tenant. Submissions will be received and assessed within the parameters and a final recommendation for lease submitted to the Council by the Property Coordinator.

3.6. Resource implications

This recommendation supports effective and efficient use of council assets within budget and will maximize the opportunity for financial return and enhance access to community service options in the city.

4. ALTERNATIVE OPTION

4.1. Provide the 400m² of vacant space on the 1st floor for Community Hub use.

4.2. This has been considered, but not able to be supported based on the following:

4.2.1. Population forecasts; service demand data; utilization rates; and benchmarks of adequate community space per neighbourhood (see Attachment Two) indicates that additional multipurpose and small community group office space is not required for the SMTH Community Hub or for the broader South Melbourne neighbourhood and the surrounding neighbourhoods.

4.3. A comparison of council owned and managed community space across the city in 2007 and recently updated in 2008, which analysed population forecasts to 2016 (see Attachment Two) found that the Council's facilities are currently meeting and will continue to meet the demand for multipurpose and community office space across all neighbourhoods and the city, now and up until 2016.

4.4. Community space to service South Melbourne and St Kilda Road communities, with the addition of South Melbourne Town Hall Community Hub, will be particularly well-serviced for community space and will be significantly above the city-wide benchmark of 28 persons per square meter of council community space.

4.4.1. Sustainability assessment

Social Equity Pillar	There will be an inequitable spread of community space across neighbourhoods if additional community space is made available to the SMTH Community Hub. Resources used to provide this additional space would not be based on need or supported by utilization rates.
Economic Viability Pillar	Financial resources to upgrade and develop the 1 st floor space would be additional to the current budget allocation of \$2million for the SMTH Community Hub. Additional resources would need to be redirected from other sources with there being no evidence to support need or demand, at the expense of other projects and services related to council's community facilities Income generation through a commercial lease of the space or through reciprocal benefits would not be realized through this option
Environmental Responsibility Pillar	Ineffective and inefficient use of council resources would occur with the space not being adequately utilized.
Cultural Vitality Pillar	The opportunity to enhance the service mix and activity in the precinct and the broader Clarendon activity centre would be reduced with this option.

4.4.2. **Policy and legislative implications**

This option is not consistent with the Community Hubs Policy and the Property Strategy principles and objectives.

4.4.3. **Risk implications**

The management and financial risks associated with underutilized community hub space would be increased.

4.4.4. **Resource implications**

There is no budget allocation for development of the vacant space on the 1st floor for community purposes. The \$2million allocated for the SMTH Community Hub is fully committed to the existing project and fully meets the concept and needs as identified in the SMTH Community Hub planning process commenced in late 2004.

Increased maintenance costs would need to be factored into future budget estimates for the 1st floor space rather than being included in the commercial lease conditions to be borne by the tenant.

5. PARTICIPATION AND ENGAGEMENT

5.1. **Internal**

5.1.1. The people who have been engaged with in relation to this issue are:

- The Property Coordinator provided the Local Government Act requirements and advice regarding the process proposed for seeking a tenant on commercial terms
- Executive Director Community Development & Planning is satisfied with the recommendation, based on the evidence and criteria for the recommendation
- Coordinator Social Planning & Policy provided the analysis of community space allocation across the city, the preliminary assessment of applications for community group office space in SMTH Community Hub and contributed advice regarding consistency with the Community Hubs Policy
- Councillors have been briefed on the proposed direction to seek a tenant for the space on commercial terms.

5.2. **External**

5.2.1. The external people and/or organisations who have been engaged are the SMTH Community Reference Panel, who met in September 2007, to contribute to the floor plan for location of all hub functions and services on the ground floor of SMTH. This was as a result of Council's decision of 23 July 2007, which was on the basis that no space would be lost to the core functions of the hub by locating all hub functions to the ground floor.

- 5.2.2. The majority of the Community Reference Panel supported the amended ground floor plan, which was presented to the Council and endorsed on 22 October 2007. The Hub community service providers have continued to be involved with the detailed design of the Community Hub on the ground floor. There has been no indication as a result of this engagement that there is additional space required on the 1st floor.
- 5.2.3. The SMTH Community Hub Reference Panel is to be reconvened in August 2008 to comment on the 8 applications received from an Expression of Interest process seeking eligible tenants for remaining community group office space on the ground floor of the SMTH Community Hub. This process and the criteria for assessment were determined by the Council on 22 October 2007. An offer of office space, which has since been accepted, was made to Port Phillip Citizen's for Reconciliation; Save Albert Park; and Friends of the ABC. Recommendations for allocation of tenancies for the remainder of the ground floor space will be presented to the Council as an Order of the Day on the 25 August 2008.

6. IMPLEMENTATION

- 6.1. Expressions of Interest (EOI) for leasing of the vacant 1st floor space in SMTH on commercial terms and within the parameters specified by the Council will be sought from prospective tenants via local media, if the Council endorses the recommendation at the Ordinary Meeting of the Council on 25 August 2008.
- 6.2. A preferred tenant will be submitted to a meeting of the Council following the EOI process and a subsequent Notice of Intention to Lease will then be advertised for a 14 day period as required.
- 6.3. Submissions in response to the Notice of Intention to Lease will be assessed by the Property Coordinator, the Executive Director Community Development & the Ward Councillor, prior to a final recommendation to the Council, noting that vacant possession will not be available until early 2009.

7. RECOMMENDATION

That the Strategy & Policy Review Committee recommend Council resolve to:

- 7.1. Commence the process to lease the vacant space of approximately 400m² on the 1st floor of the South Melbourne Town Hall (SMTH) not required for Community Hub or Council purposes, as identified in Attachment Three, noting that vacant possession will not be available until early 2009.
- 7.2. Lease the subject 1st floor space for a commercial return, according to the provisions of the Local Government Act sections 190 & 223, which relates to premises valued in excess of \$50,000 per annum. This is consistent with the Council's resolution of July 2007 that sought a commercial return and other community benefits through the lease of this vacant space on the 1st floor of the SMTH.
- 7.3. Lease the SMTH vacant 1st floor space within the following parameters:
 - 7.3.1. For a term not extending beyond 2016;
 - 7.3.2. With a not for profit organization, which preferably provides services for the benefit of the Port Phillip community;
 - 7.3.3. On commercial terms based on an independent market value, (currently valued at \$145 per square metre or estimated total of \$58,000 per annum), or at a *rebated rent if beneficial outcomes for the Port Phillip community can be demonstrated; and
 - 7.3.4. Consistent with heritage, land use planning and South Melbourne Central Structure Plan principles
- 7.4. *A rebated rent may be negotiated if the organization/s is not able to afford the commercial rent and if the services or the location of the organization in Port Phillip is consistent with Council's policy objectives, or if improvements to the internal spaces can be achieved as a result of the tenancy;
- 7.5. Not enter a lease that extends beyond December 2016. This is on the basis that the existing Occupancy Agreement with the Australian National Academy of Music for other parts of the Town Hall will conclude at a similar time and a plan for alternative uses of the Town Hall spaces, excluding the Community Hub on the ground floor, may be identified in the meantime.
- 7.6. Enter a lease at no additional cost to the Council for refurbishment and that any costs of reinstatement to the landlord's satisfaction are borne by the tenant.
- 7.7. Seek Expressions of Interest for leasing of the vacant 1st floor space in SMTH and consider a preferred tenant, as identified by the Property Coordinator & the Executive Director Community Development & Planning. Once a preferred tenant has been endorsed by the Council a Notice of Intention to Lease is to be publicly advertised for 14 days and all submissions considered.
- 7.8. Delegate the hearing of submissions in response to a Notice of Intention to Lease to a Committee comprising the Executive Director Community

Development & Planning or the equivalent level, the Property Coordinator or equivalent and the relevant Ward Councillor.

- 7.9. Delegate the negotiation of leases with suitable organizations, consistent with the above parameters, to the Executive Director Community Development & Planning and the Property Coordinator and receive the final lease for consideration on the Sealing Schedule of the Council.
- 7.10. Note that the Council will receive an Order of the Day on the 25 August 2008, presenting recommendations, developed in consultation with the SMTH Community Hub Reference Group, for tenancies of the unallocated community group office space in the SMTH Community Hub. This process follows from the Council's decision of October 2007 to offer first right of refusal for office space on the ground floor of the SMTH Community Hub to: Port Phillip Citizen's for Reconciliation; Save Albert Park; and the Friends of the ABC, who have all since accepted the first offer of community group office space in the Hub. This occurred prior to seeking Expressions of Interest for the remaining community group office space on the ground floor of the Hub in 2008.

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008

POLICY AND PLANNING

A4	MONUMENTS AND MEMORIALS
LOCATION/ADDRESS:	
RESPONSIBLE EXECUTIVE DIRECTOR:	GEOFF OULTON EXECUTIVE DIRECTOR COMMUNITY DEVELOPMENT AND PLANNING
AUTHOR:	RUTH MCLEAN, CURATORIAL TEAM LEADER, AND PENNY MORISON, HERITAGE OFFICER
FILE NO.:	16/02/84
ATTACHMENTS:	1. CONSERVATION REPORT JULY 2. MEMORIALS AND MONUMENTS – WORK AND COST PLAN 2008 - 2011 3. LETTERS OF SUPPORT FROM THE RSL

1. EXECUTIVE SUMMARY

- 1.1. The City of Port Phillip has responsibility for over 50 structures classified as monuments and memorials. In the most recent valuation in 2007, these monuments were valued at over \$4 million and therefore constitute a considerable financial asset.
- 1.2. Monuments and memorials have a social, historical and aesthetic significance to the local and broader communities. The degree of significance is recognized with the inclusion of seven of these on the Victorian Heritage Register and two on the Australian Heritage Database. Two of the war memorials mark the centre of Anzac and Remembrance Day services attended annually by over 1500 people.
- 1.3. Of these memorials which include 10 war memorials, 28 have been the subjects of a conservation assessment by a specialist heritage conservator, Paul Hunt, in July 2008. A number show signs of deterioration and all need cleaning to remove accumulated grime, staining and graffiti.
- 1.4. This report proposes a new management practice and proposes a resource plan that will adequately conserve and maintain these memorial and monument in a manner consistent with best practice and community expectation.

2. BACKGROUND AND CONTEXT

- 2.1. Policy and guidelines to describe the process and criteria for the creation and naming of new memorials were approved by Council in 2007 and stipulate that funds for ongoing maintenance need to be identified from the outset.
- 2.2. In September 2007 the Audit Committee requested advice on the maintenance of monuments and memorials in the City.
- 2.3. Memorials take the form of named buildings, monuments, band rotunda, statues, fountains, clock towers, shelters, street furniture, trees and plaques.
- 2.4. This report is concerned with those memorials which have an intrinsic heritage significance and which in common parlance are often referred to as monuments; these are structures venerated for their enduring historic significance and for commemorating a notable person, organisation or event.
- 2.5. Memorials which are named buildings, such as memorial halls and the Port Melbourne band rotunda or plaques applied to trees or street furniture are not the subject of this report.
- 2.6. These monuments are valued by the community as tangible markers commemorating significant people and events associated with the City. The monuments keep alive the intangible memories and knowledge of the City's heritage by providing opportunities to encounter history and heritage as part of everyday experience. They are also valued as significant heritage objects in their own right irrespective of their commemorative function.
- 2.7. Some of these monuments have been standing for over fifty years and are showing obvious signs of deterioration. The level of deterioration varies depending on a combination of age, robustness of materials used, location of the monument and exposure to the elements and vandalism.
- 2.8. Preservation and maintenance work requires a combination of specialist heritage conservation services relating to masonry, ceramics and metalwork, electrical services for lighting components and plumbing services in the case of drinking fountains.
- 2.9. Paul Hunt, an experienced heritage conservator who undertakes similar work for the City of Melbourne, other Councils and organizations around Australia, was engaged to undertake an assessment of the condition of 30 monuments in June and July 2008 (refer to attachment 1). This report outlines the following:
 - the current condition of the monuments
 - the type, and level of treatment required to stabilize, repair and clean the monuments
 - estimates of the cost of the above
 - an indication of the urgency of the work based on the degree of deterioration and fragility of the monument
 - a recommended maintenance regime.

- 2.10. The South African War Memorial in Alfred Square was particularly noted as requiring conservation treatment; this memorial is over 100 years old and its exposed sea-front location and lack of regular maintenance has resulted in significant deterioration. Paul Hunt provided a schedule of work to stabilise the surface materials, repair broken tiles and remove staining from the decorative tiles and to clean the surfaces. He was engaged in June 2008 to undertake the listed works immediately.
- 2.11. Current best practice for the care of heritage objects aims to retain as much of the original materials as is possible by stabilising these and preventing further deterioration. Replication and replacement of components is regarded as an intervention of last resort and to be kept to a minimum. The strategy applies to the large structural elements as well as mortar, adhesives and surfaces.
- 2.12. International standards applicable to the treatment of heritage items are articulated in the following documents:-
- International Council on Monuments and Sites (*ICOMOS*) *Burra Charter, 1999. The Australian ICOMOS charter for the conservation of places of cultural significance,*
 - Australian Institute for the Conservation of Cultural Materials ethical guidelines
 - *Significance National Conservation and Preservation Policy and Strategy.*
- 2.13. Both State and Federal Governments provide funding assistance by way of grants for the purpose of maintaining monuments and memorials. These primarily apply either to war memorials or to objects of state or national significance or located within a local heritage overlay. All of the 30 memorials assessed lie within a heritage overlay.

3. RECOMMENDED OPTION

It is recommended that monuments and memorials are treated as heritage items registered in the Port Philip City Collection through the application of conservation standards for determining the maintenance requirements of these assets.

It is also recommended that Council refer the 3 year Work and Cost Plan (2008 - 2011) to the mid-year budget review process for consideration with a view to incorporation of the direct officers to allocate an annual budget specifically for maintenance and based on advice from the conservator currently reviewing Port Phillip memorials and monuments.

3.1. Criterion for recommendation

The criterion for the recommendation include:

(A) Consistency with international and Australian standards applicable to the treatment of heritage items are articulated in the following documents:-

- International Council on Monuments and Sites (*ICOMOS*) *Burra Charter, 1999, a charter for the conservation of places of cultural significance.*
- Australian Institute for the Conservation of Cultural Materials ethical guidelines

- Heritage Collections Council, 2001, *Significance – a guide to assessing the significance of cultural heritage objects and collections*.

(B) A strategic resource planning and management approach that identifies:

- the current condition of the monuments
- the type, and level of treatment required to stabilize, repair and clean the monuments
- estimates of cost
- the urgency of the work based on the degree of deterioration and fragility of the monument
- a recommended maintenance regime.

(C) Prioritisation based on an assessment across all of following criteria:

- urgency of conservation treatment
- significance of war memorials
- state and national significance as noted by inclusion on Victorian and Australian Heritage Registers
- local significance.

(D) A Demonstrated Public Benefit that ensures the most cost effective approach to stabilizing and repairing now to prevent further deterioration and greater rectification costs in future.

3.2. Sustainability assessment

<p>Social Pillar</p>	<p>Memorials contribute to the beauty and ambience of many public spaces enjoyed by individuals and groups wanting places for reflection, refreshment and reconnecting. Being located in public spaces, they are readily accessible to all.</p> <p>Public assets used for celebrations and commemorations support a sense of community connectedness and belonging. Monuments are important sites for regular, significant, community occasions shared by residents, their families and friends and by many from outside the City who seek to maintain their strong ties with the area.</p> <p>War memorials provide a particular focus on Anzac and Remembrance Day and for other events commemorating service men and women. As such they foster a sense of belonging and support the community to maintain important connections with others who share their heritage and interests.</p> <p>The reinstatement of drinking fountains in some memorials sustains vigorous activities along adjacent walkways, bike paths and parks and so supports healthy lifestyles.</p>
<p>Economic Pillar</p>	<p>Long term cost-savings will be achieved by carrying out the recommended rectifications over the next two years and then implementing an annual maintenance program; these actions will prevent further deterioration and eliminate the need for more costly treatments, or even complete replacement, in the future.</p>
<p>Environmental Pillar</p>	<p>Current best practice for the care of heritage objects is to retain as much of the original materials as is possible and to minimize the need for new materials. Original materials were in some cases sourced from Italy and the costs of sourcing and transporting these components would consume resources unnecessarily. The proposed treatments are intended to minimize any need for replacing materials by stabilising the existing structures and preventing further deterioration.</p> <p>Repair of plumbing and drainage at drinking fountains will stop current water leakages.</p> <p>Maintenance of display lighting will allow installation of energy efficient light globes.</p>

Cultural Pillar	<p>This work will publicly demonstrate Council's recognition of the importance of the monuments to residents for:</p> <ul style="list-style-type: none">• commemorating significant events and people associated with the City of Port Phillip and• keeping alive the memories and knowledge of the heritage of the City of Port Phillip and Victoria. <p>Anzac and Remembrance Day services and other ceremonial events which are attended by well over 1500 people annually highlight the significance of the memorials to the local and extended communities.</p>
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3.3. Policy and legislative implications

Policy and guidelines to describe the process and criteria for the creation and naming of new memorials were approved by Council in 2007 and stipulate that funds for on-going maintenance need to be identified from the outset.

Although not legislative, the *Burra Charter* is an international standard which establishes Council's responsibilities as custodian of significant heritage structures. (A copy of the *Burra Charter* can be found on the ICOMOS website <http://www.icomos.org/australia/> and further information can be found on the Heritage Victoria website, www.heritage.vic.gov.au)

3.4. Risk implications

3.4.1. Allocation of funds for the immediate treatment of the memorials and the implementation of an annual maintenance program would:

- make safe and retain existing original structures and improve appearance
- reduce future maintenance costs by simplifying the on-going maintenance treatments
- eliminate the likelihood of any need for the complete replacement of the monuments (or part thereof) in the future, an intervention which could be a very costly exercise and one likely to generate considerable community angst because of the loss of the City's heritage
- minimize substantially the risk of any structural failure that could impact on public safety;
- counter the recent critical publicity regarding the lack of attention given to the war memorials by publicly demonstrating the Council's commitment to caring for the war memorials.

3.5. Resource implications

The costs for conservation maintenance and some rectification work for memorials and monuments over the next three (3) years are contained in the Work and Cost Plan (refer to attachment 2). For a summary of costs, over the next 3 years estimated at \$233,200, refer to the table below. This amount is for the implementation of all recommended conservation treatments as outlined in the conservation report attached and repair of some electrical and plumbing services. Additional costs for plumbing and electricity are still to be determined.

In addition ongoing annual maintenance is estimated to require \$25,000 per annum.

Year	No. memorials	Total for Conservation treatments and some rectification	Monuments eligible for external grants
2008/9	5	\$86,700	3 eligible
2009/10	12	\$97,800	5 eligible
2010/11	11	\$48,700	None eligible
		\$233,200	

Additional staff time and resources (in addition to established EFT) is estimated at 1 day/week for:

- stakeholder liaison;
- management of contractors undertaking recommended conservation treatments and associated engineering, electrical and plumbing works;
- management and coordination of an annual maintenance program;
- writing grant applications for additional funding for conservation treatments;

This will be considered in the context of existing workforce planning processes within the City of Port Phillip.

4. ALTERNATIVE OPTIONS

- 4.1. The current status of memorials and monuments (as per the independent and expert evaluation undertaken) dictates that retaining the status quo is not presented here as a viable option or good governance for the future maintenance of memorials and monuments in the City.
- 4.2. Alternative options would include some alterations with the work and cost plan (2008 – 2011) in terms of priorities and timing.

5. PARTICIPATION AND ENGAGEMENT

5.1. Internal

- 5.1.1. The people who have been engaged with in relation to this issue are:

- Mayor, Cr Janet Cribbes
- Councillor, Janet Bolitho
- David Islip, Urban Design & Heritage Advisor
- Ian Hicks, Manager, Culture and Recreation
- Ruth McLean, Curatorial Team Leader
- Kathy Dillon, Building and Green Spaces Manager
- Sam Hewett, Manager, Asset Services
- Mark Fusco, Coordinator, Parks and Open Space Services

5.1.2. There is agreement of the internal stakeholders to the recommendation outlined in this report.

5.2. External

5.2.1. The external people and/or organisations who have been engaged with in relation to this issue are:

- Lt-Col Graham Lockwood (retired)
- 11 stakeholders at two meetings held with members of the Victorian, Elwood and St Kilda RSL's, 4/19th Light Horse Regiment and Royal Victoria Regiment Association and residents, on Thursday 3 July and Monday 28 July

Urban History Consultative Committee

5.2.2. The war memorial stakeholders were invited to two meetings chaired by Manager Culture and Recreation (Ian Hicks) at the St Kilda Town Hall on 3rd and 28th July.

5.2.3. The recommendations in this report and the proposed work and cost plan (2008 – 2011) were discussed with external stakeholders at a meeting on 28 July 2008.

6. IMPLEMENTATION

- 6.1. A new management protocol will be established that recognizes the cultural and heritage value of the memorials and ensures their existence for future generations. The monuments will be treated as irreplaceable assets which need to be preserved for the long term. This is in contrast to the current depreciation and maintenance strategies used which apply standards appropriate for replaceable, non-unique assets.
- 6.2. An annual maintenance program will be developed which prevents further deterioration and maintains the aesthetic qualities of the memorials by organising and coordinating specialist conservation service providers to undertake conservation treatments and minor repairs.
- 6.3. Primary responsibility for the management of memorials will be assigned to the Curatorial Services Team which includes staff with specialist knowledge in heritage and collection management. They will work closely with the other Council departments with related responsibilities, including Asset Management and Buildings and Open Spaces.

7. COMMUNICATION

- 7.1. Council wishes to ensure the protection and maintenance of monuments and memorials.
- 7.2. Memorials and monuments are significant civic markers that commemorate the cultural and social heritage of the people and events that have shaped this City and Victoria.
- 7.3. Over the next 3 years Council will spend in excess of \$200,000 ensuring our monuments and memorials, including war memorials, are preserved in recognition of the people they represent and for future generations.

8. RECOMMENDATION

- 8.1. That the Strategy and Policy Review Committee recommend that Council resolve:
 - 8.1.1. That the Council thank Lt Colonel Lockwood (Rtd.), representatives of the Victorian, Elwood and St Kilda RSL's, 4/19th Light Horse Regiment and Royal Victorian Regiment Association, Royal Victoria Regiment Association and residents for their involvement.
 - 8.1.2. That the Council adopt in principle the Memorials and Monuments Work and Cost Plan 2008 – 2011, and refer this to the 2008/09 Mid Year Budget Review.
 - 8.1.3. That the Council, consistent with existing policy and delegations, authorise officers to undertake priority 1 works with any savings identified within the 2008/09 Capital Works budget.
 - 8.1.4. That the Council note that officers will also submit a revised Memorials and Monuments Policy that reflects the proposed changes to principles governing the management of Monuments and Memorials as outlined in this report.

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008

POLICY AND PLANNING

A5	PROPOSED RE-DEVELOPMENT OF NORTH PORT OVAL (AKA PORT MELBOURNE CRICKET GROUND)
LOCATION/ADDRESS:	INGLES ST AND WILLIAMSTOWN RD, PORT MELBOURNE
RESPONSIBLE EXECUTIVE DIRECTOR:	GEOFF OULTON EXECUTIVE DIRECTOR COMMUNITY DEVELOPMENT AND PLANNING
AUTHOR:	FIONA BLAIR, YOUTH AND RECREATION CO-ORDINATOR IAN HICKS, MANAGER CULTURE AND RECREATION
FILE NO.:	
ATTACHMENTS:	LETTER OF PORT MELBOURNE FOOTBALL CLUB (DATED 8 JUNE 2005) LETTER OF CITY OF PORT PHILLIP (DATED 17 SEPTEMBER 2007)

1. EXECUTIVE SUMMARY

- 1.1. Council's 2007 Sport and Recreation Strategy aims within 4 years to:
 - increase participation in sport and recreation by 10%
 - ensure all sports facilities are 100% fit for purpose.
- 1.2. Council's Sport and Recreation Guidelines identify Councils hierarchy of investment in sport, which proportionally encourages greater investment from Council in community ('grass roots') sports and facilities. Councils level of investment is proportionally decreased where facilities are utilized at a more elite level of sports and are more exclusively used for elite level sport.
- 1.3. During 2005/06 a draft Masterplan was developed for North Port Oval. This was prepared at the request of Football Victoria and included Port Melbourne Cricket club and City of Port Phillip, being Committee of Management for the site. The interest of Football Victoria at this time was to prepare a document that would look at the future needs of North Port Oval and position the facility as part of a package of facilities being put to Government for consideration.
- 1.4. In May 2008 it was announced that the State Government was to contribute \$1M to the re-development of North Port Oval as part of a series of VFL venue refurbishments and re-developments.

- 1.5. The funds available for redevelopment of North Port Oval include:
- \$1M Department of Sport and Recreation (State Government)
 - \$500K Football Victoria
 - \$1.5M Port Melbourne Football Club
- 1.6. This report recommends that Council agree 'in-principle' to contribute \$1.7M (for a total project of \$4.7M) to achieve a range of community benefits that would result from the redevelopment of North Port Oval.

2. BACKGROUND AND CONTEXT

- 2.1. In 2005 Council was requested by Port Melbourne Football Club and Football Victoria to part fund the preparation of plans for the redevelopment of North Port Oval based on achieving a series of objectives (refer to attachment 1).
- 2.2. In 2006 the working group drafted a 'North Port Oval Redevelopment masterplan'. Council has not formally adopted this masterplan and it is not recommended that Council do so at this time.
- The purpose of the masterplan was to indicate a potential scope of works for North Port Oval, and for it to be used as a 'positioning' paper by Football Victoria in its quest to obtain funding for the redevelopment of North Port Oval.
- Now that a budget has been identified it is more appropriate that the draft masterplan be used as an input into a design and feasibility study that will determine a new plan, within a known budget to deliver clear and agreed community benefits.
- 2.3. In September 2007, the Port Melbourne Football Club and Football Victoria indicated to City of Port Phillip that a bid for funds to complete works on a number of 'VFL' venues was to be presented to Government.
- 2.4. On 25 September 2007, the City of Port Phillip provided 'in-principle' support to making a significant financial contribution for the project subject to ratification by Council (refer to attachment 2).
- 2.5. In May 2008 the Government announced capital funding for a number of 'VFL' venues, including \$1M toward the redevelopment of North Port Oval.
- 2.6. On 6 June 2008 the City of Port Phillip affirmed 'in principle' support for the project at \$1.7M subject to Council ratification.

3. RECOMMENDED OPTION

Council agrees 'in-principle' to commit \$1.7M to achieving the community benefits outlined in this report resulting from the redevelopment of North Port Oval.

3.1. Criterion for recommendation

3.1.1. ***Council's investment is consistent with Council Policy – specifically the 'Sport Strategy' and City of Port Phillip's 'Sport and Recreation Guidelines'.***

The Council's investment will be consistent with Council's Sport Strategy and Guidelines with regard to:

- all Council sporting facilities being 'fit for purpose' within the next 4 years;
- consistency with Council's financial principles and approach for investment in sport and recreation facilities (as outlined in Council's *Sport and Recreation Strategy Guidelines* adopted November 2007).
- Consistency with Council's Open Space Strategy 2006
- City of Port Phillip maintains land manager status for North Port Oval

3.1.2. ***Council's investment minimises risk and increases compliance with Council statutory obligations associated with public venues, as applicable.***

The risks and statutory compliance issues to be minimised through the redevelopment of North Port Oval including:

- Rectification of any structural/ building integrity issues where there is a identified risk to user and / or public safety;
- Improvements in the environmental performance of the venue, consistent with Council policy.

3.1.3. ***Council contribution delivers value for money and a demonstrable benefit to the community.***

The demonstrable community benefits to be delivered by the redevelopment of North Port Oval include:

- Renewal of the Gross Grandstand and retention of it's heritage values;
- Provide for the future sustainability of both Port Melbourne Football Club and Port Melbourne Cricket Club.
- Develop and improve Club rooms and player change facilities in a manner consistent with the AFL Preferred Facilities Guidelines 2006;

- Increase use and accessibility by the public through improving both visual and physical permeability from the public realm into the venue, thereby increasing the attractiveness of the reserve as a public open space;
- Increase access to the facilities and expand the services at the ground for example by providing infrastructure that encourages greater use of the venue by the community and increased physical activity opportunities (eg: consideration to a playground facility, consideration for use by athletics and/or local schools etc).
- Promote connection and exchange between the Club and the existing local community for example increasing opportunities for residents to meet and interact at the ground and in club activities

3.2. Sustainability assessment

<p>Economic Pillar</p>	<p>North Port Oval is the responsibility of the City of Port Phillip in it's role as Committee of Management under the <i>Crown Land Reserves Act 1979</i>.</p> <p>The recommended option would provide for an investment of \$1.7M from CoPP toward a \$4.7M redevelopment of North Port Oval – being 40% of the anticipated total project investment / cost.</p> <p>The potential to also reduce Council's ongoing and yearly maintenance costs for the venue will be investigated as part of this project.</p>
<p>Environmental Pillar</p>	<p>The redevelopment of North Port Oval will provide an opportunity to improve the environmental performance of the existing facilities through the application of Council's Environmentally Sustainable Design (ESD) principles and policies.</p> <p>Although the application of ESD may have some limitations, with most of the current facilities dating between 40 and 80 years in age, significant improvements in environmental performance would be anticipated.</p>
<p>Cultural Pillar</p>	<p>North Port Oval has been utilized as a sporting facility for 137 years. The venue has a deep cultural heritage as the home to Port Melbourne Cricket Club for 137 years and home to the Port Melbourne Football Club for 123 years.</p> <p>The venue also retains the Norm Goss Grandstand, which not only acts a facility for viewing but also retains some heritage importance to the local community.</p> <p>The redevelopment of North Port Oval will ensure that it's use as a major sporting facility and the retention of the heritage values of the Norm Goss grandstand are retained.</p>

Social Pillar	<p>The project is intended to improve connections between the facility and the public realm, particularly vehicular access and visual permeability.</p> <p>The project also aims to increase the level of general public use of the facility through the incorporation of additional functions and activities, which may include incorporation of a public playground.</p>
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3.3. Policy and legislative implications

This alternative position is likely to be deemed consistent with Council's stated policy position in the *Sport Strategy 2007*.

3.4. Risk implications

There is an outstanding backlog of works maintenance on facilities at North Port Oval. This option would deal as a matter of priority through the rectification of identified risks associated with various building structures within North Port Oval.

3.5. Resource implications

The resource implications that 'in-principle' Council would contribute \$1.7M to the renewal of North Port Oval and the delivery of a range of community benefits.

Council in the City of Port Phillip Strategic Resource Plan that was adopted as part of the 2008/09 Budget process has identified \$200,000 in 2008/09 and \$1.5M in 2010/11 for redevelopment of North Port Oval.

4. ALTERNATIVE OPTIONS

4.1. Alternative 1

Council reduce the scope of the works to community benefit and commensurately reduce the level of 'in-principle' financial support.

4.1.1. Sustainability assessment

Economic Pillar	<p>As a priority Council would be advised (under this alternative) to undertake the 'backlog' maintenance works as a matter of priority. These works are currently estimated at \$600,000.</p> <p>Under this option it is likely that the State Government's contribution of \$1M would be withdrawn.</p> <p>However, Council may still wish to invest in a much more limited scope of community benefit, the scope of which would need to be determined dependant on the level of financial support Council was wishing to contribute.</p>
Environmental Pillar	<p>The environmental performance of the facilities at North Port Oval will retain the status quo and are unlikely to undergo any significant improvement.</p>

Cultural Pillar	The facility in the short to medium term is likely to be able to continue to be utilized for football and cricket. Notwithstanding this, there is currently some concerns raised by officials attending matches at North Port Oval with regard to the 'fitness of this facilities to service their purpose *(eg: umpire change facilities for men and women).
Social Pillar	The objectives of Councils own Sport Strategy, specifically with regard to ensuring all Council facilities are 'fit for 'purpose' would be compromised. It is the authors/officers view that at present the facilities at North Port Oval are not of a standard that would deem them fit for purpose.

4.1.2. Policy and legislative implications

This alternative position is likely to be deemed inconsistent with Council's stated policy position in the *Sport Strategy 2007*.

4.1.3. Risk implications

There is an outstanding backlog of works maintenance on facilities at North Port Oval. Also, some preliminary structural assessments indicate that there are a number of aged facilities and buildings at North Port Oval that require remediation works in the short to medium term to obviate potential risks to public safety should these facilities continue to deteriorate.

4.1.4. Resource implications

The resource implications of this alternative are that the rectification and remediation works would still be required. These works are currently estimated at \$600,000.

4.2. Alternative 2

Council seek to just minimize risk and meet statutory obligations, while not endeavoring to gain any broader community benefit from the North Port Redevelopment.

4.2.1. Sustainability assessment

Economic Pillar	Council will still retain a 'backlog' of maintenance works currently estimated at \$600K that is required to be completed at North Port Oval to address risk and statutory obligations. Under this alternative the State Government is very likely to withdraw is \$1M of funds towards the North Port Oval redevelopment.
Environmental Pillar	The environmental performance of the facilities at North Port Oval will retain the status quo and not undergo any improvement.

Cultural Pillar	The facility on the short to medium term is likely to be able to continue to be utilized for football and cricket. Notwithstanding this, there is currently some concerns raised by officials attending matches at North Port Oval with regard to the 'fitness of this facilities to service their purpose *(eg: umpire change facilities for men and women).
Social Pillar	The objectives of Councils own Sport Strategy 2007, specifically with regard to ensuring all Council facilities are 'fit for 'purpose' would be compromised. It is the authors/officers view that at present the facilities at North Port Oval are not of a standard that would deem them fit for purpose. The level of obvious community benefit to be derived from Council's \$600,000 investment will be limited. The objectives of improved access, increased use and improved environmental performance would not be achieved.

4.2.2. Policy and legislative implications

This alternative position is likely to be deemed inconsistent with Council's stated policy position in the *Sport Strategy 2007*.

4.2.3. Risk implications

There is an outstanding backlog of works maintenance on facilities at North Port Oval. Also, some preliminary structural assessments indicate that there is a number of aged facilities and buildings at North Port Oval that require remediation works in the short to medium term to obviate potential risks to public safety should these facilities continue to deteriorate.

There is a potential risk to public safety should the rectification and repair of these structures not be attended to as would be the case under this alternative option.

4.2.4. Resource implications

The resource implications of this alternative are that the rectification and remediation works would be outstanding and remain uncompleted. These works are currently estimated at \$600,000.

5. PARTICIPATION AND ENGAGEMENT

5.1. Internal

5.1.1. The people who will be engaged with in relation to this issue are:

- Kathy Dillon – Manager Asset Management
- Chris White – Co-ordinator Open Space
- Sam Hewett – Manager Capital Works

5.2. External

5.2.1. The external people and/or organisations who have and will continue to be engaged in relation to this issue are:

- Sport and Recreation Victoria
- Port Melbourne Football Club representatives
- Port Melbourne Cricket club representatives
- Football Victoria representatives

5.2.2. A North Port Redevelopment Working Group has been established and includes membership from Sport and Recreation Victoria, Port Melbourne Football Club, Football Victoria and City of Port Phillip.

6. IMPLEMENTATION

6.1. Stage one of the Project Plan will be implemented including:

6.1.1. A Working Group comprising of City of Port Phillip, the Port Melbourne Football Club, Football Victoria and Sport and Recreation Victoria has been established.

6.1.2. A consultant has been appointed to undertake the design and feasibility study that will identify the scope of project and the community benefits to be derived within the total budget allocated for construction (approximately \$4.7M).

6.1.3. A Report will be prepared for Council's consideration at the conclusion of the design and feasibility study for Council to determine whether the criteria underpinning Council's 'in-principle' financial support have been met.

7. COMMUNICATION

7.1. Dependant on Council's resolution, it is intended that a community project / information board will be placed on site to both inform and seek feedback from the community, with particular regard to the community benefit elements of the project.

8. RECOMMENDATION

That the Strategy and Policy Review Committee recommend that Council resolve:

- 8.1. That the Council resolve to support 'in-principle' the redevelopment of North Port Oval with a commitment of \$1.7M.
- 8.2. That the Council's 'in-principle' commitment assumes that a range of community benefits and objectives will be achieved, including:
- 8.2.1. Consistency with Council Policy – particularly the '*Sport Strategy*' and City of Port Phillip's '*Sport and Recreation Strategy Guidelines*' (adopted November 2007) with specific regard to:
- Council sporting facilities being 'fit for purpose' within the next 4 years;
 - consistency with Council's financial principles and approach for investment in sport and recreation facilities (as outlined in Council's *Sport and Recreation Strategy Guidelines*);
 - consistency with Council's *Open Space Strategy 2006*;
 - consistency with Memorandum of Understanding between City of Port Phillip and Sport and Recreation Victoria;
 - City of Port Phillip maintaining public land manager status for North Port Oval.
- 8.2.2. Minimisation of risk and increased compliance with statutory obligations associated with public venues, as applicable, including:
- Rectification of any structural/ building integrity issues where there is a identified risk to user and / or public safety;
 - Improvements in the environmental performance of the venue, consistent with Council policy.
- 8.2.3. Deliver value for money and a demonstrable benefit to the community, including:
- Renewal of the Goss Grandstand and retention of it's heritage values;
 - Provide for the future sustainability of both Port Melbourne Football Club and Port Melbourne Cricket Club.
 - Develop and improve Club rooms and player change facilities in a manner consistent with the AFL Preferred Facilities Guidelines 2006;
 - Increase use and accessibility by the public through improving both visual and physical permeability from the public realm into the venue, thereby increasing the attractiveness of the reserve as a public open space;

- Increase access to the facilities and expand the services at the ground for example by providing infrastructure that encourages greater use of the venue by the community and increased physical activity opportunities (eg: consideration to a playground facility, consideration for use by athletics and/or local schools etc).
- Promote connection and exchange between the Club and the existing local community by increasing opportunities for residents to meet and interact at the ground and in club activities

8.3. That Council seek a further report for its consideration at the conclusion of the design and feasibility study in order for Council to determine whether the community benefits and objectives outlined in 8.2 (above) have been met, with a view to confirming the level of financial support to be provided for the redevelopment of North Port Oval.

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008 **GOVERNANCE AND COMPLIANCE**

A6 **AUDIT COMMITTEE ACTIVITIES UPDATE**
LOCATION/ADDRESS: **N/A**
RESPONSIBLE EXECUTIVE DIRECTOR: **SALLY CALDER, EXECUTIVE DIRECTOR**
ORGANISATION SYSTEMS AND
SUPPORT
AUTHOR: **NORM MCCLELLAND, GOVERNANCE**
ADVISOR
FILE NO.: **34/04/29-02**
ATTACHMENTS: **NIL.**

1. EXECUTIVE SUMMARY

- 1.1. To bring to the attention of Council the matters discussed at the June 2008 meeting of the City of Port Phillip Audit Committee.
- 1.2. The minutes of the June 2008 meeting have been circulated to all Councillors.

2. BACKGROUND

- 2.1. Council resolved on 18 December 1996 that it be advised of all matters considered by the Audit Committee. This report advises Council of all matters discussed at the meeting held on Wednesday 11 June 2008.
- 2.2. The Best Practice Guidelines for Local Government Entity Audit Committees and Internal Audit, November 1999, recommend:
 - 2.2.1. that minutes and a report explaining specific recommendations and key outcomes should be forwarded to the next Council meeting after each Audit Committee meeting; and
 - 2.2.2. that Audit Committees should report annually to their Councils summarizing their activities.
- 2.3. This report complies with the requirements of the Audit Committee Terms of Reference, the Council resolution and the Best Practice Guidelines for Local Government Entity Audit Committees and Internal Audit.

3. CONTEXT

- 3.1. Matters considered by the Audit Committee at its June 2008 meeting were:
- 3.1.1. **Annual Work Plan** - The Committee received the Annual Work Plan for 2008 and noted that it was up to date with the schedule of work set down in the plan.
 - 3.1.2. **Internal Audit Program** – The Committee received the 2008 Internal Audit Program and was advised that the field work was still being undertaken for the IT Systems and Control Review, and that the field work for the OH&S Review of both staff and contractors had been completed and the report would soon be forwarded to management for comment. The Committee was advised that both audits should be available for the next meeting.
 - 3.1.3. **South Melbourne Market Cash Receipting** – The Committee discussed the delay in the testing of the cash receipting system and requested a further report on the implementation process for the next meeting.
 - 3.1.4. **Excessive Annual Leave Accruals** – The Committee received an update about the number of staff with excessive balances of accrued annual leave (above 40 days) as at the end of May 2008. The Committee noted that the movement in the accruals seemed to be seasonal and requested that future reports contain a comparison of the previous year's figures for the same period. The Committee also requested that individual staff with excessive accruals be identified. A further report will be provided for the next meeting.
 - 3.1.5. **Condition Assessment of Drains** – The Committee addressed this matter whilst the External Auditor was in attendance. The Committee was advised that a condition assessment of drains was undertaken by closed circuit television examination. The City has approximately 200kms of drains and an assessment was carried out on 2% of the network (approximately 4kms). A mix of drains were assessed – different locations, different aged drains and different construction materials. The cost to assess 2% of the network was approximately \$50,000. The Committee was advised that the consultants estimated the life of the asset to be 185 years, however, as the survey sample was small it was decided to adopt a conservative 150 year life span for the current revaluation exercise.
 - 3.1.6. **Chief Executive Officer's Issues** – The Committee received the March 2008 Quarterly Management Report to Council. The CEO also made comment on the recent media reports relating to Corporate Power. The Committee was also advised that submissions to the 2008/2009 Council Budget had closed and that three submissions were received, and that the community was given the opportunity to get involved in the budget process as two public briefings were conducted about the budget.

3.1.7. **2007/2008 External Audit Strategy** – Council’s External Auditor and representative of the Auditor-General, attended the meeting to discuss the 2007/2008 audit strategy. The Auditor advised the Committee that Port Phillip was a “low” risk council with respect to external audit, however, the revaluation of drainage assets remained a concern. The Auditor advised that the review would focus on:

- fair value assessment of assets
- impairments of assets
- parking debtors and the level of the provision of doubtful debts to ensure the provision is adequate
- the level of employee benefits and the split into current and non-current (also a review of the age of the workforce to determine future cash outflows)
- superannuation with a view to a re-evaluation of the council liability
- internal audit reports relating to financial controls
- recent issues reported in the media

The External Auditor also advised that a standard was being developed for the treatment of land under roads. The External Auditor advised that he would attend the Audit Committee meeting on 27 August at which the Committee considered the accounts prior to “in principle” adoption by the Council.

3.1.8. **Attestation of Compliance** – The Committee discussed how major legislative non-compliance was to be reported and at what intervals. The Committee was advised that management is developing a compliance report pertaining to Contracts, KPI’s, Risk, Human Rights, EO and OH&S. The Committee was advised that it could be provided with a verbal update on compliance at each Audit Committee meeting and that a detailed written report would be provided annually. The Committee agreed to this commitment.

3.1.9. **Auditor-General’s Report on Local Government Results of the 2006/2007 Audits** – The Audit Committee received a copy of the above report and acknowledged that Port Phillip performed well.

3.1.10. **Audit Committee Self Evaluation** – The Chair circulated two self-assessment tools and stated that he would revamp one of the tools in line with the Committee’s charter and present it to the Committee for consideration and use of a self-assessment tool.

4. RECOMMENDED OPTION

4.1. Recommendation:

It is recommended that the Strategy and Policy Review Committee recommend to Council to receive and note the report outlining the activities undertaken at the June 2008 meeting of the Audit Committee.

5. SUSTAINABILITY ASSESSMENT

Social Pillar	Some of the matters dealt with by the Audit Committee are concerned about the well-being and safety of the community. The Risk Management project for example not only deals with risks, both financial and non-financial that directly impact upon Council, but is also designed to discover risks in the community over which Council may have some influence.
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Economic Pillar	Audits undertaken by the Internal Auditor usually do contain comments regarding cost issues that will come under the close scrutiny of the Audit Committee. Furthermore, the Audit Committee has in the past encouraged Council to question the relevance of the services it provides.
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Environmental Pillar	Where possible the Audit Committee will question staff about environmental impacts that may eventuate as a result of the activities of the Council.
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Cultural Pillar	The Audit Committee is concerned that the organisation has in place processes that promote good corporate governance so that the operations of the Council are transparent, as well as, effective.
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5.1. Policy & Legislative Implications

- 5.1.1. This report is presented in accordance with the Terms of Reference of the Audit Committee and in response to a previous resolution of Council. The recommendation of this report has no impact on existing policy, nor does it create any new policy.
- 5.1.2. The tenure of the Committee is ongoing as Council is required by section 139 of the *Local Government Act 1989* to have an Audit Committee.

5.2. Resource implications

- 5.2.1. The matters considered by the Audit Committee at its June 2008 meeting have no immediate resource implications.

6. PARTICIPATION AND ENGAGEMENT

6.1. Internal

- 6.1.1. Council staff are invited to attend Audit Committee meetings or submit reports to address specific issues on the agenda.
- 6.1.2. During 2008 the Mayor and the Deputy Mayor are the Council representatives on the Audit Committee. The CEO, the Executive Director Organisation Systems and Support and the Manager Finance and Investments are invited to attend meetings as guests.

6.2. External

- 6.2.1. Where appropriate, the Audit Committee will invite representatives from external organisations, namely auditors, insurers, etc., to seek information and/or clarification on various matters.
- 6.2.2. There are two external members on the Audit Committee, one being the Chairperson.
- 6.2.3. Council's Internal Auditor attends all meetings of the Audit Committee and provides information and advice as requested.

7. CONCLUSION

- 7.1. The Audit Committee will continue to:
 - 7.1.1. respond to requests for advice from Council;
 - 7.1.2. review all matters that it considers to be within its Responsibilities and Terms of Reference; and
 - 7.1.3. report to Council annually, as well as, advise Council about its activities after each meeting.

8. RECOMMENDATION

- 8.1. That the Strategy and Policy Review Committee recommend to Council to receive and note the report outlining the matters considered by the City of Port Phillip Audit Committee at its June 2008 meeting, including issues such as the annual work plan, the internal audit program, excessive leave accruals, South Melbourne Market cash receipting, condition assessment of drains, CEO's issues, 2007/2008 external audit strategy, attestation of compliance and the Auditor-General's Report on Local Government Results of the 2006/2007 Audits.

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008 **GOVERNANCE AND COMPLIANCE**

A7	PROPOSED LEASE AGREEMENT TO MELBOURNE WATER CORPORATION - USE OF FENNELLS RESERVE, MELBOURNE MAIN SEWER REPLACEMENT PROJECT
LOCATION/ADDRESS:	FENNELLS RESERVE - CROWN ALLOTMENT 2, SECTION 41, INGLES, EVANS AND BOUNDARY STREETS, PORT MELBOURNE
RESPONSIBLE EXECUTIVE DIRECTOR:	SALLY CALDER, EXECUTIVE DIRECTOR ORGANISATION SYSTEMS AND SUPPORT
AUTHOR:	JEANENE SIMMONS, SENIOR PROPERTY ADVISOR
FILE NO.:	20/01/73
ATTACHMENTS:	1. SITE PLAN – MELBOURNE MAIN SEWER REPLACEMENT PROJECT PLAN 2. AERIAL PHOTOGRAPH – FENNELLS RESERVE 3. FENNELLS RESERVE SHAFT - INDICATIVE WORK SITE VIEW 4. LANDSCAPE PLAN – POST CONSTRUCTION

1. EXECUTIVE SUMMARY

- 1.1. Council is the appointed Committee of Management under the provisions of the Crown Land (Reserves) Act 1978 for Fennell Reserve at Ingles Street, Port Melbourne. Fennell Reserve encompasses an area of 3,642 square metres and is currently used as a public recreational facility.
- 1.2. Melbourne Water Corporation is responsible for delivering the State Government endorsed Melbourne Main Sewer Replacement Project. This initiative involves the replacement of the existing 100 year old, 2.2 kilometre sewer which runs from near the Charles Grimes Bridge on the Yarra River through South Melbourne and Port Melbourne.
- 1.3. To deliver the above project, Melbourne Water Corporation requires access to Fennell Reserve for a period of up to 7 years to construct a shaft and tunnel to the sewer line. The site will also be used for equipment storage during the works period.

- 1.4. At an Ordinary Meeting of Council on 23 June 2008, Council resolved to commence the statutory procedures under Section 190 of the Local Government Act 1989 ("the Act") and publish a notice in local newspapers inviting interested persons to make a submission under Section 223 of the Act for the proposed lease of Fennell Reserve to Melbourne Water Corporation.
- 1.5. A public notice was subsequently published in the Port Phillip Leader on 1 July 2008 and the Emerald Hill Weekly on 2 July 2008. No submissions or enquiries were received in relation to the proposed lease agreement.
- 1.6. This report recommends that Council finalise the statutory procedures and grant a lease to Melbourne Water Corporation under Section 17D of the Crown Land (Reserves) Act 1978 for use of Fennell Reserve for a period of up to 7 years.

2. BACKGROUND AND CONTEXT

- 2.1. On 14 June 2007, the State Government announced approval for the replacement of the Melbourne Main Sewer. The works will allow Melbourne Water Corporation to adequately cater for Melbourne's projected population growth.
- 2.2. The new sewer will be 2.4 kilometres long, 1.5m to 1.8m in diameter and 10 to 15 metres deep. It will include 6 key shafts at the following locations to connect into the existing sewerage system: Swallow Street Shaft, Fennell Street Shaft, Johnson Street Shaft, South Wharf Shaft, North Wharf Shaft and Wurundjeri Way Shaft.
- 2.3. Extensive community consultation activities were undertaken by Melbourne Water Corporation in mid 2007. The current 2008 community engagement program for the project includes the provision of information sessions, newsletters, a website (www.melbournewater.com/melbournemain) and a 1800 toll free community line for general enquiries.
- 2.4. Construction is scheduled to commence in mid 2008 and continue for approximately three to four years.
- 2.5. The new sewer will connect into the old sewer system at the Swallow Street site. During the works period the intersection of Byrne and Ross Streets will be blocked. A 2 way temporary crossover point on the median strip between Swallow and Byrne Streets will be constructed to all residents and visitors access in and out of Swallow Street.
- 2.6. Approval from the Minister for Environment and Climate Change is required for the grant and purpose of the proposed lease to Melbourne Water Corporation. The necessary Minister Order was signed and published in the Victorian Government Gazette on 17 July 2008. As Fennell Reserve was set aside as an "ornamental plantation" under Section 4(1)(w) of the Crown Land (Reserves) Act 1978, the Order must be tabled in both houses of Parliament for five consecutive days (with the approval coming into effect one day after the last sitting day). It is anticipated that the Order will proceed through Parliament in late August 2008.

- 2.7. Although Melbourne Water Corporation falls within the definition of a 'public body' for the purposes of the Act (which generally negates the need for Council to advertise an intention to lease), advice from Maddocks Lawyers indicated that Council could use its discretion to advertise the proposed lease and invite submissions. Following Council's resolution on 23 June 2008 to commence the statutory procedures, public notices were published in the Port Phillip Leader and the Emerald Hill Weekly on the 1 and 2nd of July 2008. No submissions or enquiries were received by the closing date of 16 July 2008.

3. RECOMMENDED OPTION

- 3.1. It is proposed to grant a lease pursuant to Section 17D of the Crown Land (Reserves) Act 1978 based on the following terms and conditions:

Lessor:	City of Port Phillip.
Lessee:	Melbourne Water Corporation.
Demised Premises:	Fennell Reserve, Crown Allotment 2, Section 41, Ingles, Evans and Boundary Streets Port Melbourne.
Area:	3,642 square metres (in accordance with Attachments 1 and 2).
Term:	Four years.
Options:	Three further terms of one year each* (*contingency planning– additional terms may not be required if construction matches project schedule).
Rental:	\$54,600 per annum plus GST.
Rental Reviews:	Every three years in accordance with market principles.
Permitted Use:	Works, storage access and ancillary uses in accordance with the Melbourne Main Sewer Replacement Project.
Conditions of Tenure:	The Lessee will, prior to undertaking any works on the leased area, obtain the permission of the Lessor. The Lessee will insure and keep insured all buildings, erections, extensions and improvements on the said land. The Demised Premises may be secured and locked by the Lessee during the term of the Lease.

4. SUSTAINABILITY ASSESSMENT

Social Pillar	The lease proposal forms part of Melbourne Water Corporation's planned major infrastructure replacement program. The works will ensure that an efficient sewer system is in place to address future population growth in the CBD, Docklands and Port Melbourne.
Economic Pillar	The lease proposal seeks to obtain an appropriate financial return for the exclusive use of Crown Land. Valuation advice has been obtained from Charter Keck Cramer and the recommended rental for the industrial use of Fennell Reserve is \$54,600 per annum plus GST.
Environmental Pillar	The lease proposal will assist Melbourne Water Corporation in replacing outdated infrastructure which is at the end of its productive life.
Cultural Pillar	The lease proposal has limited cultural vitality elements.

4.1.1. Re-instatement of Fennell Reserve by Melbourne Water Corporation

Melbourne Water Corporation will be required to re-instate Fennell Reserve to an agreed standard at the end of the project and conditions to this effect will be included in the proposed lease. Detailed landscape plans (showing the net improvement in visual site amenity and layout) and a copy of the re-instatement agreement will be attached to the lease for assessment purposes.

At the completion of the project, the only visible components in Fennell Reserve will be two small (600mm diameter) access manhole lids and a ventilation pole (Refer to Attachments 3 and 4). No odours will be discernible from the manholes as the lids are air tight. Odours will be emitted from the ventilation pole, but as this is 10 metres in height (in line with all other existing poles along the Melbourne Main Sewer) it is very unlikely that these odours will be discernible or cause concern to users of Fennell Reserve.

4.1.2. Planning Approvals

Melbourne Water Corporation does not require a planning permit for use of Fennell Reserve for the purpose of a minor utility installation or for any buildings and works associated with the use.

4.1.3. Project Timeline

The tunnel boring machine will be launched from Fennell Reserve, firstly to the south-west to Swallow Street and then north to the Yarra River. Melbourne Water Corporation would like access to Fennell Reserve as early as possible so that it can be prepared for the storing of components and for shaft construction. These early site works (which are expected to take 10 to 11 weeks include:

Power line diversion;

Hoarding erection;

Vegetation removal;

Top soil removal; and

Concrete slab construction.

Sheet piling and shaft excavation will then follow. These additional activities are expected to take 28 weeks. The total estimated lead time to the end of the shaft preparation work is therefore some 38 to 39 weeks.

4.2. **Policy and legislative implications**

4.2.1. The lease proposal is consistent with Council's key commitment to the provision of appropriate services and built infrastructure.

4.2.2. The procedural requirements associated with Sections 190 and 223 of the Act have been met as the intention to enter into a lease agreement with Melbourne Water Corporation was advertised and no submissions were received.

4.3. **Risk implications**

4.3.1. The proposed lease addresses risk implications by formalising the relationship between Council and Melbourne Water Corporation and providing certainty about the respective rights and obligations.

4.3.2. In the event of any delay to the commencement of the works at Fennell Reserve, Melbourne Water Corporation would be liable for the contractor's downtime costs which are estimated to be in the order of \$5,000 to \$6,000 per day.

4.4. **Resource implications**

4.4.1. The lease proposal to Melbourne Water Corporation has positive financial implications as a market rental will be obtained for the use of Crown Land during the works period.

5. PARTICIPATION AND ENGAGEMENT

5.1. Internal

5.1.1. The people who have been engaged with in relation to this issue are:

- David Graffen, Property Coordinator.
- Steve Scott, Placement Manager.
- Peter Birkett, Councillor Liaison Officer.
- David Elson, Project Manager Infrastructure Planning.
- Kathy Dillon, Building and Green Spaces Manager.
- Sam Hewett, Manager Asset Services.
- Paul Smith, Manager Environment and Renewal.
- Stefan Mitrik, Coordinator Traffic and Parking Management.
- Dwayne Carter, Coordinator Open Space Planning and Landscape and Urban Design.

5.2. External

5.2.1. The external people and/or organisations who have been engaged with in relation to this issue are:

- Doug Tipping, Property Manager, Melbourne Water Corporation.
- Wayne Malone, Group Manager, Public Land Management, Department of Sustainability and Environment.
- Doug Lane, Director, Charter Keck Cramer (valuation of proposed lease area).

6. IMPLEMENTATION

6.1. The recommendation of this report can be implemented by the finalisation and execution of a lease document based on the terms outlined in Section 3.1. A draft document has already been prepared in this regard by Melbourne Water Corporation.

7. COMMUNICATION

7.1. Melbourne Water Corporation will continue to be responsible for general community consultation and the provision of information regarding the Melbourne Main Sewer Replacement Project.

8. RECOMMENDATION

8.1. That the Strategy and Policy Review Committee recommend that Council resolve:

8.1.1. To finalise the statutory procedures and enter into a lease agreement with Melbourne Water Corporation on the following terms:

Demised Premises: Fennell Reserve (Crown Allotment 2, Section 41 Ingles, Evans and Boundary Streets, Port Melbourne).

Area: 3,642 square metres.

Term: 4 years.

Options: Three further terms of one year each.

Rental: \$54,600 per annum plus GST.

Rental reviews: every 3 years in accordance with market principles.

Permitted use: works, storage access and ancillary uses in accordance with the Melbourne Main Sewer Replacement Project.

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008 **GOVERNANCE AND COMPLIANCE**

A8 **NAMING OF RESERVE BOUNDED BY CNRS VICTORIA AVENUE, O'GRADY & MOUBRAY STREETS, ALBERT PARK 'RATS OF TOBRUK RESERVE'**

LOCATION/ADDRESS:

RESPONSIBLE EXECUTIVE DIRECTOR: **SALLY CALDER, EXECUTIVE DIRECTOR ORGANISATION SYSTEMS AND SUPPORT**

AUTHOR: **MURRAY CHICK, COORDINATOR GOVERNANCE**

FILE NO.:

ATTACHMENTS: **NIL.**

1. EXECUTIVE SUMMARY

- 1.1. This report advises Council of the results of the public submission process in relation to the naming of reserve bounded by the Cnrs Victoria Avenue, O'Grady & Moubray Streets, Albert Park 'Rats of Tobruk Reserve'.

2. BACKGROUND AND CONTEXT

- 2.1. Council at its Ordinary Meeting of Council held on 23 June 2008, resolved to:
- '1. That Council having considered the recommendation of the Strategy and Policy Review Committee resolve to:*
- a) Authorise the commencement of the statutory procedures required, in accordance with the Geographic Names Act 1998, to name a reserve on the corner of Victoria Avenue, O'Grady & Moubray Streets, Albert Park 'Rats of Tobruk Reserve.'*
- 2.2. Following the Council decision to proceed with the naming of the reserve, advertisements were placed in the Emerald Hill Weekly (9 July 2008) and the Port Phillip Leader (8 July 2008) seeking public comment in relation to the naming of the reserve and letters were sent to all surrounding properties.
- 2.3. Council has received 6 submissions (2 via letter, 2 via email and 2 via phone) supporting the proposal. Council has also received 1 submission suggesting three alternative names.

3. RECOMMENDED OPTION

3.1. It is recommended to name the reserve on the corner of Victoria Avenue, O'Grady & Moubay Streets, Albert Park 'Rats of Tobruk Reserve'.

3.2. Criterion for recommendation

3.2.1. The proposed name 'Rats of Tobruk Reserve' will have immediate community identification as Tobruk House is immediate opposite the unnamed reserve.

4. SUSTAINABILITY ASSESSMENT

4.1. Social Equity

4.1.1. This proposal fits with the social objective of Council recognising significant contributions by members of the community.

4.2. Economic Viability

4.2.1. There is minimal economic cost implication with this proposal. The costs include the erection of appropriate standard signage and the holding of a small function to unveil the signage, and would be funded within existing budget limits.

4.3. Environmental Responsibility

4.3.1. Standard signage will be erected on the reserve and it will have minimal physical impact on the environment.

4.4. Cultural Vitality

4.4.1. Naming of the reserve after the 'Rats of Tobruk' is a means of recognising their achievements in their fight to protect the port of Tobruk, Lybia.

4.5. Policy and legislative implications

4.5.1. When naming a place of local significance, the Council is required to follow the procedures outlined in the Local Government Act 1989, Section 206 and Schedule 10 (5), the Geographic Place Names Act 1998, its corresponding guidelines, Council's Memorials and Naming Policy and Council's Road and Lane Naming Guidelines.

4.6. Risk implications

4.6.1. There are no risk implications.

4.7. Resource implications

4.7.1. Council will be required to pay for the appropriate signage and small function to unveil the signage.

5. ALTERNATIVE OPTIONS

5.1. Option 1

- 5.1.1. That Council name the reserve opposite Tobruk House 'Rats of the Tobruk Reserve'.

5.2. Option 2

- 5.2.1. That Council reject the name and choose an alternative name for the reserve.

5.3. Option 3

- 5.3.1. That Council reject the proposal and determine not to proceed with the naming of the reserve.

6. PARTICIPATION AND ENGAGEMENT

6.1. Internal

- 6.1.1. Previous discussions have been held with the ward Councillor, who fully supports the proposal at this stage of the process.
- 6.1.2. Local Historian Librarian, who has no objection to the proposed name of the reserve.

6.2. External

- 6.2.1. Council has received 6 submissions in support (4 written and 2 verbal). Submissions were received from residents from Albert Park (3), Mount Helen, South Yarra and Branholme.

- 6.2.2. Comments in support of the naming of the reserve:

'Support this initiative. It will commemorate this very important part of Australian history and those involved. It is also an important part of the CoPP history in that 'Rats of Tobruk House' in Victoria Avenue has been their 'home' for so many years'.

'Support the proposal as my grandfather was at Tobruk and the naming will honour the soldiers that did not come home'.

'I would like to support your idea of a memorial park for the Rats of Tobruk. Sir Leslie Morshead was a great friend of my father Ernest Turnbull the 1st president of the RSL in 1921'.

'My grandfather was Thomas Frederick Charles Smith VX 40841 (2nd-23rd Australian Battalion). He was awarded the 1939-45 Star, the African Star (which I understand is associated with Tobruk, the Defence Medal and the 1939-45 War Medal for his World War II Service. He fought in WWI as a member of the Light Horse, including Gallipoli. As grandchildren, my brother and I are his direct descendants'.

- 6.2.3. As previously indicated Council has received a submission from a property owner in Albert Park suggesting three alternative names:

Avenue Reserve, Moubray Reserve or O'Grady Reserve – Reflecting the road names.

Reardon Reserve – Surname of submitters grandfather who owned Reardon Ice Works.

Holsworth Reserve – After the late Joan Holsworth who lived on the corner of Moubray and O'Grady Streets and who was an active member at the South Melbourne Cricket Club.

7. IMPLEMENTATION

- 7.1. Once final decision has been made to name the reserve, the following will be implemented:
- 7.1.1. A final notice will be placed in the Victoria Government Gazette to formalise the naming of the reserve.
 - 7.1.2. A letter will be sent to local residents and the people who made a submission advising of Council's decision on the proposal.
 - 7.1.3. The Statutory Functions Unit will notify relevant internal stakeholders of Council's decision advising of the name of the new reserve and asking the stakeholder to note the change in their records
 - 7.1.4. The Statutory Functions Unit will notify the Registrar of Place Names of the new name assigned to the reserve.
 - 7.1.5. The Statutory Functions Unit will notify the relevant public authorities of the new name that has been assigned to the reserve.
 - 7.1.6. The Statutory Functions Unit to brief Council's Media Officer for the preparation of a media release on the assigning of the name to the reserve.
 - 7.1.7. The Statutory Functions Unit to organise a small unveiling ceremony including a small function (at a date to be determined) at the reserve.
 - 7.1.8. Appropriate signage to be organised to commemorate the naming of the reserve.

8. COMMUNICATION

- 8.1. The naming of the reserve will be communicated to the community via the media (media release).

9. RECOMMENDATION

- 9.1. That the Strategy and Policy Review Committee recommends to Council
 - 9.1.1. That pursuant to Section 206, Schedule 10 (5) of the Local Government Act 1989, resolve to agree to name the reserve on the corner of Victoria Avenue, O'Grady & Moubray Streets, Albert Park 'Rats of Tobruk Reserve'.
 - 9.1.2. Authorise staff to carry out the necessary procedures to assign the new name in accordance with the Local Government Act 1989, the Geographic Place Names Act 1998 and the Port Phillip City Council Guidelines for the Naming and Re-naming of Lanes and Roads.

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008 **GOVERNANCE AND COMPLIANCE**

A9	PROPOSED DISCONTINUANCE AND SALE OF A SECTION OF RIGHT OF WAY NO. R2791 (510) AT THE REAR OF 208 ALBERT ROAD, SOUTH MELBOURNE
LOCATION/ADDRESS:	REAR 208 ALBERT RD, SOUTH MELBOURNE
RESPONSIBLE EXECUTIVE DIRECTOR:	SALLY CALDER, EXECUTIVE DIRECTOR, ORGANISATION, SYSTEMS & SUPPORT
AUTHOR:	TOULA KOTSABOUKIS, PROPERTY ADVISOR, PROPERTY & VALUATIONS
FILE NO.:	34/14/510-01
ATTACHMENTS:	SITE PLAN & PHOTOGRAPH

1. EXECUTIVE SUMMARY

- 1.1. This report is to finalise the discontinuance and sale of a section of Right of Way No. R2791 at the rear of 208 Albert Rd, South Melbourne. Council proposes to sell the section of Right of Way to the abutting owner, who is prepared to purchase the land at the price determined by Council's valuer.

2. BACKGROUND AND CONTEXT

- 2.1. The statutory process for 208 Albert Rd, South Melbourne commenced after a Councilor Note on the 21st May 2008.
- 2.2. The purpose of the discontinuance is to sell the section of Right of Way at the rear of 208 Albert Rd, South Melbourne to the abutting property owner.
- 2.3. The applicant for 208 Albert Rd, South Melbourne has accepted the sale price of the land of \$85,750.00 plus an administration cost of \$2,500.00.

3. RECOMMENDED OPTION

- 3.1. That the statutory procedure be finalised and the section of Right of Way be discontinued and the land sold to the abutting property owner.

4. CRITERION FOR RECOMMENDATION

- 4.1. The property owners of 5 Thomson St, South Melbourne have been given the opportunity to liaise with Council regarding this section of the Right of Way. Initially the owners of 5 Thomson St, South Melbourne applied to lease/licence the section of Right of Way but believed that the fees were excessive and suggested that the section of Right of Way be discontinued and designated as public metered parking for residents. The owners of 208 Albert Rd, South Melbourne have negotiated with Council over the last two years and lodged an application to purchase the section of Right of Way. The section of Right of Way no longer offers any community benefit and is considered a redundant portion of the Right of Way as it is a dead end cul-de-sac surrounded by concrete walls.
- 4.2. That the statutory procedures to discontinue and sell the section of Right of Way rear of 208 Albert Rd, South Melbourne should be completed subject to the Council's sale policy.

5. SUSTAINABILITY IMPLICATIONS

5.1. Social

The sale of the section of Right of Way is seen as due compensation to the community for the loss of public land. It is inequitable for property owners to derive private benefit from public land, without due compensation to the community.

5.2. Economic Viability

The income from the sale of the section of Right of Way is seen as due compensation to the community for the loss of public land.

5.3. Environmental Responsibility

There are no sustainability implications in terms of environmental responsibility.

5.4. Cultural Vitality

There are no sustainability implications in terms of cultural vitality.

5.5. Policy and legislative implications

The discontinuance and sale of the section of Right of Way is in accordance with the Council's discontinuance and sale policy, set out in Clause 3 of Schedule 10, of Local Government Act 1989.

5.6. Resource implications

The cost of selling the section of Right of Way will be absorbed within current operational budgets.

6. ALTERNATIVE OPTIONS

- 6.1. Reject the application to purchase. It should be noted that there have been disputes between abutting property owners regarding dumped rubbish, parking and dumpsters located in this portion of the Right of Way. The section of Right of Way at the rear of 208 Albert Rd, South Melbourne does not provide any access to abutting property owners. Rejecting the application to purchase the section of Right of Way will not provide any community benefit. Council's Heritage Advisor has confirmed that there are no heritage issues.

7. PARTICIPATION AND ENGAGEMENT

- 7.1. Council has communicated with the public through a "Public Advertisement" in the local newspaper on the 8th July 2008, during the statutory process. Correspondence dated 30th June 2008 requesting comments or objections were forwarded to the owners of 5 Thompson St, South Melbourne. No objections were received.
- 7.2. Internal consultation was carried out with Asset Management, Traffic Management, Strategic Planning, Planning and Building and Project Services and they advise that they have no objections to the proposal.
- 7.3. Council's Heritage Advisor has confirmed that there are no heritage issues.
- 7.4. External consultation to Service Authorities has been undertaken and no objections were received.

8. RECOMMENDATION

- 8.1. That the Strategy and Policy Review Committee recommend that Council resolve:
- 8.1.1. That the statutory procedures to discontinue the section of Right of Way No. R2791 at the rear of 208 Albert Rd, South Melbourne, be completed. That the land from the Road be sold to the owners of 208 Albert Rd, South Melbourne, subject to the land being consolidated to the property.

STRATEGY AND POLICY REVIEW COMMITTEE SECTION
4 AUGUST 2008 **GOVERNANCE AND COMPLIANCE**

A10	NEIGHBOURHOOD PROGRAMS COMMITTEE
LOCATION/ADDRESS:	N/A
RESPONSIBLE EXECUTIVE DIRECTOR:	SALLY CALDER, EXECUTIVE DIRECTOR ORGANISATION SYSTEMS & SUPPORT
AUTHOR:	CATHY HENDERSON, MANAGER GOVERNANCE & COMMUNITY RELATIONS
FILE NO.:	
ATTACHMENTS:	1. PROPOSED AMENDED TERMS OF REFERENCE 2. INSTRUMENT OF DELEGATION

1. EXECUTIVE SUMMARY

- 1.1. The Council's Neighbourhood Programs Committee provides minor grants to individuals, organisations and community groups to improve the sense of community in Port Phillip. The committee has recommended that its terms of references be amended in two ways: to limit the number of grants a group can receive during a single council term; and to clarify spending limits during an election year.

2. BACKGROUND AND CONTEXT

- 2.1. On 24 July 2006 the Council established a Neighbourhood Programs Committee. The committee was intended to provide financial contributions to individuals, organisations or community groups, in order to enhance the sense of community within Port Phillip. The allocations were to be minor in nature and were intended to fall outside of other community funding schemes that Council operates.
- 2.2. The committee consists of the Mayor, Deputy Mayor and CEO. The committee is supported by the Mayor & Councillors office.
- 2.3. The committee has been meeting on a monthly basis and approving grants in line with its terms of reference and instrument of delegation.
- 2.4. On Monday 7 July 2008 the Neighbourhood Programs Committee met and requested that a brief report be prepared for council consideration, recommending that item 4 in the Guidelines be amended to reflect that a community group will not be supported on more than 2 occasions in a councillor's term (4 years). They also requested that an item be included specifying that in an election year spending is restricted to 50% of budget in the first six months of the relevant financial year.

3. RECOMMENDED OPTION

It is proposed that the terms of reference be amended as follows in this extract of the terms of reference (insertions are shown in italics, deletions are shown as struck out):

3. Funds for individual benefit shall be limited to attendance at recognised State event (maximum \$100), national event (maximum \$300) and international events (maximum \$500).
4. Funding to organisations or community groups shall be limited to a maximum of \$1000 to any one group per councillor in any one year, *and a maximum of two grants to any one group in any four year council term.*
5. *In a year in which a general City of Port Phillip council election is being held, the Committee may not allocate more than 50% of the neighbourhood programs budget during the first six months of the relevant financial year. (For instance, in 2008 this would mean that from 1 July 2008 – 31 December 2008 no more than 50% of the 2008-09 neighbourhood programs budget could be allocated.)*
- ~~5-6.~~ Any requests above these limits detailed in parts 3, 4 *and 5* above shall be referred to Council for consideration.

3.1. Criterion for recommendation

The neighbourhood programs grants have proved popular and useful. It is sensible to review the allocation limits from time to time.

3.2. Sustainability assessment

SOCIAL EQUITY

Social Pillar	Neighbourhood program grants contribute to community connections and wellbeing.
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ECONOMIC VIABILITY

Economic Pillar	This recommendation adjusts the financial limits for grants to ensure that grants distribution continues to be as fair as possible.
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ENVIRONMENTAL RESPONSIBILITY

Environmental Pillar	This recommendation does not change the effect of the neighbourhood grants program on the environment.
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CULTURAL VITALITY

Cultural Pillar	The neighbourhood program grants help communities to come together.
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3.3. Policy and legislative implications

Special committees are subject to restrictions in the Local Government Act and in the council's Meetings Procedures Local Law. The Neighbourhood Programs Committee itself has recommended that the changes to the committee's terms of reference be made.

3.4. Risk implications

This recommendation helps to manage the risk that the neighbourhood programs scheme may be seen to favour particular groups, by ensuring that groups may not receive more than two neighbourhood program grants in any four year council term.

3.5. Resource implications

Adopting this recommendation would assist the Neighbourhood Programs Committee to continue to manage its budget appropriately.

4. ALTERNATIVE OPTIONS

This recommendation has been made by the Neighbourhood Programs Committee. The council could instead choose not to accept the recommendation, and leave the terms of reference of the committee unchanged. Alternatively, the council could choose to approve different grant limits to those recommended.

5. PARTICIPATION AND ENGAGEMENT

5.1. Internal

5.1.1. The Mayor, Deputy Mayor, CEO were present at the committee meeting which made the recommendation. The Coordinator Executive Support has also been consulted.

5.2. External

5.2.1. No external groups have been consulted about this proposal.

6. IMPLEMENTATION

6.1. If the recommendation is adopted, the new terms of reference will take effect when the Council meeting has approved the changes and when the common seal is affixed to the delegation.

7. RECOMMENDATION

- 7.1. That the Strategy and Policy Review Committee recommend that Council resolve:
 - 7.1.1. Note that the Neighbourhood Programs Committee has recommended changes to its terms of reference.
 - 7.1.2. Approve the amended terms of reference for the Council Neighbourhood Programs Committee as (Attachment 1 to the report).
 - 7.1.3. Affix the Common Seal of Port Phillip Council to the Instrument of Delegation (Attachment 2 to the report).

STRATEGY AND POLICY REVIEW COMMITTEE
4 AUGUST 2008 **GOVERNANCE AND COMPLIANCE**

A11 CAPITAL WORKS END OF FINANCIAL
YEAR POSITION

LOCATION/ADDRESS:

RESPONSIBLE EXECUTIVE DIRECTOR: DAVID YEOUART, EXECUTIVE
DIRECTOR COMMUNITY ASSETS AND
SERVICES

AUTHOR: SAM HEWETT, MANAGER ASSET
SERVICES

FILE NO.:

ATTACHMENTS: ATTACHMENT #1 – CAPITAL WORKS
CARRYOVER PROJECTS
ATTACHMENT #2 - CAPITAL WORKS
CANCELLED PROJECTS

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to advise Council on the 2007/2008 capital works end of financial year position.
- 1.2. Council had a total capital works program budget of \$38.5million for the 2007/2008 financial year which included \$19million in rollovers from previous years.
- 1.3. A total capital works rollover figure at June 30 2008 of \$7,149,000 is recommended which represents a rollover percentage of 18.5%
- 1.4. A total of 28 individual projects are recommended to be rolled over from the 2007/2008 capital program for completion as part of the 2008/2009 capital works program.
- 1.5. Council has a capital works rollover target of no greater than 10% by June 30 2009 which is achievable if improvements continue to be made to project delivery.

2. BACKGROUND AND CONTEXT

2.1. In June 2007, Council approved a Capital Works program budget of \$19.5M for 2007/2008. In addition, a total of \$19M in project funding was carried over from 2006/2007 giving a total program budget for 2007/2008 of \$38.5M.

2.2. A total of 270 individual projects were scheduled for delivery in 2007/2008 with the responsibility for delivering those projects spread across 6 key Port Phillip departments. The responsibility rested as follows

- Infrastructure Services 176 Projects
 - Buildings and Green Services 51 Projects
 - Asset Services 32 Projects
 - Others (Culture and Recreation, Environment and Renewal, City Development) 11 projects
- TOTAL 270 projects

A total of 242 individual capital projects were completed during the 2007/2008 financial year which represents 10.3% of all projects.

2.3. At the end of June 2008, the capital works financial position is as follows;

** Total Program Budget \$38.5Million

	YTD Actual Expenditure	Carryover	Reserves	Variation (savings or over expenditure)
Financial	\$31,693,812	\$7,149,000	\$1,093,146	\$1,363,779 (over expenditure - \$651,779 adjusted)
Percentage	82.1%	18.5%	2.8%	-3.5%

2.4. The above table shows 82.1% of the total program budget was expended in 2007/2008, 18.5% of the total program budget is recommended to be rolled over, 2.8% of the total program budget was transferred into reserves, and 3.5% of the total program budget was over expended during the year.

2.5. The over expenditure of \$1,363,779 is primarily represented by increased costs associated with the delivery of the St. Kilda Town Hall project, the increased costs associated with delivery of the Building Condition Audit project and \$712,000 of over-expenditure to expedite the completion of the final stage of St. Kilda Promenade and Pier Entry Project (This project is planned for completion in August 2008). This budget was brought forward from the 2008/2009 capital works program. As the \$712,000 required is contained within the 2008/2009 capital program, the adjusted over expenditure is \$615,779. It is proposed this shortfall will be funded from the end of year operational surpluses.

- 2.6. However, in July 2008 the Final Report – St. Kilda Town Hall Redevelopment (A18) to the Strategy and Policy Committee recommended that the over expenditure for the St. Kilda Town Hall project be funded from capital works savings. At the time that report was presented to Council, the final capital works position had not been reconciled. As illustrated above, while there has been some individual project savings, it has not been sufficient to cover the total expenditure over-run of the St Kilda Town Hall, in particular.

Consequently, one of the recommendations of this report is that, the previous resolution of Council on 28 July 2008 that, the over expenditure be funded through capital works savings be rescinded. Council can rescind a resolution, as long as it has not been acted upon. This recommendation has not yet been acted upon.

- 2.7. The Reserves figure of \$1,093,146 is made up of 3 projects – St. Kilda Family and Children’s Centre \$700k, Gasworks Park Remediation \$163k and Cleve Plaza Project \$230k. The decision to transfer this budget into reserves was taken by Council during the 2007/2008 mid year budget review. Decisions on transferring budget into reserves occurs when the project budget includes a tied external grant or where a future project has been identified which requires significant budget which is to be funded from multiple years (eg. Gasworks Park)
- 2.8. The above carryover position of 18.5% at June 30, 2008 represents an improved result over previous years as the table below demonstrates.

Capital Works Rollover Position – Annual View

Year	Budget \$'000	Actual \$'000	Percentage	Carryover \$'000	Percentage
1995/96	11,028	9,698	87.9	1,330	12.0%
1996/97	10,309	8,276	80.2	2,033	19.7%
1997/98	8,009	6,536	81.6	1,473	18.3%
1998/99	9,680	8,036	83.0	1,644	16.9%
1999/00	11,877	9,830	83.7	2,047	17.2%
2000/01	13,917	10,558	75.8	3,359	24.1%
2001/02	18,417	13,487	73.2	4,930	26.7%
2002/03	19,903	12,647	63.5	7,256	36.4%
2003/04	22,435	16,223	72.3	6,212	27.6%
2004/05	17,650	7,291	41.3	10,359	58.6%
2005/06	32,780	13,750	41.9	19,030	58.0%

2006/07	47,000	28,000	59.5	19,000	40.4%
2007/08	38,500	31,600	82.1	7,100	18.5%



2.9. The capital works year end position of 18.5% is Council's best carryover position since 1999/2000 with significant increases in the size and complexity of the capital program in that time.

2.10. The improved result is due to;

- Tighter capital works planning,
- Implementation of the Capital Works Implementation Plan,
- A flexible capital works staffing model,
- Greater commitment and accountability from client managers and project managers to delivering projects,
- Some larger capital projects being completed in 2007/08, and
- Improved tracking and reporting systems for capital projects (KPIs and metrics)

2.11. A total of 28 projects scheduled for delivery in 2007/2008 were unable to be completed by year's end. Attachment #1 – Capital Works Carryover Projects is a summary of projects that are to be carried over and a time line of when they are expected to be completed.

- 2.12. A total of 6 projects are recommended to be cancelled or deferred as part of the year end assessment. As a consequence these projects and the funding should not be carried over. These projects are outlined in Attachment #2 – Capital Works Cancelled Projects. Of the six projects that were cancelled, four related to drainage and the asset planners recommend that the drainage, flooding and storm water studies that are currently underway will provide much better intelligence, from which future decisions can be made on drainage projects. The other 2 projects related to a traffic improvement project which received no community support and a parks and open space project which needs to be fully re-scoped.
- 2.13. Council has a target of reducing capital works rollovers to no greater than 10% by June 30, 2009. This target is achievable if the current improvement continues and when further improvement measures are initiated.
- 2.14. In 2008/2009 the size of the capital works program will be \$32.8Million which will be made up of \$25.7M in new funding and \$7.1M in rollover funding.

3. RECOMMENDED OPTION

- 3.1. That the Council resolve that a total of \$7,149,000 of capital works project funding from 2007/2008 be carried over for delivery into 2008/2009.
- 3.2. Council is asked to endorse the capital works rollover figure of \$7,149,000 and authorise the inclusion of the 28 projects listed in Attachment #1 – Capital Works Carryover Projects into the 2008/2009 capital works program.
- 3.3. Council rescind the resolution of Final Report – St.Kilda Town Hall Redevelopment (A18) made by Council on 28 July 2008 which states in recommendation 6.3 *“Delegates the Executive Director Community Assets and Services to transfer savings made, within the current capital program, from other capital projects to cover the final shortfall, expected to be in the order of \$744,222”*.
- 3.4. The above resolution to be replaced by Council resolving to fund the final adjusted over expenditure of \$615,779 for the 2007/2008 capital works program from operational surpluses.
- 3.5. Council notes the progress and improvements in the delivery of the capital works program and in particular the success related to tighter capital works planning, the implementation of the Capital Works Improvement Plan and the introduction of a flexible staffing approach to capital project delivery.

3.6. Sustainability assessment

SOCIAL EQUITY

Social Pillar	In 2007/2008 the Capital Works Program acknowledged projects that had a significantly positive impact on the social nature of the city. These included projects such as the Sport and Recreation Improvement Program, Adventure Playground Update Program and Foreshore Assets and Beach Improvement Program.
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ECONOMIC VIABILITY

Economic Pillar	The capital works program in 2007/2008 totaled \$38.5Million which included \$19million in rollovers from previous years. The 18.5% rollover figure as at 30 June 2008 is the best rollover result since 1999/2000 when the rollover figure was 17.2% of a total capital works program budget of \$11.8million.
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ENVIRONMENTAL RESPONSIBILITY

Environmental Pillar	In 2007/2008 many projects responded to increasing demands to be environmentally sustainable. The number of projects with a 'green' element totaled 24. These included projects such as Greening Port Phillip, Town Hall Strategy and the St. Kilda Road Tree Planting project. Council took the decision to fund projects with an environmental profile as a way to demonstrate to the community that environmental sustainability was a significant capital works commitment.
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CULTURAL VITALITY

Cultural Pillar	Many projects supported through the 2007/2008 capital program had a strong focus on the cultural vitality of our city. These included projects like the Urban Studies Centre, South Port Life Saving Club and the Betty Day Centre. These projects had an element of inclusiveness and demonstrated a capacity to support community groups.
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3.7. **Policy and legislative implications**

In November 2007, Council's auditors WHK Day Nielson requested Council receives an end of financial year report to consider the carryover figure and carryover projects. This report satisfies that requirement.

3.8. **Risk implications**

There are risks associated with rolling over too much capital works funding from one year to the next. Rollover too much and the size of future years' program grows and becomes more difficult to deliver within timeframes and resources.

To mitigate these risks, extensive consultation occurred between all project managers, client managers and departmental managers to ensure the appropriate levels of budget was rolled over to cover future planned expenditure.

3.9. **Resource implications**

The physical resource is believed to be adequate to deliver this program. In addition it is proposed that a new capital works project board is to be established to help monitor and supervise the capital works program delivery and to ensure greater accountability. The membership of the project board will include;

- The Executive Director Community Assets and Services,
- Manager Asset Services
- Manager Corporate Planning and Performance
- Manager Economic Development
- Co-ordinator Asset Planning

It is anticipated that the capital works project board will assist the organisation to achieve the rollover target of no greater than 10% by June 30, 2009.

4. **ALTERNATIVE OPTIONS**

Council may choose to rollover some or all of the projects currently listed in **Attachment #2 – Capital Works Cancelled Projects**. However, Council is advised that extensive analysis has occurred in relation to these projects in order to come to the decision to discontinue them.

The decision to cancel was based on whether there were clear benefits to the community to continue at this time or whether Council would be better placed to reconsider redesigned and/or re-scoped projects in future capital works budgets. It is the recommendation of this report to reconsider projects of this type in future capital programs.

5. PARTICIPATION AND ENGAGEMENT

5.1. Internal

5.1.1. The people who have been engaged with in relation to this issue are:

- Manager Finance and Investments
- Co-ordinator Financial management
- Senior Management Accountant
- Managers of Buildings and Green Services, Infrastructure Services, Culture and Recreation, Environment and Renewal.
- Project managers and client managers from across the organisation
- All project managers and client managers are satisfied with the projects that have been rolled over and/or cancelled.
- The Manager Finance and Investments is satisfied with the recommendations including the roll over figure, the reserves figures, the over expenditure figure and proposed financing.

6. IMPLEMENTATION

6.1. The 2008/2009 capital works program was launched in late July.

6.2. At that time project managers, client managers, department managers, and other staff with an interest in seeing the capital works program delivered were reminded of some of the key deliverables, milestones and responsibilities for the coming year. They included;

- The role of client managers and project managers
- The role of the new capital works project board
- The target of reducing capital works rollovers to no more than 10%

6.3. The new internal capital works project board will begin supervising the delivery of the capital works program in late August 2008.

7. RECOMMENDATION

- 7.1. That the Strategy and Policy Review Committee recommend that Council resolve:
- 7.1.1. That the Council resolve that a total of \$7,149,000 of capital works project funding from 2007/2008 be carried over for delivery into 2008/2009.
 - 7.1.2. Council is asked to endorse the capital works rollover figure of \$7,149,000 and authorise the inclusion of the 28 projects listed in Attachment #1 – Capital Works Carryover Projects into the 2008/2009 capital works program.
 - 7.1.3. Council rescind the resolution of Final Report – St.Kilda Town Hall Redevelopment (A18) made by Council on 28 July 2008 which states in recommendation 6.3 *“Delegates the Executive Director Community Assets and Services to transfer savings made, within the current capital program, from other capital projects to cover the final shortfall, expected to be in the order of \$744,222”*.
 - 7.1.4. The above resolution to be replaced by Council resolving to fund the final adjusted over expenditure of \$615,779 for the 2007/2008 capital works program from operational surpluses.
 - 7.1.5. Council notes the progress and improvements in the delivery of the capital works program and in particular the success related to tighter capital works planning, the implementation of the Capital Works Improvement Plan and the introduction of a flexible staffing approach to capital project delivery.