



**STRATEGY AND POLICY  
REVIEW COMMITTEE**

**AGENDA**

**4 FEBRUARY 2008**

## Strategy and Policy Review Committee

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### 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 process and for you to work with Council towards making Port Phillip a great place to live and work.

### 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.

### Speaking at this meeting

Provision is made at the beginning of the meeting for a question time from members of the public.

If you would like to ask a question or address the Committee on any of the items discussed tonight, please fill in the blue 'Do You Wish to Speak' form located outside the chamber and give it to the Administrative Officer or any Council officer present.

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. The Committee welcomes all contributions, however if somebody has already raised an issue you agree with, there is no need to repeat it. Rest assured we take everything on board!

It may seem intimidating to address the Committee but we assure you, you're in a very relaxed environment! By attending this meeting you are playing a very important part in the democratic process. We hope it proves to be a rewarding experience.



CITY OF PORT PHILLIP

# **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 February 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 3 December 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 JANUARY 2008

# STRATEGY AND POLICY REVIEW COMMITTEE

## REPORT INDEX

### 6. PRESENTATION OF REPORTS

#### 6.1 POLICY AND PLANNING

##### A1 Amendment C57 (Part 2) -Consideration Of Submissions

**Responsible Executive Director:** Geoff Oulton - Executive Director Community Development and Planning

**Purpose:** That Council consider all submissions received to Amendment C57 (Part 2) to the Port Phillip Planning Scheme, and resolve a position on each.

**Recommendation:** That Council resolve to request that the Minister for Planning appoint an independent Panel to review submissions to Amendment C57 (Part 2).

##### A2 Amendment C69 – Update Of Provisions

**Responsible Executive Director:** Geoff Oulton - Executive Director Community Development and Planning

**Recommendation:** Council resolve to seek a section 20(4) exemption from the Minister for Planning

##### A3 City Of Port Phillip Property Strategy

**Responsible Executive Director:** Sally Calder, Executive Director Organisation Systems & Support

**Purpose:** To update Council on the property strategy.

**Recommendation:** That the Council endorses the property strategy.

## 6. PRESENTATION OF REPORTS (CONT)

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### 6.2 GOVERNANCE AND COMPLIANCE

#### A4 Proposed Discontinuance And Sale Of Sections Of The Right Of Way At The Rear Of 180 & 184 Carlisle Street, St Kilda

**Responsible Executive Director:** Sally Calder, Executive Director Organisation Systems & Support

**Purpose:** This report is to finalise the discontinuance and sale of sections of Right of Way at the rear 180 & 184 Carlisle St, St Kilda.

**Recommendation:** That the statutory procedures to discontinue the sections of Right of Way at the rear 180 & 184 Carlisle St, St Kilda, be completed. That the land from the road be sold to the owners of 180 & 184 Carlisle St, St Kilda, subject to the land being consolidated to the property.

#### A5 Proposed Discontinuance And Sale Of A Section Of Right Of Way At The Rear Of 120 Princes Street, Port Melbourne

**Responsible Executive Director:** Sally Calder, Executive Director Organisation Systems & Support

**Purpose:** This report is to finalise the discontinuance and sale of a section of Right of Way rear 120 Princes St, Port Melbourne.

**Recommendation:** That the statutory procedures to discontinue the section of Right of Way at the rear of 120 Princes St, Port Melbourne, be completed. That the land from the road be sold to the owners of 120 Princes St, Port Melbourne, subject to the land being consolidated to the property.

#### A6 South Melbourne Market – Activities Report

**Responsible Executive Director:** Sally Calder, Executive Director Organisation Systems & Support

**Purpose:** Periodic report on the activities of the South Melbourne Market.

**Recommendation:** Council accept the activities report as tabled.

#### A7 Quarterly Financial Report & Key Performance Indicator

**Responsible Executive Director:** David Spokes, Chief Executive Officer

**Purpose:** Update Council on the Quarterly Financial Report and the Key Performance Indicator Report from the CEO.

**Recommendation:** That the Quarterly Financial Report and the Key Performance Indicator Report from the CEO be adopted.

## 6. PRESENTATION OF REPORTS (CONT)

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### A8 Mid Year Budget 2007/2008

**Responsible Executive Director:** Sally Calder, Executive Director Organisation Systems & Support

**Purpose:** To provide a report to Council on the proposed mid year budget changes highlighted from a review of Council's performance to end of December 2007.

**Recommendation:** Council adopt the 2007/2008 Mid year budget forecast changes as outlined within the body of this report and the Attachments, as well as the changed recommended to the Capital Works program.

## **6. PRESENTATION OF REPORTS (CONT)**

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### **10. PRESENTATION OF CONFIDENTIAL REPORTS**

#### **10.1 POLICY AND PLANNING**

Nil.

#### **10.2 GOVERNANCE AND COMPLIANCE**

Nil.

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<b>A1</b>	<b>AMENDMENT C57 (PART 2) - CONSIDERATION OF SUBMISSIONS</b>
<b>LOCATION/ADDRESS:</b>	<b>ORMOND ROAD AND ST KILDA STREET, ELWOOD</b>
<b>RESPONSIBLE EXECUTIVE DIRECTOR:</b>	<b>GEOFF OULTON - EXECUTIVE DIRECTOR COMMUNITY DEVELOPMENT AND PLANNING</b>
<b>AUTHOR:</b>	<b>SUZY THOMAS - STRATEGIC PLANNER</b>
<b>FILE NO.:</b>	<b>66/04/71</b>
<b>ATTACHMENTS:</b>	<b>ATTACHMENT 1 – TABLE (COMPARISON OF EXHIBITED CONTROLS, PANEL RECOMMENDATIONS, AND PROPOSED CONTROLS)</b>

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**1. EXECUTIVE SUMMARY**

- 1.1. Amendment C57 (Part 2) proposes to introduce a new schedule to the Design and Development Overlay (DDO18) at Clause 43.02 of the Port Phillip Planning Scheme. The DDO18 reflects the outcomes of the Ormond Road Urban Design Guidelines and applies to the residential precinct of Ormond Road, between Pine Avenue and St Kilda Street, including 473 and 475A St Kilda Street.
- 1.2. Amendment C57 (Part 2) was placed on public exhibition on 15 November 2007 for a period of one month. Notices were sent to all properties affected by the amendment as well as the immediately abutting properties. Notices were also placed in the Government Gazette and the local newspapers.
- 1.3. Following exhibition of the amendment, a total of twelve (12) submissions were received – 3 submissions (from South East Water, Department of Sustainability and Environment, and VicRoads) offered no objection, whilst the remaining 9 submissions opposed the amendment. Of the 9 submissions opposing the amendment, 8 submissions are identical 'form letters' that have been signed individually.
- 1.4. After consideration of all submissions, it is recommended that no change be made to the proposed DDO18 provisions and that Council request that the Minister for Planning appoint an independent Panel to consider and review the submissions.

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**2. BACKGROUND AND CONTEXT**

- 2.1. In January 2006, Council commenced preparation of the Ormond Road Urban Design Guidelines, to guide built form within the retail areas of Elwood Junction and Elwood Village and the residential areas in between.
- 2.2. Council adopted the Guidelines in September 2006 and resolved to implement the findings of the Guidelines by an amendment to the Port Phillip Planning Scheme, known as Amendment C57.
- 2.3. The amendment proposed a new schedule to the Design and Development Overlay (DDO18) at Clause 43.02 of the Planning Scheme. The DDO18 applied to the two retail precincts (Elwood Junction and Elwood Village) and the two residential precincts within Ormond Road. Amendment C57 also proposed to rezone the land at 129 and 131 Ruskin Street from a Business 1 Zone to a Residential 1 Zone.
- 2.4. Amendment C57 was exhibited during November and December 2006, during which submissions were invited from the public. Following exhibition, Council considered all submissions and resolved to refer them to an independent Panel appointed by the Minister for Planning.
- 2.5. The Panel hearing was conducted in May 2007 and the report of the Panel was received in July 2007. The Panel recommended that Council consider adopting changes to the DDO and also recommended that further notice be given in relation to changes affecting the residential precinct between Pine Avenue and St Kilda Street.
- 2.6. Council considered the Panel's recommendations at the Strategy and Policy Review Committee meeting on 6 August 2007. In the Ordinary Meeting of Council on 27 August 2007, Council resolved to separate the amendment into two parts as follows:
  - 2.6.1. **Amendment C57 (Part 1)**, incorporating the commercial areas of Elwood Junction and Elwood Village and the adjoining residential area along Ormond Road, between Byrne Avenue and Beach Avenue.
  - 2.6.2. **Amendment C57 (Part 2)**, incorporating the residential area along Ormond Road, between Pine Avenue and St Kilda Street and including 473 and 475A St Kilda Street.
- 2.7. Council resolved to adopt Amendment C57 (Part 1) with changes and forward this to the Minister for Planning for approval. Council also resolved to give further notification of Amendment C57 (Part 2), as a result of the changes recommended by the Panel for this precinct.

**3. AMENDMENT C57 (PART 2)**

- 3.1. The key changes to the controls are summarized as follows:
  - Increase in height from 3 storeys (9 metres) to 4 storeys (13 metres).
  - The 4th storey setback so that it is not visible from standing eye level on the opposite side of the street, or the rear building line of adjoining residential properties.

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- Increase in the front setback to a minimum of 6 metres, as a mandatory requirement.
- Mandatory landscaping of the front setback area.
- Side setbacks to accord with Rescode.

The following table provides a more detailed description of these changes (a full description of all the changes, as they relate to the exhibited controls, the controls recommended by the Panel, and the proposed controls, are included in the table at Attachment 1).

	Controls originally exhibited under Amendment C57	Controls recommended by the Panel	Controls proposed under Amendment C57 (Part 2)
Height	Building must not exceed a maximum height of 9 metres (3 storeys)	Buildings must not exceed an overall height of 13 metres (4 storeys).	Same as recommended by the Panel.
		The front wall of buildings must not exceed a height of 10.5 metres (3 storeys).	Variation to the Panel recommendation: The front wall of buildings must not exceed a height of 10 metres (3 storeys).
	Above a height of 6 metres, buildings must be setback so that they are not apparent from standing eye level on the footpath directly opposite the site, or the rear building line of adjoining residential properties.	New development must be setback above a height of 10.5 metres such that it is not visible from standing eye level at the rear building line of any adjoining residential property.	Variation to the Panel recommendation: New development must be setback above a height of 10 metres such that it is not visible from standing eye level at the rear building line of any adjoining residential property.
		Any 4th storey must be setback from front and side street boundaries such that it (and any associated balustrading) is not visible from standing eye level on the footpath directly opposite the site.	Same as recommended by the Panel.
Front Setback	New development should be setback from the street boundaries in accordance with Clause 55.03-1 (Street setback objective) of the Port Phillip Planning Scheme.	Buildings must be setback from the front boundary a minimum distance of 6 metres or that distance required by Clause 55.03-1 of the Port Phillip Planning Scheme, whichever is the greater.	Same as recommended by the Panel.
Landscaping	Front setbacks should provide for landscaping.	Front setbacks must be landscaped.	Variation to the Panel recommendation: Front setbacks must be landscaped, and should not be used for carparking.
Side Setbacks	Side setbacks must conform with the character of the area.	The height and setback of a building from a boundary with any residential property should accord with Clause 55.04-1 (side and rear setbacks objective) and Clause 55.04-5 (overshadowing open space objective) of the Port Phillip Planning Scheme.	Same as recommended by the Panel.

- 3.2. In line with the recommendations of the Panel, Amendment C57 (Part 2) was re-exhibited for a period of one month, from 15 November to 17 December 2007. Notices were sent to all property owners and occupiers affected by the amendment, to the owners and occupiers of abutting properties, and to all owners and occupiers who made a submission to the



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**Submitter:** VicRoads                      **Property:** General

<b>Submission:</b>	<b>Officer comment and recommendation</b>
<i>"VicRoads has assessed the proposal and does not object to the proposed planning scheme amendment."</i>	Submission noted. Recommendation: No change required.

**Submission 4**

**Objection**

**Submitter:** Owner                      **Property:** Unit at 145 Ormond Rd, Elwood

<b>Submission:</b>	<b>Officer comment and recommendation:</b>
<p>The submission states:</p> <p><i>"As a local community member, I am extremely concerned that the development will deeply undermine the character of Elwood Village. Recent development on Ormond Road and in the village has already affected the unique community feel of Elwood.</i></p> <p><i>I am deeply concerned by the deterioration of Elwood Village and believe it is the role of the Council to preserve and protect the heritage of our community for future generations. This development does nothing to maintain the natural character of Elwood and I urge the panel to reject the proposal."</i></p>	<p>It is assumed that reference to "the development" refers to the proposed DDO controls. The submission states that <i>"the development will deeply undermine the character of Elwood Village"</i>. Amendment C57 (Part 2) applies only to the residential precinct of Ormond Road between Pine Avenue and St Kilda Street, and not Elwood Village. The DDO controls for Elwood Village have been finalised as part of Amendment C57 (Part 1). These controls were sent to the Minister for Planning in October 2007 and are awaiting approval. No further submissions can therefore be made, or considered by Council, in relation to Amendment C57 (Part 1) and the controls for Elwood Village.</p> <p>The submission further states that <i>"This development does nothing to maintain the natural character of Elwood and I urge the Panel to reject the proposal"</i>. The proposed DDO controls have evolved from the recommendations of the Panel and will ensure that new development is of a scale and siting that relates to the existing built form of the area, which includes 2 and 3 storey buildings and a 4 storey building currently under construction at 475A St Kilda Street. As such, there will be no detrimental effect on neighbourhood character or the streetscape.</p> <p>The controls will prohibit buildings of more than 4 storeys, while height and setback requirements will ensure that a 4th storey (if proposed) will not be visible in the public or private realm (on the footpath directly opposite the site or from the rear of adjoining residential development).</p> <p>Recommendation: No change.</p>
<p><i>"Increased traffic has resulted in heightened risk to pedestrians, and motorists accessing or leaving from existing properties, due to speeding vehicles on Ormond Road. This increased traffic has made parking a serious issue around the area. I am aware that there is grave concern from Elwood RSL patrons that parking will be further limited by this development."</i></p>	<p>The proposed DDO controls do not address car parking issues. The parking implications associated with new development will continue to be assessed using existing local policy and the parking provisions at Clause 52.06 of the Planning Scheme. The amendment will not change this discretion.</p> <p>Recommendation: No change.</p>
<p><i>"As a resident opposite the proposed site, I am deeply concerned by the noise and danger on the streets to residents and pedestrians during construction posed by heavy equipment."</i></p>	<p>The submitter's reference to "the proposed site" is assumed to mean 144 Ormond Road, which is occupied by the RSL. The submission intimates that construction works will be occurring on this site, however there is no current planning application for redevelopment.</p> <p>If redevelopment of this site was proposed, any danger to residents and pedestrians associated with construction works would be managed through the building permit process, in accordance with the Building Regulations 2006. Noise issues associated with construction works would be managed through Council's Local Laws.</p>

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	Recommendation: No change.
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**Submission 5**

**Objection – Form Letter**

**Submitter:** Owners/occupiers      **Properties:** 146, 148, 150, 156, 170, 175 & 195 Ormond Rd; 1 Pine Ave, Elwood

<b>Submission:</b>	<b>Officer comment and recommendation:</b>
<p>The 8 letters are all identical in content and can therefore be considered collectively. The submitters object to the recommendations by the Panel and in particular, the mandatory height of 3 storeys being increased to 4 storeys, and setbacks above 2 storeys being increased to above 3 storeys.</p> <p>The submissions state:</p> <p><i>"We don't believe the panel has considered the impact such a change would have on the existing single storey residential houses that dominate this strip. 26 single storey houses line this precinct, two double storey flats, three 3 storey flats and one 4 storey overwhelming eyesore of a new construction. The ugliness and intrusive presence of this building at the corner of St Kilda Street and Ormond Road is a perfect example of how potentially damaging this new proposal is to the future of our village."</i></p> <p>The submission further states that buildings of this nature would destroy the character of Ormond Road and the <i>"high three storey setbacks will create an imposing, intrusive environment that would compromise what attracted most people to live in Elwood."</i></p>	<p>The precinct contains predominantly single storey dwellings on the south side of the street, while the north side of the street contains a mix of single, double and 3 storey buildings, with a 4 storey building currently under construction at 475A St Kilda Street.</p> <p>The Panel recommended that the height in this precinct be increased from 3 storeys (9 metres) to 4 storeys (13 metres). The Panel also recommended that the front wall height of new development be allowed up to 3 storeys, rather than requiring the front wall to be setback above a height of 2 storeys. To offset the increase in the front wall height and overall height, the Panel further recommended that front setbacks be a minimum of 6 metres and that the front setbacks be landscaped (a mandatory requirement).</p> <p>The increase in the overall height to 4 storeys and the increase in the front wall height should not be considered in isolation, but rather needs to be considered in conjunction with the other changes to the DDO, in particular the mandatory 6 metre minimum front setback. The front setback would offset the increase in the front wall height while landscaping would soften the appearance of new development and would contribute to the leafy character that is a feature of the precinct. In addition, the front façade of buildings would need to be highly articulated and maintain some reference to the design detail of heritage buildings within the precinct by employing features such as porches, bay windows, overhanging eaves, recesses, projections and changes of material and colour. Any new development would not create an imposing, intrusive environment, but rather would add to the diversity and interest of the existing building stock, which includes 2 and 3 storey buildings.</p> <p>Notwithstanding the above, it is noted that the development potential of many of the properties in the precinct are significantly constrained, either due to existing heritage controls or the narrow width of properties.</p> <p><u>Heritage controls:</u> A Heritage Overlay (HO) extends from 169 to 183 Ormond Road (on the north side of the street) and on 473 St Kilda Street. All properties are identified as 'significant' heritage properties. The Heritage Policy at Clause 22.04 of the Planning Scheme explicitly discourages demolition of heritage properties and encourages any new development to be respectfully and harmoniously integrated with the surrounding character. Any redevelopment of these properties would therefore be far more constrained than those properties outside the HO, particularly given that all properties are graded as 'significant' (the highest grading afforded in the municipality).</p> <p><u>Lot size:</u> Of the remaining properties outside the HO, approximately half have a width of 10 metres or less. A 4 storey development would not be feasible on these lots unless there was significant site consolidation, given the setback requirements specified in the DDO.</p> <p>The submissions cite concerns regarding the <i>"ugliness and intrusive</i></p>

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	<p><i>presence</i>" of the building at 475A St Kilda Street and <i>"how potentially damaging this new proposal [the amendment] is to the future of our village"</i>. The building at 475A St Kilda Street was approved prior to the preparation of the Ormond Road Urban Design Guidelines, upon which the DDO is based. Given that this development was not assessed against the Guidelines or DDO, it should not be used as an example of how new 4-storey developments might look in the Ormond Road streetscape.</p> <p>Recommendation: No change.</p>
<p><i>"The panel notes that the 'urban form is notably lower than that already occurring within this precinct of Ormond Road...' and hence it 'seems illogical...buildings should be constrained to a greater degree'."</i></p>	<p>It is useful to provide additional context to the comments made by the Panel and referenced in the submissions. The Panel was concerned that the controls originally exhibited (maximum height of 3 storeys) would result in an urban form that is notably lower than that already occurring within the precinct. The Panel further commented:</p> <p><i>"We would observe also that the built form outcome would also be lower or less intense even than the existing development in the hinterland to the Ormond Road precincts. In the hinterland there are already new robust three storey multi unit forms as well as older two storey flats with large rising roof forms closer to the beach. It seems illogical in the Panel's view that land in a precinct located within close walking distance of commercial neighbourhood facilities, on a main road and which already contains a series of three storey flat buildings should be constrained to a greater degree than other land occurring outside of the defined 'Activity Centre' boundary."</i></p> <p>The Panel's view has merit. Given that the precinct is located on Ormond Road, adjacent to Elwood Village, it is expected to accommodate some of the additional housing growth projected for the municipality. This growth however, should not be at the expense of neighbourhood character.</p> <p>The proposed DDO controls have been carefully drafted to ensure that neighbourhood character would not be adversely affected by new development – although the DDO would allow developments of up to 4 storeys, a 4th storey would need to be setback so that it is not visible from the footpath directly opposite the site or from the rear of adjoining residential development. As such, a 4th storey would have little impact in the Ormond Road streetscape as new development would generally appear as 3 storeys. Given that the precinct already contains 2 and 3 storey buildings, it is considered that new development would not be out of context with the existing built form. The DDO requirement for buildings to be setback a minimum of 6 metres from the front boundary would further reduce the visibility of new development, while mandatory landscaping would ensure that the leafy character of the street was retained through the provision of a consistent pattern of landscaped frontage.</p> <p>Recommendation: No change.</p>
<p><i>"We believe that the change in heights help define where the residential area begins and where the activity centre ends. This certainly may help late night patrons clearly identify a residential area."</i></p>	<p>The proposed controls would still provide a transition in building height, scale and form between the precincts. Under Amendment C57 (Part 1), buildings in the retail precincts are required to be constructed to the front boundary (no setback), have a front wall height of between 7.5 and 10 metres, and have a 4th level (if proposed) setback so that only the fascia and eaves are visible from the opposite side of the street. Under the proposed controls for the residential precinct, buildings would be required to have a front setback of a minimum of 6 metres which must be landscaped, have a front wall which does not exceed 10 metres in height (the front wall may be less than this height), and have a 4th level (if proposed) setback so that it is not visible from the opposite side of the street. The differences in the controls for the retail and residential precincts</p>

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	<p>would ensure that there is a clear distinction between the retail strip and the residential area.</p> <p>Recommendation: No change.</p>
<p><i>"We are encouraged by the panel's Amendment C57 (Part 1) limiting buildings to four storeys only in the business zone and would hope that they share the intent to keep Elwood's special charming village free from overdevelopment. A walk down Ormond Road from Pine Avenue on the beach side to St Kilda Street would take you past well cared for, recently renovated houses that contribute significantly to the pleasant, friendly atmosphere that the residents of Elwood work hard to maintain. We hope you will reconsider this recommendation and maintain the mandatory height of 3 storeys and setbacks above a height of 2 storeys for this residential precinct."</i></p>	<p>The introduction of the proposed DDO into the Planning Scheme does not imply that all properties within the precinct will be redeveloped with 4 storey buildings – as previously noted, the development potential of properties within the HO are significantly constrained, while the narrow width of many properties precludes any substantial development.</p> <p>The DDO does however, acknowledge that this precinct, being adjacent to the neighbourhood activity centre of Elwood Village and on a public transport route, is able to accommodate some medium density housing in accordance with the directions of Melbourne 2030 and provides the opportunity for this to be achieved. It also recognizes the precinct's important neighbourhood character elements through the Preferred Character statements and Design Objectives of the DDO to ensure that any new development is consistent with the character of the area. The Requirements of the DDO help to achieve the preferred character and will ensure that any new development makes a positive contribution to the streetscape and area in general.</p> <p>Recommendation: No change.</p>

**5. RECOMMENDED OPTION**

**5.1. In accordance with Section 23 of the *Planning and Environment Act 1987*, after consideration of all submissions, Council must:**

- "(a) change the amendment in the manner requested; or*
- (b) refer the submission to a panel appointed under Part 8; or*
- (c) abandon the amendment or part of the amendment."*

5.2. It is recommended that no change be made to the amendment documentation, and that Council request the Minister for Planning appoint an independent Panel and refer all submissions to the Panel.

5.3. Criterion for recommendation

5.3.1. The submissions request that the height specified in the DDO be a maximum of 3 storeys (9 metres), with setbacks above the second storey. It is not recommended that the amendment documentation be amended in the manner requested, for the reasons outlined in the table to Section 4.3.

5.3.2. Requesting a Panel to hear all submissions made to the amendment will allow for an independent assessment of the issues raised.

**5.4. Sustainability assessment**

Social Pillar	Amendment C57 (Part 2) builds on the community's aspirations for the residential precinct of Ormond Road and attempts to reflect local values within a municipal and metropolitan planning framework.
Economic Pillar	<p>The inclusion of a Design and Development Overlay into the Port Phillip Planning Scheme will provide an additional tool to be used in the assessment of applications, thereby decreasing the uncertainty on planning outcomes by both applicants and the community.</p> <p>The proposed provisions will provide guidance to Council planning officers for determining applications and should therefore reduce appeal costs (to both Council and applicants) associated with decisions.</p>
Environmental Pillar	Amendment C57 (Part 2) provides for urban consolidation and additional development opportunities along Ormond Road, which is recognised as part of the Principle Public Transport Network (PPTN) in <i>Melbourne 2030</i> . The location of new housing in proximity to bus routes, shops and services, provides good opportunities for greater public transport use.
Cultural Pillar	The amendment will provide direction for the future built form of this precinct, which builds on the existing heritage and neighbourhood character attributes of the area.

**5.5. Policy and legislative implications**

Amendment C57 (Part 2) proposes to introduce a new planning control for determining development applications in the amendment area, in the form of a Design and Development Overlay (Schedule 18). The provisions have been developed in recognition of existing Council policies and strategies relating to the Elwood area. No changes to existing planning policy are required.

The amendment is consistent with Council's adopted Housing Strategy 2007, in relation to the direction for housing growth and change in the municipality. The Housing Strategy recognizes that incremental change can occur within Ormond Road through well design medium density "infill" development on sites fronting Ormond Road and Glen Huntly Road, proximate to the Elwood Junction and Elwood Village activity centres. The Strategy also recognizes that the height, scale and massing of new development needs to be in accordance with the Design and Development Overlay and, where applicable, the Heritage Overlay.

**5.6. Risk implications**

There are no substantial risks to Council associated with the recommended option. If Council resolves to adopt the recommendation, an independent

Panel appointed by the Minister for Planning will hear all submissions to the amendment. The role of the Panel hearing is to give submitters an opportunity to be heard in an informal, non-judicial manner, and to give expert advice to Council about the amendment and about submissions referred to it.

Any recommendations made by the Panel will be reported back to Council for consideration.

**5.7. Resource implications**

Council would be responsible for Panel costs, including any expert witnesses. This has been accounted for in the 2007/08 budget.

The additional resource implications to Statutory Planning will be minimal, as multi-unit development applications already require a Planning Permit. The amendment will provide a clearer basis for the assessment of proposals.

**6. ALTERNATIVE OPTIONS**

6.1. The two alternative options available to Council are:

6.1.1. Change the amendment in the manner requested in the submissions.

6.1.2. Abandon the amendment or part of the amendment.

6.2. Changing the amendment in the manner requested by the submissions is not recommended by Council officers, as it would result in DDO provisions that do not achieve the desired character for the retail and residential precincts or reflect the core ideals of Melbourne 2030. Furthermore, changing the amendment as requested would be contrary to the Panel's report and recommendations (Panel Report of July 2007).

6.3. Abandoning the amendment (or part thereof) is also not recommended. The Ormond Road Urban Design Guidelines, on their own, have no statutory weight and cannot be used as a basis for decision-making. Without the Guidelines to influence and direct new development in the form of a DDO, no certainty is provided to the community, developers or the Council in relation to appropriate development opportunities and outcomes.

**7. PARTICIPATION AND ENGAGEMENT**

**7.1. Internal**

7.1.1. The Ward Councillor and Mayor – Janet Cribbes, and the coordinator of the Elwood neighbourhood statutory planning team, have been consulted in relation to the submissions received to the amendment.

**7.2. External**

7.2.1. The Department of Planning and Community Development was consulted extensively prior to exhibition of Amendment C57 (Part 2).

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- 7.2.2. A notice was sent to all affected owners and occupiers of Amendment C57 (Part 2) and communication was undertaken through Councils internet page and local media.

**8. IMPLEMENTATION**

- 8.1. It is recommended that Council write to the Minister for Planning and request that a Panel be appointed to consider submissions to Amendment C57 (Part 2). All submitters to the amendment will be informed if a Panel is appointed and will be given the opportunity to be heard.

**9. RECOMMENDATION**

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

- 9.1. The Council, having considered the submissions received to Amendment C57 (Part 2), resolve to:
- 9.1.1. Request that the Minister for Planning appoint an independent Panel to review submissions to the amendment in accordance with Part 8 of the *Planning and Environment Act 1987*.
  - 9.1.2. Refer all submissions, and any late submissions received, to the Panel to be appointed by the Minister for Planning.
  - 9.1.3. Inform all submitters of Council's decision.

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<b>A2</b>	<b>AMENDMENT C69 – UPDATE OF PROVISIONS</b>
<b>LOCATION/ADDRESS:</b>	<b>VARIOUS</b>
<b>RESPONSIBLE EXECUTIVE DIRECTOR:</b>	<b>GEOFF OULTON, DIRECTOR - COMMUNITY DEVELOPMENT AND PLANNING</b>
<b>AUTHOR:</b>	<b>SONIA ANDERSON, STRATEGIC PLANNER</b>
<b>FILE NO.:</b>	<b>66/02/159</b>
<b>ATTACHMENTS:</b>	<b>ATTACHMENT 1 – TABLE OF CHANGES FOR AMENDMENT C69</b>

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**1. EXECUTIVE SUMMARY**

- 1.1. Amendment C69 has been prepared to make minor text and mapping changes which update controls / remove redundant provisions in the Port Phillip Planning Scheme (including the Port Phillip Heritage Review, Heritage Policy Map and Neighbourhood Character Map - as incorporated documents).
- 1.2. Due to the minor nature of the changes included in the amendment, it is proposed to process the amendment pursuant to section 20(4) of the Planning and Environment Act, under the new Ministerial protocol for 'fast tracking' amendments.
- 1.3. A resolution from Council is sought to endorse Amendment C69 and request the Minister for Planning to process the amendment. Under section 20(4), the Minister for Planning would become the Planning Authority for the Amendment which would be processed without formal public exhibition.

**2. CONTEXT**

- 2.1. The *Planning and Environment Act 1987* requires planning authorities to regularly review the provisions of planning schemes. In 2006, a full review of the Port Phillip Planning Scheme was undertaken which highlighted a number of outdated / obsolete provisions (maps and text) within the Planning Scheme and its associated Incorporated Documents.
- 2.2. Whilst these are minor and essentially do not alter the intent of the scheme, a planning scheme amendment is still required to make the corrections. It is proposed to process Amendment C69 using the new Ministerial 'protocol for fast tracking amendments'.
- 2.3. The Ministerial 'fast track' protocols recommends that amendments which essentially update schemes / remove obsolete provisions be undertaken pursuant to section 20(4) of the Planning and Environment Act. This section

enables the Minister to amend a planning scheme, with exemption from notice requirements. The Minister for Planning becomes the 'Planning Authority' for the purpose of processing the amendment. The timelines for completion of such amendments are significantly reduced, due to authorisation and exhibition processes not being required.

2.4. The Department of Planning and Community Development released protocols (March 2007) which define what types of planning scheme changes would qualify as a 'Fast Track' amendment. (Refer to discussion at paragraph 3.1 - Criterion for Recommendation.)

2.5. The changes proposed by Amendment C69 accord with these protocols and relate to different parts of the planning scheme, as follows:

**A. Planning Scheme Map Corrections**

A number of mapping anomalies have been identified that need to be addressed to ensure that controls for particular properties are correctly identified and applied through the planning scheme.

Tables 1 & 2 of Attachment 1 outline the proposed mapping (and associated text) corrections in detail. These are outlined generally below:

Application of Road Zone 1 - Referral Authority Request

In December 2006, VicRoads notified Council that Plummer Street between Prohasky Street and Graham Street; and including Graham Street from Plummer Street to Williamstown Road; had been declared Arterial Roads under the Road Management Act 2004. The change of road status requires the rezoning of Plummer Street to a Road Zone 1 – a rezoning of Graham Street is not required as it is currently zoned Road Zone 1.

Zoning of Land Used for Public Purposes

In the Ministerial Direction on the '*Form and Content of Planning Schemes*' (section 7(5) of the *Planning and Environment Act*) – clause 12 states:

- *“A planning scheme may only include land in a Public Use Zone, a Public Park and Recreation Zone or a Public Conservation and Resource Zone if the land is Crown land, or is owned by, vested in or controlled by a Minister, government department, public authority or municipal council.”*

There are a number of existing parks and reserves across the municipality that are not included in a Public Park and Recreation Zone. The rezoning of these sites implements the recommendations of Council's adopted Open Space Strategy (2006). These are:

- Howe Parade Reserve, Port Melbourne
- HR Johnson Reserve, St Kilda West
- Jacoby Reserve, St Kilda West
- Jim Duggan Reserve, East St Kilda

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- Newton Court Reserve, St Kilda
- Te Ari Reserve, East St Kilda
- Waterloo Crescent Reserve, St Kilda
- Williams Street Reserve, Balaclava

In addition to the rezoning of the above parks and reserves, a car park in Jackson Street, St Kilda, acquired by Council in 1999, is to be rezoned Public Use Zone 6.

#### Removal of Redundant Public Acquisition Overlay

The car park at Jackson Street, St Kilda was acquired by Council in 1999. Therefore the PAO applied to the property is no longer required.

### **B. Changes to Incorporated Documents**

Incorporated Documents can only be altered or removed from a Planning Scheme by a planning scheme amendment.

#### Land zoned for public use but no longer in public ownership

Land at 90-96 Johnson Street, South Melbourne, a former sub-station, is now privately owned and will be included in an Industrial 1 zone consistent with the surrounding area.

#### Removal of Redundant Site-Specific Incorporated Document

Clause 52.03 of the Planning Scheme contains a list of properties subject to site specific controls in the form of an incorporated document. In reviewing the incorporated documents for particular sites, only one was eligible for deletion - the incorporated document for 4 Princes Street, St Kilda.

The incorporated document for 4 Princes Street is a legacy from the former City of St Kilda and allowed for an office to be established within a residential zone (offices are prohibited in residential zones). Prior to municipal amalgamations, the building at 4 Princes Street operated as an office for a marketing company located at 11 Princes Street, with the two properties being tied together via a section 173 agreement. The section 173 agreement contained an expiry clause whereby the office exemption would continue as long as the company continued to operate in St Kilda or the site reverted to a residential land use. In April 1999, a planning permit was approved for the development of 2 dwellings with construction of these dwellings completed in 2000. The incorporated document is therefore redundant and should be removed from the scheme.

#### Updating of 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.

A number of buildings within the Heritage Overlay have been demolished and therefore should now be classified as “non-contributory”.

- 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.

A number of buildings identified as “contributory” to neighbourhood character have been demolished and therefore require deletion from this map.

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 C69 will achieve this. Table 3 in Attachment 1 summarises the changes to these Incorporated Documents.

### **C. Minor Text Changes to Planning Provisions**

A number of text corrections to particular planning provisions are required as a result of the mapping and incorporated document list corrections. The tables in Attachment 1 contain the full list of consequential corrections.

## **3. RECOMMENDED OPTION**

### **3.1. Criterion for recommendation**

The Department for Planning and Community Development’s ‘Protocol for fast tracking amendments - March 2007’ specifies the following changes are eligible for a section 20 (4) ‘Fast Track’ amendment:

- *“Removal of an overlay that is no longer required, for example:*
  - *Land in a flood overlay where evidence is provided that it is not subject to flooding.*
  - *Land where evidence is provided that an EAO is no longer required.*
  - *Land where evidence is provided that a PAO is no longer required*
- *Removal of a Road Closure Overlay.*
- *Removal of a redundant referral where referral agency agrees.*
- *Removal of a provision that duplicates another provision.*
- *Rezoning land that is no longer in public ownership from the Public Use Zone where the replacement zoning is clear.*
- *Rezoning land in public ownership to a Public Use Zone”.*

- 3.2. Changes proposed by Amendment C69 are considered to be administrative in nature and as such will not materially affect any property owners, developers, current applications or other parties.

**3.3. Sustainability Assessment**

Social Equity	The corrections to the planning scheme will ensure that the Council is providing the community with correct planning scheme information.
Economic Viability	Correcting the errors in the planning scheme 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.
Environmental Responsibility	The amendment will have no direct environmental implications.
Cultural Vitality	The corrections to the Heritage Overlay and the Port Phillip Heritage Review database ensure that the City's physical and cultural heritage is accurately reflected through the planning scheme.

**3.4. Policy and legislative implications**

All the changes proposed by Amendment C69 are consistent with Ministerial Direction on the *'Form and Content of Planning Schemes'* (section 7(5) of the Planning and Environment Act).

The changes will not have any implications for planning scheme policy.

**3.5. Resource implications**

If Council resolves to support Amendment C69, there are no significant resource implications, other than officer time to complete the process in coordination with the Department of Planning and Community Development.

This 'fast track' process will require significantly less resources than the standard amendment process.

GIS officer time will be required by to make corrections to the Heritage Policy and Neighbourhood Character Policy maps.

By adopting the amendment, efficiencies will be gained through the availability of accurate information in the Port Phillip Planning Scheme, the Port Phillip Heritage Review, Port Phillip Heritage Policy Map and Port Phillip Neighbourhood Character Policy Map.

**4. ALTERNATIVE OPTION**

- 4.1. Process Amendment C69 under Section 19 of the Planning and Environment Act (ie standard Public Exhibition process).

This option would require Council to process the amendment as the Planning Authority, and include a full public exhibition process. It would be appropriate if Council wanted to provide the opportunity for public submissions to the amendment.

**4.1.1. Sustainability assessment**

Social Equity Pillar	Whilst this process would provide the opportunity for public submissions, as the changes proposed relate only to outdated / obsolete provisions of the scheme this is not considered necessary.
Economic Viability Pillar	The 'process' associated with the amendment will have no economic implications, aside from additional staff resources.
Environmental Responsibility Pillar	The 'process' associated with the amendment will have no environmental implications.
Cultural Vitality Pillar	The changes to the Port Phillip Heritage Review relate to a change of heritage / neighbourhood character grading where the original building has already been demolished. Hence, the amendment will have no direct cultural implications and hence public consultation is not considered necessary.

**4.1.2. Policy and legislative implications**

Section 19 of the Planning and Environment Act would require a public notification / exhibition process, the opportunity for public submissions and, potentially, the establishment of an Independent Panel.

**4.1.3. Resource implications**

Significant additional staff resources and costs (in particular if the amendment proceeded to Panel) would be incurred as a result of this option. Given there is no 'change of intent' to the scheme, but rather a necessary updating of provisions, the use of additional resources is not warranted. The Ministerial 'Fast Track' protocols were released as part of the State's 'Cutting Red Tape Program' - designed to improve the operation and efficiency of the planning system.

**5. PARTICIPATION AND ENGAGEMENT**

**5.1. Internal**

- 5.1.1. The changes proposed to the Port Phillip Heritage Review have been identified by the Statutory Planning Unit.

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5.1.2. The proposed parks and reserve rezonings have been included at the request of the Parks and Open Space Unit.

5.2. **External**

5.2.1. The Department of Planning and Community Development were consulted to ensure that proposed changes outlined in Amendment C69 are consistent with the department's 'Protocol for fast tracking amendments'.

**6. IMPLEMENTATION**

6.1. The purpose of Amendment C69 is to make minor changes which update the Port Phillip Planning Scheme and Incorporated Documents.

6.2. A Ministerial Amendment pursuant to section 20(4) of the Act, provides an appropriate and expedient process to achieve these updates.

**7. RECOMMENDATION**

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

7.1. Council resolves:

7.1.1. To endorse the changes to the Port Phillip Planning Scheme proposed as part of Amendment C69 (as outlined in Attachment 1).

7.1.2. To request the Minister for Planning to process Amendment C69 to the Port Phillip Planning Scheme, pursuant to section 20(4) of the Planning and Environment Act 1987.

7.1.3. To authorise the Executive Director, City Development and Planning to finalise the amendment documentation for submission to the Minister in association with the amendment request.

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**ATTACHMENT 1:**

**TABLE 1:** The following table summarises the list of changes to the planning scheme zoning and overlay maps.

<b>SUBJECT LAND</b>	<b>PROPOSED CHANGE</b>	<b>RATIONALE</b>
Plummer Street from Prohasky Street to Graham Street, Port Melbourne	Rezone Plummer Street to Road Zone 1 (RDZ1)	Change of road status to a Declared Road under Road Management Act 2004.
Jackson Street Carpark 34 Jackson Street St Kilda	Delete Public Acquisition Overlay 3 (PAO3)	Property acquired by Council in 1999 and developed as public car park. Apply appropriate public zone.
	Rezone to Public Use Zone 6 – Local Government (PUZ6)	
Howe Parade Reserve, Port Melbourne	Rezone to Public Park and Recreation Zone (PPRZ)	Closed road redeveloped as a public park. The appropriate public zone is to be applied.
HR Johnson Reserve 198 Canterbury Road St Kilda West	Rezone to Public Park and Recreation Zone (PPRZ)	Land used as a public park and currently zoned Residential 1. Identified in the <i>City of Port Phillip Open Space Strategy (2006)</i> for rezoning to Public Park and Recreation Zone.
Jacoby Reserve 1C Deakin Street, St Kilda West	Rezone to Public Park and Recreation Zone (PPRZ)	Land used as a public park and currently zoned Residential 1. Identified in the <i>City of Port Phillip Open Space Strategy (2006)</i> for rezoning to Public Park and Recreation Zone.
Jim Duggan Reserve Marriott Street St Kilda East	Rezone to Public Park and Recreation Zone (PPRZ)	Land used as a public park and currently zoned Public Use Zone 6. Identified in the <i>City of Port Phillip Open Space Strategy (2006)</i> for rezoning to Public Park and Recreation Zone.
Newton Court Reserve 63-71 Newton Court St Kilda	Rezone to Public Park and Recreation Zone (PPRZ)	Land used as a public park and currently zoned Residential 1. Identified in the <i>City of Port Phillip Open Space Strategy (2006)</i> for rezoning to Public Park and Recreation Zone.
Te Ari Reserve 202 Alma Road St Kilda East	Rezone to Public Park and Recreation Zone (PPRZ)	Land used as a public park and currently zoned Residential 1. Identified in the <i>City of Port Phillip Open Space Strategy (2006)</i> for rezoning to Public Park and Recreation Zone.
Waterloo Crescent 4 Waterloo Crescent St Kilda	Rezone to Public Park and Recreation Zone (PPRZ)	Land used as a public park and currently zoned Residential 1. Identified in the <i>City of Port Phillip Open Space Strategy (2006)</i> for rezoning to Public Park and Recreation Zone.
Williams Street Reserve 35-37 Williams Street Balaclava	Rezone to Public Park and Recreation Zone (PPRZ)	Land used as a public park and currently zoned Residential 1. Identified in the <i>City of Port Phillip Open Space Strategy (2006)</i> for rezoning to Public Park and Recreation Zone.

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<b>SUBJECT LAND</b>	<b>PROPOSED CHANGE</b>	<b>RATIONALE</b>
90-96 Johnson Street South Melbourne	Rezone to Industrial 1 (INZ1)	Change of ownership from public to private. Remove land from public zone and apply surrounding Industrial 1 zone.
95 Ormond Road Elwood	Delete HO314 from Heritage Overlay Maps	Original building demolished and site redeveloped.
82 Queens Road Melbourne	Delete HO372 from Heritage Overlay Maps	Building demolished
7 Rainsford Street Elwood	Delete HO430 from Heritage Overlay Maps	Building demolished

**TABLE 2:** The following table summarises the list of consequential changes to the planning scheme provisions as result of the changes to the zoning and overlay maps.

<b>SUBJECT LAND</b>	<b>PROPOSED CHANGE</b>	<b>RATIONALE</b>
Jackson Street Carpark 34 Jackson Street St Kilda	Delete reference to Public Acquisition Overlay 3 (PAO3) in the Schedule to Clause 45.01	Property acquired by Council in 1999 and developed as public car park. Apply appropriate public zone.
4 Princes Street	Delete reference to 4 Princes Street, St Kilda in following Schedules: - Schedule to Clause 52.03: Site Specific Exclusions - Schedule to Clause 81 – List of Incorporated Documents.	The original incorporated document for this property allowed for an office to be established within a residential zone. The office at 4 Princes Street was connected to a company operating at 11 Princes Street, St Kilda with the two properties being tied together via a section 173 agreement. The section 173 agreement would expire if the site reverted to a residential land use. In April 1999, a planning permit was approved for the development of 2 dwellings with construction of these dwellings completed in 2000. The incorporated document therefore redundant.
82 Queens Road Melbourne	Delete HO372 from Schedule to Clause 43.01 in Planning Scheme	Building demolished
95 Ormond Road Elwood	Delete HO314 from Schedule to Clause 43.01 in Planning Scheme	Original building demolished and site redeveloped.
7 Rainsford Street Elwood	Delete HO430 from Schedule to Clause 43.01 in Planning Scheme	Building demolished

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**TABLE 3:** The following table summarises the list of corrections to the City of Port Phillip Heritage Policy Map and Neighbourhood Character Policy Map (both incorporated documents to the Port Phillip Planning Scheme).

<b>SUBJECT LAND</b>	<b>PROPOSED CHANGE</b>	<b>REASON FOR AMENDMENT</b>
173 Buckhurst Street, South Melbourne	Update Heritage Policy Map to show property as "non-contributory"	New building but listed as significant in Heritage Policy Map
257 – 267 Clarendon Street South Melbourne	Update Heritage Policy Map to align area of "significance" with HO108.	Significant heritage grading covers area of redeveloped supermarket.
70 Crockford Street Port Melbourne	Delete property from Neighbourhood Character Policy Map.	Vacant lot
99-101 Esplanade West	Update Heritage Policy Map to show property as "non-contributory"	Original building demolished and replaced by townhouses
2, 4A & 4 Glen Huntly Road	Update Heritage Policy Map to show property as "non-contributory"	Original building demolished and site redeveloped.
2 Inkerman Street	Update Heritage Policy Map to show property as "non-contributory"	Vacant lot
66 Lyons Street Port Melbourne	Delete property from Neighbourhood Character Policy Map	Vacant lot
99 Market Street South Melbourne	Update Heritage Policy Map to show property as "non-contributory"	Building demolished as a part of the "RedBears" (now new Safeway supermarket) redevelopment.
110 – 120 Neville Street, Middle Park	Update Heritage Policy Map to show properties as "non-contributory"	Original building demolished 1984 and replaced by 6 townhouses
95 Ormond Road Elwood	Update Heritage Policy Map to show property as "non-contributory"	Original building demolished and site redeveloped.
17 Pine Avenue Elwood	Update Heritage Policy Map to show property as "non-contributory"	Original building demolished in 2002
82 Queens Road Melbourne	Update Heritage Policy Map to show property as "non-contributory"	Building demolished
7 Rainsford Street Elwood	Update Heritage Policy Map to show property as "non-contributory"	Building demolished

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<b>A3</b>	<b>CITY OF PORT PHILLIP PROPERTY STRATEGY</b>
<b>LOCATION/ADDRESS:</b>	
<b>RESPONSIBLE EXECUTIVE DIRECTOR:</b>	<b>SALLY CALDER, EXECUTIVE DIRECTOR ORGANISATION SYSTEMS &amp; SUPPORT</b>
<b>AUTHOR:</b>	<b>SALLY CALDER &amp; DAVID GRAFFEN</b>
<b>FILE NO.:</b>	<b>14/01/0989</b>
<b>ATTACHMENTS:</b>	<b>CITY OF PORT PHILLIP CORPORATE PROPERTY STRATEGY</b>

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**1. EXECUTIVE SUMMARY**

- 1.1. A property strategy has been developed in response to the Council Plan. Specifically it responds to initiative 6.35 which addresses key strategic objective 6 "Effective Service and Council stewardship". The property strategy is designed to provide a coordinated and strategic approach to the management and development of the property portfolio.
- 1.2. Council, as a steward for a substantial property portfolio, which it manages on behalf of the community, has a responsibility to manage the portfolio well. The property strategy elucidates a strategic intent and defines clear and specific objectives and strategies. By doing so, it establishes a policy framework for property management, now and into the future.
- 1.3. The property strategy is the first part of a large and important piece of work that, when implemented, could well be regarded as "best practice" in municipal circles.

**2. BACKGROUND AND CONTEXT**

- 2.1. The development and implementation of a property strategy is a key initiative contained within the Council Plan. The aim of the strategy is to establish a coordinated and strategic approach to property management across the organisation.
- 2.2. The Council Plan initiative is a result of the identification of an area which has potential for service improvement. There were concerns with the way property was managed within Council including the following;
  - 2.2.1. There was no stated vision or strategic intent for property management.
  - 2.2.2. Property matters were being decided on a case by case basis.
  - 2.2.3. There are gaps in property roles and responsibilities.
  - 2.2.4. There was no universal and ready access to some property information.
  - 2.2.5. Formal assessment of property performance could be improved.

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- 2.3. Information has been gathered from across the organisation and Council staff at various levels have been consulted. A steering group comprising senior officers have worked together, assisted by an external consultant, to produce the strategy.
- 2.4. The steering committee sought to answer the following questions;
  - 2.4.1. Why is Council in the business of property management?
  - 2.4.2. What benefit do we want the property portfolio to deliver to the community?
  - 2.4.3. How do we best develop and manage the portfolio over time to maximize the community benefit?
- 2.5. The property strategy is the first part of a larger body of work. It addresses the questions above at a high level. It sets the context for policy development, and then states the vision, objectives, desired outcomes and specific strategies designed to achieve them.
- 2.6. The property strategy will be complemented with documents which address the more detailed issues around implementation. An implementation framework is being finalised to guide the organization through the many operational changes which need to be made to deliver the strategy. The framework includes:
  - 2.6.1. Principles and policies for effective property management.
  - 2.6.2. Organisational arrangements to support effective property management.
  - 2.6.3. Procedures and guidelines for property managers.
  - 2.6.4. Performance measures to be used in assessing property performance.
  - 2.6.5. An appraisal of the current property portfolio.

**3. RECOMMENDED OPTION**

**3.1. Criterion for recommendation**

A property strategy must pass the first test – to sit comfortably within the legislative framework, Council's existing policy framework and complement Council's other strategies and plans. Secondly, it must contribute toward the achievement of Council's four fundamental goals – Social Equity, Economic Viability, Environmental Responsibility and Cultural Vitality. Lastly, a property strategy must support Council's core principles of service and sustainability.

**3.2. Sustainability assessment**

The property strategy, as a policy framework document, contains stated objectives, desired outcomes and strategies that contribute to sustainability rather than direct actions. The following assessment demonstrates that the property strategy can have a positive impact toward the achievement of Council's goals.

Social Pillar	<p>A key theme of the property strategy is that Council holds property mainly to support service provision.</p> <p>Therefore property is to be planned and managed to meet current and future community needs.</p> <p>Furthermore, the strategy promotes the modernisation and optimisation of the service potential of property assets to increase access to services and use of vibrant community centres and civic facilities.</p>
Economic Pillar	<p>The property strategy promotes effective stewardship of Council's assets by defining strategies for best practice in property management which incorporates strategic and operational management practices.</p> <p>It contributes to positive economic growth through meeting service delivery needs by providing the right assets at the right time in the right amounts.</p> <p>It advocates innovation through the consideration of non-asset solutions and public/private partnerships. It supports the concept of value for money by regular and responsible assessment of property performance.</p> <p>The objectives and strategies that support the economic pillar also support Council's social cultural and environmental goals.</p>
Environmental Pillar	<p>The property strategy encourages Council to use its land holdings to positively influence land use and built form in private development where possible.</p> <p>It also advocates that Council continues to provide good examples of built form and environmentally sustainable architecture in its new and renewed property assets.</p>

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Cultural Pillar	The property strategy promotes the alignment of property assets with community demand for services.  It promotes the modernisation and optimisation of the service potential of property assets to increase access to services and use of vibrant community centres and civic facilities.
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**3.3. Policy and legislative implications**

The framework governing property management practice in Port Phillip consists of the following;

- Acts of Parliament
- Regulations made under Acts of Parliament
- Council Policy

Council's property activities are managed within the legislative parameters which include the following;

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

Development and implementation of a property strategy is a stated initiative in the Council Plan.

The property strategy has integral links with Council's Community Plan, Council Plan and Strategic Resource Plan.

**3.4. Risk implications**

There are no risk implications with strategic planning. Risk is associated with not planning.

The property strategy promotes best practice in property management which will address risk in many ways.

**3.5. Resource implications**

The property strategy will be implemented by the Property Coordinator, and a property officer. The resources in the Property Unit were increased from 1 full time equivalent (FTE) staff member, to two fte's in this years budget in preparation for the greater work demands of a more coordinated and centralised approach to property services.

In addition, the laneways officer, currently in the assets area, will be transferred across into the property unit and will provide a broader range of property services.

The Property Unit will be supported by a whole of organisation 'property board', which will be chaired by the Executive Director of Organisation Systems and Support. The 'Board' will have the role of ensuring all organisational stakeholders are involved in over sighting the implementation of the policy in the first instance, and in a coordinated approach to property management and the provision of expert, holistic advice to Council.

There are no additional resourcing implications.

**4. ALTERNATIVE OPTIONS**

- 4.1. Council does have the option to not endorse the strategy. This would result in no change to the current arrangements. The problem with this option is that in the absence of an agreed purpose for the role of property owner, it is difficult to ensure that Council is maximizing both the community benefit, and also the economic return, of its significant property portfolio. It is also difficult to ensure that when faced with difficult property problems, Council is in receipt of all the advice it needs in order to make the best decision. This option is therefore not recommended.

**5. PARTICIPATION AND ENGAGEMENT**

**5.1. Internal**

5.1.1. A property Steering Group was formed to agree the brief, i.e. 'What problem are we trying to fix'? And to oversight the development of the strategy. The people who have participated on the Property Steering Group are:

- Sally Calder, Executive Director, Organisation Systems and Support – Chair
- David Graffen - Property Coordinator
- Lexie Bown – Executive Support
- David Filmalter – Manager, Finance and Investments
- Cathy Henderson - Manager, Governance and Stakeholder Relations
- Murray Chick – Coordinator, Governance
- Ian Hicks – Manager, Culture and Recreation
- Carol Mayell – Manager, Community Development
- Kathy Dillon - Manager, Buildings and Green Spaces

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- Richard Schuster – Acting manager, City Development
- Edmund Kennedy - Information Services Business Analyst

5.1.2. Specific staff were consulted in relation to systems issues. These staff were David Elson, Robert Buehl, Julie Perez, Ellen Lee, and Tina Masterson.

5.1.3. Other staff consulted in relation to their role as wither property or tenant relationship managers, included, Fiona Blair, Coordinator Youth and recreation, Helene Agius, Community Development Sport, Recreational and Leisure Officer, Toulou Kotsaboyuikis, Technical Liaison Officer, Natalie Gnanakone, Coordinator, Social Planning and Policy, Sophie Andrikopoulos, Foreshore Events Adviser, Deidre Pellizzer, Coordinator Arts and Festivals, Martin, Verschuur, South Melbourne Market manager, Paul Smith, Manager Environment and Renewal, Jane Birmingham, Coordinator Statutory Planning, Katrina Terjung, Coordinator Strategic Planning, Anne Crimean, Open Space Coordinator, Jo Smale, Coordinator Children and Family Services and Anna Moo, Coordinator Aging, Diversity, Partnerships, and Policy.

5.1.4. In summary, all staff consulted identified the urgent need to develop a coordinated and more centralised approach to reduce duplication and gaps in service provision and management responsibilities related to property; reduce inconsistencies in our approach to property and tenant management; poor role and responsibility definition and difficulty in accessing appropriate information with which to make property related decisions.

5.1.5. The strategy has been supported and recommended on behalf of the Steering Committee.

#### **5.2. External**

5.2.1. Macroplan Australia was engaged as consultants to assist with the development of the strategy. They were the successful tenderers in a public process which. The evaluation panel for this process comprised of Sally Calder, Kathy Dillon and David Graffen.

5.2.2. In addition key systems staff visited Greater Geelong City Council to view a property systems solution which has been developed. These staff were Edmund Kennedy, Kathy Dillon, David Graffen and Tina Masterson, Julie Perez and Ellen Lee.

The existing suppliers of the Hansen and Pathway system, were also consulted and have advised that the alterations that are required to enable these systems to integrate and provide more accessible and user friendly property information to the whole organization, are possible.

## **6. IMPLEMENTATION**

6.1. The property strategy provides a policy framework which gives guidance to Council, and Council staff, on how to manage and develop the property strategy in a transparent, efficient, and collaborative manner, which will ensure that Council:

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- 6.1.1 Meets all its legislative and statutory obligations as a landowner
  - 6.1.2 Is consistent with its own strategic direction on all land and property related decisions.
  - 6.1.3 Maximizes the potential benefits to the community as a result of owning property,
  - 6.1.4 Maximizes the economic return on its investment in property.
- 6.2 The strategy is supported by a detailed implementation framework which contains the following documents:
- 6.1.1. Principles and policies for effective property management.
  - 6.1.2. Organisational arrangements to support effective property management.
  - 6.1.3. Procedures and guidelines for property managers.
  - 6.1.4. Performance measures to be used in assessing property performance.
  - 6.1.5. An appraisal of the current property portfolio.

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- 6.3 The implementation of the strategy will be the key responsibility of the Property Unit, who will be supported the 'property board'. This will be a major whole of organisation effort, and it is envisaged that it will take at least 12 months.
- 6.4 The property board, through the Chair, the Executive Director of Organisation Systems and Support will provide an annual report to Council, on both the implementation of the strategy, but also, on the performance of the property portfolio.

**7. COMMUNICATION**

- 7.1. Council has a significant property portfolio that is integral to service provision.
- 7.2. Work has been undertaken to improve the effectiveness of Councils property management and stewardship responsibilities.
- 7.3. Council will benefit by developing a policy framework which encourages a strategic approach to property management.

**8. RECOMMENDATION**

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

8.1. That the Council endorses the property strategy, and notes that the strategy has been developed to provide a coordinated and strategic approach to the management and development of Council's significant property portfolio.

8.2. That the Council endorses the property vision, which is contained within the strategy, which is:

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

- meets current and future service needs and enables the delivery of good services
- is in good condition with no maintenance backlog and meets all legislative requirements
- enhances the physical environment of the city helps conserve special places and provides leisure and cultural opportunities for citizens
- is environmentally sustainable
- has its performance regularly reviewed using agreed criteria that is based on a four pillared approach relevant to local government and specifically port phillip.
- facilitates economic and physical regeneration but without sterilising capital tied up in assets which are being held without a firm future purpose
- maximises the potential for council to influence the cultural look and feel of neighbourhoods, either through strategic purchasing, development or other land use decisions
- provides working conditions that encourage the best performance from staff
- capitalises on co-location opportunities within the council and exploits the synergies of partnerships, especially where this promotes neighbourhood improvement
- provides best value for money and minimises costs
- is rationalised wherever possible, releasing capital which may be reinvested in the portfolio where appropriate
- allocates investment in future property according to a robust corporate prioritisation framework.

8.3. That Council notes that a detailed implementation framework is being finalised, which will guide the organisation through the policies and procedures that will need to be adopted in order to achieve the strategy, and

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notes that a briefing on the organisation's response to the implementation framework will be conducted with Councilors in March 2008.

- 8.4. That the Executive Director, Organisation Systems and Support, provides and annual property report to the Council, to report on the performance of the property portfolio, against a range of social, cultural, environmental and economic indicators.
- 8.5. That the Property Strategy lays on the table for an additional cycle to enable further conversation with Council about the implementation process.

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<b>A4</b>	<b>PROPOSED DISCONTINUANCE AND SALE OF SECTIONS OF THE RIGHT OF WAY AT THE REAR OF 180 &amp; 184 CARLISLE ST, ST KILDA</b>
<b>LOCATION/ADDRESS:</b>	<b>REAR 180 &amp; 184 CARLISLE ST, ST KILDA</b>
<b>RESPONSIBLE EXECUTIVE DIRECTOR:</b>	<b>DAVID YEOUART, EXECUTIVE DIRECTOR, COMMUNITY ASSETS &amp; SERVICES</b>
<b>AUTHOR:</b>	<b>TOULA KOTSABOUKIS, TECHNICAL LIAISON OFFICER, ASSET PLANNING</b>
<b>FILE NO.:</b>	<b>78/11/190-01</b>
<b>ATTACHMENTS:</b>	<b>SITE PLAN &amp; PHOTOGRAPH</b>

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**1. EXECUTIVE SUMMARY**

- 1.1. This report is to finalise the discontinuance and sale of section of Right of Way at the rear of 180 & 184 Carlisle St, St Kilda.

**2. BACKGROUND AND CONTEXT**

- 2.1. The statutory process commenced after a Councilor Note on the 10<sup>th</sup> October 2007.
- 2.2. The purpose of the discontinuance is to sell the section of Right of Way at the rear of 180 & 184 Carlisle St, St Kilda to the abutting property owner.
- 2.3. The applicants have accepted the sale price of the land of \$60,800.00 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 section of Right of Way no longer offers any community benefit as the road has been enclosed for a long period of time.
- 4.2. That the statutory procedures to discontinue and sell the section of Right of Way at the rear of 180 & 184 Carlisle St, St Kilda, should be completed subject to the Council's road discontinuance and 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 the 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 of roads policy.

**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 the section of Right of Way at the rear of 180 & 184 Carlisle St, St Kilda has been enclosed for a long period of time. 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 during the statutory process. 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 proposals.
- 7.3. Council's Heritage Advisor has confirmed that there are no heritage issues.
- 7.4. External consultation has been undertaken and a no objections were received.

**8. RECOMMENDATION**

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

- 8.1. The statutory procedures to discontinue the section of Right of Way at the rear of 180 & 184 Carlisle St, St Kilda, be completed. That the land from the road be sold to the owners of 180 & 184 Carlisle St, St Kilda, subject to the land being consolidated to the property.

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<b>A5</b>	<b>PROPOSED DISCONTINUANCE AND SALE OF A SECTION OF RIGHT OF WAY AT THE REAR OF 120 PRINCES ST, PORT MELBOURNE</b>
<b>LOCATION/ADDRESS:</b>	<b>REAR 120 PRINCES ST PORT MELBOURNE</b>
<b>RESPONSIBLE EXECUTIVE DIRECTOR:</b>	<b>DAVID YEOUART, EXECUTIVE DIRECTOR, COMMUNITY ASSETS &amp; SERVICES</b>
<b>AUTHOR:</b>	<b>TOULA KOTSABOUKIS, TECHNICAL LIAISON OFFICER, ASSET PLANNING</b>
<b>FILE NO.:</b>	<b>4790/120</b>
<b>ATTACHMENTS:</b>	<b>SITE PLAN &amp; PHOTOGRAPH</b>

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**1. EXECUTIVE SUMMARY**

- 1.1. This report is to finalise the discontinuance and sale of section of Right of Way at the rear of 120 Princes St, Port Melbourne.

**2. BACKGROUND AND CONTEXT**

- 2.1. The statutory process commenced after a Councilor Note on the 31<sup>st</sup> October 2007
- 2.2. The purpose of the discontinuance is to sell the sections of Right of Way at the rear of 120 Princes St, Port Melbourne to the abutting property owner.
- 2.3. The applicants have accepted the sale price of the land of \$33,600.00 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 section of Right of Way no longer offers any community benefit as the road has been enclosed for a long period of time.
- 4.2. That the statutory procedures to discontinue and sell the section of Right of Way at the rear of 120 Princes St, Port Melbourne should be completed subject to the Council's road discontinuance and 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 the 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 of roads policy.

**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 the section of Right of Way at the rear of 120 Princes St, Port Melbourne will be incorporated within a proposed development. 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 during the statutory process. 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 proposals.
- 7.3. Council's Heritage Advisor has confirmed that there are no heritage issues.
- 7.4. External consultation has been undertaken and a no objections were received.

**8. RECOMMENDATION**

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

- 8.1. The statutory procedures to discontinue the section of Right of Way at the rear of 120 Princes St, Port Melbourne, be completed. That the land from the road be sold to the owners of 120 Princes St, Port Melbourne, subject to the land being consolidated to the property.

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<b>A6</b>	<b>SOUTH MELBOURNE MARKET - ACTIVITIES REPORT</b>
<b>LOCATION/ADDRESS:</b>	<b>SOUTH MELBOURNE MARKET</b>
<b>RESPONSIBLE DIRECTOR:</b>	<b>DAVID YEOUART, EXECUTIVE DIRECTOR COMMUNITY ASSETS &amp; SERVICES</b>
<b>AUTHOR:</b>	<b>MARTIN VERSCHUUR, MANAGER SOUTH MELBOURNE MARKET</b>
<b>FILE NO.:</b>	<b>56/04/01</b>
<b>ATTACHMENTS:</b>	<b>1. SOUTH MELBOURNE MARKET OCCUPANCY LEVELS JUNE 2001 – JUNE 2007</b> <b>2. SOUTH MELBOURNE MARKET AVERAGE WEEKLY DOOR COUNT JUNE 2001 – JUNE 2007</b> <b>3. SOUTH MELBOURNE MARKET CREDIT MANAGEMENT &amp; FINANCIAL PERFORMANCE (<u>CONFIDENTIAL</u>)</b>

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**1. KEY ISSUES**

- 1.1. To report on the business of the South Melbourne Market Management Committee for the year ended 30 June 2007.
- 1.2. To report on the South Melbourne Market's operational performance with regard to stallholder occupancy levels (Attachment 1) and average weekly visitor door counts (Attachment 2) for the past seven years.
- 1.3. To report on the South Melbourne Market's credit management, financial performance and the 3 year financial forecast (Attachment 3 - Confidential).

**2. CONTEXT**

- 2.1. Council at its Ordinary Meeting held on 26 February 2001, adopted a Charter for the South Melbourne Market Management Committee, which in part stated *"The Management Committee shall report at least once annually to Council on the performance of the Market and the business of the Committee and shall also report to Council from time to time on matters that it regards as material"*. The Management Committee (the Committee) last reported to Council on the performance of the Market and on the business of the Committee on 5 March 2007.
- 2.2. The Committee was formed as of 1 March 2001.

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- 2.3. The Committee, at its special meeting of 17 January 2008, resolved: that a report be submitted to Council on the business of the Committee for the year ended 30 June 2007; to report on the comparative operational performance of the South Melbourne Market (the Market) with regard to occupancy levels and average weekly door counts; and to table a confidential report on the Market's credit management and financial performance.

**3. PROPOSAL**

- 3.1. That the Committee's report is noted.

**4. OPTIONS**

- 4.1. There are no other options.

**5. POLICY IMPLICATIONS**

- 5.1. Investment in the South Melbourne Market supports Council's Economic Viability Pillar i.e. "To promote effective stewardship of the council's assets and promote positive economic development within Port Phillip that also supports the council's social, cultural and environmental goals." The Market continues to generate a net cash surplus for Council and its operation promotes locally based sustainable economic activity.
- 5.2. The Market's second 5 Year Strategic Business Plan 2006–2010 was adopted by Council at its meeting of 27 March 2007.

**6. SUSTAINABILITY IMPLICATIONS**

**6.1. Social**

The Market continues to attract approximately 2 million visitors annually. It houses approximately 135 permanent retail businesses and a small number of daily casual retail businesses. It is a significant community asset and attracts a diverse range of shoppers both locally and from a regional catchment area.

**6.2. Economic**

**6.2.1 Impact on Council**

The Market generates an annual net cash contribution to Council.

**6.2.2 Impact on Local Economy**

The Market's permanent and casual stallholders provide employment for approximately 350 people and their businesses generate an estimated collective annual retail turnover of \$55+ million. The Market collaborates with the South Melbourne Business Association in certain joint marketing programs. A retail destination in its own right, the Market's presence also benefits retail businesses operating opposite it in Coventry and Cecil Streets.

**6.3. Environmental**

The Market is environmentally friendly through its well-established recycling programs. The Market is also a smoke free zone.

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**6.4. Cultural**

The Market's continues to position itself 'as Melbourne's most authentic community market'. The Market is a local meeting place for a diverse range of community groups for eating and shopping, a place that is big enough to offer a diverse range of products and services but small enough to remain friendly.

**7. RESOURCE IMPLICATIONS**

- 7.1. The Market Management Committee members at 30 June 2007 were Cr Peter Logan; Cr Judith Klepner; David Yeouart Executive Director Community Assets & Services; and John Lewisohn (Chairperson) and Felicity Giuliani (Co-opted) as external members. During the year resignations were received from David Graham, previously Executive Director Corporate Management and Peter Geer, and Ray Walton previous Market Manager left the City of Port Phillip. Verena Bayliss, and formerly John Webb, provided secretariat support. The Committee meets at least monthly and more often as circumstances require. It has met 11 times since 1 July 2006 to 30 June 2007 and 91 times in total to 30 June 2006 since its formation in March 2001.
- 7.2. The Market is self-funding from an operational standpoint and generates a net cash contribution for Council.
- 7.3. The operational profit for 2006/2007 was in line with the strategic plan, and comparable to the previous year due to additional expenditure required for the upgrade works and associated stallholder relocations.

**8. BUSINESS OF THE COMMITTEE**

- 8.1. The Committee undertook the following activities for 2006/2007:
- 8.1.1. Committee took the necessary steps to have the licence documentation revised and brought up to date with lawyers, and the three-year licence agreement is being progressively introduced over three years across the whole Market. All stallholders that have undertaken significant capital investment (such as the stallholders in the deli aisle and potential Cecil Street traders) were offered a three-year licence commencing from 2006/2007. The remaining stallholders will be offered a 3-year licence during 2007/2008 subject to satisfactory credit history. Payment of licence fees under the three-year licence will be made via the introduction of a direct debit system which is currently being implemented.
- 8.1.2. The Marketing program was further developed with the new logo and slogan of "*Local Values since 1867*". A more intense advertising program, including displays in Tram Interiors, provided greater exposure for the Market. The committee also approved a Marketing Plan for the Market, to be implemented over the next three years with the major focus of increasing shopper patronage.
- 8.1.3. The Committee has reviewed opportunities to further promote the Market with the development of the Red Bears site (opposite the Market) the spread of commerce from Clarendon Street and

other impending developments in the area are increasingly linking the Market with South Melbourne Central, which provides a stronger link with the light rail, pedestrian traffic, parking and the community.

- 8.1.4. The shortfall of parking spaces and traffic congestion is a major challenge and investigations of sustainable transport solutions and other parking options has commenced.
- 8.1.5. The development of the Cecil Street precinct as the “window to the Market” has been slower than expected; however, the concept of providing fresh nutritional food and some gluten free options is an exciting opportunity for the Market, and will address social, health and economic issues for residents and shoppers.
- 8.1.6. The Committee has identified high quality public spaces to be enhanced and developed for the community to gather and interact.
- 8.1.7. The Committee’s attention was also substantially directed to:
- General exigencies of the upgrade, for example responding to issues arising from disruption, delay, relocations;
  - The particular difficulties associated with completing the Cecil Street re-development; and
  - Matters relating to the review and recommendations of the Sustainable Evaluation Review Panel.

- 8.2. Committee reviewed the 2006/2007 operational and capital budgets, approved in full by Council.

### **Operational Performance**

- 8.3. Two major operational performance indicators of the Market are occupancy levels and the number of visitors.
- 8.3.1. Attachment 1  
Attachment 1 details the comparative permanent Stallholder occupancy levels at the Market over the past seven years from June 2001 to June 2007. Although permanent stallholder numbers are stable, the number of casual stallholders is increasing providing a greater variety for shoppers with a view to utilising all available lettable space in the future.

- 8.3.2. Attachment 2  
This attachment details the comparative weekly average door counts of visitors to the Market for the past seven years, at quarterly rests, from June 2001 to June 2007. Average weekly visitors commenced reducing in the March 2005 quarter due to the Market Upgrade works and continued through to December 2006, recorded as the least December patronage since 2001. From early 2007, the trend has reversed and door counts have increased in excess of pre upgrade work numbers.

### **Financial Performance**

- 8.4 The two main financial performance indicators of the Market are operating results (including capital expenditure) and debtor levels, which are monitored regularly. Attachment 3 South Melbourne Market Performance details the two performance indicators.

8.4.1 The operating surplus for the 2006/2007 financial year was \$441,000, in line with the result for the previous year. Income at \$2,783,000 reflected an increase of 15% from the previous year. Expenditure, at \$2,342,000 was 18% higher than the corresponding period last year and increased as a result of non-recurring costs associated with the upgrade program principally due to increased internal works required for stallholder relocations.

Capital Expenditure of \$2,604,000 for the financial year mainly represents expenditure associated with finalisation of the upgrade works, which are now complete. These works were required to be undertaken by Council to ensure the Market was meeting legislative Health compliance requirements.

8.4.2 Debtor levels as at 30 June 2007 were \$155,400, which represented a substantial increase from 30 June 2006. Since that date, there has been an aggressive collection campaign, and debtors have again reduced to 30 June 2006 levels. Some continuing debt collection issues were attributable to other units of Council.

## **9. INTERNAL CONSULTATION**

- 9.1. The Committee and supporting Senior Officers and staff have worked closely with other Senior Officers, management and staff of Council from a wide range of service units, and with the Mayor and Councillors at briefings.

## **10. EXTERNAL CONSULTATION**

- 10.1. General and professional advice has been obtained from a number of architectural, design, engineering, legal, retail and other consultancies.

## **11. IMPLEMENTATION**

- 11.1. The Committee and supporting Senior Officers and staff will continue to implement year one of the 5-Year Strategic Business Plan 2006-2010 throughout 2007/2008.

## **12. CONCLUSION**

- 12.1. To ensure that the South Melbourne Market Management Committee meets its reporting obligations to Council within its adopted Charter, this report be adopted.

**13. COMMUNICATION**

- 13.1. None recommended. Certain items contained within the report have previously been communicated to: the public via media releases and Divercity; to Market stallholders via regular newsletters and to the Shoppers Advisory Group via monthly meetings.

**14. RECOMMENDATION**

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

- 14.1. Council notes this report on the business of the South Melbourne Market Management Committee for the year ended 30 June 2007.
- 14.2. Council notes the Market's operational performance with regard to permanent Stallholder occupancy levels (Attachment 1) and visitor counts (Attachment 2) for the past five years.
- 14.3. Council notes the credit management and financial performance of the Market (Attachment 3 – Confidential) with regard to debtor levels and operating performance.

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<b>A7</b>	<b>QUARTERLY FINANCIAL REPORT &amp; KEY PERFORMANCE INDICATOR REPORT</b>
<b>LOCATION/ADDRESS:</b>	<b>COUNCIL CHAMBER</b>
<b>RESPONSIBLE EXECUTIVE DIRECTOR:</b>	<b>DAVID SPOKES, CHIEF EXECUTIVE OFFICER</b>
<b>AUTHOR:</b>	<b>DAVID SPOKES, CHIEF EXECUTIVE OFFICER</b>
<b>FILE NO.:</b>	<b>N/A</b>
<b>ATTACHMENTS:</b>	<b>DECEMBER 2007 QUARTERLY FINANCIAL REPORT (ATTACHMENT 1)</b> <b>DECEMBER 2007 KEY PERFORMANCE INDICATOR REPORT (ATTACHMENT 2)</b>

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**1. EXECUTIVE SUMMARY**

**Quarterly Financial Report**

- 1.1. The Quarterly Financial Report aims to provide Council with a summary of the major areas of activity and operational performance for the six months ended 31 December 2007.
- 1.2. To provide Council with details and reasons for significant variances against the budget position.
- 1.3. To inform Council on the major organisational achievements and challenges for the quarter.
- 1.4. To present Council with a summary of its capital works delivery for the six months ended 31 December 2007.

**Key Performance Indicator Report**

- 1.5. The Key Performance Indicator Report aims to provide Council with a summary and analysis of the performance of the organisation for the three months ending 31 December 2007.

**2. BACKGROUND AND CONTEXT**

**Quarterly Financial Report (Attachment 1)**

- 2.1. Officers have reviewed their financial performance and provided reasons for major variances against forecast, details of which are contained in the body of the report.

**Key Performance Indicator Report (Attachment 2)**

- 2.2. The draft Key Performance Indicators and targets were adopted by Council on the 7<sup>th</sup> November 2007.
- 2.3. The Key Performance results have been collected from workgroups, managers and key result area champion groups throughout the organisation.

**3. POLICY IMPLICATIONS**

- 3.1. These reports and the recommendations arising from them do not have a direct impact on Council policy.

**4. SUSTAINABILITY IMPLICATIONS**

**Economic**

Council's net operating surplus for the six months ending 31 December 2007 is \$17.556M. This result is \$2.952M favourable compared to the projected surplus of \$14.604M due to a number of variances, the most significant being:

- Parking revenue being \$407K less than budget. This is due to fewer than anticipated parking infringements being issued as a result of staff shortages.
- Fees & charges being \$485K less than budget. This is due partly to unfavourable child care fees as a result of delays in completion of additional places at a number of centres including North St Kilda and Coventry.
- Capital grants being \$360K less than budget due to delays in invoicing the relevant government agencies.
- Employee costs \$325K less than budget due to favourable variances on full/part time salaries and wages (\$928K) which is partially offset by unfavourable agency staff salaries (\$603K).
- Contract payments \$1.213M less than budget due largely to:
  - Shortage of resources in Buildings and Green Services which is impacting on the delivery of services
  - Delays in receiving invoices for the Parking Enforcement contract
  - Delays in Vic Roads and various other works (eg. South Melbourne Market)
- Materials and other costs \$1.743M less than budget due to numerous factors including:
  - Delays in expensing council managed child care centre levies into relevant managers and coordinators areas.
  - Building maintenance for child care centres having not yet occurred.
  - Reduced insurance premiums as a result of favourable claims history.
  - Reduced levels of staff training across the organisation.
  - Lower than anticipated expenditure on advertising and promotion across the organisation.

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- Capital Works expenditure & capital carry over (06/07) is \$1.793M less than budget with a large focus being placed on the carried forward capital works projects in the first half of the year.
- Capital expenditure is \$214K less than budget due to delays in rolling out the IT Strategy. It is anticipated that this favourable variance will reduce as the year progresses and large amounts of IT capital expenditure are incurred.
- Net transfers from reserves are \$2.03M less than the year to date budget which is largely due to the reversal of the year end tied grants journal and is a timing variance.

**5. INTERNAL CONSULTATION**

5.1. Executive Team

**6. RECOMMENDATION**

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

- 6.1. The Quarterly Financial Report from the CEO detailing Council's financial performance for the six months ended 31 December 2007 be adopted.
- 6.2. The Key Performance Indicator Report from the CEO detailing Council's performance for the three months ended 31 December 2007 be adopted.

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**A8** **MID YEAR BUDGET 2007/2008**

**LOCATION/ADDRESS:**

**RESPONSIBLE EXECUTIVE DIRECTOR:** **SALLY CALDER, EXECUTIVE DIRECTOR, ORGANISATIONAL SYSTEMS & SUPPORT**

**AUTHOR:** **DAVID FILMALTER, MANAGER FINANCE & INVESTMENTS**

**FILE NO.:**

**ATTACHMENTS:**

- 1. SUMMARY OF OPERATING BUDGET FORECAST CHANGES (ATTACHMENT 1)**
- 2. REVISED RATE DETERMINATION STATEMENT (ATTACHMENT 2)**
- 3. CAPITAL WORKS EXPENDITURE VARIATIONS (ATTACHMENT 3)**

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**1. KEY ISSUES**

- 1.1.** Council officers carried out a structured mid year review of their budgets in accordance with directions from the Executive Team and the Manager, Finance and Investments.
- 1.2.** This review emphasised the importance of ensuring that the revenue and expenditure forecasts fairly present the expected full year financial results and the amended revenue and expenditure forecasts have been reviewed by the Executive Team and the Manager, Finance and Investments.
- 1.3.** Attachment 1 summarises the operating budget changes that have been recommended as a result of this review. The review has identified \$2.582M of expenditure savings and additional revenue which will be applied towards unfavourable permanent budget variances of \$2.763M.
- 1.4.** The overall impact of the revenue and expenditure review (for both operating and capital budgets) combined with the 2006/07 carry over surplus is a projected \$37K accumulated budget surplus for the full year. This is a \$231K decrease on the original budget that projected a surplus of \$268K for the full year. This is summarised in Attachment 2.
- 1.5.** The mid year budget includes a number of forecast changes to the original budget the most significant being:
  - 1.5.1.** An increase of \$500K in rates revenue due to the impact of supplementary rates.

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- 1.5.2. Interest received increased by \$250K due to a combination of higher interest rates and increased funds being available for investment.
  - 1.5.3. A reduction in insurance premiums of \$500K due to a one off bonus distribution of \$140K from the insurer and Council's favourable claims experience which has reduced renewal premium costs.
  - 1.5.4. Increased salaries and wages of \$230K for the Corporate Planning and Performance department. Additional staff have been engaged to improve our project management, support officers with performance monitoring and measurement, drive business improvement and develop a more strategic approach to procurement.
  - 1.5.5. Parking Infringement Notice (PIN) income decreased by \$230K due to loss of staff and ongoing staff shortages.
  - 1.5.6. Increased maintenance and security costs for parking machines of \$300K. This is largely due to additional maintenance required outside the scope of the parking contract.
  - 1.5.7. Increased work zone permit income of \$150K due to larger numbers of contractors using parking spaces for waste bins, etc.
  - 1.5.8. Increased street occupation income of \$120K due to the Coles, Clarendon Street and Red Bears developments.
  - 1.5.9. An increase in contract payments and professional services of \$350K for St Kilda's Edge as a result of additional legal and commercial advice required and unbudgeted expenditure on security due to the Palace night club fire.
  - 1.5.10. Reduced fee income for childcare centres of \$524K which is offset by reductions in labour costs (\$356K) and materials (\$106K)
  - 1.5.11. Contract payments increased by \$185K to fund the collection of dumped rubbish. This includes a new Council mattress recycling service costing \$46K.
- 1.6.** Full details of the proposed changes to the budget are set out in Attachment 1.
- 1.7.** The request for funding of a mattress recycling service (refer 1.5.11) is reliant upon Council approval of this service. For the purposes of this report it is assumed that this service will proceed.
- 1.8.** The proposed forecast changes will have an unfavourable impact on the 2007/08 operating budget of \$181K. In addition, the capital works program is seeking additional net funding of \$50K. The capital works program is also looking to defer several projects (thereby reducing the 2007/08 budget) and to either transfer unspent budgets to reserves or carry them over to the 2008/09 works program. Specifically, unspent budget for St Kilda Children's Centre Renovations (\$700K) and Cleve Plaza Projects (\$512K) are to be transferred to general reserves while the South Melbourne Town Hall project (\$1.8M) is to be rolled over to the 2008/09 financial year.

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- 1.9.** Apart from the transfers to reserves detailed in the above point, no further changes have been made to the budgeted reserve transfers.

**2. CONTEXT**

- 2.1 The original 2007/2008 budget contained stringent expenditure targets that were set by the Executive Team and approved by Council, following the extensive reviews of past and future performance.

**3. PROPOSAL**

- 3.1 That Council adjusts its budget forecast to reflect the changes in the full year expenditure and revenue estimates that have arisen as consequence of this review.

**4. POLICY IMPLICATIONS**

- 4.1 This report and the recommendations arising from it do not have a direct impact on Council policy.

**5. SUSTAINABILITY IMPLICATIONS**

This report contains a number of proposals that are designed to contain costs across the organisation. There has been extensive consultation through the Executive Team to ensure that these measures do not impact on the ongoing sustainability of services provided by Council under the four pillars of sustainability.

**5.1. Social**

There will be no direct impact on Council's social equity pillar as a result of adopting the revised budget forecast, as there will be no impact on current service levels.

**5.2. Economic**

Council's ongoing economic viability will not be compromised as a result of the adoption of the mid year budget.

**5.3. Environmental**

Council's environmental responsibility pillar will not be negatively impacted as a result of the adoption of the mid year budget.

**5.4. Cultural**

There will be no direct impact on Council's cultural vitality pillar as a result of adopting the revised budget forecast, as there will be no impact on current service levels.

**6. RESOURCE IMPLICATIONS**

- 6.1. The operating variances identified by the mid year review have been classified as one offs (\$563K net favourable) and ongoing (\$744K net unfavourable).

- 6.2. All ongoing variances will be taken into account for the purpose of setting forward revenue and expenditure budget targets.

**7. INTERNAL CONSULTATION**

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7.1 Councillors

7.2 Executive Team

**8. EXTERNAL CONSULTATION**

8.1 N/A.

**9. IMPLEMENTATION**

9.1 Council approval of the mid year budget forecasts will result in future financial performance being reported against the revised budget forecast.

9.2 This will be implemented with effect from the January Monthly Management Report and March Quarterly Management Report, which will be presented to Council in the April reporting cycle.

**10. CONCLUSION**

10.1 Financial performance for the balance of the financial year will be reported against the revised budget forecast.

**11. COMMUNICATION**

11.1 Following Council adoption of the mid year budget forecast, detailed advice will be provided internally to affected officers by the Finance & Investments department.

**12. RECOMMENDATION**

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

12.1 Council adopt the 2007/08 mid year budget forecast as outlined in the body of this report and Attachments 1 and 2, and approve the favourable and unfavourable variances as outlined in these Attachments.

12.2 Council adopt the changes recommended to the Capital Works program as outlined in Attachment 3.