



CEO Report

Issue 39




Published December 2017

City of Port Phillip CEO report - Issue 39

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Guide to reading this report

-  On track Latest result has achieved target for measure
Project is on track across all elements
-  At risk Latest result has not achieved target for measure
One of more elements of project are at risk
-  Off track There is a significantly large variation from targeted result for measure
Project is off track for one or more elements

Council respectfully acknowledges the Yalukut Weelam Clan of the Boon Wurrung.

We pay our respects to their Elders, both past and present.

We acknowledge and uphold their continuing relationship to this land.

This report uses the best available information. While care has been taken to ensure the content in the report is accurate, it cannot be guaranteed at time of publication. There may be errors and omissions or it may not be wholly appropriate for your particular purposes. In addition, the publication is a snapshot in time based on historic information which is liable to change.

WELCOME



Peter Smith, Chief Executive Officer

Welcome to the final issue of the CEO Report for 2017.

I would like to congratulate Cr Bernadene Voss who was re-elected as Mayor and Cr Dick Gross who was elected as Deputy Mayor on 8 November.

I would also like to acknowledge and thank Cr Katherine Copsey who has done a great job in her role as Deputy Mayor in what was her first year on Council.

Job share

I continued to job share with staff to learn directly about the important services we provide. Most recently I spent some time with the housing and homelessness team and was reminded of the important role we have in responding to those sleeping rough and preventing homelessness by helping people who are at risk to secure long term accommodation.

Community celebrates Olive's Corner's new look

On 31 October, a community barbeque officially launched the upgraded Olive's Corner memorial park. Upgrades include newly paved paths, a new irrigated central lawn area, picnic tables, a drinking fountain, and games tables. The park was originally constructed in 2002 as a tribute to Olive Zakharov, a passionate social justice advocate and Port Melbourne resident.

Walk to School embraced by Port Phillip schools

From 9 October to 3 November, thousands of local children joined the state-wide VicHealth initiative, Walk to School month. As well as encouraging students to build lifelong healthy habits,

other benefits of the initiative include: making streets around schools safer, minimising traffic congestion, and easing the demand for on-street parking spaces as our population grows.

Annual Report available online

On 18 October the Annual Report 2016/17 was considered by Council. The Annual Report provides an accurate, comprehensive and transparent record of Council's activities and performance for the year ending 30 June 2017. Copies are available for viewing at our town halls and libraries. A video message from the Mayor Cr Bernadene Voss which summarises the Annual Report 2016/17 is available online. To view the report and Mayor's video message please visit Council's Annual Report webpage.

Local Law update

Council has reviewed its local laws and adopted additional clauses and amendments to sections regarding safety and amenity. Council consulted widely with the community before adopting the changes on 1 November. Key changes include:

- requiring locks on shopping trolleys to discourage dumped trolleys
- better regulation of noise from commercial premises
- improvements to the management of clothing recycling bins
- further powers for officers to order temporary fencing for safety reasons
- requiring land owners to remove graffiti.

More Council resources to fight the graffiti scourge

In response to the growing problem of graffiti-related vandalism we have increased our investment to provide a more informed and strategic approach to deter and mitigate the damage graffiti has in our city.

New Environmental Protection Authority (EPA) Officer

Council has an in-house EPA officer who will monitor any local pollution problems over the next 15 months. Commencing in September as part of a pilot program called the "Officers for the Protection of the Local Environment" the officer will work to protect the environment and people by preventing and minimising harm from pollution and waste.

Family fun at Acland Street Plaza

During the recent school holidays, Acland Street Plaza hosted a free pop-up playground for five fun-filled days. Daily pop-up activities over that period included: giant chess, connect four, jenga, bocce, noughts and crosses, and oversized colourful play blocks. This initiative was funded through Council's Vibrant Acland Seed Grant program, which supports traders through street activation events.

Energy Aware Apartments

As part of a program to support apartment buildings to reduce energy use we hosted an information session on 26 October. The session provided advice from experts, case studies and resources.

Planning Excellence Awards

Recently Council's In Our Backyard - Growing Affordable Housing in Port Phillip 2015-2025 was awarded a PIA Award for Planning Excellence in the category Best Planning Ideas - Large Project. These awards recognise leading practice, leadership and achievement in planning. We also received a commendation in the Great Place category for the Acland Street upgrade

Council Plan and Budget wins delegates award

Our Integrated Council Plan 2017-27 was a finalist in the Best Practice and Innovation Award and won the Delegate's Choice Award at the LGPro Corporate Planners Network Awards. The plan integrates six plans into one - with services, projects and resources aligned to the strategic direction set by the Council following extensive community engagement and consultation. It required a transformation of corporate planning capability including strategic management, service and asset planning, financial planning, community engagement and performance measurement.

Accessible beaches in Port Phillip

With support from Port Melbourne and St Kilda life saving clubs we are providing beach access matting and wheelchairs. The facilities are available from the life saving clubs during patrol hours from 12 noon to 5pm on the weekend. There is no charge to use the equipment, however, bookings are required. Read more about accessible beaches on our [website](#).

Marriage equality in Port Phillip

Following Council's unanimous show of support for marriage equality in August, officers progressed a number of actions to publicly communicate this support. This included rainbow banners and lights at St Kilda Town Hall, signs at ASSIST counters and libraries, and a recorded message on our phone line encouraging Port Phillip residents to take part in the marriage law survey. The banners will remain up at St Kilda Town Hall until the Pride March in 2018.

Launch of Melbourne Renewable Energy Project

Council is proud to be an active partner in the Melbourne Renewable Energy Project, launched on 25 November. This is a collective of 14 organisations sourcing electricity from a wind farm to be built near Ararat in regional Victoria. The wind farm is expected to go online in 2019 and the group plans to purchase 88 gigawatt hours of electricity each year (equivalent to powering more than 17,000 houses in Melbourne) annually. This will allow us to switch Council's electrical supply to a 100 per cent renewable energy source. Everything from street lights to Council buildings including town halls and community centres will be powered by green energy. This is a great outcome for us that will also benefit regional Victoria.



Peter Smith
Chief Executive Officer

TRANSFORMING THE CITY

The Council Plan 2017-27 sets out four areas where Council will focus its effort to see significant transformation over the next ten years.

Fishermans Bend

What has happened?

- Following the Victorian Government's release of the draft Fishermans Bend Framework and planning controls for public consultation on 21 October, a detailed submission has been prepared and will be presented to Council on 13 December. Submissions are due to the Victorian Government by 15 December.
- Council's submission will outline its position on key elements of the Framework including early delivery of public transport, affordable housing, and sustainable design.
- We encourage people to view and make a submission on the draft Fishermans Bend Framework.

What's coming up?

- The next Fishermans Bend community forum is scheduled for early February. If you would like to attend please visit Council's website www.portphillip.vic.gov.au/fishermans-bend-keeping-community-informed.htm for more information.
- Council will present its submission to the Fishermans Bend Planning Review Panel, who are appointed to consider the draft Fishermans Bend Framework and proposed planning scheme controls (amendment GC81). The panel will make recommendations to the Minister for Planning.

Waste management

What has happened?

- We continue working with our partners on the funding options and feasibility of an Inner Metro Sustainability Hub. The Hub would incorporate services currently delivered at Council's depot and transfer station.
- A grant for \$70,000 has been applied for from the Department of Environment, Land, Water and Planning sustainability fund in partnership with City of Melbourne to undertake a governance and feasibility study for the Hub.
- We are working with Sustainability Victoria to create an e-waste video to assist residents to comply with upcoming landfill bans.

What's coming up?

- Council is developing a new Waste Management and Resource Recovery Strategy to prepare us for the significant growth anticipated in the Fishermans Bend precinct and the wider municipality.
- Officers will prepare feedback on Victorian Government policies and discussion papers released for comment relating to waste. These include 'turning waste into energy', 'reducing plastic pollution' and 'e-waste landfill ban'.
- E-waste grants to increase current infrastructure at transfer stations and elsewhere within Port Phillip are available to assist with the transition to the ban of e-waste to landfill.

TRANSFORMING THE CITY

Water management

What has happened?

- We received confirmation of Living Rivers Program funding to support the development of Alma Park stormwater harvesting project.
- We have scoped further feasibility investigations (including soil testing, water quality, service and tree studies) at Alma Park with anticipated completion in March.
- Elster Creek Catchment Action Plan was endorsed by Council on 15 November.
- The Connections Ready project to assess the suitability of our reserves to receive and deliver treated stormwater from Albert Park Lake is progressing.
- Construction works for the Water Sensitive Urban Design program 2017/18 continued.

What's coming up?

- Further feasibility assessment and a business case for stormwater harvesting at Alma Park will be prepared over the next three months. Full concept design is expected to be presented to Council in March.
- Peer review of the Albert Park Stormwater Harvesting concept design report being led by Parks Victoria and is anticipated to be completed in 2018.
- The Connections Ready report, a subproject of Albert Park stormwater harvesting development project, is expected to be delivered in December.
- The first Water Sensitive Urban Design raingarden is due for completion in December.

Transport and parking

What has happened?

- Community engagement commenced on 30 October and continued through to 4 December. Council encouraged the community to participate by viewing an online, reading a position paper and heading to the [Have Your Say page](#) to complete the online survey.
- Council held focus groups with community residents and business owners, and workshops with hard to reach groups in November.
- The December/February issue of Diversity included a focus on transport in Port Phillip. To check out Diversity head to Council's Diversity webpage.

What's coming up?

- Summary of engagement participation figures will be released on 15 December.
- Council will collate community engagement findings and commence preparation of the draft Integrated Transport Strategy in December for release to the community in March.

COUNCIL SCORECARD

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

Updates are provided on a monthly basis unless information is not available.






	Outcome indicators	Service measures	Areas for focus
Direction 1 We embrace difference, and people belong	<p>3 on track 0 at risk 0 off track</p>	<p>11 on track 2 at risk 0 off track</p>	<ul style="list-style-type: none"> • Latest results for maternal and child health participation were below annual target, this is attributed to the phasing of visits and is expected to improve as the year progresses.
Direction 2 We are connected and it's easy to move around	<p>3 on track 0 at risk 0 off track</p>	<p>6 on track 2 at risk 0 off track</p>	<ul style="list-style-type: none"> • Latest results for sealed local road requests and cost of sealed roads did not meet annual target and are being monitored closely.
Direction 3 We have smart solutions for a sustainable future	<p>3 on track 2 at risk 0 off track</p>	<p>11 on track 3 at risk 0 off track</p>	<ul style="list-style-type: none"> • The latest result for potable water usage was above quarterly target. • The latest result for kerbside waste diversion was below target (32% compared to target of 35%). • The three service measures at risk relate to street cleaning, alternative water sources and cost of kerbside recyclables. These are being monitored closely.
Direction 4 We are growing and keeping our character	<p>3 on track 1 at risk 0 off track</p>	<p>12 on track 5 at risk 0 off track</p>	<ul style="list-style-type: none"> • Latest result for planning decisions upheld at VCAT was below annual target. • The five service measures at risk relate to animals reclaimed, cost of animal management, time taken to decide planning applications, cost of planning service, and cost of food safety service where the current results were below target. These are being monitored closely.
Direction 5 We thrive by harnessing creativity	<p>4 on track 0 at risk 0 off track</p>	<p>8 on track 1 at risk 0 off track</p>	<ul style="list-style-type: none"> • Latest result for active library members was below annual target. This is expected to improve as the year progresses.
Direction 6 Our commitment to you	<p>4 on track 0 at risk 0 off track</p>	<p>30 on track 4 at risk 1 off track</p>	<ul style="list-style-type: none"> • The number of material legislative breaches is above the annual target of zero. • The latest results for average residential rate per residential assessment, asset renewal compared to depreciation, rates compared to underlying revenue and staff turnover are outside targets. These are being monitored closely.

PROJECT DELIVERY UPDATE

The Council Plan 2017-27 commits us to a project portfolio worth more than \$53.2 million in 2017/18. This section provides a detailed update on the status of each major initiative identified in the plan and the overall project portfolio for each of the six directions as at the end of October.

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

Direction 1 - We embrace difference, and people belong

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Ferrars Street Education and Community Precinct - Community Facilities T						
Deliver		The school building is on schedule for completion in January 2018. The Community Joint Use Agreement for the building is in the final stages of negotiation. An out of school hours care service provider has been appointed. The project is at risk due to schedule pressure.	Dec 2017	Jan 2018	2,995	2,995
JL Murphy Reserve Pavilion Upgrade						
Plan		Project is on track. In November officers held their first meeting with the club to work through detailed design.			300	300
South Melbourne Life Saving Club Redevelopment						
Deliver		Project is on track. Building permit application was submitted and review process continues. The request for tender for building contractors closed in November and a recommendation for preferred contractor will be presented to Council in December.	Apr 2020	Apr 2010	200	200
In Our Backyard Strategy Implementation						
Deliver		Project is on track. Officers commenced design of the EOI process and further consideration of the trust model. Funding was allocated to maintain the 'pop up' housing program for 2017/18 to create temporary accommodation, address rooming house closures and facilitate redevelopment of existing social housing.	Jun 2018	Jun 2018	80	230
Peanut Farm Reserve Sports Pavilion Upgrade						
Deliver		Project is on track. The work to procure a construction contractor is continuing. The community was informed of the proposed lighting of the multi-purpose courts.	Mar 2019	Mar 2019	2,315	1,120

Overall portfolio status



There are 21 projects contributing to the outcomes in this direction. At the end of October three projects were listed as off track, the Children's Services Review Implementation, Children's Centres Improvement Strategy and the Bubup Nairn Non Compliance Works projects.

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

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Integrated Transport Strategy Development T						
Deliver	✔	Project is on track. Community consultation on the Integrated Transport Strategy Position Paper and Fast Facts Summary commenced on 30 October and will run until 4 December.	Jun 2018	Jun 2018	150	350
Walk Plan and Bike Plan Implementation 2017/18						
Deliver	✔	<p>Project is on track.</p> <ul style="list-style-type: none"> Construction of safety improvements at Park and Mountain streets and Nelson Road (South Melbourne) continued. Pedestrian improvements at Station and Raglan streets and Light Rail shared path (Port Melbourne) continued. Signalisation works for Swallow Street and Light Rail shared path (Port Melbourne) Community consultation for Inkerman Street (St Kilda) intersection upgrades commenced in November. Procurement for Ingles Street and Light Rail (Port Melbourne) were scheduled for November. 	Jun 2018	Jun 2018	1,040	1,040
Beach Street Separated Queuing Lane Implementation						
Deliver	✔	Project is on track. Construction was completed in September. Traffic surveys will take place during the summer months to evaluate the project. Project has been completed with a saving of \$95,000.	Mar 2017	Feb 2018	519	279
Kerferd Road Safety Improvements						
Plan	⚠	Held a planning session to identify options and risks. A community engagement plan is being developed. Received quotes from design consultants for review. Council is working with VicRoads to agree grant requirements. Project is at risk due to uncertainty with project timelines.			395	395

Overall portfolio status



There are 21 projects contributing to the outcomes in this direction. As at the end of October no projects were considered off track.

Direction 3 - We have smart solutions for a sustainable future

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Stormwater Management Program T						
Plan	✓	Project is on track. Works complete at the Palais Theatre car park, Camden Street, Woonsocket Court and Broadway, Elwood.			1,300	1,300
Waste Management and Resource Recovery Strategy T						
Deliver	✓	Project is on track. Work with City of Melbourne and Metro Waste Resource Recovery Group continues. The Fishermans Bend Waste Strategy was made available in October. This will inform the strategy.	Jun 2018	Jun 2018	95	95
Energy Efficiency and Solar Program						
Plan	✓	Project is on track. Solar PV and safe roof systems at Albert Park and Emerald Hill libraries and Bubup Nairm were installed. They will be connected once approval has been granted from distribution company.			460	540
Sustainability Strategy Beyond 2020 Review						
Deliver	✓	Project is on track. The gap analysis has progressed and initial workshops with Councillors occurred in November.	Jun 2018	Jun 2018	150	150
Baseline of Municipal Greenhouse Gas Emissions Development						
Deliver	✓	Project is on track. Officers have obtained gas and some electricity data from relevant power companies.	Jun 2018	Jun 2018	150	150
Albert Park Stormwater Harvesting Development T						
Deliver	✗	Project is off track. A peer review of the concept design, delivery methodology and costs, although not scheduled, is being undertaken to ensure accuracy. Schedule and other parameters will be reassessed with project partners following outcome of review. The Connections Ready project is on track.	Apr 2018	Jun 2018	50	218
Alma Park Stormwater Harvesting Development T						
Plan	✓	Project is on track. Consultants were engaged to undertake further site investigations (including soil testing, service and tree studies) with anticipated completion in March.	Jun 2018	Jun 2018	100	100
Water Sensitive Urban Design Program T						
Deliver	✓	Project is on track. Derham Street, Port Melbourne raingarden is due for completion in December. Langridge Street and Park Road, Middle Park raingardens are scheduled to commence construction in January.	Jun 2018	Jun 2018	300	300

Overall project status



There are 27 projects contributing to this outcome. At the end of October three projects were considered off track, the Albert Park Stormwater Harvesting Development, EcoCentre Service Opportunity, Glutton Industrial Vacuum for Street and Beach Cleaning projects.

Direction 4 - We are growing and keeping our character

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Fishermans Bend Managing Growth Program T						
Deliver	✔	Program on track. The Integrated Water Management approaches consultant study has progressed and officers received the final Economic and Transport Infrastructure study. Findings of both studies have informed Council's submission on the draft Fishermans Bend Framework.	Jun 2018	Jun 2018	365	565
Ferrars Street Education and Community Precinct - Construction of Montague Park T						
Plan	⚠	Project is at risk due to level of site contamination and contract award timing. Outcomes of community engagement on road closures will be presented to Council on 6 December. Subject to the award of a contract, construction of the park will begin in early 2018. Community consultation was undertaken to seek ideas for the permanent name of the park.			2,290	2,290
Ferrars Street Education and Community Precinct - Streetscape Upgrade T						
Plan	⚠	Project is at risk due to uncertainty of the schedule. Design of temporary works was completed in November and works will be delivered prior to school opening in January. Community engagement to close a section of Railway Place was undertaken in October and November.			2,638	2,638
Gasworks Arts Park Contamination Management Plan						
Deliver	✔	Project is on track. Consultation with the Department of Treasury and Finance continues. A draft Contamination Management Action Plan (CMAP) is expected to be developed by December. The draft CMAP will be provided to the community and will guide conversation about any landscape works and usage management (if required).	Jun 2018	Jun 2018	50	50
St Kilda Marina New Lease						
Initiate	⚠	The project is at risk because the schedule and budget will need to be updated to account for additional research and investigation reports to formulate a site constraints and opportunities paper. This paper will be used as basis for community engagement and next year will inform the next stage of works - detailed site options analysis. In November Councillors were briefed on the project approach and stages.			150	150
Public Spaces Strategy Development						
Plan	✔	Project is on track. Background research is continuing to develop a position paper that will inform development of the Public Spaces Strategy and community engagement in early 2018.			50	50

Overall project status



There are 27 projects contributing to the outcomes in this direction. At the end of October two projects were recorded off track, Soil Contamination Management Plan 2017/18 and Elwood Public Space Wall Replacement.

Direction 5 - We thrive by harnessing creativity

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Creative and Prosperous City Strategy Development						
Deliver	✔	Project in on track. Following a workshop with Councillors in October officers are drafting the strategy. A report to Council on the draft strategy has been moved from December to February.	Jun 2018	Jun 2018	50	50
Linden Gallery						
Deliver	✔	Project is on track. Builder has taken possession of the site. Exterior Art protected, temporary fencing erected and sheet protection installed to protect assets during construction.	Jun 2018	Jun 2018	1,675	1,675

Overall Project Portfolio Status



There are 17 projects contributing to the outcomes in this direction. As at the end of October the South Melbourne Market Building Compliance Assessment project was considered off track.

Direction 6 - Our commitment to you

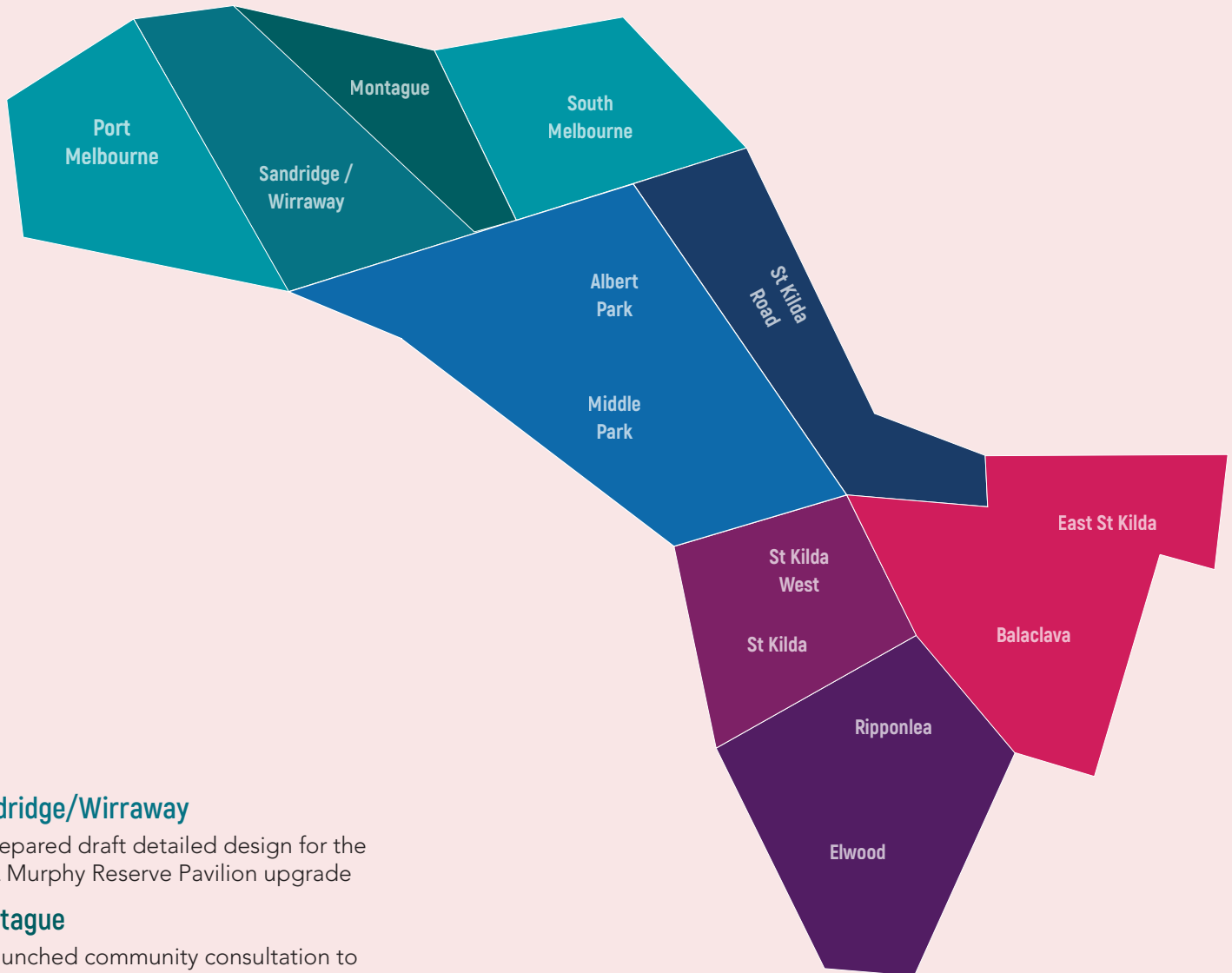
Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Building Renewal Program 2017/18						
Deliver	✓	<p>Program on track.</p> <ul style="list-style-type: none"> Engaged consultant to prepare concept design for mechanical system and alternate design for the existing roof at Sails on the Bay. Preventative and minor reactive capital works progressed with identified works being resourced and delivered. Completed rectification works on Emerald Hill Tanks. Replaced community centre carpet. 	Jun 2018	Jun 2018	2,330	2,330
Core Application Renewal and Upgrade Program						
Plan	✓	Program is on track. An operating model review and the development of business case will commence in November. These will provide a vehicle for a comprehensive delivery approach for the 'Customer Experience & Business Transformation Roadmap', which is the foundation for the ICT & Customer Experience Improvement strategies.			2,500	2,500
Core IT Infrastructure Renewal and Upgrade Program						
Plan	⚠	Program is at risk. Two out of five projects have missed milestones however will be rectified in November. Geographic Information System is scheduled to be completed in November. Program consists of five projects: Desktop and SOE Renewal, Disaster Recovery Replacement, Geographic Information System Renewal, Valuation System replacement and Telephony and Contact Centre Technology Renewal.	May 2018	Jun 2018	1,792	2,572

Overall project status



There are 17 projects contributing to the outcomes in this direction. As at the end of October no projects were recorded off track.

WHAT'S HAPPENED IN OUR LOCAL NEIGHBOURHOODS?



Sandridge/Wirraway

- Prepared draft detailed design for the JL Murphy Reserve Pavilion upgrade

Montague

- Launched community consultation to seek suggestions for the permanent name for Montague Community Park

South Melbourne

- Hosted "Inside/Outside: an exhibition of boxes" exhibition at Emerald Hill Library & Heritage Centre from 9 October to 8 December
- Held the White Light Ballroom dance at the South Melbourne Community Centre on 19 October

Port Melbourne

- Completed works on courts at RF Julier Reserve
- Appointed contractor to repair the north east section of the sea bee wall
- Provided beach wheelchairs and matting at Port Melbourne beach

St Kilda Road

- Completed tree planting along Queens Road, the final part of the Queens Lane upgrade project

Albert Park/ Middle Park

- The building permit application for South Melbourne Life Saving Club redevelopment continues to be assessed

St Kilda / St Kilda West

- Completed footpath renewal on Cowderoy Street
- Parks Victoria undertook public consultation on concept design options for a new St Kilda Pier
- Provided beach wheelchairs and matting at St Kilda beach

Elwood / Ripponlea

- Appointed contractor to construct a raised zebra crossing at the Broadway/Milton Street roundabout, as part of the Blackspot Safety Improvement Initiative
- Endorsed Elster Creek Catchment Action Plan on 15 November

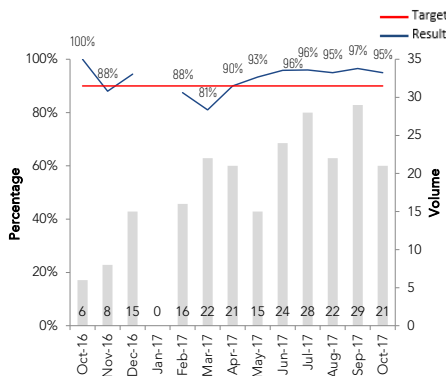
Balaclava / St Kilda East

- Worked with Port Phillip Housing Association on Marlborough Street, St Kilda affordable housing project

SPOTLIGHT ON OUR PERFORMANCE: GOVERNANCE

This month we highlight some of the ways we monitor how effectively and transparently we govern our City.

Decisions made in public

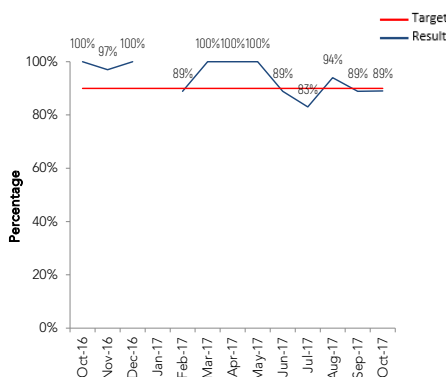


We monitor the proportion of Council's decisions made in the public each month.

In 2016/17, 15 out of 202 decisions (or 7 per cent) were made at meetings closed to the public. This is comparable with the metropolitan Melbourne average of 7 per cent but lower than the state average of 9.5 per cent.

To date, our performance in 2017/18 has slightly improved with only 4 per cent of decisions made at meetings closed to the public. This is below the target of less than 10 per cent.

Councillor attendance at council meetings



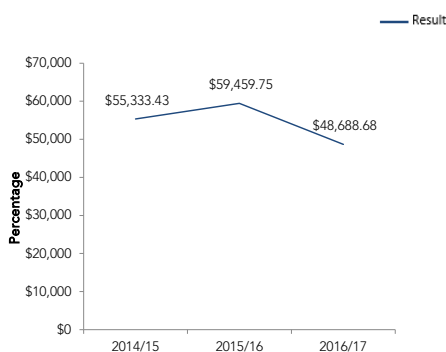
We also track Councillor attendance at Council meetings.

In 2016/17, Councillor attendance was 96 per cent, above the metropolitan Melbourne and state-wide average of 94 per cent.

Compared to 2015/16 we saw an improvement of four percentage points.

To date, our performance in 2017/18, has slightly decreased compared to the previous years with an 89 per cent attendance rate.

Cost of governance per Councillor



This measure shows the cost to provide governance services to Councillors.

In 2016/17 we spent \$48,687.68 per Councillor, compared to metropolitan average of \$53,354.08 and the state average of \$47,978.61.

More results about Council's services are available in our Annual Report and on the Know Your Council website. The Know Your Council website allows visitors to view performance of all Victorian councils across a range of services, including governance.

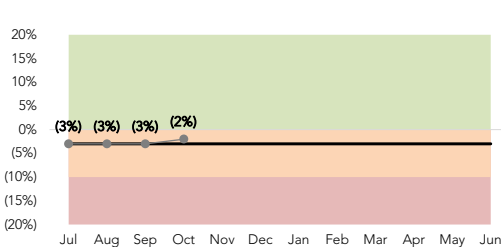
FINANCIAL PERFORMANCE

Council’s decision-making is reflected by the principles of sound financial management, to ensure our finance position is sustainable. We assess our financial performance using the Victorian Auditor General Office (VAGO) financial sustainability indicators.

- As highlighted by the six VAGO financial indicators below, the full year forecast in October indicates an overall low risk financial sustainability rating for Council.
- Council expects to achieve a modest cumulative cash surplus for 2017/18 as budgeted.

Financial sustainability indicators

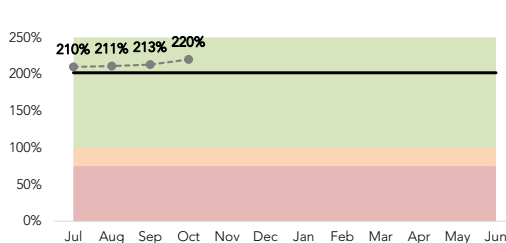
1.1 Net Result % (Net Surplus over Total Income)



Target: Greater than 0% **Year-end forecast:** (2%) **Status:** ⚠️

Comments: This financial indicator assesses Council’s ability to generate sufficient funds for asset renewals. A small deficit is budgeted for 2017/18 due to the inclusion of one-off expenditures including the Pride Centre, Ferrars Street precinct works and relinquishing the Pickles Street property on crown land. Council is currently on track to deliver a small deficit, two per cent of total income as budgeted.

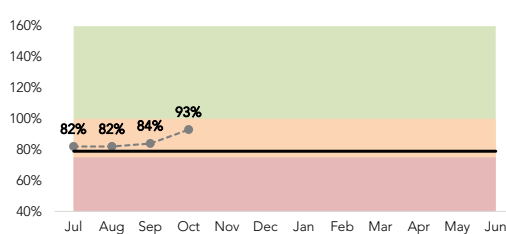
1.2 Working Capital % (Current Assets over Current Liabilities)



Target: Greater than 100% **Year-end forecast:** 220% **Status:** ✅

Comments: This financial indicator assesses Council’s ability to pay short term liabilities as they fall due. The Budget 2017/18 forecast working capital ratio of 202 per cent. The actual financial position for 2016/17 compared favourably to the forecast position for 2016/17 when the 2017/18 budget was prepared. This will continue for the rest of the 2017/18 and reflected in the current full year forecast in October of 220 per cent. Council has no issues in paying suppliers and employees when payments fall due.

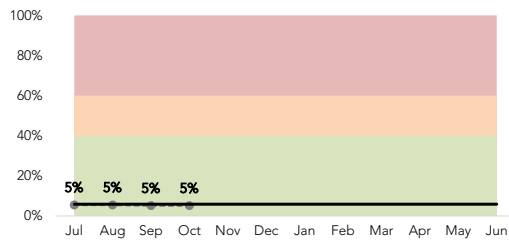
1.3 Internal Financing % (Net Operational Cashflows compared to Net Cash Capital Outlay)



Target: Greater than 100% **Year-end forecast:** 93% **Status:** ⚠️

Comments: This financial indicator assesses Council’s ability to generate sufficient cash from operations to fund new assets. The Budget 2017/18 includes one-off large expenditure payments for the Pride Centre and Ferrars Street precinct works which are partly funded from cash reserves set aside in prior years. Excluding these two items, the ratio would be above 100 per cent which is a low risk rating. The full year forecast in October indicates Council is on track to be favourable compared to budget.

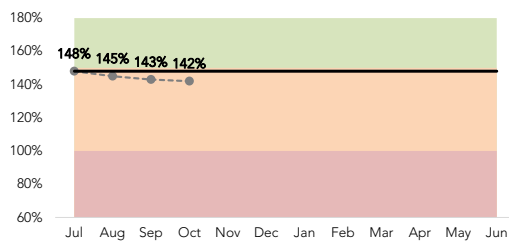
1.4 Indebtedness % (Own Sourced Revenue compared to Non Current Liabilities)



Target: Less than 40% **Year-end forecast:** 5% **Status:**

Comments: This financial indicator assesses Council's ability to repay its non-current debt from its own source revenue. This indicator shows a low risk for Council as the ratio of 5.8 per cent for Budget 2017/18 is significantly lower than the 40 per cent target. The full year forecast in October shows Council is on track to achieve budget.

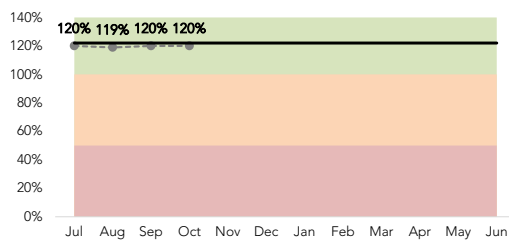
1.5 Capital Replacement % (Total cash capital outlay / Depreciation)



Target: Greater than 150% **Year-end forecast:** 142% **Status:**

Comments: This financial indicator assesses whether Council's spend over all in renewing, growing and improving its asset base is sufficient. The Budget 2017/18 ratio of 148 per cent is very close to the 150 per cent low risk target. The full year forecast in October shows a marginal decrease to 142 per cent mainly due the forecast deferral of the Fitzroy Street streetscape upgrade to 2018/19.

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



Target: Greater than 100% **Year-end forecast:** 120% **Status:**

Comments: This financial indicator assesses Council's spend on its asset base is keeping up with the rate of asset depletion. The Budget 2017/18 ratio of 122 per cent indicates sufficient provision in the capital program for asset renewal and upgrade. The full year forecast in October shows no change from last month at 120 per cent. This is significantly above the 100 per cent required for a low risk rating.

Key

— Budget 2017/18 —●— Year end forecast

Comprehensive Income Statement Converted to Cash October 2017

We use the Comprehensive Income Statement Converted to Cash to ensure prudent financial management by maintaining a modest cumulative cash surplus. Council expects to achieve a modest cumulative cash surplus for 2017/18 as budgeted.

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual	Forecast	Actual	Forecast	Forecast	Budget	Forecast	Budget	
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	
Income									
Rates and Charges	40,253	40,192	61	0%	120,769	120,769	0	0.0%	
Statutory Fees and Fines	7,920	7,998	(78)	(1%)	22,710	22,710	0	0.0%	
User Fees	12,369	11,926	444	4%	34,417	34,317	100	0.3%	
Grants - Operating	4,024	3,910	114	3%	9,649	9,421	228	2.4%	
Grants - Capital	190	175	15	8%	5,785	4,460	1,325	29.7%	
Contributions - Monetary	2,903	2,875	28	1%	8,330	7,830	500	6.4%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0.0%	
Other Income	5,765	5,622	143	3%	15,020	13,406	1,614	12.0%	
Total Income	73,423	72,697	727	1%	216,680	212,913	3,767	1.8%	1
Expenses									
Employee Costs	30,124	29,841	(283)	(1%)	89,075	88,637	(438)	(0.5%)	
Materials and Services	20,800	21,226	426	2%	68,446	67,581	(865)	(1.3%)	
Professional Services	542	1,046	504	48%	9,949	9,493	(456)	(4.8%)	
Bad and Doubtful Debts	1,782	1,399	(383)	(27%)	3,478	3,478	0	0.0%	
Depreciation	8,143	8,143	0	0%	24,430	24,430	0	0.0%	
Borrowing Costs	23	37	14	37%	460	460	0	0.0%	
Other Expenses	11,797	11,843	46	0%	16,931	17,442	511	2.9%	
Net (Profit) or Loss on Disposal of Assets	(82)	(33)	48	(146%)	7,736	7,736	0	0.0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0.0%	
Total Expenses	73,129	73,501	372	1%	220,504	219,256	(1,248)	(0.6%)	2
Operating Surplus / (Deficit)	294	(805)	1,099	(137%)	(3,823)	(6,342)	2,519	(39.7%)	
Income Statement Converted to Cash									
Adjustments for non-cash operating items:									
• Add back depreciation	8,143	8,143	(0)	(0%)	23,410	24,430	(1,020)	(4.2%)	
• Add back written-down value of infrastructure assets disposals	0	300	(300)	(100%)	8,736	8,736	0	0.0%	
• Add back written-down value of fleet asset disposals	84	170	(86)	(51%)	510	510	0	0.0%	
• Add back balance sheet work in progress reallocated to operating	0	0	0	0%	1,200	1,200	0	0.0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0.0%	
• Less Contributed Assets	0	0	0	0%	0	0	0	0.0%	
	8,227	8,613	(386)	(4%)	33,856	34,876	(1,020)	(2.9%)	
Adjustments for investing items:									
• Less capital expenditure - Infrastructure	(4,406)	(5,168)	762	(15%)	(29,577)	(31,631)	2,054	(6.5%)	
• Less capital expenditure - IT, Plant and Equipment	(1,272)	(1,666)	393	(24%)	(5,201)	(4,642)	(559)	12.0%	
	(5,678)	(6,834)	1,156	(17%)	(34,778)	(36,273)	1,495	(4.1%)	3
Adjustments for financing items:									
• Add New Borrowings	0	0	0	0%	0	0	0	0.0%	
• Less Loan Repayments	(227)	(233)	7	(3%)	(700)	(700)	0	0.0%	
	(227)	(233)	7	(3%)	(700)	(700)	0	0.0%	
Adjustments for reserve movements:									
• Discretionary Reserve Drawdown/ (Replenish)	4,656	4,657	(1)	(0%)	6,886	10,069	(3,183)	(31.6%)	
• Statutory Reserve Drawdown/ (Replenish)	(2,901)	(2,875)	(26)	1%	(1,934)	(2,155)	221	(10.3%)	
	1,755	1,782	(27)	(2%)	4,952	7,914	(2,962)	(37.4%)	4
Current Year Surplus/(Deficit)	4,371	2,523	1,848	73%	(494)	(525)	31	(6.0%)	
Opening balance carry forward surplus	880	880	0	0%	880	890	(10)	(1.1%)	
Accumulated Cash Surplus	5,251	3,403	1,848	54%	386	365	21	5.9%	

Notes to the Comprehensive Income Statement Converted to Cash

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

Note 1: Operating income forecast increased by \$2.9 million

⬆️ \$2.05 million - The Palais Theatre redevelopment project was completed on time and under budget which will be reimbursed to Victorian Government. The underspend will be quarantined in reserves to fund \$1.5 million of planned works over 2017/18 and 2018/19 financial years and future works.

⬆️ \$0.50 million - Increased open space contributions due to higher development activity than budgeted. All open space contributions are quarantined in reserves to fund future open space enhancements.

Note 2: Operating expenditure forecast increased by \$0.10 million

⬆️ (\$1.02 million) - On the 18 October, Council endorsed a number of initiatives which total \$1.02m including funding for the In Our Backyard Taskforce, Social and Cultural Heritage Program, Fishermans Bend Urban Renewal Area Precinct Planning, Occupational Health and Safety initiatives, and Emergency Management and Security Improvements.

⬆️ \$0.50 million - Work is in progress to design an expression of interest process for our Affordable Housing program that aligns with the funding opportunities under Victorian Government 'Homes for Victoria' strategy released in March. The \$0.50m budgeted expenditure in 2017/18 has been transferred to reserves.

⬆️ \$0.23 million - Collaborative procurement of coin collection services for our parking ticket machines will provide significant ongoing savings for Council.

⬆️ \$0.21 million - 2017/18 savings due to organisation-wide vacancies to date and re-prioritising the Balaclava precinct management budget.

Note 3: Capital expenditure increased by \$0.06 million

⬆️ \$0.17 million - Public Transport Victoria provided revised schedule for Fitzroy Street streetscape upgrade and expects the design to be completed in 2017/18 and works to be completed in October 2018. Funds to be deferred to 2018/19.

⬆️ (\$0.29 million) - Further works on the Palais Theatre which will be funded from the Palais Theatre project savings as discussed above.

Note 4: Net drawdown on reserves decreased by \$2.0 million

⬆️ \$1.20 million - Temporary drawdown on general reserves to fund unbudgeted initiatives approved by Council in October as discussed above. Any savings during the year will be used to replenish general reserves.

⬆️ (\$1.75 million) - \$1.75 million from the Palais Theatre redevelopment savings have been quarantined in reserves to fund \$1.5 million of planned works over the 2017/18 and 2018/19 financial years and future works.

⬆️ (\$0.50 million) - Affordable Housing funds deferred to 2018/19 as discussed above.

⬆️ (\$0.50 million) - Additional Open Space contributions quarantined in reserves for future open space enhancements.

⬆️ (\$0.17 million) - Fitzroy Street streetscape upgrade deferred to 2018/19 as discussed above.

CHANGES TO THE PORTFOLIO

The City of Port Phillip has a project portfolio consisting of over 130 programs and projects with a total budget of over \$53.2 million.

The table below outlines changes to the project portfolio during October 2017.

Project	Change
Integrated Transport Strategy Development	Additional funding of \$175,000 to complete outstanding works including community consultation, strategy development and some data collection activities.
In Our Backyard Taskforce	\$150,000 approved by Council on 18 October. Project includes the appointment of a property consultant and an internal project support officer to identify a supply of leased, private units in temporarily vacant residential buildings.
Social and Cultural Heritage Program	\$125,000 approved by Council on 18 October. Project cost includes ongoing strategic heritage advice, community engagement and consultancy fees.
St Kilda Road North – Planning, Urban Design & Transport Precinct	\$125,000 approved by Council on 18 October. Project will culminate in a planning scheme amendment to implement a schedule to the Parking Overlay and the inclusion of a new reference document into the Port Phillip Planning Scheme.
Fishermans Bend Urban Renewal Area Precinct Planning	\$200,000 approved by Council on 18 October. Project proposed to engage staff resources to work on the Fishermans Bend Urban Renewal Area Precinct Planning.
Pier Road, St Kilda Lockable Gates	\$45,000 approved by Council on 18 October. Project scope is to install lockable gates in Pier Road, St Kilda similar to that of other foreshore carparks in Port Phillip.
Town Hall Security Improvement	Total funding is \$185,250 and is part of the \$290,500 for Occupational Health and Safety Emergency Management and Security Improvements approved by Council on 18 October. The scope is to implement immediate actions to counter the risk of occupational violence, unauthorised access and terrorism at our town halls.
Health and Safety Improvement Project	Additional funding of \$58,500 is part of the \$290,500 for OHS Emergency Management and Security Improvements approved by Council on 18 October. The scope is to implement immediate actions to ensure application of compliant practices in the workplace.
Beach Street Separated Queuing Lane Implementation	Project construction was completed in September with a saving of \$95,000.
Palais Theatre	\$1,452,194 of surplus funds were realised through project savings from Palais Theatre refurbishment partnership between Council and Victorian Government. Council approved allocating this funding to additional urgent and highly desirable capital works on the Palais Theatre. \$290,000 will be spent in 2017/18 and remaining \$1,162,194 in 2018/19.

ORGANISATIONAL SCORECARD

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

Improving customer experience and technology and being more innovative

	Latest Result	
Community satisfaction with Council's performance greater than 65	67	✓
80% community requests responded to on time	95%	✓
80% calls answered within 30 seconds	86%	✓

Improving community engagement, advocacy, transparency and governance

	Latest Result	
90% risk and audit actions completed on time	90%	✓
90% councillor attendance at council meetings	89%	⚠
90% council decisions made in public	95%	✓
0 material legislative breaches	2	✗
Average community satisfaction rating for community consultation, advocacy & decision making above 60	58	⚠

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

	Latest Result	
100% Performance plans complete	67%	⚠
Total recordable injuries below 28	8	✓
Unplanned Leave (days/EFT) below 0.9	0.9	✓
Staff turnover below 0.9%	1.6%	⚠

Ensuring sustainable financial and asset management and effective project delivery

	Latest Result	
Financial sustainability rating of low	Low	✓
Operating savings	\$520k \$144k to be banked	✓
80% of project delivery is on track	93%	✓

LEGISLATIVE UPDATE

Legislative changes

Below are the legislative changes for October 2017 that may affect the City of Port Phillip.

Legislation	Assent date	Impact
Environment Protection Act 2017	24 October 2017	<ul style="list-style-type: none"> Replaces the Environment Protection Act 1970 Continues the existence of the Environment Protection Authority, specifies its new objective and governance structure
Domestic Animals Amendment (Restricted Breed Dogs) Act 2017	24 October 2017	Prescribes forms and documents for the Heritage Act 2017 and prescribes various fees, exemptions and infringements

Material legislative breaches

No breaches were recorded in October.