

# CEO Report

#64 – April 2020



Council respectfully acknowledges the Yalukut Weelam Clan of the Boon Wurrung. We pay our respect to their Elders - past, present and emerging. We acknowledge and uphold their continuing relationship to this land.

# CEO Report

#64 – April 2020



## Contents

<b>Message from the CEO .....</b>	<b>3</b>
<b>Strategic partnerships .....</b>	<b>4</b>
<b>Delivering the Council Plan .....</b>	<b>5</b>
<b>Financial performance .....</b>	<b>19</b>
<b>Legislative update .....</b>	<b>26</b>
<b>Your Neighbourhood .....</b>	<b>27</b>

### Guide to reading this report

The symbols below are used to indicate the status of a measure or current milestone within a project or strategy.

They do not convey the overall tracking of a project or strategy beyond the current milestone, and further information is provided within the report that explains the overall status. As all elements are weighted equally the relevant milestone could be significant or small.



**On track** Latest result has achieved target for measure. On track across all elements.



**At risk** Latest result experienced a minor miss in relation to target for measure. One or more elements are at risk.



**Off track** There is a significant large variation from targeted result for measure. Off track for one or more elements

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 in subject to change.

Over the days and weeks ahead, it will be crucial to create physical distance but maintain social connection.

**PETER SMITH**

CEO City of Port Phillip



### Welcome to the April issue of the CEO Report

We at Port Phillip are taking the health of our community, visitors and staff very seriously. We are working to keep our community safe during the COVID-19 outbreak and are closely monitoring the situation, which, as you know, is rapidly changing.

Council has now activated its Municipal Emergency Management Pandemic Plan to reduce the risk of exposure and prevent the spread of the virus in our community.

Key measures we've taken in response to this emergency include:

- Council delegating a range of items to my role as CEO to enable quick decision making to occur
- increasing communications and media activity to provide information to community about what is occurring
- lobbying for online Council meetings and other ways people can participate in them during the current situation.

We have temporarily closed our town halls, public libraries, recreational and leisure facilities, customer service counters, galleries and youth centres. Additionally, all Council-run and permitted events have been cancelled until further notice.

There have also been temporary changes to how we're running some services, such as Maternal and Child Health, which have shifted to a remote delivery approach, with face-to-face home visits and in-centre appointments being replaced by telephone or electronic consultations.

At the time of writing, immunisation programs, aged care services and waste collections are running, but check our website ([portphillip.vic.gov.au](http://portphillip.vic.gov.au)) for the latest information.

South Melbourne Market remains open for our community and has introduced 'click and collect' for those who want the convenience of a pick-up service. For supermarkets in the area, we have relaxed delivery times to help with demand.

As things evolve, Council remains committed to:

- protecting our community and staff
- minimising service disruption where possible
- retaining capacity to start up again
- keeping rates, fees and charges defensible and affordable
- ensuring as many staff as possible remain employed and productive
- minimising the impact of service closures and reduction

- maintaining the financial sustainability of the organisation.

I will be working closely with Council over coming months to develop a recovery plan for community and business and I will share more on this as soon as can.

At a special council meeting on 25 March 2020, Council met to discuss a range of emergency relief measures that could be put in place immediately to support our community, local traders and other important sectors in our economy. To find out more visit our website.

Updates about any measures we are taking, including disruptions to services, will be posted to the following webpage as information becomes available: [portphillip.vic.gov.au/novel-coronavirus.htm](http://portphillip.vic.gov.au/novel-coronavirus.htm)

Please also refer to the Victorian Government's Department of Health and Human Services website, [dhhs.vic.gov.au/coronavirus](http://dhhs.vic.gov.au/coronavirus), which provides the most up-to-date information on COVID-19.

In the meantime, please contact us via ASSIST with your questions or concerns.

Regards,

Peter Smith.

## Strategic Partnerships

Local government plays a key role in protecting and enhancing the liveability and wellbeing of our current and future communities. Our work directly influences vital factors like social development and safety, transport, land-use, housing, protection of the natural environment, and mitigating aspects of climate change.

The Strategic Partnerships team seeks to resolve complex issues that affect the liveability and wellbeing of the city through relationships with community, government and other organisations. The team also supports the Mayor, CEO, Councillors and Council officers in engagement and advocacy to progress the delivery of the priority areas of the Council Plan 2017-27.

### Partnership Feature

#### Inner Melbourne Action Plan (IMAP)

IMAP is a section 86 Committee, set up under the Local Government Act 1989, that works as a collaborative partnership between the Cities of Melbourne, Port Phillip, Maribyrnong, Stonnington and Yarra.

IMAP CEOs have been meeting regularly via teleconference to share information, practices and ideas to help each Council respond appropriately to the current situation with respect to COVID. The CEOs are also discussing what would be appropriate in terms of joint advocacy work to the Victorian Government on this issue.

More information on IMAP, including current and past projects, can be found at: <http://imap.vic.gov.au/>

## Delivering on the Council Plan

The Council Plan 2017-27 is structured around six strategic directions and the health and wellbeing outcomes we want to achieve for our City by 2027. We set out how we will address and track our progress on these strategic directions through a range of strategies, actions and measures.

The Council Plan 2017-27 commits us to a project portfolio worth more than \$66 million in 2019/20. This section provides a detailed update on the status of each major initiative in the plan and the overall project portfolio for each of the directions as at the end of February 2020.

### **COUNCIL PLAN and COVID-19:**

Port Phillip Council is working to keep our community and staff safe during the COVID-19 outbreak and is closely monitoring the changing situation. We are doing everything possible to ensure the wellbeing of the people and communities with which we work.

Council is maintaining essential services; however, it has been necessary to close some services such as branch libraries, community centres, community and sporting events to limit the impact of the virus in community settings.

It is anticipated that there may be some impact to the delivery of Council actions and projects under the Council Plan 2017-27. Adjustments to construction schedules, disruption in supply chains and delays in project deliverables may be experienced in the current environment.

The uncertainty of this situation may impact the performance reporting on major projects and services over the coming months. This will be communicated in this CEO Report in coming months and any change or delays noted under each strategic direction.

As at 24 March 2020, Port Phillip Council is implementing further precautions and service reviews following new COVID-19 measures announced by the Victorian and Australian Governments.

All ASSIST counters will be closed however you can still contact Council by submitting an Online Services request via Council's website or calling 03 9209 6777.

We will be contacting event organisers to let them know that events will be cancelled until further notice.

The High Country and Gippsland Comeback – Fitzroy Street initiative will be closed until further notice. The Esplanade Market and Citizenship ceremonies have been suspended during this period.

Still open or operating:

- Childcare centres – when we hear more from the Victorian Government we can provide further information about this important service
- Community bus
- In-home care, meals service and support for people experiencing homelessness
- Waste collection services
- Public health services
- Parks and beaches remain open to the public; however, these areas will be patrolled and we encourage people to practice social distancing.
- South Melbourne Market.

This information is current at 24 March 2020, however may be subject to change.

## DIRECTION 1 We embrace difference, and people belong

A safe and active community with strong social connections

An increase in affordable housing

Access to services that support the health and wellbeing of our growing community

Community diversity is valued and celebrated

The most current results for the service performance measures outlined in the Council Plan 2017-27 are summarised below.

### Service measures



### Areas for focus

No service measures are reported monthly for this strategic direction. Data is not reported on for the month of February. These service measures are reported quarterly or annually.

**Portfolio status** - There are 24 active projects contributing to the outcomes in this direction.



### Key achievements

#### Program/Project

#### Achievements

In Our Backyard Strategy Implementation (IOYB)

A framework for resetting the In Our Backyard program has been completed identifying ways in which Council could allocate cash and property contributions to projects able to be delivered by 2025. As part of an Inner Metro Partnership project, a regional housing needs methodology has been finalised.

JL Murphy Reserve Pavilion Upgrade

The building has been completed and clubs are using the new facilities. An official opening ceremony planned for March has been postponed due to the corona virus.

### Completed projects

- Peanut Farm Reserve Sports Pavilion
- South Melbourne Life Saving Club redevelopment

## Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>In Our Backyard strategy implementation</b>			
	<p>The project is off track. State funding for delivery of new affordable housing projects remains uncertain, presenting a major risk to successful implementation of Council's IOBY strategy, in particular delivery of new housing projects through Council's contribution of cash and land.</p> <p>Alternative ways to progress delivery of affordable housing under the In Our Backyard program, in the context of limited State funding, have been prepared for Council's consideration and subsequent consultation with Council's housing forum.</p> <p>These consider how best Council's contributions of cash and land could be allocated to deliver new housing by 2025.</p>	Jun 2021	200
<b>JL Murphy Reserve Pavilion upgrade</b>			
	<p>Project is on track. Requests for additional funding for functional adjustments during occupation of building and a funding request from JL Murphy Reserve sport club have been sought and approved at the Council meeting on the 4 March 2020.</p>	Jun 2020	2,479
<b>North Port Oval upgrade</b>			
	<p>Project is on track. Preliminary design work including perimeter fencing, sports field lighting location and public access gates is ongoing.</p>	Jun 2021	20

## Approved changes

**JL Murphy Play Space Upgrade:** An additional \$200,000 has been approved to cover carpark and landscape integration construction, irrigation and turf. Landscape integration works include an upgrade to the path system to connect the new public toilets, playground and pavilion, including vehicle access and accessible parking. Additional funds will be allocated for the integration of mounding to use fill and contaminated soil excavated as part of the pavilion construction.

## Off track non-major initiative project status

### Outdoor Fitness Station – Elwood Foreshore

Project is off track. An integrated design for an adult fitness equipment installation at the Elwood Foreshore has been developed and the contract has been awarded for the supply and installation of suitable marine-grade fitness equipment. There is a requirement to replace a section of storm water drain as part of the project. Depending on what is found on-site during construction and the condition of existing storm water assets, this could result in additional costs and time delays. Following completion of the procurement process to appoint a contractor to undertake surrounding landscape works and facilitate the installation of the fitness equipment, construction is expected to commence in June 2020.

## DIRECTION 2 We are connected and it's easy to move around

An integrated transport network that connects people and places

The demand for parking and car travel is moderated as our City grows

Our streets and places are designed for people

The most current results for the service performance measures outlined in the Council Plan 2017-27 are summarised below.

### Service measures



### Areas for focus

No service measures are reported monthly for this strategic direction. Data is not reported on for the month of February. These service measures are reported quarterly or annually.

### Portfolio status

There are 24 active projects contributing to the outcomes in this direction.



### Key achievements

Program/Project	Achievements
Footpath Renewal Program	Footpaths resurfaced this month include Addison Street (Glen Huntly Road to Shelley Street), Elwood.
Kerb and Gutter Renewal Program	Kerb and Gutter renewal projects have been completed at the intersection of Dorcas Street and Ferrars Street, South Melbourne and the Lorne Street, Albert Park. Laneways completed include Goldsmith Street, Elwood and Esplanade East, Port Melbourne.
Road Renewal Program	Road resurfacing and major preventative road works completed this month included Park Street, South Melbourne (Palmerston Crescent to Millers Lane).

### Completed Projects

- Domain Public Realm Masterplan
- ITS Action 35 Paid Parking Fee Trial and Evaluation

### Major initiatives status updates

Status	Comments		
✓	<b>Integrated Transport Strategy Implementation</b> Program is on track, except for the Wellington Street upgrade. See Move, Connect, Live – Integrated Transport Strategy update on the next page.	Jun 2028	360

**Kerferd Road Safety improvements**

✔	The ‘Shrine to Sea’ corridor project is being led by the Department of Environment, Land, Water and Planning (DELWP) for the Victorian Government in partnership with Council. Officers are working to secure improved public space, safer transport connections and community engagement toward these outcomes. DELWP have recruited a communications and engagement officer for the project and have started recruiting for a project management officer to progress the development of the project.	Jun 2022	100
---	--	-------------	-----

**Off track non-major initiative project status**

**✘ ITS Action 13 Wellington Street Upgrade Stage 3**

Project is off track due to delays of the VicRoads approval of the final plan and the power authority’s design work for the relocation of the public lighting poles. VicRoads requested further changes to the traffic signal plan and detailed design plans that have been submitted.

**Move, Connect, Live – Integrated Transport Strategy 2018-28**

*Transforming transport and parking*

The Move, Connect, Live – Integrated Transport Strategy 2018-28 provides a considered approach to make it easy for people to move around and connect with places in a way that suits them as our City grows. It was endorsed by Council and outlines 42 actions to be delivered or commenced in 2019/20.



**Action progress**

The implementation program for the Integrated Transport Strategy is on track. Of the 42 actions contained in the strategy, 37 are in progress, 3 actions have not yet started, and 2 actions have been completed.

**Highlights**

**ITS Action 15 Pedestrian Infrastructure Delivery Construction:** Action is on track. Normandy Road and Glen Huntly Road, Elwood – Raised Pavement Treatment completed. Mary Street and Canterbury Road, St Kilda West – Kerb Extensions and Raised Pavement Treatment completed.

**ITS Action 18 Garden City Bike Path:** Action is on track. It will focus on delivering one of 14 key bike corridors identified in the Move Connect Live Strategy. Preliminary detailed design completed with detailed design is at 80 per cent completion. Way finding signage has commenced and arboricultural assessment has been completed. Community engagement is scheduled, and construction is planned for mid-2020.

**ITS Action 38 Regulating Shared Transport Services:** Action is on track. The City of Port Phillip has entered into a Memorandum of Understanding with cities of Melbourne, Yarra and Jump Mobility for a 12-month trial of shared dockless electric bicycles.

## DIRECTION 3 We have smart solutions for a sustainable future

- A greener, cooler and more liveable City
- A City with lower carbon emissions
- A City that is adapting and resilient to climate change
- A water sensitive City
- A sustained reduction in waste

### Climate Emergency Declaration

The City of Port Phillip declared a Climate Emergency at the 18 September 2019 Council meeting. Council staff are now embedding the declaration in relevant policies and strategies and reviewing opportunities for advocacy to the Victorian and Federal governments. The action progress and highlights listed below further describe how we are addressing the Climate Emergency through the Sustainable Environment and Don't Waste It Strategies.

The chart below summarises the most current results for the outcome indicator and service performance measures outlined in the Council Plan 2017-27.

#### Service measures



#### Areas for focus

Two measures were available for reporting in February 2020. This year to date we have sourced 10.28 mega litres of water from alternative sources progressing towards our annual target of 20 mega litres. The second measure relating to investments in fossil-free institutions provided a result of 77.5 per cent, within the target of 60-80 per cent.

#### Portfolio status

There are 16 active projects contributing to the outcomes in this direction.



#### Key achievements

Program/Project	Achievements
Greening Port Phillip Strategy Implementation Program	Project is on track. Civil works currently being delivered in Foote Street and Beaconsfield Parade, Middle Park. Greening works at Gibbs Street Balaclava are complete with further tree planting scheduled for April / May 2020. Detailed design, costing and community consultation for further urban greening projects is underway.

#### Completed projects

- Alma Park Stormwater Harvesting Development
- South Melbourne Market Solar

## Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>Sustainable Environment Strategy implementation</b>			
✔	Program is on track. See page 10 for more details on progress against the Sustainable Environment Strategy.	Jun 2028	547
<b>Waste Strategy implementation</b>			
✔	Program is on track. See page 11 for details on progress against the Waste Strategy.	Jun 2028	887

The Council Plan 2017-27 sets out four areas where Council will focus its efforts to see significant transformation over the next 10 years, including:

### Act and Adapt – Sustainable Environment Strategy 2018-2028

#### *Transforming waste and water management*

The Act and Adapt – Sustainable Environment Strategy 2018-28 was developed to help address waste and water management as well as other sustainable environment challenges. It was endorsed by Council and outlines 31 actions to be delivered in 2019/20.



#### Action progress

The sustainable environment strategy delivery is on track. There are 31 actions scheduled to be in delivery phase in 2019/20. Of these, one action has been completed and 30 actions are underway.

#### Highlights

**SES Action 3 Biodiversity Study and Action Plan:** Action is on track. The plan will guide how Council can protect and enhance biodiversity on public and private land. It includes gathering biodiversity data and increasing community understanding of biodiversity. Specialist consultants have completed field surveys and produced a draft discussion paper. The community has recorded 521 flora and fauna sightings on the NatureSpot website.

**SES Action 9 Energy Efficiency and Solar Program 2019/20:** Action is on track. It aims to investigate and complete changes in council buildings that will reduce greenhouse gas emissions and energy consumption. Lighting upgrades at six council buildings were completed. Commenced building fabric and Albert Park library design, solar improvement works and air conditioning upgrade for 222 Bank Street, South Melbourne and Port Melbourne Neighbourhood Centre.

**SES Action 37 Water Sensitive Urban Design Program 2019/20:** Action is on track. Construction of permeability improvements of Gibbs Street, Balaclava has been completed. Permeable sites minimise stormwater run-off by permitting rain water to be absorbed into the soil. Works at Landgridge & Patterson Street, Middle Park are currently under construction.

#### Challenges

**Action 24 EcoCentre Redevelopment:** Project is at risk. The project planning and concept design development is on track with a report to Council approved in February 2020 to commence community consultation which began on 24 February 2020 for four weeks. The construction stage of the project remains at risk due to funding uncertainty. Council, the EcoCentre and other stakeholders are exploring a range of funding avenues and considering construction schedules that will align with funding opportunities.

## Don't Waste It! – Waste Management Strategy 2018-28

### *Transforming waste management*

This Strategy provides a blueprint for how Council and the community will work together to create a more sustainable future for Port Phillip. It is a call to action for our community to work together to manage waste better over the next four years, whilst we investigate new advanced waste management opportunities.



### Action progress

Of the 25 actions in the Don't Waste It Strategy, 24 are in progress and one action is on hold (Action 2).

### Highlights

On 26 February 2020, the Victorian government released **Recycling Victoria** - a new economy which outlines several actions which the City of Port Phillip advocated for including:

- a state-wide education campaign for recycling
- uniform bin lid colours for kerbside bins
- single-point leadership for waste and resource recovery
- waste to be classified as an essential service.

Council will begin developing a plan to respond to the new Victorian Government policy.

**WMS Action 8 Community Recycling Education:** Action is on track. Kerbside glass recycling bins were delivered to 178 households in Garden City. Collections to commence in the first week of March. Polystyrene recycling service commenced at the Resource Recovery Centre for residents can now drop off their polystyrene. Council is continuing to provide electronic waste and battery recycling to residents at drop-off points around the municipality.

**WMS Action 13 Council and community food waste recycling:** Action is on track. Composting with the Community Green Cone program has delivered 275 Green Cones to residents and community centres since launch, with eight delivered in February 2020. Council opened Expressions of Interest for the Food to Farm program for residents in high-rise apartment complexes to participate. This program will install two food composters, for communal use, into two high-rise apartment complexes. New waste, mixed recycling and food waste bins for Council at St Kilda Town Hall and the Operations Centre were installed in February 2020.

### Challenges

Cleanaway (Council's new kerbside recycling contractor) has undertaken recycling audits and high levels of contamination have been noted. This is being addressed through direct engagement with multi-unit developments and residential neighbourhoods via provision of signage and via online communications.

The State Government's Recycling Victoria policy, announced in February, outlines reforms to the landfill levy rate to bring it in line with other states. Over the next three years, the landfill levy will increase from \$65.90 per tonne (2019/20) to \$85.90 in 2020/21, \$105.90 in 2021/22, and \$125.90 in 2022/23. City of Port Phillip will need to manage these increases which will translate to increased costs to manage municipal waste.

## DIRECTION 4 We are growing and keeping our character

### Liveability in a high density City

### A City of diverse and distinctive neighbourhoods and places

The chart below summarises the most current results for the outcome indicator and service performance measures outlined in the Council Plan 2017-27.

#### Service measures



#### Areas for focus

One measure was available for reporting in February 2020 being the street cleaning audit compliance rate at 93.51 per cent which is slightly below the target of 95 per cent.

#### Portfolio status

There are 25 active projects contributing to the outcomes in this direction.



#### Key achievements

Program/Project	Achievements
Parks Furniture and Pathway Renewal Program	The program continues to deliver infrastructure renewals and upgrades to furniture that is in poor condition and or is not fit for purpose. This includes upgrades to beach showers, BBQ's, drinking fountains, bollards, paths, garden edging.
Rotary Park Playspace Development	A concept design for a new play space and park design at Rotary Park has been completed and was presented to Councillors in February 2020. Detailed design and tender documentation has started, community engagement is planned for March.

#### Completed Projects

- Ferrars Street Education Community Precinct- Construction of Montague Park
- Ferrars Street Education Community Precinct - Streetscapes Upgrade

#### Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
	<b>Gasworks Arts Park Contamination Management Plan</b> Project is off track. Officers continue to work with the Victorian Government and nominated environmental consultants to progress the Contamination Management Action Plan (CMAP). The draft Park Plan will commence development once the CMAP is finalised. Further work to determine the extent of groundwater contamination is required and will continue throughout 2020.	Jun 2022	50

**Public Spaces Strategy development**

✔	Project is on track. The draft Public Space Strategy document and Action Plan is nearing completion based on the outputs of the draft Technical Report that forms the background to the strategy.	Jun 2020	200
---	---	----------	-----

**St Kilda Marina**

⚠	Project is at risk. While the project is tracking in line with the Council approved program, the overall project status is ‘at risk’ as there are some key risks highlighted, that continue to be closely managed, relating to procurement and budget. In terms of the planning scheme amendment, significant progress has been made with an independent planning panel appointed and panel meetings arranged for end of March 2020 to consider submissions received. In terms of procurement, the evaluation process is progressing well to a tight program, according to the approved procurement plan.	Jun 2021	460
---	---	----------	-----

**Off track non-major initiative project status**

**✘ Public Space Lighting Renewal and Upgrade – Bay Trail**

Project is off track. The project is behind schedule due to construction delays and identification of site contamination issues. During February, seven new light poles and plinths were installed with new electrical wiring as part of Stage 2. A metered lighting auditor was engaged, and the Construction Management Plan and Site Management Plan have been completed.

**✘ Public Toilet Plan implementation**

Project is off track. An alternate location is being sought for the Fitzroy Street Public Toilet with an options analysis report to be considered by Council. Other toilet feasibility and design projects within the program are on track.

The Council Plan 2017-27 sets out four areas where Council will focus its effort to see significant transformation over the next 10 years. The Fishermans Bend Program 2019/20, is one of these.

**Fishermans Bend Program 2019/20**

*Transforming Fishermans Bend*

Fishermans Bend represents an unparalleled opportunity to reshape how Australia thinks about urban growth, housing, working and sustainable transport.

It is a Council priority to ensure that the Fishermans Bend Precinct Plans maximise outcomes for current and future Port Phillip residents, including employment, housing choice, quality public space and community facilities, and early delivery of fast, frequent public transport.

**Highlights**

- Officers continued to progress key issues including value management, precinct planning and place creation
- Approach for open space has been developed
- Precinct planning content has been formally handed to Victorian government.
- Work also continued on the development of the place creation office. Workshops were held during March to determine how the place creation office will function.



**Challenges**

Major adjustments likely to program scope given the changes in the Victorian Government’s plans for Fishermans Bend. This is now under development and Council will focus on developing its own program scope to address this.

## DIRECTION 5 We thrive by harnessing creativity

A City of dynamic and distinctive retail precincts

A prosperous City that connects and grows business

A City where arts, culture and creative expression is part of everyday life

The chart below summarises the most current results for the outcome indicator and service performance measures outlined in the Council Plan 2017-27.

### Service measures



### Areas for focus

Visits to the library per capita were 5.61 in the month of February 2020. This service metric is measured every month with a monthly target of 6.3. It is likely the Corona virus may affect library visits in the coming months which may impact on this target.

### Portfolio status

There are 13 active projects contributing to the outcomes in this direction.



### Key achievements

Program/Project	Achievements
Library Purchases 2019-20	The purchasing program for 2019-20 is being implemented across a range of formats for the lending collection, including a mixture of hard copy, online and subscription-based resources for library users.
Library Radio Frequency Identification Equipment Replacement:	This project is to replace existing radio frequency identification (RFID) equipment located at four of the five library branches. Libraries use the RFID technology to support fast and efficient management of lending collections. Vendor engagement and delivery planning is underway with rollout of the equipment planned to commence in April 2020.

### Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
✓	<b>Art and Soul – Creative and Prosperous City Strategy 2018-22</b> Program on track. The Art and Soul - Creative and Prosperous City Strategy 2018-22 outlines the cultural change and collaborative actions required across a range of Council services. It was endorsed by Council on 20 June 2018 and outlines 18 actions to be delivered in 2019/20.	Jun 2022	960

## Off track non-major initiative project status

### **x** South Melbourne Town Hall Lifts and Ramp Upgrade

Project is off track. Practical completion was expected at the end of February however additional work was required to achieve DDA compliance. Sign off by the Building Surveyor has now been received and completion planned by late March 2020. Variations have also put pressure on the budget and the project team will determine their impact on the overall budget.

## Art and Soul – Creative and Prosperous City Strategy 2018-22

Building a prosperous City that connects and grows business as well as bringing arts, culture and creative expression to everyday life and contributing to Melbourne's liveability

### Highlights

#### Fitzroy Street

- Comeback to Fitzroy Street Gippsland and High Country Bushfire initiative was launched on 28 February 2020. Three shop owners donated their stores for nine weeks.
- Update of what has occurred over the past year to Fitzroy Street community held on 3 February 2020 with approximately 60 attendees
- New plastic bins with art graffiti applied have been installed, attached to metal bins
- St Kilda Junction Underpass Wayfinding signage has been installed and is well received

#### South Melbourne

- Love My Place (LMP) grant program's Launch on 15 February 2020 at Wynyard Place
- Mural on Wynyard Place – Cloudwines Cellars was completed and launched at the LMP launch. 2500 social media likes achieved.
- Street party trial including road closure at Wynyard Place occurred in conjunction with the LMP launch. Four businesses collaborated and over 200 people attended.
- Love South Melbourne App: Hidden Gems and Heritage trails have been created and uploaded. Testing to occur and campaign is under development.
- Place Plan: endorsed and uploaded as e-book on the LMP website. Community notified through e-newsletter.

#### Waterfront Place

- Crew Club move to the West Finger Pier Kiosk well received by crew with 350+ crew in February 2020. The Kiosk has since closed during the outbreak of Covid-19.
- Fish Market postponed due to lack of proposal responses received. Review of concept is underway
- New signage for toilets implemented. Continuing to work with Property to find portable toilet sites

#### Special Rate Renewal – Port Melbourne

- Property audit completed, rate modelling underway.

### High Country and Gippsland Comeback

Your local High Country and Gippsland corner store was opened in Fitzroy Street. We are supporting bushfire recovery efforts by bringing affected businesses from the High Country and Gippsland for food, drink and retail pop-ups. For details on opening hours, given the current COVID situation visit the City of Port Phillip website.



## Direction 6 – Our commitment to you

A financially sustainable, high-performing, well-governed organisation that puts the community first

The chart below summarises the most current results for the service performance measures outlined in the Council Plan 2017-27.

### Service measures



### Areas for focus

Eleven service measures were available for reporting in February 2020, with 8 on track, 3 off track. Measures include:

- Percentage of priority projects on track (88 per cent)
- Council decisions closed to the public (8 per cent)
- Audit actions completed on time (93 per cent)
- Community time saved (1550 days)
- Staff time saved (1913 hours)
- Calls answers within 30 seconds (54 per cent)
- Requests resolved within agreed timeframes (94 per cent)
- Councillor attendance rate at Council meetings (93 per cent)

Councillor attendance rate at Council meetings is on track with 93 percent, up from 89 per cent in the previous month and total year to date recordable injury frequency rate per million work hours is 39.48 compared to target of 21.4. There was a total of seven recordable injuries in the month of February 2020.

Off track measures included staff turnover with a 12-month rolling result of 16.35 per cent, higher than the 10 per cent target.

### Portfolio status

There are 14 active projects contributing to the outcomes in this direction.



#### Key achievements

Program/Project	Achievements
Building CCTV Project	Engagement of consultant has begun, and initiation meeting held. Site visits for investigation and design to occur over the next period.
South Melbourne Town Hall Renewal and Upgrade	Consultant engagements are in progress for Electrical, Fire and Structural assessments.

### Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>Customer Experience Program</b>			
▲	Program is at risk due to the overall complexity of the program, managing delivery within budget and timelines, and the management of high risks associated with delivering successful data migration activities. Training sessions have taken place for the core systems to familiarise key Council staff with the Finance, Asset Management, and Procurement systems. Four key festivals websites have been launched, including sites for St Kilda Festival, St Kilda Film Festival, Live and Local and Yaluk-ut Weelam Ngargee. A review of the current content for the main website has commenced, to ensure we deliver productive and easy to use websites for our staff and community.	Jun 2021	7,833

## Approved Changes

**Childcare Centre Fence Compliance:** Project completion date has been revised to 30 June 2021 due to the additional scope, cost and time required to address all compliance issues identified by the building surveyors' audits. An additional \$342,000 has been approved to cover the additional design and construction costs for all 12 sites.

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. These are the latest results for our organisation for the February 2020 period. Additional information is available within this report.

### The following results are for the financial year 2019/20:

	<i>Latest results</i>	
<b>Improving customer experience and technology, and being more innovative</b>		
80% community requests completed on time	94%	✔
80% community complaints completed on time	93%	✔
<b>Improving community engagement, advocacy, transparency and governance</b>		
90% risk and audit actions completed on time	98%	✔
90% councillor attendance at Council meetings	93%	✔
90% Council decisions made in public	92%	✔
0 material legislative breaches	1	✘
<b>Ensuring sustainable financial and asset management, and effective project delivery</b>		
Financial sustainability rating of low	Low	✔
Operating savings	\$857k	✔
80% of priority project delivery is on track	88%	✔

### The following are rolling 12-month results:

<b>Inspiring leadership, a capable workforce and a culture of high performance and safety</b>		
Total recordable injury frequency rate below 21.8	39.48	✘
Unplanned Leave (days/EFT) below 10.8	12.78	▲
Staff turnover below 10%	16.25%	✘

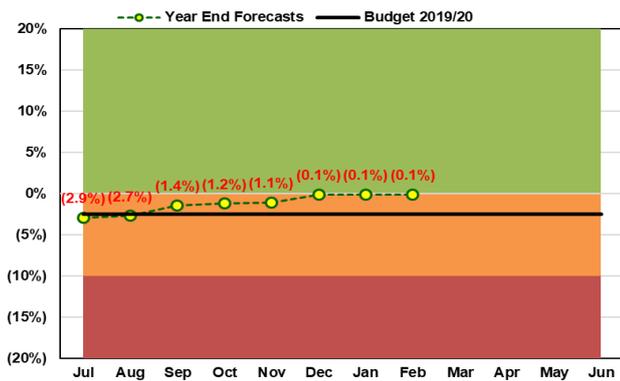
## Financial performance

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

- As highlighted by the seven VAGO financial indicators below, the full year forecast as at January indicates an overall low risk financial sustainability rating for Council. Notwithstanding there are some expenditure items having a negative financial impact to Council including waste sector disruptions.
- Council expects to achieve a cumulative cash surplus of \$0.84 million for 2019/20.

### Financial sustainability indicators

#### 1.1 Net Result % (Net Surplus over Total Income)



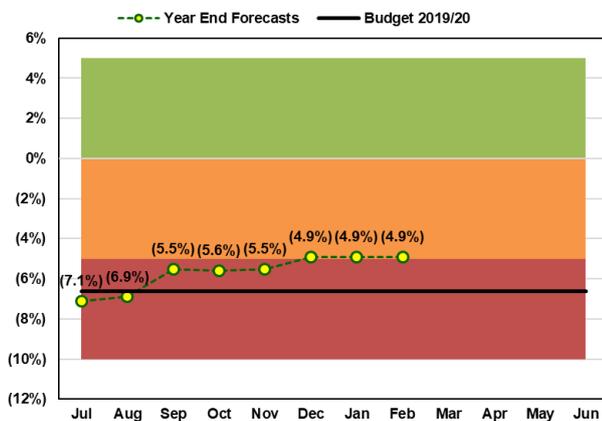
**Target:** Greater than 0% **Year-end forecast:** -0.1% **Status:** ▲

"This financial indicator assesses Council's ability to generate sufficient funds for asset renewals.

A small deficit (-2.5%) is budgeted for 2019/20 which includes non-recurrent Customer Experience Program expenditure. This project will provide better and more responsive customer service whilst delivering a more efficient enterprise.

As at January 2020, Council has forecast an improvement to -0.1% largely due to the \$3.3 million of Customer Experience program expenditure deferred to 2020/21 following detailed program planning post engagement of vendors."

#### 1.2 Adjusted underlying result % (Net results excluding capital grants & contributions)



**Target:** Greater than 5% **Year-end forecast:** -4.9% **Status:** ▲

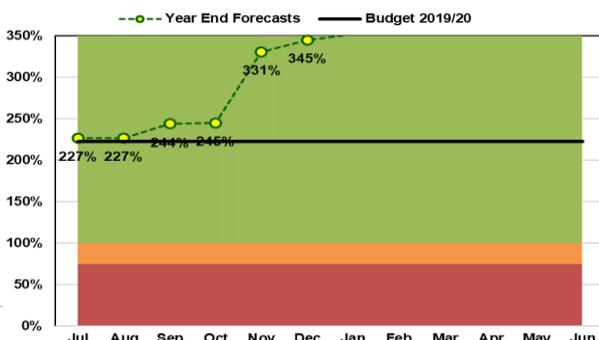
This financial indicator assesses Council's ability to generate surplus in the ordinary course of business to fund capital expenditure excluding other capital funding sources.

The Budget 2019/20 had an adjusted underlying result of -6.6% mainly due to the Customer Experience program as explained in the above ratio.

As at January 2020, the forecast for the financial year is -4.9%. The factors have been highlighted in the above ratio.

A large portion of our annual capital program is funded by capital income particularly Open Space contributions for open space improvements. This ratio does not fully reflect how local government finances work.

#### 1.3 Working Capital % (Current Assets over Current Liabilities)



**Target:** Greater than 100% **Year-end forecast:** 346% **Status:** ✓

This financial indicator assesses Council's ability to pay short term liabilities as they fall due.

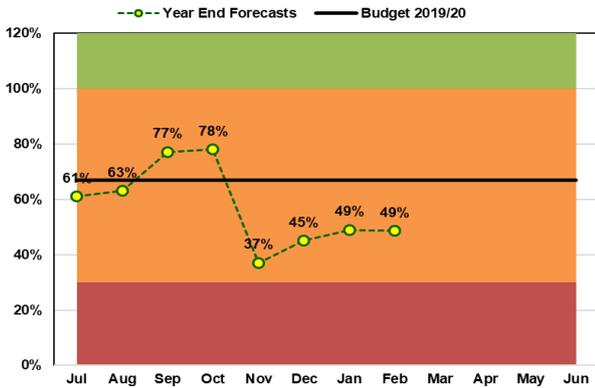
The Budget 2019/20 had a working capital ratio of 223%.

The full year forecast as at January is 346%. The material change is due to the planned clear out of all creditor balances by year end prior to the roll-out of the new financial system on 1 July 2020 to mitigate data migration risks.

Council has no issues in paying suppliers and employees when payments fall due.

## Financial sustainability indicators (continued)

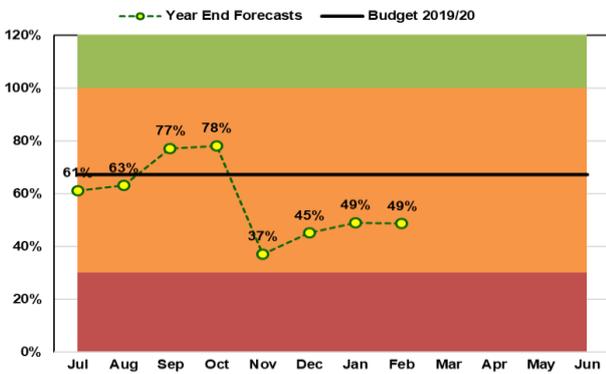
### 1.4 Internal Financing % (Net Operational Cashflows compared to Net Cash Capital Outlay)



**Target:** Greater than 100%      **Year-end forecast:** 46%      **Status:** ▲

This financial indicator assesses Council's ability to finance capital works using cash generated from its operations. A ratio below 100% means cash reserves or borrowing are being used to fund capital works & major strategies, which is acceptable on occasions. The Budget 2019/20 (67%) includes the Customer Experience program expenditure. This program is partly funded from a drawdown on general reserve. The full year forecast as at January shows a deterioration to 46%. This is not a major concern as it relates to the bringing forward of creditor payments for June 2020 invoices to clear out all creditor balances by year end prior to the roll-out of the new financial system on 1 July 2020. This payment run of approximately \$14m usually takes place in July.

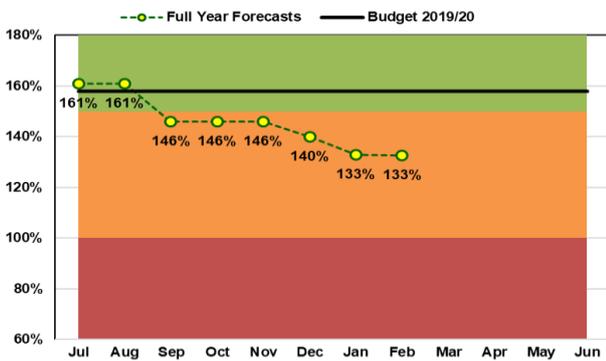
### 1.5 Indebtedness % (Own Sourced Revenue compared to Non Current Liabilities)



**Target:** Less than 40%      **Full year forecast:** 4.9%      **Status:** ✓

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 4.9% for Budget 2019/20 is significantly lower than the 40% target. The full year forecast as at January shows Council is on track to achieve budget.

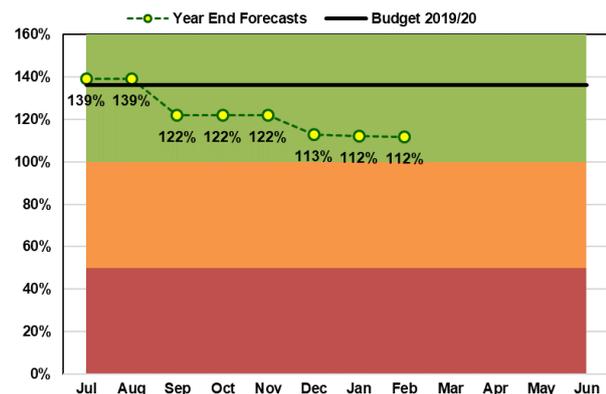
### 1.6 Capital Replacement % (Total cash capital outlay / Depreciation)



**Target:** Greater than 150%      **Year-end forecast:** 139%      **Status:** ▲

This financial indicator assesses whether Council's spend overall in renewing, growing and improving its asset base is sufficient. The Budget 2019/20 is a ratio of 158%. The full year forecast as at January shows a ratio decrease to 139%. This is largely due to a number of capital portfolio project deferred to 2020/21. Officers have reviewed our project delivery capacity and will be recommending a number of projects identified in our 10-Year Council Plan that can be brought forward to 2019/20 to address the decline.

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



**Target:** Greater than 100%      **Year-end forecast:** 114%      **Status:** ✓

This financial indicator assesses if Council's spend on its asset base is keeping up with the rate of asset depletion. The Budget 2018/19 ratio of 136% indicates sufficient provision in the capital program for asset renewal and upgrade. A large drop in September mainly due to deferral of South Melbourne Town Hall major works. The full year forecast as at January shows a ratio decrease to 114% mainly due to capital deferred to 2020/21. That said, our ratio is materially above 100%.

## Comprehensive Income Statement Converted to Cash – January 2020

We use the Comprehensive Income Statement Converted to Cash to ensure prudent financial management by maintaining a cumulative cash surplus. The current forecast for 2019/20 is a cumulative cash surplus of \$0.84m which compares favourably against the budgeted cash surplus of \$0.43m.

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual	Forecast	Actual to Forecast		Forecast	Budget	Forecast to Budget		
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	
<b>Income</b>									
Rates and Charges	86,248	86,255	(6)	(0%)	129,213	129,149	64	0%	
Statutory Fees and Fines	14,452	15,132	(680)	(4%)	22,726	24,046	(1,320)	(5%)	
User Fees	29,284	28,716	568	2%	41,047	38,801	2,246	6%	
Grants - Operating	6,769	7,050	(281)	(4%)	9,546	9,430	116	1%	
Grants - Capital	1,276	120	1,156	963%	2,655	2,586	69	3%	
Contributions - Monetary	6,799	7,063	(264)	(4%)	7,955	6,045	1,910	32%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	10,016	9,537	479	5%	18,722	14,381	4,340	30%	
<b>Total Income</b>	<b>154,844</b>	<b>153,873</b>	<b>971</b>	<b>1%</b>	<b>231,864</b>	<b>224,438</b>	<b>7,426</b>	<b>3%</b>	<b>1</b>
<b>Expenses</b>									
Employee Costs	63,477	64,087	610	1%	94,902	96,637	1,735	2%	
Materials and Services	45,146	47,843	2,697	6%	77,031	78,567	1,536	2%	
Professional Services	6,062	6,574	512	8%	13,269	12,899	(370)	(3%)	
Bad and Doubtful Debts	2,986	3,337	351	11%	5,038	3,862	(1,176)	(30%)	
Depreciation	16,526	16,606	80	0%	25,441	24,911	(530)	(2%)	
Borrowing Costs	223	175	(48)	(28%)	350	450	100	22%	
Other Expenses	5,072	5,048	(24)	(0%)	11,757	8,473	(3,285)	(39%)	
Net (Profit) or Loss on Disposal of Assets	(58)	357	414	116%	4,310	4,310	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
<b>Total Expenses</b>	<b>139,434</b>	<b>144,028</b>	<b>4,593</b>	<b>3%</b>	<b>232,099</b>	<b>230,109</b>	<b>(1,990)</b>	<b>(1%)</b>	<b>2</b>
<b>Operating Surplus / (Deficit)</b>	<b>15,410</b>	<b>9,845</b>	<b>5,565</b>	<b>57%</b>	<b>(235)</b>	<b>(5,671)</b>	<b>5,436</b>	<b>(96%)</b>	
<b>Income Statement Converted to Cash</b>									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	16,526	16,606	(80)	(0%)	25,441	24,911	530	2%	
• Add back written-down value of infrastructure assets disposals	0	450	(450)	(100%)	4,450	4,450	0	0%	
• Add back written-down value of fleet asset disposals	122	160	(38)	(24%)	240	240	0	0%	
• Add back balance sheet work in progress reallocated to operating	10	800	(790)	(99%)	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	0	0	0	0%	0	0	0	0%	
	<b>16,658</b>	<b>18,016</b>	<b>(1,359)</b>	<b>(8%)</b>	<b>31,331</b>	<b>30,801</b>	<b>530</b>	<b>2%</b>	
<b>Adjustments for investing items:</b>									
• Less capital expenditure - Infrastructure	(14,057)	(19,752)	5,695	29%	(30,513)	(36,023)	5,510	15%	
• Less capital expenditure - IT, Plant and Equipment	(1,683)	(2,593)	910	35%	(3,219)	(3,219)	0	0%	
	<b>(15,740)</b>	<b>(22,345)</b>	<b>6,605</b>	<b>30%</b>	<b>(33,732)</b>	<b>(39,242)</b>	<b>5,510</b>	<b>14%</b>	<b>3</b>
<b>Adjustments for financing items:</b>									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(442)	(447)	4	(1%)	(670)	(670)	0	0%	
	<b>(442)</b>	<b>(447)</b>	<b>4</b>	<b>(1%)</b>	<b>(670)</b>	<b>(670)</b>	<b>0</b>	<b>0%</b>	
<b>Adjustments for reserve movements:</b>									
• Discretionary Reserve Drawdown/ (Replenish)	1,978	3,233	(1,255)	(39%)	4,992	13,392	(8,400)	(63%)	
• Statutory Reserve Drawdown/ (Replenish)	0	(1,596)	1,596	(100%)	(132)	632	(764)	(121%)	
	<b>1,978</b>	<b>1,637</b>	<b>341</b>	<b>21%</b>	<b>4,860</b>	<b>14,024</b>	<b>(9,164)</b>	<b>(65%)</b>	<b>4</b>
<b>Current Year Cash Surplus/(Deficit)</b>	<b>17,863</b>	<b>6,706</b>	<b>11,157</b>	<b>166%</b>	<b>1,554</b>	<b>(758)</b>	<b>2,312</b>	<b>305%</b>	
Opening balance carry forward surplus	862	862	0	0%	862	1,192	(330)	(28%)	
<b>Accumulated Cash Surplus</b>	<b>18,725</b>	<b>7,568</b>	<b>11,157</b>	<b>147%</b>	<b>2,416</b>	<b>434</b>	<b>1,982</b>	<b>457%</b>	
Refer to Notes for explanation on changes to forecast in the current reporting month.									

## Notes to the Comprehensive Income Statement Converted to Cash

The following adjustments have been identified as at February 2020 and are reflected in the Comprehensive Income Statement Converted to Cash (see previous page).

### Note 1. Operating income forecast increased by \$7.31 million:

#### Net forecast income changes in the month of February 2020 included the following material items:

⇒ (\$0.11m) Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.

#### Net forecast income changes year to date February 2020 included the following material items:

↑	\$1.32m	Greater income from street occupation, road closures and skin bin fees than expected mainly due to several large development projects.
↑	\$0.58m	Greater utilisation of paid parking mainly due to the successful implementation of PayStay (a convenient payment option via mobile devices).
↑	\$0.56m	Unbudgeted compensation from Rail Project Victoria for the loss of Domain precinct paid parking income.
↑	\$0.43m	Project portfolio funding increased due to: <ul style="list-style-type: none"> <li>• Deferral of Kirrip Park works from 2018/19 including contribution from the Victorian Government \$0.16m.</li> <li>• 2018/19 Alma Park Stormwater Harvesting funding from State Government \$0.12m.</li> <li>• other minor \$0.06m.</li> </ul>
↑	\$0.34m	Unbudgeted Federal Government funding for Sports Field Lighting.
↑	\$0.16m	One-off unbudgeted Victoria Government support funding as a result of the Council's recycling contractor site closure.
↑	\$0.10m	The SKM recycling processing contract included \$0.10m of Bank Guarantee as collateral for non-performance of contract. This is to be remitted to Council this financial year.
⇒	\$1.60m	A greater amount of open space contributions expected in 2019/20 as a number of large developments have reached the subdivision stage. These funds are to be quarantined in reserves for future open space enhancement projects.
⇒	\$0.97m	Council has approved a number of Right of Way divestments not required for servicing the community. Funds will be quarantined in reserve for future strategic property acquisition and development.
⇒	\$3.50m	Council's Accounting Policy is to take up the market value of rent to community groups as non-cash income and expenditure in the financial year the new agreements have been agreed by Council. It is expected that Council will renew \$0.48 million of lease agreements in addition to the \$3.02 million recognised in 2018/19. This reflects GAAP obligations.
⇒	\$0.24m	Income relating to 2018/19 State Revenue Office land valuation services fully offset by valuation expenditure.
⇒	\$0.10m	Victorian Government awarded funding for Water Sensitive Urban Design at Langbridge/ Patterson Streets
⇒	(\$0.53m)	Park St Bike Link part of the public realm improvements to the ANZAC station precinct has been rescheduled to align with the Masterplan timelines - completion expected in 2021/22. Additional community consultation will be required and Council will receive funding in line with new schedule.
⇒	(\$0.48m)	Council has been diverting offenders with multiple parking infringements to the Magistrate Court which has improved our cash position (higher collection rate and lower payments of lodgement fees). The accounting impact is lower filing fee income and lower lodgement fee expenditure for the financial year.
⇒	(\$0.24m)	Lower utilisation of council run child care centres offset by lower expenditure.
⇒	(\$0.18m)	Realignment of Parking Infringement Notices cancellation budget and the Parking Infringement Notices doubtful debt provisions (net neutral impact).
⇒	(\$0.15m)	Lower utilisation of council facilities partially offset by lower expenditure. Officers are undertaking a strategic review including future use of facilities, marketing, operational costs and pricing.
⇒	(\$0.11m)	Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.
↓	(\$0.30m)	The Investment Income budget was prepared based on Deloitte Access Economic projections. Since then, the money market yield has dropped materially. Currently, investment yields offered by financial institutions are approximately 1.7%, approximately 1% lower than budgeted.
↓	(\$0.30m)	The implementation PayStay enabled a more convenience payment option for paid parking. Council has seen greater utilisation of our metered parking spaces and increased parking compliance, which has contributed to the reduction of Parking Infringement Notices issued.
↓	(\$0.25m)	Lower planning permit application fees income due to weaker activity levels particularly in the large development sector.
↓	(\$0.15m)	Lower income from building permits than budgeted due to lower development activity.

Notes to the Comprehensive Income Statement Converted to Cash (continued)

**Note 2. Operating expenditure forecast increased by \$1.86 million:**

**Net forecast operating expenditure changes in the month of February 2020 included the following material items:**

↑	\$0.19m	Reduction in Long Day Care employee costs due to temporary closure of centres for renovation over the Christmas period and partly lower utilisation.
→	\$0.11m	Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.

**Net forecast operating expenditure changes year to date February 2020 included the following material items:**

↑	\$0.33m	Reduced Employee costs due to vacancies across the Enterprise.
↑	\$0.66m	Lower employee costs for Council managed childcare services due to active management of staffing levels in response to changes in utilisation, monitoring and minimising use of agency staff and where possible backfill with existing staff.
↑	\$0.13m	Efficiency savings from competitive tendering Public Liability insurance which resulted in lower premiums and greater insurance cover.
→	\$3.33m	Delays in procurement and rephasing following detailed planning with vendors for the Customer Experience program will result in budget deferrals to 2020/21.
→	\$0.48m	Council has been diverting offenders with multiple parking infringements to the Magistrate Court which has improved our cash position (higher collection rate and lower payments of lodgement fees). The accounting impact is lower filing fee income and lower lodgement fee expenditure for the financial year.
→	\$0.15m	Reduced expenditure to offset lower hall hire utilisation. Officers are undertaking a strategic review including future use of facilities, marketing, operational costs and pricing.
→	\$0.11m	Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.
→	(\$3.50m)	Council's Accounting Policy is to take up the market value of rent to community groups as non-cash income and expenditure in the financial year the new agreements have been agreed by Council. It is expected that Council will renew \$0.48 million of lease agreements in additional to the \$3.02 million recognised in 2018/19. This reflects GAAP obligations.
→	(\$0.34m)	A number of 2018/19 Operating Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Standard drawings & design, Art on Hoardings, Placemaking program, Parking controls & permit policy, and Business enablement & innovation fund.
→	(\$0.24m)	Income relating to 2018/19 State Revenue Office land valuation services fully offset by valuation expenditure.
↓	(\$1.20m)	Increased doubtful debt provision for parking debtors managed by Fines Victoria reflecting ongoing collection and system issues.
↓	(\$0.62m)	Forecast additional cost of recycling processing due to market disruptions and contractor issues. This disruption is likely to continue to place cost pressure to Council.
↓	(\$0.32m)	Project increase for Sports Playing Fields Renewal - Following the completion of tender documentation and an independent Opinion of Probable Costs to implement the full scope of the project will cost more than the allocated budget.
↓	(\$0.28m)	A number of key changes to the St Kilda Marina lease project scope approved by Council for additional site investigates, planning scheme amendment, and advice for legal, procurement, probity and design.
↓	(\$0.15m)	Additional legal expenditure required for planning appeals and Fishermans Bend planning amendments.
↓	(\$0.11m)	Newly tendered South Melbourne Market Cleaning contract greater than budgeted due to market pricing.
↓	(\$0.09m)	Gender Equality Game Jam - funding was received in 2018/19.

Notes to the Comprehensive Income Statement Converted to Cash (continued)

<b>Note 3. Capital expenditure forecast decreased by \$4.51 million:</b>		
<b>Net forecast changes to capital expenditure in month of February 2020 included the following material items.</b>		
⇒	(\$0.22m)	Additional scope of works identified in the building surveyor audit to address Childcare Centre Fence compliance funded from the Children Centre Infrastructure fund.
<b>Net forecast changes to capital expenditure year to date February 2020 included the following material items:</b>		
↑	\$0.40m	The Maritime Asset Audits which has determined that there are no design or rectification works required for 2019/20. Funds to be quarantined in Asset Renewal Reserve.
↑	\$0.31m	St Kilda Town Security Upgrade underspends expected due to reduced number of front counter reconfigurations required. Funds to be quarantined in Asset Renewal Reserve for future renewal requirements.
↑	\$0.14m	Safe Roof Access underspends to be transferred to Asset Renewal Reserve for future renewal requirements.
↓	(\$0.40m)	Additional budget required for JL Murphy Reserve to address costs associated with the poor structural condition of the building revealed during demolition and additional contaminated soil costs.
↓	(\$0.33m)	Accessibility Improvements in Council Buildings - three Disability Discrimination Act compliant and accessible public toilet facilities are to be delivered in 2019/20. Market driven pricing through the public tender process are higher than anticipated costs.
↓	(\$0.13m)	Cora Graves Accessibility Improvements - Project has been brought forward to meet urgent OH&S requirements as identified in the Audit report.
↓	(\$0.31m)	Gasworks Theatre Seats - additional budget required for works associated with the environmental assessment, design, structural, electrical and fire engineering works.
↓	(\$0.20m)	Chipton Reserve overspends mainly due to higher tendered prices. The project overspend will partially be offset from a drawdown on Open Space Reserves.
↓	(\$0.18m)	Hostile Vehicle Mitigation for Luna Park & Palais part of the rolling Public Space Security Program required additional funding to include public realm improvement works. The overspend will be funded from brought forward of 2020/21 funds.
↓	(\$0.17m)	RF Julier Reserve Pavilion and Park Improvement project require additional funding to meet design, installation of light and site contamination management. A drawdown from Open Space Reserve will be required to partially offset the additional expenditure.
⇒	\$6.55m	A number of project have been identified as deferrals to 2020/21. They include the South Melbourne Town Hall major works \$3.0m, Port Melbourne and St Kilda Town Hall accommodation strategy \$0.98m, St Vincent Gardens playground redevelopment \$0.5m, Palais Theatre \$0.46m, Gasworks Arts Park Reinstatement \$0.45m, EcoCentre Redevelopment \$0.36m, Building Safety Corrective Actions \$0.29m, Fitzroy St Streetscape (public toilets) \$0.20m, Adventure Playgrounds Upgrade \$0.13m and Shakespeare Grove Hostile Vehicle Mitigation works \$0.08m.
⇒	\$0.53m	Park St Bike Link part of the public realm improvements to the ANZAC station precinct has been rescheduled to align with the Masterplan timelines - completion expected in 2021/22. Additional community consultation will be required and Council will receive funding in line with new schedule.
⇒	(\$0.96m)	A number of 2018/19 Capital Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Elwood public space wall & play space, Alma Park stormwater harvesting, Public space lighting - Bay Trail, Public space security improvements, Acland St CCTV, South Melbourne Town Hall Lift & Ramp, and South Melbourne Solar PV.
⇒	(\$0.34m)	Federal Government funding to be used on lighting at four Sporting fields in 2019/20.
⇒	(\$0.22m)	Additional scope of works identified in the building surveyor audit to address Childcare Centre Fence compliance funded from the Children Centre Infrastructure fund.
⇒	(\$0.14m)	Ferrars St Streetscape works to be funded from general reserves and Victorian Government contributions.
⇒	(\$0.11m)	Victorian Government awarded funding for Water Sensitive Urban Design at Langbridge/ Patterson Streets

Notes to the Comprehensive Income Statement Converted to Cash (continued)

<b>Note 4. Net drawdown on reserves decrease by \$9.22 million:</b>	
<b>Net forecast changes to reserves in the month February 2020 included the following items:</b>	
→	\$0.22m Additional scope of works identified in the building surveyor audit to address Childcare Centre Fence compliance funded from the Children Centre Infrastructure fund.
<b>Net forecast changes to reserves year to date February 2020 include following material items:</b>	
→	\$1.87m Net drawdown on Asset Renewal Reserve for additional expenditure on JL Murphy, Council Buildings Accessibility Improvement, Cora Graves Accessibility Improvements, Gasworks Theatre Seats, Sport Playing Fields Renewal, and St Kilda Marina Lease Project.
→	\$0.96m A number of 2018/19 Capital Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Elwood public space wall & play space, Alma Park stormwater harvesting, Public space lighting - Bay Trail, Public space security improvements, Acland St CCTV, South Melbourne Town Hall Lift & Ramp, and South Melbourne Solar PV.
→	\$0.34m A number of 2018/19 Operating Portfolio project budgets were transferred to reserves to be used in 2019/20 including: Standard drawings & design, Art on Hoardings, Placemaking program, Parking controls & permit policy, and Business enablement & innovation fund.
→	\$0.22m Additional scope of works identified in the building surveyor audit to address Childcare Centre Fence compliance funded from the Children Centre Infrastructure fund.
→	(\$7.07m) A number of project have been identified as deferrals to 2020/21. They include the South Melbourne Town Hall major works \$3.0m, Port Melbourne and St Kilda Town Hall accommodation strategy \$0.98m, St Vincent Gardens playground redevelopment \$0.5m, Palais Theatre \$0.46m, EcoCentre Redevelopment \$0.36m, Building Safety Corrective Actions \$0.29m, Fitzroy St Streetscape (public toilets) \$0.20m, Adventure Playgrounds Upgrade \$0.13m and Shakespeare Grove Hostile Vehicle Mitigation works \$0.08m.
→	(\$3.33m) Delays in procurement and rephasing following detailed planning with vendor for the Customer Experience program will result in budget deferrals to 2020/21.
→	(\$1.60m) A greater amount of open space contributions expected in 2019/20 as a number of large developments have reached the subdivision stage. These funds are to be quarantined in reserves for future open space enhancement projects.
→	(\$0.97m) Council has approved a number of Right of Way divestments not required for servicing the community. Funds will be quarantined in reserve for future strategic property acquisition.

## Legislative update

### Legislative changes

No legislative changes were made during February 2020 that may affect the City of Port Phillip.

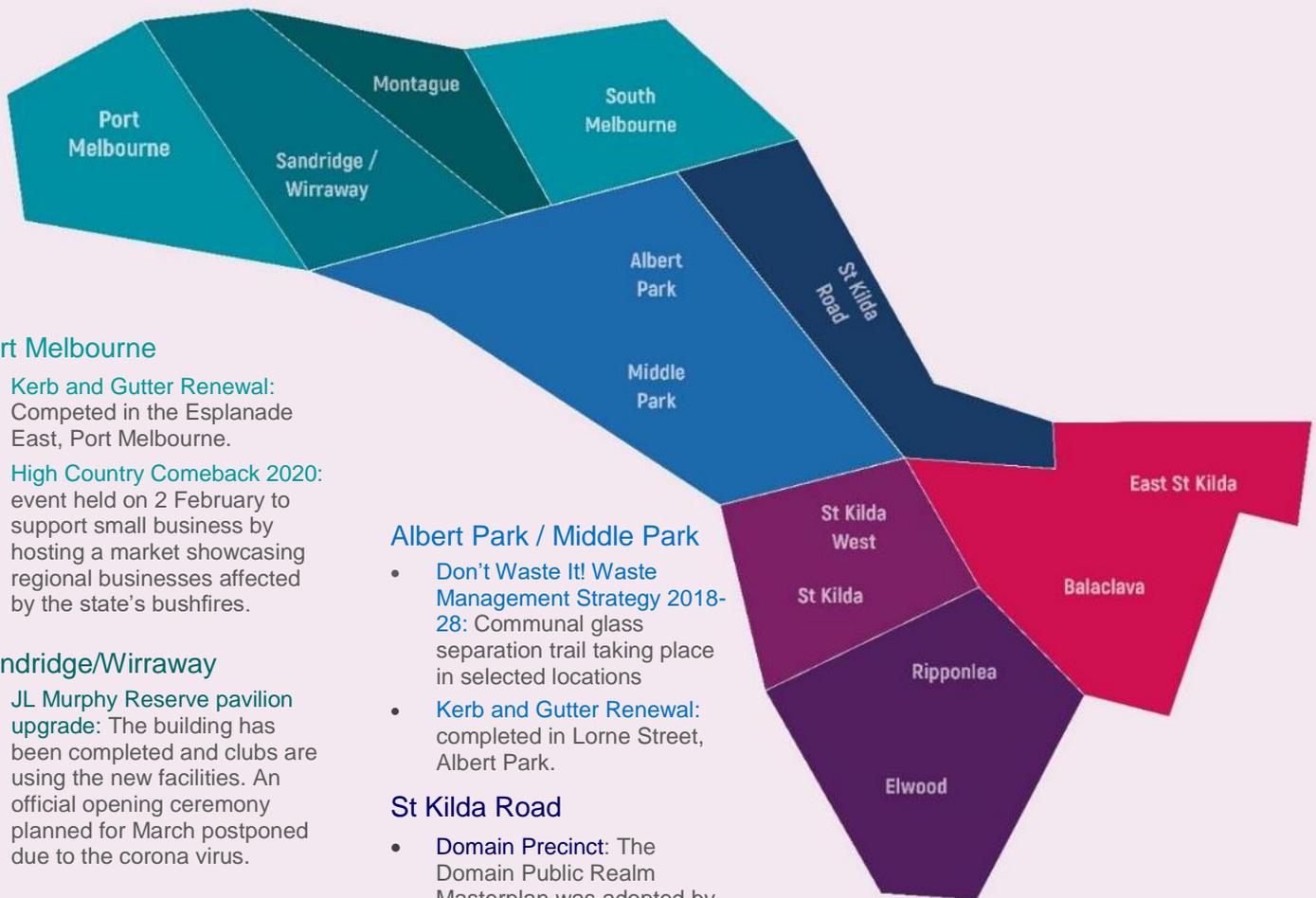
### Material legislative breaches

There were zero material legislative breaches recorded in February 2020.

One material breach of the Local Government Act was recorded in August 2019 over a two-year period where the \$150,000 threshold was exceeded for untendered social media communications activity. Our year to date total has reduced to one material legislative breach after a minor breach was reported in the last issue.

The City of Port Phillip has received Ministerial approval for the purposes of section 186(5)(c) of the *Local Government Act 1989*, to engage directly with Facebook Australia Pty Ltd for the provision of advertising services through its social media platform from 1 October 2019 until 30 September 2021.

## What's happened in our local neighbourhoods?



### Port Melbourne

- **Kerb and Gutter Renewal:** Completed in the Esplanade East, Port Melbourne.
- **High Country Comeback 2020:** event held on 2 February to support small business by hosting a market showcasing regional businesses affected by the state's bushfires.

### Sandridge/Wirraway

- **JL Murphy Reserve pavilion upgrade:** The building has been completed and clubs are using the new facilities. An official opening ceremony planned for March postponed due to the corona virus.

### Montague

- **Fishermans Bend Program:** Adjustments are likely to this program given the changes in the Victorian Government's plans for Fishermans Bend.

### South Melbourne

- **Don't Waste It! - Waste Management Strategy 2018-28:** Communal glass separation trail taking place selected locations.
- **Road Renewal:** Road resurfacing and major preventative road works completed this month included Park Street (Palmerston Crescent to Millers Lane), South Melbourne.
- **Kerb and Gutter Renewal:** at intersection on Dorcas Street and Ferrars Street, South Melbourne.

### Albert Park / Middle Park

- **Don't Waste It! Waste Management Strategy 2018-28:** Communal glass separation trail taking place in selected locations
- **Kerb and Gutter Renewal:** completed in Lorne Street, Albert Park.

### St Kilda Road

- **Domain Precinct:** The Domain Public Realm Masterplan was adopted by Council on 18 September 2019. Community members and stakeholders involved in the preparation of the plan were notified of the adoption.
- **Placemaking Program:** St Kilda Junction Underpass Wayfinding signage has been installed and has been well received.

### St Kilda / St Kilda West

- **Don't Waste It! Waste Management Strategy 2018-28:** New waste, mixed recycling and food waste bins for Council at St Kilda Town Hall and the Operations Centre were installed in February 2020.
- **Placemaking Program:** New litter bins with art graffiti applied have been installed, attached to metal bins in Fitzroy Street.
- **Rotary Park Playspace Development:** Concept design for the playspace is completed.

### Elwood / Ripponlea

- **Footpath Renewal:** Footpaths resurfaced this month include Addison Street (Glen Huntly Rd to Shelley St), Elwood.
- **Kerb and Gutter Renewal:** Laneways kerb and guttering completed in Goldsmith Street, Elwood

### Balaclava / St Kilda East

- **Alma Park:** The integration works at Alma Park are now complete. These works have included the construction of blue-stone retaining walls, establishment of lawn and garden areas and planting of several large shade trees. The reinstatement of cricket nets is planned for April 2020.