

# CEO Report

#67 July 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.

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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 and subject to change.

'We are committed to making the right decisions today to help our City and our community to provide a solid foundation for Port Phillip into the future.'

**PETER SMITH**

CEO City of Port Phillip



## Welcome to the July issue of the CEO Report

Our City is starting to tentatively reopen. While we do still need to act responsibly, it's heartening to see the community returning to our spaces: our libraries, parks and playgrounds, and frequenting local shops, restaurants, bars and cafes.

Though things are slowly reopening there has been a recent increase in the number of COVID-19 cases. The Victorian Premier on advice from Victoria's Chief Health Officer has now tightened restrictions in public spaces so our halls and libraries must remain at a maximum of 20 people until 12 July 2020.

Last month, I outlined the challenges we face as a Council in developing the draft Budget 2020/21. We hosted two community Q&A sessions in May 2020 as well as online chat forums on an initial round of six proposed service level reductions for consideration. Although these forums are now closed, you can still view the conversations by clicking on the forum topics included in the Have Your Say page. Thank you to everyone who has participated in our budget conversations so far.

Council endorsed its draft Budget for 2020/21 on 17 June 2020 that addresses the rates capping challenge and responds to the \$32 million financial impact and risks associated with COVID-19 pandemic and other risks such as the impact of the Recycling Victoria policy on waste services. It includes:

- a proposed rate increase of 2 per cent (equivalent to the rates cap set by the Victorian Government), which has been targeted towards supporting the \$4.2 million Economic and Social Recovery program to increase assistance for ratepayers, businesses and community members who need it the most.
- efficiency savings of \$4.9 million. This adds to the \$13 million of savings delivered over the previous six budgets.

### Key stages



There is no increase in an already low debt position however to achieve this Council has had to strategically reprioritise expenditure and is proposing a small number of temporary and permanent service level reductions, on which we are engaging with the community.

The feedback gained through the survey and focus groups will help shape the final Budget 2020/21 and updated Council Plan 2017-27. The Budget will be finalised and presented to Council for adoption in August 2020.

I have also been working with our leadership team, to conduct a

review of our operating model to ensure that our organisation has the skills and experience required to meet changing community needs and expectations and importantly that we can help our community to respond and recover from COVID-19. We have also looked at what capability and capacity is required to support our current Council and what will be required to support a new Council and implementation of major pieces of legislation such as the Local Government Act. Importantly this has also been balanced with the need to ensure that the operating model is financially sustainable. An independent organisation with expertise in this area was engaged to support and provide independent advice through the process. A new operating model has been proposed and feedback on this proposal from our people is currently being considered. I will provide further details on our new operating model in upcoming CEO reports once it has been confirmed.

We are committed to making the right decisions today to help our City and our community recover as quickly as possible and to provide a solid foundation for Port Phillip into the future.

Regards, Peter Smith

Please submit your comment on the draft Budget by 17 July 2020:

<https://haveyoursay.portphillip.vic.gov.au/budget-20202021>

## 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.

Strategic partnerships seek to resolve complex issues that affect the liveability and wellbeing of the city through relationships with community, government and other organisations. Our officers support the Mayor, CEO and Councillors in engagement and advocacy to progress delivery of the Council Plan 2017-27.

### Advocacy:

Increasingly the focus of the State and Federal Government is on the post-COVID-19 economic recovery. We are working with stakeholders to identify, shape and advocate for projects that will help the City recover. A key focus is transport. As restrictions ease and people to return to work, changes to the way people work and travel are inevitable.

We are focusing on advocating for projects that help navigate the new environment, promoting greater freedom of movement and providing short and long-term jobs in the area. This includes improved and safer roads; improved, safer and additional bike corridors; greater tram infrastructure, and new auto call-up pedestrian signals.

Council officers are promoting the benefits of these projects to Victorian Government ministers and departments. In addition, we continue to advocate for large-scale projects such as the tram to Fishermans Bend, the redevelopment of Port Phillip EcoCentre, and improved social housing for the most vulnerable in the community.

### Strategic Memberships Review 2020:

In May, Council conducted its annual review of its membership to 'strategic' organisations. This year, the need to review such memberships was particularly important due to the impact of COVID-19 on Council's budget.

In 2019/20 Council was a member of 15 organisations and this provided a range of benefits, such as knowledge sharing, advocacy, policy development and implementation. However, some of these memberships were expensive and resource intensive.

Over the year, officers held a series of internal and external consultations to inform a report that measured each membership against a range of criteria, including costs and benefits, and recommended which memberships should be maintained for 2020/21. The report went to Council on 20 May 2020 and councillors voted to maintain eleven memberships and withdraw from four, resulting in an estimated saving of \$86,308 in membership fees.

## 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 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 with the data available at the end of May 2020.

### 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 in the report that explains the overall status. As all elements are weighed 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.

## 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

### Report on outcomes

The service measures for this strategic direction are measured on a quarterly and annual basis.

There are no monthly service measures available for reporting in May 2020.

### Portfolio status

There are 24 projects contributing to the outcomes in this direction

#### Key updates



#### Program/Project

**New funding for City of Port Phillip areas:** local community housing projects, and new social housing economic stimulus funding programs

#### Achievements

Round 1 of the Victorian Government's Social Housing Growth Fund has funded two community housing projects in Port Phillip to deliver 95 units:

- 45 bedsitter units for older single persons in Emerald Street, South Melbourne
- 50 one and two-bedroom units for singles, couples and small families at 253-273 Normanby Road, South Melbourne (Fishermans Bend) through Housing Choices Australia.

Building Works economic stimulus program will also support 46 units for HousingFirst in Balaclava. These funding announcements will result in 141 new community housing units in Port Phillip

### 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>			
	Project is at risk. Officers are working with the Victorian Government to develop an interim supportive housing or 'Common Ground' program for people who are rough-sleeping in the City using the \$500,000 allocated by Council for a COVID-19 homeless support response. The Victorian Government has recently announced funding of two projects in Port Phillip under the Social Housing Growth Fund: 45 units in South Melbourne to be developed by Southport Community Housing and 50 units also in South Melbourne to be developed by Housing Choices. The government has also announced additional funding for social housing units in Balaclava. Officers will review the work previously undertaken to identify alternative delivery approaches for Council contributions (cash and/or property) towards new housing projects in the context of the social, economic and financial impacts of COVID-19. This includes exploring opportunities for securing government stimulus funding during the COVID-19 recovery phase.	Jun 2021	10
<b>JL Murphy Reserve Pavilion Upgrade</b>			
	Project is on track. Practical completion was achieved on 19 February 2020 with handover and familiarisation for users undertaken during March 2020. The official opening for the building has been postponed due to COVID-19 lockdown restrictions. Council is continuing to monitor restrictions and discuss with funding partners to reschedule as soon as appropriate. Final contributions from funding partners can be claimed for the project despite the delayed opening event. A plaque installed for the cancelled event has been removed for alteration pending the events rescheduling.	Jun 2020	2,479
<b>North Port Oval Upgrade</b>			
	Project is on track. There are no changes to the overall status from April 2020. Preliminary design work is ongoing. This includes designs for perimeter fencing, sports field lighting location and public access gates. Current approved completion date of this project is June 2022.	Jun 2021	20

**Pending or approved changes**

**Sports Field Lighting Expansion – Elwood Park Sports Fields:** The specification has been updated to reflect a modified scope of works including three of the four playing fields. The works include design of a whole-of-park playing surface lighting design to meet sports club and community's needs, stakeholder and community consultation; and a new public tender process to install 13 new oval light towers with best-practice lighting technology. These changes will return this project to an on track status after a period of being off track.

## 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 Report on outcomes

The service measures for this strategic direction are measured on a quarterly and annual basis.

There are no monthly service measures available for reporting in May 2020.

### Portfolio status

There are 25 projects contributing to the outcomes in this direction



### Key updates

Program/Project	Achievements
<p><b>The Palais Theatre and Luna Park Precinct Revitalisation</b></p>  <p><i>Artist impression of the precinct revitalisation</i></p>	<p>The Palais Theatre and Luna Park Precinct Revitalisation launched this month with community information, a project video and a Have Your Say webpage for engagement. This project will upgrade the St Kilda precinct including significant public realm improvements, the creation of new public space in front of the Palais Theatre, high quality horticulture and new public lighting. Seating walls, garden beds, kerbs and iconic sculptural bollards will enhance the unique St Kilda character and seamlessly perform a hostile vehicle mitigation function to protect users of the space. Council has also received \$2.6 million in funding from the Victorian Government through the Local Parks Program – New Pocket Parks for this and the Domain Precinct Pocket Park projects</p>

## Completed projects

- Domain Public Realm Masterplan
- ITS Action 35 Paid Parking Fee Trial and Evaluation
- ITS Action 30 and 31 Parking Controls and Permits Policy Development (Parking Management Policy 2020)

## Major initiatives status updates

Status	Comments	Current Approved Completion	2019/20 Forecast \$'000
✓	<b>Integrated Transport Strategy (ITS) Implementation</b> Program is on track. See page 10 for details on progress against the Integrated Transport Strategy.	Jun 2028	260
✓	<b>Kerferd Road Safety Improvements</b> Project is on track. The project is being led by the Department of Environment, Land, Water and Planning (DELWP) for the Victorian Government in partnership with Council. A formal Memorandum of Understanding between DELWP and Council has been signed. Officers are working to secure improved public space, safer transport connections and community engagement that builds support for these outcomes. DELWP has appointed a Project Management Officer to progress the development of the project.	Jun 2022	0

## Pending or approved changes

**ITS Action 13 Wellington Street Upgrade:** No significant changes have occurred since the April 2020 update. The Department of Transport (DoT) has required an expansion to the scope of the project, requesting a deceleration lane on Dandenong Road, which would significantly increase costs for this project. Key stakeholders have provided feedback to any proposed changes. Additional Council funding is being considered through the 2020/21 Budget process and officers are seeking opportunities to apply for state and federal funding where possible. The project plan will undergo a review process to accurately to reflect the changes required.

**ITS Action 18 Bike Infrastructure Delivery- Garden City Bike Corridor:** The Garden City Bike Corridor final design has been completed and tender documentation is underway. A revised community engagement plan will be implemented for the Garden City Bike Path with construction planned to commence from September 2020. Further details on the full Bike Infrastructure Delivery program are included in the Move, Connect, Live Strategy on page 10.

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

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.

**Action progress:** The implementation program for the Integrated Transport Strategy is on track. Of the 42 actions outlined in the strategy, 36 actions are in progress, three actions have not started, and three actions are completed.



### Highlights

**Metro Tunnel Project -Temporary Planters Installed Along St Kilda Road:** The City of Port Phillip has been working with the Cross Yarra Partnership to provide welcome greenery for the residents along St Kilda Road affected by the removal of trees during the construction of ANZAC Station. Ten trees in planter boxes have been placed next to the footpath on the western side of St Kilda Road. The 2.3 m trees are 'Luscious', a native species that is well suited to planter boxes. Its dense form will create an effective screen from St Kilda Road. The trees will be underplanted with Carpobrotus, a creeping succulent that will give year-round interest and spring-time colour.

**Action 30 and 31 Parking Controls and Permits Policy Development:** this project has been completed. The updated Parking Management Policy was endorsed by Council at the 19 February 2020 meeting.



*New planters along St Kilda road*

### Updates

**Action 02 Participated in the Domain Community Reference Group:** Officers attended a meeting on 6 May 2020 as a representative of Council. The Cross Yarra Partnership have committed to consulting the community on a revised development plan for ANZAC Station in the coming months.

**Action 08 Local Area Traffic Management** works at the intersection of Rouse and Dow streets, Port Melbourne have commenced and are scheduled to be completed by the end of June 2020.

**Action 15 Construction of Park Street and Montague Street Raised Pavement Zebra Crossings:** was completed in May 2020. Works at Lyell Street and Nelson Road, South Melbourne commenced in May 2020 and are scheduled to for completion in June 2020.

### Challenges

**Action 18 Bike Infrastructure Delivery:** Project planning and concept designs for the Inkerman Street bike corridor are being undertaken by Council officers. A revised community engagement plan will be implemented for the Garden City Bike Path with construction planned to commence from September 2020. The contract for design of the Park Street bike lane has been awarded and work commenced in April 2020.

**Action 36 Car Share Expansion:** Project is currently at risk of not meeting expansion targets set in the Car Share Policy 2016-2021. The consultation for the one round of car share applications for expansion for 2019/20 financial year has been delayed as a result of COVID-19. Council officers are working with car share operators to assess the global and local impacts of COVID-19 on car sharing.

## 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 2020 Council meeting. The declaration acknowledge that Council was already providing a comprehensive response to the climate emergency through the Act and Adapt Strategy and other strategies. Council is now focused on the ongoing process of embedding the declaration in relevant policies and strategies, seeking opportunities to highlight the emergency with the Victorian and Australian governments and supporting the community to take their own climate actions.

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

#### Service measures



#### Report on outcomes

The two service indicators available for May 2020 are both are on track. In May 2020, 34.3 megalitres of water came from alternative sources, which exceeds the 20 megalitre annual target. Investments in fossil free institutions is 63.5 per cent, remaining within target range of 60 to 80 per cent.

**Portfolio status** There are 19 projects contributing to the outcomes in this direction



#### Key updates

Program/Project	Achievements
<p><b>The Summer Rangers ‘Summer in the City’ campaign</b></p>   <p><i>Council Website images for Summer in the City</i></p>	<p>The Summer Rangers returned between November 2019 and March 2020, supporting the ‘Summer in the City’ campaign through direct engagement, events, litter audits and foreshore patrols. The campaign is a call to action for locals and visitors alike to ‘play their part’ in creating a city that is clean, inviting and safe over the busy summer months. This years’ program responded to community interest for broader waste topics from the impact of single use plastics, to waste avoidance to recycling at home, in alignment with Council’s ‘Don’t Waste It!’ Waste Management Strategy.</p>

 <p>Council Website images for Summer in the City</p>	<p>Despite a season of atypical weather and impacted visitation, the Rangers reached a large audience through major events like the Carman’s Women’s Fun Run and Midsumma Pride Festival, as well as pop up stalls from Port Melbourne to Elwood. As in previous years, they conducted litter counts which inform program design to deliver intervention and education where needed most.</p> <p>This year’s data showed that commercial streets had the greatest concentration of litter, a finding now being used to develop actions targeting litter in shopping strips. There was a decrease in cigarette butt litter across ‘most littered’ sites in previous years, a trend to be continued by a new campaign targeting cigarette butt litter next season.</p>
<p><b>Climate Emergency Community Forums</b></p>	<p>A series of three free online interactive sessions were launched by the Sustainability Team in collaboration with the Port Phillip Emergency Climate Action Network (PECAN). The two sessions delivered in May 2020 focused on what Council is already doing to support our community to reduce their greenhouse gas emissions and the related opportunities and challenges. Detailed information is included in the Act and Adapt-Sustainable Environment Strategy 2018-28 on page 13.</p>

**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 13 for more details on progress against the Sustainable Environment Strategy.	Jun 2028	547
<b>Waste Management Strategy Implementation</b>			
⚠	Program is at risk. See page 14 for details on progress against the Waste Management Strategy.	Jun 2028	887

## Act and Adapt – Sustainable Environment Strategy 2018-28

The Act and Adapt – Sustainable Environment Strategy 2018-28 was developed to help address climate change and improve 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.

### Overall progress

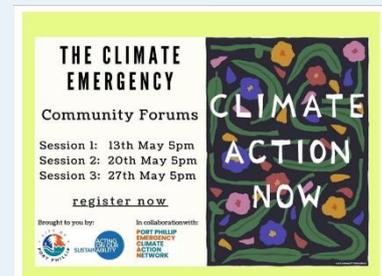
The sustainable environment strategy delivery is on track. There are 31 actions scheduled to be in delivery phase in 2019/20. Of these, one action has been completed and 30 actions are underway.



### Highlights

**Action 7 Deliver Sustainable City Community Action Plan:** Council delivered two online Sustainable Business Breakfasts and launched Climate Emergency Community Forum sessions. All events had strong attendance, high levels of engagement and received positive feedback.

**Climate Emergency Community Forums:** Two successful Climate Emergency Forums were delivered online in May 2020 to a very engaged audience. The first session (130 participants) focused on what Council is doing to address the climate emergency for both our own operations and in the community. The second session (83 participants) asked participants to consider their own actions and to provide suggestions about what support they needed to reduce their own emissions and prepare for a changing climate. The sessions included valuable input from the Port Phillip Emergency Climate Action Network (PECAN) and captured hundreds of comments, questions and feedback from the audience. It is anticipated many more community members will watch the recording of the sessions. Feedback from the community on the approach, content, and interactive nature of the sessions has been very positive. Session three was held over to allow for appropriate review and response planning and will be scheduled in the coming months.



### Updates

**Action 1 Deliver Greening Port Phillip Strategy:** Civil works were completed on Foote Street, Albert Park and planting is scheduled for completion in coming months. Soil improvements and tree planting works continued in Alma Park East.

**Action 3 Develop a Biodiversity Study and Action Plan:** The community has recorded over 850 individual sightings on the NatureSpot website. The NatureSpot survey has now been extended for a further two months. Council and EcoCentre staff developed a 'Garden Guide' for residents with advice on how to encourage biodiversity in their gardens and balconies. This will be made available on our websites. This was funded by the Victorian Government's Caring for Our Local Environment grant.

**Action 4 Heat and solar data analysis:** Thermal modelling of the South Melbourne precinct is progressing. Static monitoring stations were installed around the precinct, which will remain in place until Autumn 2021 to provide detailed data on heat land surface temperature.

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

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 with us to manage waste better over the next four years while we investigate new, advanced ways to manage waste.

**Overall progress:** Delivery of the Don't Waste It! Waste Management Strategy Implementation Program is at risk. Two actions, 10 and 23 are completed, and all other actions in progress.



### Advocacy Actions: (05, 06, 07, 09, 11, 14, 23, 24, 25)

Guidance to Council is expected in June 2020 on requirements to prepare a transition plan to deliver requirements of *Recycling Victoria – a new economy*. Desktop research has begun on embedding circular economy principles into Council policies, procedures and purchasing.

### Project Actions: (01, 02, 03, 04, 08, 10, 13, 19)

Resourcing has been diverted from general waste education to a focus on delivery of kerbside and communal glass recycling trials and a food organics and garden organics (FOGO) trial, endorsed by Council in the Don't Waste It! Review on 4 December 2019.

Kerbside and communal glass recycling trial are progressing well, and contamination rates are low. The FOGO trial is now scheduled to commence in August 2020 and run until April 2021. The Solar Green Cone program delivered four units in May 2020. Total sales at 324.

The Food to Farm program is currently being revised due to changes in budget, scope and timing due to impacts of COVID-19.

Cleanaway has reported significant contamination in kerbside recycling bins. Council has responded by sending letters to households in areas of high contamination.

The Victorian Government has released the first stage of its state-wide recycling campaign and Council is supporting its delivery via social media. Council is testing LitterWatch, a new Victorian Government platform for managing, comparing and reporting on litter.

### Service Delivery Actions (12,15, 16, 17, 18, 20, 21, 22)

Group procurement process for sorting kerbside recyclables, currently being undertaken with Metropolitan Waste and Resource Recovery Group, has been delayed. New contracts to start in December 2021. Business case development with the Metropolitan Waste and Resource Recovery Group for advanced waste processing for councils in the north-west has been delayed until 2020/21.

Demand for residential hard waste collections has levelled, use of an additional collection vehicle continues and is being reviewed weekly. Weekend bookings have improved management of dumped rubbish.

### Challenges

COVID-19, increased recycling costs and waste export bans from 1 July 2020 present service and financial challenges to Council. Several Don't Waste It! projects that are mid-delivery face postponement or cancellation as resources are diverted.

## 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 current results for the outcome indicator and service performance measures outlined in the Council Plan 2017-27.

#### Service measures



#### Report on outcomes

One service measure was available for the month of May 2020 and this is on track.

Street cleaning audit compliance score is 94 per cent, just below target of 95 per cent.

#### Portfolio status

There are 29 projects contributing to the outcomes in this direction



#### Key updates

##### Program/Project

##### Working for Victoria COVID-19 Cleaning Crews in Port Phillip



*Cleaning crews undertaking surface disinfecting across the City.*

##### Achievements

About 80 people who lost their jobs as a result of the COVID-19 pandemic have joined Council's cleaning effort to help prevent the virus spreading through contact transmission. Under the Victorian Government's Working for Victoria initiative, Citywide's Cleansing and Sanitisation Services is recruiting, training and supervising the participants working in Port Phillip. The government funding means a range of hard surfaces in public spaces – from streets and shopping strips to parks and beaches – are being disinfected and cleansed on top of Council's standard cleaning regime, at no cost to Council.

#### 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. There have been no changes to the status from April 2020. Council 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 into 2020. A community update with further details on this project is planned for the beginning of the new financial year 2020/21.	Jun 2022	50
<b>Public Spaces Strategy Development</b>			
	Project is off track. The project has been impacted from COVID-19 with the CEO, under delegation of Council, formally postponing community engagement on the draft Public Space Strategy. A new timeframe for delivery will be forecast in line with Council's overall review of the priority of strategic projects. This will include revised dates for community engagement and any budget adjustments.	Jun 2020	200
<b>St Kilda Marina</b>			
	Project is at risk. The project continues to track in line with the Council approved program. The overall project status is at risk, however, due to the ongoing pressure on the budget and schedule, which are being closely monitored and managed. In terms of procurement, the evaluation process continues to evolve and is progressing in line with the overall program. In relation to the planning scheme amendment, the planning panel report was issued in May 2020, which was earlier than expected. The planning panel report and officer recommendations will go to a Council Meeting in June 2020.	Jun 2021	460

## Pending or approved changes

**Hostile Vehicle Mitigation – Foreshore Security Gate Cameras:** Project is off track due to recommendations to undertake an additional tender to ensure submissions represent the best value for money. A new two-staged process is proposed including an expression of interest followed by a public tender. It is now anticipated that this will now take place in 2021. This project has been placed on hold until 2020/21.

**Public Toilet Plan Implementation – Fitzroy Street Public Toilet Implementation:** The Fitzroy Street Public Toilet Implementation project is on hold. Advocacy work has been delayed due to the COVID-19 outbreak and further delays are also likely. A request for quotation is required to proceed with this project as works were stopped due to the inability to identify appropriate land for the new amenities. However, Council has now received two options for further consideration and site investigations, designs and consultation will proceed in the 2020/21 financial year.

## Fishermans Bend Program 2019/20

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.

### Status update

The schedule for the release of the Montague Precinct Plan has now been approved. Council will be updated with a detailed review of the precinct plan in early July 2020 with an understanding of the communications and engagement approach. The timing for the release of the precinct plans is now scheduled for August 2020, however this may change.

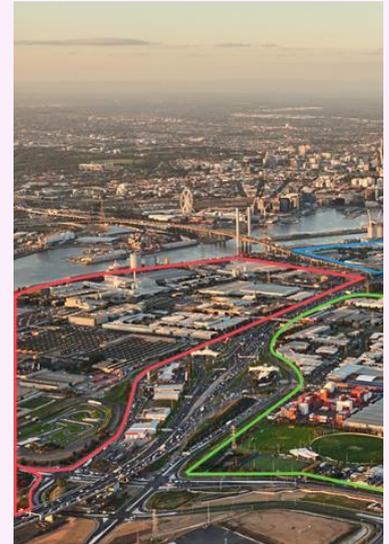
In support of this, work continues on the various work packages including the detailing of the Montague Precinct Plan; the Water Sensitive Cities strategy and implementation approach including planning applications.

Council has advocated for greater clarity on a scenario analysis approach to economic recovery in conjunction with City of Melbourne and Fishermans Bend Taskforce; this will be delivered by the end of June 2020. This will provide the appropriate framework for a more refined approach to Council's risk profile.

The Mayors Forum occurred at the end of May 2020 and continues to advocate to the Victorian Government for improved transport infrastructure.

### Challenges

Place recovery is now seen as a critical part of the work that Council will need to undertake in the short term and the Place Creation approach is due next month.



## 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

### Report on outcomes



One service measure is available for the month of May 2020.

There have been 4.3 visits to library per capita which is under the target of 6.3. Libraries have been closed due to the COVID-19 outbreak, with online and delivery services contributing to the measure this month.

**Portfolio status** There are 13 projects contributing to the outcomes in this direction

### Key updates



#### Program/Project

#### Achievements

**South Melbourne Placemaking (Art and Soul – Creative and Prosperous City Strategy 2018-22**



Positive media and community response received to the Physical Distancing Mural. The mural was featured on Mike's Pics – Network 10 on Thursday 7 May, and Network 10 socials, and SBS online story: <https://www.sbs.com.au/language/english/audio/the-creation-of-physicaldistancing-how-street-art-is-responding-to-covid-19>

### 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

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

The Art and Soul – Creative and Prosperous City Strategy 2018-22 sets out the creative, cultural and economic development objectives for the City of Port Phillip. It outlines the cultural change and collaborative actions required over the next four years across a range of Council services, including arts, culture and heritage, economic development and tourism, festivals, libraries, markets, city planning and urban design, to create a thriving social, cultural and economic future. The Art and Soul Strategy also includes a four placemaking actions, reported in more detail on page 20.

### Overall progress

The Art and Soul – Creative and Prosperous City Strategy is on track. There are 18 Actions scheduled to be in delivery phase in 2019/20. The impact of the COVID-19 pandemic on the creative arts has meant a shift in focus to provide economic stimulus and recovery for this sector. A review of the strategy was undertaken at the beginning of May 2020 resulting in the closure of several the key initiatives. Focus on the short term has been on supporting local industry initiatives.

### Updates

**Action 12 Advance South Melbourne as Innovation District:** Long-term planning to develop South Melbourne as an innovation district continues. However, timing and resourcing has been impacted as staff of key agencies respond to the COVID-19 pandemic. Several potential research projects with Metropolitan Partnerships remain under consideration following discussion with Department of Jobs Precincts and Regions, Creative Victoria and other agencies. The shape and focus of the work needed to realise these projects will be significantly impacted by the evolving health and economic conditions under COVID-19, which have increased the uncertainty of forecasts. Officers continued outreach activities to innovative businesses in South Melbourne and initiated contact with Victorian Government partners to explore a joint roll-out of the Census of Land Use and Employment in the South Melbourne and/or Montague precincts.

**Action 13 Develop a Game Action Plan:** The project is on hold as Council will need to understand new considerations in support for the industry via the Game Action plan due to COVID-19. Activities undertaken this month include partnership and planning with key gaming organisations to find new opportunities for Melbourne International Games Week. Officers have also fielded inquiries from businesses outside the City, seeking opportunities to locate and host activities in the municipality.

**Action 15 Facilitate Fishermans Bend as Innovation District:** Advocacy for innovation in Fishermans Bend is happening in conjunction with Victorian Government Precinct Planning and is continuing with the South Melbourne Precinct Project.

**Action 25 Better Leverage Investment in Gasworks and Linden Facilities:** The impact of COVID-19, including on budget timelines and staffing, has pushed out delivery of both Linden and Gasworks funding deeds. Council officers are working to deliver revised funding documentation and exploring options in the short term to support the leases and funding deeds of both organisations. Dialogue with Linden and Gasworks has remained open and constructive during this time.

**Action 32 Update Indigenous Arts Plan:** The call-out for nominations for the Boonating Ngargee Yulenj: First Peoples Arts Advisory Panel has closed. Officers have reviewed nominations against the Terms of Reference criteria. Feedback from community is that a workshop format rather than a formal panel may lead to better outcome. The report for the panel was to go to Council on 15 April 2020; however, this has been rescheduled to August due to delays caused by the impact of COVID-19. Once appointed, the panel or workshop participants will contribute to the development of the Indigenous Arts Plan.

## Placemaking Action Plan 2018-21

The Placemaking Action Plan describes seven key actions and resources required to achieve Council's placemaking aspirations described in the Art and Soul Strategy 2018-2022. Placemaking is an action-based learning process that enables the community and Council to work together to create great places. It stems from the philosophy that those who use a place are often in the best position to know what a place should look and feel like, including providing input into the way places are planned and funded, and the services provided.

### Overall progress

During May, the Placemaking team focused on business support, engaging with businesses in key activity centres across the municipality as well as hand-delivering Business Forum invites. The Forum is planned 2 June 2020 for all non-residential rate payers. The Placemaking Program will be suspended in 2020/21 with funds reallocated to support initiatives in the Economic and Social Recovery Program.

### Fitzroy Street

- Brearley Architects continues grant-winning projections
- OCEAN, Tramways Band and Linden Art Gallery provided updates on grant progress
- Working with the Arts team to find locations to include in the '64 Ways' program that uses augmented reality to explore those areas through art
- Officers attended the Fitzroy Street Business Association meeting.

### South Melbourne

- Reference Group met on 18 May 2020 with continued planning for recovery. A document outlining the results will be developed
- 'Women in Art' exhibition postponed until August 2020
- Physical distancing mural by artists from Melbourne's Murals, located on Clarendon Centre's Coventry Street Wall was completed and received positive media coverage
- Love South Melbourne app is ready and available in the App Store. An official launch is planned for after restrictions lift.
- Street Art Map and Trail <https://lovemyplace.com.au/stay-connected-street-art> - Officers have developed an interactive map of the street art throughout the City.

### Waterfront Place

- Council is of the understanding that due to available land restrictions in and around Station Pier, TT Lines decided to relocate their dock from Port Melbourne to Corio to ease congestion faced by passengers when disembarking. Anecdotally, it appears that only a few businesses will be impacted by the move and it could ease up congestion in the area. This may present as an opportunity to reconsider and co-create a plan for the future of Station Pier to become a place that is an attractive and useful place for locals all year round, and an engaging welcome for cruise visitors.

### Special Rate Renewal – Port Melbourne

- Renewal process modelling is underway and the Port Melbourne Business Association are starting to seek support for renewal from businesses.

## 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



### Report on outcomes

Councils Organisational Scorecard on the following page outlines detailed performance measures relating our commitments under Strategic Direction 6.

The Organisational Scorecard provides insights into the overall performance in customer experience, governance, our workforce, financial management, assets and project delivery.

14 performance measures were available for reporting in May 2020, with eight on track, one at risk and five off track.

### Portfolio Status

There are 17 projects contributing to the outcomes in this direction



#### Key updates

#### Program/Project

#### May 2020

#### Customer Experience Program

The design of Council’s main website has been finalised to ensure we deliver a productive and easy-to-use website for our staff and community. The ‘go-live’ date for the website and intranet in August 2020 remains on track.

### Major initiatives status updates

Status	Comments	Current approved completion	2019/20 Forecast \$'000
<b>Customer Experience Program</b>			
▲	The Program is at risk based in part on the assessed impact of COVID-19. However, given the benefits provided to the community, particularly the increase in efficiencies, such as providing online services, the program will continue to be delivered, predominately through a remote workforce. Preparation for the next stage of design and implementation has commenced and will include modules to support customer relationship management, building and planning applications and issuing of permits. Revised project delivery schedules from vendors has shifted expenditure to future years.	Jun 2021	7,833

## City of Port Phillip Council – Organisational Scorecard

The following are the May 2020 results for the financial year 2019/20:

<b>Improving customer experience and technology, and being more innovative</b>		<b>Latest results</b>	
TARGET:	80 per cent community requests completed on time	95 per cent	
	80 per cent community complaints completed on time	95 per cent	
	80 per cent calls answered within 30 seconds timeframe	69 per cent	
<b>Improving community engagement, advocacy, transparency and governance</b>		<b>Latest results</b>	
TARGET:	90 per cent risk actions on track	100 per cent	
	90 per cent audit actions completed on time (average)	97 per cent	
	90 per cent councillor attendance at Council meetings	94 per cent	
	90 per cent Council decisions made in public	93 per cent	
	0 material legislative breaches	1	
<b>Ensuring sustainable financial and asset management, and effective project delivery</b>		<b>Latest results</b>	
TARGET:	Financial sustainability risk rating of low	Medium	
	Operating savings (delivering efficiency and cost savings)	\$4.9m	
	80 per cent of major initiative project delivery is on track	82 per cent	

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	32.7		
Unplanned Leave year to date (days/EFT) below 10.8	12.67		
Staff turnover below 10 per cent	14.91 per cent		

### ORGANISATIONAL SCORECARD COMMENTARY

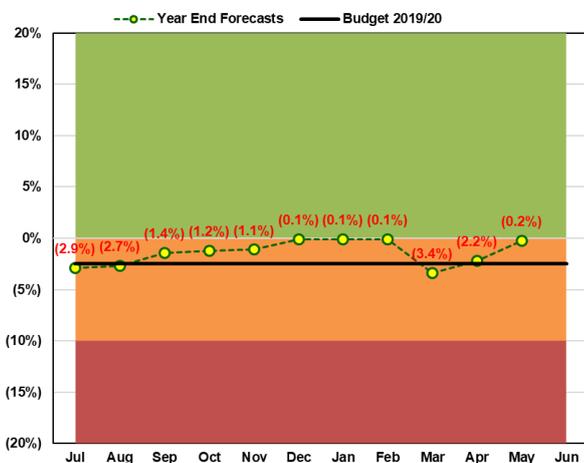
- Council’s timeliness in dealing with community requests and complaints is on track at 95 per cent exceeding the 80 per cent target. However, this month we are off target in only answering 69 per cent of calls within 30 seconds.
- Councillor attendance at meetings was on target at 94 per cent. Council decisions made open to public are at 93 per cent, exceeding the 90 per cent target. This means only seven per cent of decisions are closed to the public, well under the threshold of 10 per cent.
- One material legislative breach has been recorded, exceeding the target of zero, further details are provided on page 31.
- We are successfully meeting targets with 82 percent of major projects on track and a financial risk rating of low.
- The 12-month rolling recordable injury frequency result is 32.7 exceeding the annual target of 21.4. There have been four reportable injuries in the month of May 2020.
- Staff turnover continues to be off track, with a rolling 12 month result of 14.91 per cent compared to target of 10 per cent. The result for May 2020 was 0.73 per cent, down from 2.18 per cent at the same time last year. Staff turnover continues to be a focus and a key piece of the People and Culture Strategy.

## Financial performance - Chief Financial Officer Summary for month of May 2020

Council's decision-making is reflected by the principles of sound 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 May indicates an overall medium risk financial sustainability rating for Council. The COVID-19 pandemic is expected to impact Council's financial position by \$12.8million this financial year in March 2020. Officers have put in place tight fiscal controls (e.g. vacant positions put on hold unless necessary; controllable expenditure minimised) and will find savings over the 15 months to address this deficit. Council expects a cumulative cash deficit of \$2.6 million for 2019/20 after actions taken by officers to manage our costs based to mitigate the impact of COVID-19 and we have seen some improvements in paid parking with easing COVID-19 restrictions.

### Assessment against VAGO financial sustainability indicators

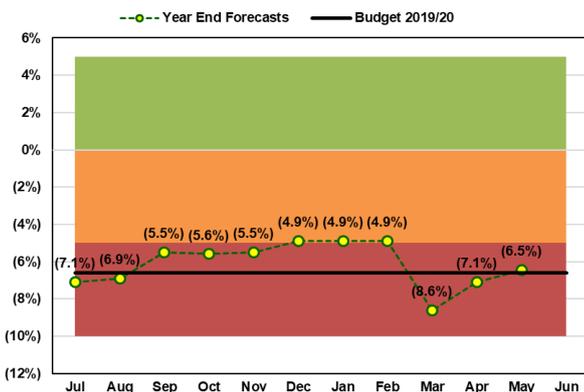
#### 1.1 Net result per cent (net surplus over total income)



**Target:** Greater than 0%      **Year-end forecast:** -2.5%      **Status:** ▲

**This financial indicator assesses Council's ability to generate sufficient funds for asset renewals. "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 March 2020, Council has forecast a deterioration to -3.4% largely due to the \$12.8million impact of the Covid-19 pandemic to our financial performance. Council has forecast an improvement in May 2020 with a ratio of -0.2% due largely to the tight fiscal controls put in place (e.g. vacant positions put on hold unless necessary; controllable expenditure minimised), increased paid parking utilisation, operating project deferrals including Customer Experience Program, and additional open space contributions than forecast."**

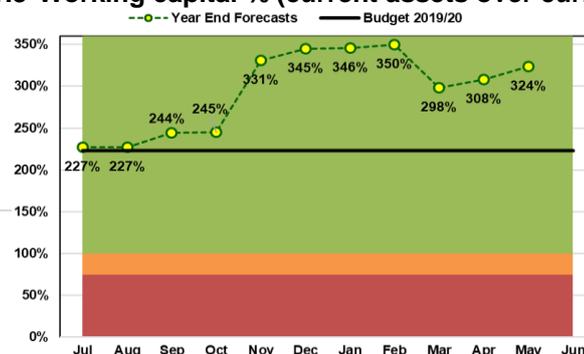
#### 1.2 Adjusted underlying result % (net results excluding capital grants and contributions)



**Target:** Greater than 5%      **Year-end forecast:** -6.5%      **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 May 2020, the forecast for the financial year is -6.5%. 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)

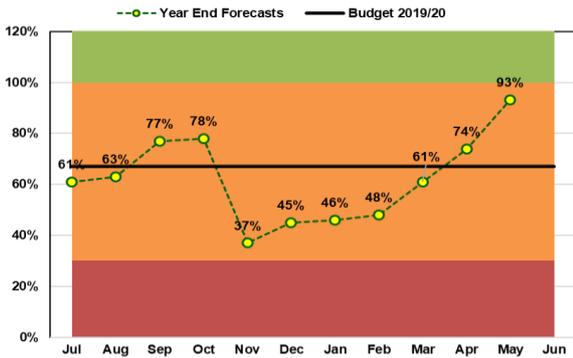


**Target:** Greater than 100%      **Year-end forecast:** 324%      **Status:** ✔

**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 May 2020 is 324%. The material change March is due to the \$12.8million financial impact from the Covid-19 pandemic. Council has no issues in paying suppliers and employees when payments fall due.**

## Financial sustainability indicators (continued)

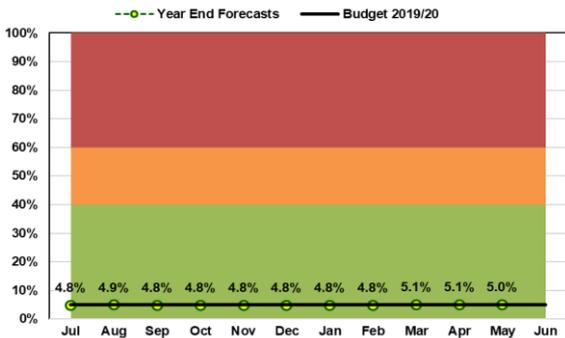
### 1.4 Internal financing % (net operational cashflows compared to net cash capital outlay)



**Target:** Greater than 100%      **Year-end forecast:** 93%      **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 May 2020 shows an improvement since February to 93%. This is largely due to \$9.0 million capital spend reduction identified in March and April comprising \$3.3m of savings/ underspends and \$5.7million deferrals to next financial year.

### 1.5 Indebtedness % (own sourced revenue compared to non-current liabilities)

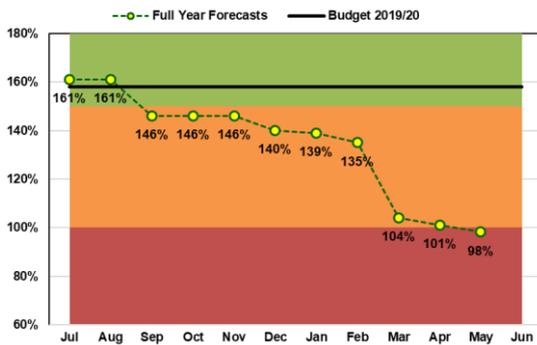


**Target:** Less than 40%      **Full year forecast:** 4.9%      **Status:** ✓

**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 May 2020 shows Council is on track to achieve budget.

### 1.6 Capital replacement % (total cash capital outlay/depreciation)



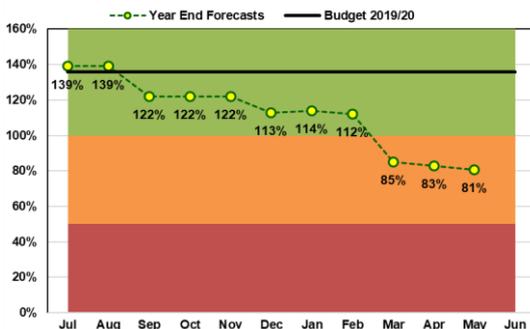
**Target:** Greater than 150%      **Year-end forecast:** 98%      **Status:** ▲

**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 May shows the ratio has decreased to 98%. The \$12.8m financial impact due to the COVID-19 pandemic will require Council to find savings from both operating and capital expenditure in order address the funding shortfall. \$3.6million of savings have been found and \$5.7million of capital projects to be deferred to 2020/21.

The low ratio performance in 2020/21 will be addressed over the long-term. Council's 10-Year Financial Plan includes annual targets at 150%+ so that we continue to renew, grow and improve our asset base.

### 1.7 Infrastructure renewal gap % (renewal and upgrade capital expenditure compared to depreciation)



**Target:** Greater than 100%      **Year-end forecast:** 83%      **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.** The full year forecast as at May 2020 shows the ratio has decreased to 81%.

The \$12.8m financial impact due to the COVID-19 pandemic will require Council to find savings from both operating and capital expenditure in order address the funding shortfall. \$3.6million of savings have been found and \$5.7million of capital projects to be deferred to 2020/21. The low ratio performance in 2019/20 will be addressed over the long-term. Council's 10-Year Financial Plan includes annual targets of 120%+ so that we continue to renew and improve our asset base.

## Comprehensive Income Statement Converted to Cash – May 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 deficit of \$2.6m which compares unfavourably against the budgeted cash surplus of \$0.43m. Officers have put in place tight fiscal controls (e.g. vacant positions put on hold unless necessary; controllable expenditure minimised) and will find savings over the 15 months to address this deficit.

	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	118,449	118,452	(3)	(0%)	129,213	129,149	64	0%	
Statutory Fees and Fines	18,139	17,868	272	2%	18,360	24,046	(5,687)	(24%)	
User Fees	36,112	35,922	190	1%	37,199	38,801	(1,602)	(4%)	
Grants - Operating	10,644	10,933	(289)	(3%)	11,475	9,430	2,045	22%	
Grants - Capital	2,780	329	2,450	744%	3,586	2,586	1,000	39%	
Contributions - Monetary	9,084	9,348	(264)	(3%)	9,643	6,045	3,598	60%	
Contributions - Non Monetary	68	0	68	0%	0	0	0	0%	
Other Income	12,746	11,913	834	7%	16,577	14,381	2,195	15%	
<b>Total Income</b>	<b>208,022</b>	<b>204,765</b>	<b>3,257</b>	<b>2%</b>	<b>226,052</b>	<b>224,438</b>	<b>1,615</b>	<b>1%</b>	1
<b>Expenses</b>									
Employee Costs	85,240	84,733	(506)	(1%)	91,916	96,637	4,721	5%	
Materials and Services	62,274	64,004	1,730	3%	76,775	78,567	1,792	2%	
Professional Services	9,998	9,923	(75)	(1%)	11,189	12,899	1,710	13%	
Bad and Doubtful Debts	3,807	4,566	758	17%	5,038	3,862	(1,176)	(30%)	
Depreciation	23,227	23,221	(5)	(0%)	25,441	24,911	(530)	(2%)	
Borrowing Costs	418	353	(65)	(19%)	353	450	97	22%	
Other Expenses	7,091	6,527	(563)	(9%)	11,531	8,473	(3,058)	(36%)	
Net (Profit) or Loss on Disposal of Assets	862	322	(540)	(168%)	4,310	4,310	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
<b>Total Expenses</b>	<b>192,916</b>	<b>193,648</b>	<b>732</b>	<b>0%</b>	<b>226,553</b>	<b>230,109</b>	<b>3,556</b>	<b>2%</b>	2
<b>Operating Surplus / (Deficit)</b>	<b>15,106</b>	<b>11,116</b>	<b>3,990</b>	<b>36%</b>	<b>(501)</b>	<b>(5,671)</b>	<b>5,170</b>	<b>(91%)</b>	
<b>Income Statement Converted to Cash</b>									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	23,227	23,221	5	0%	25,441	24,911	530	2%	
• Add back written-down value of infrastructure assets disposals	819	450	369	82%	4,450	4,450	0	0%	
• Add back written-down value of fleet asset disposals	261	220	41	19%	240	240	0	0%	
• Add back balance sheet work in progress reallocated to operating	1,475	1,100	375	34%	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	(68)	0	68	0%	0	0	0	0%	
	<b>25,714</b>	<b>24,991</b>	<b>723</b>	<b>3%</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	(19,446)	(23,372)	3,926	17%	(22,245)	(36,023)	13,778	38%	
• Less capital expenditure - IT, Plant and Equipment	(2,343)	(2,177)	(166)	(8%)	(2,742)	(3,219)	477	15%	
	<b>(21,789)</b>	<b>(25,549)</b>	<b>3,760</b>	<b>15%</b>	<b>(24,987)</b>	<b>(39,242)</b>	<b>14,255</b>	<b>36%</b>	3
<b>Adjustments for financing items:</b>									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(638)	(637)	(2)	0%	(693)	(670)	(23)	(3%)	
	<b>(638)</b>	<b>(637)</b>	<b>(2)</b>	<b>0%</b>	<b>(693)</b>	<b>(670)</b>	<b>(23)</b>	<b>(3%)</b>	
<b>Adjustments for reserve movements:</b>									
• Discretionary Reserve Drawdown/ (Replenish)	1,978	1,785	193	11%	(6,664)	13,392	(20,056)	(150%)	
• Statutory Reserve Drawdown/ (Replenish)	0	(1,321)	1,321	(100%)	(1,981)	632	(2,613)	(413%)	
	<b>1,978</b>	<b>464</b>	<b>1,514</b>	<b>327%</b>	<b>(8,645)</b>	<b>14,024</b>	<b>(22,669)</b>	<b>(162%)</b>	4
<b>Current Year Cash Surplus/(Deficit)</b>	<b>20,370</b>	<b>10,385</b>	<b>9,986</b>	<b>96%</b>	<b>(3,494)</b>	<b>(758)</b>	<b>(2,736)</b>	<b>(361%)</b>	
Opening balance carry forward surplus	862	862	0	0%	862	1,192	(330)	(28%)	
<b>Accumulated Cash Surplus</b>	<b>21,232</b>	<b>11,247</b>	<b>9,986</b>	<b>89%</b>	<b>(2,632)</b>	<b>434</b>	<b>(3,066)</b>	<b>(706%)</b>	
Refer to Notes for explanation on changes to forecast in the current reporting month.									

## NOTES to the Comprehensive Income Statement Converted to Cash – May 2020

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

### Note 1. Operating income forecast increased by \$1.62 million:

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

↑	\$0.69m	Paid parking utilisation is increasing as COVID-19 restrictions easing.
→	\$2.39m	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.
→	\$0.65m	Victorian Government funding for Hostile Vehicle Mitigation works at Luna Park & Palais Theatre to be quarantined in reserve for additional capital expenditure in 2020/21.
→	\$0.65m	Victorian Government funding for Kings Plaza Pocket Park development to be quarantined in reserve for additional capital expenditure in 2020/21.
→	\$0.17m	Full cost recovery for asset reinstatement works performed - offset by additional expenditure.

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

↑	\$2.53m	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.
→	\$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.
→	\$3.40m	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.
→	\$1.43m	Updated forecast includes the prepayment of 2020/21 Victoria Grants Commission funding for Local Governments in 2019/20.
→	\$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.
→	\$0.65m	Victorian Government funding for Hostile Vehicle Mitigation works at Luna Park & Palais Theatre to be quarantined in reserve for additional capital expenditure in 2020/21.
→	\$0.65m	Victorian Government funding for Kings Plaza Pocket Park development to be quarantined in reserve for additional capital expenditure in 2020/21.
→	\$0.38m	Additional Commonwealth funding for Food services due to increased demand from the vulnerable. Offset by additional expenditure.
→	\$0.24m	Income relating to 2018/19 State Revenue Office land valuation services fully offset by valuation expenditure.
→	\$0.17m	Full cost recovery for asset reinstatement works performed - offset by additional 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.
→	(\$0.22m)	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.
→	(\$0.18m)	Realignment of Parking Infringement Notices cancellation budget and the Parking Infringement Notices doubtful debt provisions (net neutral impact).
→	(\$0.11m)	Rail Project Victoria funding to Council will be lower than budgeted due to lower spend by Council.
↓	(\$6.60m)	Council has seen a material drop in paid parking utilisation due to Covid-19 travel restrictions. This also impacts on infringement notices from non-compliance of parking restrictions.
↓	(\$2.80m)	Council endorsed on the 25 March meeting to provide transparent, effective, efficient and affordable support to our community and economy, to enhance resilience to and recovery from the Covid-19 pandemic. The updated financial projection is \$2.95m, \$0.45m more than was expected.
↓	(\$1.78m)	The Federal Government's Early Childhood Education and Care Relief Package payable to Council for our childcare services is based on 50% of the lower capped fee. In addition to lower utilisation, Council expects an income loss of \$1.78m this financial year. Officers are minimising costs where possible including agency and contract staff. However, the service cost base has a high fixed component - permanent childcare employees.

NOTES to the Comprehensive Income Statement Converted to Cash – May 2020

↓	(\$0.63m)	The impact of Covid-19 is placing further pressure to an already weak development market particularly in the high value development category. We expect lower income from development activity in the near to medium term.
↓	(\$0.42m)	South Melbourne Market has been impacted by the Covid-19 pandemic included the suspension of NEFF cooking classes, lower utilisation of rooftop paid parking, rent relief and other income.
↓	(\$0.34m)	Commonwealth Funding (Ausport) for Sports field lighting not likely to be forthcoming this financial year. Expenditure has been reduced.
↓	(\$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.
↓	(\$0.15m)	Lower income from building permits than budgeted due to lower development activity.
<b>Note 2. Operating expenditure forecast decreased by \$3.56 million:</b>		
<b>Net forecast operating expenditure changes in the month of May 2020 included the following material items:</b>		
↑	\$0.26m	Forecast lower organisational employee cost from tight fiscal controls including all vacant positions are put on hold unless necessary, agency and contract staff minimised.
→	(\$0.17m)	Full cost recovery for asset reinstatement works performed - offset by additional expenditure.
<b>Net forecast operating expenditure changes year to date May 2020 included the following material items:</b>		
↑	\$3.61m	Tight fiscal controls are in place to address the expected cash deficit. <ul style="list-style-type: none"> <li>• \$2.89m of employee costs as all vacant positions are put on hold unless necessary, agency and contract staff minimised.</li> <li>• \$0.4m of staff training and conferences budget.</li> <li>• \$0.12m Professional service - minimise and greater utilisation of on existing staff.</li> <li>• \$0.2m of other discretionary expenditure.</li> </ul> More reviews are being undertaken.
↑	\$1.00m	In accordance with accounting standards, portfolio expenditure such as demolition, landscaping, soil remediation, community consultation and planning are to be classified as operating expenditure. This expenditure is proportionately reduced in line with a reduced portfolio program.
↑	\$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.
↑	\$0.58m	Savings to be realised including the Fishermans Bend Program, Elster Creek Catchment Partnership, Site Contamination Policy, Standard Drawings & Designs, Carlisle St Supermarket Strategy, Placemaking Program, Community Action Plan, Bio-diversity Study and Action Plan, and Heat& Solar Data Analysis.
↑	\$0.54m	Reduced Employee costs due to vacancies across the Enterprise.
↑	\$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.
→	\$1.11m	Customer experience program delays expected due to timing of work streams deferred to 2020/21 and contingency not being required which has been deferred to 2021/22. Project completion date in August 2021 expected to be met.
→	\$0.72m	Projects experiencing delays due to a number of factors including the impact of Covid-19, reliance on Victorian Government Agencies and procurement delays. The following projects have deferrals to 2020/21 including the Future Operations Centre and Hub Feasibility, In Our Backyard Strategy Implementation, Waste Strategy Implementation Program, South Melbourne Market Strategic Business Case, and Carlisle St Carparks Strategy Implementation.
→	\$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.
→	(\$0.38m)	Additional Commonwealth funding for Food services due to increased demand from the vulnerable. Offset by additional expenditure.
→	(\$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.
→	(\$0.17m)	Full cost recovery for asset reinstatement works performed - offset by additional 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.

NOTES to the Comprehensive Income Statement Converted to Cash – May 2020

↓	(\$0.34m)	Additional expenditure incurred due to Covid-19: <ul style="list-style-type: none"> <li>• \$0.16m Additional cleaning to meet OHS requirements at work sites.</li> <li>• \$0.11m Additional kerbside collection crew to meeting social distancing requirements.</li> <li>• \$ 0.07m Additional tipping costs as household waste increased due to lockdown.</li> </ul>
↓	(\$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.
↓	(\$0.20m)	Increased tree root maintenance in response to increasing number of tree root damage requests. Future claims for damages can be avoided by additional upfront expenditure.
↓	(\$0.15m)	Ongoing cost of maintaining Northport Oval post Capital Works upgrade. The additional cost is being negotiated with users of the facility.
↓	(\$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.
<b>Note 3. Capital expenditure forecast decreased by \$14.26 million:</b>		
<b>Net forecast changes to capital expenditure in month of May 2020 included the following material items.</b>		
→	\$0.24m	Accessibility Improvement to Buildings deferred to 2020/21 due to procurement delays.
<b>Net forecast changes to capital expenditure year to date May 2020 included the following material items:</b>		
↑	\$2.93m	Savings to be realised due to a number of factors including the Covid-19 impact constraints such as supply chain, procurement savings, reduced scope of works, project not going ahead, works deferred and funded in 2020/21. The larger project savings include: Annual Fleet Renewal, South Melbourne Renewal Works, Healthy Tracks, Hostile Vehicle Mitigation Foreshore Security Gate, Drainage Condition CCTV Assessment, South Melbourne Life Saving Club Redevelopment, Building Minor Capital Works, Road Resurfacing Program, Stormwater Renewal Program, and Public Toilet Plan Implementation.
↑	\$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.
↑	\$0.20m	South Melbourne Operations Server Room reprioritised as contribution towards impact of Covid-19.
↑	\$0.14m	Safe Roof Access underspends to be transferred to Asset Renewal Reserve for future renewal requirements.
→	\$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.
→	\$4.38m	Projects experiencing delays due to a number of factors including the impact of Covid-19 on supply chain, reliance on Victorian Government Agencies, procurement delays and design delays. The larger projects include Garden City Bike Path, Elwood Park Lighting Expansion, JL Murphy Play Space Upgrade, Graham Street Overpass Skate Park, St Kilda Town Hall Staff Accommodation, Accessibility Improvements in Council Facilities, Wellington Street Upgrade Stage 3, Fitzroy St Public Toilet, and Lagoon Reserve Sports Field Redevelopment.
→	\$1.47m	The following project have been identified in February 2020 for deferral to 2020/21: <ul style="list-style-type: none"> <li>• \$0.60m South Melbourne Market Compliance - due to dependency on the South Melbourne Market Master planning including additional detailed design work and project management resourcing.</li> <li>• \$0.34m Bike Infrastructure Planning &amp; Design - detailed design of the Garden City Bicycle path is expected to be completed in mid April 2020. The design of Inkerman St bike route has been delayed in order to explore design options for a bike corridor along Inkerman Bike Route with the City of Glen Eira. Port Phillip officers have formed a technical working group with Glen Eira to explore alternative design options across our boundaries. A draft tender has been completed to engage external consultants to engage design consultants</li> <li>• \$0.30m St Kilda Foreshore Missing Link - a conceptual design has been developed and will inform future budget considerations. Relevant stakeholder consultation required in order to complete design and commencing construction.</li> <li>• \$0.13m St Kilda Pier Foreshore Upgrade - high level strategic assessment and options for foreshore upgrades has been completed. The Council's next steps are dependent upon Parks Victoria's design work for the new Pier, which will be commenced from April/May 2020. As such, the \$130K has been deferred to 2020/21.</li> <li>• \$0.10m Public Toilet Plan Implementation - additional feasibility and consultation work required to determine a possible location for the new public amenities along Fitzroy St following the decision from Parks Victoria not to allow Council to utilise space on their land which has caused delays in commencing design development and construction commencement.</li> </ul>
→	\$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.
→	\$0.40m	South Melbourne Town Hall Major Works experiencing delays due to a number of specialised investigations required to progress project further. Funds deferred to 2020/21.
→	\$0.39m	Bubup Nairn Cladding Rectification works - \$0.29m deferrals to account for long lead time on balustrade materials and \$0.10m savings from competitive tenders.

NOTES to the Comprehensive Income Statement Converted to Cash – May 2020

⇒	\$0.34m	Scope reduction due to Commonwealth Funding (Ausport) for Sports field lighting not forthcoming.
⇒	\$0.30m	Further deferrals to 2020/21 identified for the South Melbourne Market Building Compliance Works due to resourcing constraints in additional to Covid-19 delays.
⇒	\$0.24m	Accessibility Improvement to Buildings deferred to 2020/21 due to procurement delays.
⇒	\$0.10m	Children Centres Fencing Works - inadequate number of tender submissions on one site which will be deferred to 2020/21.
⇒	(\$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.
⇒	(\$0.87m)	A number of projects have been brought forward from 2020/21 planned works to offset project deferrals in 2019/20 as part of the Mid-year financial review. The three projects included: \$0.25m for Parking Sensors, \$0.51m for Bubup Nairm Cladding Rectification, and \$0.11m for Cora Graves Accessibility Improvements.
⇒	(\$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
↓	(\$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.
↓	(\$0.31m)	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.
↓	(\$0.13m)	Updated Road Resurfacing Program will require full budget previously reduced due to Covid-19.
↓	(\$0.13m)	Cora Graves Accessibility Improvements - Project has been brought forward to meet urgent OH&S requirements as identified in the Audit report.

**Note 4. Net replenishing of reserves increased by \$22.67 million:**

**Net forecast changes to reserves in the month May 2020 included the following items:**

⇒	(\$2.39m)	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.
⇒	(\$0.65m)	Victorian Government funding for Hostile Vehicle Mitigation works at Luna Park & Palais Theatre to be quarantined in reserve for additional capital expenditure in 2020/21.
⇒	(\$0.65m)	Victorian Government funding for Kings Plaza Pocket Park development to be quarantined in reserve for additional capital expenditure in 2020/21.
⇒	(\$0.24m)	Accessibility Improvement to Buildings deferred to 2020/21 due to procurement delays.

**Net forecast changes to reserves year to date May 2020 include following material items:**

⇒	\$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.
⇒	\$0.87m	A number of projects have been brought forward from 2020/21 planned works to offset project deferrals in 2019/20 as part of the Mid-year financial review. The three projects included: \$0.25m for Parking Sensors, \$0.51m for Bubup Nairm Cladding Rectification, and \$0.11m for Cora Graves Accessibility Improvements.
⇒	\$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.

## NOTES to the Comprehensive Income Statement Converted to Cash – May 2020

→	(\$4.38m)	Capital Projects experiencing delays due to a number of factors including the impact of Covid-19 on supply chain, reliance on Victorian Government Agencies, procurement delays and design delays. The larger projects include Garden City Bike Path, Elwood Park Lighting Expansion, JL Murphy Play Space Upgrade, Graham Street Overpass Skate Park, St Kilda Town Hall Staff Accommodation, Accessibility Improvements in Council Facilities, Wellington Street Upgrade Stage 3, Fitzroy St Public Toilet, and Lagoon Reserve Sports Field Redevelopment.
→	(\$3.95m)	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.
→	(\$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.
→	(\$1.47m)	The following project have been identified in February 2020 for deferral to 2020/21: <ul style="list-style-type: none"> <li>• \$0.60m South Melbourne Market Compliance - due to dependency on the South Melbourne Market Master planning including additional detailed design work and project management resourcing.</li> <li>• \$0.34m Bike Infrastructure Planning &amp; Design - detailed design of the Garden City Bicycle path is expected to be completed in mid April 2020. The design of Inkerman St bike route has been delayed in order to explore design options for a bike corridor along Inkerman Bike Route with the City of Glen Eira. Port Phillip officers have formed a technical working group with Glen Eira to explore alternative design options across our boundaries. A draft tender has been completed to engage external consultants to engage design consultants</li> <li>• \$0.30m St Kilda Foreshore Missing Link - a conceptual design has been developed and will inform future budget considerations. Relevant stakeholder consultation required in order to complete design and commencing construction.</li> <li>• \$0.13m St Kilda Pier Foreshore Upgrade - high level strategic assessment and options for foreshore upgrades has been completed. The Council's next steps are dependent upon Parks Victoria's design work for the new Pier, which will be commenced from April/May 2020. As such, the \$130K has been deferred to 2020/21.</li> <li>• \$0.10m Public Toilet Plan Implementation - additional feasibility and consultation work required to determine a possible location for the new public amenities along Fitzroy St following the decision from Parks Victoria not to allow Council to utilise space on their land which has caused delays in commencing design development and construction commencement.</li> </ul>
→	(\$1.11m)	Customer experience program delays expected due to the impact of remote workforce. Expenditure deferred to 2020/21. Project completion date in August 2021 expected to be met.
→	(\$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.
→	(\$0.89m)	A number of capital projects identified in April for deferral to 2020/21 mainly due to procurement, resourcing and OHS requirement delays related to Covid-19. These projects included the Bubup Nairn Cladding Rectification works, South Melbourne Market Building Compliance and other minor projects.
→	(\$0.72m)	Projects experiencing delays due to a number of factors including the impact of Covid-19, reliance on Victorian Government Agencies and procurement delays. These projects include the Future Operations Centre and Hub Feasibility, In Our Backyard Strategy Implementation, Waste Strategy Implementation Program, South Melbourne Market Strategic Business Case, and Carlisle St Carparks Strategy Implementation.
→	(\$0.65m)	Victorian Government funding for Hostile Vehicle Mitigation works at Luna Park & Palais Theatre to be quarantined in reserve for additional capital expenditure in 2020/21.
→	(\$0.65m)	Victorian Government funding for Kings Plaza Pocket Park development to be quarantined in reserve for additional capital expenditure in 2020/21.
→	(\$0.40m)	South Melbourne Town Hall Major Works experiencing delays due to a number of specialised investigations required to progress project further. Funds deferred to 2020/21.
→	(\$0.24m)	Accessibility Improvement to Buildings deferred to 2020/21 due to procurement delays.
→	(\$0.10m)	Children Centres Fencing Works - inadequate number of tender submissions on one site which will be deferred to 2020/21.

## Legislative update

### Legislative changes

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

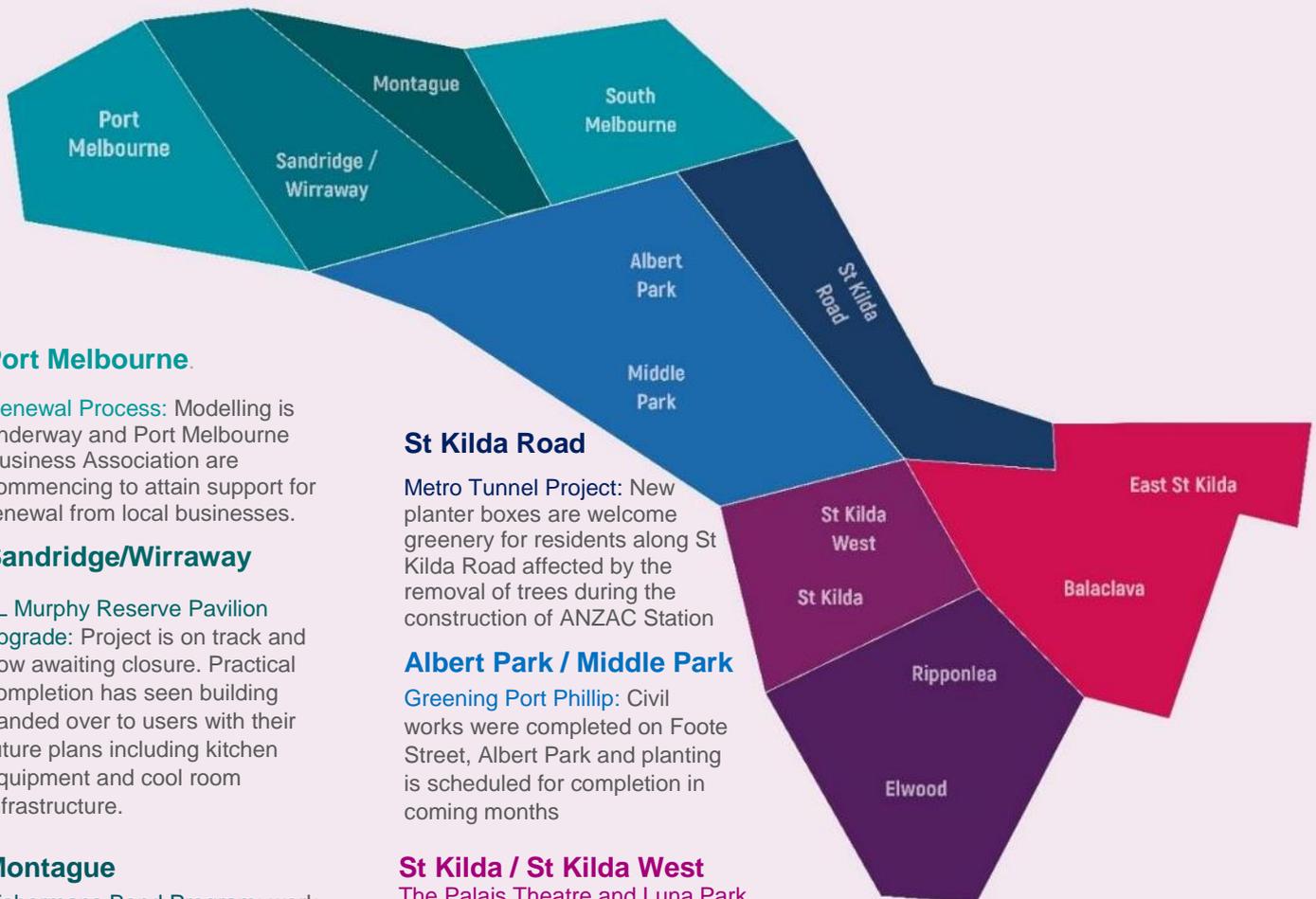
### Material legislative breaches

There were zero material legislative breaches recorded in May 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 is one material legislative breach.

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

**Renewal Process:** Modelling is underway and Port Melbourne Business Association are commencing to attain support for renewal from local businesses.

### Sandridge/Wirraway

**JL Murphy Reserve Pavilion upgrade:** Project is on track and now awaiting closure. Practical completion has seen building handed over to users with their future plans including kitchen equipment and cool room infrastructure.

### Montague

**Fishermans Bend Program:** work continues on the detailing of the Montague Precinct Plan; the Water Sensitive Cities strategy and implementation approach including planning applications.

### South Melbourne

**Move, Connect, Live Integrated Transport Strategy Pedestrian Infrastructure:** Construction of Park and Montague streets, South Melbourne raised pavement zebra crossings has been completed.

**South Melbourne Town Hall:** has been closed during May and June 2020 for building assessments.

**New funding for community housing projects:** Victorian Government funding will support 45 bedsitter units in Emerald Street, South Melbourne and units at 253 - 273 Normanby Rd, South Melbourne (Fishermans Bend) through Housing Choices Australia.

### St Kilda Road

**Metro Tunnel Project:** New planter boxes are welcome greenery for residents along St Kilda Road affected by the removal of trees during the construction of ANZAC Station

### Albert Park / Middle Park

**Greening Port Phillip:** Civil works were completed on Foote Street, Albert Park and planting is scheduled for completion in coming months

### St Kilda / St Kilda West

**The Palais Theatre and Luna Park Precinct:** The precinct will receive an upgrade including significant public realm improvements, the creation of new public space in front of the Palais Theatre, high quality horticulture and new public lighting. Iconic sculptural bollards will enhance the unique St Kilda character and seamlessly perform a hostile vehicle mitigation function to protect users of the space.

**Pocket Park funding:** Council has received \$2.6 million in funding from the Victorian Government through the Local Parks Program – New Pocket Parks for St Kilda and the Domain Precinct Pocket Park.

### Elwood / Ripponlea

**Greening Port Phillip:** Soil improvements and tree planting works continued in Alma Park East.

### Balaclava / St Kilda East

**Balaclava:** Building Works economic stimulus program to support 46 units for HousingFirst in Balaclava.

### ACROSS THE CITY OF PORT PHILLIP

**Draft Council Plan and Budget 2020-21:** Register your interest to participate in our online focus groups in late June and early July 2020 to help shape the draft Budget. These sessions will be run by neighbourhood areas.

**NatureSpot data:** The community has recorded 850 individual sightings on the NatureSpot website.

**Homelessness support:** "Common Ground" program is being developed for people who are rough sleeping in the City. This program uses \$500,000 allocated by Council for a COVID-19 homeless support response.

**Working for Victoria COVID-19 Cleaning Crews in Port Phillip:** The Citywide Cleansing and Sanitisation Service has recruited, trained and supervises 80 participants working in Port Phillip to keep the city clean and sanitised during COVID-19.