



**ORDINARY  
MEETING OF  
COUNCIL**

**AGENDA**

**19 APRIL 2017**

## Ordinary Meeting of Council

### Welcome

Welcome to this Meeting of the Port Phillip City Council.

Council Meetings are an important way to ensure that your democratically elected representatives are working for you in a fair and transparent way. They also allow the public to be involved in the decision making process of Council.

### About this meeting

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

Each report is written by a Council officer outlining the purpose of the report, all relevant information and a recommendation. Council will consider the report and either accept the recommendation or make amendments to it. All decisions of Council are adopted if they receive a majority vote from the Councillors present at the meeting.

### Public Question Time

Provision is made at the beginning of the meeting for general question time from members of the public. Questions relating to a topic on the agenda are not permitted during this time but can be asked prior to the discussion of that item.

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

### Public Comment / Question

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

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

When your item is being discussed the Chairperson will call your name and ask you to address the Council. The length of time available to each speaker will be at the Chairpersons discretion.





## PORT PHILLIP CITY COUNCIL ORDINARY MEETING OF COUNCIL

### To Councillors

Notice is hereby given that an **Ordinary Meeting of Council** of the **Port Phillip City Council** will be held in **St Kilda Town Hall** on **Wednesday, 19 April 2017 at 6.30pm**. At their discretion, Councillors may suspend the meeting for a short break at 8pm and 10pm as required.

### AGENDA

**1 APOLOGIES**

**2 MINUTES OF PREVIOUS MEETINGS**

*Minutes of the Ordinary Meeting of Council of the Port Phillip City Council held on 5 April 2017.*

**3 DECLARATIONS OF CONFLICTS OF INTEREST**

**4 PETITIONS AND JOINT LETTERS**

*Nil*

**5 SEALING SCHEDULE**

*Nil*

**6 PUBLIC QUESTION TIME**

**7 COUNCILLOR QUESTION TIME**

**8 PRESENTATION OF REPORTS**

- 8.1 *Draft Council Plan 2017-27 and Budget 2017/18: release for public consultation.. 13*
- 8.2 *Facility Management Plan - South Melbourne Town Hall - Australian National Academy of Music..... 35*
- 8.3 *Proposal to Relinquish Committee of Management Status For Crown Land Located at 62 - 74 Pickles Street, South Melbourne..... 43*
- 8.4 *Greyhound Hotel Cultural Heritage Assessment ..... 53*
- 8.5 *Amendment C143 - 19 Salmon Street and 299 Williamstown Road, Port Melbourne - Consideration of Submissions ..... 67*

**AGENDA - ORDINARY MEETING OF COUNCIL – 19 APRIL 2017**



8.6	City of Port Phillip's submission to City of Bayside regarding the future of Elsterwick Park North.....	79
8.7	Outcomes of 22 February 2017 Audit and Risk Committee Meeting .....	85
<b>9</b>	<b>NOTICES OF MOTION</b>	
	<i>Nil</i>	
<b>10</b>	<b>REPORTS BY COUNCILLOR DELEGATES</b>	
<b>11</b>	<b>URGENT BUSINESS</b>	
<b>12</b>	<b>CONFIDENTIAL MATTERS.....</b>	<b>92</b>
	<i>The information contained in the following Council reports is considered to be Confidential Information in accordance with Section 77(2)(a) and Section 89(2) of the Local Government Act 1989 (as amended).</i>	
12.1	6-78 Buckhurst Street, South Melbourne: The purpose is for Council to decide on its position on a VCAT matter.	





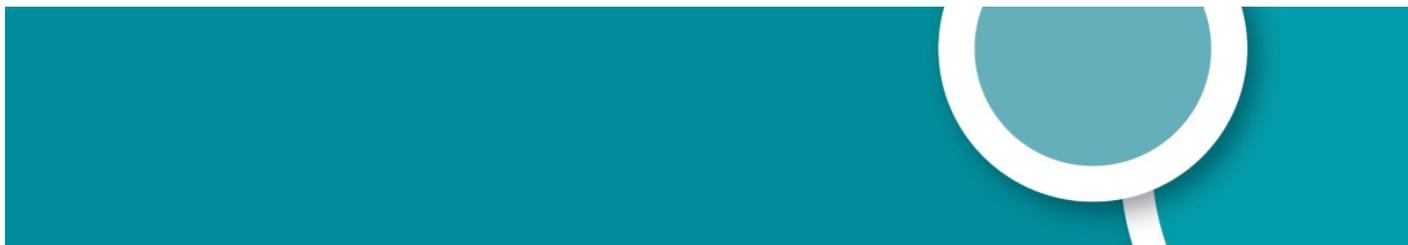
**3. DECLARATIONS OF CONFLICTS OF INTEREST**





**4. PETITIONS AND JOINT LETTERS**

Nil





**5. SEALING SCHEDULE**

Nil





**6. PUBLIC QUESTION TIME**





**7. COUNCILLOR QUESTION TIME**







## 8. PRESENTATION OF REPORTS

8.1	<i>Draft Council Plan 2017-27 and Budget 2017/18: release for public consultation..</i>	13
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8.3	<i>Proposal to Relinquish Committee of Management Status For Crown Land Located at 62 - 74 Pickles Street, South Melbourne.....</i>	43
8.4	<i>Greyhound Hotel Cultural Heritage Assessment .....</i>	53
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**AGENDA - ORDINARY MEETING OF COUNCIL – 19 APRIL 2017**





**8.1**

**DRAFT COUNCIL PLAN 2017-27 AND  
BUDGET 2017/18: RELEASE FOR PUBLIC  
CONSULTATION**

**LOCATION/ADDRESS:**

**WHOLE OF MUNICIPALITY**

**GENERAL MANAGER:**

**CHRIS CARROLL, ORGANISATIONAL  
PERFORMANCE**

**PREPARED BY:**

**MELISSA HARRIS, EXECUTIVE MANAGER  
SERVICE & BUSINESS IMPROVEMENT**

**KATRINA TERJUNG, PRINCIPAL STRATEGIC  
ADVISOR**

**PETER LIU, COORDINATOR MANAGEMENT  
ACCOUNTING & FINANCIAL ANALYSIS**

**STEVEN ROSS, PROJECT MANAGER**

**TRIM FILE NO:**

**16/02/150**

**ATTACHMENTS:**

- 1. Draft Council Plan 2017-2027**
- 2. Public Notice - release of draft Council Plan 2017-2027 for public consultation and invitation to make submissions**

**PURPOSE**

For Council to consider release of the draft Council Plan 2017-27, including the draft Budget 2017/18, for public consultation.

**I. RECOMMENDATION**

That Council:

- 1.1** Releases the draft Council Plan 2017-27, inclusive of the Municipal Health and Wellbeing Plan, 10-year Financial Plan, Strategic Resource Plan and draft Budget 2017/18 for a 28-day period of public consultation (refer Attachment 1).
- 1.2** Authorises a Public Notice to be published in The Age and an advertisement in the Port Phillip Leader, a display of the draft Council Plan 2017-27 including the draft Budget 2017/18 on Council's website, and availability of the Plan for inspection at town halls and municipal libraries, to ensure broad community awareness and invite public submissions pursuant to section 223 of the Local Government Act 1989 (refer Attachment 2).
- 1.3** Notes that the *Engagement Findings Report – March 2017* was received at its meeting on 5 April 2017, and that this report is available on Council's website and for inspection together with the draft Council Plan at town halls and municipal libraries.
- 1.4** Notes that two public information sessions will be held at Port Melbourne Town Hall, Saturday 6 May 11am–2pm and at St Kilda Town Hall, Tuesday 9 May 4-7pm.

## AGENDA - ORDINARY MEETING OF COUNCIL – 19 APRIL 2017



- 1.5 Will receive and hear submissions from the public at the Ordinary Council meeting on 7 June 2017, commencing 6.30 pm at the Port Melbourne Town Hall, prior to considering adoption of the Council Plan 2017-27, including Budget 2017/18, at the Ordinary Council Meeting on 21 June 2017 commencing 6.30 pm at the St Kilda Town Hall.

## 2. BACKGROUND

- 2.1 The *Local Government Act 1989* (the Act), requires Council to prepare and approve a four-year Council Plan, supported by a Strategic Resource Plan and an annual Budget, by 30 June in the year after an election, although The Minister for Local Government, the Hon Natalie Hutchins MP, has extended the adoption date for the upcoming Council Plan and Budget 2017/18 to 31 August 2017. Council is also required to prepare a Municipal Health and Wellbeing Plan within 12 months of an election.
- 2.2 For the first time, an integrated draft Council Plan has been prepared, incorporating the Municipal Health and Wellbeing Plan, 10-year Financial Plan, Strategic Resource Plan and annual Budget. The integration of Council's planning, budget and resource allocation process ensures strong alignment between the Council's strategic priorities, and its services, programs and projects.
- 2.3 The draft Plan sets a 10-year direction for the City, with a four-year focus on the specific actions Council will undertake to work towards achieving this direction. This longer term focus is needed to ensure Council can respond to the opportunities and challenges the City faces (including climate change, significant population growth, increasing urban density and legislative changes such as rate capping) in a way that enhances Port Phillip as a place to live, work and visit.
- 2.4 The Act also requires that Council provide the opportunity for persons to make submissions on a proposed Council Plan and Budget, with a minimum 28-day consultation period to be provided. A formal public consultation and submission process will be undertaken following release of the draft Council Plan at this meeting.

## 3. KEY INFORMATION

### Development of the Council Plan 2017-27

- 3.1 Development of the draft Council Plan has identified the priorities for the four-year term of this Council, within the context of long term challenges facing the city and a 10-year financial strategy.
- 3.2 Given the preparation of a new longer term plan, significant community and stakeholder engagement has been undertaken to enable direct participation in setting the directions of the plan. Understanding what the community values, how they want the City to be in 10 years' time, and their ideas on solutions for future challenges, has been key to developing a plan that Council can own and deliver with confidence.
- 3.3 A comprehensive engagement program - 'Plan 17-27' - was undertaken from Monday 30 January to Sunday 26 February 2017. This invited the community (including residents, workers, community groups, business owners and visitors) to provide feedback on what



they thought Council should address in the new Council Plan 2017-27. Over 2000 pieces of feedback were obtained throughout the engagement process and the full details of the process and findings are outlined in section 5 of this report.

### Outline of the integrated Council Plan

3.4 The Plan is structured to include the following four chapters and key sections:

3.5 Chapter 1: Port Phillip today:

Comprises profiles of 'our city', 'our people' and 'our health and wellbeing', and an overview of seven (7) challenges facing the city (climate change, population growth, urbanisation, transport and parking, legislative and policy influences, economic conditions and the rapid evolution of technology).

This first chapter also includes 'About this plan' which outlines how the plan was developed and includes details about how the community has helped to shape the directions of the plan.

3.6 Chapter 2: Our future focus:

Includes a 'vision', six (6) 'directions' and 17 'outcomes' which together represent the strategic priorities of the Council:

- Direction 1: *We embrace difference, and people belong* is supported by the following 'outcomes':
  - 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.
- Direction 2: *We are connected and it's easy to move around* is supported by the following 'outcomes':
  - An integrated transport network that connects people and places
  - The demand for parking and car travel is moderated as the city grows
  - Our streets are designed for people.
- Direction 3: *We have smart solutions for a sustainable future* is supported by the following 'outcomes':
  - 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.
- Direction 4: *We are growing and keeping our character* is supported by the following 'outcomes':



- A liveable, higher density city
  - A city of diverse and distinctive neighbourhoods and places.
  - Direction 5: *We thrive by harnessing creativity* is supported by the following 'outcomes':
    - 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.
  - Direction 6 is expressed as '*Our Commitment to you*' and outlines how the organisation will underpin the delivery of Directions 1 thru 5, being the outcomes sought for the city and the Port Phillip community. This direction articulates the following 'outcomes':
    - Transparent governance and an actively engaged community
    - A financially sustainable, high performing and community focused organisation
    - Achievement through leadership and partnerships.
- 3.7 Chapter 3: We are Port Phillip provides an overview of the City's nine neighbourhoods, describing the people, history, available services and list of local projects to be delivered in 2017/18.
- 3.8 Chapter 4: Finances and Resources includes:
- 10-year Financial Plan and financial statements (including the Strategic Resource Plan)
  - Performance indicators
  - Rates and charges
  - Fees and charges

**Areas of transformational change**

- 3.9 The draft Council Plan 2017-27 identifies four areas where a sustained and significant effort by Council is required over the next 10 years, to respond to the long term challenges facing the city:
- Transforming transport and parking
    - We will develop an Integrated Transport Strategy to provide a holistic approach to managing transport accessibility and parking in a growing city.
  - Transforming Fishermans Bend
    - We will plan for exemplary urban renewal at Fishermans Bend.
  - Transforming water management
    - We will develop an Integrated Water Cycle Management Framework.
  - Transforming waste management



- We will complete a Waste Management and Resource Recovery Strategy.

**Our Financial Strategy**

- 3.10 The draft Council Plan is supported by our financial strategy, which provides clear direction on the allocation, management and use of financial resources. It aims to ensure that Council remains financially sustainable while maintaining assets and services, responding to growth, and delivering on our priorities.
- 3.11 The financial strategy is embedded in our 10-year Financial Plan and forms part of the draft Council Plan. It sets the parameters within which Council agrees to operate in order to maintain acceptable financial outcomes over the short, medium and long term.

**Addressing the rates cap challenge**

- 3.12 Over the next 10 years, we will face many challenges that require strong financial leadership and creative solutions to overcome them. Key among these challenges will be rates capping. Without action, the 10-year Financial Plan forecasts a cumulative \$35 million funding gap due to rate capping.
- 3.13 We closely monitor the affordability of services, and recognise ongoing community concerns about the financial impost of rates and the cost of other essential services. As such, we are not planning to apply for a rate increase above the rates cap over the life of the 10-year Financial Plan.
- 3.14 We plan to balance the budget and close the rates cap gap by adjusting the following strategic levers.

**Delivering efficiency and cost savings**

- 3.15 The community's expectations for better value service delivery are of primary concern to Council. We have identified permanent operational savings of \$2.0 million in preparing the draft Budget 2017/18. This adds to the \$7.0 million of savings delivered in the last three budgets.
- 3.16 Over the period of the financial plan, we will target the delivery of efficiency savings equivalent to 1 per cent of operating expenditure (less depreciation) per annum for the first three years and 1.5 per cent per annum thereafter. This is expected to reduce our cost base by a cumulative \$22.5 million over the 10-year period.
- 3.17 Key initiatives to deliver these savings include a service review program to better define service requirements and target support, a commitment to better practice procurement and asset management, the sale of surplus properties, and investment in business process and system improvement.

**Appropriate use of borrowings and reserves**

- 3.18 We will consider borrowings for property acquisitions, large capital works or operating projects that provide intergenerational community benefit, and initiatives that deliver sufficient revenue streams to service the debt. Borrowings will not be used to fund ongoing operations.



- 3.19 The 10-year Financial Plan includes refinancing a \$7.5 million loan due to mature in 2021/22 on interest only terms. It is expected that this will release \$5.3 million in cash over the 10-year period while maintaining very low debt levels.
- 3.20 We maintain general reserves at levels sufficient to ensure operational liquidity. Reserves may be built up over time to part-fund large capital works or appropriate operating projects where this is considered more efficient than the use of debt.
- 3.21 The 10-year Financial Plan includes the use of general reserves as an internal source of borrowing for projects that will benefit future generations such as the Ferrars Street Education and Community Precinct works (\$9.8 million). We will continue to use open space contributions for investment in parks and foreshore open space assets.
- 3.22 The 10-year Financial Plan also includes a progressive build-up of the Palais Theatre Reserve funded from significantly increased rental returns following the successful leasing process last year to ensure funds are available to maintain the theatre over the long term.
- 3.23 Our investment in the Pride Centre will be part funded from the Strategic Property Reserve (which has been built up from sale of surplus assets) and general reserves.

***Careful management and prioritisation of expenditure***

- 3.24 We undertake a rigorous and robust budget setting process each year including a line-by-line review of operating budgets and proposed projects to ensure alignment with strategic priorities and best value. Performance is monitored closely throughout the year with forecasts updated monthly.
- 3.25 In addition to the disciplined budget setting and expenditure monitoring, the strategy in the 10-year Financial Plan makes provision for \$4.2 million per annum for operating projects. This represents a minor reduction compared to historical expenditure levels, resulting in cumulative savings of \$2.0 million over the 10 year period.
- 3.26 Our focus on improved asset management sees investment prioritised on those assets most in need of intervention rather than assets in relatively good condition. This translates to an increase in spending on buildings, drainage and technology investment over the 10-year period of the plan partially offset through a reduction in road and footpath renewal budgets.

***Setting fair and appropriate user charges***

- 3.27 The annual budget process includes a thorough review of user charges to ensure they remain affordable, fair, and appropriate. We believe that those who directly benefit from and/or cause expenditure should make an appropriate contribution to the service balanced by the capacity of people to pay.
- 3.28 The 10-year Financial Plan links increases in Council user charges to the rates cap plus 0.25 percentage points from 2018/19. This is forecast to contribute a cumulative \$1.7 million towards the rates cap gap. The application and impact of this policy setting will be reviewed annually to ensure affordability and fairness.



**Rates assistance**

3.29 We recognise the impact municipal rates and other charges have on the financially disadvantaged sections of the community. In addition to our commitment to keeping rates affordable we offer a range of assistance packages:

- A council-funded pensioner rebate which will increase by 2.6 per cent to \$160 in 2017/18 – the City of Port Phillip is one of the few councils that offers this scheme.
- An option for self-funded retirees to defer their rates indefinitely at 5 per cent for the 2017/18 financial year (half the official penalty interest rate set by the State Government).
- Providing a 50 per cent waiver of the general rate for housing accommodation that provides reduced rentals for elderly persons of limited means.
- Freezing animal management fees for pensioners at 2014/15 levels.
- Support for residents and ratepayers experiencing hardship through rate deferrals and payment arrangements.

**Monitoring our financial sustainability**

3.30 We use the Victorian Auditor General’s financial sustainability indicators to monitor our financial sustainability. Our financial strategy is designed to ensure an overall low risk rating over the period of the plan unless we can demonstrate it is prudent not to (i.e. for one-off abnormal transactions that do not have an enduring impact). As demonstrated in the table below, we are forecasting that Council will achieve an overall risk rating of low throughout the 10-year period.

Indicator	Indicator Targets	Forecast Projections										
		2016/17	2017/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
Net Result %	Greater than 0%	4.7%	(1.9%)	7.7%	6.5%	8.0%	6.7%	6.4%	5.7%	5.1%	4.3%	4.0%
Working Capital	Working Capital Ratio > 100%	203%	191%	203%	207%	187%	228%	234%	237%	237%	231%	223%
Internal Financing	Net cashflow from operations to net capital expenditure > 100%	89%	90%	118%	110%	121%	113%	113%	111%	107%	103%	100%
Indebtedness	Indebtedness ratio < 40%	6.0%	5.8%	5.6%	5.5%	1.8%	5.2%	5.1%	5.0%	4.9%	4.8%	4.7%
Capital Replacement	Capital to depreciation > 150%	183%	139%	159%	159%	157%	156%	153%	151%	150%	150%	151%
Infrastructure Renewal Gap	Renewal & upgrade to depreciation > 100%	142%	112%	126%	123%	119%	123%	121%	119%	119%	119%	119%
Overall Financial Sustainable Risk Rating		Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low

**Financial risks**

3.31 Some of the key financial risks we face include:

- Rates capping. The 10-year Financial Plan assumes rates capping based on the Essential Services Commission (ESC) recommended methodology. Since its





introduction, the Minister for Local Government has prescribed rates lower than recommended by the ESC. Every 0.1 per cent lower than the ESC methodology equates to a \$119,000 reduction per annum in revenue.

- While the 10-year Financial Plan achieves financial sustainability over the next 10 years, beyond this period sustainability will be tested particularly if other financial risks materialise.
  - A more subdued property development market may result in rates revenue growing at a lower rate than the 1.3 per cent per annum figure assumed in the 10-year Financial Plan. Every 0.1 per cent reduction in growth equates to a \$119,000 reduction in revenue.
  - Lower than expected parking revenue, which is our second largest revenue source, is historically volatile and can be impacted by the macro-economic environment. A 1.0 per cent reduction in revenue from parking fees and fines equates to a \$300,000 per annum reduction in revenue.
  
  - There may be a large funding gap between the infrastructure desired at the Fisherman's Bend Urban Renewal Area and what is able to be funded. A failure to appropriately budget for the costs of running and looking after new assets in Fishermans Bend is also a risk.
  - The possibility of a future unfunded defined benefits superannuation call.
  - Future reductions in funding from other levels of Government or increases in cost shifting.
  - A major, unexpected, asset renewal/upgrade challenge.
- 3.32 Notwithstanding these risks, our sound financial position with low levels of borrowing and healthy reserves balance enable us to respond to these financial risks in the 10-year period if they arise. If necessary, we can also apply to the ESC for an above rates cap increase.

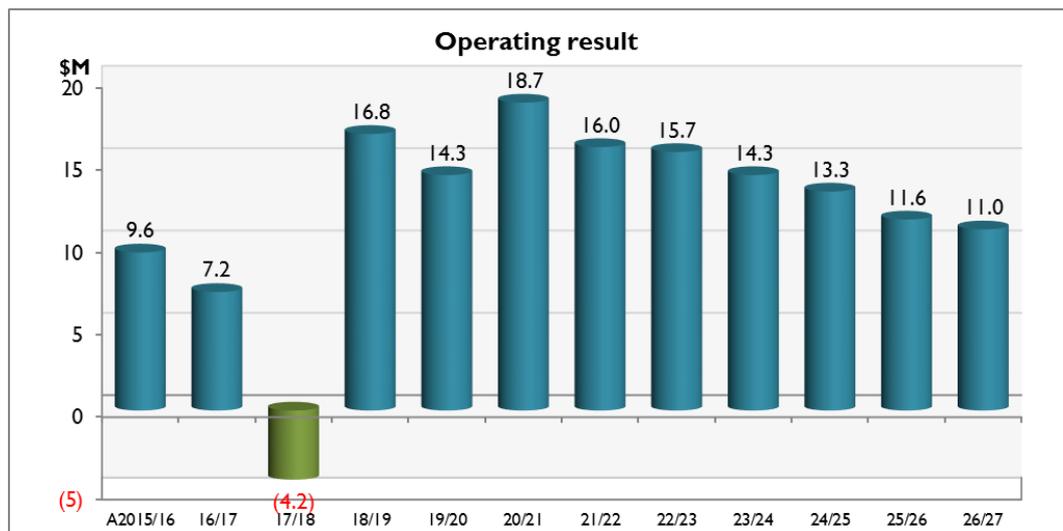
### **The draft Budget 2017/18 at a glance**

#### ***Operating result***

- 3.33 Achieving an operating surplus is a key component of our financial strategy. It provides capacity to renew our \$2.6 billion worth of community assets, meet debt repayment obligations, and manage the impact of financial risks materialising.
- 3.34 There are three significant one-off items in 2017/18 totalling \$19.4 million:
- Pride Centre contributions (cash and property)
  - Ferrars Street precinct works
  - Relinquishing a Committee of Management property of crown land located at 62-74 Pickles Street, South Melbourne.



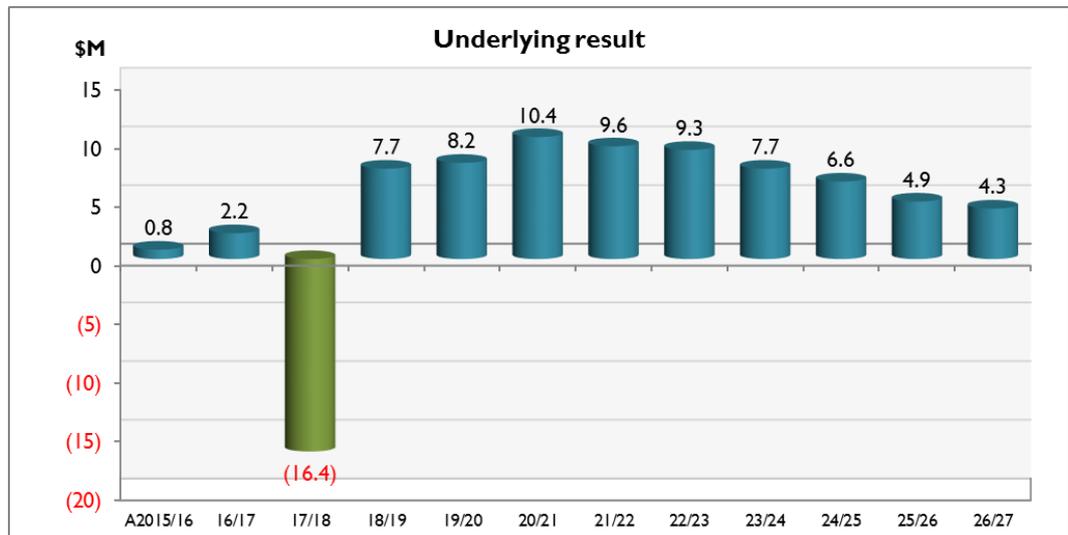
- 3.35 These items do not detrimentally impact our objective of financial sustainability, as a large component has no cash impact and/or represent reclassification to operations from the capital portfolio. If the result is adjusted for these items, we would achieve an operating surplus of \$15.2 million.
- 3.36 The decline in the quantum of operating surpluses in the outer years is primarily impacted by the projected 3.8 per cent per annum increase in depreciation expense as a result of our commitment to invest in new and upgraded capital assets over the 10-year Financial Plan.



**Underlying result**

- 3.37 The adjusted underlying result excludes capital related revenue (grants and open space contributions). Reasons for the movement in the underlying result are consistent with the operating result.

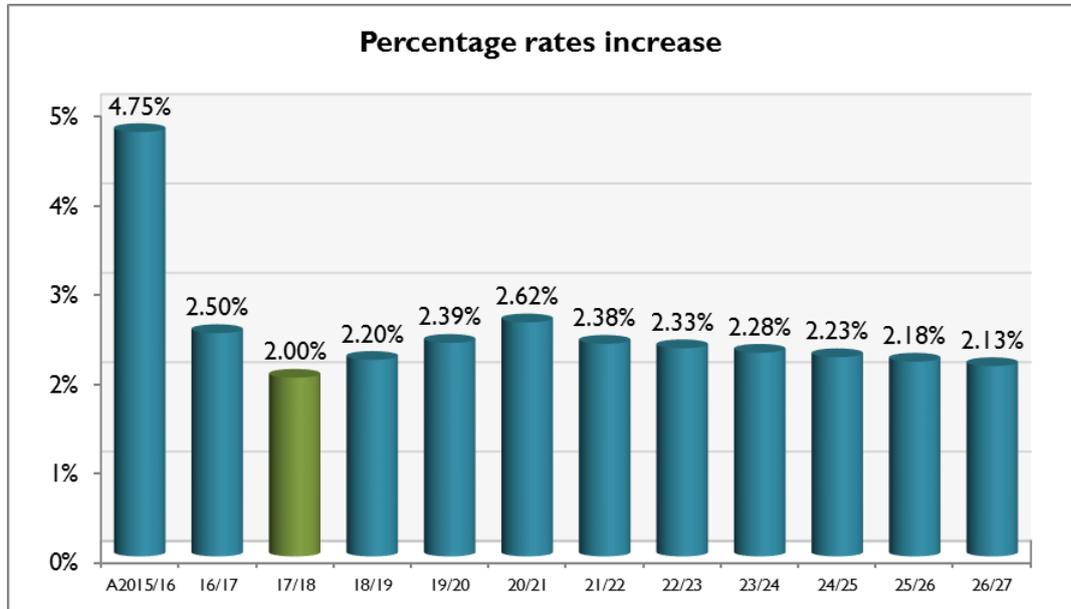




**Rates – percentage increase**

3.38

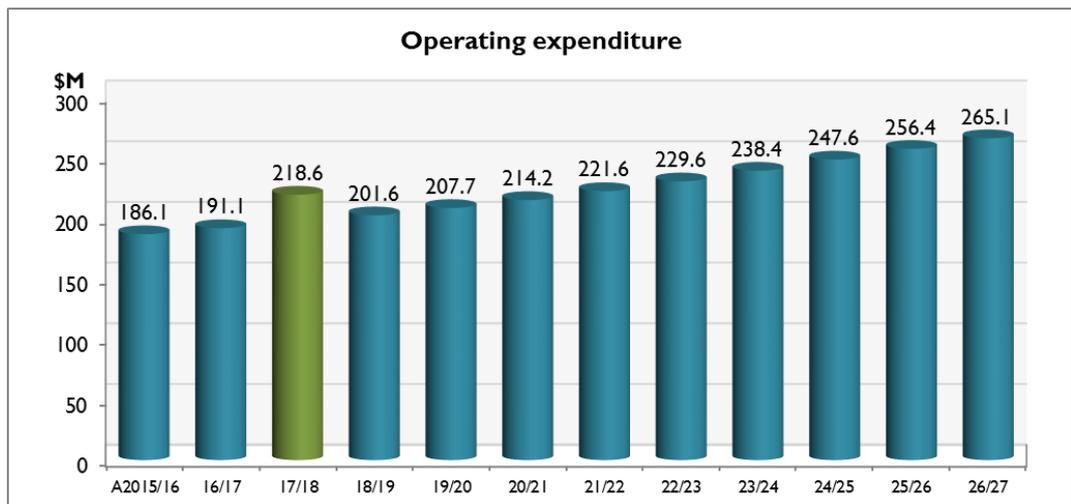
The draft Budget 2017/18, which funds a \$40.1 million capital program and maintains existing service levels, includes a 2.0 per cent rates increase, consistent with the Victorian Government cap. This has been achieved through a continued strong focus on prudent financial management, careful prioritisation and commitment to productivity and efficiency (\$9 million identified over the last four budgets). Future rates increases are based on forward projections of inflation and the ESC methodology for setting the rates cap.





**Operating expenditure**

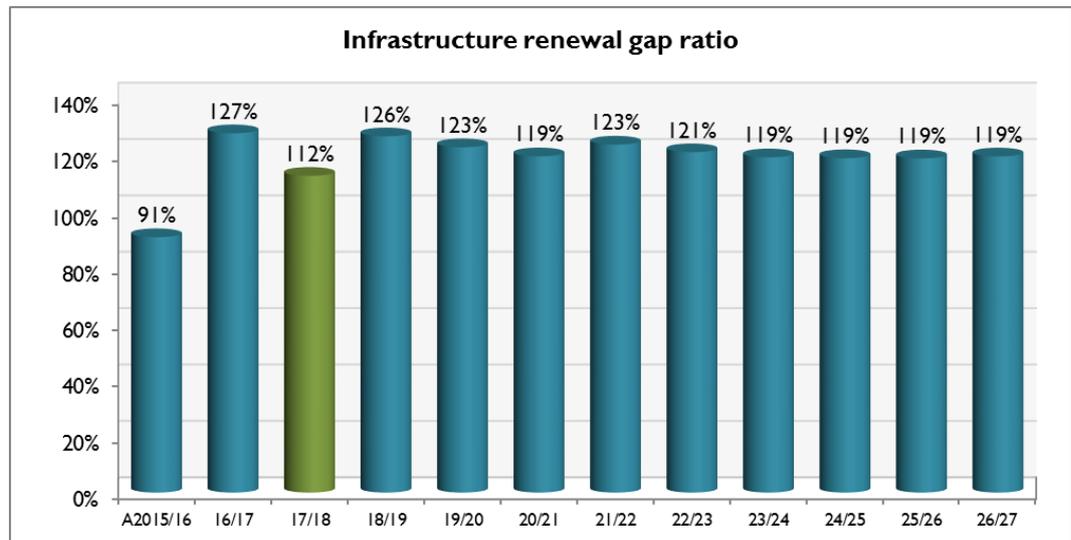
- 3.39 The \$27.5 million increase in operating expenditure in 2017/18 has been impacted by increases in non-cash depreciation expenses of \$3.2 million, a \$5.3 million provision for Ferrars Street Education and Community Precinct works, one-off cash and property contributions of \$10.5 million for the Pride Centre, and a non-cash asset write-off of \$3.6 million for the relinquished Committee of Management property of crown land located at 62-74 Pickles Street, South Melbourne. If these items are removed, the 2017/18 adjusted operating expenditure is \$196 million, a \$4.9 million or 2.6 per cent increase compared to 2016/17.
- 3.40 The small but steady growth in operating expenditure in future years is largely driven by inflation (around 2-2.3 per cent per annum), service demand increases associated with population growth (around 1.3 per cent per annum), and the operating expenditure impact of new and improved assets (for example depreciation increase of 3.8 per cent per annum). This is partially offset by our commitment to efficiency and cost savings (1.0-1.5 per cent per annum).



**Infrastructure renewal gap**

- 3.41 This graph shows the asset renewal and upgrade budget over the 10-year Financial Plan compared to depreciation.
- 3.42 The forecast in 2016/17 includes a significant one-off contribution towards the Palais Theatre restoration. Over the period of the financial plan, we intend to stay above 100 per cent, which shows our commitment to not only maintaining but upgrading our existing assets.

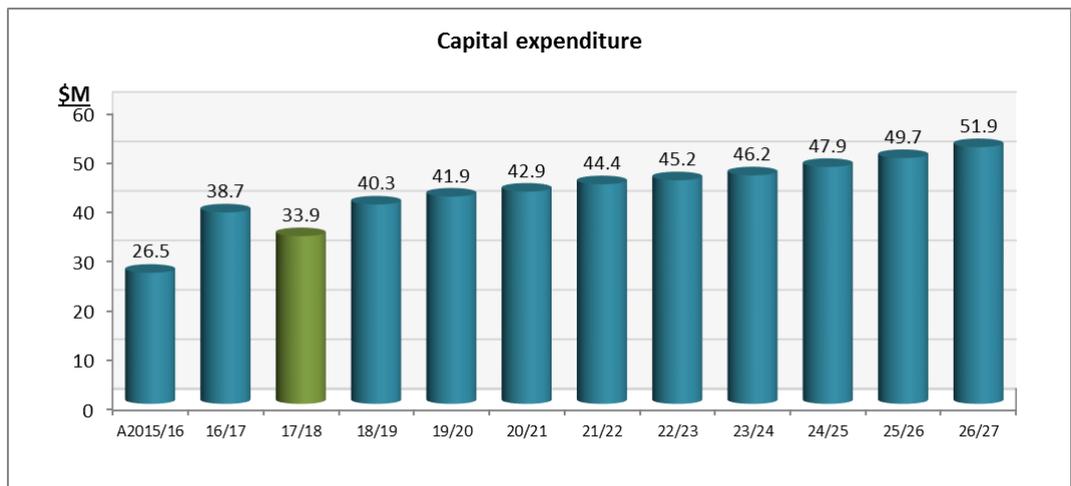




**Capital expenditure**

3.43 Capital works expenditure in 2017/18 is expected to be \$33.9 million, out of a total \$40.1 million capital program. The \$6.2 million gap represents the component of the capital program budget expected to be treated as operating expenditure, such as community engagement and feasibility studies.

3.44 Over the period of the financial plan, we provide for appropriate levels of capital expenditure to ensure existing assets are maintained and improved whilst also investing in growth driven assets. The target of at least 150 per cent of depreciation is expected to be achieved.





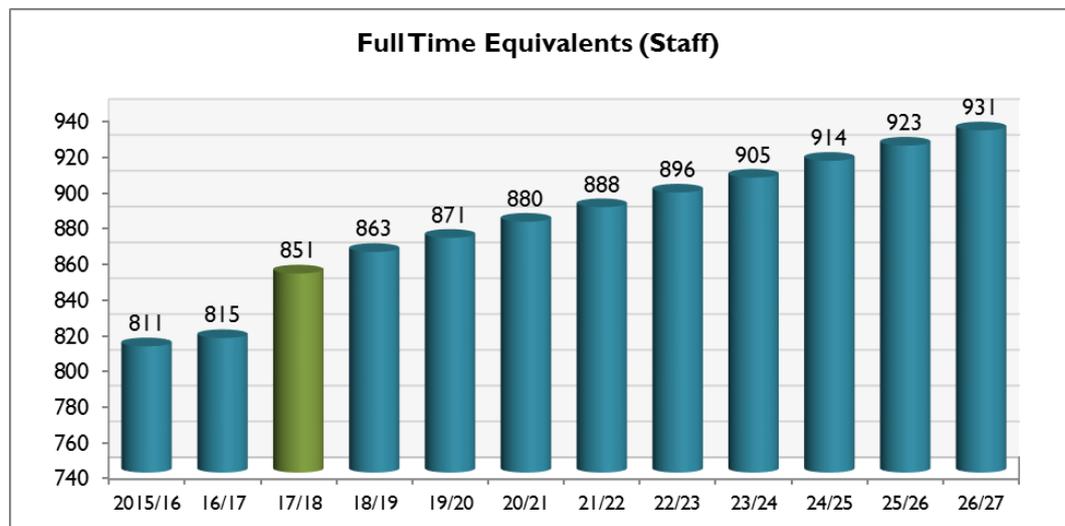
**Council staff**

3.45 Council employees are our most valued resources, enabling the delivery of a broad range of services. While we constrained employee growth to 4.6 full time equivalents (FTE) in Budget 2016/17, in Budget 2017/18 we are proposing a 36 FTE increase based on 46 new positions partially offset through the disestablishment of 10 existing FTE positions. The key drivers for this increase include:

- 13.5 FTE to support delivery of the project portfolio including 3.4 externally funded positions for the Melbourne Metro Rail Authority
- 5.3 FTE in response to population and resultant service growth – primarily the Fishermans Bend Children’s and Community Centre
- 8 FTE to support increased service levels for street cleaning – a priority identified through community complaints and engagement
- 8 FTE to support risk mitigation and legislative compliance including ensuring our buildings and the South Melbourne Market are safe.

3.46 Over the last two financial years, the increase in FTE is equivalent to 2.5 per cent per annum.

3.47 Over the period of the financial plan, the growth in FTEs is expected to increase by 1.3 per cent in line with projected population growth.



**Proposed fees and charges**

3.48 In most cases, our fees and charges for 2017/18 are proposed to increase by 2.5 per cent. There will be variances where minor rounding equates to a larger percentage. There is one exception where we believe a larger increase is fair and reasonable:



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- an increase of 3.73 per cent to long day care fees (an increase from \$120.50 to \$125 per day) and a \$134.80 per day fee to apply to non- residents of City of Port Phillip who intend to use the facilities at the Ferrars Street Early Learning Centre (opens in 2018).

The general increase in long day care fees maintains Council's contribution to the service at current levels and is in accordance with the rising costs of direct care in regulated services. Council's fees for long day care aligns midway with other service providers in the municipality and neighbouring councils.

- 3.49 Hourly parking machine charges for Fitzroy Street and Waterfront Place are currently subject to review and the relevant charges represented in the tables should be treated as a maximum.
- 3.50 There will be some new fees in 2017/18 to help manage demand and prevent cross-subsidisation of services by ratepayers. This approach is consistent with community feedback, which supported increasing user charges for some services:
- varying fees based on a sliding scale for a "refundable noise bond" for Open Space and Recreation events
  - event related parking on reserve fee of \$95.
- 3.51 Statutory fees set by the Victorian Government will be set during the financial year.
- 3.52 The complete schedule of proposed fees and charges is contained within the draft Council Plan 2017-27 document.



## FURTHER SUPPORTING INFORMATION

### 4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 4.1 The draft Council Plan 2017-27, when adopted, will replace the Council Plan 2013-2017. It will reflect updated strategic priorities for the next ten years, with a delivery focus on the four-year term of this Council. The Plan will set the policy context for a range of more detailed strategies and policies, including those identified in the plan such as an Integrated Transport Strategy.
- 4.2 The draft Plan incorporates the Municipal Health and Wellbeing Plan, and will set the strategic framework for development of a Health and Wellbeing 'Action Plan'.
- 4.3 Council is required under the *Planning and Environment Act 1987* to undertake a review of the Port Phillip Planning Scheme within a year of adopting a new Council Plan. This will inform a review of the local planning policy framework in the scheme to ensure alignment with the new Plan.
- 4.4 Findings from the community engagement process, including the special focus workshops, will also help inform the development of future Council policy, such as the Integrated Transport Strategy and Waste Management and Resource Plan.

### 5. CONSULTATION AND STAKEHOLDERS

#### Community and stakeholder engagement - shaping the draft Plan

- 5.1 An extensive community and stakeholder engagement process was undertaken to inform development of the 10-year integrated (draft) Council Plan.
- 5.2 Council considered and received the *Engagement findings report – March 2017* at its meeting on 5 April 2017, and this report has been made available on Council's website.
- 5.3 The community engagement process was widely promoted across a variety of channels, including Council and library websites, social media, advertisements in the local Leader Newspaper and email updates to community networks. Postcards were distributed in town halls, libraries, shopping precincts, markets, childcare centres, community centres and various other sites across the City. Colourful and creative displays at the St Kilda, Port Melbourne and South Melbourne town halls helped raise awareness, including floor decals leading to the entrances and pull-up banners.
- 5.4 Diverse avenues were provided for the community to contribute feedback and ideas, including:
  - A **community survey** seeking feedback on what people valued about Port Phillip and what sort of city they wanted in 10 years' time (651 surveys were completed).
  - **Avatar 'tool'** - a unique and fun way to involve the community (particularly younger people) through a series of values-based questions that identified an individual's 'avatar' eg 'Culture Vulture' or 'Enviro Champ' (619 avatars were completed).



- **'Pop-up' conversations** were held in six different locations across Port Phillip with participants encouraged to fill out the survey and avatar, and add ideas to a chatter wall (305 chatter wall participants and 476 ideas).
  - **Targeted focus groups** took place to ensure groups (including some which are typically harder to reach) were included such as children, older persons, indigenous persons, CALD and youth (total of 450 hard to reach participants).
  - **Online discussion forums** (189 visits with 29 conversation contributions).
  - **Special focus workshops** to discuss and engage more deeply on key dilemma questions related to water use, social diversity and inclusion, waste management, and transport and parking (a total of 128 participants attended the workshops).
  - **Findings Forum** to provide the opportunity for special focus workshop participants to come together to view the priority ideas from each session (18 participants).
  - **Social media channels #futurecopp** (684 likes, 37 comments and 20 shares on Facebook, Twitter and Instagram).
- 5.5 Every effort was made to gather input from across a broad spectrum of the community, and to ensure a representative sample of the demographic profile of the city. The community survey and avatar tool results revealed participants from under 18, to over the age of 85 took part. Half of the special focus workshop respondents were randomly selected based on gender, age and postcode. Engagement with targeted groups also ensured a representative and inclusive process.
- 5.6 Overall, the Council Plan 2017-27 engagement program was both in-depth and wide-reaching, and effective in accessing a broad audience of Port Phillip's residents, workers and visitors.
- 5.7 Participants in the engagement process expressed that they valued the opportunity to contribute, and appreciated that their ideas, views and comments were listened to and would be considered as part of the Council Plan development process
- 5.8 Chapter 1 of the draft Plan describes in detail how the community has helped to shape the strategic directions of the plan. It includes a summary of the engagement findings in respect to *'What our community values'* and describes *'How this draft Plan responds'*. Key themes emerging from the engagement process included:
- A supportive city for all
  - Transport choice and parking management
  - Creating a sustainable Port Phillip and managing climate change
  - Sense of place and community
  - Developing our neighbourhoods in a balanced way
  - Creatively and diversity of the City
  - Balancing activation and visitation with local amenity protection.



**Formal Public Consultation on the draft Plan**

- 5.9 The *Local Government Act 1989* requires that Council provide the opportunity for persons to make submissions on a proposed Council Plan and Budget, with a minimum 28-day consultation period to be provided.
- 5.10 Subject to Council resolution, public consultation on the draft Council Plan 2017-27 (inclusive of the 2017/18 Budget) will take place between 21 April 2017 and 19 May 2017. This will meet legislative requirements to provide the opportunity for interested persons and groups to make submissions. The consultation process will include:
- Public Notice in *The Age* and advertisement in the Port Phillip Leader.
  - Display of the Plan on Council's website.
  - Availability of the plan for inspection at the three town halls and municipal libraries.
  - Direct email notification of persons on the stakeholder database, including all participants in the engagement workshops.
  - Two public 'drop-in' sessions where the community can attend and find out more about the Plan. The sessions will be held at the Port Melbourne Town Hall (Saturday 6 May 11am-2pm) and the St Kilda Town Hall (Tuesday 9 May, 4 pm to 7 pm).
  - The opportunity to make written submissions, through the *Have Your Say* section of Council's website, or via email or hard copy. The period to lodge submissions closes on Friday 19 May 2017.
- 5.11 Council will receive and hear submissions from the public at the Ordinary Council meeting on 7 June 2017, prior to considering adoption of the Council Plan 2017-27 (and Budget 2017/18), at the Ordinary Meeting of Council on 21 June 2017.

**6. LEGAL AND RISK IMPLICATIONS**

- 6.1 The *Local Government Act 1989*, requires Council to prepare and approve a Council Plan, supported by a Strategic Resource Plan and an annual Budget, by 30 June in the year after an election. Council is also required to prepare a Municipal Health and Wellbeing Plan within 12 months of an election. The Act stipulates that the draft Plan and Budget be released for a 28-day public review period with public submissions invited.
- 6.2 Preparation and release of the draft Council Plan 2017-27 (and Budget 2017/18) for public comment as recommended is consistent with these legislative requirements.
- 6.3 The financial and non-financial tables supporting the draft Budget 2017/18 and draft Strategic Resource Plan have been prepared in accordance with regulations laid down by the Local Government Amendment (Performance Reporting and Accountability Act 2014).
- 6.4 Officers will be reviewing the project portfolio between the draft and final versions of the Council Plan for deliverability. Any proposed changes to the timing of projects within the draft Council Plan will be reported as part of the adopted version of the Plan.



## 7. SUSTAINABILITY – Triple Bottom Line

### 7.1 ENVIRONMENTAL IMPLICATIONS

7.1.1 Direction 2 of the Plan ‘*We are connected and it’s easy to move around*’ specifies outcomes that would see sustainable travel choices and a built environment that is not dominated by cars:

- *An integrated transport network that connects people and places*
- *The demand for parking and car travel is moderated as the city grows*
- *Our streets are designed for people.*

7.1.2 Direction 3 of the Plan ‘*We have smart solutions for a sustainable future*’ combine to create a city which will significantly reduce its environmental footprint over time, through pursuing the following outcomes:

- *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.*

7.1.3 The following key projects are included in the Plan to contribute to these outcomes (investment is during the period 2017-21):

• Integrated Transport Strategy Development	\$150,000
• Beach Street Separated Queuing Lane Implementation	\$519,000
• Kerferd Road Safety Improvements (subject to funding)	\$1,950,000
• Kerferd Road streetscape improvements	\$2,200,000
• Walk and Bike Plan Implementation	\$4,040,000
• Commence baseline of municipal greenhouse gas emissions	\$150,000
• Commence review of Sustainability strategy beyond 2020	\$150,000
• Energy Efficiency and Solar Program	\$1,960,000
• Water Sensitive Urban Design Program	\$1,800,000
• Albert Park Stormwater Harvesting development (subject to confirming viability)	\$4,250,000
• Alma Park Stormwater Harvesting development	\$1,150,000
• EcoCentre Redevelopment (subject to funding)	\$3,200,000
• Waste Management and Resource Recovery Plan	\$50,000

7.1.4 The Plan includes other projects supporting environmental outcomes, other initiatives already under way and funded within operating budgets as well as identified key advocacy areas. Five outcome-based strategic indicators are included. Four and ten-year targets have been set to reflect the increased investment in this area and to monitor progress.



7.2 SOCIAL & CULTURAL IMPLICATIONS

7.2.1 Direction 1 of the Plan ‘We embrace difference, and people belong’ supports outcomes related to enhancing community wellbeing and social inclusion:

- 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.

7.2.2 Direction 4 of the Plan ‘We are growing and keeping our character’ ensures the city remains liveable as it grows and that the identity of Port Phillip and its neighbourhoods is protected and reinforced, via the following outcomes:

- A liveable, higher density city
- A city of diverse and distinctive neighbourhoods and places.

7.2.3 Direction 5 of the Plan ‘We thrive by harnessing creativity’ includes the outcome:

- A city where arts, culture and creative expression is part of everyday life.

7.2.4 The following key projects are included in the Plan to contribute to these outcomes (investment is during the period 2017-21):

• Ferrars Street Education and Community Precinct Community Facilities	\$2,995,000
• Pride Centre Implementation	\$20,000
• In Our Backyard Implementation	\$50,000
• JL Murphy Reserve Pavilion Upgrade	\$2,472,000
• Peanut Farm Reserve Sports Pavilion Upgrade	\$2,815,000
• South Melbourne Life Saving Club Redevelopment	\$6,350,000
• Integrated precinct management: Domain, and Port Melbourne Waterfront	\$607,500
• Fishermans Bend Open Space Remediation and Development	\$8,290,000
• Ferrars Street Education and Community Precinct Streetscape Upgrade	\$3,768,000
• Gasworks Arts Park Reinstatement	\$4,585,000
• St Kilda Marina Lease Renewal	\$200,000
• Linden Gallery Upgrade	\$1,675,000

7.2.5 The Plan includes other projects supporting social and cultural outcomes, other initiatives already under way and funded within operating budgets as well as identified key advocacy areas.



Examples of this is include the annual allocation of \$500,000 cash to facilitate new community housing projects, and financial support (through grants or funding deeds) and peppercorn rents for arts organisations such as Gasworks and Linden.

### 7.3 ECONOMIC IMPLICATIONS

7.3.1 Direction 5 of the Plan '*We thrive by harnessing creativity*' supports outcomes that will strengthen the local economy:

- *A city of dynamic and distinctive retail precincts*
- *A prosperous city that connects and grows business*

7.3.2 The following key projects are included in the Plan to contribute to these outcomes (investment is during the period 2017-21):

- Integrated precinct management: Balaclava and Fitzroy Street \$720,000
- Developing a creative and prosperous city strategy that features all elements of our City's economy \$50,000

7.3.3 The Plan includes other projects supporting economic outcomes, other initiatives already under way and funded within operating budgets as well as identified key advocacy areas. Examples of this is include:

- \$2.7 million allocated on an annual basis for the St Kilda Festival, St Kilda Film Festival, Indigenous Arts and Live N Local
- Developing a biennial Business Awards program to recognise and promote exemplary local businesses
- Develop a strategic business case for South Melbourne Market and continue to renew and update the South Melbourne Market (\$825,000 allocated on an annual basis).

### 7.4 FINANCIAL IMPLICATIONS

7.4.1 Direction 6 of the Plan '*Our Commitment to you*' highlights the importance of '*a financial sustainable, high performing and community focused organisation*' to underpin delivery of the direction and outcomes defined in the Plan

7.4.2 As outlined Financial Strategy in this report, this Plan operates within the rates cap, maintains financials sustainability, whilst investing in assets.

7.4.3 The draft Budget 2017/18 includes:

- A rate increase of 2.0 per cent (equivalent to the rates cap)
- An increase in most of our fees and charges by 2.5 per cent
- \$2 million of efficiency savings. This adds to the \$7 million of savings delivered in the last three budgets.
- There is no increase in an already low debt position

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- Cash backed reserves of \$34.4 million
- \$50 million on projects to maintain, grow and improve services and assets
- A cash surplus of \$573,000, which is in line with our financial strategy

### 8. IMPLEMENTATION STRATEGY

#### 8.1 TIMELINE

- 8.1.1 Assuming Council resolves to release the draft Council Plan 2017-27 for public consultation at this meeting, the following will occur:

Date	Event
<b>Between Friday 21 April and Friday 19 May 2017</b>	The draft Council Plan 2017-27, including draft Budget 2017/18, will be available for public review with written submissions invited. The consultation process will include the steps outlined in section 5 of this report.
<b>Friday 19 May 2017</b>	Submissions on the proposed adjustments to the Council Plan and draft Budget will close.
<b>Wednesday 7 June 2017</b>	Submissions will be received and heard by Council at the Ordinary Council Meeting.
<b>Wednesday 21 June 2017</b>	The Council Plan 2017-27 (and Budget 2017/18) will be considered at the Ordinary Council Meeting for adoption.
<b>Before 30 June 2017</b>	Council will notify the Minister of Local Government of the adoption of the integrated Council Plan and provide a copy.

#### 8.2 COMMUNICATION

- 8.2.1 Release of the draft Council Plan 2017-27 for public comment will be communicated through information on Council's website, a public notice in The Age, advertisement in the Port Phillip Leader, direct notification to all persons / groups on the project stakeholder database, and by making documents available at the Town Halls and Municipal Libraries.

##### **Key Messages**

- 8.2.2 The following key messages will support release of the Plan and assist the community to consider the document and make written submissions:
- The draft Council Plan 2017-27 establishes a vision, strategic 'directions' and priority 'outcomes' for the city, which have been shaped through extensive engagement with the Port Phillip community.
  - For the first time, an integrated Council Plan has been prepared, incorporating the Municipal Health and Wellbeing Plan, a 10-year



Financial Plan, a Strategic Resource Plan and annual Budget. The integration of Council's planning, budget and resource allocation process ensures strong alignment between Council strategic priorities, and the services, programs and projects that it delivers.

- The Plan establishes a 10-year direction for the City, with a four-year focus on the specific actions Council will undertake to work towards achieving this direction. This longer term focus is needed to ensure Council can respond to the opportunities and challenges the City faces (including significant population growth, an increasing density of development and climate change) in a way that enhances Port Phillip as a place to live, work and visit
- It is a plan for action on how we will deliver our shared vision for the future.
- Council invites members of the public to submit comments during the public review period (Friday 21 April to Friday 19 May 2017) in relation to:
  - how the Council Plan addresses community priorities and needs
  - how the draft Budget 2017/18 will deliver on the priorities outlined in the Plan.
- The closing date for submissions is Friday 19 May 2017 and submitters will be invited to speak to their submission at the Council meeting on 7 June 2017.
- Council will consider adoption of the integrated Council Plan (and Budget 2017/18) at its meeting on 21 June 2017.

**9. OFFICER DIRECT OR INDIRECT INTEREST**

- 9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.



<b>8.2</b>	<b>FACILITY MANAGEMENT PLAN - SOUTH MELBOURNE TOWN HALL - AUSTRALIAN NATIONAL ACADEMY OF MUSIC</b>
<b>WARD:</b>	<b>GATEWAY</b>
<b>GENERAL MANAGER:</b>	<b>CHRIS CARROLL, ORGANISATIONAL PERFORMANCE</b>
<b>PREPARED BY:</b>	<b>TOM MCQUALTER, PROPERTY ADVISOR JOANNE MCNEILL, ACTING MANAGER ASSET PLANNING &amp; PROPERTY</b>
<b>TRIM FILE NO:</b>	<b>0380/208-05</b>
<b>ATTACHMENTS:</b>	<b>1. Australian National Academy of Music (ANAM) - South Melbourne Town Hall - Report 8 December 2015</b>

#### **PURPOSE**

The purpose of this report is for Council to consider an alternative proposal from the Australian National Academy (“ANAM”) for the management of the Main Hall, Council Chamber’s, Ballantyne Room and the Mayor’s Dining room which are within the ANAM lease area at the South Melbourne Town Hall.

#### **I. RECOMMENDATION**

That Council:

- I.1 Authorises the Chief Executive Officer or their delegate to enter into an agreement providing for a fifteen month trial of a facilities management approach with the Australian National Academy of Music (“ANAM”) at the South Melbourne Town Hall based upon the following terms and conditions (to be reviewed at the end of twelve months):
  - I.1.1 The Australian National Academy of Music will manage all bookings for particular rooms within their leased area which are currently accessible to community on behalf of Council. This will include the ANAM weeks which ANAM currently manages under the lease, as well as the Council weeks that Council currently manages (as defined in the lease);
  - I.1.2 The agreement for the trial will include the following rooms at the South Melbourne Town Hall – the Main Hall, the Council Chambers, the Ballantyne Room and the Mayor’s Dining room;
  - I.1.3 During at least 19 Council Weeks in a calendar year, any bookings for the Australian National Academy of Music or affiliated organisations must be approved by Council, with community bookings to take precedence;

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- 1.1.4 The Australian National Academy of Music can retain any revenue that is made during the trial period. This will be reviewed at the conclusion of the trial period;
- 1.1.5 The Australian National Academy of Music will use the fees that are adopted within Council's budget for the hire of these facilities by the public;
- 1.1.6 The Australian National Academy of Music will not restrict the parties that may utilise the facilities including other tenants of the South Melbourne Town Hall, other than parties not aligned with Council policy;
- 1.1.7 The Australian National Academy of Music and Council will establish targets that are designed to achieve an increase in use of the South Melbourne Town Hall;
- 1.1.8 The Australian National Academy of Music will report quarterly to Council on all bookings, enquiries, complaints, costs and total revenue received as well as any other metric that the City of Port Phillip determines is reasonably necessary to give efficacy to this agreement;
- 1.1.9 The City of Port Phillip will be provided with access to the Main Hall, the Council Chambers, the Ballantyne Room and the Mayor's Dining room free of charge during the Council Weeks, as well as for the uses specified in the lease during the ANAM Weeks, including Council Meetings and South Melbourne Market meetings; and
- 1.1.10 Council has the ability to terminate this agreement at its own discretion at any time.
- 1.2 Authorises the Chief Executive Officer or their delegate to include any other terms that the City of Port Phillip determines are appropriate to ensure the efficacy of this arrangement.
- 1.3 Considers a further report at the end of the fifteen month trial to determine its success or otherwise unless the agreement has been terminated earlier in accordance with the above agreement.
- 1.4 Directs Officers to inform the Australian National Academy of Music that Council requires the lease documentation, reflecting the terms agreed in December 2015, be signed within 45 days of the 19 April 2017.

## 2. BACKGROUND

- 2.1 At the Ordinary Council meeting on 8 December 2015 Council resolved to lease part of the South Melbourne Town Hall ("SMTH") to the Australian National Academy of Music ("ANAM").
- 2.2 The relevant extract from the minutes of the ordinary council meeting on 8 December 2015 are provided as attachment I to this report.

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- 2.3 The ANAM was established in 1995 as part of the Commonwealth Government's "Creative Nation" policy as Australia's national centre for training the country's elite level musicians.
- 2.4 In 1996, an agreement was established between City of Port Phillip, ANAM, Melbourne University and the Victorian government that enabled ANAM to utilise the SMTH including the eastern side of the building on two levels and the auditorium.
- 2.5 The ANAM currently have three lease agreements with Council in place that commenced in 1996. The resolution of Council on 8 December 2015 envisaged those three lease agreements being merged into a single document to simplify the arrangements for all parties.
- 2.6 The ANAM currently pay \$117,000 per annum as rental and as occupancy costs to the City of Port Phillip under the existing arrangements.
- 2.7 The SMTH has a variety of users and tenants including ANAM, Multicultural Arts Victoria, a Community Hub, ASSIST and three community rooms for hire. Council also utilises the Council Chamber for its ordinary meetings in South Melbourne.
- 2.8 The ANAM sought a new long term lease to replace its existing leases in 2015 in order to achieve some security of tenure and to enable it to plan its future at the SMTH.
- 2.9 One of the key terms of the new lease was to allow ANAM access to the Main Hall, the Council Chambers, the Ballantyne Room and the Mayor's Dining room ("the SMTH facilities") for 33 weeks of the year although they could be available for the community when they are not being used by ANAM in that time period. The Council would control the bookings and community access to the ANAM facilities for the remaining 19 weeks of the year.
- 2.10 ANAM continues to occupy the premises on a month-by-month basis as the as the term of the previous lease agreements have expired.
- 2.11 The proposed new lease, approved by Council on 8 December 2015, remains unsigned by ANAM at this time.

### 3. KEY INFORMATION

- 3.1 During 2016 it became apparent to both ANAM and the City of Port Phillip staff that there were a number of issues with the current management model in which ANAM takes bookings for 33 weeks and the Council for 19 weeks. The split of the bookings management was ineffective and inefficient for the following reasons:
  - 3.1.1 There is confusion for the public about whom they can book the auditorium through;
  - 3.1.2 There are different rates depending on whether it is booked through ANAM or Council;
  - 3.1.3 ANAM assist with auditorium bookings regardless of whether it is their booking for which they do not recover their costs;
  - 3.1.4 Which ultimately lead to a low utilisation rate of the auditorium.



- 3.2 Whilst there is opportunity to make significant improvements to the current shared management model the ANAM have proposed an alternative method of managing the bookings for the SMTH facilities which would see ANAM;
- 3.2.1 become responsible for the bookings of the SMTH facilities for all 52 weeks of the year;
  - 3.2.2 engage a facilities officer whose responsibility is to market, promote and coordinate the bookings of the facilities for both ANAM and the community;
  - 3.2.3 allow access to the facilities for members of the community for all 52 weeks of the year rather than only the 19 weeks that Council control the facility. This would be subject to availability on a first in best dressed basis and ANAM's usage of the facilities;
  - 3.2.4 allow ANAM access to the SMTH facilities for the 19 weeks that Council is "in control" of the bookings;
  - 3.2.5 collect and retain the revenue from all bookings;
  - 3.2.6 and the City of Port Phillip work together to promote and market the SMTH as a place of community and cultural focus that optimises community and commercial access to the SMTH;
- 3.3 ANAM have also sought to include the Theatrette and some other smaller spaces within the booking system they propose to run. The public usage of the Theatrette is currently managed by Council's Community Development Department.
- 3.4 At present the Theatrette has a community and council utilisation rate above 80%. As such, it is not proposed that Council agree to allow ANAM to include the Theatrette within this proposal.
- 3.5 This report does not recommend that the ANAM take over the control or management of any spaces at the SMTH that are not already included in their lease area.
- 3.6 Council currently sees a low utilisation rate of the SMTH facilities during its 19 weeks of the year. In terms of revenue the City of Port Phillip received \$20,244 in income for the last two financial years which came from 25 bookings of which 4 were funded by Council. As such, the financial impact of the proposal from ANAM is negligible under the current operating arrangements.
- 3.7 It is proposed that Council reserves its rights to reconsider this at the end of the trial period.
- 3.8 The proposal from ANAM would resolve the confusion for the public and remove the confusion regarding variable rates for the public.



## **FURTHER SUPPORTING INFORMATION**

### **4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

- 4.1 The further activation of the SMTH is consistent with the following focus areas in the 2013-2017 Council Plan:
  - 4.1.1 Engaged – A Well-Governed City – Value transparent processes in Council decision making; and
  - 4.1.2 Vibrant – A Vibrant City – Facilitate and support cultural enterprises and clusters
- 4.2 It is also consistent with the Emerald Hill Precinct Masterplan that seeks to “create a vibrant arts and community hub to reinvigorate the precinct around South Melbourne Town Hall and to re-establish it as the cultural and civic heart of South Melbourne.”
- 4.3 The ANAM lease and the further targets of increasing the activation and community utilisation of the facilities within the SMTH drive straight to the intent of the Emerald Hill Masterplan.

### **5. CONSULTATION AND STAKEHOLDERS**

- 5.1 Through the public submission process undertaken in 2015 it was identified that ANAM plays an important role in delivering cultural performances to the municipality.
- 5.2 There was some concerns regarding the inability of the community to access the auditorium and other rooms as a result of the lease to ANAM.
- 5.3 The alternate model of facility management proposed by ANAM works within the terms of the lease negotiated in 2015 and is aimed at increasing the access of the public to the SMTH for both the 33 weeks ANAM controls the SMTH facilities and the 19 weeks that Council does.
- 5.4 It is recommended that ANAM provide quarterly reports on their progress towards an increased activation of the SMTH for the community.
- 5.5 In the event that this does not occur than it is likely that the trial period would not be recommended for extension.
- 5.6 No further public consultation has been taken with the community or the other tenants at the SMTH in relation to this proposal. It is anticipated that this would take place as part of the development of the binding documentation regarding the trial.

### **6. LEGAL AND RISK IMPLICATIONS**

- 6.1 There are no legal implications as a result of this report or any actions taken from it other than the finalisation of any trial agreement should Council resolve to undertake such a trial.



- 6.2 There are a range of reputational risks that exist for Council in allowing ANAM to manage the bookings for the use of the SMTH auditorium. It is anticipated that the largest of these will be the perception that ANAM is taking over the SMTH which was raised during the public consultation period in 2015. These risks will be managed through the communication and engagement strategies outlined in 8.2.1 below.
- 6.3 It is anticipated that the recommended trial, targets, reporting requirements and ability to terminate any trial agreement

## **7. SUSTAINABILITY – Triple Bottom Line**

### **7.1 ENVIRONMENTAL IMPLICATIONS**

- 7.1.1 There are no environmental implications as a result of this report.
- 7.1.2 The lease requires the ANAM to support the sustainability initiatives in their utilisation of the SMTH.

### **7.2 SOCIAL & CULTURAL IMPLICATIONS**

- 7.2.1 It is the intent of the ANAM proposal and the recommendation of this report to increase the public utilisation of the SMTH.

### **7.3 ECONOMIC IMPLICATIONS**

- 7.3.1 There are minimal economic impacts as a result of the ANAM proposal and the recommendations contained within this report.
- 7.3.2 ANAM provide an economic benefit to the community through its utilisation of the SMTH and this report is anticipated to further enhance that benefit.

### **7.4 FINANCIAL IMPLICATIONS**

- 7.4.1 There are minimal budget implications as a result of this report.

## **8. IMPLEMENTATION STRATEGY**

### **8.1 TIMELINE**

- 8.1.1 In the event Council resolve to agree to a fifteen month trial period (including a three month review period) is anticipated that this the parties would be in a position to commence such trial on 1 July 2017.

### **8.2 COMMUNICATION**

- 8.2.1 As part of the proposal ANAM have indicated that they would produce a marketing and promotional strategy for the use of the SMTH facilities that would be developed in conjunction with Council as well as both Council and ANAM having a website that provides information on how to utilise the SMTH.



**9. OFFICER DIRECT OR INDIRECT INTEREST**

- 9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.







<b>8.3</b>	<b>PROPOSAL TO RELINQUISH COMMITTEE OF MANAGEMENT STATUS FOR CROWN LAND LOCATED AT 62 - 74 PICKLES STREET, SOUTH MELBOURNE</b>
<b>WARD:</b>	<b>GATEWAY</b>
<b>GENERAL MANAGER:</b>	<b>CHRIS CARROLL, ORGANISATIONAL PERFORMANCE</b>
<b>PREPARED BY:</b>	<b>MICHELLE RYSANEK, SENIOR PROPERTY PROJECT MANAGER</b>
<b>TRIM FILE NO:</b>	<b>PF16/70829</b>
<b>ATTACHMENTS:</b>	<b>1. Location of 62 – 74 Pickles Street, South Melbourne in relation to Albert Park College Facilities</b> <b>2. DET letter to CoPP re Pickles street</b>

#### **PURPOSE**

This report seeks Council's approval for the CoPP to relinquish its Committee of Management status for Crown Land located at 62-74 Pickles Street, South Melbourne to facilitate a transfer of Land Administration to the Department of Education and Training (DET) to enable the site to be occupied by Albert Park College to meet their increasing enrolment needs.

#### **I. RECOMMENDATION**

That Council:

- 1.1 Relinquishes its Committee of Management status of 62-74 Pickles Street, South Melbourne to facilitate a transfer of Land Administration to the Department of Education and Training.
- 1.2 Authorises the Chief Executive Officer or delegate to execute a Deed of Surrender of the Lease with Melbourne City Mission currently due to expire on 31 May 2020.
- 1.3 Notes that under Clause 14.2 of the Crown Land (Reserves) Act 1978 the Minister may at any time revoke an appointment of a Committee of Management.
- 1.4 Authorises the Chief Executive Officer or delegate to work with the Department of Education and Training to communicate to the local community the transfer of land administration and the proposed use of the Pickles St site.
- 1.5 Requests officers to write to the State Minister for Education:



- 1.5.1 acknowledging that the Pickles Street site is to be used for the benefit of Albert Park College, and requesting that there be future consideration of state government investment in a dedicated youth facility in the City of Port Phillip; and
- 1.5.2 seeking assurance that the Pickles Street site will provide adequate space for Albert Park College until such time as the next public secondary school is built in the vicinity.

## **2. BACKGROUND**

- 2.1 62 – 74 Pickles St, South Melbourne is just under 2,500m<sup>2</sup> in area and located on the corner of Pickles and Richardson Streets South Melbourne. It is within 500m of the existing Albert Park College Facilities. Refer to Attachment I showing the location of the site and particularly in relation to Albert Park College facilities.
- 2.2 Until its temporary reservation for state school purposes was revoked in 1988, it was the site of the former Pickles Street Primary School. From 1988 when CoPP was authorised as the Committee of Management the site has been temporarily reserved for community purposes.
- 2.3 The City of Port Phillip, as the current crown land administrator, leases the site to Melbourne City Mission (MCM), with an expiry date of 31 May 2020. It was originally leased to St Kilda Youth Services (SKYS) in 2010, however, when MCM merged with SKYS in 2014 the incorporation of SKYS was cancelled and the lease was assigned to MCM in 2015. Services provided by MCM on this site are primarily education services for disadvantaged or disengaged youth aged between 15 and 20 years, including the HEAT program for hospitality training and opportunities for young people to re-engage with education.
- 2.4 The rental income currently received from MCM is \$104 plus GST per annum (peppercorn rent).
- 2.5 On average it costs CoPP in the order of \$20,000 to \$25,000 per year to maintain the property (for reactive and preventative/contract maintenance).
- 2.6 The building on the site is in overall average condition; the key issue, however, is the requirement to replace the roofing material, as identified in a condition audit undertaken in May 2016. This plus other internal maintenance work amount to an estimated cost of \$300,000 as a minimum. If the heritage overlay dictates that a like for like roof replacement is required the works could amount to \$1,000,000 due to a requirement to augment the structure to support a tiled roof. These works and supporting investigations were deferred pending resolution of discussions regarding the use of the site to accommodate the Albert Park College expansion.
- 2.7 The anticipated incomings and outgoing for the Pickle St property for the 4 years remaining on the current lease are summarised as follows:



	Income	Outgoings (average)	Comment
Rent	\$416		Peppercorn Rent
Government Funding	\$0		No funding provided to CoPP
Reactive Maintenance	n/a	\$80,000	Based on approx. \$20K/pa
Preventative/ Recurring Maintenance	n/a	\$20,000	Essential Services, security, landscape etc.
Roof Replacement and Basic Upgrade	n/a	\$300,000 - \$1,000,000	This cost is a range and is dependent on the heritage implications on the roof replacement yet to be determined.
Total:	\$416	\$400,000 - \$1,000,000	Considerable deficit

### 3. KEY INFORMATION

- 3.1 In October 2016, the Minister for Education announced that a new site will be secured for Albert Park College.
- 3.2 Prior to this announcement, a number of informal discussions were held with DET regarding the suitability of the Pickles Street site (due to it being Crown Land, its previous reservation for a state school and current temporary reservation for community purposes, and importantly its proximity to Albert Park College i.e. within 500m).
- 3.3 Since the announcement DET approached CoPP, as the land manager, to discuss the potential for it being re-purposed for use by Albert Park College. CoPP advised that an important consideration in the process is the current lease arrangement with MCM, with over 4 years remaining.
- 3.4 DET, with the support of CoPP, engaged MCM in discussions about their desire to utilise the site for Albert Park College and to explore alternative arrangements that would suit the services offered by MCM on the site. The outcome was the potential for MCM to relocate to alternative premises at the Prahran Campus of Melbourne Polytechnic (located at 144 High Street, Prahran near the corner of Chapel Street).

## AGENDA - ORDINARY MEETING OF COUNCIL – 19 APRIL 2017



- 3.5 A meeting with CoPP, DET and MCM at 3.30pm on Thursday 23 February 2017 confirmed MCM's in principle agreement to relocate to the Prahran site based on the following terms and conditions:
  - 3.5.1 DET fund the MCM fitout on the Prahran Campus
  - 3.5.2 DET fund the rental for a five year period
  - 3.5.3 DET fund the project management, legal and transition/relocation costs
- 3.6 The meeting also highlighted MCM's positive view of the relocation and the benefits it could provide to their clients.
- 3.7 A letter has since been issued to CoPP and MCM by DET requesting the relinquishment of the site to DET and clarifying the supporting arrangements. Please refer to Attachment 2 for the letter from DET to CoPP.
- 3.8 This letter stated that the new College site (at Pickles St) is "expected to be sufficient to cater for the College's enrolment pressures until such time that further provision in the area is developed." Subsequent conversations with DET clarified that by "further provision in the area" they meant additional secondary schools that could carry the enrolment pressure (for example, in the Fisherman's Bend precinct).
- 3.9 The MCM Board met on Wednesday 14 March 2017 and endorsed the relocation to the Prahran Campus and in principal approved the surrender of the lease for Pickles Street. A letter is awaited from MCM that advises their intent to surrender the lease. In the meantime, Council and MCM will make preparations for the execution of a Deed of Surrender to be executed by MCM.
- 3.10 While CoPP is essentially losing an MCM service to Prahran (Stonnington City Council), the impact is offset due to both the fundamental reason for re-purposing the site i.e. to accommodate Albert Park College's enrolment demands (a service for a similar but broader demographic) and the qualities of the alternative location proposed for use by MCM, predominantly that it will be highly accessible for youth in our municipality.
- 3.11 The MCM services offered on the site vary from a young mother's support group to the HEAT Program, a Certificate 2 in hospitality to a high school qualification equivalent course. CoPP youth utilisation of the various courses varies also; utilisation is estimated as follows:
  - 3.11.1 Young Mother's Support Group – of the 15 places available, CoPP young mothers would take up 100% of the places.
  - 3.11.2 High School Equivalent Qualification – of the 20-25 places available across two programs CoPP youth take up only approximately 2% of the places.
  - 3.11.3 HEAT, Certificate 2 Hospitality – of the 15 – 20 places available, CoPP youth take up approximately 25% of the places.
- 3.12 MCM highlighted the benefits of the alternative site proposed as well as the structure of the deal presented by DET for those currently utilising the service, these being:

**AGENDA - ORDINARY MEETING OF COUNCIL – 19 APRIL 2017**



- 3.12.1 A location more easily accessible by public transport, noting that alternative site is near the corner of High and Chapel Streets, Prahran.
  - 3.12.2 A new fitout and facilities (up to the value of \$1,000,000)
  - 3.12.3 The financial opportunities available due to DET covering 5 years of rent
  - 3.12.4 The benefits of collocating with Melbourne Polytechnic including shared facilities and potentially services.
- 3.13 However, MCM did note that, while they will still have a presence in the City of Port Phillip with their administrative operations in Duke Street St Kilda, they were enthusiastic about exploring opportunities for expanding their presence in the municipality, particularly in light of the re-purposing of the Pickle St site. This is with a view to increasing services for youth that align with Council’s priorities to continue to support the disadvantage, disabled and low-income. To that end, it may be beneficial for CoPP to have a discussion with DET to explore what support may be available from DET in the medium to long term to facilitate increased services for disadvantaged youth within the municipality.
- 3.14 Further to the point above, it is helpful to note that CoPP has and is currently accommodating various public schools’ needs (i.e. DET’s needs) for property over the years, including most recently Albert Park College’s requirement to temporarily situate relocatables while refurbishment works occur at part of their site. Council support for accommodating school facilities expansion needs has included:

	School	Property	CoPP provision and Community impact
1	Albert Park College	Foote Street Reserve	<p>A road closure - ongoing</p> <p>Foote Street road closure to create the Foote Street Reserve for use by the School, and otherwise recreational use by the community.</p> <p>This is now being temporarily occupied (until term 2 2017) by Albert Park College Relocatables in place for decanting purposes while part of the school is refurbished.</p>
2	Albert Park Primary School	Moubray Street Pop Up Park	A road closure – ongoing.





			Moubray St road closure to create the pop up park for use by the school and otherwise recreational use by the community.
3	Albert Park Primary School	Cardigan Place nature strip	Expansion of the school ground onto the Cardigan Place nature strip.
4	Elwood Primary School	Elwood School Reserve	A road closure – long term and ongoing.  Shelley Street road closure to create the reserve for use by the school and otherwise recreational use by the community.
5	Various public and private schools	Reserves	Licenses provided to various public and private schools for use of reserves e.g. Port Melbourne Primary School's use of Garden City Reserve for recreation activities

- 3.15 Community concerns in relation to the current use of the Pickles St site primarily include parking availability, with some minor concern relating to the condition of the premises. It is anticipated that the parking concerns of neighbouring residents will remain or potentially increase as a consequence of the new site use. DET and CoPP will implement a joint communications process not only to announce the new site use and land transfer but to manage community concerns generally and specifically regarding parking. Albert Park College will also be engaged in the process and requested to review and address concerns regarding parking and other issues that may arise from their increased presence in the area.
- 3.16 As a final point, it is important to note that while CoPP is formally appointed (and gazetted) as the land manager, this may be revoked by the State at any time. Nonetheless, DET has engaged CoPP in a consultative and positive manner. It is also helpful to note that the Pickles St site was previously reserved for State School purposes and is currently temporarily reserved for community purposes.





## FURTHER SUPPORTING INFORMATION

### 4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 4.1 Relinquishing Council's Committee of Management Status for Crown Land located at 62 – 74 Pickles Street, South Melbourne in response to a request from the Department of Education and Training (DET) aligns with Council Plan Objectives “2.3 *Ensure quality and accessible family, youth and children’s services that meet the needs of our community*” and 2.4 “*Foster a community that values lifelong learning, strong connections and participating in the lift of the city.*”
- 4.2 The proposed re-purposing of the site for state school use is an opportunity for Council to support the State Government to deliver affordable school services and facilities to meet demand while also ensuring that MCM is able to continue to provide much needed youth services.

### 5. CONSULTATION AND STAKEHOLDERS

- 5.1 As suggested above DET, as the instigator of the relinquishment process, and MCM, as the current lease holder have been the key stakeholders.
- 5.2 DET has been in consultation with Council about the re-purposing of the Pickles St site for up to two years. However, formal communications with CoPP and subsequent MCM commenced since the Ministerial announcement in October 2016 regarding the extension of Albert Park College.
- 5.3 CoPP supported DET in directly communicating with MCM to determine suitable alternative arrangements for accommodating MCM youth services to the point where the MCM Board in principal agreed to surrender the lease and relocate to the alternative Prahran site (formal confirmation via letter is awaited). CoPP (the Asset Management and Property Department and Community Development – Family, Youth and Children) has been involved in key meetings leading up to position where the MCM Board was asked for approval.
- 5.4 DET has managed the communication process directly with Albert Park College.
- 5.5 CoPP has had informal conversations with the DELWP Crown land group to advise pf the intended land administration transfer and progress of discussions. It is intended that CoPP formally liaise with DELWP (with DET present) to resolve the details behind the transfer following Council resolution. Subsequent to this an official letter will be issued to DELWP and DET to formalise arrangements and the program.
- 5.6 The community has not been consulted to date. It is the intention that DET and CoPP undertake a joint communication process immediately following Council resolution in relation to:
  - 5.6.1 The re-purposing of the site
  - 5.6.2 The transfer of committee of management from CoPP to DET



- 5.6.3 The management of community concerns which are anticipated to be predominantly surrounding parking, possibly noise.

## **6. LEGAL AND RISK IMPLICATIONS**

- 6.1 The Minister may at any time revoke an appointment of a Committee of Management under Clause 14.2 of the Crown Land (Reserves) Act 1978
- 6.2 The Governor in Council (The Government plus State Government) has the power to temporarily or permanently, by means of an Order published in the Government Gazette, reserve Crown Land for any public purpose including pre-school centres, State schools and other institutions of public instruction under Clause 4.1p of the Crown Land (Reserves) Act 1987. This site is currently temporarily reserved for “community purposes” which may require revocation and further reservation of land under Clause 11 A of this Act.
- 6.3 Reputational risks may arise for CoPP if the communications process surrounding the transfer and re-purposing is not managed appropriately, particularly given there is no real opportunity for community engagement. A communications strategy is currently being determined.

## **7. SUSTAINABILITY – Triple Bottom Line**

### **7.1 ENVIRONMENTAL IMPLICATIONS**

- 7.1.1 The proposal has no detrimental or negative environmental impacts.

### **7.2 SOCIAL & CULTURAL IMPLICATIONS**

- 7.2.1 The re-purposing of the site is considered to be of social benefit, particularly in terms of Council Objectives and key actions to deliver quality services for youth and families in the community and partner with providers in doing so, improve access to high quality lifelong learning opportunities and generally engage positively with youth. In terms of Community priorities to “continue to support the disadvantaged, disable and low-income to remain in the city and support affordable housing, even as the city grows more affluent”, the proposal by DET supports the necessity for affordable quality education.
- 7.2.2 While CoPP is essentially losing an MCM service to Prahran (Stonnington City Council), the overall effect is not considered negative due to both the fundamental reason for re-purposing the site i.e. to accommodate Albert Park College’s enrolment demands (a service for a similar but broader demographic) and the qualities of the alternative location proposed for use by MCM, predominantly that it will be highly accessible for youth in our municipality.

### **7.3 ECONOMIC IMPLICATIONS**

- 7.3.1 Economic impacts in facilitating the land transfer are in favour of Council in terms of the outlay required to maintain the property due to the poor



condition of the building versus the limited income provided by the tenant (peppercorn rent).

- 7.3.2 In terms of the wider economic impact on the community, enabling DET to meet the short term enrolment demands on Albert Park College thereby retaining or attracting residents or students and their families is generally deemed positive, particularly in the context that the service provided by MCM will be more accessible by public transport to the community currently using it.

#### 7.4 FINANCIAL IMPLICATIONS

- 7.4.1 CoPP may incur some minor professional services fees (not exceeding \$25,000) associated with the legal paperwork and asset mapping and site assessment. Otherwise DET is covering the MCM expenses associated with the facility transition including fitout, relocation costs, legal and project management fees.

### 8. IMPLEMENTATION STRATEGY

#### 8.1 TIMELINE

- 8.1.1 19 April 2017: Council resolves to relinquish the Committee of Management Status for Crown Land located 62 – 74 Pickles Street, South Melbourne.
- 8.1.2 20 April 2017: CoPP liaises with DET and DELWP (as the overseers of Victorian Crown Land) in relation to the details surrounding the relinquishment.
- 8.1.3 20 April 2017: DET and CoPP deliver via a joint announcement to the community the plans for the re-purposing of the site, how this and any impacts on the immediate community will be managed. MCM may leverage off this announcement to communicate their relocation.
- 8.1.4 26 April 2017: CoPP formalises agreement to relinquish the Pickles St site in writing to DET and DELWP.
- 8.1.5 Early May 2017: MCM executes the Deed of Surrender of the lease.
- 8.1.6 May 2017: DET and DELWP prepare for ministerial approvals and gazettals and DET takes over as Committee of Management of the Pickles St site.
- 8.1.7 September 2017: MCM vacates Pickles St site.
- 8.1.8 September 2017: DET commences refurbishment works on the Pickles St site.



**8.2 COMMUNICATION**

8.2.1 Community concerns regarding the new use of the site (by a secondary college, and particularly associated car parking burden) will be managed through a joint communication process initiated by DET and CoPP, with the College allocated a responsibility to carry forward the communication, and determine and implement measures to manage the concerns. Key messages include:

- The demand for services offered by Albert Park College in our community is growing and a site is required to accommodate this need.
- Following investigations and despite other arrangements being made by DET to accommodate expansion, the Pickles Street site is the ideal site based on its proximity to Albert Park College, its previous reservation and the fact that it already is Crown Land site.
- DET will significantly improve the condition of the property, an investment that otherwise would be required by CoPP.
- The relocation of the services currently offered by MCM will not impact access for the CoPP community that utilises them.
- DET's request to relinquish CoPP's Committee of Management for Pickles St may present opportunities in terms of future support from DET (financial or in kind) for endeavours to expand youth services within the municipality particularly as MCM would like to increase their presence in St Kilda.
- The State may revoke CoPP's Committee of Management status any time. Particularly given the benefits for the community, challenging the request to relinquish will likely be a redundant exercise.

**9. OFFICER DIRECT OR INDIRECT INTEREST**

9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.



<b>8.4</b>	<b>GREYHOUND HOTEL CULTURAL HERITAGE ASSESSMENT</b>
<b>WARD:</b>	<b>LAKE</b>
<b>GENERAL MANAGER:</b>	<b>CLAIRE FERRES MILES, PLACE STRATEGY &amp; DEVELOPMENT</b>
<b>PREPARED BY:</b>	<b>KELLY WHITE, STRATEGIC PLANNER</b>
<b>TRIM FILE NO:</b>	<b>66/02/259</b>
<b>ATTACHMENTS:</b>	<b>1. Greyhound Hotel Cultural Heritage Values Assessment Final Report</b> <b>2. Citation for 1 Brighton Road, St Kilda (Greyhound Hotel)</b> <b>3. Amendment C148 - Documentation for Authorisation</b>

#### **PURPOSE**

1. To consider and endorse the *Greyhound Hotel Cultural Heritage Values Assessment 2017* report for 1 Brighton Road, St Kilda, undertaken by Context Pty Ltd.
2. To determine whether to request Ministerial Authorisation to prepare and exhibit an amendment to the Port Phillip Planning Scheme to apply a permanent heritage control over the property at 1 Brighton Road, St Kilda, based on the evidence of local significance detailed in the cultural heritage assessment undertaken by Context Pty Ltd.
3. To determine whether to make a further request to the Minister for Planning to exercise his powers pursuant to section 20(4) of the *Planning and Environment Act 1987* to apply an interim Heritage Overlay to the property at 1 Brighton Road, St Kilda whilst permanent controls are progressed.

#### **1. RECOMMENDATION**

That Council:

- 1.1 Endorses the *Greyhound Hotel Cultural Heritage Values Assessment* prepared by Context Pty Ltd, 2017 and provided at Attachment 1 as the strategic basis for proposing modified heritage controls to the property at 1 Brighton Road, St Kilda.
- 1.2 Prepares Amendment C148 to the Port Phillip Planning Scheme (provided at Attachment 3), pursuant to Section 8A of the *Planning and Environment Act 1987*, to apply a Heritage Overlay and associated controls to the property at 1 Brighton Road, St Kilda. Amendment C148 will propose the following specific changes to the Port Phillip Planning Scheme on a permanent basis:



- Application of an individual Heritage Overlay (HO500) to land known as 1 Brighton Road, St Kilda, through updating Port Phillip Planning Scheme Map 6HO and the Schedule to 43.01 – Heritage Overlay.
  - Inclusion of a new Citation (provided at [Attachment 2](#)) for 1 Brighton Road, St Kilda in the *Port Phillip Heritage Review* (Incorporated Document in the Planning Scheme).
  - Application of a 'Significant Heritage Place' grading to 1 Brighton Road, St Kilda, to the *City of Port Phillip Heritage Policy Map*.
  - Removal of the 'Contributory outside of the HO' grading of 1 Brighton Road, St Kilda, from the *City of Port Phillip Neighbourhood Character Map*.
  - Consequential changes to Clauses 21.07 (Incorporated Documents), Clause 22.04 (Heritage Policy) and the schedule to Clause 81.01 (Documents incorporated in this scheme) to update the version number and date of the Incorporated Documents listed above.
- 1.3 Requests the Minister for Planning to authorise the preparation and exhibition of Amendment C148 to the Port Phillip Planning Scheme, pursuant to Section 8A of the *Planning and Environment Act 1987*, to apply a permanent Heritage Overlay and associated controls to 1 Brighton Road, St Kilda.
- 1.4 Places Amendment C148 to the Port Phillip Planning Scheme on exhibition, in accordance with Section 19 of the *Planning and Environment Act 1987*, subject to Ministerial Authorisation.
- 1.5 Writes to the Minister for Planning advising that it has now completed a heritage assessment of the Greyhound Hotel (1 Brighton Road, St Kilda) which has found the place to be of local heritage significance, and that this warrants reconsideration of the need for interim heritage controls whilst permanent controls are progressed. Evidence of local social and historic significance, and Council's ability to now commit to progressing permanent controls, addresses the key grounds of the Minister's earlier decision not to apply interim heritage controls.
- 1.6 Requests the Minister for Planning to prepare and approve Amendment C147 to the Port Phillip Planning Scheme, pursuant to Section 20(4) of the *Planning and Environment Act 1987*, to apply an interim Heritage Overlay (HO500) to 1 Brighton Road, St Kilda whilst permanent controls are progressed.
- 1.7 Authorises the Chief Executive Officer (or delegate) to finalise documentation for Amendment C147 (interim heritage controls) and Amendment C148 (permanent heritage controls) for the property at 1 Brighton Road, St Kilda.

## **2. BACKGROUND**

- 2.1 At its Ordinary Council Meeting on 13 December 2016, Council tabled a petition from the community of over 2,000 signatories seeking prevention of demolition of the Greyhound Hotel. The petition requested Council to investigate and act upon options for the retention of the Greyhound Hotel. In response, Council resolved to:



- Request the Minister for Planning to approve an interim Heritage Overlay over the site, under Section 20(4) of the Planning and Environment Act.
  - Commission a Cultural Heritage Values Assessment for the site.
- 2.2 On 22nd December 2016, the City of Port Phillip (CoPP) formally requested the Minister for Planning to approve Amendment C144, to provide interim heritage protection for 1 Brighton Road, St Kilda (the Greyhound Hotel) whilst Council commissioned a cultural values assessment of the site. The letter to the Minister requesting the interim controls highlighted that the building was at immediate risk of demolition, and that subject to the findings of the heritage assessment, Council would pursue permanent heritage controls for the site. The letter also provided that Council had resolved to progress scoping a project to review the architectural and social significance of buildings and places within the municipality, to ensure a more strategic and proactive approach to places of social heritage value in the CoPP.
- 2.3 Context Pty Ltd (heritage consultants) were engaged by Council in January 2017 to undertake an assessment of the cultural heritage values of the Greyhound Hotel and, if it is found to satisfy the threshold of local significance, provide guidelines to protect and conserve the significance of the place.
- 2.4 The Greyhound Hotel ceased operations on the 6 January 2017 with the owners citing reasons of insolvency.
- 2.5 Correspondence was received from the Minister for Planning on 8 February 2017 which refused Council's request for interim controls on the following grounds:
- Consent under the Building Act 1993 to demolish the building has already been issued.
  - A heritage assessment has not been undertaken or submitted with the amendment; the heritage significance of the place cannot be established.
  - Council has not demonstrated a commitment to introduce the controls on a permanent basis.

**Planning permit application and building permit for demolition**

- 2.6 On 22 July 2016, a planning application was lodged for the construction of a new eight storey apartment building on the Greyhound Hotel site, at 1 Brighton Road, St Kilda. The proposed development would involve complete demolition of the existing hotel building.
- 2.7 There is currently no Heritage Overlay applied to the site, and no planning permit is required for demolition.
- 2.8 A building permit for demolition was issued by a private building surveyor dated 22 June 2016. This allows for demolition to be commenced within one year (by 22 June 2017) and completed within two years. Accordingly the building and associated heritage fabric is considered to be at immediate risk of loss.



- 2.9 CoPP City Development Department, under delegation, refused the application on 18 January 2017 citing that the proposed development was considered excessive in height and bulk, would adversely affect neighbouring amenity and should incorporate all or part of the existing building.
- 2.10 The planning permit application is subject to an Application for Review with the Victorian Civil and Administrative Tribunal (VCAT), pursuant to the provisions of section 77 of the *Planning and Environment Act 1987* (appeal against refusal). The VCAT hearing for the proposed development is listed to commence on 26 June 2017, with 4 days duration.

### 3. KEY INFORMATION

#### Assessment of Heritage Significance – Greyhound Hotel, 1 Brighton Road, St Kilda

- 3.1 This section provides a summary of the *Greyhound Hotel Cultural Heritage Values Assessment* (Context Pty Ltd, 2017), refer [Attachment 1](#) for the full report.

#### Scope and process

- 3.2 The purpose of the Greyhound Hotel Cultural Heritage Values Assessment was to:  
*“Undertake a full assessment of the cultural heritage values of the Greyhound Hotel at 1 Brighton Road, considering all aspects of its significance, with particular focus on its potential to hold social and historic significance. Specifically, the purpose of the assessment was to:*
- *Identify specific communities or groups who value the Greyhound Hotel for social, cultural or spiritual reasons*
  - *Establish the nature and extent of their association*
  - *Determine whether any significance arises from that association*
  - *Clarify which aspects of the place are of social significance (e.g. which parts of the site, elements of the fabric, uses or cultural activities, etc.)*
  - *Assess the relative importance of that place compared to any others valued by that community (or communities) for similar reasons”*
- 3.3 Social significance is defined as whether or not a place or aspects of a place (“attributes”) hold ‘strong or special associations with a particular community or cultural group for social, cultural or spiritual reasons.’
- 3.4 The three indicators of social significance used were taken from an approach to social values assessment developed for the Australian Heritage Commission by Chris Johnston (Context Pty Ltd) and used in the RFA National Estate studies of social value across Australia. The three indicators are:
- Importance to a community as a landmark, marker or signature
  - Importance as a reference point in a community's identity or sense of itself
  - Strong or special community attachment developed from use and/or association



- 3.5 The significance assessment was conducted in accordance with the HERCON criteria, as set out in the VPP Practice Note *Applying the Heritage Overlay (2015)*. Thresholds were then used to determine the level of cultural heritage significance the place may hold under each criterion, and what mechanisms can therefore be used to protect and manage it. This assessment followed the threshold definitions specified in Heritage Victoria's *Victorian Heritage Register Criteria and Threshold Guidelines (2014)*.
- 3.6 In order to assess the social significance of the Greyhound Hotel, a combination of research and community engagement was undertaken.
- 3.7 Research components included:
- Three site inspections to reassess the built fabric of the Greyhound Hotel.
  - Historical research drawing on a number of primary and secondary sources and archives, to provide a framework for comparative analysis and establish how the hotel was used historically by different communities.
  - Social media research to identify whether or not the Greyhound Hotel, or aspects of it, are visually documented and written about by the today in the public realm. Instagram was the focus of this research component, which helped to establish that there was some level of community association with the Greyhound Hotel specifically and/or its surroundings, which assisted in establishing contemporary connections to the place.
- 3.8 Community consultation, specifically targeting the local community, included:
- An online survey, hosted on the CoPP Have Your Say website between 1 and 15 February 2017, promoted on Council's website and social media accounts, as well as through an advert in the Leader newspaper. The survey questions were prepared by the consultants based on their initial observations of key values and aspects or features of the Greyhound Hotel.
  - Two round table sessions were initially planned, to which participants were invited because of their demonstrated interest, their relevant knowledge or interest expressed via the online registration form on the Have Your Say survey. Due to a low number of RSVP's the discussions were replaced with direct interviews. The interviews were conducted by the consultants. Set questions were prepared and conversation was informal allowing for spontaneous comments and questions.
- 3.9 Council's request to prepare and exhibit Amendment C133 to the Port Phillip Planning Scheme to apply the Heritage Overlay to the London Hotel at 92 Beach Street, Port Melbourne on permanent basis was refused by the Minister prior to commencing the assessment for the Greyhound Hotel. The letter of refusal cited, in addition to other reasons, that the London Hotel Cultural Heritage Assessment by Context Pty Ltd lacked sufficient comparative analysis. To address this gap, the assessment of the Greyhound Hotel explored comparisons with places that the community valued in similar ways. In the online survey and interviews for the Greyhound's assessment, respondents were asked to name other hotels in St Kilda to which they felt strongly connected, and to further describe this connection.



Key findings

- 3.10 The cultural heritage assessment of 1 Brighton Road by Context Pty Ltd advises that the Greyhound Hotel building is of historic significance (Criterion A) and social significance (Criterion G) at a local level.
- 3.11 It is acknowledged in the report that while the Greyhound Hotel has closed, research indicates the Hotel is still 'alive' in the community's memories and that this would be negatively impacted if the Hotel's built form or public use were significantly altered. It is noted that while this may impact the social significance of the place, the historic significance of the place would not be affected.
- 3.12 The following is an extract of the Statement of Significance included within the individual Citation prepared for 1 Brighton Road. The full Citation is provided at [Attachment 2](#). It details what elements of the place are considered to be significant and why:

***“What is significant?***

*The Greyhound Hotel at 1 Brighton Road, St Kilda, on the corner of Blessington Street, first opened in 1853 by the first licensee John Broad, and remodelled in 1936-37, is significant.*

*The current building is a two storey corner hotel, still retaining the Moderne/Art Deco expression from the 1930s refurbishment. It has a characteristic streamlined façade with horizontal emphasis.*

***Why is it significant?***

*The Greyhound Hotel is historically significant as one of a few remaining buildings in the City of Port Phillip that reflect the history of Victorian hotels generally, but more locally chart the changing fortunes of St Kilda, and specifically, the history of the LGBTIQ (Lesbian, Gay, Transgender, Intersex, Queer or Questioning) community in Victoria. The Greyhound Hotel has been associated with St Kilda's evolving LGBTIQ community for over two decades, being one of several well-known 'gay venues' in St Kilda and one of the most popular drag venues in Melbourne. This historical significance is closely related to the Hotel's contemporary social significance. (Criterion A)*

*The Greyhound Hotel has social significance for its strong and special associations with the St Kilda community and the local and broader LGBTIQ community. The St Kilda community values the Greyhound as an historic landmark that has had a long and continuous local presence as a public meeting place. The local community also values it as a long standing LGBTIQ community meeting place and entertainment venue which reflects St Kilda's welcoming and multifaceted community. The local and broader Melbourne LGBTIQ community specifically has strong associations with the Greyhound Hotel, valuing it as a home, a venue for entertainment and a place that represents this community's identity, in particular its openness, inclusiveness and creativity. (Criterion G)”*

- 3.13 The Context report recommends that Council prepare an Amendment to place the Greyhound Hotel in the Heritage Overlay. It also includes recommendations for conservation guidelines for any future redevelopment of the site which include:



- Retaining the corner location (zero lot setback on two streets and the two storey scale and façade) is important in maintaining the Greyhound Hotel's contribution to St Kilda's urban form.
- Retaining the two storey scale of the Greyhound Hotel as a contrast to its immediate surroundings is important. Additional development of a moderate scale that is located sensitively so as not to overwhelm the scale of the Greyhound Hotel should be considered.
- The Art Deco styling to the exterior is valued in relation to its surroundings and should be maintained. Any further changes to the exterior should respect and preferably enhance this architectural character.
- Views to the Greyhound Hotel in relation to surrounding Brighton Road/St Kilda Road are valued so that changes to the wider setting should consider the impacts on these views.
- Public access to and use of the Greyhound Hotel as a social meeting place should be maintained into the future.
- The shared history, including the LGBTIQ history, of the Greyhound Hotel should be interpreted and promoted in ways that the City of Port Phillip and the community view as appropriate. This could take various forms including heritage interpretation in the form of design of the external building design, place/building naming, inclusion of public or entertainment uses within the building, documentation and publication of significant stories of the Hotel.

**Proposed Permanent Heritage Controls – Amendment C148**

- 3.14 Implementing the recommendation of the Context report to apply an individual Heritage Overlay to 1 Brighton Road, St Kilda on a permanent basis, will require an amendment to the Port Phillip Planning Scheme to:
- Update Port Phillip Planning Scheme Map 6HO and the Schedule to Clause 43.01 – Heritage Overlay to apply (HO500) to 1 Brighton Road, St Kilda.
  - Include a new Citation for 1 Brighton Road, St Kilda, in the Port Phillip Heritage Review (Incorporated Document in the Planning Scheme).
  - Apply a 'Significant Heritage Place' grading to 1 Brighton Road, St Kilda, to the City of Port Phillip Heritage Policy Map on a permanent basis.
  - Remove the 'Contributory outside of the HO' grading of 1 Brighton Road, St Kilda, from the City of Port Phillip Neighbourhood Character Map.
  - Make consequential changes to Clauses 21.07 (Incorporated Documents), Clause 22.04 (Heritage Policy) and the schedule to Clause 81.01 (Documents incorporated in this scheme) to update the version number and date of the Incorporated Documents listed above.
- 3.15 Permanent controls for 1 Brighton Road, St Kilda (Amendment C148) could be progressed and a request for Ministerial Authorisation submitted within a week of this Ordinary Council Meeting. Following Authorisation, the amendment would then go through a full amendment process.



- 3.16 If permanent heritage controls are applied to the site, the current building permit for demolition would remain valid, however could not be legally acted upon without a planning permit for demolition being sought and approved.

**Proposed Interim Heritage Controls – Amendment CI47**

- 3.17 It is timely for Council to consider the option to again request the Minister for Planning to apply an Interim Heritage Overlay to 1 Brighton Road, St Kilda given:
- The heritage assessment of the property has been undertaken and the place is found to be of local heritage significance and warranting heritage controls.
  - That Council is now in a position (having evidence of local significance) to commit to progressing the application of permanent heritage controls to the site.
  - There is a current development application for redevelopment of the site that would involve demolition of the existing building. The VCAT hearing for the proposed development to determine whether a planning permit is issued is listed for Monday 26 June 2017. Whilst there is a current building permit for demolition this does not prevent a Heritage Overlay being applied to the site to ensure heritage matters are considered in the future.

The above matters address each of the reasons given by the Minister for Planning for refusing Council's initial request for interim controls.

- 3.18 Interim heritage controls are typically applied to protect places of significance whilst permanent controls are being processed through a full-exhibition amendment. This manages the risk of a building being demolished, without heritage issues being considered during the planning permit process. An interim control does not prevent demolition outright, but rather triggers a planning permit for demolition to ensure heritage matters are considered.
- 3.19 Council's heritage policy (Clause 22.04 of the Port Phillip Planning Scheme) specifies that the demolition of a significant heritage place should not be supported.
- 3.20 Council needs to make a request to the Minister for Planning to exercise his powers pursuant to section 20(4) of the *Planning and Environment Act 1987* to apply an interim heritage control, based on the assessment it is of local heritage significance. Practice Note 29 '*Ministerial Powers of Intervention*' refer to circumstances when the Minister may undertake a section 20(4) amendment. This includes that:
- "The matter will be the introduction of an interim provision or requirement and substantially the same provision or requirement is also subject to a separate process of review (such as the introduction of permanent controls in a planning scheme)."*
- The Minister is not obligated to approve Council's request.
- 3.21 Amendment CI47 (interim controls) would make the same changes to the Port Phillip Planning Scheme listed in 3.14 above, albeit on an interim basis, to apply an interim Heritage Overlay (HO500) and associated controls to 1 Brighton Road, St Kilda, whilst permanent controls are progressed.



- 3.22 If interim heritage controls are applied to the site, the current building permit for demolition would remain valid, however could not be legally acted upon without a planning permit for demolition being sought and approved.

**Options**

- 3.23 The following options are available to Council in relation to the heritage protection of the Greyhound Hotel at 1 Brighton Road, St Kilda:
- Option 1: Resolve to seek Ministerial Authorisation to prepare and exhibit an amendment to apply permanent controls over the site and request the Minister for Planning to apply an interim Heritage Overlay to 1 Brighton Road, St Kilda.
  - Option 2: Not proceed with a request to the Minister for interim controls or an amendment for permanent controls.
- 3.24 Option 1 is recommended. Application of a Heritage Overlay recognises the recent assessment of 1 Brighton Road, St Kilda as being of local heritage significance. This will ensure heritage matters are assessed in any future permit decisions, and that the protection of significant heritage fabric is considered in both the short and longer term.



## **FURTHER SUPPORTING INFORMATION**

### **4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

4.1 Implementation of heritage controls supports delivery of the following objectives and actions in the Council Plan (2013-17):

Objective 4.1: 'Encourage viable, vibrant villages'

- Key action: 'maintain, create and foster welcoming, attractive and prosperous villages aligned to local character, heritage and community'.

Objective 4.2: 'ensure growth is well planned and managed for the future'

- Key action: 'Lead, advocate for and regulate sustainable design and development for environmental, cultural and social benefits'.

### **5. CONSULTATION AND STAKEHOLDERS**

5.1 Community engagement was a key component informing the heritage assessment of the Greyhound Hotel, particularly evidence relating to the social and historical significance of the place. Community engagement included:

- Have your say survey – Monday 1 February to Wednesday 15 February. This online survey on the City of Port Phillip Have your Say website was used to gather information from community members, stakeholders or interest groups regarding their strong or special associations with the Greyhound Hotel. A total of 115 surveys were completed and the vast majority of the respondents would like to see the Greyhound Hotel retained.
- Awareness of the Have Your Say survey was raised through an advert in the Leader newspaper (Tuesday 31 January), Council's website and social media accounts.
- Two round table discussions were initially planned but due to a low number of RSVP's, direct interviews were held instead. A total of 4 interviews were held with community representatives and a representative from the National Trust of Australia (Victoria). Further informal discussions were also had with representatives from Australian Lesbian and Gay Archives and the St Kilda Historical Society. The interviews and discussions were facilitated by the consultants and focused on the historic, social and other cultural heritage values of the Greyhound Hotel.

5.2 The owner of the subject property was advised in writing that Council were applying for interim heritage controls and that the interim controls were refused by the Minister. The owner was also informed of Council's plans to undertake a heritage assessment of the Greyhound Hotel.

5.3 The planning scheme amendment for permanent controls would undergo a formal public exhibition process in accordance with the notification requirements of the Planning and Environment Act 1987, allowing affected and interested persons/groups to make written submissions. Any objecting submission/s must be referred to an independent Planning



Panel for review, prior to Council proceeding to adopting the amendment and requesting Ministerial approval.

## 6. LEGAL AND RISK IMPLICATIONS

- 6.1 As no heritage overlay is applied to the site, no planning permit is currently required for demolition. A building permit for demolition was issued by a private building surveyor dated 22 June 2016. This allows for demolition to be commenced within one year (by 22 June 2017) and completed within two years. Accordingly, the building and associated heritage fabric is considered to be at immediate risk of loss.
- 6.2 The immediate application of an interim heritage control would manage the risk of the subject building being demolished, without heritage issues being considered during the planning permit process.
- 6.3 No significant risk implications have been identified in relation to the processing of the amendments. Amendment C147 (interim heritage controls), and a subsequent amendment process to introduce permanent heritage controls (Amendment C148), would be undertaken in accordance with the requirements of the *Planning and Environment Act 1987*.

## 7. SUSTAINABILITY – Triple Bottom Line

### 7.1 ENVIRONMENTAL IMPLICATIONS

- 7.1.1 The amendment will have a positive environmental impact by offering protection to a place of historic significance and promoting the reuse of existing building stock.
- 7.1.2 The Victorian heritage strategy, *Victoria's heritage: Strengthening our Community* (DSE, 2006) details the environment benefits of conservation in Chapter 2, specifically (at p21):  
*“Heritage policies and programs can help achieve the broader goals of sustainability. Conserving heritage places and giving them new life supports sustainability. It recognises the embodied energy and life-cycle value of traditional materials, and reduces the waste associated with demolition and new buildings.”*

### 7.2 SOCIAL & CULTURAL IMPLICATIONS

- 7.2.1 The amendment will have a positive social effect through enabling the preservation of a historically significant place, for the benefit of current and future generations.

### 7.3 ECONOMIC IMPLICATIONS

- 7.3.1 The amendment is not expected to have significant broad economic impacts, although is likely to have a direct cost impact on the owner of the affected property through additional permit requirements and potential limitations on the redevelopment of the site (noting there is a current planning permit application which will be considered at a VCAT hearing on 26 June 2017).



- 7.3.2 The matter of negative economic impacts, such as on property values and development potential, have been considered repeatedly by Planning Panel's considering the introduction of heritage controls. The findings have been summarised in Panel Report for Latrobe Planning Scheme Amendment C14, as follows:

*“Panels have repeatedly ruled that such issues are not material to this stage of the planning process – a position supported by Practice Notes and numerous VCAT decisions. This view maintains that although it is appropriate for the responsible authority to consider all the objectives of the Planning and Environment Act 1987 including, inter alia, ‘fair, orderly, economic and sustainable use, and development of the land’ (s.4(1)(a)) ... and ... ‘to balance the present and future interests of all Victorians’ (s.4(1)(g)) – the question of personal economic impact or potential constraint on development are matters for the next stage of the planning process i.e. at the time a permit is applied for. This approach has the merit of separating two distinct issues: assessment of the significance of the place, and the question of its conservation, adaptation, alteration or demolition. This conforms with proper heritage conservation practice and mirrors the processes of the Victorian Heritage Act 1985. It reflects the desirability of considering long term matters (if we accept that heritage significance is likely to be somewhat enduring, if not immutable) at one point in time; and, shorter term matters (personal desire, financial considerations and economic circumstances) when they are most relevant.”*

- 7.3.3 The economic effects of requiring a planning permit may be reduced through the availability of advice from the City of Port Phillip's heritage advisor and planning officers free-of-charge at any time prior to, during, or following the planning permit application process.

#### 7.4 FINANCIAL IMPLICATIONS

- 7.4.1 Council will be required to pay a statutory fee of \$3,763.80 to request the Minister to prepare and approve the interim heritage controls through Amendment C147.
- 7.4.2 In progressing permanent heritage controls for 1 Brighton Road, St Kilda, Council will need to meet costs associated with public exhibition, any panel hearing and statutory approval fees.
- 7.4.3 There is provision in the City Strategy 2017/18 operational budget to meet the cost of Amendment C147 (fee for interim controls). Budget allocation for the 2017/18 Amendments Program will be used to meet the costs of processing an amendment for permanent controls.

### 8. IMPLEMENTATION STRATEGY

#### 8.1 TIMELINE

- 8.1.1 If Council resolves to proceed with Amendment C147, a request to the Minister for Planning to apply interim heritage controls to 1 Brighton Road, St

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Kilda would be lodged within two working days of this Ordinary Council Meeting.

- 8.1.2 If Council resolves to proceed with an Amendment for permanent heritage controls, a request for Ministerial Authorisation would be submitted within a week of this Ordinary Council meeting, to allow for the preparation of documentation.

### 8.2 COMMUNICATION

- 8.2.1 If Council supports requesting interim heritage controls for 1 Brighton Road, St Kilda, details of Amendment C147 will be made available on Council's website.
- 8.2.2 The property owner of 1 Brighton Road, St Kilda will be advised in writing of Council's decision, immediately following this meeting the petition organiser, National Trust of Australia, St Kilda Historical Society, Australian Lesbian and Gay Archives and community members involved in the community consultation as part of the heritage assessment will be advised.

## 9. OFFICER DIRECT OR INDIRECT INTEREST

- 9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.





**8.5** **AMENDMENT C143 - 19 SALMON STREET AND 299 WILLIAMSTOWN ROAD, PORT MELBOURNE - CONSIDERATION OF SUBMISSIONS**

**WARD:** **GATEWAY**

**GENERAL MANAGER:** **CLAIRE FERRES MILES, PLACE STRATEGY & DEVELOPMENT**

**PREPARED BY:** **KELLY WHITE, STRATEGIC PLANNER**

**TRIM FILE NO:** **66/02/260**

**ATTACHMENTS:**

- 1. Port Phillip C143 PPHR Citation No. 2366 (extract)**
- 2. Summary of Individual Written Submissions**
- 3. Responses to submissions**

**PURPOSE**

- To consider written and verbal submissions received to Amendment C143 to the Port Phillip Planning Scheme during the public exhibition stage.
- To determine whether to request the Minister for Planning to appoint an independent Planning Panel to consider submissions and the amendment.
- To consider endorsing a response to issues raised in submissions, which will form the basis of Council's position at the Panel hearing.

**I. RECOMMENDATION**

That Council:

- 1.1 Receives and considers all written and verbal submissions made to Amendment C143 to the Port Phillip Planning Scheme.
- 1.2 Requests the Minister for Planning appoint an independent Planning Panel to review the submissions received to Amendment C143, in accordance with Part 8 of the *Planning and Environment Act 1987*.
- 1.3 Refers all submissions to the Panel to be appointed by the Minister for Planning, including any late submissions.
- 1.4 Endorses the recommended officer response to issues raised by submissions as the basis for Council's submission to the Panel ([Attachment 3](#)).
- 1.5 Writes to all submitters to inform them of Council's decision to proceed to the Panel stage.



## 2. BACKGROUND

- 2.1. On 13 December 2016, Council resolved to:
- Request the Minister for Planning to authorise the exhibition of a new planning scheme amendment, Amendment C143 to the Port Phillip Planning Scheme specifically to implement Heritage Overlay 472 (HO472) for properties at 19 Salmon Street (Lot S2 and S3 on P728869) and 299 Williamstown Road, Port Melbourne (Lot 6 on PS617506C) which are proposed to be removed from Amendment C117.
  - Request the Minister to reduce the extent of notice required for the exhibition of the amendment to owners and occupiers affected by the amendment, Prescribed Ministers and other parties who submitted to Amendment C117 on the overlay pursuant to s20(2) of the Planning and Environment Act 1987.
  - Place Amendment C143 on exhibition in accordance with the Planning and Environment Act 1987, subject to Ministerial Authorisation.

### Background to heritage controls in Fishermans Bend

- 2.2. Fishermans Bend contains a mix of nineteenth and early twentieth century low scale residential, commercial and industrial development, including some early historic sites related to the growth of Melbourne's port and earliest work suburbs.
- 2.3. The Port Phillip Planning Scheme (prior to the introduction of interim heritage controls for some properties) includes Heritage Overlays on 25 individual properties, and three precinct-based Heritage Overlays (that covered a further 33 properties) within the Fishermans Bend urban renewal area.
- 2.4. In June 2013, the *Fishermans Bend Heritage Study* was commissioned by Places Victoria as an input to the preparation of the Strategic Framework Plan for Fishermans Bend. The study was prepared by Biosis Pty Ltd. This report identified a number of sites (not currently included in a Heritage Overlay) for further investigation to determine their level of heritage significance.
- 2.5. In early 2014, Council commissioned Biosis Pty Ltd to undertake further investigation, and to recommend where identified places required additional heritage protection. The result of this work was the *Fishermans Bend Additional Heritage Place Assessments*. This work also prepared (where necessary) individual citations for inclusion in the Port Phillip Heritage Review.

### Amendment C117 – Fishermans Bend Heritage Areas Permanent Controls

- 2.6. Amendment C117 was prepared to implement the recommendations of the *Fishermans Bend Heritage Study* (Biosis, 2013) and the *Fishermans Bend Additional Heritage Place Assessments* (Biosis, 2015). Specifically the Amendment proposes to:
- Remove Heritage Overlay 4 (HO4 – a precinct overlay) from three properties at 400-430 City Road, Southbank (Johns & Waygood buildings) and apply individual HO's to them. (Noting Council resolved on 28 June 2016 to amalgamate all three sites into a single overlay – HO467.)
  - Apply an individual Heritage Overlay (HO470) to the electricity substation at 98 Johnson Street, South Melbourne (corner Munro Street).

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- Apply an individual Heritage Overlay (HO471) to the horse trough located on Ingles Street, near the intersection with Williamstown Road, Port Melbourne.
  - Apply an individual Heritage Overlay (HO472) to 19 Salmon Street, 291 & 323-337 Williamstown Road, 7-9 & 21 Smith Street and 332 Plummer Street, Port Melbourne (Rootes/Chrysler factory site).
  - Extend Precinct Heritage Overlay HO442 to include houses and shops at 496-510 City Road and 157-163 Montague Street, South Melbourne.
  - Making related changes to the *Port Phillip Heritage Review* to reflect updates to the heritage citations and gradings.
- 2.7. Amendment C117 was placed on public exhibition between 25 February and 30 March 2016, in accordance with the requirements of the *Planning and Environment Act 1987*.
- 2.8. Ten (10) written submissions were received during the exhibition period.
- 2.9. At its Ordinary Council Meeting on 28 June 2016, Council considered the submissions it had received and a response to those submissions and endorsed some changes to the amendment.
- 2.10. Council resolved to request an independent Planning Panel be appointed, referred all submissions to that Panel and endorsed the officer response as the basis for Council's submission to the Panel.
- 2.11. The Panel hearing was held over three (3) days in August 2016. The written report of the Panel was received on 20 September 2016.
- 2.12. The Panel's overall recommendation was for the Amendment to be approved as exhibited, subject to a number of specific changes. This included the following recommended changes to the Heritage Overlay proposed for the Rootes/Chrysler factory site:
- Remove 291 Williamstown Road and 7-9 Smith Street, 332 Plummer Street, 21 Smith Street and 337 Williamstown Road from the Amendment.
  - Amend the Heritage Overlay Map and Schedule to the Heritage Overlay to include 19-21 Salmon Street and 323-331 Williamstown Road only.
  - Amend the Schedule to the Heritage Overlay to reduce the scope of internal controls for 19 Salmon Street to the tower component only.
  - Amend the citation to exclude reference to 332 Plummer Street, 21 Smith Street and 7-9 Smith Street and 291 Williamstown Road and 337 Williamstown Road.
  - Revise the citation and the statement of significance to include assessment of interior to the tower component and rename the citation to include reference to the former Commonwealth Department of Munitions as well as Rootes.
- 2.13. Prior to Council's final adoption of Amendment C117, two issues were identified concerning two of the properties affected by the amendment through application of the Heritage Overlay (HO472) to the Rootes/Chrysler factory:

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19 Salmon Street - On 13 November 2016, Council was notified by the owners of the property at 19 Salmon Street (Lot S2 on PS728869) that they did not receive notice of Amendment C117, the Directions Hearing or the Panel Hearing. In investigating this matter, it was found that notice was sent to the landowner, however it was incorrectly addressed due to an error on Council's system.

On 29 November 2016, the landowner lodged an application for review with VCAT under section 39(1) of the *Planning and Environment Act 1987* for failure to give notice. The matter has been adjourned for administrative mention on 31 March 2017 with the hearing scheduled to commence on 28 July 2017.

323-331 Williamstown Road - It was also identified that references to the property at 323-331 Williamstown Road were incorrect. The property should have been referred to as 299 Williamstown Road. This was due to an error with the property registration information held by State Government. Due to this error, the owners of this property were notified of Amendment C117 as neighbouring properties to a site proposed to be included in Heritage Overlay but were not formally notified their property was included in Amendment C117.

- 2.14. Council considered the recommendations of the Panel and resolved to adopt Amendment C117 with changes, on 13 December 2016. To address the notification issues identified above, Council resolved to remove the properties at 19 Salmon Street and 299 Williamstown Road, Port Melbourne (Rootes/Chrysler factory) affected by Heritage Overlay 472 (HO472) from Amendment C117 and request a new planning scheme amendment (C143) specifically to implement that overlay.
- 2.15. Amendment C117 documentation was forwarded to the Minister for Planning for final approval on 30 December 2016.

### Amendment C143 – 19 Salmon Street and 299 Williamstown Road, Port Melbourne

- 2.16. Amendment C143 applies permanent heritage controls to 19 Salmon Street and 299 Williamstown Road, Port Melbourne. The Amendment reflects the changes recommended by the Panel and adopted by Council on 13 December 2016.
- 2.17. Specifically, the amendment makes the following changes to the Port Phillip Planning Scheme on a permanent basis:
  - Apply an individual Heritage Overlay (HO472) to (Lot S2 and Lot S3 on PS728869) 19 Salmon Street and 299 Williamstown Road, Port Melbourne, including updating the planning scheme maps and Schedule to the Heritage Overlay.
  - Include a new Citation in the Port Phillip Heritage Review (Incorporated Document in the Planning Scheme) ([Attachment 1](#)).
  - Apply a 'Significant Heritage Place' grading to the Heritage Policy Map.

### Exhibition Process

- 2.18. Amendment C143 was placed on public exhibition between 13 February and 17 March 2017.

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- 2.19. Pursuant to section 20(2) of the *Planning and Environment Act 1987*, Council was granted an exemption from the notification requirements of sections 19(2) and 19(3) of the Act. Exhibition was undertaken in accordance with the *Planning and Environment Act 1987* and involved:
- Direct notification (letter) to owners and occupiers of affected properties. Enclosed with the letter was a formal Notice of Amendment.
  - Direct notification (letters) to Prescribed Ministers.
  - Direct notification to submitters on Amendment C117.
  - Availability of amendment documentation and supporting information on Council's website. Amendment documentation was also provided on the State Government's Planning Amendments Online website.
  - Availability of amendment documentation at St Kilda Town Hall.

### Interim heritage controls

- 2.20. On 22 September 2015, Council resolved to request the Minister for Planning introduce interim heritage controls over sites that were not already protected by a Heritage Overlay. This would ensure that heritage matters were considered while the permanent controls (implemented through Amendment C117) were finalised.
- 2.1. The Minister for Planning approved Amendment C115 through a Ministerial Amendment (via Section 20(4) of the *Planning and Environment Act 1987*). The interim controls came into effect on 14 January 2016.
- 2.2. The interim heritage controls were extended until January 2018 through a Ministerial Amendment (via Section 20(4) of the *Planning and Environment Act 1987*) approved in January 2017.

### Planning Permit

- 2.3. On 25 June 2015, a planning application was lodged with the Minister for Planning for the construction of mixed use buildings for the purpose of dwellings and retail uses at 19 Salmon Street, Port Melbourne. The proposed redevelopment would involve partial demolition of the existing buildings.
- 2.4. The City of Port Phillip (CoPP) objected to the application on the grounds of heritage demolition, underdevelopment, internal road widths and lack of commercial space.
- 2.5. The Minister for Planning issued a Notice of Decision to grant a Planning Permit subject to conditions, on 1 February 2017.
- 2.6. On 22 February 2017 CoPP lodged an application for review with VCAT pursuant to the provisions of Section 82 of the *Planning and Environment Act 1987* (review of decision). The VCAT hearing dates are to be advised.



**3. KEY INFORMATION**

Overview of written submissions received to Amendment C143

- 3.1 One (1) written submission was received during the exhibition period that concluded on 17 March 2017. A summary of that submission is included in Attachment 2.
- 3.2 The submission, received from the property owner of Lot 3 on PS728869 19 Salmon Street, supported the application of the Heritage Overlay to the art deco entry area of the factory, and objected to the application of the Heritage Overlay to the remainder of the factory buildings at 19 Salmon Street. The submission questions the significance of some of the building form and raises the issues discussed in Section 3.4 (below).
- 3.3 A summary of key issues raised and recommended responses is included below. A comprehensive response to the submission is included in Attachment 3.

Summary of Key Issues

- 3.4 A number of issues relating to the application of heritage controls were raised in the objecting submission. The table below provides an overview of these issues and the recommended officer response. The responses draw on the advice of Council’s Urban Design and Heritage Advisor and the findings by previous independent Panels considering heritage amendments.

Key issue raised in submission	Outline of Recommended Response
<p>The building form beyond the Entry area is not of primary significance as it:</p> <ul style="list-style-type: none"> <li>a) is not of aesthetic significance,</li> <li>b) has been altered such that it no longer demonstrates the occupation of the site by AFV and Rootes Ltd.</li> </ul>	<p>The significance of this place has been established by the Biosis study, and is supported by a separate Built Heritage report commissioned by the Port Melbourne Historical Preservation Society and the National Trust.</p> <p>The methodology for the Biosis report accords with the Burra Charter and Heritage Victoria guidelines (which include clear ‘criterion’ for determining significance – HERCON Criteria).</p> <p>The Art Deco elements to the main office (Entry Area) exhibit the most appealing aesthetic characteristics when compared to the factory buildings, however these buildings provide a contribution to the heritage place.</p> <p>While there are different levels of alteration to the buildings at 19 Salmon Street, the buildings of primary and secondary significance nonetheless retain much of their original form, bulk and scale of the structures.</p>
<p>The Heritage Overlay should be limited to areas of ‘primary significance’ and therefore only applied to the extent of the Entry Area.</p>	<p>The methodology for the assessment of this place accords with the Burra Charter and Heritage Victoria Guidelines (which include clear ‘criterion’ for determining significance – HERCON Criteria).</p>





	Retaining the Heritage Overlay over the entire site provides a better mechanism for co-ordinated planning over the site, and greater opportunities for retaining and adapting heritage fabric.
The Heritage Overlay should not unnecessarily constrain development from achieving the intent of the Fishermans Bend Strategic Framework Plan.	The Heritage Overlay does not prevent development but rather ensures that heritage matters are considered at the planning permit stage, with the intent to retain and reuse significant heritage fabric.
Future development of 19 Salmon Street must be undertaken in accordance with the Conservation Management Plan (CMP) prepared by Helen Lardner Conservation and Design.	<p>The CMP has no statutory weight given it is not a reference document or incorporated document in the Port Phillip Planning Scheme.</p> <p>There are a number of differences between the CMP and the Biosis Study, in particular relating to the levels of significance within the site, which is reflected in the recommendations for future use and development.</p> <p>The citation for the Rootes / Chrysler factory site provides design guidance for the redevelopment of sites of primary and secondary significance. These have been prepared having regard to the Statement of Significance and should be considered in any proposal for redevelopment.</p>

**Recommended changes to Amendment C143**

- 3.5 Based on the submission received, no changes are recommended to Amendment C143.

**Review of submissions**

- 3.6 The above officer response to submitter issues would form the basis of Council’s position at a Panel hearing.
- 3.7 Submissions will be heard at the Planning Forum on 19 April 2017. Submissions will then be considered at the Council meeting on 19 April 2017. It is noted that a small number of written submissions have been received and the importance of timely consideration of the Amendment.

**Options:**

- 3.8 The following options are available to Council in relation to the heritage protection of 19 Salmon Street and 299 Williamstown Road, Port Melbourne:
- Option 1: Refer Amendment C143 to an independent Planning Panel for review.
  - Option 2: Abandon Amendment C143.

Council does not have the option to adopt the amendment at this stage, given that there is an objecting submission.



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- 3.9 Option 1 would enable the amendment process to continue and progress a heritage overlay for 19 Salmon Street and 299 Williamstown Road, Port Melbourne. The Panel process provides for an independent review of submissions and supporting expert evidence. This offers a transparent process to enable stakeholder interests to be fully considered and reconciled where possible. The Panel will provide its report and recommendations to Council, prior to a final decision whether to adopt the amendment.
- 3.10 Option 2 would involve deciding not to proceed with Amendment C143. Council could decide to do this either on the basis that the work is not considered worth pursuing, or if it decided that it wanted to undertake further work and commence a new Planning Scheme Amendment in a different form in the future. This option is not recommended at this time, as there is sufficient strategic justification for pursuing a heritage overlay for 19 Salmon Street and 299 Williamstown Road, Port Melbourne, notwithstanding the issues raised in the submission.



## FURTHER SUPPORTING INFORMATION

### 4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

4.1 Implementation of heritage controls supports delivery of the following objectives and key actions in the *Council Plan (2013-17)*:

Objective 4.1: *‘Encourage viable, vibrant villages’*

- Key action: *‘maintain, create and foster welcoming, attractive and prosperous villages aligned to local character, heritage and community.’*

Objective 4.2: *‘Ensure growth is well planned and managed for the future’*

- Key action: *‘Lead, advocate for and regulate sustainable design and development for environmental, cultural and social benefits.’*

### 5. CONSULTATION AND STAKEHOLDERS

5.1 Amendment C143 has undergone public exhibition in accordance with the requirements of the *Planning and Environment Act 1987*. This includes direct notification to the owners and occupiers of properties that may be affected by the amendment, submitters on Amendment C117 and Prescribed Ministers.

### 6. LEGAL AND RISK IMPLICATIONS

6.1 No significant risk implications have been identified for the Amendment. Amendment C143 has been exhibited and processed in accordance with the requirements of the *Planning and Environment Act 1987*.

6.2 The submitter will be provided the opportunity to present to an independent Planning Panel who will then make a recommendation to Council in relation to the amendment. This provides a fair and transparent process.

### 7. SUSTAINABILITY – Triple Bottom Line

#### 7.1 ENVIRONMENTAL IMPLICATIONS

7.1.1 The amendments will have a positive environmental impact by protecting a place of historic significance and allowing the reuse and recycling of existing building stock.

7.1.2 The Victorian heritage strategy, *Victoria’s Heritage: Strengthening our Community (DSE, 2006)* details the environmental benefits of conservation in Chapter 2, specifically (at p21):

*‘Heritage policies and programs can help achieve the broader goals of sustainability. Conserving heritage places and giving them new life supports sustainability. It recognises the embodied energy and life-cycle value of traditional materials, and reduces the waste associated with demolition and new buildings.’*

#### 7.2 SOCIAL & CULTURAL IMPLICATIONS



- 7.2.1 The amendment will have a positive social effect through the preservation of a historically significant place, for the benefit of current and future generations.

### 7.3 ECONOMIC IMPLICATIONS

- 7.3.1 The amendment is not expected to have significant broad economic impacts, although it is likely to have a direct cost impact on the owner of the affected property through additional permit requirements and potential limitations on the redevelopment of the site (noting there is a current planning permit application which will be considered at a future VCAT hearing (date still to be advised)).

- 7.3.2 The matter of negative economic impacts, such as on property values and development potential, have been considered repeatedly by Planning Panel's considering the introduction of heritage controls. The findings have been summarised in the Panel Report for Latrobe Planning Scheme Amendment C14, as follows:

*“Panels have repeatedly ruled that such issues are not material to this stage of the planning process – a position supported by Practice Notes and numerous VCAT decisions. This view maintains that although it is appropriate for the responsible authority to consider all the objectives of the Planning and Environment Act 1987 including, inter alia, ‘fair, orderly, economic and sustainable use, and development of the land’ (s.4(1)(a)) ... and ... ‘to balance the present and future interests of all Victorians’ (s.4(1)(g)) – the question of personal economic impact or potential constraint on development are matters for the next stage of the planning process i.e. at the time a permit is applied for. This approach has the merit of separating two distinct issues: assessment of the significance of the place, and the question of its conservation, adaptation, alteration or demolition. This conforms with proper heritage conservation practice and mirrors the processes of the Victorian Heritage Act 1985. It reflects the desirability of considering long term matters (if we accept that heritage significance is likely to be somewhat enduring, if not immutable) at one point in time; and, shorter term matters (personal desire, financial considerations and economic circumstances) when they are most relevant.”*

- 7.3.3 The economic effects of requiring a planning permit may be reduced through the availability of advice from the City of Port Phillip's Urban Design and Heritage Advisor and planning officers free-of-charge at any time prior to, during, or following the planning permit application process.

### 7.4 FINANCIAL IMPLICATIONS

- 7.4.1 Council has incurred direct costs associated with notification during the public exhibition of Amendment C143. Further costs in processing this amendment, Panel hearing costs and the payment of statutory fees (for Ministerial approval), have been allocated in the 2016/17 budget.



**8. IMPLEMENTATION STRATEGY**

**8.1 TIMELINE**

- 8.1.1 A request to the Minister for Planning for appointment of an independent Planning Panel to consider Amendment C143 would immediately follow this meeting.
- 8.1.2 A Directions Hearing for the Panel is scheduled for the week beginning 22 May 2017 and the Panel Hearing is scheduled for the week beginning 19 June 2017. The duration of the hearing is estimated at 1-2 days, with this dependent on the number of submitters seeking to present to the Panel and the number of expert witnesses that are called.
- 8.1.3 Council will consider the Panel's recommendations and determine whether to adopt Amendment C143

**8.2 COMMUNICATION**

- 8.2.1 Council's website will be updated to reflect the next steps of the amendment process.
- 8.2.2 Submitters will be informed of any Council decision to proceed to the Panel stage.
- 8.2.3 Planning Panels Victoria will invite all submitters to present at the Panel Hearing.

**9. OFFICER DIRECT OR INDIRECT INTEREST**

- 9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.





<b>8.6</b>	<b>CITY OF PORT PHILLIP'S SUBMISSION TO CITY OF BAYSIDE REGARDING THE FUTURE OF ELSTERNWICK PARK NORTH</b>
<b>WARD:</b>	<b>CANAL</b>
<b>GENERAL MANAGER:</b>	<b>CLAIRE FERRES MILES, PLACE STRATEGY &amp; DEVELOPMENT</b>
<b>PREPARED BY:</b>	<b>RENAE WALTON, COORDINATOR SUSTAINABLE POLICY</b>
<b>TRIM FILE NO:</b>	<b>30/21/18</b>
<b>ATTACHMENTS:</b>	<b>1. Elsternwick Park North Site Plan Option 1a 2. Elsternwick Park North Site Plan Option 2a 3. Elsternwick Park North Option 5</b>

#### **PURPOSE**

- This report outlines the first round of concept plans relating to the future use of Elsternwick Park North being presented to Bayside City Council at a special Council meeting on April 26 2017.
- This report informs Council of the response City of Port Phillip officers will present to Bayside City Council at a special Council meeting on April 26 2017 regarding these concept plans.

#### **1. RECOMMENDATION**

That Council:

- 1.1 Supports Port Phillip City Council Officers speaking at Bayside City Council Special Council meeting on 26 April 2017 with respect to the items outlined in 3.1.1.
- 1.2 Notes the Elwood community's concerns regarding future use of Elsternwick Park North and the potential impact change in land use and form may have on the shape and size of future flood events.

#### **2. BACKGROUND**

- 2.1 Elsternwick Park is located on crown land in Bayside City Council, and is gazetted for public park and recreation purposes. Bayside City Council manages the park on behalf of the Department of Environment, Land, Water and Planning (DELWP).
- 2.2 The northern section of Elsternwick Park (north of Bent Avenue) is approximately 20 ha in area with an organised sport and recreation focus. Currently the park has a 9 hole public golf course, lawn bowls, two sporting fields that service cricket and Australian rules football clubs, tennis courts and children's play equipment.

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- 2.3 The Elster Creek runs directly through the park and during times of heavy rain the creek overflows and the park and golf course are inundated with flood waters.
- 2.4 Concept drawings visualising options for the future use of the park have been created and include ideas to increase the passive and active recreation potential of the park.
- 2.5 These concept drawings have been produced after a Deliberative Panel of 24 community members met in November 2016 to make recommendations for future uses of Elsternwick Park North.
- 2.6 The panel process was organised by Bayside City Council and was externally facilitated. The community members involved in the sessions included some Elwood residents and members of the Elwood Flood Action Group (EFLAG), Port Phillip Eco Centre and the Port Phillip Alliance for Sustainability.
- 2.7 Expert speakers from Bayside City Council, government organisations including Melbourne Water, the sporting organisations that currently use the park and local community groups who will be impacted by changes in the park, provided information and numerous options were discussed during the panel process.
- 2.8 Three Options were chosen by the panel for further consideration with option 1a being the preferred. A landscape architect was engaged to draw more detailed concept designs based on concept drawings completed by the community. Based on these drawings estimated costs have been established. The concept designs completed by the landscape architect take into account underground infrastructure (drains), planning controls (flood controls) and other requirements including disability access.
- 2.9 Option 1a includes the creation of an urban forest, an expanded wetland area accessible to the public through paths, an indigenous display garden and the retention of an upgraded Oval 2 in its existing location with a new pavilion. In this option the golf course is not retained. There may be some flood mitigation opportunity through an increased wetland however this has not been modelled. The total capital cost is \$7.99mil. See attachment 1.
- 2.10 Option 2a includes 4 netball courts with a new pavilion and associated car parking. The creation of an urban forest and expanded wetland area accessible to the public through paths, an indigenous display garden, moves Oval 2 to the north east corner and introduces a 'village green'. In this option the village green has the potential for stormwater detention due to proposed grassed mounding. In this option the golf course is not retained. The total capital cost is \$9.95mil. See attachment 2.
- 2.11 Option 5a retains and improves the golf course and extends the wetlands to the north increasing the overall size of the wetlands. An eco-café/pro shop and a wetlands viewing shelter for educational and community use is also included. This will provide an opportunity for bird watching and habitat interpretation. The total capital cost is \$4.81mil. See attachment 3.
- 2.12 City of Port Phillip community members have expressed concern that the presented options are not fully reflective of the determination of the Bayside Deliberative Panel.



- 2.13 The concept drawings of the three options completed by the landscape architect, will be taken to the Bayside City Council special council meeting on 26 April 2017 for consideration.
- 2.14 City of Port Phillip officers have liaised with Bayside City Council officers in regards to the future use of the park and will continue to maintain a strong relationship with our partners.

### **3. KEY INFORMATION**

- 3.1 The future use of Elsternwick Park North has the potential to impact City of Port Phillip (CoPP) residents, business and visitors positively if it includes flood retardation initiatives, or negatively if not designed appropriately. The parks future use also contributes to the amenity available particularly to Elwood residents, given its relative location.
- 3.2 The drawings being discussed at the Bayside City Council special Council meeting on 26 April 2017 are concept drawings only and do not include any detailed design.
- 3.3 CoPP Council Officers are aware that Melbourne Water have provided some comment regarding the options for increased flood retention however detailed modelling of water movement in and around the area has not occurred.
- 3.4 Of the options provided, Options 1a and 2a have the potential for stormwater detention included in the concept drawings, which may reduce the impact of flooding.
- 3.5 In option 2a, the inclusion of mounds around the village green could serve to make this area act as a retardation basin during large flood events where it could hold 18 000m<sup>3</sup> in additional storage, however consideration of the foundation and finished floor level of the pavilion would need to be mindful of inundation and set to eliminate the potential for flood damage.
- 3.6 Melbourne Water have advised that this will have a small impact on downstream flood levels reducing flow volume from 35m<sup>3</sup>/s to 33m<sup>3</sup>/s in the event of upper catchment significant rainfall events.
- 3.7 The City of Port Phillip's drainage engineer has also advised that downstream lines and discharge pits may also benefit from the additional storage which would be subject to further investigation.
- 3.8 Options 1a and 2a are proposing a new additional wetland which will increase habitat for flora and fauna and provide opportunity to improve stormwater quality. Once in the construction phase, best practice stormwater pollution management will also need to be considered.
- 3.9 Option 1a features shared pathways (cyclists and pedestrians) through the site and some pedestrian only pathways. Option 2a has more pedestrian pathways and only has one shared pathway from north-east (New Street) through to south-west (St Kilda Street) and will restrict bicycle access across the southern section of the site.

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- 3.10 Options 1a and 2a accommodate an increase of 40-50 angled car parking spaces to the north boundary of Bent Avenue.
- 3.11 Along with commending Bayside Council on the deliberative process that they have undertaken to review options considered by the community, Officers will also present the following information when speaking at the Bayside City Council Special Council meeting on 26 April 2017.
- The concern of residents that landform changes associated with the land use do not contribute negatively to downstream flooding.
  - The desire for inclusion of infrastructure or landform changes that maximise flood retardation and decrease downstream flow rates.
  - The request that all potential options are modelled to indicate positive or negative flood impacts.
  - That every opportunity to increase water quality through wetlands and the installation of pollutant traps, is taken.
  - The suggestion that multi-modal pedestrian connections through the park are maximised.



## **FURTHER SUPPORTING INFORMATION**

### **4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

- 4.1 *Engaged* - Build strategic relations with our partners (1.4)
- 4.2 *A Healthy, Creative and Inclusive City* - Support our community to achieve improved health and wellbeing (2.2)
- 4.3 *A Resilient City* - Build resilience through Council action and leadership (3.1)
- 4.4 *A Vibrant city* - Improve and manage local amenity and assets for now and the future (4.3); Ensure people can travel with ease using a range of convenient, safe, accessible and sustainable travel choices (4.4)

### **5. CONSULTATION AND STAKEHOLDERS**

- 5.1 Council officers contacted colleagues at Bayside City Council to clarify if Melbourne Water had reviewed the concept plans to provide input. It was confirmed that this was the case, some basic analysis has been done however extensive modelling of flood reduction potential would not be undertaken until a decision on future use of the park was made.
- 5.2 Council's Drainage Engineer was asked to provide comment on the mounding around the oval in option 2a. His review and commentary aligned with Melbourne Water's comments.

### **6. LEGAL AND RISK IMPLICATIONS**

- 6.1 There is a risk that CoPP's relationship with Bayside City Council is negatively affected by attending the Bayside Council special meeting on April 26 2017.

### **7. SUSTAINABILITY – Triple Bottom Line**

#### **7.1 ENVIRONMENTAL IMPLICATIONS**

- 7.1.1 Attending the Bayside Council special meeting on April 26 2017 to speak to the item at hand will have no negative environmental impact.

#### **7.2 SOCIAL & CULTURAL IMPLICATIONS**

- 7.2.1 None

#### **7.3 ECONOMIC IMPLICATIONS**

- 7.3.1 None

#### **7.4 FINANCIAL IMPLICATIONS**

- 7.4.1 None

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### 8. IMPLEMENTATION STRATEGY

#### 8.1 TIMELINE

8.1.1 Officers will be attending the Bayside City Council special Council meeting on April 26 2017.

#### 8.2 COMMUNICATION

8.2.1 NA

### 9. OFFICER DIRECT OR INDIRECT INTEREST

9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.



<b>8.7</b>	<b>OUTCOMES OF 22 FEBRUARY 2017 AUDIT AND RISK COMMITTEE MEETING</b>
<b>WARD:</b>	<b>WHOLE OF MUNICIPALITY</b>
<b>GENERAL MANAGER:</b>	<b>CHRIS CARROLL, ORGANISATIONAL PERFORMANCE</b>
<b>PREPARED BY:</b>	<b>JULIE SNOWDEN, CO-ORDINATOR RISK &amp; ASSURANCE</b>
<b>TRIM FILE NO:</b>	<b>98/01/11</b>
<b>ATTACHMENTS:</b>	<b>Nil</b>

### **PURPOSE**

The purpose of this report is to bring to the attention of Council the matters addressed at the 22 February 2017 meeting of the City of Port Phillip Audit and Risk Committee.

## **1. RECOMMENDATION**

That Council:

- 1.1 Receives and notes the report outlining the matters addressed at the 22 February 2017 Audit and Risk Committee meeting.

## **2. BACKGROUND**

- 2.1 Council is required by the Local Government Act 1989 to establish an Audit & Risk Committee as an advisory committee of the Council.
- 2.2 The City of Port Phillip Audit and Risk Committee Charter is reviewed annually by Council and requires the Audit and Risk Committee to report its activities to Council, including presenting a report of activities for the year.
- 2.3 The Charter also requires the Committee to meet five times per year. The most recent meeting of the Audit and Risk Committee was held on 22 February 2017.

## **3. KEY INFORMATION**

- 3.1 Two Councillors represent Council as members of the Audit and Risk Committee. Mayor Councillor Bernadene Voss was present at the 22 February 2017 Audit and Risk Committee meeting. Councillor Dick Gross was noted as an apology.
- 3.2 There are three external members on the Audit and Risk Committee. Helen Lanyon (Chair), Brian Densem and Kerryn O'Brien were all present at the 22 February 2017 Audit and Risk Committee meeting.

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- 3.3 The Interim Chief Executive Officer, the General Manager Organisational Performance, the Executive Manager Service and Business Improvement, the Acting CFO and the Coordinator Risk and Assurance were all present at the 22 February 2017 Audit & Risk Committee meeting as guests.

Other guests in attendance for specific items were representatives from PricewaterhouseCoopers and RSM Bird Cameron, the Chief Governance Officer and the Manager Business Technology.

- 3.4 Matters considered by the Audit and Risk Committee at its 22 February 2017 meeting were:

3.4.1 Chief Executive Officer's Report

The Committee noted the Chief Executive Officer's Reports for December 2016 and January/February 2017, acknowledging a smooth and successful Councillor transition, successful Council Plan engagement process and Council's adoption of the new Councillor Code of Conduct. An update was also provided on the status of the EBA negotiations which was progressing well with staff voting to commence shortly. An update was also provided on the recruitment of the new CEO and acting arrangements for the CFO.

3.4.2 External Audit

The Acting CFO walked the committee through a report on the proposed approach and timing of the review of Council's Fixed Asset Accounting policies. The Committee noted the report.

The Chair welcomed the External Auditor to the meeting who walked the committee through the VAGO's proposed external audit scope / strategy summarising the new focus areas for this year's audit including the introduction of materiality, an updated model for financial accounts and related party disclosures. The Committee noted the report.

3.4.3 Compliance Monitoring

The Committee noted the regular compliance update report as presented by the Chief Governance Officer.

An update was also provided on the review of Council's Codes of Conduct (Councillor & Staff Codes of Conduct). The Committee noted the report acknowledging the comprehensive work that had been put into their preparation.

3.4.4 Risk Management

The Committee noted the quarterly risk management update. The Committee specifically noted the improvements in reporting and monitoring of control actions for high and very high risks.

3.4.5 Assurance Activities Update

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The Committee noted that status of the Internal Audit Recommendations Report, the status of the Internal Audit Plan 2016/17, the External Publications report and the Core Compliance update. They also discussed the findings of the IT Vulnerability Review.

### 3.4.6 Supplementary Reports

The Committee noted the Business Technology Update which detailed the improvements in controls in the Business Technology area and the progress status update on the Customer Service Strategy.

### 3.4.7 Other matters

The Committee discussed several items of confidential business in relation to a staff complaint and contract management.

3.5 The minutes of the 22 February 2017 Audit and Risk Committee meeting have been circulated to all committee members and Councillors.

3.6 The next meeting of the Audit and Risk Committee is scheduled for 2 May 2017.

## 4. OFFICER DIRECT OR INDIRECT INTEREST

4.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

**AGENDA - ORDINARY MEETING OF COUNCIL – 19 APRIL 2017**





**9. NOTICES OF MOTION**

Nil





**10. REPORTS BY COUNCILLOR DELEGATES**





## **II. URGENT BUSINESS**





## 12. CONFIDENTIAL MATTERS

### RECOMMENDATION

That in accordance with Section 77(2)(a) of the Local Government Act 1989 (as amended), the meeting be closed to members of the public in order to deal with the following matters, that are considered to be confidential in accordance with Section 89(2) of the Act, for the reasons indicated:

#### 12.1 6-78 Buckhurst Street, South Melbourne

The information in this report is considered to be confidential in accordance with the Local Government Act 1989 (as amended), as it relates to:

89(2)(f). Legal advice.