

# CEO Report

#53 - April 2019



# CEO Report

## Issue 53



Message from the CEO.....	4
Transforming the City.....	5
Council scorecard.....	7
Project delivery update .....	9
What's happening in your neighbourhood? ...	17
Financial performance .....	18
Changes to portfolio.....	22
Organisational scorecard .....	23
Legislative update .....	24

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

## Guide to reading this report

-  **On track** Latest result has achieved target for measure  
Project is on track across all elements

---

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

---

-  **Off track** There is a significantly large variation from targeted result for measure  
Project is off track for one or more elements

All elements are weighted equally and milestones could be significant or small.

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

# “We partnered with the Port Phillip Community Group to facilitate small community events.”

**PETER SMITH**

CEO City of Port Phillip

**Welcome to the April issue of the CEO Report.**

**We partnered with the Port Phillip Community Group to facilitate small community events that promote social inclusion and connectedness among neighbours.**

**The partnership enabled another successful season Neighbourhood Ngargee gatherings across the City.**

## Neighbourhood Ngargee Season

The Neighbourhood Ngargee (gatherings) program closed after another successful season with 23 gatherings across five neighbourhoods.

Many of the gatherings have become regular events residents look forward to year after year. This year marked the 17th Finlay Street neighbourhood gathering in Albert Park. In Elwood, Ruskin Street residents held their first ‘get to know your neighbour’ event and are looking forward to making it an annual tradition.

Next season’s Neighbourhood Ngargee program will be advertised in September this year.

## Cultural diversity week

Port Phillip’s cultural diversity continues to evolve and shape our identity. Today, people from 163 countries, who speak 114 different languages call our city their home.

This year we celebrated Cultural Diversity Week, 16 to 24 March, with a variety of events including a market showcasing local migrant designers and artists, anti-racism training, multi-lingual health awareness workshops and music and arts events at our libraries.

## Anti-graffiti murals along the Elwood Canal

For the past year the Elwood canal has been subject to a program of proactive graffiti removal. As a result, historic tagging has been cleaned up and ongoing graffiti is rapidly addressed.

To interrupt the cycle of graffiti Council has engaged the artist “Sugar” to paint two murals at opposite sides of the canal adjacent to John Street.

Sugar’s work is inspired by nature and he has developed the mural concepts based on local flora and fauna.

## Recycling crisis

After a three-week interruption, recycling services resumed for Port Phillip on 13 March.

While there’s still uncertainty on the future of the recycling industry, we are strongly advocating for an action plan and looking for opportunities to partner with other councils and the Victorian Government to find a better, more sustainable way forward for our community.

## Social worker of the year at Port Phillip

World Social Work Day celebrates and recognises social workers as champions for social justice, self-determination and human rights.

The Victorian branch for the Australian Association of Social Works developed the award to recognise one social working in Victoria who makes an outstanding contribution to individuals, families and the community, and who exemplifies social work values, professional excellence and a commitment to social justice.

In honour of World Social Work Day, 19 March, our own Kate Incerti was named Victoria’s Social Worker of the Year.



# Transforming the City

The Council Plan 2017-27 sets out four areas where Council will focus its effort to see significant transformation over the next 10 years.

## Fishermans Bend

---

### What has happened?

- Officers continued precinct planning in line with work program.
- Officers determined the community engagement approach to consult on precinct planning.
- Streetscape works continued in Douglas Street and are nearing completion. Works also continued in Ferrars Street with the installation of pipes and Water Sensitive Urban Design garden bed structures.

### What's coming up?

- Officers will continue to develop the precinct plans focusing on open space and reviewing the infrastructure contributions plan.
  - Line marking will be completed in Douglas Street enabling it to be fully re-opened while works continue and are focussed on Ferrars Street. The final fit-out and plantings across the whole site will also be undertaken.
- 

## Waste Management

---

### What has happened?

- Officers have undertaken a review of the street and beach cleansing, hard waste collection and dumped waste collection.
- Officers have liaised Victorian Government departments for options and opportunities to manage and improve the recycling industry issues we are facing.
- Officers continue to work with the Metropolitan Waste and Resource Recovery Group to negotiate contract solutions for recycling for our community

### What's coming up?

- Finalise trial use of recycled plastics within road base for Mozart Street, St Kilda. Further trials will be undertaken in the 2019/20 financial year.
  - Officers will complete the review of the street and beach cleansing, hard waste collection and dumped waste collection.
  - Officers will conduct a review of Waste Management Guidelines.
-

## Water management

---

### What has happened?

- Work progressed on completing final assessment tasks, including potential governance models, the social and environmental impact investigation and dry condition modelling assessments for Albert Park stormwater harvesting development.
- Completed excavation and construction of two storage tanks for the Alma Park stormwater harvesting development project and commenced backfilling.
- Analysed opportunities for increased Water Sensitive Urban Design, permeability and Stormwater harvesting for inclusion in the Water Sensitive City Plan.

### What's coming up?

- Release a request for quote for stormwater harvesting opportunities assessment and flood planning to feed into the development of the Water Sensitive City Plan.
  - Community workshop to inform the development of the water sensitive city plan
- 

## Transport and parking

---

### What has happened?

- Completed intercept surveys to help complete the South Melbourne traffic study.
- Completed Fishermans Bend Parking Occupancy survey, where Council agreed to reduce parking fees from \$1.90 per hour to \$1.00 per hour based on utilisation rates.
- Installed 16 new on-street car share bays across the municipality and received 45 applications from Car Share providers for installing in June 2019.
- Continued to liaise with the Victorian Government to progress the delivery of transport commitments, including St Kilda Road Central Bike Lanes, Shrine to Sea corridor, Park Street Tram Link and the development of a Movement and Place Strategy for St Kilda Junction.

### What's coming up?

- Review applications for round two of new car share bays.
  - Continue to liaise with the Victorian Government to progress the delivery of multiple transport related projects.
  - Launch online survey to help completed the South Melbourne traffic study.
-

# Council scorecard

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

Where possible measures are updated on a monthly basis, otherwise data from previous period are reported below.

	Outcome indicators	Service measures	Areas for focus
<p>Direction 1 We embrace difference, and people belong</p>	<p>2 on track 1 at risk 0 off track</p>	<p>6 on track 6 at risk 0 off track</p>	<ul style="list-style-type: none"> <li>The outcome indicator at risk relates to residents that agree Port Phillip is welcoming and supportive for everyone (annual survey conducted in February 2018) which remained stable and just below target (93 per cent compared to &gt;95 per cent).</li> <li>Four of the service measures at risk relate to community satisfaction survey results conducted in February 2018 (recreational facilities, services contributing to health and wellbeing of the community, supporting older people and people with disabilities and family, youth and children), where a slight decrease was experienced and results dropped below target. Participation in first MCH home visit and participation in MCH service fell slightly below target in quarter two (95.62 per cent and 62.17 per cent respectively compared to 100 per cent). These measures are cumulative measures and are expected to increase as the year progresses, although slightly below the same period last year.</li> </ul>
<p>Direction 2 We are connected and it's easy to move around</p>	<p>3 on track 0 at risk 0 off track</p>	<p>5 on track 3 at risk 0 off track</p>	<ul style="list-style-type: none"> <li>Two of the service measures at risk relate to the community satisfaction survey conducted in February 2018 (transport planning policy, safety and design and sealed local roads), where a slight decrease was experienced and results dropped below target. The third measure related to cost of sealed local road resealing, which has increased above target due to increased resealing of higher traffic roads which require a thicker seal from 40mm to 60mm (\$59.45 compared to target of \$50.00).</li> </ul>
<p>Direction 3 We have smart solutions for a sustainable future</p>	<p>5 on track 0 at risk 0 off track</p>	<p>9 on track 4 at risk 0 off track</p>	<ul style="list-style-type: none"> <li>Three service measures at risk relate to the community satisfaction survey conducted in February 2018 (making Port Phillip more environmentally sustainable, street cleaning and waste and recycling), where a slight decrease was experienced and results dropped below target. One annual measure at risk relates Council waste production, data from 2017/18 year end indicates that 59.6T of waste is produced.</li> </ul>

	Outcome indicators	Service measures	Areas for focus
<p>Direction 4 We are growing and keeping our character</p>	 <p>2 on track 2 at risk 0 off track</p>	 <p>13 on track 3 at risk 0 off track</p>	<ul style="list-style-type: none"> <li>Results from the community satisfaction survey conducted in February 2018 related to residents who feel a sense of security in Port Phillip experienced a decrease and dropped below target. The cumulative quarter two result for Council planning decisions upheld at VCAT also fell short of our target (65 per cent compared to 70 per cent). However, we have experienced an increase from quarter one (63 per cent) and when we include mediated and withdrawn outcomes upheld at VCAT the result would be 77 per cent (and above target).</li> <li>Community satisfaction results from the survey conducted in February 2018 show resident perception of planning services decreased and results dropped below target (78 per cent compared to 80 per cent). The cumulative quarter two result for cost of planning service was above annual target (\$2,700.58 compared to \$2,500.00). The cumulative quarter two results for planning applications decided within timeframes have remained at 54 per cent below our target of 60 per cent. While less applications have been received, a combination of complex applications and difficulties in recruiting experienced staff has contributed to the timeframes.</li> </ul>
<p>Direction 5 We thrive by harnessing creativity</p>	 <p>1 on track 3 at risk 0 off track</p>	 <p>6 on track 3 at risk 0 off track</p>	<ul style="list-style-type: none"> <li>Two of the outcome indicators at risk relate to community satisfaction survey results conducted in February 2018 (culture of creativity and opportunity to participate in affordable events or activities), where a slight decrease was experienced and results dropped below target. The third outcome indicator relates to the percentage of people employed in the top five industries of total employment (50 per cent compared to 54 per cent).</li> <li>Two of the service measures at risk relate to community satisfaction survey results conducted in February 2018 (visitor management and good range of business services), where a slight decrease was experienced and results dropped below target. The two remaining measures relate to our libraries, library collection usage (4.42 compared to 4.50) and visits to library per capita (5.85 compared to 6.50). Visits continue to decrease, with the cumulative visits year to date nearing 20,000 under the same time last year.</li> </ul>
<p>Direction 6 Our commitment to you</p>	 <p>3 on track 2 at risk 0 off track</p>	 <p>15 on track 7 at risk 0 off track</p>	<ul style="list-style-type: none"> <li>Two of the outcome indicators at risk relate to community satisfaction survey results from the survey conducted in February 2018 (community engagement and overall performance), where a slight decrease was experienced and results dropped below target.</li> <li>Three service measures at risk results relate to the community satisfaction survey conducted in February 2018 (advocacy, Council decisions, and website ease of use and navigation), where a slight decrease was experienced and results dropped below target. The asset management and project maturity scores (assessed annually) fell slightly short of target (asset maturity 952 compared to 1000 and project maturity 20.4 compared to 21). Staff turnover remained above target (cumulative result of 8.42 per cent compared to 6.67 per cent). Four material legislative breaches have been recorded all relating to the disclosure of employee details.</li> </ul>

# Project delivery update

The Council Plan 2017-27 commits us to a project portfolio worth more than \$66 million in 2018/19. This section provides a detailed update on the status of each major initiative identified in the plan and the overall project portfolio for each of the six directions as at the end of February 2019.

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

## Direction 1 - We embrace difference, and people belong

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
<b>In Our Backyard strategy implementation</b>						
Deliver	✔	<p>Project is on track. The IOBY Action Plan 2018-19 was adopted in December 2018, which reviewed the targets and redefined priority actions.</p> <p>Delivery of the first pop-up housing project in Albert Road, South Melbourne (Lakeside formerly Claremont Nursing Home) has been completed. Other initiatives planned in 2018/19 are: assessment of the preliminary short-list of sites for Council's property pipeline as part of Council's commitment to an investment portfolio, facilitation of the Marlborough Street project being delivered by Housing First, and preparation of a Housing Needs Framework. Program Delivery Guidelines, due for completion by July 2019, will outline the service model Council will use to implement In Our Backyard, through a range of housing interventions, initiatives and projects across the 2018/19 - 2020/21 years.</p>	Jun 2021	Jun 2021	226	226
<b>JL Murphy Reserve Pavilion upgrade</b>						
Deliver	✔	<p>Project is on track. Demolition of the existing sections of the pavilion and the rough-in of services has been completed, screw piles have been installed, and the slab preparation is well advanced. A 'sod turning' event was held with stakeholders on 15 March.</p>	May 2020	May 2020	1,368	1,368
<b>North Port Oval upgrade</b>						
Plan	✔	<p>Project is on track. Reinstatement of the oval surrounds has commenced, with asphalt path repairs undertaken in front of the grandstand and topsoil spread to oval surrounds. The establishment and maintenance of new grass is underway and the ground will be ready for round three of the VFL match fixture in April 2019.</p>	Jun 2019	Jun 2019	1,950	1,950
<b>Peanut Farm Reserve Sports Pavilion upgrade</b>						
Deliver	✔	<p>Project is on track. The Pavilion works are complete and clubs have commenced moving into the building. Landscaping of the surrounding area is underway. This includes new paths, cricket nets, plantings and hit-up wall.</p>	Mar 2019	Apr 2019	2,315	2,315

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
<b>South Melbourne Life Saving Club redevelopment</b>						
Deliver	✔	Project is on track. Construction works are 70 per cent complete and the building is at 'lock-up' stage. Members of the Club Committee inspected the new building on 22 March 2019. Principles for the new tenancy agreements with the Club and kiosk have been established, and discussions have commenced with the Club.	Jun 2019	Jun 2019	100	100

### Overall project status



There are 22 projects contributing to the outcomes in this direction. At the end of February 2019 the Health and Wellbeing Strategy Implementation projects was considered off track.

### Off track non-major initiative project status

#### Health and Wellbeing Implementation Strategy ❌

The project is off track. A number of tasks under initiative one and two have been deferred until the Community Safety Action Plan is developed and community safety and place-making roles are consolidated. A number of tasks under initiative three and four have been deferred as the new homelessness collective impact response role is established in the context of the Homelessness Action Strategy and review of Council's affordable housing program. Project timelines and scope are under review and the project will be re-baselined.

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

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
<b>Integrated Transport Strategy implementation</b> <span style="color: red;">T</span>						
Plan	<span style="color: yellow;">⚠</span>	<p>Program is on track, with 18 of the 42 actions in the strategy progressing. Highlights for February 2019 include:</p> <ul style="list-style-type: none"> <li>• completion of intercept surveys and about to launch an online survey to help complete the South Melbourne traffic study</li> <li>• installation of 16 new on-street car share bays across the municipality and 45 applications from Car Share providers for installing in June 2019</li> <li>• working with the South Melbourne Park Primary School to encourage active travel</li> <li>• continued working with our partners in Victorian Government to progress the delivery of St Kilda Road central bike lanes, Shrine to Sea corridor, Park Street Tram Link and the development of a Movement and Place Strategy for St Kilda Junction.</li> </ul>	Jun 2019	Jun 2019	300	300
<b>Kerferd Road safety improvements</b> <span style="color: red;">T</span>						
Plan		<p>Project is on hold. The scope of the Victorian Government's funding commitment of \$13 million for the 'Shrine to Sea' corridor and its implementation is not yet determined. Council is currently awaiting the results of Parks Victoria's community consultation and proposed next steps. In the meantime, we are assessing the need for temporary interventions to address safety issues at intersections along Kerferd Road.</p>			175	175

### Overall project status



There are 22 projects contributing to the outcomes in this direction. At the end of February 2019 the Wellington Street Upgrade Stage three project was considered off track.

#### Completed major initiative projects

##### Integrated Transport Strategy development ✔

Project is completed. Council adopted the ten-year strategy, Move, Connect, Live, on 20 September following extensive community feedback.

#### Off track non-major initiative projects

##### Wellington Street upgrade stage 3 ✘

Project is off track due to delays in obtaining final VicRoads approval. Project schedule to be rebaselined.

## Direction 3 - We have smart solutions for a sustainable future

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
<b>Albert Park Stormwater Harvesting development</b> <span style="float: right;">T</span>						
Deliver		Project is at risk due to delays in completing the final assessment tasks, including potential governance models, the social and environmental impact investigation and dry condition modelling assessments. The outcomes of these studies will be instrumental in determining the project's viability, and will be reported to the project partners in early April 2019.	Jun 2019	Jun 2019	100	100
<b>Alma Park Stormwater Harvesting development</b> <span style="float: right;">T</span>						
Deliver		Project is on track. The underground tanks have been installed and backfilled. The new turf is growing well and will be ready for use in early April 2019. We are working closely with oval users, including local sports clubs and schools to minimise any interruptions.	Jun 2019	Jun 2019	2,815	2,815
<b>Sustainable Environment Strategy implementation</b> <span style="float: right;">T</span>						
Deliver		<p>Program is on track. Highlights from February include:</p> <ul style="list-style-type: none"> <li>• completion of lighting upgrades in Bubup Nairm</li> <li>• commencement of procurement to upgrade six solar hot water systems, install three solar PV systems and install electric vehicle charging stations in Council buildings. These projects will contribute to reduce Council's energy use and greenhouse emissions</li> <li>• engagement of experts to assess climate change impacts and risks to Council's assets</li> <li>• commencement of planning for Water Sensitive Urban Design, increased permeability and Stormwater Harvesting opportunities as part of the development of the Water Sensitive City Plan.</li> </ul>	Jun 2019	Jun 2019	280	280
<b>Waste Strategy implementation</b> <span style="float: right;">T</span>						
Plan		<p>Program is on track. All 25 endorsed actions from the Strategy will commence in the 2018/19 financial year. Reviews of street and beach cleansing, hard waste collection and dumped waste collection are underway.</p> <p>After a three-week interruption, recycling services resumed for Port Phillip on 13 March 2019. While there is still uncertainty on the future of the recycling industry, we are strongly advocating for an action plan and looking for opportunities to partner with other councils and the Victorian Government to find a better, more sustainable way forward for our community.</p>	Jun 2019	Jun 2019	280	280

### Overall project status



There are 23 projects contributing to the outcomes in this direction. At the end of February 2019 no projects were considered off track.

#### Completed major initiative projects

##### Waste strategy development

Project is completed. Council adopted the ten-year strategy, Don't Waste It!, on 17 October 2018.

## Direction 4 - We are growing and keeping our character

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
<b>Ferrars Street Education and Community Precinct - Streetscape Upgrade</b> 						
Deliver		Project is at risk due to potential costs associated with dealing with contaminated soil. This risk is being actively monitored. Full costs are expected to be known in the coming weeks. Works along Douglas Street are almost at completion and line marking will be completed in March 2019 enabling it to be fully re-opened. Works are continuing in Ferrars Street with the installation of pipes and construction of raingarden structures. The final fit-out and planting across the whole site will take place in the coming weeks.	Dec 2018	Mar 2019	2,434	2,434
<b>Gasworks Arts Park Contamination Management Plan</b>						
Deliver		Project is on track. Council officers continue to work with the Victorian Government to develop a draft park plan in accordance with the draft Contamination Management Action Plan (CMAP).	Jun 2018	Jan 2020	20	20
<b>Public Spaces Strategy development</b>						
Plan		Project is off track in relation to schedule, while remaining on track with respect to scope and budget. A new project manager has been appointed and work re-allocation has occurred to ensure the project is back on track for completion in December 2019. Community engagement to inform development of the strategy will take place in May/June 2019, aligned with Council's new neighbourhood engagement program.	Jun 2020	Oct 2019	125	125
<b>St Kilda Marina</b>						
Plan		Project timeline is at risk due to additional time required to work through complex issues to inform development of the Site Brief and procurement approach. Additional engagement with the community panel and further technical investigations have been required to ensure Council have the information required to inform their decision making. This additional work has also placed pressure on the budget. The budget will be monitored carefully to manage the additional costs. Consultation on the proposed interim lease was completed in early March 2019 and a hearing of submissions was presented to Council on 20 March 2019. A final report to Council for decision on the proposed short term lease is scheduled for 3 April 2019. The Stage 3 Community Engagement Report will be presented to Council on 15 May 2019 summarising the outcomes of the Community Panel and broader community survey.	Jun 2021	Jun 2021	460	460

### Overall project status



There are 27 projects contributing to the outcomes in this direction. At the end of February 2019 the Elwood wall and playspace upgrade and Fitzroy Street Streetscape Upgrade Stage 2 were considered off track.

#### Completed major initiative projects

**Ferrars Street Education and Community Precinct - Construction of Montague Park (proposed name Kirrip Park)** T ✔

Project works were completed and Kirrip Park officially opened on 20 October 2018 attended by members of the community, Mayor, Councillors and Hon. Martin Foley, MP.

#### Off track non-major initiative projects

**Elwood wall and playspace upgrade** ✘

Project is off-track due to alterations required to the design of the proposed wall, which were completed in January 2019. A public tender commenced in February 2019 and it is anticipated that construction will start in May 2019 with an expected completion date in August 2019. Project schedule to be rebaselined.

**Fitzroy Street streetscape upgrade Stage 2** ✘

Project is off track. Public Transport Victoria has confirmed the Fitzroy Street tram stop upgrade will not be delivered in this financial year. Council's contribution to streetscape upgrades, which is contingent on the PTV works, will be deferred into 2019/20.

## Direction 5 - We thrive by harnessing creativity

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	208/19 Forecast \$'000
<b>Creative and Prosperous City Strategy implementation</b>						
Plan	✔	<p>Program is on track. Highlights from February 2019 include:</p> <ul style="list-style-type: none"> <li>the Acland Street and Fitzroy Street special rates were unanimously renewed by Council on 20 February 2019</li> <li>the Creative Cluster Advisory Panel met for a second time confirming the Chairs over the next 18 months</li> <li>the 2019 St Kilda Festival took place and deemed to be huge success with over 400,000 people attending the free annual event. We also conducted 1,400 surveys at the event, which will help inform Council's Live Music Action Plan.</li> </ul> <p>Highlights relating to Placemaking include:</p> <ul style="list-style-type: none"> <li>a stallholder satisfaction survey was carried out at the St Kilda Esplanade Market with 79 respondents completing the survey. Satisfaction was measured at 94 per cent and will inform future planning at the Market. Customer surveys commenced at the Market including people counting and was completed in March 2019</li> <li>a City of Port Phillip Placemaking website is under development with testing of the site due to take place in March 2019. Meetings continue to take place with stakeholders in Fitzroy Street in relation to placemaking and Renew Australia have been contacted to complete work in renewing Fitzroy Street with a feasibility study which is in progress.</li> <li>initial engagement also commenced in the South Melbourne placemaking precinct with over 250 points of contact with businesses, residents and property owners made ahead of the place audit and place planning sessions that will commence in April 2019.</li> </ul>	Jun 2019	Jun 2019	640	640

### Overall project status



There are 19 projects contributing to the outcomes in this direction. At the end of February 2019 no projects were considered off track.

### Completed major initiative projects

Linden Gallery ✔

Project has been completed.

## Direction 6 - Our commitment to you

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
<b>Customer Experience Program</b>						
Deliver		Program is at risk. The procurement process is continuing for the core technology solutions including Finance, Procurement, Asset Management, Property and Rates, Customer systems and an integration layer that connects these and other systems. Procurements are also being undertaken to support a new website and facility booking and events management system. We will be undertaking further due diligence through the procurement phase to ensure appropriate evaluation and selection of partners and solutions – this is putting some pressure on timelines. We expect the status to remain at risk until procurement is complete providing greater certainty around scope, timelines and budget. Other areas of the program remain on track including development of frameworks for a single customer view across the organisation. Work also commenced on reviewing the most used Council forms and establishing a guide for new and improved form design that better meets customer needs. An internal audit of program governance and benefits management has commenced.	Jun 2021	Jun 2021	8,180	8,180

### Overall project status



There are 15 projects contributing to the outcomes in this direction. At the end of February 2019 the Building safety and accessibility program and Health and safety improvement project and Property policy development projects were considered off track.

### Off track non-major initiative project status

#### Building safety and accessibility program

Program is off track due to increased time required to deliver the redesigns for each of the town hall front counters. Building safety corrective actions are currently on track with switchboard upgrades commenced. All other projects within the program are on track to be delivered.

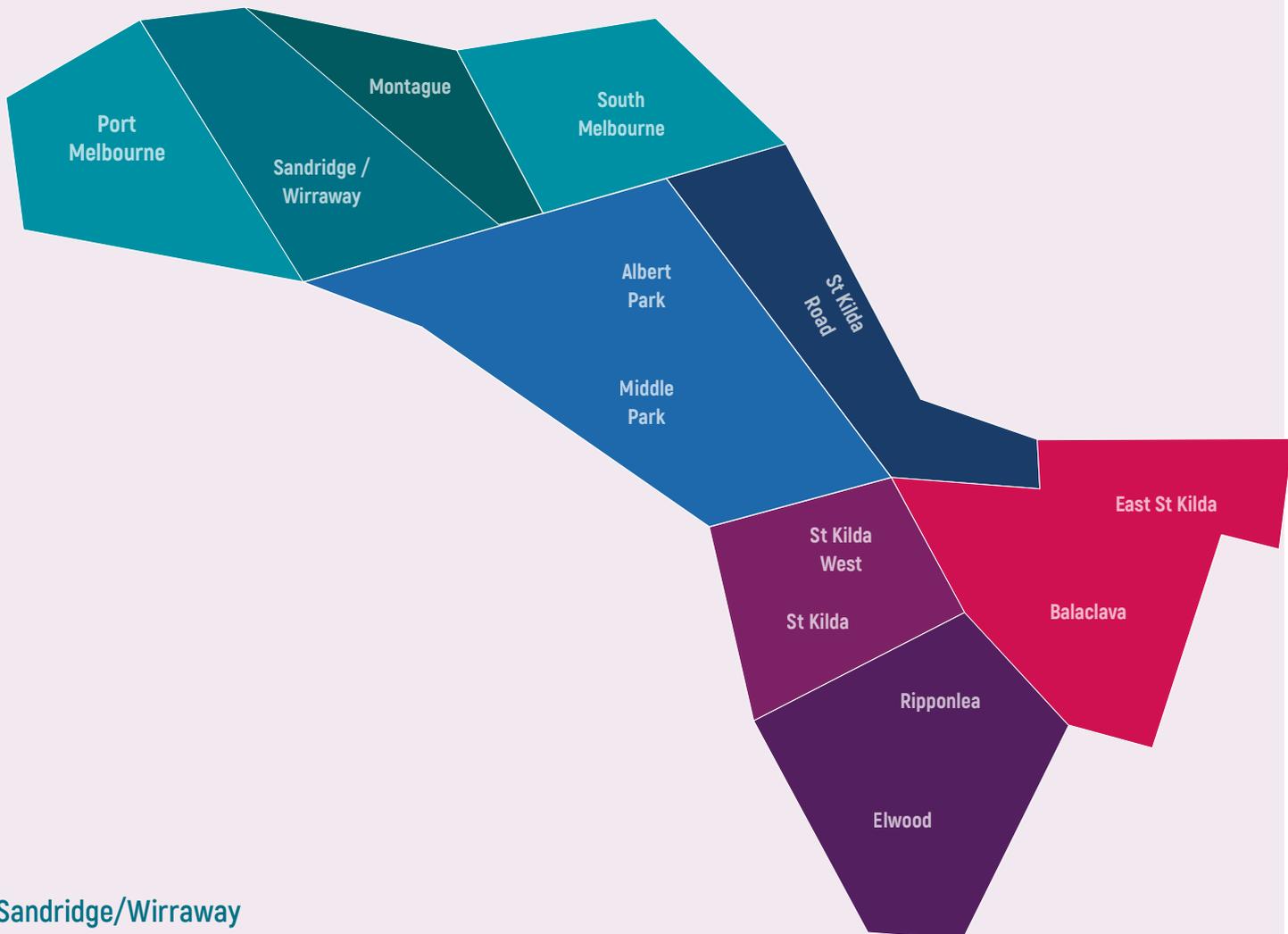
#### Health and safety improvement project

Project is off track. The new Head of Safety and Wellbeing role is undertaking a review of the timeframes prescribed in the project and accountability of each of the elements. Detailed project plans are being developed to ensure improved monitoring and effective implementation.

#### Property Policy development

Project is off track due to delays in finalising the consultation approach, reflecting the complexity of the policy and the significance of any policy changes. Consultation in key policy changes prior to the development of the draft policy is expected to take place in March 2019, consultation on the draft policy in June 2019, and Council adoption in September 2019. Project schedule to be rebaselined.

## What's happened in our local neighbourhoods?



### Sandridge/Wirraway

- Completed demolition works at JL Murphy Reserve Pavilion.
- Continued development of the final playspace concept for JL Murphy playspace upgrade based on community feedback.

### Montague

- Continued works on streetscape works at Douglas and Ferrars streets intersection.

### South Melbourne

- Continued works upgrading South Melbourne Town Hall.
- Appointed a contractor to install solar panels at South Melbourne Market.

### Port Melbourne

- Continued work on establishment and maintenance of new grass at North Port Oval.

### St Kilda Road

- Continued to work closely with partners to deliver on the Metro Tunnel project.

### Albert Park/ Middle Park

- Continued construction to redevelop the South Melbourne Life Saving Club building and public amenities.
- Continued to work with the Victorian Government to develop a draft Park Plan in accordance with the Gasworks Arts Park Contamination Management Action Plan.
- Consultants commenced assessment of social and environmental impact of water harvesting at Albert Park.

### St Kilda / St Kilda West

- Continued construction of the pavilion at Peanut Farm Reserve.
- Continued repairing mortar between the stones in the rock wall along Pier Road at Catani Gardens.

### Elwood / Ripponlea

- Continued development of concept design work for a new adult fitness station at Elwood Foreshore.
- Released public tender for works on Elwood wall and playspace upgrade.

### Balaclava / St Kilda East

- Installed two storage tanks for the stormwater harvesting project at Alma Park.

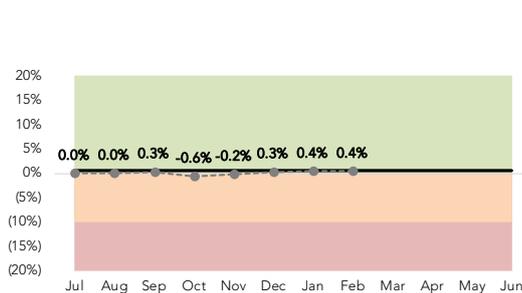
# Financial performance

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

- As highlighted by the six VAGO financial indicators below, the full year forecast as at February 2019 indicates an overall low risk financial sustainability rating for Council.
- Council expects to achieve a cumulative cash surplus of \$1.1 million for 2018/19.

## Financial sustainability indicators

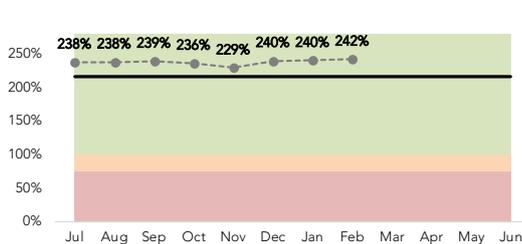
### 1.1 Net Result % (Net Surplus over Total Income)



Target: Greater than 0%      Year-end forecast: (0.4%)      Status: ✔

Comments: This financial indicator assesses Council's ability to generate sufficient funds for asset renewals. A small surplus is budgeted for 2018/19 which includes non-recurrent Customer Experience Program expenditure. Council is expected to deliver an operating surplus of \$0.9 million, 0.4 per cent of total income.

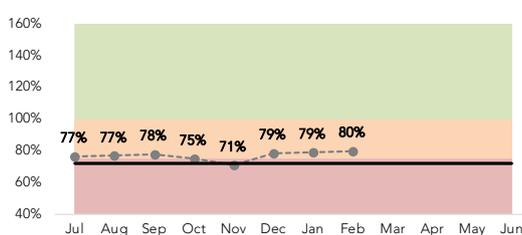
### 1.2 Working Capital % (Current Assets over Current Liabilities)



Target: Greater than 100%      Year-end forecast: 242%      Status: ✔

Comments: This financial indicator assesses Council's ability to pay short term liabilities as they fall due. The Budget 2018/19 had a working capital ratio of 216 per cent. The actual financial position for 2017/18 compared favourably to the forecast position for 2017/18 when the 2018/19 budget was prepared. This will continue for the rest of the 2018/19 which is reflected in the current full year forecast as at February 2019 of 242 per cent. Council has no issues in paying suppliers and employees when payments fall due.

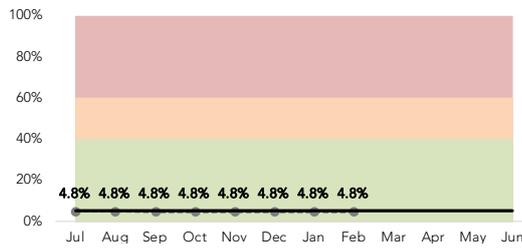
### 1.3 Internal Financing % (Net Operational Cashflows compared to Net Cash Capital Outlay)



Target: Greater than 100%      Year-end forecast: 80%      Status: ⚠

Comments: This financial indicator assesses Council's ability to generate sufficient cash from operations to fund new assets. The Budget 2018/19 includes the Customer Experience program expenditure, non-recurrent operating expenditure to improve systems and processes for external and internal customers in a cloud-based platform which could not be classified as capital expenditure. The full year forecast as at February 2019 shows Council is on track to achieve better than budget.

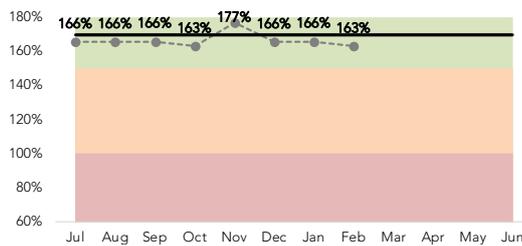
**1.4 Indebtedness % (Own Sourced Revenue compared to Non Current Liabilities)**



Target: Less than 40%      Year-end forecast: 4.8%      Status: ✔

Comments: This financial indicator assesses Council’s ability to repay its non-current debt from its own source revenue. This indicator shows a low risk for Council as the ratio of 4.8 per cent for Budget 2018/19 is significantly lower than the 40 per cent target.  
The full year forecast as at February 2019 shows Council is on track to achieve budget.

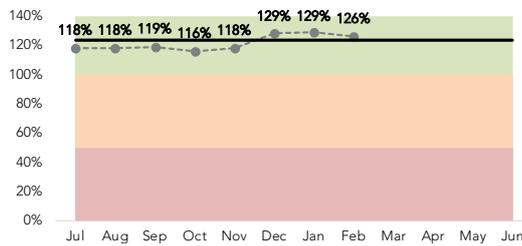
**1.5 Capital Replacement % (Total cash capital outlay / Depreciation)**



Target: Greater than 150%      Year-end forecast: 163%      Status: ✔

Comments: This financial indicator assesses whether Council’s spend overall in renewing, growing and improving its asset base is sufficient. The Budget 2018/19 ratio of 170 per cent included our planned strategic land acquisition. The full year forecast as at February 2019 shows a ratio of 163 per cent, which is a relative high ratio. A 14 per cent decrease since November 2018 mainly due to the \$3 million deferral for the Sustainability Hub Land Acquisition project to 2019/20.

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



Target: Greater than 100%      Year-end forecast: 126%      Status: ✔

Comments: This financial indicator assesses if Council’s spend on its asset base is keeping up with the rate of asset depletion. The Budget 2018/19 ratio of 124 per cent indicates sufficient provision in the capital program for asset renewal and upgrade. The full year forecast as at February 2019 shows a ratio of 126 per cent mainly due to the South Melbourne Life-saving club redevelopment spend ahead of budget.

**Key**

— Budget 2017/18      ● Year end forecast

## Comprehensive Income Statement Converted to Cash - February 2019

We use the Comprehensive Income Statement Converted to Cash to ensure prudent financial management by maintaining a cumulative cash surplus. The current forecast for 2018/19 is a cumulative cash surplus of \$1.1 million which compares favourably against the budgeted cash surplus of \$0.68 million.

	Actual	Forecast	Actual to Forecast		Forecast	Budget	Forecast to Budget		Notes
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	
<b>Income</b>									
Rates and Charges	83,870	83,714	156	0%	125,195	124,899	296	0%	
Statutory Fees and Fines	15,321	15,333	(12)	(0%)	23,185	23,896	(711)	(3%)	
User Fees	26,054	25,824	230	1%	37,940	38,254	(314)	(1%)	
Grants - Operating	7,531	7,446	85	1%	10,224	9,233	991	11%	
Grants - Capital	1,830	1,852	(22)	(1%)	4,124	3,573	551	15%	
Contributions - Monetary	5,260	5,208	52	1%	9,571	7,124	2,447	34%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	9,734	9,250	484	5%	14,137	14,477	(340)	(2%)	
<b>Total Income</b>	<b>149,599</b>	<b>148,626</b>	<b>974</b>	<b>1%</b>	<b>224,377</b>	<b>221,456</b>	<b>2,921</b>	<b>1%</b>	1
<b>Expenses</b>									
Employee Costs	62,872	63,365	493	1%	93,334	95,582	2,248	2%	
Materials and Services	41,140	41,540	400	1%	74,464	75,047	583	1%	
Professional Services	6,488	6,468	(20)	(0%)	13,468	7,989	(5,479)	(69%)	
Bad and Doubtful Debts	2,651	2,275	(376)	(17%)	3,961	3,464	(497)	(14%)	
Depreciation	16,892	16,892	(0)	(0%)	25,338	25,338	0	0%	
Borrowing Costs	202	212	10	5%	420	450	30	7%	
Other Expenses	5,366	4,888	(477)	(10%)	8,167	8,214	47	1%	
Net (Profit) or Loss on Disposal of Assets	449	1,923	1,474	77%	4,335	4,335	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
<b>Total Expenses</b>	<b>136,059</b>	<b>137,564</b>	<b>1,505</b>	<b>1%</b>	<b>223,487</b>	<b>220,419</b>	<b>(3,068)</b>	<b>(1%)</b>	2
<b>Operating Surplus / (Deficit)</b>	<b>13,540</b>	<b>11,062</b>	<b>2,478</b>	<b>22%</b>	<b>890</b>	<b>1,037</b>	<b>(147)</b>	<b>(14%)</b>	
<b>Income Statement Converted to Cash</b>									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	16,892	16,892	0	0%	25,338	25,338	0	0%	
• Add back written-down value of infrastructure assets disposals	526	2,000	(1,474)	(74%)	4,950	4,950	0	0%	
• Add back written-down value of fleet asset disposals	143	333	(190)	(57%)	500	500	0	0%	
• Add back balance sheet work in progress reallocated to operating	345	0	345	0%	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	0	0	0	0%	0	0	0	0%	
	<b>17,907</b>	<b>19,225</b>	<b>(1,319)</b>	<b>(7%)</b>	<b>31,988</b>	<b>31,988</b>	<b>0</b>	<b>0%</b>	
<b>Adjustments for investing items:</b>									
• Less capital expenditure - Infrastructure	(19,173)	(20,025)	852	(4%)	(38,075)	(39,706)	1,630	(4%)	
• Less capital expenditure - IT, Plant and Equipment	(1,389)	(1,289)	(100)	8%	(3,155)	(3,244)	89	(3%)	
	<b>(20,562)</b>	<b>(21,314)</b>	<b>753</b>	<b>(4%)</b>	<b>(41,230)</b>	<b>(42,950)</b>	<b>1,719</b>	<b>(4%)</b>	3
<b>Adjustments for financing items:</b>									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(276)	(447)	171	(38%)	(670)	(670)	0	0%	
	<b>(276)</b>	<b>(447)</b>	<b>171</b>	<b>(38%)</b>	<b>(670)</b>	<b>(670)</b>	<b>0</b>	<b>0%</b>	
<b>Adjustments for reserve movements:</b>									
• Discretionary Reserve Drawdown/ (Replenish)	9,399	9,375	23	0%	7,782	7,324	458	6%	
• Statutory Reserve Drawdown/ (Replenish)	0	0	0	0%	(217)	1,560	(1,776)	(114%)	
	<b>9,399</b>	<b>9,375</b>	<b>23</b>	<b>0%</b>	<b>7,565</b>	<b>8,883</b>	<b>(1,318)</b>	<b>(15%)</b>	4
<b>Current Year Surplus/(Deficit)</b>	<b>20,008</b>	<b>17,901</b>	<b>2,107</b>	<b>12%</b>	<b>(1,457)</b>	<b>(1,712)</b>	<b>254</b>	<b>(15%)</b>	
Opening balance carry forward surplus	2,595	2,595	0	0%	2,595	2,389	206	9%	
<b>Accumulated Cash Surplus</b>	<b>22,603</b>	<b>20,496</b>	<b>2,107</b>	<b>10%</b>	<b>1,138</b>	<b>677</b>	<b>460</b>	<b>68%</b>	

## Notes to the Comprehensive Income Statement Converted to Cash

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

### Note 1: Operating income forecast increased by \$2.92 million:

- \$0.70m The rollout of PayStay (a convenient payment option via mobile devices for paid parking customers) has contributed to the uplift of paid parking income.
- \$0.13m Increased income generated from Street Occupation and Skip Bin Permits.
- (\$0.71m) Lower number of notices to be issued for parking infringements due to staff resourcing issues. Temporary officers have been recruited in March to address this issue.

### Note 2: Operating expenditure forecast increased by \$3.07 million:

- \$0.39m Reduced Employee costs due to vacancies across the Enterprise.
- (\$0.50m) Increased doubtful debt provision for parking debtors managed by Fines Victoria reflecting ongoing collection and system issues.

### Note 3: Capital expenditure forecast decreased by \$1.72 million:

- \$0.28m Gasworks Theatre Seats Replacement deferred due to lead time for procurement of seating and the programming requirements of the theatre.
- \$0.20m Fitzroy Street Streetscape Upgrade works deferred to 2019/20 based on PTV scheduling.
- \$0.10m Essential Safety Measures scope to be delivered in 2018/19 program reduced due to longer than expected planning of works.
- \$0.09m Planned vehicles to be renewed in 2018/19 will not take place due to unavailability of hybrids.

### Note 4: Net drawdown on reserves increased by \$1.32 million:

- \$0.06m Reduced drawdown on reserves due to lower Aged Care Transition project expenditure.
- \$0.10m Drawdown on tied grant reserves for the Vic Health 'What's Your Story?' program

## Changes to the portfolio

The City of Port Phillip enterprise portfolio comprises over 120 of programs and projects with a total budget of over \$66 million.

The table below outlines significant changes to the project portfolio during January to March 2019.

<b>Project</b>	<b>Change</b>
Gasworks Theatre Seats Replacement	Project completion has been extended by eight months to March 2020 due to delays in the lead time required for procurement of seats as per request from the Gasworks Board. There is a corresponding deferral of \$280,000 to 2019/20 with no impact on the overall project budget of \$343,000.
Health and Wellbeing Implementation Strategy - Priority Initiatives	Project scope and funding have been revised as part of project delivery due to completed project activities being funded from operating budgets. Project funding has been reduced by \$88,000 to \$113,000.
South Melbourne Town Hall Lifts Upgrade	Project scope, funding and schedule have been revised to include the full design and construction of the eastern ramp at South Melbourne Town Hall to meet the DDA compliance. Additional funding of \$43,000 approved to cover costs of the eastern ramp delivery. \$268,000 was deferred to 2019/20 and schedule has been extended by 11 months to January 2020.

# Organisational scorecard

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

The below table outlines the latest results for our organisational scorecard. Results with an \* are annual measures where results are from 2017/18 year end, all other measures are February 2019 results.

## Improving customer experience and technology, and being more innovative

	Latest Result	
Community satisfaction with Council's performance greater than 65*	63	⚠️
80% community requests responded to on time	92%	✅
80% calls answered within 30 seconds	81%	✅

## Improving community engagement, advocacy, transparency and governance

	Latest Result	
90% risk and audit actions completed on time	100%	✅
90% councillor attendance at Council meetings	100%	✅
90% Council decisions made in public	85%	⚠️
0 material legislative breaches	4	❌
Average community satisfaction rating for community consultation, advocacy and decision making above 60*	56	⚠️

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

	Latest Result	
100% performance plans completed	86%	⚠️
Total recordable injury frequency rate	47.53	❌
Unplanned Leave (days/EFT) below 0.9	1.00	⚠️
Staff turnover below 0.8%	0.60%	⚠️

## Ensuring sustainable financial and asset management, and effective project delivery

	Latest Result	
Financial sustainability rating of low*	Low	✅
Operating savings	\$71k \$152k to be banked	✅
80% of priority project delivery is on track	100%	✅

## Legislative update

### Legislative changes

Below are the legislative changes for February and March 2019 that may affect the City of Port Phillip.

Legislation	Assent date	Impact
<i>Integrity and Accountability Legislation Amendment (Public Interest Disclosures, Oversight and Independence) Act 2019</i>  (Amending the Protected Disclosure Act 2012)	6 March 2019	To amend the <i>Protected Disclosure Act 2012</i> and make related amendments to other Acts, to encourage and facilitate the reporting of improper conduct in the public sector, to expand the range of bodies that may investigate Monitor, the Victorian Inspectorate and a Victorian Inspectorate Officer; to make Victoria's integrity and accountability system clearer and more efficient and improve on its operation, to amend the <i>Ombudsman Act 1973</i> , the <i>Independent Broadbased Anti-corruption Commission Act 2011</i> and the <i>Victorian Inspectorate Act 2011</i> .

### Statutory Rule changes

Statutory Rule	Assent date	Impact
<i>Oaths and Affirmations (Affidavits, Statutory Declarations and Certifications) Amendment Regulations 2019</i>  (Amending the <i>Oaths and Affirmations Act 2012</i> )	1 March 2019	To amend the <i>Oaths and Affirmations (Affidavits, Statutory Declarations and Certifications) Regulations 2018</i> to prescribe a class of authorised affidavit takers.

### Material legislative breaches

Year to date there has been four legislative breaches. Three breaches of privacy occurred in August 2018 all relating to the disclosure of employee payroll details. One breach related to a Payment Summary being emailed to the wrong person. One incident related to payment slips being sent to the depot which were not in individual sealed envelopes. One other breach related to a pay slip being mailed to the wrong employee. One incident occurred in February 2019 related to an email being sent containing the personal reflections of the sender.