



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:

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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.

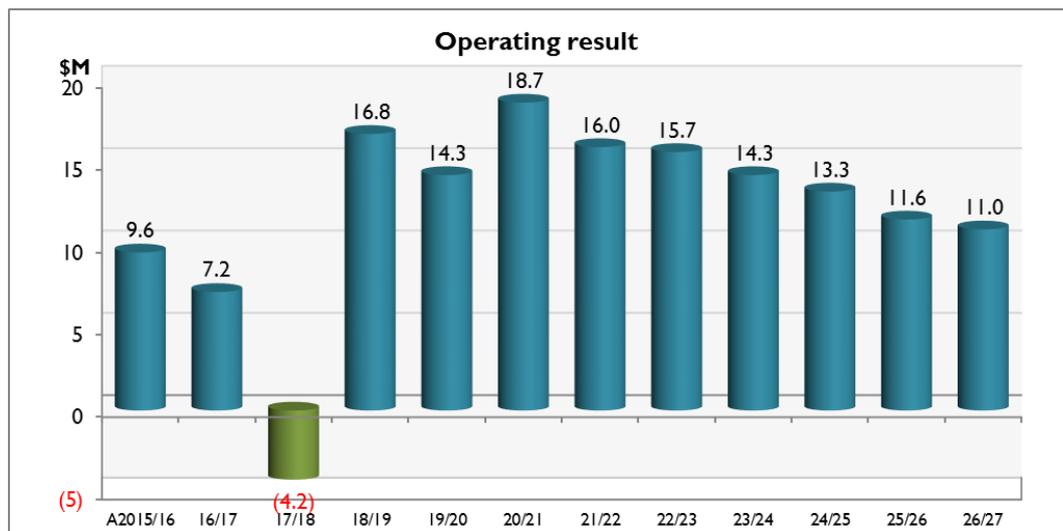
The draft Budget 2017/18 at a glance

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.



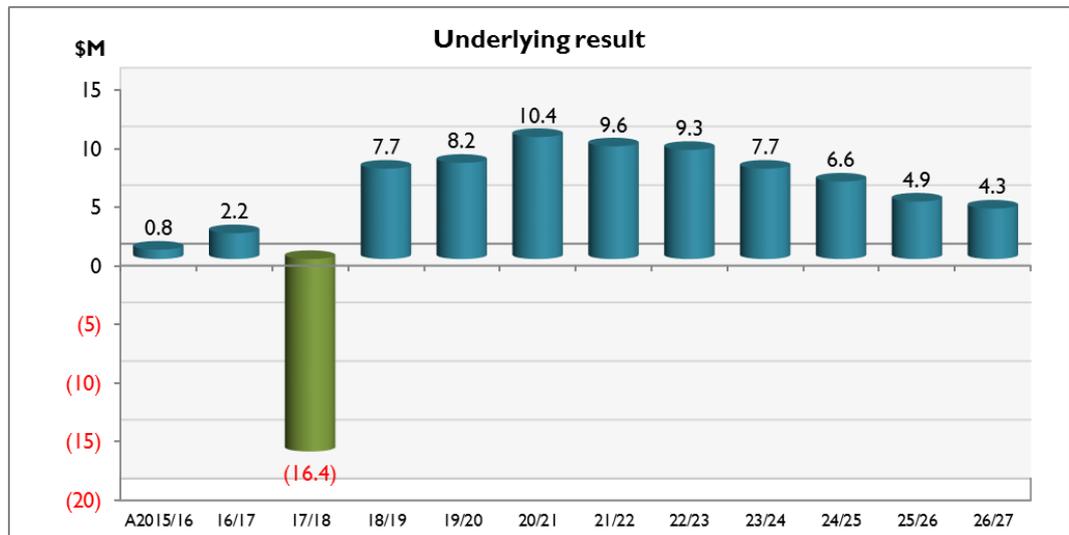
- 3.35 These items do not detrimentally impact our objective of financial sustainability, as a large component has no cash impact and/or represent reclassification to operations from the capital portfolio. If the result is adjusted for these items, we would achieve an operating surplus of \$15.2 million.
- 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.

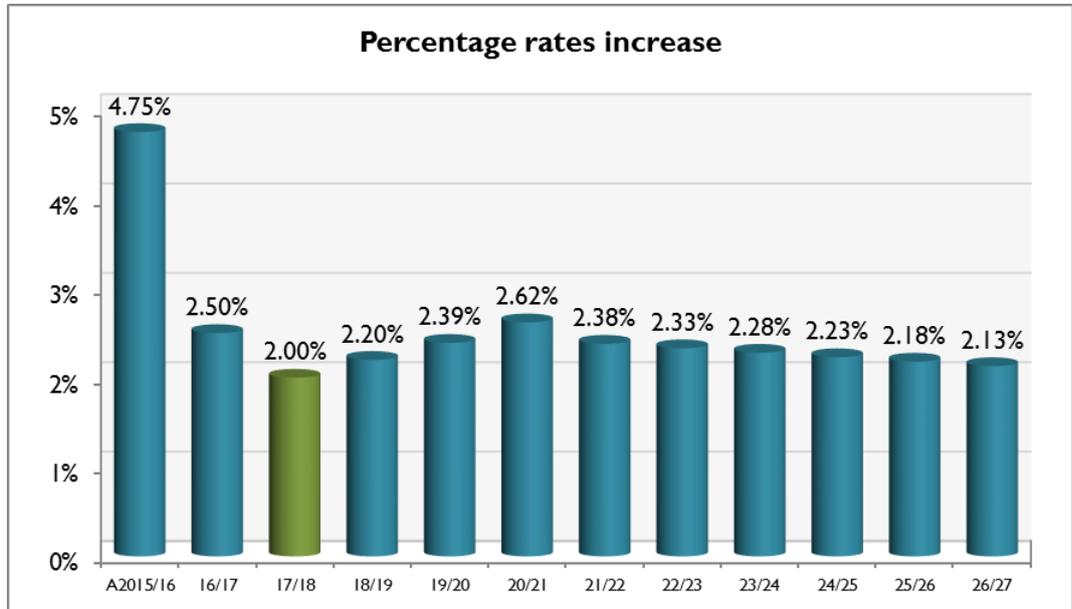




Rates – percentage increase

3.38

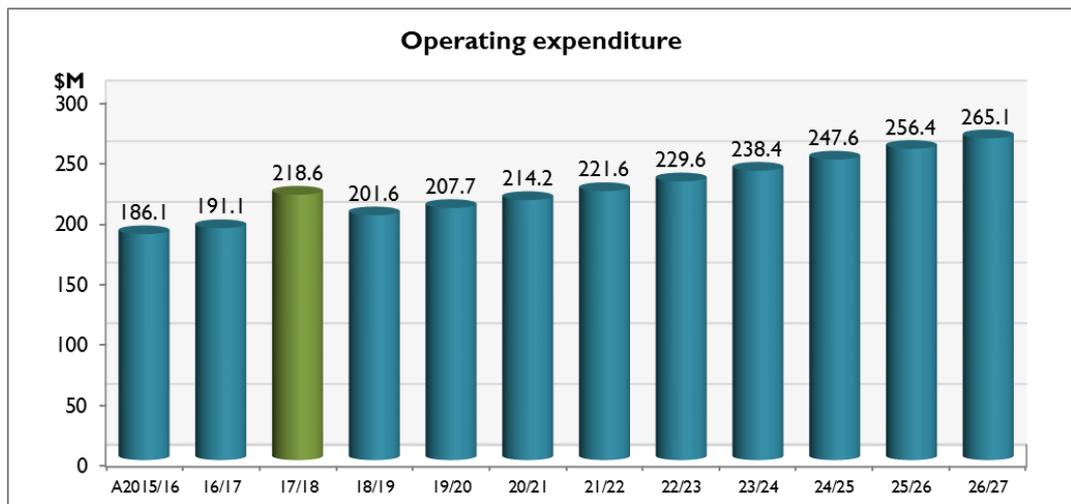
The draft Budget 2017/18, which funds a \$40.1 million capital program and maintains existing service levels, includes a 2.0 per cent rates increase, consistent with the Victorian Government cap. This has been achieved through a continued strong focus on prudent financial management, careful prioritisation 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

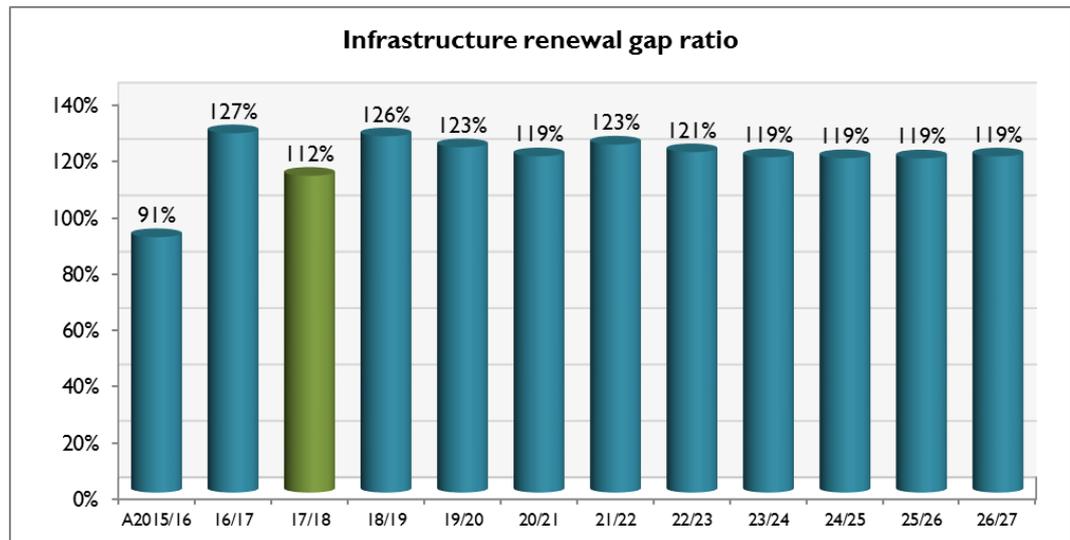
- 3.39 The \$27.5 million increase in operating expenditure in 2017/18 has been impacted by increases in non-cash depreciation expenses of \$3.2 million, a \$5.3 million provision for Ferrars Street Education and Community Precinct works, one-off cash and property contributions of \$10.5 million for 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.

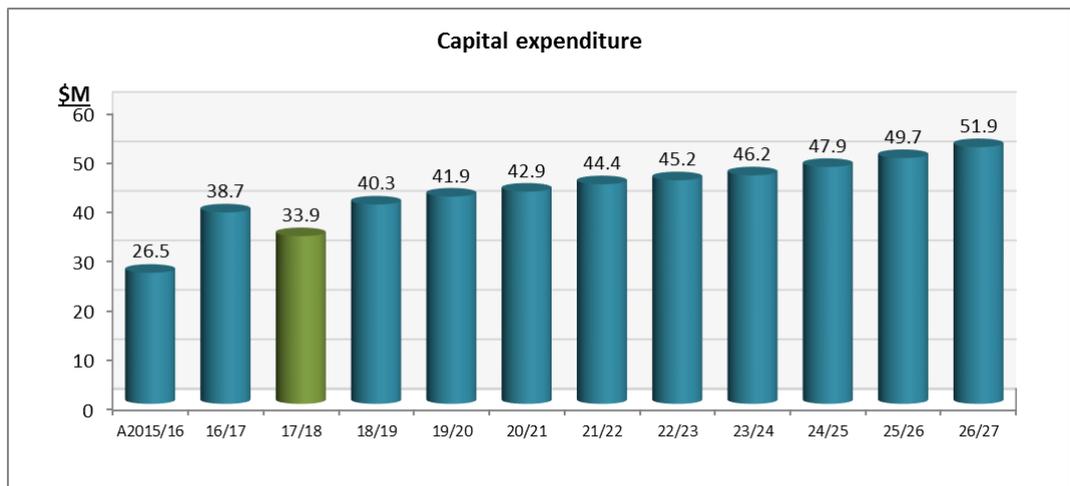




Capital expenditure

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.





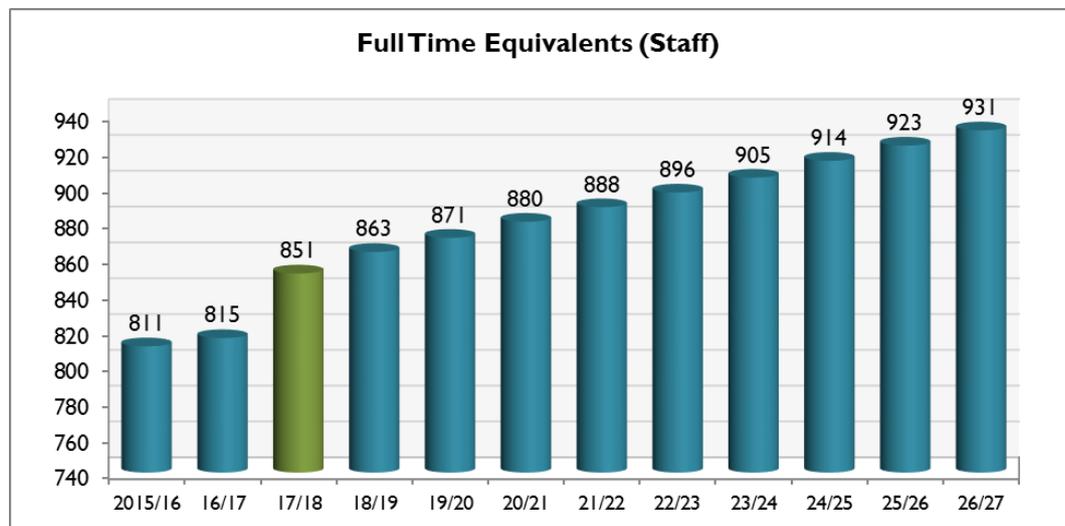
Council staff

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
Between Friday 21 April and Friday 19 May 2017	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.
Friday 19 May 2017	Submissions on the proposed adjustments to the Council Plan and draft Budget will close.
Wednesday 7 June 2017	Submissions will be received and heard by Council at the Ordinary Council Meeting.
Wednesday 21 June 2017	The Council Plan 2017-27 (and Budget 2017/18) will be considered at the Ordinary Council Meeting for adoption.
Before 30 June 2017	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.