

CEO Report

#42 - April 2018





CEO Report

Issue 42

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Council respectfully acknowledges the Yalukut Weelam Clan of the Boon Wurrung. We pay our respects 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 has not achieved target for 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 liable to change.

"We are working with Councillors and our community to develop key strategies to deliver the Council Plan 2017-27."

PETER SMITH

CEO City of Port Phillip

Welcome to the April issue of the CEO Report.

We are working with Councillors and the community to develop the Council Plan and Budget 2018/19. This year we are developing key strategies that will help deliver the big agenda set out in the Council Plan 2017-27. The draft Council Plan and Budget 2018/19 will be released on 20 April for public consultation and we look forward to receiving submissions on the revised document. Head to our [Council Plan and Budget webpage](#) for more information.

Local Government Act review

On 7 March Council endorsed City of Port Phillip's submission to the Local Government Act review. Council believe the majority of the Draft Bill should be supported but that further detail and information should be provided to support implementation by the sector. There are however several parts of the Draft Bill that remain problematic for the sector and these are outlined in Council's submission. Visit the [City of Port Phillip's website](#) to read Council's submission to the Local Government Act review.



Sustainability at South Melbourne Market

The South Melbourne Market and the Nature Conservancy have teamed up on a shell recycling project to help rebuild the lost shellfish reefs of Port Phillip Bay.

The initiative enables the collection and recycling of oyster, mussel, scallop and abalone shells from our seafood traders and restaurants. Shells are cured before being mixed with limestone rubble and spread across the sea floor to form bases for new Angasi oyster and blue mussel reefs.

Beacon Cove seawall repair

In February works on the Beacon Cove seawall commenced as part of the Maritime Renewal Program. The seawall requires repair to ensure long term structural stability. This project will help guarantee the safety of our assets for the use and benefit of our residents.

Mussel and Jazz Festival at South Melbourne Market

On 10 and 11 March the fifth annual Port Phillip Mussel and Jazz Festival was held at South Melbourne Market. With piping hot mussel paella, wok cooked drunken mussels, craft beer, artisanal ice cream and plenty of jazz, the event was again a success. Head to [South Melbourne Market's website](#) to see all the fun from the festival weekend.

Place Leaders Awards

On 15 March the Place Leaders Award ceremony was held at South Melbourne Primary School as part of Melbourne Design Week 2018. The Place Leaders Awards celebrate and recognise innovation and excellence in Place Leadership in Australasia and the Asia Pacific region.

A full list of the award winners is available on the [Place Leaders website](#).

Design and Development Awards 2018

On 20 March we celebrated design excellence in our City at the Design and Development Awards held in the Garden Restaurant at the National Gallery of Victoria (NGV). The event was part of Melbourne Design Week 2018, an initiative by Creative Victoria in partnership with the NGV.

A full list of the award winners is available on our [Design & Development Awards 2018 webpage](#).

Playspace upgrades

The second stage of community consultation for Elwood and Chipton Park playspaces due for upgrade as part of the *Playspace Strategy 2011* commenced in February and March respectively. Concept designs for both playspaces have been completed and include improved playground equipment, seating and amenities, more garden beds, higher quality rubbish bins and improved movement around the sites. The Elwood playspace will be completed in conjunction with the Elwood public space wall replacement project. Construction is expected to commence in 2018/19.

Update from the Environmental Protection Authority (EPA) Officer

The Officer for the Protection of the Local Environment (OPLE) employed by the EPA is working with Council staff to investigate and reduce complaints of pollution and litter from commercial and/or industrial sources.

The OPLE has assisted in the investigation of several noise pollution cases by deploying a noise logger at commercial venues to record noise levels and worked proactively to educate local businesses about the correct disposal of waste to reduce inappropriate use of public litter bins. Having an OPLE based at Council is improving communication and collaboration between the Council and the EPA.

The pilot program will continue until December 2018.

Ride2School Day

Officers supported 10 schools in the municipality to take part in Ride2School Day during March. The official Ride2School Day was 23 March, with several schools holding events on alternate dates. Officers provided support to schools in organising school activities including healthy breakfasts, 'dress up your bike' parades and other travel initiatives.

Council meeting at South Melbourne Primary School

To showcase the recently completed South Melbourne Primary School, the Council hosted its meeting on 7 March at this beautiful new venue. The meeting scheduled for 2 May will also be held at the new school.

Recycling in our City

Changes in the recycling industry have been broadly discussed in the media. The collection and process requirements under the current contract remain the same as a result of the changes in the Chinese Market. Council is devoted to efficient use of resources and we ask all our residents and traders to continue to recycle as a commitment to reducing waste going to landfill. Head to [the recycling process webpage](#) for more information.

Child-friendly City

In response to new legislation and standards across Victoria aimed at helping children and young people feel safe from all forms of harm, we have collaborated with Stonnington and Glen Eira councils to facilitate workshops for parents and carers. The sessions will provide practical strategies and equip parents and carers and their children with tools that can be used in the home, school and community. The workshops will take place at each of the three municipalities:

- Glen Eira City Council
13 March 2018
- City of Port Phillip
5 July 2018
- City of Stonnington
4 November 2018

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 have prepared Council's submission to the Planning Review Panel, including key expert witness reports to support Council's priority outcomes for sustainable development, flood management, affordable housing, infrastructure delivery and urban design. Staff and budget have been reallocated from Fishermans Bend Precinct Planning to resource the 58 day panel process.
- The Planning Review Panel began 1 March, with Council's Stage 1 presentation on 20 and 21 March.

What's coming up?

- The next Fishermans Bend Community Forum will be held in April. Head to our *Fishermans Bend - keeping the community informed* [webpage](#) for more information.
 - An official community opening day for South Melbourne Primary School and Council's facilities at Ferrars Street Community and Education Precinct will be held on 25 May.
-

Waste management

What has happened?

- Officers participated in a workshop with neighbouring councils to ensure consistency of approach to the waste strategies in inner metropolitan Melbourne and to determine any efficiencies we can achieve through partnerships with the surrounding Councils for future service provisions.

What's coming up?

- Council will release a draft *Waste and Resource Recovery Strategy*, preparing us for the significant growth anticipated in Fishermans Bend and the wider municipality.
 - Changes to the recycling industry will form part of the draft strategy community consultation to take place later this year.
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Water management

What has happened?

- Officers have worked with the consultant conducting the peer review for the Albert Park stormwater harvesting scheme.
- The draft Park Suitability / Water Use report was received for the 'Connections Ready' subproject at Albert Park.
- Officers have been working with the consultant to prepare a concept design for stormwater harvesting at Alma Park. This included an initiation meeting, site visit and preparation for the installation of water quality and flow monitoring equipment.
- Establishment of the Elster Creek community reference group progressed with a call for nominations advertised in March.
- Officers have completed a water balance and budget (which determines the amount of water coming in and out of the municipality) to develop the water use targets for inclusion in the *Sustainability Strategy*. This includes establishing alternative water harvesting targets.
- All raingardens scheduled as part of the 2017/18 program have been delivered.

What's coming up?

- Officers will review the recommendations from the Albert Park stormwater harvesting concept design peer review.
 - Officers will consider recommendations from the 'connections ready' report in the context of the Albert Park stormwater harvesting scheme.
 - Officers will receive the draft concept design for stormwater harvesting at Alma Park.
 - The draft *Sustainability Strategy* will be released for community feedback for four weeks. The draft strategy will include high level actions for delivery over the next 10 years.
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Transport and parking

What has happened?

- Submissions for the Smart Parking Technology tender were assessed and Council will award the contract on 4 April. Implementation will commence later this year.

What's coming up?

- The draft *Integrated Transport Strategy*, will be released for community feedback for four weeks. The draft strategy will include high level actions for delivery over the next 10 years.
 - Officers will continue to liaise with key stakeholders including partners and the community during this consultation period.
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Council scorecard

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

Updates are provided on a monthly basis unless information is not available.

	Outcome indicators	Service measures	Areas for focus
<p>Direction 1 We embrace difference, and people belong</p>	<p>3 on track 0 at risk 0 off track</p>	<p>10 on track 3 at risk 0 off track</p>	<ul style="list-style-type: none"> The three service measures at risk relate to maternal and child health. Mid-year results for maternal and child health participation (two measures) were below annual target. This is attributed to the phasing of visits and is expected to improve as the year progresses. The mid-year result for maternal and child health service cost was slightly above annual target (due to less hours worked by nurses as a result of lower birth notifications) and is being monitored closely.
<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"> The three service measures at risk relate to roads. Mid-year results are above annual targets for sealed local road requests (due to an expansion of the types of requests included since target was developed) and the two cost of sealed roads measures (due to the target being based on m² where our cost is calculated based on per m³). These measures are being reviewed as part of the draft Council Plan and Budget 2018/19
<p>Direction 3 We have smart solutions for a sustainable future</p>	<p>2 on track 3 at risk 0 off track</p>	<p>12 on track 2 at risk 0 off track</p>	<ul style="list-style-type: none"> The three outcome indicators at risk relate to potable water usage, greenhouse gas emissions and kerbside waste diversion. The mid-year result for potable water usage was above target (111ML compared to target of 106ML). The mid-year result for greenhouse gas emissions was above target (2,418tCO₂e compared to target of 2,378tCO₂e). These measures, targets and associated actions are under review through the development of the <i>Sustainable Environment Strategy</i>. The January result for kerbside waste diversion was below target (32 per cent compared to target of 35 per cent). This measure, target and associated actions are under review through the development of the <i>Waste and Resource Recovery Strategy</i>. The two service measures at risk relate to alternative water sources (February year-to-date result of 8.07ML compared to target of 10.0ML) and cost of kerbside recyclables (the mid-year result shows a slight increase in direct service costs compared to previous quarters). These measures, targets and associated actions are under review through the development of the <i>Sustainable Environment Strategy</i> and the <i>Waste and Resource Recovery Strategy</i>.

	Outcome indicators	Service measures	Areas for focus
<p>Direction 4 We are growing and keeping our character</p>	<p>3 on track 1 at risk 0 off track</p>	<p>15 on track 2 at risk 0 off track</p>	<ul style="list-style-type: none"> The outcome indicator at risk relates to planning. The mid-year result for planning decisions upheld at VCAT (67 per cent) was below annual target (70 per cent). This is due to a lower proportion of decisions taken to VCAT. This result does not include mediated and withdrawn outcomes. When these are included Council decisions upheld at VCAT is 91.7 per cent. The two service measures at risk relate to animals reclaimed and cost of planning service. The mid-year result for animals reclaimed was below target due to a higher volume of animals collected. The mid-year result for cost of planning service was below annual target. This is partially due to a change to the methodology for calculating the result from when the target was developed. Compared to previous year the cost is favourable and the target will be reviewed as part of the Council Plan.
<p>Direction 5 We thrive by harnessing creativity</p>	<p>4 on track 0 at risk 0 off track</p>	<p>6 on track 3 at risk 0 off track</p>	<ul style="list-style-type: none"> The three service measures at risk relate to our libraries. The mid-year results for library collection usage, active library members and visits to library per capita were below annual target, however are similar to the same time in previous years and are expected to reach target by year-end.
<p>Direction 6 Our commitment to you</p>	<p>4 on track 0 at risk 0 off track</p>	<p>33 on track 1 at risk 1 off track</p>	<ul style="list-style-type: none"> The service measure at risk relates to calls answered within 30 seconds, as our performance dropped below the service level target of 80 per cent. This drop in calls answered within 30 seconds is reflective of an increase in the volume of calls of over 8 per cent. The service measure that is off track relates to material legislative breaches. The year-to-date result is four material legislative breaches compared to a target of zero. Three are related to emails sent exposing email addresses of all recipients and one is related to two departments unknowingly using the same vendor, exceeding the \$150,000 vendor threshold.

Project delivery update

The Council Plan 2017-27 commits us to a project portfolio worth more than \$53.2 million in 2017/18. 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 March.

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	2017/18 Budget \$'000	2017/18 Forecast \$'000
Ferrars Street Education and Community Precinct - Community Facilities T						
Deliver	✔	Project is on track. The sports and recreation courts were opened at the end of February. The 7 March Council Meeting was held in the building.	Dec 2017	Jan 2018	2,995	2,995
JL Murphy Reserve Pavilion upgrade						
Plan	⚠	Project is at risk due to schedule delays with construction due to commence in November 2018, following redesign of the kitchen space to better suit the clubs' needs. Detailed design of all aspects of the pavilion is progressing well, in consultation with the clubs, and this work is expected to be completed by the end of April. Concurrently, officers are working with the clubs to establish a single governance model which is a requirement of the project funding.			300	300
South Melbourne Life Saving Club redevelopment						
Deliver	✔	Project is on track. Council selected a contractor and works are scheduled to commence in April. Council and the builder have conducted early works leading up to the club vacating the site in April. The club will set up temporary storage containers on the foreshore.	Apr 2020	Apr 2020	200	200
In Our Backyard Strategy implementation						
Deliver	✔	Project is on track. Progression to implementation of an EOI process and establishment of a trust (or other mechanism) is dependent on a Council decision on the preferred model.	Jun 2018	Jun 2018	80	230
Peanut Farm Reserve Sports Pavilion upgrade						
Deliver	✔	Project is on track. Council has engaged a contractor to redevelop the pavilion, and netball and basketball courts. Construction commenced in March and the building is expected to be ready for occupation in April 2019. An in-principle building permit was issued. A community update and emails to all clubs and Sport and Recreation Victoria advising of the latest project details were sent out in February. The related upgrade projects at the reserve (path lighting, oval lighting, oval surface upgrade) are on track.	Mar 2019	Apr 2019	2,315	1,120

Overall project status



There are 22 projects contributing to the outcomes in this direction. At the end of February no projects were considered off track.

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







Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Integrated Transport Strategy development T						
Deliver	✔	Project is on track. The Integrated Transport Strategy Position Paper Community Engagement Report was completed and is publicly available. The draft strategy will be presented to Council in April for community consultation.	Jun 2018	Jun 2018	150	325
Walk Plan and Bike Plan implementation 2017/18 T						
Deliver	✔	Project is on track. <ul style="list-style-type: none"> Commenced construction of Ingles Street and Light Rail crossing, Port Melbourne. The community has been notified of upcoming bike infrastructure upgrades in Inkerman Street, St Kilda. 	Jun 2018	Sep 2018	1,040	1,040
Beach Street Separated Queuing Lane implementation T						
Deliver	✔	Project is complete. Construction of the Beach Street queueing lane commenced on 30 May 2017 and was successfully completed on schedule in September 2017. Traffic surveys to evaluate the project have taken place and are being reviewed.	Mar 2017	Feb 2018	519	279
Kerferd Road safety improvements T						
Plan	⚠	Project is at risk due to timeline pressures. Officers are examining potential short term measures that can test solutions to many of the underlying safety issues of this corridor and are planning community consultation.			395	140

Overall project status



There are 27 projects contributing to the outcomes in this direction. At the end of February no projects were considered off track.

Direction 3 - We have smart solutions for a sustainable future

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Stormwater Management Program T						
Deliver		Program is off track due to recruitment delays for stormwater CCTV project resulting in a missed milestone for collection and analysis of asset data. The project schedule will be reviewed. Pit replacement was 95 per cent complete at various locations. Renewal works at North West Corner Beach and Bay Street, Port Melbourne were completed.			1,300	1,150
Waste and Resource Recovery Strategy T						
Deliver		Project is on track. The new <i>Waste and Resource Recovery Strategy</i> will be informed by the finalised <i>Fishermans Bend Waste Strategy</i> regarding targets, and short- and long-term focus. The draft strategy will be presented to Council later this year for community consultation.	Jun 2018	Jun 2018	95	95
Energy Efficiency and Solar Program						
Plan		Program schedule is at risk due to roof maintenance works required at Port Melbourne Bowls Club. However, works are still expected to be completed within the financial year. We have received lighting audit reports for 2017/18 for St Kilda, Port Melbourne and South Melbourne town halls, Bubup Nairn Children's Centre and Betty Day Community Centre. The request for quote for lighting installation is in progress. We are waiting to receive a second quote for variable speed drive installation, under heating ventilation and air conditioning (HVAC) work at St Kilda Town Hall. The first quote is going through the clarification process. A request for quote for HVAC design work at South Melbourne Town Hall was released.			460	540
Sustainability Strategy Beyond 2020 review						
Deliver		Project is on track. A preliminary draft was presented to the Toward Zero Community Reference Group on 8 February. The draft strategy will be presented to Council in April for community consultation.	Jun 2018	Jun 2018	150	150
Baseline of Municipal Greenhouse Gas Emissions Development						
Deliver		Project is on track. We are awaiting receipt of the draft report from the consultant to validate the emission calculation process. We are also exploring options to investigate emissions due to commercial waste within the City of Port Phillip in greater detail.	Jun 2018	Jun 2018	150	150
Albert Park Stormwater Harvesting Development T						
Deliver		Project is on track. Officers are working with the consultant conducting the peer review, which is expected to be finalised in late April. The 'connections ready' report assesses the ability to parks to tolerate lake water from Albert Park will be finalised in March.	Apr 2018	Jun 2019	50	138

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Alma Park Stormwater Harvesting Development T						
Plan	✔	Project is on track. The consultant began work on the first stage of the Alma Park stormwater harvesting design, which included an initiation meeting, site visit and preparation for the installation of water monitoring equipment (water quality and flow). The concept design is expected to be completed by mid April.	Jun 2018	Jun 2019	100	100
Water Sensitive Urban Design Program T						
Deliver	✔	Project is on track. All capital works scheduled in the 2017/18 program have been constructed.	Jun 2018	Jun 2018	300	300

Overall project status



There are 28 projects contributing to the outcomes in this direction. At the end of February the EcoCentre Service Opportunity and Stormwater Management Program (discussed above) were considered off track.

Off track non-major initiative project status

EcoCentre Service Opportunity ✘

Project is off track due to delays in schedule. The relocatable buildings have been installed but further delays have been experienced in installing the decking and ramps. The internal renovation works including air conditioning installation have been completed. The strategic business case has been finalised and submitted to the Victorian Government Construction commenced on the decking, ramp and veranda structures commenced in March.

Direction 4 - We are growing and keeping our character

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Fishermans Bend Managing Growth Program T						
Deliver	✓	Program is on track. Additional resources were allocated to undertake precinct planning to more directly influence planning outcomes. Work progressed to prepare Council's submission to the Planning Advisory Panel supporting its written submission to the Victorian Government on the draft Fishermans Bend Framework and Amendment GC81 (proposed planning controls).	Jun 2018	Jun 2018	365	565
Ferrars Street Education and Community Precinct - Construction of Montague Park T						
Deliver	⚠	Project is at risk due to the level of contamination and potential for significant cost escalation. Works to underground high voltage power lines has commenced with CitiPower. The park development is progressing to schedule. The initial phase of works has involved the demolition and construction of the minor road for Surveyors Place. Demolition of the slab has been completed.		Jul 2018	2,290	1,090
Ferrars Street Education and Community Precinct - Streetscape Upgrade T						
Plan	⚠	Project is at risk due to timeline pressures. The design team has now been appointed and high level design commenced. Line marking works were completed and Railway Place was closed. Procurement timelines have meant that works will not be completed by end of June and the schedule will be re-baselined.			2,638	2,638
Gasworks Arts Park Contamination Management Plan						
Deliver	⚠	Project is at risk due to pending delivery of the draft Contamination Management Action Plan currently under development by the Department of Treasury and Finance. The draft Contamination Management Action Plan is expected in 2018 and will be made public. This will guide conversation about any landscape works and usage management (if required).	Jun 2018	Jun 2018	50	50
St Kilda Marina New Lease						
Plan	✓	Project is on track following the presentation to Council on 7 February of a revised approach. Detailed planning has determined a comprehensive methodology that requires increased time and budget. Works are progressing in line with the revised program.			150	150
Public Spaces Strategy Development						
Plan	✓	Project is on track. Background research is continuing, to develop a position paper that will inform development of the strategy and community engagement in early 2018/19. Additional resources were allocated to address earlier delays due to other project priorities and new timeframes have been developed.			50	50

Overall project status



There are 29 projects contributing to the outcomes in this direction. At the end of February 4 projects were considered off track: Elwood Public Space Wall Replacement, Fitzroy Street Streetscape Upgrade and Port Melbourne Waterfront Place Precinct Design Guidelines.

The off track non-major initiative project status updates are presented over the page.

Off track non-major initiative project status**Elwood Public Space Wall replacement** 

Project is off track due to schedule delays as a result of nonconforming tender submissions as part of initial and second procurement.

Fitzroy Street Streetscape upgrade 

Project is off track due to delays in commencement of construction which has been rescheduled by PTV for later this year. Officers received verbal confirmation from VicRoads that they will contribute \$75,000 to remove the slip lane as part of these works. Officers are continuing to negotiate project scope with both PTV and VicRoads. This will include the extent of landscape median planting, where existing tram stops are to be removed, and planting where redundant road space is created through the installation of the new stops.

Port Melbourne - Waterfront Place Precinct Design Guidelines 

Project is off track due to delays in completing consultancy work and stakeholder engagement on draft design guidelines. Project timeline and cost are under review and will be rebaselined to complete the project.

Direction 5 - We thrive by harnessing creativity

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Creative and Prosperous City Strategy development						
Deliver	✓	Project is on track. The draft strategy will be presented to Council in April for community consultation.	Jun 2018	Jun 2018	50	50
Linden Gallery upgrade						
Deliver	✓	Project is on track. Construction of the new extension commenced and works are progressing well with roof restoration, and verandah decking and structural re-build continuing. The facade to north side has been cleaned and painted.	Jun 2018	Jun 2018	1,675	1,675

Overall project status



There are 19 projects contributing to the outcomes in this direction. At the end of February two projects were considered off track: South Melbourne Market Building Compliance Assessment and O'Donnell Memorial Fountain restoration.

Off track non-major initiative project status

O'Donnell Memorial Fountain restoration ✖

Project is off track due to a change in scope of project where further works are to be completed to ensure the longevity of the restoration. Officers are considering options for next steps.

South Melbourne Market Building Compliance Assessment ✖

Project is off track due to schedule delays resulting from nonconforming tender submissions in the initial procurement. A second tender closed on 2 March and submissions are being reviewed for recommendation by the tender evaluation panel.

Direction 6 - Our commitment to you

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Building Renewal Program 2017/18						
Deliver	✔	<p>Program on track.</p> <ul style="list-style-type: none"> Engaged consultant to prepare concept design for mechanical system and alternate design for the existing roof at Sails on the Bay. Preventative and minor reactive capital works progressed with identified works being resourced and delivered. Installed automatic sliding accessible door at Port Melbourne Dominos Pizza and new carpet at St Kilda Duke Street Youth Centre. Commenced roof and gutter maintenance at Mary Kehoe Community Centre, Albert Park, Alma Cottage, St Kilda and Port Melbourne Town Hall. Completed installation of synthetic grass at Eildon Road Children's Centre. 	Jun 2018	Jun 2018	2,330	2,380
Customer Experience and Business Transformation Program 2017/18 (previously Core Application Renewal and Upgrade Program)						
Plan	⚠	<p>Program is at risk due to the likelihood of an underspend this year; however, the program is likely to be achieved. The underspend will be confirmed in the business case and be used to part fund future year implementation costs. Key focus is on preparation of program business case and operating model review of customer and technology functions. At the same time improvements continue in finance, human resources and assets in preparation for system procurement likely to commence mid-year subject to business case approval.</p>			2,500	2,500
Core IT Infrastructure Renewal and Upgrade Program						
Deliver	✔	<p>Program is on track. Projects under this program are delivering to Schedule. The Disaster Recovery Systems Replacement Project was closed this period. The Desktop and Windows 10 upgrade and Telephony projects continue to resolve delivery challenges and meet schedule milestones as planned. While this will result in off-track for projects the program will still meet the end of June milestones.</p>	May 2018	Jun 2018	1,792	2,422

Overall project status



There are 17 projects contributing to the outcomes in this direction. At the end of January three projects were considered off track: Learning Management System and eLearning, Building Safety and Accessibility Program and Health and Safety Improvement.

The off track non-major initiative project status updates are presented over the page.

Off track non-major initiative project status

Building Safety and Accessibility Program

Program off track.

- Safe Roof Access is off track due to re-prioritisation of scope requirements. A public tender will be released to engage a design and construction head contractor.
- St Kilda Town Hall safety upgrade is off track due to re-prioritisation of scope requirements. The scope will include three town hall front counter receptions.
- The DDA compliance retrofit for Council facilities project is on track. Project design drawings and documentation were completed. Designs for toilets at Linden Gallery were submitted to the Municipal Building Surveyor.
- The roof condition and safe roof access audit project is on track. All audits were completed, with an additional 14 sites added to the project for auditing.
- The town hall CCTV replacement project is on track with the tender process closing in March.
- The building safety corrective action responses 2017/18 project is on track with 95 per cent of building evacuation diagrams rolled out for Council owned buildings. Commenced minor compliance works development.

Learning Management System and eLearning

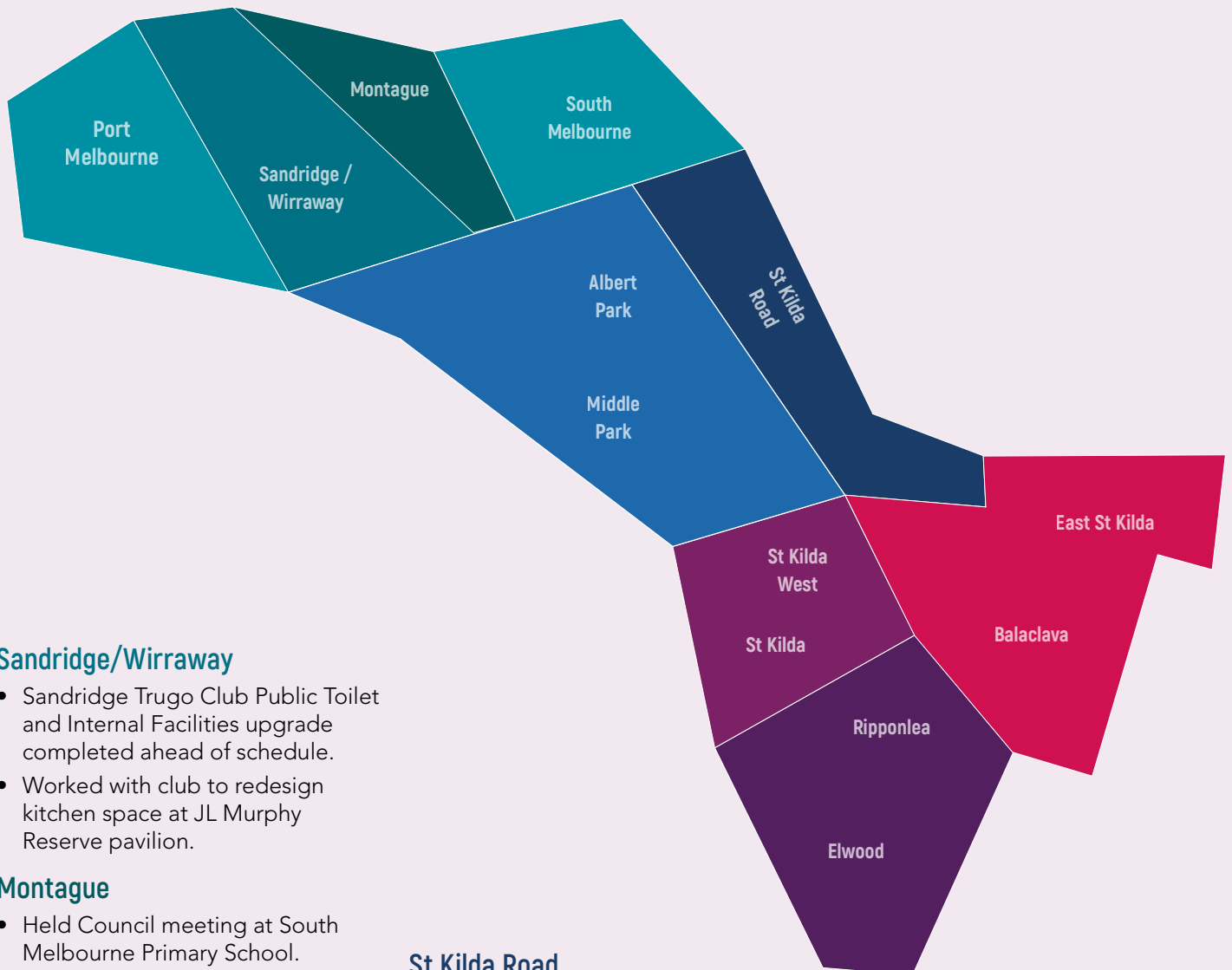
Project is off track. System implementation is complete; however, a data quality issue was identified. This issue has been rectified and a staff launch is planned for March.

Health and Safety Improvement project

Project is off track due to the responsive nature of health and safety management, where officers are required to manage pressing and urgent issues as they arise impacting project delivery timeframes.

Officers met with insurers MAV/JLT to commence a self-assurance process to determine areas conforming with OHS requirements and those requiring focus. This process will act as a means to re-scope the project to prioritise what work needs to be undertaken.

What's happened in our local neighbourhoods?



Sandridge/Wirraway

- Sandridge Trugo Club Public Toilet and Internal Facilities upgrade completed ahead of schedule.
- Worked with club to redesign kitchen space at JL Murphy Reserve pavilion.

Montague

- Held Council meeting at South Melbourne Primary School.
- Construction continued on Montague Community Park (interim name).

South Melbourne

- Held fifth annual Mussel and Jazz Festival at South Melbourne Market.
- Appointed contractor for construction of safety improvements at Coventry and Tope streets as part of the Blackspot Safety Improvement initiative.

Port Melbourne

- Commenced Beacon Cove seawall repair to guarantee the safety and long term structural stability of the assets.

St Kilda Road

- The Victorian Government completed construction of Park Street tram stop as part of the Melbourne Metro Tunnel project.
- The Melbourne Metro Tunnel project commenced early works on St Kilda Road, reducing the road down to one-lane each way.

Albert Park/ Middle Park

- Completed construction of Langridge and Park streets raingarden.
- Awarded contract for construction of the South Melbourne Life Saving Club redevelopment.
- Commenced roof and gutter maintenance at Mary Kehoe Community Centre, Albert Park.

St Kilda / St Kilda West

- Completed road and drainage upgrades at Barkly Street, St Kilda.
- Engaged contractor to redevelop netball and basketball courts at Peanut Farm Reserve Sports Pavilion.

Elwood / Ripponlea

- Completed construction of safety improvements at the Broadway and Milton Street intersection, Elwood as part of the Blackspot Safety Improvement initiative.

Balaclava / St Kilda East

- Reconstructed bluestone pavement and vehicle crossings at Elm Grove, Balaclava.

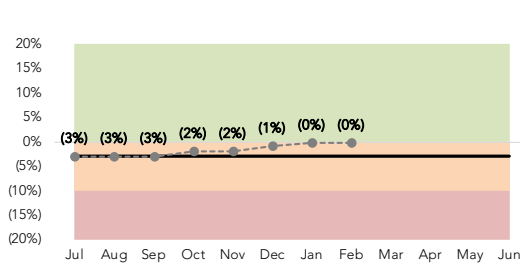
Financial performance

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's Office (VAGO) financial sustainability indicators.

- As highlighted by the six VAGO financial indicators below, the full year forecast in December indicates an overall low risk financial sustainability rating for Council.
- Council expects to achieve a modest cumulative cash surplus for 2017/18 as budgeted.

Financial sustainability indicators

1.1 Net Result % (Net Surplus over Total Income)



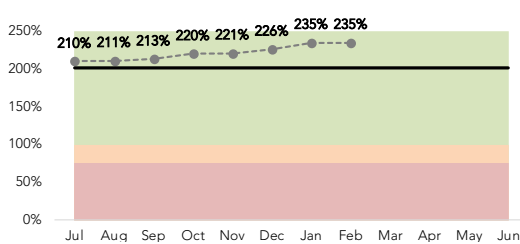
Target: Greater than 0% Year-end forecast: (0.3%) Status: ✔

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

A small deficit is budgeted for 2017/18 due to the inclusion of one-off expenditures including the Pride Centre, Ferrars Street Community and Education Precinct works and relinquishing the Pickles Street property on Crown land.

Council is currently on track to deliver a small deficit, 0.3% of total income, an improvement to the budget.

1.2 Working Capital % (Current Assets over Current Liabilities)



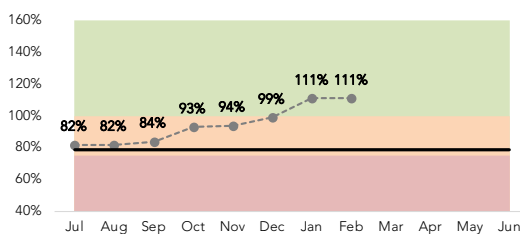
Target: Greater than 100% Year-end forecast: 235% Status: ✔

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

The Budget 2017/18 forecast working capital ratio of 202%. The actual financial position for 2016/17 compared favourably to the forecast position for 2016/17 when the 2017/18 budget was prepared. This will continue for the rest of the 2017/18 which is reflected in the current full year forecast in February of 235%.

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)



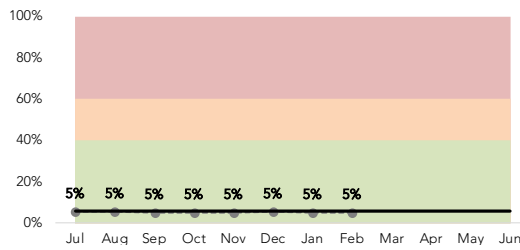
Target: Greater than 100% Year-end forecast: 111% Status: ✔

Comments: This financial indicator assesses Council's ability to generate sufficient cash from operations to fund new assets.

The Budget 2017/18 includes one-off large expenditure payments for the Pride Centre and Ferrars Street Community and Education Precinct works, which are partly funded from cash reserves set aside in prior years.

The full year forecast in February indicates Council is on track to be favourable compared to budget.

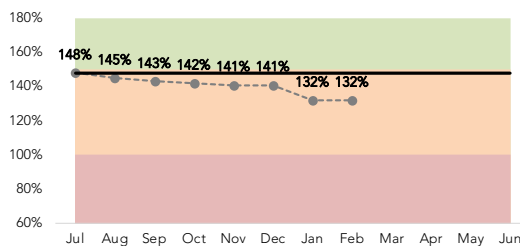
1.4 Indebtedness % (Own Sourced Revenue compared to Non Current Liabilities)



Target: Less than 40% Year-end forecast: 5% 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 5.0% for Budget 2017/18 is significantly lower than the 40% target. The full year forecast in February shows Council is on track to achieve budget.

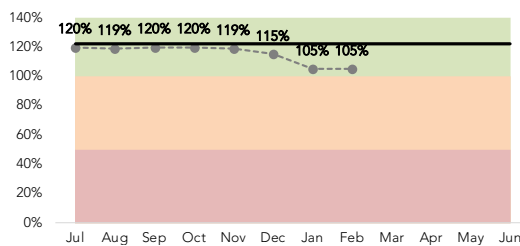
1.5 Capital Replacement % (Total cash capital outlay / Depreciation)



Target: Greater than 150% Year-end forecast: 132% Status: ⚠

Comments: This financial indicator assesses whether Council's spend overall in renewing, growing and improving its asset base is sufficient. The Budget 2017/18 ratio of 148% is very close to the 150% low risk target. The full year forecast in February shows a ratio of 132% mainly due to forecast project deferrals to 2018/19 of \$4.7 million.

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



Target: Greater than 100% Year-end forecast: 105% Status: ✔

Comments: This financial indicator assesses whether Council's spend on its asset base is keeping up with the rate of asset depletion. The Budget 2017/18 ratio of 122% indicates sufficient provision in the capital program for asset renewal and upgrade. The full year forecast in February shows a ratio of 105% mainly due to forecast project deferrals to 2018/19 of \$4.7 million. This ratio is still significantly above the 100% required for a low risk rating.

Key
 Budget 2017/18 Year end forecast

Comprehensive Income Statement Converted to Cash February 2018

We use the Comprehensive Income Statement Converted to Cash to ensure prudent financial management by maintaining a modest cumulative cash surplus. Council expects to achieve a modest cumulative cash surplus for 2017/18 as budgeted.

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual	Forecast	Actual to Forecast		Forecast	Budget	Forecast to Budget		
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	
Income									
Rates and Charges	81,015	80,820	195	0%	120,834	120,769	65	0%	
Statutory Fees and Fines	15,043	15,144	(101)	(1%)	22,718	22,710	8	0%	
User Fees	24,589	24,352	237	1%	34,994	34,317	677	2%	
Grants - Operating	7,176	7,091	86	1%	10,131	9,421	710	8%	
Grants - Capital	635	220	415	188%	5,312	4,460	852	19%	
Contributions - Monetary	4,926	4,850	76	2%	8,482	7,830	652	8%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	10,861	10,823	39	0%	15,525	13,406	2,119	16%	
Total Income	144,245	143,299	946	1%	217,996	212,913	5,083	2%	1
Expenses									
Employee Costs	60,108	60,192	85	0%	88,564	88,637	73	0%	
Materials and Services	38,827	41,155	2,328	6%	66,860	67,581	721	1%	
Professional Services	3,536	4,987	1,451	29%	10,223	9,493	(730)	(8%)	
Bad and Doubtful Debts	3,045	2,498	(547)	(22%)	3,478	3,478	0	0%	
Depreciation	16,201	16,201	(0)	(0%)	24,430	24,430	0	0%	
Borrowing Costs	220	248	28	11%	460	460	0	0%	
Other Expenses	13,814	14,021	207	1%	16,830	17,442	612	4%	
Net (Profit) or Loss on Disposal of Assets	4,443	0	(4,443)	0%	7,736	7,736	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
Total Expenses	140,194	139,304	(891)	(1%)	218,580	219,256	676	0%	2
Operating Surplus / (Deficit)	4,051	3,996	55	1%	(584)	(6,342)	5,758	(91%)	
Income Statement Converted to Cash									
Adjustments for non-cash operating items:									
• Add back depreciation	16,201	16,201	0	0%	24,430	24,430	0	0%	
• Add back written-down value of infrastructure assets disposals	4,614	0	4,614	0%	8,736	8,736	0	0%	
• Add back written-down value of fleet asset disposals	120	340	(220)	(65%)	510	510	0	0%	
• Add back balance sheet work in progress reallocated to operating	396	395	1	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%	
	21,331	16,936	4,395	26%	34,876	34,876	0	0%	
Adjustments for investing items:									
• Less capital expenditure - Infrastructure	(10,886)	(11,264)	378	(3%)	(27,088)	(31,631)	4,543	(14%)	
• Less capital expenditure - IT, Plant and Equipment	(2,651)	(3,697)	1,046	(28%)	(5,137)	(4,642)	(495)	11%	
	(13,537)	(14,961)	1,424	(10%)	(32,225)	(36,273)	4,048	(11%)	3
Adjustments for financing items:									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(450)	(467)	16	(4%)	(700)	(700)	0	0%	
	(450)	(467)	16	(4%)	(700)	(700)	0	0%	
Adjustments for reserve movements:									
• Discretionary Reserve Drawdown/ (Replenish)	4,656	4,657	(1)	(0%)	3,746	10,069	(6,323)	(63%)	
• Statutory Reserve Drawdown/ (Replenish)	(4,301)	(4,300)	(1)	0%	(3,654)	(2,155)	(1,499)	70%	
	355	357	(2)	(1%)	93	7,914	(7,821)	(99%)	4
Current Year Surplus/(Deficit)	11,749	5,862	5,888	100%	1,459	(525)	1,985	(378%)	
Opening balance carry forward surplus	880	880	0	0%	880	890	(10)	(1%)	
Accumulated Cash Surplus	12,629	6,742	5,888	87%	2,339	365	1,975	542%	

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 \$0.72 million:

- \$0.12m Additional income for paid parking based on increased utilisation.
- \$0.14m Additional Income for parking permits based on increased utilisation.
- \$0.15m Forecast cost recovery from Victorian Building Authority (VBA)/ Victoria Cladding Taskforce for cladding audit works.

Note 2: Operating expenditure forecast increased by \$0.51 million:

- \$0.45m Forecast savings due to enterprise vacancies including project management works for Fishermans Bend, City Design, Infrastructure, and Transport Safety.
- \$0.20m Carlisle Street Tram Stop upgrade delays as per advice from Public Transport Victoria Construction is expected late 2017/18 with invoices to be received in early 2018/19.

Note 3: Capital expenditure decreased by \$2.14 million:

- (\$1.68m) Customer Experience Program - deferral of business case to 2018/19, to be presented to Council in April outlining agreed scope, costs and benefits.
- (\$0.35m) Design works to be completed in 2017/18 for the Public Space Lighting Renewal program as the project encountered a number of issues including staff turnover and scope revisions due to project complexity (soil issues). Construction works will be funded out of the 2018/19 program.
- (\$0.17m) Albert Park Wave Deflection Wall works not required, resulting in \$250,000 of savings. Part funds were reprioritised to the Beacon Cove pilings temporary safety works.

Note 4: Net drawdown on reserves increased by \$0.11 million:

- \$1.68m Customer Experience Program - deferral of business case to 2018/19, to be presented to Council in April outlining agreed scope, costs and benefits.
- \$0.17m Received funding for Newton Court Reserve upgrade.
- \$0.20m Funds deferred to 2018/19 for the Carlisle Street Tram Stop upgrade project as per advice from Public Transport Victoria. Construction is expected late 2017/18 with invoices to be received in early 2018/19.

Changes to the portfolio

The City of Port Phillip has a project portfolio consisting of over 130 programs and projects with a total budget of over \$53.2 million.

The table below outlines changes to the project portfolio during February 2018.

Project	Change
Walk Plan and Bike Plan Implementation 2017/18	Additional scope has been approved to include walking safety improvements on Chapel Street, St Kilda and intersection of Bridport and Mourbray streets, Albert Park. Project schedule will remain unchanged and be completed in June.
Planning Scheme Amendments Program	Additional funding of \$100,000 was approved to allow for extended scope which includes the Fishermans Bend Planning Controls Councils presentation to the Planning Advisory Panel. Project schedule will remain the same and completed in June.
Acland Street Upgrade Activation	Additional scope has been approved to include installation of bollards to Barkly and Acland streets, install a plug in pole for traders use, refresh bins with new vinyl wraps and employ consultant to conduct post construction economic analysis. Project schedule was revised and is due to be completed in March.
Baseline of Municipal Greenhouse Gas Emissions Development	Project funding reduced by \$25,000 due to revised scope where depth of analysis will not establish a deep range of emissions sources and sub-sources as previously anticipated.
Public Space Lighting Renewal and Upgrade Program	Project funding reduced by \$350,000 as construction works will not be delivered in 2017/18. Construction of Station Pier to Kerferd Road will be funded from the 2018/19 program of works.
Parks and Playground Renewal and Upgrade Program	\$250,000 Victorian Government funding has been obtained to improve public safety and security in Newton Court Reserve. \$50,000 of this funding will be utilised in 2017/18 for resources and community consultation, with the balance going towards delivery in 2018/19.
Waste Futures Program	Additional funding of \$227,000 was approved over three years for additional resources to assist the Project Director Waste Futures until 30 June 2020.
Balaclava Precinct Program – Carlisle Street Tram Stop Upgrade	A deferral of \$170,000 to 2018/19 was approved due to the timing of PTV works. Project schedule has been revised to August 2018.
Customer Experience and Business Transformation Program	A deferral of \$1.7 million to 2018/19 was approved to align with broader program scope and timeline. Funding for 2017/18 has been revised to \$0.8 million. Program business case to be presented to Council in April.
Albert Park Yachting and Angling Club Deflection Wall	Project works are no longer required. Project has a savings of \$250,000. Part of the funds saved were reprioritised to the Beacon Cove pylons temporary safety works.

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.

Improving customer experience and technology and being more innovative

	Latest Result	
Community satisfaction with Council's performance greater than 65	67	✓
80% community requests responded to on time	94%	✓
80% calls answered within 30 seconds	76%	⚠

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

	Latest Result	
100% performance plans complete	61%	⚠
Total recordable injuries below 28	10	✓
Unplanned Leave (days/EFT) below 0.9	0.5	✓
Staff turnover below 0.9%	0.7%	✓

Improving community engagement, advocacy, transparency and governance

	Latest Result	
90% risk and audit actions completed on time	97%	✓
90% councillor attendance at council meetings	100%	✓
90% council decisions made in public	94%	✓
0 material legislative breaches	4	✗
Average community satisfaction rating for community consultation, advocacy and decision making above 60	58	⚠

Ensuring sustainable financial and asset management and effective project delivery

	Latest Result	
Financial sustainability rating of low	Low	✓
Operating savings	\$530k \$257k to be banked	✓
80% of project delivery is on track	92%	✓

Legislative update

Legislative changes

Below are the legislative for March 2018 that may affect the City of Port Phillip.

Legislation	Assent date	Impact
<i>Health and Child Wellbeing Legislation Amendment Act 2018</i>	28 February 2018	To make miscellaneous technical amendments to the <i>Child Wellbeing and Safety Act 2005</i> in relation to the reportable conduct scheme and the operation of the Child Safe Standards, and to amend the <i>Public Health and Wellbeing Act 2008</i> to align more closely with immunisation status certificate requirements with those under the Commonwealth immunisation scheme; to require up to date immunisation status certificates to be provided to early childhood services; and to require certain bodies to notify the Secretary about persons presenting with anaphylaxis.
<i>Oaths and Affirmations Act 2018</i>	27 February 2018	To re-enact and modernise the law relating to oaths, affirmations, affidavits and statutory declarations, and to establish a scheme for the certification of copies of documents.
<i>Planning and Environment Amendment (Public Land Contributions) Act 2018</i>	27 February 2018	To amend the <i>Planning and Environment Act 1987</i> to introduce a land contribution model for the infrastructure contributions plan scheme, to increase and provide for the indexation of the community infrastructure levy, and to make related amendments to the <i>Subdivision Act 1988</i> and the <i>Building Act 1993</i> .
<i>Health Legislation Amendment (Quality and Safety) Act 2017</i>	6 March 2018	To amend the <i>Health Services Act 1988</i> to strengthen and elevate roles and responsibilities for quality and safety, to improve governance arrangements for public hospitals, public health services and multipurpose services and to provide safe, patient-centred and appropriate health services, and to amend the <i>Public Health and Wellbeing Act 2008</i> to make various technical amendments in relation to immunisation.
Statutory Rule: <i>Building Amendment (National Construction Code Amendment and Siting Requirements) Regulations 2018</i>	12 March 2018	To amend the <i>Building Interim Regulations 2017</i> to make consequential amendments arising from an amendment to the National Construction Code Series, and to update the zones of planning schemes which provide different siting requirements to the siting requirements in those Regulations.

Material legislative breaches

One legislative breach was recorded in February 2018. The breach related to an email exposing all recipients' addresses.

Year-to-date four breaches have been recorded. Three related to emails sent exposing email addresses of all recipients and one related to two departments unknowingly using the same vendor, exceeding the \$150,000 threshold.