

CEO Report

#44 - June 2018



CEO Report




Issue 44



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

Guide to reading this report

-  **On track** Latest result has achieved target for measure
Project is on track across all elements
-  **At risk** Latest result 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 subject to change.

"I have been reflecting on what we have achieved and what lies ahead."

PETER SMITH

CEO City of Port Phillip

Welcome to the June issue of the CEO Report.

As we near the end of 2017/18 I have been reflecting on the past year and what lies ahead. I am proud of what we are achieving together through partnerships and working collaboratively with our community.

This year, we have received a number of third party endorsements or awards that recognise the value of actions we are taking to make our services more sustainable and of working in partnership to improve community outcomes. Such endorsements are important reminders of what we can achieve together when we aim high and deliver on our commitments.

Sustainability award for South Melbourne Market

In April the South Melbourne Market received its fourth and fifth sustainability awards for the year, taking out the Hospitality and Overall Winner awards at the Facility Management Innovation Awards. This was the result of the numerous sustainable practice innovations introduced at the market including recycling, waste and water management and water monitoring.



Knowledge Week at South Melbourne Market

For the first time, we participated in Melbourne Knowledge Week. In collaboration with the cities of Melbourne and Yarra, an augmented reality application was developed across three sites: the South Melbourne Market, Abbotsford Convent, and the Old Royal Women's Hospital/Lab. Participants were able to reveal hidden stories and experience something new at each of the three sites using the smart phone application.

Moray Street upgrade

Works are progressing to upgrade the Moray Street bike path as part of the Metro Tunnel project, with works commencing on 7 May between Coventry Street and Albert Road. Works will improve the flow of traffic and provide cyclists with a safe and reliable alternative north to south route during the Metro Tunnel works on St Kilda Road.

Youth Week in Port Phillip

Victorian Youth Week took place from 13 to 23 April, and we hosted the Victorian Youth Week Arts and Music Festival showcasing art and music from the younger members of our community. The gallery exhibition was held on 13 April at 4Dverse Art Gallery, St Kilda. Nina Panisa was announced the winner of the People's Choice Award for her artwork 'Humans of Melbourne'.

Youth Places Feasibility Study

During April we held pop-up conversations across the municipality to investigate the feasibility of establishing a place specifically for young people in our community, a key action in the Council Plan. Over 200 young people engaged with us, showing a real interest in this project. This study is the initial feasibility work that will inform the four year project.

Disaster recovery

In May we undertook a successful disaster recovery exercise where all information and communication technology operations were transferred to our disaster recovery centre. Once transferred, we operated from our disaster recovery centre for an entire week before transferring back to our primary data centre the following week. The successful exercise demonstrates our ability to continue delivering services to our community in the event of a disaster.

Balaclava Station tram stop upgrade

During May Yarra Trams and Public Transport Victoria upgraded the Balaclava Station tram stop.

Council contributed \$250,000 to the project to deliver streetscape improvements that include extending bluestone paving and kerbing, adding street trees and bike hoops and increasing seating at the tram stop platform.

Car sharing in Port Phillip

In 2016 Council endorsed the CarShare Policy 2016-2021, which includes actions to increase the number of car share vehicle bays and membership. In 2017 car sharing membership in Port Phillip increased by over 1,000 people. This means more than three per cent of Port Phillip residents are car share members and we are on track to meet the goal of 10 per cent by 2021. We have plans to add an additional 26 car share parking bays by the end of June.

St Kilda Film Festival

The 35th St Kilda Film Festival wrapped up on 26 May with the closing night awards, where filmmakers were celebrated with more than \$50,000 in cash and in-kind prizes. *Lost Property Office* (Director Daniel Agdag, Producer Liz Kearney) was awarded the Best Short Film award and *A Life Together* (Director/Producer Simon Dieren) was awarded Best Documentary.

The 2018 Film Festival was a great success, with strong attendance and glowing feedback from the film industry and audiences alike. Opening night is the largest industry gathering held annually and the festival is a key part of establishing our municipality as a filmmaking hub.

Reconciliation Week celebrations

Marking the beginning of Reconciliation Week, we held a flag raising ceremony at St Kilda Town Hall on 28 May. The ceremony featured a Welcome to Country and Smoking Ceremony by the Boon Wurrung Foundation, followed by a community lunch.

As part of the celebrations a musical performance by Luke Captain Meriam Le from Murray Island in the Eastern Group of the Torres Strait Islands at the St Kilda Library was also held on 31 May.

The week concluded with Mabo Day on 4 June with a Welcome to Country and Smoking Ceremony by the Boon Wurrung Foundation, raising of the Aboriginal and Torres Strait Islander flags and a special performance of traditional dance by the Gerib Silk Torres Strait Islander dance group from Cairns, Queensland.

Running from 27 May to 3 June Reconciliation Week commemorates the anniversaries of 1967 referendum and the historic High Court Mabo decision. This year's theme was Don't Keep History a Mystery.

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?

- Council completed its presentations to the Fishermans Bend Planning Review Panel (the Panel), appointed by the Minister for Planning to review the proposed planning controls. This included Council's overarching presentation and specific presentations for each of the individual precincts located within Port Phillip (Wirraway, Sandridge and Montague). These presentations have articulated the position adopted by Council last December, in its written submission to Victorian Government on the draft Fishermans Bend Framework and proposed planning controls. Expert evidence was called to support Council's priority outcomes for sustainable development, flood management, affordable housing, infrastructure delivery and urban design.
- Victorian School Building Authority (VSBA) announced a new secondary school in Fishermans Bend.
- Council held a community open day for South Melbourne Primary School and community facilities on 25 May.

What's coming up?

- The Panel has 40 business days following the close of the hearing on 24 May, to prepare a report and recommendations to the Minister for Planning.
 - The Minister will then finalise the Framework, and the planning controls, having regard to the recommendations of the Panel.
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Waste management

What has happened?

- While there is no risk to service provision, consultation continued with the Victorian Government regarding pricing in response to the ongoing disruption in the recycling industry and Port Phillip's regional contract with SKM.
- Eight waste related actions are captured in the draft *A Sustainable Future Sustainable Environment Strategy*. The draft strategy was released in April for community feedback, and a final strategy will be presented to Council for consideration in late June.

What's coming up?

- The Victorian Government's budget outcomes related to the recycling industry will be announced by the end of June.
 - Workshops will be held with partners in May and June to discuss the next steps for the proposed Inner Metropolitan Sustainability Hub including funding and governance models.
 - The *Don't Waste It!* Waste and Resource Recovery Strategy establishes a framework for how we will manage waste, recycling and litter services over the next 10 years. This strategy details investments in new technologies, better resource recovery and improved partnerships, which underpins our waste management transformation. The draft strategy will be released for community feedback this month.
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Water management

What has happened?

- Officers are working with consultants to develop the functional design for concept design for Alma Park stormwater harvesting development. Feasibility investigations are continuing to manage risks associated with contaminated soil, water quality and flow. The scheme will now include irrigation to Alma Park West, and incorporate two large underground water storage tanks and bioretention water treatment. This additional work will optimise water usage and reduce volume of pollutants entering the bay.
- The Albert Park stormwater harvesting project partners agreed to undertake further investigations that were recommended through the concept design peer review.
- Officers attended Integrated Water Management forums for both the Yarra and Dandenong catchments. Draft Strategic Direction statements to guide each forum were developed. These drafts will be presented to Council in coming weeks.
- Membership of the Elster Creek community reference group is being considered by project partners.

What's coming up?

- Officers will progress functional design for Alma Park stormwater harvesting development and undertake feasibility investigation on soil and water quality.
 - Officers will work with project partners to undertake further investigations recommended through the Albert Park stormwater harvesting concept design peer review.
 - Officers will progress planning for the development of a new Integrated Water Management Plan scheduled to begin in 2018/19.
 - Membership of Elster Creek community reference group will be endorsed.
 - Officers will plan new raingardens to be delivered in 2018/19.
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Transport and parking

What has happened?

- Officers completed contract negotiations and provided data to parking technology service provider for system configuration and establishment.

What's coming up?

- Council will consider the draft *Move, Connect, Live* Integrated Transport Strategy 2018-2028 for release to the community for consultation and engagement at the 20 June Council Meeting.
 - Configuration and set up of parking technology system by vendors before user testing is undertaken.
 - Commencement of installation of parking sensors, with first deployment sites at York Street car park, South Melbourne and Station Pier/Waterfront Place, Port Melbourne.
 - The new parking technology system is planned to go-live on 1 July 2018.
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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 when information is available, many of the measures can only be presented on a quarterly basis.

	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>11 on track 2 at risk 0 off track</p>	<ul style="list-style-type: none"> The two service measures at risk relate to maternal and child health. Quarter three results for maternal and child health participation (two measures) were below annual target (participation in MCH service 78 per cent compared to target of 85 percent, and participation in MCH service by Aboriginal children 74 per cent compared to target of 85 per cent).
<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. Quarter three 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 measures for cost of sealed roads (due to the target being based on m² where our cost is calculated based on 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>3 on track 2 at risk 0 off track</p>	<p>11 on track 2 at risk 1 off track</p>	<ul style="list-style-type: none"> The two outcome indicators at risk relate to greenhouse gas emissions and kerbside waste diversion. The quarter three result for greenhouse gas emissions was above target (3,738tCO₂e compared to target of 3,564tCO₂e). The March result for kerbside waste diversion was below target (32 per cent compared to target of 35 per cent). 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>. The service measures at risk relate to kerbside recyclables, kerbside bins missed and alternative water sources. The quarter three result for kerbside recyclables shows a slight increase in direct service costs compared to previous quarters. The quarter three result for kerbside bins missed shows a decrease in scheduled bin lifts and a slight increase in the number of bins missed compared to last year. The volume of water used from alternative water sources is at risk because it is unlikely to reach annual target based on current usage. This is due to low rainfall between February and April and reduced functionality of stormwater channels to the Elsternwick Park wetlands (Melbourne Water has rectified this issue) in February which is generally a peak usage time. 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>4 on track 0 at risk 0 off track</p>	<p>14 on track 3 at risk 0 off track</p>	<ul style="list-style-type: none"> The three service measures at risk relate to animals reclaimed, time taken to decide planning applications and cost of planning service. The quarter three result for animals reclaimed was below target due to a higher volume of animals collected. The quarter three result for time taken to decide planning applications was slightly above target (78 days compared to target of 75 days). The quarter three result for cost of planning service was above annual target. This is partially due to a change to the methodology for calculating the result from when the target was developed. Using the revised methodology cost is favourable to the previous year.
<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 quarter three results for library collection usage, active library members and visits to library per capita were below annual target. However, they are slightly lower than the same time in previous years and are expected to reach target by year-end. Library visits are lower than 2016/17 (by nearly 20,000 visits) and this means our per capita rate is unlikely to reach annual target.
<p>Direction 6 Our commitment to you</p>	<p>4 on track 0 at risk 0 off track</p>	<p>32 on track 2 at risk 1 off track</p>	<ul style="list-style-type: none"> The service measures at risk relates to staff turnover which was over target in April (1.71% compared to target of 0.83%). The year to date turnover rate is also above target with a total of 81 staff departing this financial year (9.59% compared to target of 8.30%). 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 relate 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 April.

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 at risk due to the management of issues preventing full community access (primarily after hours). The school and community facility have been open since the end of January.	Dec 2017	Jan 2018	2,995	2,995
JL Murphy Reserve Pavilion upgrade						
Plan		Project is off track as it is behind schedule following re-design of the kitchen space to better suit the clubs' operational requirements. Detailed design of the pavilion was completed in April in consultation with the clubs. Work has commenced on the establishment of the single governance model for the clubs' operation post construction, which is a requirement of the project funding.			300	300
South Melbourne Life Saving Club redevelopment						
Deliver		Project is on track. Construction commenced in early April. The club has temporary storage on the foreshore for the duration of construction. An official project launch was held on 20 April with Minister Merlino and Minister Foley, Life Saving Victoria and club representatives. Asbestos removal was completed in April and demolition of the building is almost complete.	Apr 2020	Apr 2020	200	200
In Our Backyard strategy implementation						
Deliver		Project is off track due to the delay in establishment of a new trust model. This will have an impact on project schedule and cost, which will be reviewed in June. A second workshop was held with Councillors on 16 May to review In Our Backyard implementation. This included outcomes, policy priority and housing targets. A further workshop with Councillors will be held in June before a forum is held with key housing stakeholders in July to inform the development of a 2018/19 action plan.	Jun 2018	Jun 2018	80	176
Peanut Farm Reserve Sports Pavilion upgrade						
Deliver		Project schedule is at risk due to an initial delay in procuring a construction contractor during December and January. Asbestos removal and demolition was completed in April. An official project launch was held on 13 April with Minister Foley, Councillors and club representatives. Winter football commenced on the new oval surface with positive feedback from the clubs. A contractor was engaged to install new lighting and will commence in June.	Mar 2019	Apr 2019	2,315	420

Overall project status



There are 22 projects contributing to the outcomes in this direction. At the end of April two projects were considered off track: In Our Backyard strategy implementation (discussed above) and JL Murphy Reserve Pavilion upgrade (discussed above).

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 ⓘ						
Deliver	✘	Project is off track due to delaying the release of the draft strategy to improve how it was written and presented. The strategy will be released for community consultation in June prior to formal endorsement in September 2018. Project timeline is currently under review.	Jun 2018	Jun 2018	150	283
Walk Plan and Bike Plan implementation 2017/18 ⓘ						
Deliver	✔	<p>Project is on track.</p> <ul style="list-style-type: none"> Construction continued at Ingles Street and Light Rail shared path and crossing, Port Melbourne. Completed signalisation works at Swallow Street and Light Rail shared path, Port Melbourne. Notified the community of upcoming bike infrastructure upgrades in Inkerman Street, St Kilda. Installed speed cushions on Cecil Street, South Melbourne. Upgrade of Beacon Cove shared path, Port Melbourne. 	Jun 2018	Sep 2018	1,040	1,040
Kerferd Road safety improvements ⓘ						
Plan	⚠	Project is at risk while we seek further detail on the Victorian Government's commitment to the Shrine to Sea project that was proposed in the state budget. Council considered this project on 16 May and resolved to engage with the Victorian Government on the details and timing of their budget commitment and implications for safety improvements on Kerferd Road and requested that further information be presented to Council before proceeding.			395	175

Overall project status



There are 28 projects contributing to the outcomes in this direction. At the end of April the Integrated Transport Strategy (discussed above) was 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 delays in CCTV vehicle fitout and recruitment to undertake asset data collection and analysis. Project timeline and cost is under review and will be re-baselined for the project. Stormwater projects completed in April included improvements to street drainage including new pits, pipes and street parking changes at Robe Street, St Kilda and installed new pits and pipes at Pattison Street, St Kilda.	Dec 2018	Dec 2018	1,300	1,110
Waste and Resource Recovery Strategy T						
Deliver	✔	Project is on track. The Waste and Resource Recovery Strategy will be informed by the finalised Fishermans Bend Waste Strategy regarding targets and short and long term focus. A draft strategy for public release and consultation will be considered by Council in June.	Jun 2018	Sep 2018	95	95
Energy Efficiency and Solar Program						
Deliver	✘	Program is off track due to poor building conditions and delay to complete designs which has meant cancellation of solar panels on five buildings (poor building conditions have affected Port Melbourne Bowls Club and Elwood Sailing Club; delay in design process affected 147 Liardet Street, Port Melbourne, North St Kilda Children's Centre, St Kilda and Poets Grove Children's Centre). We are assessing alternative energy efficiency improvements to deliver greenhouse gas and cost savings. Lighting and heating efficiency improvements at Albert Park Kindergarten, Betty Day Centre and Linden Gallery commenced in May.			460	540
Sustainability Strategy Beyond 2020 review T						
Deliver	✔	Project is on track. The draft strategy was released for community feedback. Feedback will inform the final strategy to be presented to Council on 20 June.	Jun 2018	Jun 2018	150	150
Baseline of Municipal Greenhouse Gas Emissions development						
Deliver	✔	Project is on track. An estimated baseline figure of 1,700,000 tonnes of carbon dioxide equivalent has been determined and published in the draft Sustainable Environment Strategy. Work also commenced on gathering more supporting data regarding waste emissions generated by the commercial sector.	Jun 2018	Jun 2018	150	110
Albert Park Stormwater Harvesting development T						
Deliver	⚠	Project is at risk due to findings in the Concept Design Peer Review Report. It highlighted a number of project risks and recommended additional technical assessments to understand these completely. The risks include high salinity of the lake water, water availability in drier periods and cost increases. The project partners, Cities of Port Phillip and Melbourne and Parks Victoria have agreed to undertake the report's recommended further technical investigation over the next four months to inform the project viability assessment. These further investigations will delay remaining milestones and result in lower than planned expenditure in 2017/18.	Apr 2018	Jun 2019	50	119

Stage	Status	Comments	Original completion	Forecast completion	2017/18 Budget \$'000	2017/18 Forecast \$'000
Alma Park Stormwater Harvesting development ⓘ						
Plan	✔	Project is on track. The concept design has been finalised and a cost estimate is currently being prepared. Officers have had a positive response from schools and clubs during meetings to inform them of the project and understand what needs to be in place to manage disruption to the oval during construction. Broader community has been notified of plans to construct stormwater harvesting system via on-site project board and fact sheet mailout.			100	100
Water Sensitive Urban Design Program ⓘ						
Deliver	✔	Project is on track. All capital works scheduled in the 2017/18 program have been constructed. Rectification works for several older assets have been scheduled and will be delivered in June.	Jun 2018	Jun 2018	300	248

Overall project status



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

Off track non-major initiative project status

EcoCentre Service Opportunity ❌

Project is off track due to the delays experienced in installing the decking and ramps around the new relocatable buildings, this work was completed in April. The internal renovation works including air-conditioning installation have been completed. The Strategic Business Case has been finalised and submitted to the Victorian Government.

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. Precinct planning has been suspended while the Fishermans Bend Planning Advisory Panel takes place, to consider the Victorian Government's draft Fishermans Bend Framework and Amendment GC81 (proposed planning controls). The budget of \$200,000 originally allocated to precinct planning is being used to fund legal representation and provision of expert evidence to support Council's presentation at the Panel.	Jun 2018	Jun 2018	365	500
Ferrars Street Education and Community Precinct - Construction of Montague Park T						
Deliver	⚠	Project is at risk due to delay in obtaining funding deed with the Victorian Government and requirement to obtain ministerial approval for CitiPower to undertake works. Works continued in Surveyors Place and commenced in the Southern Plaza. Community consultation on the proposed name for the park, Kirrip Park concluded in May.	Jul 2018	Aug 2018	2,290	3,600
Ferrars Street Education and Community Precinct - Streetscape Upgrade T						
Deliver	⚠	Project is at risk due to budget constraint as prescribed in the funding deed. The detailed design was completed and a tender process underway to appoint a contractor, with contract award proposed for July 2018.	Dec 2018	Dec 2018	2,638	834
Gasworks Arts Park Contamination Management Plan						
Deliver	✘	Project is off track as the Contamination Management Action Plan (CMAP) has not been received from the Department of Treasury and Finance. The CMAP was expected in early 2018, however further testing is required before it is finalised and the project is unlikely to be completed by 30 June. An updated timeline was communicated to stakeholders in May.	Jun 2018	Jun 2018	50	50
St Kilda Marina New Lease						
Plan	✔	Project is on track. Works are progressing in line with the revised program and budget. On 18 April Council approved the release of the draft site vision and objectives, and draft opportunities and constraints papers to the community and key stakeholders for feedback. The consultation on the draft site vision and objectives, and draft opportunities and constraints papers concluded and were finalised on 30 May.			150	360
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. An underspend of \$20,000 is projected due to use of in-house rather than external consultants.			50	30

Overall project status



There are 29 projects contributing to the outcomes in this direction. At the end of April four projects were considered off track: Gasworks Arts Park Contamination Management Plan (discussed on previous page), Parks and Playground renewal and upgrade program, Maritime infrastructure renewal program and St Kilda Road South UDLUF - Implementation Plan.

Off track non-major initiative project status

Parks and Playground renewal and upgrade program ❌

Program is off track due delays in the Chipton Park and Crichton Reserve projects. Community consultation on the concept design for Chipton Park was extended to ensure all feedback is considered in the final design. Crichton Reserve also experienced delay. However, this is likely to be delivered this financial year. All other projects supporting this program are on track.

Maritime infrastructure renewal program ❌

Program is off track. Construction of a deflection wall for the Albert Park Yachting and Sailing Club building is not required and the project is being closed after final engineering review of the existing structure has been completed. Maritime Infrastructure Renewal Program is on track with principle permit approved for contractors to proceed with works. Temporary works have been completed to ensure safety while a long-term repair is designed and implemented. Construction of the Sea Bee walls was completed.

St Kilda Road South - UDLUF - Implementation Plan ❌

Project is off track due to delays in comprising the public spaces and linkages opportunity study and will not be completed by 30 June. Project timeline and costs are under review and will be re-baselined for 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 was released for community feedback. Feedback will inform the final strategy to be presented to Council on 20 June.	Jun 2018	Jun 2018	50	50
Linden Gallery upgrade						
Deliver	✓	Project is on track. Construction of extension commenced and works on roof, veranda decking and structure continued and the facade was cleaned and painted. Additional internal painting, fence replacement and replacement of light fittings, is being undertaken as part of the project building renewal program. This will occur during the shut down of the building to minimise disruption and expense associated with the works.	Jun 2018	Jul 2018	1,675	1,590

Overall project status



There are 18 projects contributing to the outcomes in this direction. At the end of April four projects were considered off track: Gasworks Theatre building upgrade, Gasworks Theatre seat replacement, O'Donnell Memorial Fountain restoration, and South Melbourne Market Compliance Assessment.

Off track non-major initiative project status

Gasworks Building upgrade ✘

Project is off track due to non-compliance of cables in the new front entry. A design was developed in March to rectify this which will lead to a project overspend of \$10,000.

Gasworks Theatre seats replacement ✘

Project is off track due to delay in delivery to ensure minimal disruption to the service and will take place during the quiet period in the program. The tender period for a design and construct contractor for the seats closed on 4 May. The schedule will be reviewed following successful appointment and the project re-baselined.

O'Donnell Memorial Fountain restoration ✘

Project is off track. Issues were found that are likely to cause a failure in the fountain operation and works have ceased. Costs to repair the issues have been estimated. However, no funds have been allocated in the 2018/19 Budget for the works to occur.

South Melbourne Market Building compliance assessment ✘

Project is off track due to the unsuccessful initial tender process of the Building Compliance Assessment work scoping study. The re-tender closed on 2 March. The preferred respondent cost and schedule is known and will be re-baselined for the project.

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	✘	Program is off track due to delay in considering design and costing for the Sails on the Bay project. Roof and gutter replacement was completed at Ada Mary A'Beckett children's centre, Port Melbourne. Remaining projects within the program are on track.	Jun 2018	Jun 2018	2,330	1,970
Customer Experience and Business Transformation Program 2017/18 (previously Core Application Renewal and Upgrade Program)						
Plan	✔	Program is on track. The Customer Experience Improvement Plan was completed in 2017. This plan was then aligned with the ICT Strategy and its initiatives. Over the last two months KPMG have been developing a business case and operating model to deliver on the Customer Experience Improvement Plan and the ICT Strategy.			2,500	816
Core IT Infrastructure Renewal and Upgrade Program						
Deliver	✘	Program is off track due the delay in the deployment of the Telephony and Call Centre renewal project. Additional resources have been committed to address deployment issues and to bring the project back on track. The Desktop and SOE Renewal Project works have been completed. The Disaster Recovery exercise was also successfully completed in May.	May 2018	Jun 2018	1,792	2,398

Overall project status



There are 17 projects contributing to the outcomes in this direction. At the end of April five projects were considered off track: Building Renewal Program 2017/18 (discussed above), Core IT Infrastructure renewal and upgrade program (discussed above), Major Civil Planning 2017/18, and Risk and Compliance Management Solution.

Off track non-major initiative project status

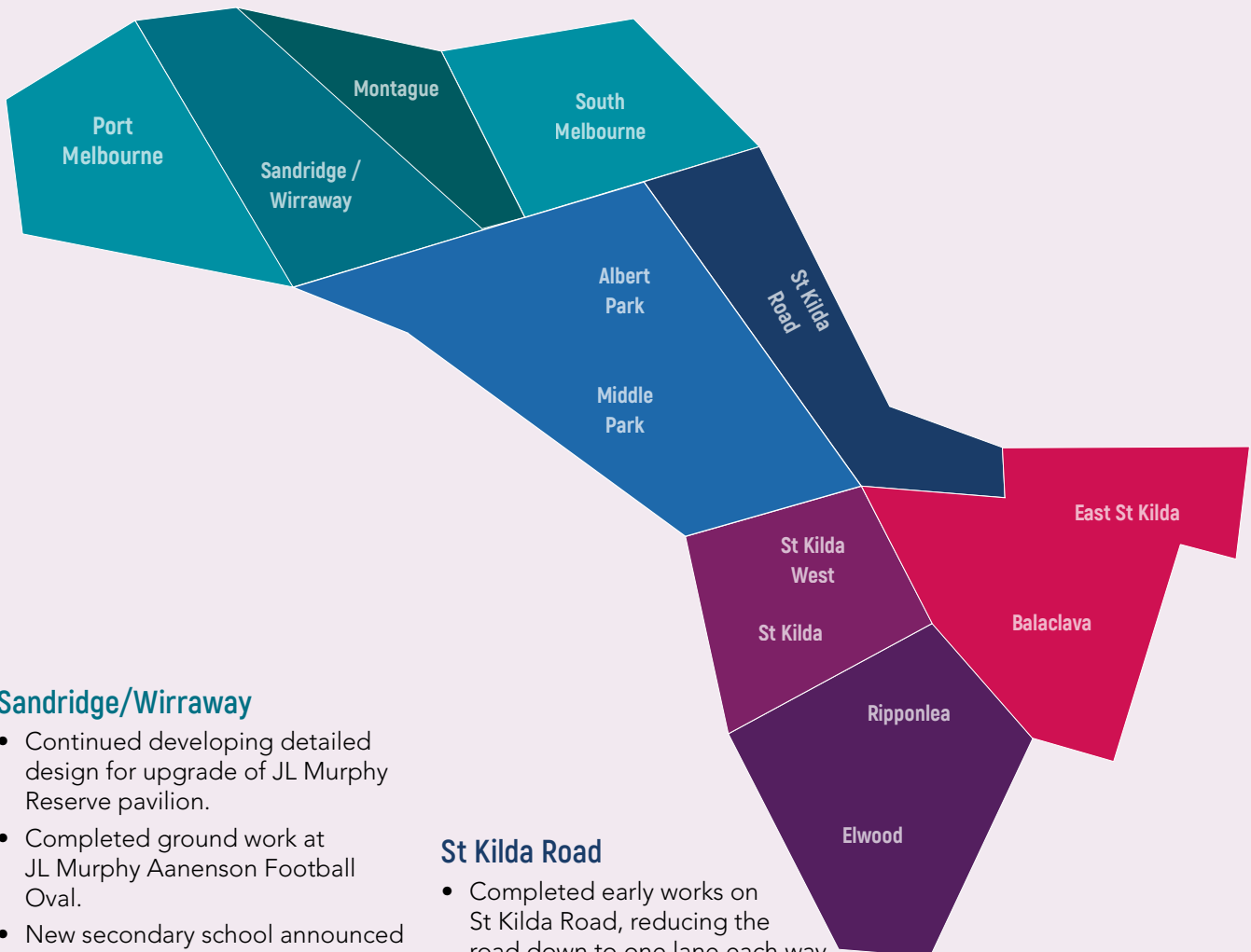
Major Civil Planning and Design ✘

Program is off track because planned schedule to develop standard drawings and designs for asset infrastructure was delayed by ten months to June 2019 because resources were unavailable. Detailed design of three civil renewal projects were completed on schedule.

Risk and Compliance Management Solution ✘

Project is off track. This project was to procure a technology system to support the management of risks and assurance activities in the organisation. Procurement will not be completed this year because the focus has been on improving and refining our management of risks. The benefits of implementing a system to manage risks and compliance activities will be considered as part of the broader Customer Experience Program in the future.

What's happened in our local neighbourhoods?



Sandridge/Wirraway

- Continued developing detailed design for upgrade of JL Murphy Reserve pavilion.
- Completed ground work at JL Murphy Aanenson Football Oval.
- New secondary school announced in Wirraway.

Montague

- Completed consultation on proposed name of new park, Kirrip Park.

South Melbourne

- Commenced protected bike lane work on Moray Street as part of the Melbourne Metro Tunnel project.
- Continued works at South Melbourne Town Hall upgrading the lift.
- Continued construction of safety improvements at Coventry and Tope streets as part of the Blackspot Safety Improvement initiative.

Port Melbourne

- Completed upgrade of the Liardet Street Community Centre.

St Kilda Road

- Completed early works on St Kilda Road, reducing the road down to one lane each way as part of the Melbourne Metro Tunnel project.

Albert Park/ Middle Park

- Continued construction to redevelop the South Melbourne Life Saving Club building and public amenities.

St Kilda / St Kilda West

- Continued works on roof, veranda decking and structure at Linden Gallery.
- Completed demolition of Peanut Farm Reserve Sports Pavilion.
- Completed demolition of South Melbourne Life Saving Club.
- Completed construction of kerb and renewal works at Deakin Street, St Kilda.
- Continued road renewal at Herbert and Smith Streets, St Kilda.

Elwood / Ripponlea

- Renewed laneway at Coleridge Street, Elwood.

Balaclava / St Kilda East

- Commenced streetscape work as part of the Carlisle Street, Balaclava tram stop project.
- Renewed laneway at Elm Grove, Balaclava.
- Held community consultation regarding works in Alexandra Street, St Kilda East.

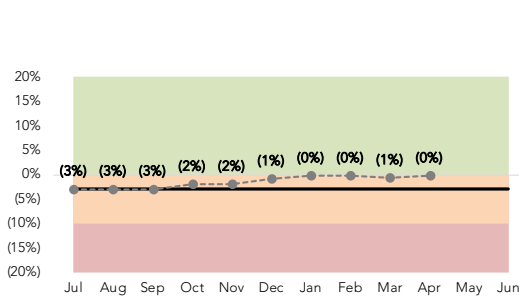
Financial performance

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

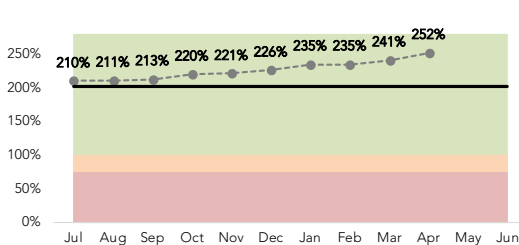
1.1 Net Result % (Net Surplus over Total Income)



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 Education and Community Precinct works and relinquishing the Pickles Street property on Crown Land. Council is currently on track to deliver a small deficit, 0.3 per cent of total income, which is an improvement to the budget. This is mainly due to the timing of capital funds for the Ferrars Street Education and Community Precinct works now expected in 2018/19 in line with our expenditure spend.

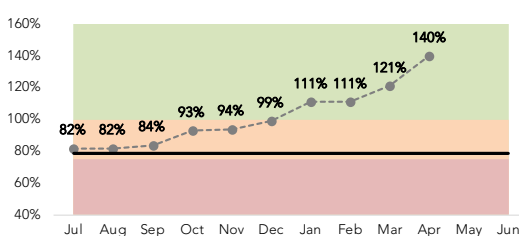
1.2 Working Capital % (Current Assets over Current Liabilities)



Target: Greater than 100% Year-end forecast: 252% 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 per cent. 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 April of 252 per cent. Council has no issues in paying suppliers and employees when payments fall due.

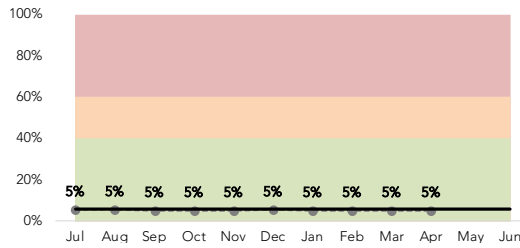
1.3 Internal Financing % (Net Operational Cashflows compared to Net Cash Capital Outlay)



Target: Greater than 100% Year-end forecast: 140% 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 Education and Community Precinct works which are partly funded from cash reserves set aside in prior years. The full year forecast in April for Council's capital spend is lower than budgeted which results in a favourable internal financing ratio than budgeted.

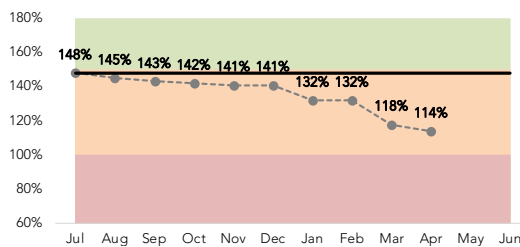
1.4 Indebtedness % (Own Sourced Revenue compared to Non Current Liabilities)



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 per cent for Budget 2017/18 is significantly lower than the 40 per cent target. The full year forecast in April shows Council is on track to achieve budget.

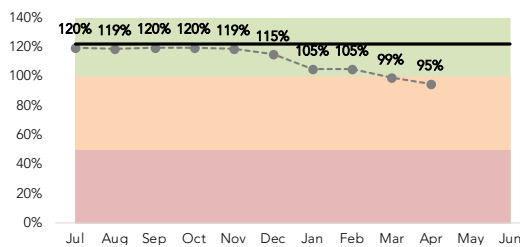
1.5 Capital Replacement % (Total cash capital outlay / Depreciation)



Target: Greater than 150% Year-end forecast: 114% 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 per cent is very close to the 150 per cent low risk target. The full year forecast in April shows a ratio of 114 per cent mainly due the forecast project deferrals to 2018/19 of \$8.5 million. Draft Budget 2018/19 ratio at 226 per cent.

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



Target: Greater than 100% Year-end forecast: 95% Status: ✔

Comments: This financial indicator assesses Council’s spend on its asset base is keeping up with the rate of asset depletion. The Budget 2017/18 ratio of 122 per cent indicates sufficient provision in the capital program for asset renewal and upgrade. The full year forecast in April shows a ratio of 95 per cent mainly due to forecast project deferrals to 2018/19 of \$8.5 million. The large capital program in 2018/19 with a ratio of 127 per cent will lift our spend on renewal & upgrading our assets back on track.

Key
 Budget 2017/18 Year end forecast

Comprehensive Income Statement Converted to Cash - April 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	101,139	101,118	21	0%	121,024	120,769	255	0%	
Statutory Fees and Fines	19,164	19,105	60	0%	22,718	22,710	8	0%	
User Fees	30,144	29,604	540	2%	34,401	34,317	84	0%	
Grants - Operating	8,699	8,999	(300)	(3%)	9,973	9,421	552	6%	
Grants - Capital	1,061	810	251	31%	3,931	4,460	(529)	(12%)	
Contributions - Monetary	6,529	5,935	594	10%	8,689	7,830	859	11%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	13,949	13,438	511	4%	15,983	13,406	2,576	19%	
Total Income	180,685	179,008	1,677	1%	216,719	212,913	3,806	2%	1
Expenses									
Employee Costs	73,930	73,363	(567)	(1%)	87,705	88,637	932	1%	
Materials and Services	49,160	50,112	953	2%	64,926	67,581	2,654	4%	
Professional Services	5,029	6,179	1,150	19%	9,366	9,493	127	1%	
Bad and Doubtful Debts	3,840	2,958	(882)	(30%)	3,418	3,478	60	2%	
Depreciation	20,273	20,273	0	0%	24,430	24,430	0	0%	
Borrowing Costs	227	267	39	15%	460	460	0	0%	
Other Expenses	15,457	15,264	(192)	(1%)	16,867	17,442	575	3%	
Net (Profit) or Loss on Disposal of Assets	4,408	0	(4,408)	0%	7,736	7,736	0	0%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
Total Expenses	172,323	168,416	(3,907)	(2%)	214,907	219,256	4,349	2%	2
Operating Surplus / (Deficit)	8,361	10,592	(2,231)	(21%)	1,812	(6,342)	8,155	(129%)	
Income Statement Converted to Cash									
Adjustments for non-cash operating items:									
• Add back depreciation	20,273	20,273	(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	189	425	(236)	(55%)	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%	
	25,472	21,093	4,379	21%	34,876	34,876	0	0%	
Adjustments for investing items:									
• Less capital expenditure - Infrastructure	(14,981)	(14,725)	(257)	2%	(22,913)	(31,631)	8,718	(28%)	
• Less capital expenditure - IT, Plant and Equipment	(3,410)	(4,078)	668	(16%)	(4,937)	(4,642)	(295)	6%	
	(18,391)	(18,802)	411	(2%)	(27,850)	(36,273)	8,423	(23%)	3
Adjustments for financing items:									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(519)	(583)	65	(11%)	(700)	(700)	0	0%	
	(519)	(583)	65	(11%)	(700)	(700)	0	0%	
Adjustments for reserve movements:									
• Discretionary Reserve Drawdown/ (Replenish)	4,760	4,757	3	0%	(2,323)	10,069	(12,392)	(123%)	
• Statutory Reserve Drawdown/ (Replenish)	(5,306)	(5,300)	(6)	0%	(4,305)	(2,155)	(2,150)	100%	
	(546)	(543)	(3)	0%	(6,627)	7,914	(14,541)	(184%)	4
Current Year Surplus/(Deficit)	14,378	11,757	2,621	22%	1,511	(525)	2,036	(388%)	
Opening balance carry forward surplus	880	880	0	0%	880	890	(10)	(1%)	
Accumulated Cash Surplus	15,258	12,637	2,621	21%	2,391	365	2,026	556%	

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 \$0.4 million:

- ⊕ \$0.16m Supplementary rates taken up in April to reflect the property development within the municipality.
- ⊕ \$0.30m Additional open space contributions received due to property subdivision.

Note 2: Operating expenditure forecast reduced by \$3.1 million:

- ⊖ \$0.13m Risk and Compliance Management Solution to be considered as part of broader Customer Experience Program.
- ⊖ \$1.60m Operating expenditure to support capital works including planning and community engagement is expected to be lower than projected.
- ⊖ \$0.60m Organisational employee expenditure expected to be lower due to staff vacancy.
- ⊖ \$0.15m Reduced spend on software enhancements due to the pending implementation of the Customer Experience Program.
- ⊖ \$0.07m Council has taken up the option within the Communications contract to purchase devices which Council had to previously purchase separately. This has resulted in savings.
- ⊖ \$0.36m A number of operating projects are expected to be underspent in 2017/18 including In Our Back yard, Soil Contamination Management, Heritage Program Development, Domain Precinct Urban Real Development.

Note 3: Capital expenditure decreased by \$1.0 million:

- ⊖ (\$1.60m) A review of project expenditure to support capital works has identified a greater amount of expenditure to be classified as capital.
- ⊕ \$0.25m South Melbourne Town Hall Lift Renewal construction cost lower than budgeted.
- ⊕ \$0.29m Annual program for safe roof access scope reduced in 2017/18.
- ⊕ \$0.22m Linden Gallery Upgrade deferrals identified as works are continuing into early 2018/19.
- ⊕ \$0.23m Bollard Security Improvements to be completed in 2018/19 due to longer lead time for design.
- ⊕ \$0.53m Carlo Catani Wall Structure Rectification deferrals identified due to delays in design and public tendering.
- ⊕ \$0.70m Peanut Farm Pavilion Upgrade deferrals identified due to contractor committed more works in 2018/19.
- ⊕ \$0.24m Elwood Public Space Wall to be deferred to align with Elwood Playspace works planned for 2018/19.

Note 4: Net drawdown on reserves increased by \$4.5 million:

- ⊖ \$2.40m Lower drawdown on reserves due to projects deferrals including Linden Gallery, Carlo Catani Wall Structure Rectification, Peanut Farm Pavilion Upgrade, Elwood Public Space Wall, and other minor project deferrals.
- ⊖ \$2.10m Asset Renewal Reserve increased for future renewal and upgrade works.

Changes to the portfolio

The City of Port Phillip has a project portfolio consisting of over 140 programs and projects with a total budget of over \$53.2 million.

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

Project	Change
Bubup Nairn Non Compliance Works	Project has a saving of \$50,000 due to lower than expected construction costs. Project completion remains unchanged by June.
Carlo Catani Wall Structural Rectification	Project schedule has been revised. A deferral of \$525,000 to 2018/19 due to delays in design and public tendering. Project completion has been extended by three months to November 2018.
Domain Precinct Metro Tunnel Project	Project has a saving of \$52,000 due to resourcing cost lower than expected.
Elwood Public Space Wall Replacement	Project scope and schedule have been revised. Scope change to align with Elwood Play Space works planned for 2018/19. A deferral of \$240,000 to 2018/19 to undertake the construction phase of the project. Project completion has been extended by five months to November 2018.
Energy Efficiency and Solar Program	Project scope and cost have been revised. Poor building conditions and delays to design work has led to the cancellation of installation of solar panels on five small buildings. Additional scope includes lighting and heating efficiency improvements at South Melbourne Market, Albert Park Kindergarten, Betty Day Centre and Linden Gallery. Project has a saving of \$65,000 from scope changes.
Fines Reform Act Implementation	The Project has a savings of \$60,000 as the changes required by Council were not as substantial as originally anticipated and were managed within existing resources.
Fishermans Bend Parking Controls Implementation	Project cost and schedule have been revised. Project has a saving of \$40,000 in 2017/18 due to lower than anticipated cost for resources.
Heritage Program Development and Implementation	Project scope has been revised to include Fishermans Bend Heritage Assessment. Project cost and timeline will not be impacted.
Integrated Transport Strategy Development	Project cost and schedule have been revised. Project has a saving of \$42,000 due to lower than anticipated costs for data collection and analysis, and discussion and position papers.
Linden Gallery Upgrade	Project scope and schedule have been revised. An additional \$250,000 has been approved to deliver additional scope. Additional internal painting, fence replacement and replacement of light fittings, is being undertaken as part of the project that has been identified as required within the next one to two years as part of the normal building renewal program. A deferral of \$215,000 to 2018/19 due to project delay caused by latent conditions. Project completion has been extended by one month to July 2018.
Parking Technology Renewal and Upgrade Program	Project cost of \$187,000 has been brought forward due to earlier delivery commencement of parking sensors and relay, pay by phone establishment and Fishermans Bend parking ticket machines.
Peanut Farm Reserve Sports Pavilion Upgrade	A deferral of \$700,000 to 2018/19 due to the delay in completing the procurement process for a head contractor and commencement of construction works. Project cost, scope and timeline will not be impacted.
Post Office Place and Albert Park College Safe Access Investigation	Road closure trial of Post Office Place has been added to project scope. Project cost and timeline will not be impacted. Project to be completed in June.
Public Space Lighting Expansion Program	Project schedule has been revised. A deferral of \$40,000 to 2018/19 due to time lost in recruitment of project resource and lead time delay required to deliver lights from preferred supplier. Project completion has been extended by one month to July 2018.

South Melbourne Community Centre Upgrade	Project funding and schedule have been revised. A deferral of \$120,000 to 2018/19 due to the initial tender being unsuccessful. Project completion has been extended by three months to February 2019. The delay will have no impact on the overall budget of \$838,000 over four years.
South Melbourne Town Hall Lifts Upgrade	Project has a saving of \$250,000 due to lower than expected project costs from the procurement process. Project completion of January 2019 remains unchanged.
Sports Fields Lighting Expansion	Elwood Park Reserve concept sports field lighting design has been added to project scope. Project cost and timeline will not be impacted. Project to be completed in June.
St Kilda Road South UDLUF Implementation Plan	Project will not be delivered and funding of \$23,000 not required for 2017/18. Works to be completed in 2018/19.
Water sensitive Urban Design Program	Program has a saving of \$52,000 due to Derham Street, Port Melbourne raingarden being delivered under budget.

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	92%	✓
80% calls answered within 30 seconds	85%	✓

Improving community engagement, advocacy, transparency and governance

	Latest Result	
90% risk and audit actions completed on time	90%	✓
90% councillor attendance at Council meetings	94%	✓
90% Council decisions made in public	88%	⚠
0 material legislative breaches	4	✗
Average community satisfaction rating for community consultation, advocacy and decision making above 60	58	⚠

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

	Latest Result	
100% performance plans complete	80%	⚠
Total recordable injury frequency rate	32.22	✓
Unplanned Leave (days/EFT) below 0.9	0.86	✓
Staff turnover below 0.8%	1.71%	⚠

Ensuring sustainable financial and asset management, and effective project delivery

	Latest Result	
Financial sustainability rating of low	Low	✓
Operating savings	\$1.19m \$152k to be banked	✓
80% of project delivery is on track	86%	✓

Legislative update

Legislative changes

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

Legislation	Assent date	Impact
<i>Children Legislation Amendment (Information Sharing) Act 2018</i>	11 April 2018	To amend the <i>Child Wellbeing Act 2005</i> to establish an information sharing scheme to enable specified entities to share confidential information in a timely and effective manner in order to promote the wellbeing and safety of children; and to establish a register of children born or reside in Victoria to improve child wellbeing and safety outcomes for those children, and to monitor and support their participation in government-funded programs and services. This Act amends the <i>Children, Youth and Families Act 2005</i> so that the provisions for the sharing of information under that Act are simplified and complement the scheme.

Material legislative breaches

There were no legislative breaches recorded in April.

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 vendor threshold.