

CEO Report

#56 - July 2019



CEO Report




Issue 56



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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 experienced a minor miss in relation to target measure
One or more elements of project are at risk
-  **Off track** There is a significantly large variation from targeted result for measure
Project is off track for one or more elements

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

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

"During the month Council adopted our 2019/20 Budget and updated Council Plan."

PETER SMITH

CEO City of Port Phillip

Welcome to the June issue of the CEO Report. On 19 June 2019, Council adopted the updated Council Plan and 2019/20 Budget.

Our Council Plan sets a big agenda for our City seeing us through to 2027 and it ensures we're investing where we need to, we're equipped to manage emerging issues and we're set up for lasting success.

We're committed to ensuring everything we do supports our City to be the bold, liveable, caring and beautiful place people know and love.

Building resilience among young people

Ten local schools have recently received funding through the Resilience Innovation Fund to support projects that help build resilience among young people.

In its fourth year, the Resilience Innovation Fund is a key part of our City's commitment to young people which aims to increase young people's positive identity, positive values, healthy minds and community involvement.



The projects are running throughout this year and focus on youth empowerment, commitment to learning, positive identity, constructive use of time and range from a wellbeing week and deliberate random acts of kindness to empowering deaf young people and more.

Albert Park Stormwater Harvesting Project

Upon completion of the final feasibility assessment, the Steering Committee has concluded that while the Scheme may be possible from an engineering perspective, there are considerable risks that would likely impact the scheme's reliability, cost, delivery and operation. The project partners have agreed to discontinue the project. Officers are now assessing other storm water harvesting capture opportunities as part of the new Water Sensitive Cities Plan.

Making it easier for local businesses

Our City is known for its lively outdoor dining scene and we want to encourage more traders to be able to offer al fresco options to their customers.

As of 1 July, we are introducing a new footpath trading fee policy and a more equitable way for outdoor dining permit charges which sees most traders paying less for their permits.

The policy also includes a special 'revitalisation' rate to support areas undergoing change, such as the Fitzroy Street precinct, or for business who haven't provided outdoor dining before.

We believe these improvements will help bolster the vibrancy and atmosphere that outdoor dining creates across Port Phillip.

A digital difference

Port Phillip is embarking on an 18-month project to redesign and reimagine our digital landscape.

Our current websites, and the technology that supports them, are struggling to meet the needs of customers. People are telling us our information is hard to find and they expect to be able to do more with us online.

This project signals an important step in our organisation's wider digital transformation and Customer Experience Program. The redesign means tasks such as filling out forms will be simpler and it will be easier to track next steps and outcomes of permit applications.

While we improve the functionality of our websites we will also be refreshing our content so information is more customer friendly, simpler to understand and easier to navigate.

Sustainable business

Our Sustainable Business Network (SBN) launched at a sell-out event marking the beginning of a collaborative partnership between Council and local businesses.

The event was the first of many to be held and participants discovered ways of reducing their energy costs, how to read their utility bills and the benefits of investing in an energy audit.

The SBN aims to give business representatives who are committed to reducing their environmental impact a way to connect with industry experts, learn about new sustainability initiatives and meet other businesses owners.

Council has been overwhelmed with the number of businesses who want to be involved with the SBN and we're excited about the opportunities this offers our local traders.

Street and Beach Services are responding to the impact of leaf season

Port Phillip is home to some 32,500 trees across 530 streets providing wonderful full canopy coverage in the spring and summer months. When autumn and winter roll around the trees shed their leaves and the debris has a significant impact on our roads and footpaths.

During 'leaf season' we receive ten-times the amount of leaf cleaning requests from residents. To combat the leaf litter and provide a better result for our residents we've dedicated more resources to our cleaning cycles and improved how we manage the high impact zones.

With these changes, we estimate we've collected enough leaf litter to fill two Olympic sized swimming pools. The additional annual costs of around \$180,000 have been included in the Budget for 2019/20, which Council adopted on 19 June 2019.

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 Program 2018/19

Fishermans Bend represents an unparalleled opportunity to reshape how Australia thinks about urban growth, housing, working and sustainable transport.

It is a Council priority to ensure that the Fishermans Bend Framework and precinct plans maximise outcomes for current and future Port Phillip residents, including employment, housing choice, quality public space and community facilities, and early delivery of fast frequent public transport.

Highlights

- Ferrars Street Education and Community Precinct – Streetscape Upgrade: bins and bike hoops have been installed. Awaiting delivery of additional bollards for Railway Place
- Planning for communications and engagement on precinct planning commenced
- Council continues to work with the Victorian Government to develop the precinct plans and to agree how the Infrastructure Contributions Plan will be formalised
- The Victorian Government budget was released and includes funding for the tram, secondary school, and a new hospital.

Challenges

- Contaminated soil costs for the streetscape upgrade within the Ferrars Street Education and Community Precinct have now been fully realised. Costs have exceeded original estimates.
- Precinct planning remains behind schedule.
- The schedule for the delivery of the Infrastructure Contributions Plan has been delayed until end Dec 2019. A key financial risk is that the introduction of the Fisherman's Bend Infrastructure Contribution Plan may result in the loss of future Open Space Contributions. The reserve has a deficit of \$10 million. We are actively advocating with the Fisherman's Bend Taskforce to seek future Open Space Contributions to equivalent to the Fisherman's Bend Open Space Reserve deficit.

Don't Waste It! - Waste Management Strategy 2018-28

Transforming waste management

The Don't Waste It! – Waste Management Strategy 2018-28 provides a blueprint for how Council and the community will work together to create a more sustainable future for Port Phillip, ensuring it has a sustained reduction in waste. It was endorsed by Council on 17 October 2018 and outlines 25 actions to commence in 2018/19.

Action progress



Highlights

- Victorian Auditor General's Office released its audit report of the waste management system within Victoria. Findings of the report show government agencies are not minimising Victoria's need for landfill nor maximising the recovery and reprocessing of recyclables. Recommendations include the increased support local government especially with planning for sufficient infrastructure to maximise recycling.
- New 'Green Cone' program to reduce food waste and pet waste from landfill commenced. Residents receive a 60 per cent reduction in price and free delivery as a Port Phillip resident or community group. Over 100 have been purchased by the community to date since the launch on 5 May 2019.
- Council was successful in receiving a Collaborative Councils Grant with Glen Eira, to investigate the viability of offering food waste collection services to apartments and businesses, and to improve service standards, streetscape amenity and environmental outcomes for apartments and small to medium businesses.

Challenges

- We are strongly advocating to both the Australian and Victorian Governments for action to strengthen the recycling industry and looking for opportunities to partner with other councils to find a better, more sustainable way forward for our community.

Actions not started

- Action 11 - We are investigating grant opportunities to trial insinkers within existing apartments. This action will commence before the end of the financial year.

Act and Adapt - Sustainable Environment Strategy 2018-28

Transforming waste and water management

The Act and Adapt - Sustainable Environment Strategy 2018-28 was developed to help address waste and water management as well as other sustainable environment challenges. It was endorsed by Council on 20 June 2018 and outlines 29 actions to be delivered in 2018/19.

Action progress



Highlights

- Delivery of Council's Greening Port Phillip program is almost complete. Further trees will be planted in June.
- Council held a Sustainable Business Breakfast where guest speakers provided inspirational and practical advice to support businesses to reduce their greenhouse emissions.
- Construction of raingardens under the Water Sensitive Urban Design program have been completed. Savings from the program have been allocated to an additional project to increase permeability on Liardet St, Port Melbourne.
- A building permit was issued to commence construction of solar panels on the roof of South Melbourne Market.
- A tender was awarded to install solar panels on three Council buildings (North Street Child Centre, Poets Grove Family and Children Centre and 147 Liardet Street, Port Melbourne). Design of solar panels for installation in future years is underway.
- Council continued to work with partners to progress the Elster Creek Catchment and Elsternwick Park Nature Reserve projects. Planning for the new Elster Creek Action Plan has continued. A community workshop will be held in July.

Challenges

- No suitable tender submissions were received to upgrade heating and cooling systems at St Kilda Town Hall. Most of these works will be deferred until after July 2019.
- The EcoCentre Redevelopment project is dependent on partnership funding. To date, we have received \$200,000 from the Victorian Government to progress a design. Completion of concepts designs are now expected to be completed in August 2019. Council will continue to seek further partnership funding for construction.

Completed actions

- Action 25: Examine the effectiveness of establishing a Port Phillip Energy Foundation or partnering with an existing foundation to undertake advocacy, research, advisory and community engagement initiatives
- Action 39: Develop a new Waste Management Strategy that will deliver a City that reduces waste, a City that maximises reuse and recycling, a City with clean streets, public spaces and foreshore areas, a City that uses new technology to process waste better and reduce environmental impacts.

Move, Connect, Live - Integrated Transport 2018-28

Transforming transport and parking

The Move, Connect, Live - Integrated Transport Strategy 2018-28 provides a considered approach to make it easy for people to move around and connect with places in a way that suits them as our City grows. It was endorsed by Council on 20 September 2018 and outlines 30 actions to be delivered or commenced in 2018/19. Three Actions were brought forward to commence in 2018/19 increasing the total from 30 to 33.

Action progress



Highlights

- The design for the Garden City Bike Corridor - Stage 2 is being progressed, with a design consultant appointed and draft concept drawings prepared. The corridor is to be delivered in 2019/20
- Council has written to Parks Victoria seeking the establishment of a project steering group and information on the agreed scope and outputs for the project. As an interim measure Council will be undertaking road safety improvements in June, which will include line marking at black spot intersections along Kerferd Road.
- Community Consultation was undertaken in May on a proposed design response, which involved a community workshop held on the 25 May (35 attendees) and an online survey (74 responses). The results of the consultation will help inform the preparation of the draft Domain Precinct Public Realm Masterplan.
- The investigation project into parking overlay development has commence.

Challenges

- Action 12: Due to the impact that the PortsVic proposal will have on the greater Port Melbourne Waterfront area, the Have Your Say consultation process for the Design Guidelines remains on hold.
- Action 13: Wellington Street Upgrade Stage 3 has been delayed due to permit approval delays from VicRoads. The schedule will now extend into 2019/20 for completion of all construction works.

Completed actions







- Action 5: The Community Bus Review final report was submitted by the consultant on 23 April 2019 and was tabled at the Older Person Consultative Committee on 6 May 2019. The recommendations outlined in the report are currently being considered for delivery.
- Action 35: The South Melbourne Parking Fee Trial Council Report was presented to Council on 15 May
- Action 37: The Car Share mid policy review was presented to Council on 20 February 2019. Council noted the mid policy review, noted that car share targets are currently being met and supported retaining the target of 330 car share vehicles by 2021.

Council scorecard

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

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

	Outcome indicators	Service measures	Areas for focus
<p>Direction 1 We embrace difference, and people belong</p>	<p>2 on track 1 at risk 0 off track</p>	<p>6 on track 6 at risk 0 off track</p>	<ul style="list-style-type: none"> The outcome indicator at risk relates to residents that agree Port Phillip is welcoming and supportive for everyone (annual survey conducted in February 2018) which remained stable and just below target (93 per cent compared to >95 per cent). Four of the service measures at risk relate to community satisfaction survey results conducted in February 2018 (recreational facilities, services contributing to health and wellbeing of the community, supporting older people and people with disabilities and family, youth and children), where a slight decrease was experienced and results dropped below target. Participation in first MCH home visit and participation in MCH service fell slightly below target in quarter three (95.28 per cent and 52.66 per cent respectively compared to 100 per cent). These measures are cumulative measures and are expected to increase as the year progresses, although slightly below the same period last year.
<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"> Two of the service measures at risk relate to the community satisfaction survey conducted in February 2018 (transport planning policy, safety and design and sealed local roads), where a slight decrease was experienced and results dropped below target. The third measure related to cost of sealed local road resealing, which has increased above target due to increased resealing of higher traffic roads which require a thicker seal from 40mm to 60mm (\$59.45 compared to target of \$50.00).
<p>Direction 3 We have smart solutions for a sustainable future</p>	<p>5 on track 0 at risk 0 off track</p>	<p>8 on track 5 at risk 0 off track</p>	<ul style="list-style-type: none"> Three service measures at risk relate to the community satisfaction survey conducted in February 2018 (making Port Phillip more environmentally sustainable, street cleaning and waste and recycling), where a slight decrease was experienced and results dropped below target. One annual measure at risk relates Council waste production, data from 2017/18 year end indicates that 59.6T of waste is produced.

	Outcome indicators	Service measures	Areas for focus
<p>Direction 4 We are growing and keeping our character</p>	 <p>2 on track 2 at risk 0 off track</p>	 <p>13 on track 3 at risk 0 off track</p>	<ul style="list-style-type: none"> • Results from the community satisfaction survey conducted in February 2018 related to residents who feel a sense of security in Port Phillip experienced a decrease and dropped below target. The cumulative quarter two result for Council planning decisions upheld at VCAT also fell short of our target (65 per cent compared to 70 per cent). However, we have experienced an increase from quarter one (63 per cent) and when we include mediated and withdrawn outcomes upheld at VCAT the result would be 77 per cent (and above target). • Community satisfaction results from the survey conducted in February 2018 show resident perception of planning services decreased and results dropped below target (78 per cent compared to 80 per cent). The cumulative quarter three result for cost of planning service was above annual target (\$3,050.58 compared to \$2,500.00). This increase predominantly resulted from higher legal fees to defend Council's decisions on significant developments at VCAT and the cost of our planning service is less than most similar councils. The cumulative quarter three results for planning applications decided within timeframes have remained at 54 per cent below our target of 60 per cent. While less applications have been received, a combination of complex applications and difficulties in recruiting experienced staff has contributed to the timeframes.
<p>Direction 5 We thrive by harnessing creativity</p>	 <p>1 on track 3 at risk 0 off track</p>	 <p>6 on track 3 at risk 0 off track</p>	<ul style="list-style-type: none"> • Two of the outcome indicators at risk relate to community satisfaction survey results conducted in February 2018 (culture of creativity and opportunity to participate in affordable events or activities), where a slight decrease was experienced and results dropped below target. The third outcome indicator relates to the percentage of people employed in the top five industries of total employment (50 per cent compared to 54 per cent). • Two of the service measures at risk relate to community satisfaction survey results conducted in February 2018 (visitor management and good range of business services), where a slight decrease was experienced and results dropped below target. The two remaining measures relate to our libraries, library collection usage (4.41 compared to 4.50) and visits to library per capita (5.84 compared to 6.50). Visits continue to decrease, with the cumulative visits year to date nearing 20,000 under the same time last year.
<p>Direction 6 Our commitment to you</p>	 <p>3 on track 2 at risk 0 off track</p>	 <p>15 on track 6 at risk 1 off track</p>	<ul style="list-style-type: none"> • Two of the outcome indicators at risk relate to community satisfaction survey results from the survey conducted in February 2018 (community engagement and overall performance), where a slight decrease was experienced and results dropped below target. • Three service measures at risk results relate to the community satisfaction survey conducted in February 2018 (advocacy, Council decisions, and website ease of use and navigation), where a slight decrease was experienced and results dropped below target. The asset management and project maturity scores (assessed annually) fell slightly short of target (asset maturity 952 compared to 1000 and project maturity 20.4 compared to 21). Staff turnover remained above target (cumulative result of 12.88 per cent compared to target of 9.17 per cent). • Material legislative breaches was considered off track with four recorded year to date relating to the disclosure of employee details.

Project delivery update

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

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

Direction 1 - We embrace difference, and people belong

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
In Our Backyard strategy implementation						
Deliver	✔	Project is on track. Following adoption of the IOBY Action Plan 2018-19, implementation has progressed, focussing on investigation of: Governance Mechanisms, Planning Controls, Housing Investment Portfolio, Approved Projects and Project Pipeline, and development of Program Delivery Guidelines. Specific progress has included completion of the Housing Needs Framework report to inform the preparation of Program Delivery Guidelines, 90 per cent completion of investigating the Council property pipeline, and progressing initial assessment of the planning application for the Marlborough Streer project.	Jun 2021	Jun 2021	226	226
JL Murphy Reserve Pavilion upgrade						
Deliver	⚠	Project is at risk due to potential contaminated soil costs exceeding the project budget. Additional testing and mitigation strategies are underway to substantiate and quantify likely impacts and costs. Soil test results are due to be confirmed in June. Construction of the pavilion is on track. During May the new concrete slab and the placement and erection of the structural steel was completed. During June, works will focus on completing the structural steel as well as commencing the roof, blockwork (bricks) and framing of the walls.	Jun 2019	Jun 2020	1,368	1,368
North Port Oval upgrade						
Plan	✔	Project is on track. The Oval upgrade works have been completed. The installation of spectator seating is underway and is scheduled for completion in June 2019.	Jun 2021	Jun 2021	1,950	1,950
Peanut Farm Reserve Sports Pavilion upgrade						
Deliver	✔	Project is on track. The pavilion rebuild is complete and the building has been handed over to the sporting clubs. Landscaping is now complete around the netball courts and in front of the building. The cricket nets and hit-up wall are due for completion at the end of June. A suitable date is being sought for an opening celebration with Council, the clubs and Local Member of Parliament.	Jun 2019	Jun 2019	2,315	2,315
South Melbourne Life Saving Club redevelopment						
Deliver	✔	Project is on track. Construction works are almost 90 per cent complete, with all ceilings and wall claddings completed. The staircase and decking works is completed, and work is almost completed on the forecourt. The shared kitchen fit-out arrangements have been agreed with the Club. A Planning Permit application for the kiosk has been received; this has been advertised.	Jun 2020	Jun 2020	100	100

Overall project status



There are 23 projects contributing to the outcomes in this direction. At the end of May 2019 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	2018/19 Budget \$'000	2018/19 Forecast \$'000
Integrated Transport Strategy implementation T						
Deliver	✔	Program is on track. Refer to <i>Transforming the City</i> section of this document for details on progress.	Jun 2028	Jun 2028	300	300
Kerferd Road safety improvements T						
Plan		Project is on hold until the scope of the Victorian Government's funding commitment of \$13 million for the 'Shrine to Sea' corridor and its implementation is determined. As an interim measure, three Black Spot intersections have been identified for safety improvements, including line marking and textured pavement markings. These works will be installed in June 2019.			175	175

Overall project status



There are 22 projects contributing to the outcomes in this direction. At the end of May 2019 no projects were considered off track.

Completed major initiative projects

Integrated Transport Strategy development ✔

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

Direction 3 - We have smart solutions for a sustainable future

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
Albert Park Stormwater Harvesting development ⓘ						
Deliver	⚠	Project is at risk. The final technical feasibility assessment has been completed, summarising all reports and investigations to date. The Steering Committee has concluded that while the Scheme may be possible from an engineering perspective, there are considerable risks that would likely impact the scheme's reliability, cost, delivery and operation. The project partners have agreed to discontinue the project. Officers are now assessing other storm water harvesting capture opportunities as part of the new Water Sensitive Cities Plan.	Jun 2021	Jun 2023	100	100
Alma Park Stormwater Harvesting development ⓘ						
Deliver	✅	Project is on track. Challenging weather over the past few weeks has affected the work site. Notwithstanding, there has been progress on the fit-out of pump wells that will divert water to and from the bioretention system. The design of the irrigation mainline crossing of Alma Road Bridge has been finalised. This line will cross beneath the footpath on the northern side of the bridge. We are preparing a traffic management plan to ensure all disruptions to the bridge traffic, including cars, bikes and pedestrians is kept to a minimum when this is installed.	Jun 2019	Jun 2019	2,815	2,815
Sustainable Environment Strategy implementation ⓘ						
Deliver	✅	Program is on track. Refer to <i>Transforming the City</i> section of this document for details on progress.	Jun 2022	Jun 2028	280	280
Waste Strategy implementation ⓘ						
Deliver	✅	Program is on track. Refer to <i>Transforming the City</i> section of this document for details on progress.	Jun 2022	Jun 2028	280	280

Overall project status



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

Completed major initiative projects

Waste strategy development ✅

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

Direction 4 - We are growing and keeping our character

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
Ferrars Street Education and Community Precinct - Streetscape Upgrade T						
Deliver	✓	Project is on track. Refer to <i>Transforming the City</i> section of this document for details on progress.	Jun 2019	Jun 2019	2,434	2,434
Gasworks Arts Park Contamination Management Plan						
Plan	✓	Project is on track. Council officers continue to work with the Victorian Government to develop a draft Park Plan for community engagement in accordance with the Contamination Management Action Plan (CMAP). A community update will be provided once further information regarding the CMAP is available from the Victorian Government.	Jun 2021	Jun 2022	20	20
Public Spaces Strategy development						
Deliver	⚠	Project is at risk. While Council is securing a project manager, consultants are likely to undertake community engagement, prepare the technical report and key inputs for the Public Space Strategy.	Jun 2020	Jun 2020	125	125
St Kilda Marina						
Plan	✓	Project is on track. Council on 5 June approved: <ul style="list-style-type: none"> the recommended planning scheme amendment process and suite of planning controls to support delivery of the Site Vision and Objectives for the St Kilda Marina a revised project approach to include the planning scheme amendment and adjusted project timeline the Procurement Plan for a new long-term lease the Invitation for Expressions of Interest document and authorised release to the market an updated Probity Plan an Updated Community and stakeholder engagement plan. 	Jun 2019	Jun 2021	460	460

Overall project status



There are 28 projects contributing to the outcomes in this direction. At the end of May 2019 Public Space Lighting Renewal and Upgrade Program 2018/19 was considered off track.

Off track non-major initiatives

Public Space Lighting Renewal and Upgrade Program 2018/19 ✗

Program is off track due to delays in awarding the contract for the Station Pier to Kerferd lighting infrastructure. The scheduled delivery date has been extended by six months. Despite the delay, items, including lanterns, poles and cages have been ordered and community consultation commenced in May 2019. Project schedule to be rebaselined and construction expected to commence in July 2019.

Completed major initiative projects

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

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

Direction 5 - We thrive by harnessing creativity

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
Creative and Prosperous City Strategy implementation						
Deliver	✓	The Art and Soul - Creative and Prosperous City Strategy 2018-22 outlines the cultural change and collaborative actions required across a range of Council services. It was endorsed by Council on 20 June 2018 and outlines 18 actions to be delivered in 2018/19.	Jun 2022	Jun 2022	640	640

Action progress



Highlights

The strategy is on track with planning and implementation of its actions well underway. Highlights include:

- Placemaking Fitzroy Street - Place Reference Group established and first meeting held. Pedestrian counts data collected. South Melbourne - Place Planning Forums 1 and 2 completed with high attendance. South Melbourne business mapping completed.
- Commission Art On Hoardings - negotiations with developers are underway to determine the types of Artwork to display
- Creative Prospectus – website template has been built, being populated as current data from creative industries is provided. We are working with local businesses to create a video and a designer is undertaking work to create promotional page.
- Support Community Led Festivals – help sheets have been developed to assist community groups in produce events. This information will be free to access on Council's website in July.
- Develop Live Music Action Plan - consultant appointed to develop the Plan.
- Host Art and Creative Community Forum – surveying of community and creative industries has begun. Surveys will also be undertaken at placemaking forums and St Kilda Film Festival.
- Refreshing Our Internal Events - Live N Local review is underway as part of Live Music Action Plan development. Yalukut Weelum Ngargee review partially implemented at 2019 event, the remainder to be developed as part of overall ATSI Arts Strategy review.
- Maintain Markets as Key Activation of Public Space – a new marketing plan has been completed for the Esplanade Market. Planning for the Market's 50th anniversary has also begun, with entertainers being sourced and promotional material being designed.
- Invest and Maintain Public Art - consultation completed for Catani Memorial Clock Tower chime.

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	208/19 Forecast \$'000
Creative and Prosperous City Strategy implementation						
Deliver	✔	Completed actions <ul style="list-style-type: none"> Action 07 – The IMAP working group worked together to deliver better licencing conditions to improve safety in social precincts throughout the inner city. 	Jun 2022	Jun 2022	640	640

Overall project status



There are 19 projects contributing to the outcomes in this direction. At the end of May 2019 the Catani Clock Tower chime investigation and installation was considered off track.

Off track non-major initiative projects

Catani Clock Tower chime investigation and installation ✘

Overall status is off track due to the high likelihood of schedule delays arising from the procurement time of the digital chiming mechanism. Project schedule to be re-baselined.

Completed major initiative projects

Linden Gallery ✔

Project has been completed.

Direction 6 - Our commitment to you

Stage	Status	Comments	Original completion	Forecast completion	2018/19 Budget \$'000	2018/19 Forecast \$'000
Customer Experience Program						
Deliver		Program is at risk due to additional time dedicated to conduct further due diligence through the procurement phase for the technology solutions. Council at the Ordinary Council Meeting 5 June 2019 endorsed Deepend to provide the technology solutions for the website and intranet. An announcement on the successful tender for the technology solutions including finance, asset management, permits, infringements, planning and building, and customer management system is imminent. The program completion of June 2021 remains unchanged.	Jun 2021	Jun 2021	8,180	8,180

Overall project status



There are 16 projects contributing to the outcomes in this direction. At the end of May 2019 the Building Renewal and Upgrade Program 2018/19 was considered off track.

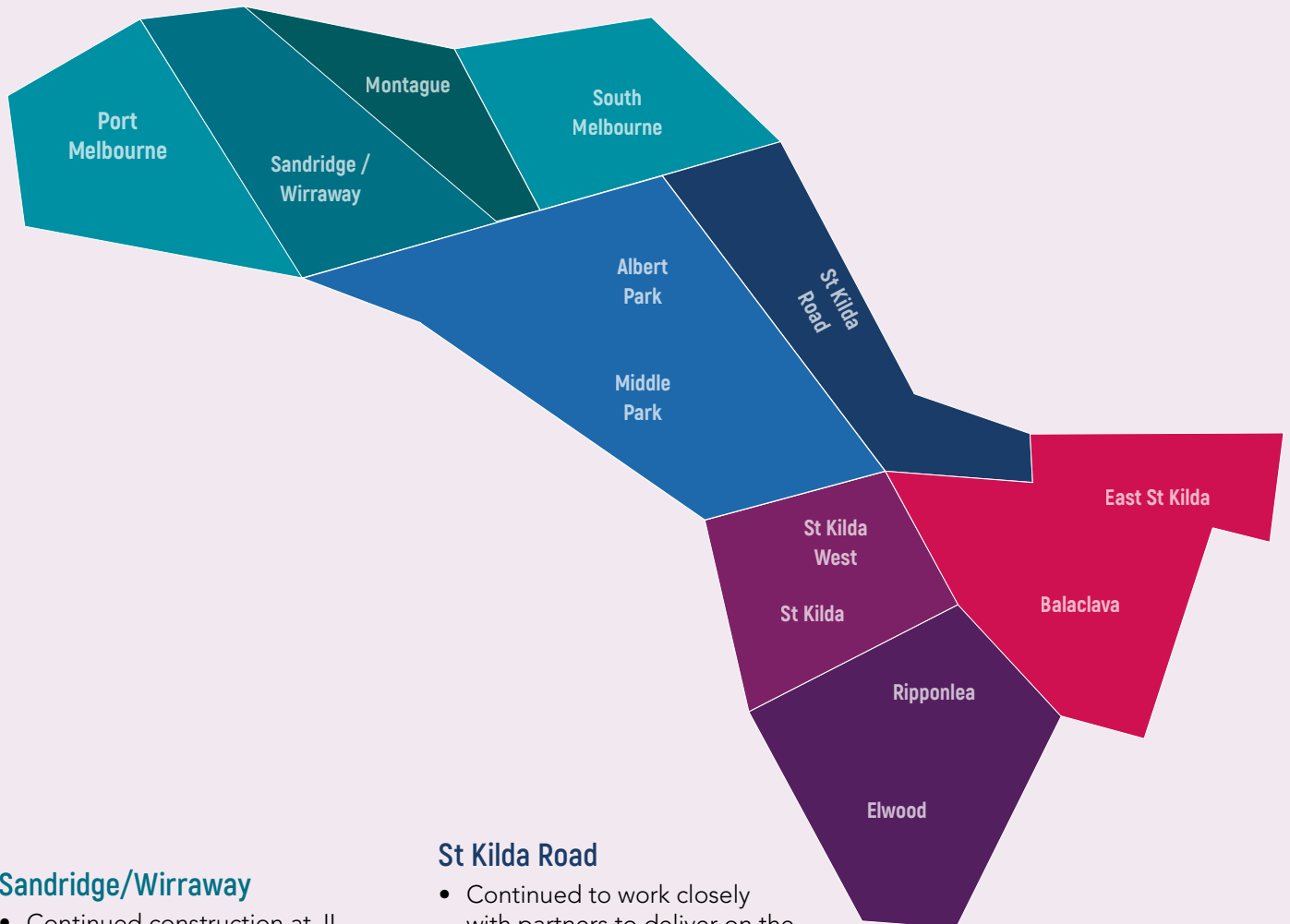
Off track non-major initiative projects

Building Renewal and Upgrade Program 2018/19

Program is off track. Additional scope has been identified through the designs of the Poets Grove Childcare Centre Fence to progress the project to completion, which will affect the initial costs and schedules. Project scope, schedule and costings to be re-baselined. Construction at The Avenue Childcare Centre has commenced for and a contractor has been engaged for the works at North St Kilda Childcare Centre for delivery this financial year.

All other projects within the program are on track to be delivered.

What's happened in our local neighbourhoods?



Sandridge/Wirraway

- Continued construction at JL Murphy Reserve Pavilion.
- Continued development of the final concept for JL Murphy play space upgrade based on community feedback.

Montague

- Practically completed works on streetscape upgrade at Douglas Street and continued work on Ferrars Street intersection.

South Melbourne

- Continued works to upgrade South Melbourne Town Hall.
- Continued electrical designs for installation of solar panels at South Melbourne Market.

Port Melbourne

- Held first VFL match of the 2019 season at North Port Oval, with AFL goal posts, boundary fences and coaches boxes installed.

St Kilda Road

- Continued to work closely with partners to deliver on the Metro Tunnel project.
- Completed field work for the Public Life Survey and Accessibility and Safety Audits as part of the St Kilda Road Junction upgrade.
- Planned for community design response workshops in May for the Domain Precinct.

Albert Park/ Middle Park

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

St Kilda / St Kilda West

- Completed building works on the pavilion at Peanut Farm Reserve. Continued landscaping work around netball courts, cricket nets and the front of the building.
- Continued works on Wellington and Crimea streets intersection, due for completion in June 2019.

Elwood / Ripponlea

- Continued development of concept design work for a new adult fitness station at Elwood Foreshore.
- Released public tender for Elwood wall and play space upgrade, with construction commencing in May.

Balaclava / St Kilda East

- Commenced preliminary concept design development for St Kilda Library.

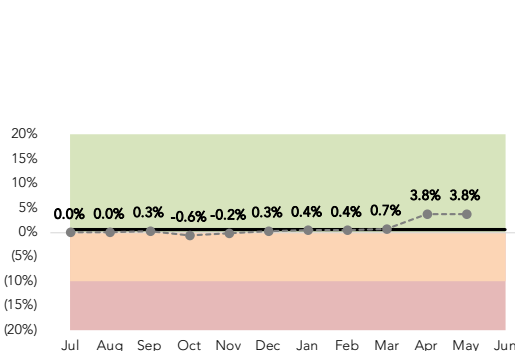
Financial performance

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

- As highlighted by the six VAGO financial indicators below, the full year forecast as at May indicates an overall low risk financial sustainability rating for Council.
- Council expects to achieve a cumulative cash surplus of \$1.2 million for 2018/19.

Financial sustainability indicators

1.1 Net Result % (Net Surplus over Total Income)



Target: Greater than 0% Year-end forecast: 3.8% Status: ✔

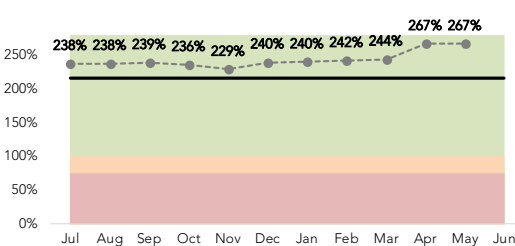
Comments: This financial indicator assesses Council’s ability to generate sufficient funds for asset renewals.

A small surplus is budgeted for 2018/19 which includes non-recurrent Customer Experience Program expenditure.

Council is expected to deliver an operating surplus of \$8.5 million, 3.8 per cent of total income. This is a 3.1% increase since March mainly due to a number of factors:

- Council will receive 50 per cent (\$1.4 million) of 2019/20 Victorian Grant Commission funding this financial year.
- Customer Experience program: Some delays in the Core System due to a thorough and robust procurement process to ensure the most appropriate system is selected. \$4.1 million of expenditure deferrals to 2019/20 expected. The system go-live dates remain on track.

1.2 Working Capital % (Current Assets over Current Liabilities)



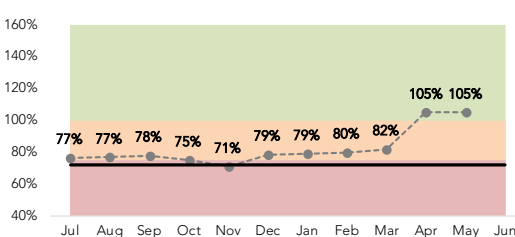
Target: Greater than 100% Year-end forecast: 267% Status: ✔

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

The Budget 2018/19 had a working capital ratio of 216 per cent. The actual financial position for 2017/18 compared favourably to the forecast position for 2017/18 when the 2018/19 budget was prepared. This will continue for the rest of the 2018/19. The \$11.3 million of portfolio deferrals to financial year 2019/20 identified also contributes to the improved working capital ratio. The full year forecast as at May is 267 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)

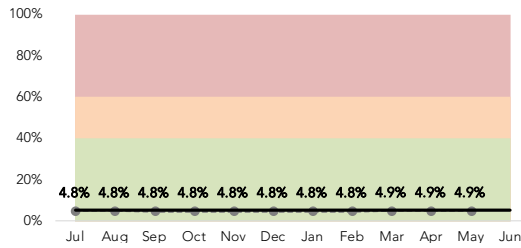


Target: Greater than 100% Year-end forecast: 105% Status: ✔

Comments: This financial indicator assesses Council’s ability to finance capital works using cash generated from its operations.

A ratio below 100 per cent means cash reserves or borrowing are being used to fund capital works, which is acceptable on occasions. The Budget 2018/19 includes the Customer Experience program expenditure, non-recurrent operating expenditure to improve systems and processes for external and internal customers in a cloud-based platform which could not be classified as capital expenditure. This program is partly funded from a drawdown on general reserve. The full year forecast as at May shows a significant improvement to 105 per cent mainly due to \$11.3 million of portfolio expenditure deferred to financial year 2019/20.

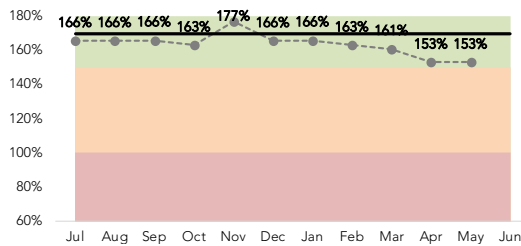
1.4 Indebtedness % (Own Sourced Revenue compared to Non Current Liabilities)



Target: Less than 40% Year-end forecast: 4.9% Status: ✔

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

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

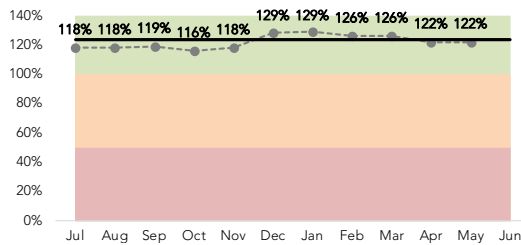


Target: Greater than 150% Year-end forecast: 153% Status: ✔

Comments: This financial indicator assesses whether Council’s spend overall in renewing, growing and improving its asset base is sufficient. The Budget 2018/19 ratio of 170 per cent included our planned strategic land acquisition. The full year forecast as at May shows a ratio of 153 per cent, which is a relatively high ratio. A 24 per cent decrease since November mainly due to the \$6.4 million capital portfolio deferrals to financial year 2019/20.

- \$3 million the Sustainability Hub project.
- \$0.55 million South Melbourne Market Solar
- \$0.65 million due to delays caused by Victorian Government Agencies.

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



Target: Greater than 100% Year-end forecast: 122% Status: ✔

Comments: This financial indicator assesses if Council’s spend on its asset base is keeping up with the rate of asset depletion. The Budget 2018/19 ratio of 124 per cent indicates sufficient provision in the capital program for asset renewal and upgrade. The full year forecast as at May shows a ratio of 122 per cent which is track to achieve budget.

Key

— Budget 2018/19 —●— Year end forecast

Comprehensive Income Statement Converted to Cash - May 2019

We use the Comprehensive Income Statement Converted to Cash to ensure prudent financial management by maintaining a cumulative cash surplus. The current forecast for 2018/19 is a cumulative cash surplus of \$1.2 million which compares favourably against the budgeted cash surplus of \$0.68 million.

	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	115,088	114,983	104	0%	125,345	124,899	446	0%	
Statutory Fees and Fines	20,432	21,049	(617)	(3%)	22,895	23,896	(1,001)	(4%)	
User Fees	35,693	35,747	(53)	(0%)	37,840	38,254	(414)	(1%)	
Grants - Operating	9,851	9,625	226	2%	11,661	9,233	2,429	26%	
Grants - Capital	3,713	3,733	(21)	(1%)	4,374	3,573	801	22%	
Contributions - Monetary	7,497	7,480	18	0%	10,038	7,124	2,914	41%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	13,484	12,913	570	4%	14,338	14,477	(139)	(1%)	
Total Income	205,758	205,531	227	0%	226,492	221,456	5,036	2%	1
Expenses									
Employee Costs	84,531	84,461	(70)	(0%)	92,037	95,582	3,545	4%	
Materials and Services	56,258	57,455	1,197	2%	70,596	75,047	4,451	6%	
Professional Services	10,003	10,489	486	5%	13,482	7,989	(5,493)	(69%)	
Bad and Doubtful Debts	3,279	3,660	381	10%	3,961	3,464	(497)	(14%)	
Depreciation	23,227	23,227	(0)	(0%)	25,338	25,338	0	0%	
Borrowing Costs	393	412	19	5%	420	450	30	7%	
Other Expenses	7,323	6,964	(359)	(5%)	7,856	8,214	358	4%	
Net (Profit) or Loss on Disposal of Assets	449	1,864	1,415	76%	4,283	4,335	52	1%	
JV Equity Accounting	0	0	0	0%	0	0	0	0%	
Total Expenses	185,464	188,532	3,068	2%	217,973	220,419	2,446	1%	2
Operating Surplus / (Deficit)	20,294	16,999	3,295	19%	8,519	1,037	7,482	722%	
Income Statement Converted to Cash									
Adjustments for non-cash operating items:									
• Add back depreciation	23,227	23,227	0	0%	25,338	25,338	0	0%	
• Add back written-down value of infrastructure assets disposals	526	2,000	(1,474)	(74%)	4,950	4,950	0	0%	
• Add back written-down value of fleet asset disposals	143	264	(120)	(46%)	323	500	(177)	(35%)	
• Add back balance sheet work in progress reallocated to operating	345	0	345	0%	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	0	0	0	0%	0	0	0	0%	
	24,241	25,490	(1,249)	(5%)	31,811	31,988	(177)	(1%)	
Adjustments for investing items:									
• Less capital expenditure - Infrastructure	(30,591)	(32,729)	2,138	7%	(35,922)	(39,706)	3,784	10%	
• Less capital expenditure - IT, Plant and Equipment	(2,155)	(2,338)	183	8%	(2,965)	(3,244)	279	9%	
	(32,746)	(35,068)	2,321	7%	(38,887)	(42,950)	4,063	9%	3
Adjustments for financing items:									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(400)	(454)	55	(12%)	(510)	(670)	160	24%	
	(400)	(454)	55	(12%)	(510)	(670)	160	24%	
Adjustments for reserve movements:									
• Discretionary Reserve Drawdown/ (Replenish)	9,399	9,399	0	0%	(1,215)	7,324	(8,538)	(117%)	
• Statutory Reserve Drawdown/ (Replenish)	0	0	0	0%	(1,113)	1,560	(2,672)	(171%)	
	9,399	9,399	0	0%	(2,327)	8,883	(11,211)	(126%)	4
Current Year Cash Surplus/(Deficit)	20,788	16,366	4,422	27%	(1,394)	(1,712)	317	19%	
Opening balance carry forward surplus	2,595	2,595	0	0%	2,595	2,389	206	9%	
Accumulated Cash Surplus	23,383	18,961	4,422	23%	1,201	677	523	77%	

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 \$5.04 million:

- ➕ \$0.20m A significant amount of street occupation income has been received in May. A review of these fees is required to ensure they are not prepayments for services to be rendered in 2019/20 financial year.
- ➖ (\$0.30m) The Victorian Building Authority has setup an Assessment Review Panel to assess audits undertaken by Council. A large portion of the audit funding will take place in 2019/20.

Net forecast changes to income for the full year to May 2019 included the following material items

- ➕ \$1.39m Council is expected to receive 50 per cent of 2019/20 Victorian Grants Commission funding in the current financial year. The funds will be quarantined in reserves to be used in 2019/20.
- ➕ \$0.30m Supplementary rates income increased reflecting new developments that have come on board.
- ➕ \$0.14m Victorian Government committed to another year of funding for the Metro Access program which was not budgeted. This will be fully offset by unbudgeted expenditure.
- ➕ \$0.72m Council has been informed of the early release of State Government funding for JL Murphy Reserve Pavilion Upgrade.
- ➕ \$0.44m Additional interest income expected due to higher investment yields from active treasury management and the greater amount of funds available for investment.
- ➕ \$0.13m Unbudgeted funding from Victorian Government funding for the 2018/19 Joint Committee Access All Ability program. This will be fully offset by associated expenditure - a large portion relates to labour.
- ➕ \$0.12m Federal Government increased funding for delivered meals greater than budgeted.
- ➕ \$0.18m Victorian Government provided funding for the concept design of the EcoCentre redevelopment project, which was not budgeted.
- ➕ \$0.08m Victorian Government temporary relief funding to assist with the recycling sector issues.
- ➕ \$2.18m Open space contributions for the year have increased due to:
 - greater developments for the year.
 - successfully settlement over a prior year open space land which resulted in \$1.8 million of additional open space.
 The income are quarantined in the open space reserve to be used for enhancement of open space infrastructure.
- ➕ \$0.25m Acland Street CCTV works to be fully funded by the Victoria Government as a result of successful advocacy.
- ➕ \$0.30m Unbudgeted Commonwealth grants to be used for public space safety works at the Luna Park/Palais site.
- ➕ \$0.20m Unbudgeted State funding to support the Marlborough Affordable Housing project. This will be fully offset by additional expenditure associated with the project.
- ➕ \$0.20m Unbudgeted State funding for the seawall as part of the South Melbourne Lifesaving Club redevelopment. A significant amount of planned works for 2019/20 has been brought forward to 2018/19.
- ➕ \$0.64m Street Occupation permits continue to exceed forecast largely due to a number of large developments.
- ➖ (\$0.13m) The Victorian Building Authority has setup an Assessment Review Panel to assess audits undertaken by Council. A large portion of the audit funding will take place in 2019/20.
- ➖ (\$0.79m) Lower utilisation at Barring Jinang Kindergarten than budgeted resulted in the closure of one room. The lower income is partially offset by operating expenditure reductions.

- ⊖ (\$0.48m) Council run Long Day Child Care Centres have experienced utilisations below budgeted 95 per cent. The start of the new calendar year 2019 did not result in utilisation improvements. The lower income is partially offset by operating expenditure reductions.
- ⊖ (\$0.18m) Implementation of User-pay Parking at Fisherman's Bend will not achieve budget for 2018/19 due to:
 - The delay in the implementation date due to extended community consultation and delivery of parking machines
 - Lower utilisation than expected. A pricing review was undertaken and a new price structure was approved by Council which resulted in greater utilisation.
 - The rollout of PayStay (a convenient payment option via mobile devices for paid parking customers) throughout the municipality has mostly offset the lower income from Fisherman's Bend parking.
- ⊖ (\$0.71m) Lower number of parking infringement notices issued due to staff resourcing issues. Temporary officers have been recruited in March to address this issue.
- ⊖ (\$0.12m) Demand for hall hire has reduced. A plan is being prepared to uplift utilisation including hire fee reductions and increased promotion/marketing of our facilities.

Note 2: Operating expenditure forecast decreased by \$2.45million:

There are no material forecast changes to operating expenditure in the month of May 2019.

Net forecast changes to operating expenditure for the full year to May 2019 included the following material items:

- ⊕ \$4.85m A number of operating portfolio projects (\$4.85 million) identified for deferral to financial year 2019/20. The larger projects included CX program \$4.1m, Elster Creek Flood Response \$0.12m, Public Spaces Strategy \$0.18 million, Visitor Summer Management Signage \$0.1m, South Melbourne Market Strategic Business Case \$0.1million.
- ⊕ \$0.50m Annual budget provision for affordable housing contributions (In Our BackYard) is unlikely to be used. This will be quarantined in reserves for future commitments.
- ⊕ \$0.43m Reduced expenditure for Council managed Long Day Care due to lower utilisation. This will partially offset against lower user fees income.
- ⊕ \$0.46m Lower staffing requirements at Barring Jinang Kindergarten due to lower utilisation (offsets lower income).
- ⊕ \$0.15m Energy Performance Contracting project expenditure savings due to a very competitive procurement process.
- ⊕ \$0.23m Waste Strategy Implementation costs will be lower in 2018/19 due to recruitment delays.
- ⊕ \$1.43m Reduced Employee costs due to vacancies across the Enterprise.
- ⊖ (\$0.54m) Additional legal fees due to a number of factors including statutory planning appeals, human resource, building control, property management, contracts & procurements, local laws and parking services.
- ⊖ (\$0.43m) Expenditure for the Joint Committee Access All Ability program which Council received funding Victorian Government for 2018/19. This was not budgeted. \$0.35 million will be spent on labour and \$0.11 million on materials & services.
- ⊖ (\$0.21m) The warmer/drier seasons experienced to date has resulted in a greater utilisation of water for parks and open spaces.
- ⊖ (\$0.10m) Additional line marking and signage costs incurred to implement parking control at Fisherman's Bend than was budgeted. This is offset by saving from the Parking Technology Upgrades project.
- ⊖ (\$0.23m) Increased South Melbourne Market security patrol to mitigate public safety & community risk as recommended by OHS report.

- ⊖ (\$0.15m) Council is rolling out a \$1.5 million Stormwater Pipe Maintenance/Cleaning program over the next four financial years to ensure they operate at 90% capacity to mitigate flooding issues and public safety risks. \$0.15 million is to be expended in 2018/19.
- ⊖ (\$1.26m) In accordance with accounting standards, expenditure including demolition, landscaping, soil remediation, community consultation and planning are to be classified as operating expenditure from the Portfolio budget.
- ⊖ (\$0.10m) Increased employee costs forecast due to the unbudgeted Metro Access program which will be funded by the Victorian Government for another year.
- ⊖ (\$0.35m) South Melbourne Market Compliance capital works budget to used for compliance assessment (non-capital).
- ⊖ (\$0.29m) Expenditure deferred from 2017/18 including the business case development for the Sustainability Hub and the customer experience program.
- ⊖ (\$0.35m) Quarterly Financial Review changes endorsed by Council at the 21 November meeting including \$0.15 million for St Kilda Library Redevelopment - Options, feasibility & risk assessment, \$0.10 million for workplace management tools & Support and \$0.10 million for Essential Services Measures for building compliance works.
- ⊖ (\$0.79m) Redundancy payment as required under the Enterprise Bargaining Agreement for organisational realignment and new operating model for food services. These are offset by organisational vacancies during the financial year.
- ⊖ (\$0.20m) Unbudgeted State funding to support the Marlborough Affordable Housing project provided to Housing First via Council.
- ⊖ (\$0.10m) Additional security expenditure at St Kilda Town Hall to meet our Occupational, Health & Safety obligations.
- ⊖ (\$0.50m) Increased doubtful debt provision for parking debtors managed by Fines Victoria reflecting ongoing collection and system issues.

Note 3: Capital expenditure forecast decreased by \$4.06 million:

There are no material forecast changes to capital expenditure in the month of May 2019.

Net forecast changes to capital expenditure for the full year to May 2019 included the following material items:

- ⊕ \$3.43m A number of projects identified for deferral to 2019/20 financial year included South Melbourne Market Solar Panels, Chipton Reserve, Wellington Street Upgrade, Bike Infrastructure (Inkerman Street Bike Corridor Design), Alma Park Cricket Nets, South Melbourne Town Hall Lift Renewal, Town Hall Security Upgrade, Elwood Public Space Wall, design works for EcoCentre Redevelopment, Gasworks Theatre Seats, Fitzroy Street streetscape upgrade works, and a number of smaller projects.
- ⊕ \$0.35m South Melbourne Market Compliance capital works budget to used for compliance assessment (non-capital).
- ⊕ \$1.26m In accordance with accounting standards, expenditure including landscaping, soil remediation, community consultation and planning are to be classified as operating expenditure from the Portfolio budget. Projects include Ferrars St Streetscape, Peanut Farm and Carlo Catani Rock Wall.
- ⊕ \$0.10m Savings from the Parking Technology Upgrades project to be reallocated to the Fisherman's Bend Parking Control implementation project for line-marking and signage.
- ⊕ \$0.28m Less work required for the Beacon Cove Piles than was budgeted.
- ⊕ \$0.53m The scope for the Blackspot program was reduced due to unsuccessful funding application.
- ⊕ \$0.18m Tender prices lower than budgeted for the program of Safe Roof Access works.
- ⊕ \$3.00m Allocated budget for Sustainability Hub Land Acquisition deferred to 2020/21 to align with current expected timelines.

- ➕ \$0.22m Road Reinstatement Program budget savings expected due to utilisation of existing resources to progress the program.
- ➕ \$0.10m Essential Safety Measures scope to be delivered in 2018/19 program reduced due to longer than expected planning of works.
- ➕ \$0.10m Planned vehicles to be renewed in 2018/19 will not take place due to unavailability of hybrid vehicles.
- ➖ (\$0.39m) Linden Gallery upgrade project increased scope to address Disability Discrimination Act non-compliance and safety concerns at the rear laneway.
- ➖ (\$1.25m) Kirrip Park and Streetscape works are in the construction phase, on track to be completed this financial year and within total project budget. Some timing of works between financial years.
- ➖ (\$1.23m) Quarterly Financial Review changes endorsed by Council at the 21 November meeting including \$0.15 million for South Melbourne Community Centre roof structure and air-conditioning system replacement, \$0.40 million for Fitzroy St Footpaths remediation, \$0.10 million for Essential Services Measures for building compliance works, \$0.24 million for Bubup Nairn & Library Staff Accommodation project, \$0.19 million for minor capital works for various community buildings.
- ➖ (\$1.83m) The South Melbourne Lifesaving Club redevelopment project is progressing ahead of budget. Expenditure planned for 2019/20 will be brought forward to 2018/19. Temporary drawdown on reserves is required and will be replenished in 2019/20.
- ➖ (\$0.27m) Funds allocated for the redesign and fit-out of an area of St Kilda Town Hall and 232 Carlisle Street to support activity based working and improved work space utilisation.
- ➖ (\$0.28m) Expenditure for Acland Street CCTV works funded by the Victoria Government.
- ➖ (\$0.30m) Unbudgeted Commonwealth grants to be used for public space safety works at the Luna Park/Palais site.

Note 4: Net drawdown on reserves decreased by \$11.21 million:

There are no material forecast changes to reserves in the month of May 2019.

Net forecast changes to capital expenditure for the full year to May 2019 included the following material items:

- ➖ \$1.60m Drawdown on reserves for 2017/18 projects deferred to 2018/19.
- ➖ \$0.16m Forecast drawdown on reserves for South Melbourne Town Hall works funded by tenant.
- ➖ \$0.39m Drawdown on Child Care Infrastructure reserve for building works at Coventry Child Care and to address non-compliant perimeter fences in various sites.
- ➖ \$0.05m A drawdown on reserve to fund Middle Park Beach Nourishment works.
- ➖ \$2.50m The South Melbourne Lifesaving Club redevelopment project is progressing ahead of budget. Expenditure planned for 2019/20 will be brought forward to 2018/19. Temporary drawdown on reserves is required and will be replenished in 2019/20.
- ➖ \$0.14m Drawdown on tied grant reserves for the Vic Health 'What's Your Story?' program.
- ➖ \$0.30m Joint Committee Access All Ability clients transitioning to NDIS has reducing incoming grants. Resulting in increase usage of previous years tied grants.
- ➖ (\$1.39m) Council is expected to receive 50 per cent of 2019/20 Victorian Grants Commission funding in the current financial year. The funds will be quarantined in reserves to be used in 2019/20.
- ➖ (\$0.25m) Council is committed to ensuring any capital works budget underspends are quarantined in the Asset Renewal Reserve for future use.
- ➖ (\$0.50m) Annual budget provision for affordable housing contributions (In Our BackYard) is unlikely to be used. This will be quarantined in reserves for future commitments.
- ➖ (\$0.53m) Sports Recreation Victoria funding for JL Muprhy Reserve Pavilion Upgrade has been quarantined in reserves to be used in 2019/20.

- » (\$8.30m) Portfolio projects identified for deferrals to 2019/20 included \$2.19 capital and \$4.85m operating projects.
- » (\$2.18m) Increased Open space contributions due to greater developments for the year and a successful settlement outcome from a development site. The income are quarantined in the open space reserve to be used for enhancement of open space infrastructure.
- » (\$0.18m) Victorian Government Funding for the EcoCentre redevelopment has been quarantined in reserves to be used in 2019/20.
- » (\$3.00m) Allocated budget for Sustainability Hub land acquisition deferred to 2020/21 to align with current expected timelines. A drawdown on reserves is not required in 2018/19.
- » (\$0.16m) Unbudgeted Commonwealth grants to be used for public space safety works at the Luna Park/Palais site. Partial funding to be spent in 2019/20.

Changes to the portfolio

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

The table below outlines significant changes to the project portfolio between May and 18 June 2019.

Project	Change
Placemaking Program 2018-19	\$95,000 has been deferred into 2019/20 due to extended time in engaging with the local community to develop a program of actions to improve our precincts. Project completion of August 2022 remains unchanged.
Public Spaces Strategy Development	\$120,000 has been deferred into 2019/20 due to constraints in securing consultants to prepare technical report and undertaking community engagement. Project completion has been extended by six months to June 2020.
South Melbourne Dynamic Parking Signs	This is a new initiative for 2018/19 and 2019/20 to make the seven existing dynamic parking signs operational, install an additional sign and to address ongoing maintenance funding for all the signs within the South Melbourne shopping precinct and around the South Melbourne Market. Project has been allocated with \$36,000 over two financial years. Project planned to be completed in October 2019.
Sports Fields Lighting Expansion 2018/19	Additional funding of \$95,000 has been approved to deliver the upgrade of the sports field lighting at Peanut Farm Reserve. The increase reflects the market response to the tender. Project completion has been extended by one month to June 2019.

Organisational scorecard

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

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

Improving customer experience and technology, and being more innovative

	Latest Result	
Community satisfaction with Council's performance greater than 65*	63	⚠️
80% community requests responded to on time	90%	✅
80% calls answered within 30 seconds	81%	✅

Improving community engagement, advocacy, transparency and governance

	Latest Result	
90% risk and audit actions completed on time	98%	✅
90% councillor attendance at Council meetings	89%	⚠️
90% Council decisions made in public	100%	✅
0 material legislative breaches	4	❌
Average community satisfaction rating for community consultation, advocacy and decision making above 60*	56	⚠️

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

	Latest Result	
100% performance plans completed	98%	⚠️
Total recordable injury frequency rate	42.21	⚠️
Unplanned Leave (days/EFT) below 0.9	0.94	⚠️
Staff turnover below 0.8%	1.93%	❌

Ensuring sustainable financial and asset management, and effective project delivery

	Latest Result	
Financial sustainability rating of low*	Low	✅
Operating savings	\$2.2m	✅
80% of priority project delivery is on track	95%	✅

Legislative update

Legislative changes

No legislative changes were made during May 2019 that may affect the City of Port Phillip.

Material legislative breaches

As at the end of May 2019 a total of 15 legislative breaches have been recorded, of this 11 were minor breaches related to the *Privacy and Data Protection Act 2014*. Year to date there has been four material legislative breaches. Three breaches of privacy occurred in August 2018 all relating to the disclosure of employee payroll details. One breach related to a Payment Summary being emailed to the wrong person. One incident related to payment slips being sent to the depot which were not in individual sealed envelopes. One other breach related to a pay slip being mailed to the wrong employee. One incident occurred in February 2019 related to an email being sent containing the personal reflections of the sender.