



18.1 LOCAL ROADS AND COMMUNITY INFRASTRUCTURE

EXECUTIVE MEMBER: LILI ROSIC, GENERAL MANAGER, DEVELOPMENT, TRANSPORT AND CITY AMENITY

**PREPARED BY: JAMES GULLAN, STRATEGIC PARTNERSHIPS ADVISOR
BRIAN TEE, MANAGER PARTNERSHIPS & TRANSPORT**

1. PURPOSE

1.1 recommend projects for submission to the Federal Government Local Roads and Community Infrastructure Phase 2 (LRCI) funding.

2. EXECUTIVE SUMMARY

- 2.1 The Federal Government has provided \$1 billion for Phase 2 of the LRCI Program. The extension is a temporary, targeted stimulus measure responding to the impacts of the COVID-19 pandemic by supporting local jobs, firms, and procurement.
- 2.2 City of Port Phillip has been allocated \$3,223,908 calculated using a formula based on the number and length of roads and Council's population size.
- 2.3 Phase 2 of the LRCI Program runs from 14 December 2020 to 30 June 2022. Project construction can commence once Work Schedules are approved by the Federal Department with projects required to be physically completed by 31 December 2021.
- 2.4 Council officers have assessed 16 shortlisted projects totalling \$6.7m against the funding guidelines, identifying 9 eligible projects (\$3.9m), and recommending 7 projects (\$3.2m) for submission.
- 2.5 Attachment 1 provides further detail on each eligible project and a map of each project. Attachment 1 also shows how each eligible project aligns with Councils Priorities.

3. RECOMMENDATION

That Council:

- 3.1 Submit the following projects for Local Roads and Community Infrastructure funding:
- Cecil Street and Napier Street road safety improvements improvement and Water Sensitive Urban Design - \$165,000
 - Nimmo and Beaconsfield Pde water sensitive urban design and road safety improvement - \$165,000
 - McGregor and Patterson water sensitive urban design - \$80,000
 - South Melbourne Market undercover courtyard with flexible seating - \$450,000
 - Garden City bike link - \$425,000
 - Wattie Watson Oval Reconstruction Upgrade - \$380,000
 - Point Ormond Regional Play space and precinct - \$1,540,000
- 3.2 Commit to Coventry and Coventry Lane raingarden (\$90,000) and Graham Street Informal Recreation Precinct (Graham Street Underpass) (\$615,000) to be funded from savings generated by Local Roads and Community Infrastructure funding to the Rates



Funding budget (approx. \$1.39m) and/or the Open Space Reserve (where eligible – approx. \$770,000).

- 3.3 Approve (Coventry and Coventry Lane raingarden (\$90,000) and Graham Street Informal Recreation Precinct (Graham Street Underpass)) be submitted for Local Roads and Community Infrastructure grant funding in the case any of the recommended projects are not successful.

4. KEY POINTS/ISSUES

- 4.1 The LRCI program is designed to support local councils to deliver priority local road and community infrastructure projects across Australia to help communities recover from the COVID-19 pandemic.
- 4.2 In May 2020 the City of Port Phillip was allocated \$287,000 in LRCI Phase 1 funding. This funding was allocated to upgrade Rotary Park including reinstatement of the regional play-space, upgrade assets and install security infrastructure.
- 4.3 City of Port Phillip can nominate eligible projects for approval by Federal Government to a total value of \$3,223,908.

LRCI Phase 2 Eligibility Criteria:

- 4.4 Local council and Territory Governments can apply for funding for projects that deliver benefits to the community, such as improved accessibility, visual amenity, and/or safety and involve,
- the construction or maintenance of roads managed by local governments.
 - the construction, maintenance and/or improvement of council-owned assets (including natural assets) that are generally accessible to the public.
- 4.5 Unless there are exceptional circumstances construction activity on projects must be undertaken before 31 December 2021, Planning issues and general delays associated with building projects are not considered exceptional circumstances.

Assessment Process:

- 4.6 Council officers have shortlisted 16 projects for assessment against the Local Roads and Community Infrastructure Program Guidelines – Phase 2, in alignment with Commonwealth Grants Rules and Guidelines 2017.
- 4.7 As part of the assessment Council officers completed a risk analysis on each project, based on the following criteria,
- **Budget Risk:** the risk of the identified project budget changing. This considers whether robust costings have been undertaken, and the risk that the budget may increase. Under the LRCI program this is a Council risk.
 - **Schedule Risk:** the risk of the project not being delivered by the requisite timeframe (by 31 December 2020). This considered procurement and construction schedules, planning permits, soil contamination delays etc.
 - **Resource Risk:** the available internal Council resources (project managers) and capacity to project manage and deliver the project - in particular, whether the listed project is in the 20/21 work program.
- 4.8 The 16 projects assessed against the risk matrix is summarised in the table below.

CONFIDENTIAL MEETING OF THE PORT PHILLIP CITY COUNCIL - 3 MARCH 2021



Project	Team	Budget Risk	Schedule Risk	Resource Risk	LRCI Funding request
Cecil Street and Napier Street road safety improvements improvement and Water Sensitive Urban Design	Civil	Low	Low	Low	\$165,000
Nimmo and Beaconsfield Pde water sensitive urban design and road safety improvement	Civil	Low	Low	Low	\$165,000
McGregor and Patterson water sensitive urban design	Civil	Low	Low	Low	\$80,000
Coventry and Coventry Lane raingarden	Civil	Low	Low	Low	\$90,000
South Melbourne Market undercover courtyard with flexible seating	Building Construction	Low	Low	Low	\$450,000
Garden City bike link	Civil & Open Space	Low	Medium	Low	\$425,000
Wattie Watson Oval Reconstruction Upgrade	Open Space	Low	Medium	Low	\$380,000
Point Ormond Regional Play space and precinct	Open Space	Low	Medium	Low	\$1,540,000
Graham Street Informal Recreation Precinct (Graham Street Underpass)	Open Space	Low	Medium	Low	\$615,000
St Kilda Junction Upgrades	Civil	Medium	Medium	Medium	\$500,000
Iffla St/ Tribe St pedestrian safety improvement and Water Sensitive Urban Design	Civil	Medium	High	Medium	\$400,000
Market and Clarke St kerb outstand raingardens and traffic improvement work	Civil	Medium	High	Medium	\$440,000
West Beach boardwalk (West St Kilda)	Open Space	High	Medium	Medium	\$440,000



Bank Street streetscape improvements	Open Space	High	Medium	Medium	\$180,000
Rouse Street and Esplanade East road safety improvements	Civil	High	High	Medium	\$130,000
St Vincent's Gardens	Open Space	High	High	Medium	\$770,000
Total					\$6,770,000

- 4.9 Council officers are recommending projects based on the above risk assessment, also noting that the recommended projects include a spread of projects,
- 4.9.1 Across open space, civil and building construction project areas,
 - 4.9.2 Across each Council Ward.
 - 4.9.3 Across Council priorities.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Community consultation has been undertaken for recommended projects, as follows:
- 5.1.1 Road safety/WSUD projects: Community consultation was undertaken during design of the Cecil and Napier St kerb outstands and crossover. The other proposed raingarden locations (Nimmo and Beaconsfield; Coventry Lane; and, McGregor and Patterson) involve minor changes which do not alter the function of the street. Notification to residents will occur at these locations prior to construction.
 - 5.1.2 Wattie Wattson Oval Reconstruction Upgrade: Community consultation was included in the larger Elwood Sportsground upgrade project.
 - 5.1.3 Point Ormond Regional Playground: Community feedback during community engagement on the draft concept design was largely supportive. In response to community feedback, a water play pump was added, and some concrete paths were removed. The finalised design was presented in May 2020 and the community was supportive of the design.
 - 5.1.4 Graham Street Informal Recreational Precinct: Community consultation took place between 2016-2018 to upgrade the skate park. The community was also consulted as part of the Informal Sport and Recreation Infrastructure Provision Audit, Assessment and Plan – October 2019. The outcome of the engagement informed the current design.
 - 5.1.5 Garden City Recreational Space: Community consultation is currently being undertaken on this project.
 - 5.1.6 South Melbourne Market: the concept design was presented to the South Melbourne Market Management group, SMM Committee and market stall holders. On 18 February, the South Melbourne Market committee, nominated the project for LRCI consideration.



6. LEGAL AND RISK IMPLICATIONS

Grant Agreement Conditions:

- 6.1 An Eligible Funding Recipient (Council) must enter a legally binding grant agreement with the Commonwealth before any payments can be made.
- 6.2 The Grant Agreement identifies reporting and financial obligations, that if not met, will result in breach of agreement. Obligations include,
 - 6.2.1 Quarterly progress reports in line with the Grant Agreement and Guidelines.
 - 6.2.2 A report signed by an appropriate auditor providing the auditor's opinion on the use of proper accounts and records and preparation of financial statements.
 - 6.2.3 All funded projects must adhere to Australian Government environment and heritage legislation including the Environment Protection and Biodiversity Conservation Act 1999.
- 6.3 The Commonwealth may recover grant funds and the Grant Agreement terminated if the Grant Agreement has been breached.

Delivery Risks:

- 6.4 Given the short delivery timelines and the fact many projects have not received quantity surveyed (QS) cost estimates, there are some risks council will assume in approving these projects.
 - 6.4.1 Budgetary risks: recent Council experience with capital projects has found tender prices can significantly exceed pretender estimates, including quantity surveyed (QS) estimates. This appears to be due to the high level of demand for construction contractors, responding to state and federal COVID stimulus funding initiatives. Contractors can charge a premium, particularly for projects requiring a quick turnaround. To mitigate this risk, projects seeking full funding from LRCI have a minimum 20% contingency applied. Projects that have existing funding/co-contributions contingency has been applied to align with total project costs.
 - 6.4.2 Scheduling Risks: The short timeline creates a significant challenge in delivering projects as timelines can be impacted by a range of factors including,
 - Community engagement/consultation
 - Planning and permits approvals
 - COVID lockdowns
 - Contaminated soil
 - Poor weather
 - Securing specialist contractors for niche work
 - Managing 3rd party construction timelines (i.e. Citi Power)
 - 6.4.3 Given other Metropolitan municipalities received similar LRCI allocations, there may be significant competition for contractors which may raise prices and push timelines beyond December 2021.



6.4.4 If construction activity cannot be completed before 31 December 2021, Council may not receive the full Phase 2 Allocation. In response to a Council request the Commonwealth Government has indicated (via email) that whilst “there is no specific clause in phase 2, regarding co-funded projects continuing beyond 31 December 2021, the Department is reasonably comfortable with projects extending into the first half of 2022 where there is co-funding and the LRCI funding can be fully expended by 31 December 2021.” This could apply to Garden City, and Wattie Watson projects.

6.5 The LRCI funding cut-off submission date for projects is 31 June, however, if projects are not approved in March by Council and Commonwealth Government, the risk of not delivering the projects prior to December 31 increases.

6.6 South Melbourne Market: There is the risk that the recommended project at the South Melbourne market will be impacted by the NEXT Project (SMM Master Plan) in coming years. Should NEXT be approved and funded, the undercover courtyard may be altered.

7. FINANCIAL IMPACT

Budgetary Impacts:

7.1 LRCI funding will directly contribute \$3.2m to capital projects in the City of Port Phillip.

7.2 The LRCI funding of \$3.2m will result in money in both the Sustainable Transport Reserves and open Space Reserves being un-utilised. As the projects will be funded from LRCI it frees up the previously committed reserves. This increases the un-utilised balances of these reserves, to this extent. Investments can be re-directed to projects that are affected by COVID. However, it should fit within the scope and use of these reserves. Based on current recommendations, savings are estimated as follows,

- Councils Rates budget - \$1.395m
- Sustainable Transport Reserves \$590,000
- Open Spaces Reserves - \$770,000

8. ENVIRONMENTAL IMPACT

8.1 The recommended projects have no detrimental environmental impacts.

8.2 The recommended road projects,

- Contribute to achieving Council’s pollutant reduction targets, delivering a reduction in key stormwater pollutants discharging to Port Phillip Bay.
- De-pave unnecessary asphalt surfaces and replace them with landscaping
- Improve landscaping to deliver greening and urban heat island reduction benefits
- Increase tree canopy cover, support biodiversity and improve water quality.

8.3 The recommended community infrastructure projects,

- Decrease use of water to irrigate playing surfaces
- Increase tree canopy cover, support biodiversity and improve water quality.



- Deliver comfortable, safe, continuous, and connected protected bike lanes that will encourage increased bike riding for local access, commuting and recreational trips, with the potential to decrease car dependency and associated pollution.

9. COMMUNITY IMPACT

9.1 Anticipated community benefits of the recommended road projects, include,

- Increased safety for vulnerable road users by reducing vehicle speeds and creating safer crossing locations.
- Improved walkability with new and upgraded footpaths and crossing points.

9.2 Anticipated community benefits of the recommended community infrastructure projects, include,

- Upgraded, accessible and safe playing surfaces that meet the standards required for current and future participation levels
- Reduced risk of injury through improved playing surfaces
- Improved play space and public open space to cater for increased demand
- Improved pedestrian connectivity between Point Ormond play space, Ormond Hill lookout and the adjacent service road and car park
- Integration of the play space into the landscape through location, linkages, infrastructure, trees and landscaping.
- safer paths for cyclists by constructing an off-road separated bike path
- safer crossing opportunities for pedestrians and bike riders at multiple locations.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

10.1 Each recommended project aligns to the Council Plan and relevant Council Strategies. The alignment of each recommended project is detailed in Attachment 1.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 **Council decision point:** Council report seeking a formal Council decision on recommended projects and next steps – 3 March 2021
- 11.1.2 Council officers to submit signed Grant Agreement and Work Schedule to Commonwealth Government for approval.
- 11.1.3 Following approval of projects, project sponsors and coordinators to manage delivery of project in accordance with LRCI guidelines.

11.2 COMMUNICATION

- 11.2.1 A list of successful Local Roads and Community Infrastructure projects will be made available on Council's website and via CEO report.
- 11.2.2 Relevant council officers (project sponsors and coordinators), will be notified of outcome of Council decision and Federal submission.



CONFIDENTIAL MEETING OF THE PORT PHILLIP CITY COUNCIL - 3 MARCH 2021

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

TRIM FILE NO: 30/13/17

ATTACHMENTS 1. *Confidential*- Local Roads and Community Infrastructure - Attachment 1, March 2021