

PORT PHILLIP EMERGENCY CLIMATE ACTION NETWORK

Submission on the City of Phillip Draft Council Plan & Budget 2021-2031 Year 3 (2023-2024)

PECAN wishes to address the following areas in our submission:

1. 2.8% rate increase: failure to go to the rate cap is flawed
2. The challenge of responding to the Council Plan & Budget for 2023/24 when the Act & Adapt Review and the Climate Emergency Action Plan are not finalised
3. Projects and spending on sustainability
 - a. Green Line
 - b. The EcoCentre and community education for a better climate
 - c. Stormwater harvesting projects
 - d. Elster Creek/Yalukit Willam Reserve
 - e. Tree planting and greening
 - f. Active transport: bike lanes and more
 - g. Land acquisition for Public Open Space
 - h. EV infrastructure
 - i. Waste and FOGO charge changes
 - j. Community assets
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 - l. Community Emissions
4. Recommendations for re-configuring how Sustainability is presented in the Plan & Budget
5. Questions
6. Opposition to the proposed cut of \$87,000 to the Cultural Development Fund – Projects
7. Opposition to changes to Council's commitment to redevelop St Kilda Library

1. The 2.8% rate increase: failure to go to the rate cap is flawed

The proposal by Council for a rate increase lower than the rate cap is contradicted by a series of statements and arguments in the three volumes of the Draft Council Plan 2021-2031 Year Three, and Budget 2023-24. We argue that the proposal is flawed based on the logic of these documents and accompanying papers, the requirements of sound public administration, and with special reference to the Climate Emergency.

The Draft Plan acknowledges that Council will face many challenges that require strong financial leadership. These include likely cost increases above rates capping, "as pressure on other revenue sources combine with key service and construction costs growing quicker than the cap".

In the section "Future-proofing our growing city" in Vol 1, it is noted that the City "is constantly evolving: population and households change, economy and local business shifts, climate change and strong development pressure continues". While the population declined in 2021 as a short-term impact of the COVID-19 pandemic, it is noted that the Federal Government forecasts "a return to higher growth rates from 2022-23 onwards as overseas migration recommences".

These pressures are further reflected under the heading Financial Challenges (Volume 1 p80), which notes the need to increase investment to respond to growth, ageing assets and climate change.

In the section "Climate change and renewing community assets" (Vol 2, pp17-18) the wide range of assets owned and controlled by Council is noted. This section then states that:

The written down value of our fixed assets is \$3.6 billion and is largely the product of investment by prior generations of residents. Consistent with the trend across the local government sector, *we are facing escalating costs to maintain and renew our ageing asset base*. Much of the City is only one to three metres above sea level and therefore vulnerable to the impacts of climate change. Flooding of coastal properties and public amenities, storm damage to infrastructure and beach erosion are examples of climate change impacts. *To mitigate this, upgrades and renewal of assets will need to be designed and built to suit. This means additional costs.*

This Plan reflects increasing renewals expenditure due to an expanding asset base, and cost escalation for delivering renewals and mitigating against the impacts of climate change. A major focus is continued improvements to our asset planning and management capability. *Insufficient investment in asset renewal will result in assets deteriorating much faster than necessary, adding costs in the long run and potentially compromising service levels.* (emphasis added)

The Plan notes that without action, the 10-year Financial Plan forecasts a cumulative \$76 million funding gap due to rate capping, which it is suggested will be met by a

series of efficiency measures in the coming years¹. However, even if these efficiency measures can be effectively implemented, this still does not take into account the potential financial pressures arising from the need to increase investments arising from climate change and other demands.

Under these circumstances, acknowledged and documented in the budget papers, it is hard to comprehend why Council is proposing “a rates increase of 2.8 per cent – lower than the Victorian Government’s 3.5 per cent rates cap and well under the expected 4.5 per cent inflation rate”.

The rationale for this is twofold: firstly, as stated on the website: “unexpected extra income from revenue streams, including parking and investments, helped put us in a position to provide a balanced and responsible Budget”; and secondly, that this “unexpected surplus” should be used to respond to the cost-of-living pressures faced by residents across the City. While perhaps a well-meaning gesture by Council, this argument is flawed in multiple respects.

First, as noted on Council’s website, this will mean around \$11m less going to Council reserve funds “as a buffer for known and unexpected challenges over the next decade”. Recent experience suggests that Council must be prepared for unexpected challenges: in 2019, no-one expected a global pandemic, a war in Ukraine or the extent of the inflation challenge now being experienced.

Second, the benefit to individual residents will be minimal and will only be received by those residents who are ratepayers (or who are not residents but are absentee landlords), meaning that the 49% of residents who are renters receive no benefit at all. This benefit can be contrasted with investment in, for example, ecosystem services, such as green open space and trees². Over time, these investments benefit the whole community, including future generations. They cannot be achieved by individuals (although the community can certainly contribute) and they reflect exactly the role that local government is best placed to play, as against other levels of government.

Third, it contradicts the statement noted above that climate change will require increased investment. While we acknowledge the steps Council is taking to reduce emissions and recognise that the budget is being set in advance of the finalisation of the Climate Emergency Action Plan, the funds allocated across the various proposed responses to climate mitigation and adaptation needs, appear considerably less than

¹ “Over the period of the financial plan, we will target the delivery of efficiency savings equivalent to 1 per cent of operating expenditure (less depreciation) per annum. This is expected to reduce our cost base by a cumulative \$76 million over the 10-year period and will be key to addressing the rates cap challenge of the same amount”. Paper 13.2, Meeting of the Port Phillip City Council 19 April 2023

² The average dollar equivalent of some of the goods and services provided by trees on street verges have been estimated to exceed \$250 per tree per year due to pollution mitigation and the amelioration of climate extremes. The amenity value of street trees has also been estimated at an average of over \$10,000 per tree (this is the value of the loss of amenity if a tree is removed), and up to an average of \$25,000 or more, for larger, rarer and more visible trees. Source: Transport Canberra and City Services Directorate (2020) *Social, Economic and Environmental Values of Street Trees in the Urban Environment*, ACT Government, Canberra.

we believe will be necessary. We do not know what climate impacts we will see in five years' time, or what resources Council will need to find to address such impacts, alongside other unexpected demands on Council finances.

But we do know that the strategies that need to be implemented based on current science, take time to be put in place or to achieve the changes that are needed. These strategies – all acknowledged in Council documents and which are anticipated for inclusion in the forthcoming Climate Emergency Action Plan – include decarbonisation, extensive community engagement, large scale tree planting, greening of the at-risk areas of the municipality, acquiring areas for open space, improving permeability, retrofitting low-income housing, preparing responses to coastal hazards, implementing water sensitive urban design.

This means that ramped-up investment and front-end project management therefore is needed now, as the benefits and protections provided will take a number of years to be realised. While Council argues that “no services will be cut” as a result of the planned rates decision, this does not address the opportunity cost of failing to make the larger investments needed now to mitigate climate related impacts into the future.

We commend Council for including “Climate change and the environment” as one of the eight major challenges the City is facing. However, in general, while many of the right words about sustainability and climate change are in the draft Plan, and there are many proposed measures that we support in their intent (see below), because the Climate Emergency Action Plan is not yet available, there is in many cases insufficient detail to meaningfully comment on the budget contents that relate to sustainability.

What is also missing in the Plan is any real sense of urgency or prioritisation of climate related actions and investment in the Budget, and this is further undermined by the proposal for the lower rate cap, as it suggests that there is not an urgent need for additional resources now or in the future for the measures that are needed. Given information readily available from the IPCC (Intergovernmental Panel on Climate Change) and other reputable sources pointing to the increasing need for urgent action, and the increasing understanding of the costs involved to take the necessary actions (and the costs of inaction), we believe that this considerably weakens the perception that Council is taking its Climate responsibilities seriously, consistent with its obligations under the Act.

In many areas of environmental sustainability, new investments under the draft plan - such as \$640,000 to enhance urban forests³, or \$100,000 to continue the update of the Greening Port Phillip Strategy 2010 - provide funding for measures that start from a very low baseline. For example, Council indicators show tree canopy cover has only increased from 19% in 2015/16⁴ to 19.2% in 2021/22. There has been no

³ Shown in Vol 3 as Greening Port Phillip Program

⁴ Council Annual Report 2017/18; target for 2017/18 given in this report was 20%; Council Plan 2021-31 Volume 3 / Year 2 June 2022, p61, shows cover remained 19% for 2018/19. An increase of 0.2 percentage

improvement in the percentage of the municipality within a safe walking distance of open space since 2018/19. Additional trees planted in 2018/19 was 1,325 and 322 in 2021/22. The target for net tree increase on Council land is shown as not applicable for 2020-21 and 2021-22, and only a 0.5% increase for 2023-24. While we acknowledge the impact of COVID-19, we note that this did not impact other indicators requiring outdoor work⁵.

2. The challenge of responding to the Council Plan & Budget for 2023/24 when the Act & Adapt Review and the Climate Emergency Action Plan are not finalised

With release for community consultation of the Act & Adapt Review and the new Climate Emergency Action Plan now scheduled for July, PECAN notes that the Council Plan & Budget is unable to specify new actions still to be approved to address the climate emergency. We note the inclusion of \$340,000 in 23/24, \$140,000 in 24/25 and \$28,000 in 25/26 for Act & Adapt implementation, which is welcome, but what these funds will be used for is as yet unknown. With quarterly reviews of the Budget, we would expect that these proposed amounts will be substantially increased once the Climate Emergency Action Plan and the Act & Adapt Review are finalised and approved in September 2023.

PECAN is pleased to see that the updated Act & Adapt Strategy and the new Climate Emergency Action Plan are designated as one of Council's 3-4 'transformational' strategic priorities in the Updates to Strategic Direction Initiatives in the Updates to Council Plan document, and also that Volume 1 pp 36-38 includes a summary of Council activities that address the climate emergency. PECAN welcomes Council sharpening its focus on actions to address the climate emergency.

3 Projects and spending on sustainability

3 a. Green Line

PECAN is pleased to see the funding allocations in 23/24 and 24/25 for the Green Line and we look forward to the further development of the Green Line in coming years. We are supportive of using the existing Green Line funding to undertake the design phase for the Port Phillip section of the Green Line, and look forward to the first stage of greening works – most likely Raglan Street – to be delivered in the next budget. PECAN supports these amendments to the funding allocation and description revision and Council's phased approach to the Green Line implementation.

points over 6 years is manifestly unacceptable. The Act and Adapt target for 2027/28 is a 10% increase on the 19% baseline, ie 21%; it is hard to see with such a low level of ambition, and such a low rate of year on year improvement how CoPP could achieve anything like the 40% target for 2040 set by councils such as the City of Melbourne.

⁵ For example, ovals mowed (hectares per week) was 14 in 2018/19 and 14 in 2021/22; reserves and gardens maintained (hectares per week) was 177.6 in 2018/19 and the same in 2021/22. More playground inspections were conducted in 2021/22 than in 2018/19.

3 b. The EcoCentre and community education for a better climate

Funding commitments for the re-development of the EcoCentre in 23/24 and the recent commencement of construction of the new EcoCentre are wholeheartedly supported, as are the amounts provided in recurrent funding for operations and community education activities.

We are aware that negotiations are under way regarding the length of a future lease for the EcoCentre and recurrent funding will be reviewed at the end of their current contract later this year. In light of:

- the fantastic climate and environment education work done by the EcoCentre in our community,
 - the wonderful, expanded facilities to be realised on completion of the new building, and
 - the potential for the EcoCentre to partner with Council in future community education efforts, for example, to encourage community emissions reduction,
- PECAN recommends that Council provide the longest possible lease of 21 years for the EcoCentre, and an increase to recurrent funding for expansion of its community education programs to mobilise the community to take action on the climate emergency. Importantly, with a long lease and increased recurrent funding, the EcoCentre will be better able to leverage philanthropic and other funding to maximise Council's ongoing investment. With ongoing Council recurrent annual funding, EcoCentre has leveraged additional annual revenue of approx 70% from non-Council sources.

3 c. Stormwater harvesting projects

PECAN is pleased to see funding allocated to the stormwater harvesting program and the Catani Gardens irrigation project and we look forward to the reduction in potable water usage that will result if stormwater can be harvested from the Shakespeare and Fitzroy Street main drains to water the nearby foreshore areas, including Catani Gardens.

3 d. Elster Creek Catchment/Yalukit Willam Reserve

\$600,000 is allocated in 24/25 and this is a welcome Council contribution for the Reserve and to improve flood mitigation in Elwood, although it is not clear why there is no allocation in 23/24.

3 e. Tree Planting and Greening

The level of tree planting has been falling significantly each year since 2019/20 (Vol 3, p63) and, as noted earlier, only 322 trees were planted in 21/22, down from 1337 in 2019/20; and, according to Council indicators, only a marginal increase in canopy cover (footnote 4). This is very concerning given widespread recognition of the need to increase tree canopy cover, as well as understorey planting, to mitigate against urban heat island effects.

In addition, the Plan notes an additional \$450,000 per annum has been added to Council's program for the delivery of "engineered solutions for non-compliant tree spans around electrical lines". We understand this is leading to the removal of many mature trees across the municipality (although the number of trees being

removed is not clear). Hence current tree-planting numbers do not accurately reflect an aggregate increase in tree numbers as some trees are being actively removed.

PECAN recommends a major acceleration of action be taken in 23/24 to reverse this downturn and progressively increase tree planting significantly in coming years.

To this end we also recommend Council urgently reviews the use being made of our roads so that they can support more trees and alternative transport (see below). This is a broad traffic management issue requiring new thinking and investment in innovation – it will not be solved under business as usual.

3 f. Open Space

PECAN strongly recommends Council increases and accelerates investment in acquiring land for public green open space in the areas which are so disadvantaged in comparison to the rest of the municipality and which fall significantly short of international standards for access to green open space. .

3 g. Active Transport: bike lanes and more

PECAN recommends that Council improve mobility throughout the city, including bike paths, walking/pedestrian access, public transport, and ride share/car sharing, by:

- Increasing investment in infrastructure supporting low-impact transport modes (e.g. separated bike lanes, widening footpaths and prioritising bike lanes);
- Ensuring interconnected transport to support low-impact modes (within and outside the municipality); and
- Actively seeking state and federal government grant funds to increase low-carbon mobility infrastructure investment.

The *Council Plan* [Vol 1, page 44] states that “We will work towards our four-year objectives”, including that “The City is well-connected and easy to move around with options for sustainable and accessible transport”. On the contrary: there has been very little action towards achieving that objective.

Sustainable travel: walking

We support the funding allocated to the Footpath Renewal Program and the Pedestrian Infrastructure Program. These are important Council responsibilities supporting a walkable city.

We do not support the shift of the Park St bike lane onto the footpath: this will degrade the user experience for both people walking and on bikes. We recommend the original, on road plan be built.

Sustainable travel: bikes and micro-mobility

There is a *notably insufficient* amount of funding allocated for the flagship sustainable transport program, the bike network from the Integrated Transport Plan. This planned the construction of 11 safe bike routes in the decade 2018-2028. To date, only the Garden City Route has been delivered by Council. Two

others, Moray St and St Kilda Rd separated lanes have been wholly or partially delivered by State Government. The Kerferd Rd – Albert Rd bike route will be funded by state government, and so should be prioritised for support by Council as a revenue-neutral way to achieve Council goals.

Planning is currently underway on Inkerman St and Park St routes. The proposed budget (in \$,000) is:

| 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-2028 |
|----------------|----------------|----------------|----------------|------------------|
| 95 | 1537 | 250 | 8,350 | 500 |

This is consistent with delaying the construction of the Inkerman Street route a full two years (to 2026-27, instead of 2024-25 as originally planned). The funding of \$500,000 yearly post-2026 is manifestly inadequate to deliver the remaining ITS plan. Instead, we recommend the bike infrastructure program be funded as follows:

| 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|--|--|--|---|---|
| 500 | 8537 | 500 | 3,000 | 3,000 |
| Covering detailed design and consultation of Inkerman St Safe Travel Corridor, as well as initiating planning for further routes | Construction of Inkerman Safe Travel Corridor and Park St streetscape improvements | Further detailed planning for remaining bicycle network routes | Design and construction of remaining bicycle network routes | Design and construction of remaining bicycle network routes |

3 h. EV infrastructure

Council committed \$300,000 over four years (2020/21-2023/24) to deliver a Community Electric Vehicle Charging Program.

The uptake of EVs should be supported, and this is useful for residents who do not have off-street parking. To date, this program seems to have only resulted in 2 free EV chargers (on the roof of South Melbourne Market): this seems a poor return on investment. It would be more effective to support commercial providers to install charging stations that are accessible by the community (at market rates) via reverse auctions or similar strategies. These could be targeted towards areas that are under-served at present– which is most of the municipality except Port Melbourne.

\$50,000 annually is to be allocated for Community EV charging over the coming three years and we assume this is to support the ongoing trial of permits for kerbside charging for residents with no off-street charging options. We understand few residents have taken up the option to date (due to the installation costs involved?).

3 i. Waste and FOGO charge changes

PECAN supports the proposed changes and looks forward to the FOGO rollout to multi-unit dwellings in the second half of the year.

3 j. Community assets

PECAN commends Council for its vision for asset management: “as trusted stewards of Council’s assets on behalf of our community, we will ensure our assets enable the delivery of agreed services that our community values and are sustainable for current and future generations”. We also note that the Plan states that while soft assets such as trees and vegetation “are accounted for and included in financial budgets only, soft assets will be a future enhancement in our asset models”.

We strongly support the Council moving to an approach whereby environmental infrastructure assets are afforded equal attention and weighting as is given to “hard” assets such as buildings and roads; “delivery of agreed services” should include ecosystem services. This would be consistent with moves to embrace natural capital accounting and the international System of Environmental-Economic Accounting at other levels of government (e.g. <https://www.environment.vic.gov.au/accounting-for-the-environment>; <https://eea.environment.gov.au/about/what-eea>) and the call by the United Nations to regain our balance with nature, treating ecosystems as a primary asset for securing our collective well-being (<https://highleveladvisoryboard.org/new-blueprint-calls-for-reinvigorated-global-governance/>).

3 k. Community Education and awareness raising

In our last three Budget responses we have requested some quite modest actions by Council to highlight and display the sustainability measures it has put in place - Solar on numbers of its facilities – the St Kilda Town Hall, South

Melbourne Market, other smaller building assets used by and visible to the community, and the Stormwater harvesting facility in Alma Park.

Measures of this kind are important in enlarging community understanding and awareness of what can be done in local communities to mitigate and develop some resilience to the climate crisis, and to show that this is not just the responsibility of the Federal or State Governments, but one which needs to be engaged with locally and which in fact the LGA requires.

Council sustainability actions should be designed with two faces: one the practical measure, the other, the communication to the community of that measure. This communication would be preferable at the site of the measure, briefly pointing to the significance of the measure as a specific response to the relevant aspect of the climate and environmental crisis.

PECAN recommends that Council appropriately resources the promotion of CoPP's sustainability initiatives at key public locations, such as St Kilda Town Hall, South Melbourne Market, Alma Park Stormwater Harvesting Facilities and so on.

3 I. Community emissions

Emissions from the residential, commercial and industrial sectors are currently around 1.5m tonnes annually and both the Commonwealth and State governments are providing funding which is directed towards their reduction, through solar uptake, energy upgrades, community batteries and replacement of gas appliances and processes with electric alternatives. Over the last two years Council has worked with Melbourne and Yarra Councils in pursuing renewable energy opportunities for residents who are renting or living in apartments. There are also opportunities to assist large commercial and industrial users towards PPAs, resulting in more uptake of renewable energy. We recommend that Council addresses this whole area more directly and systematically in the Climate Emergency Action Plan, and particularly that energy upgrades are provided to a significant number of vulnerable households – 100 in the first year – and that Council's efforts are more strongly focused towards large energy users in the commercial and residential sectors.

4. Recommendations for re-configuring how Sustainability is presented in the Plan & Budget

We recommend that in future iterations of the Plan and Budget, Council give consideration to reconfiguring the elements of the Strategic Directions of Liveable Port Phillip and Sustainable Port Phillip. For example, the following programs under Sustainability contribute little to environmental sustainability but may contribute significantly to "liveability"; the total funding for sustainability is skewed by their inclusion.

- increased investment in street cleaning, litter bins and equipment to improve amenity and responsiveness and investigate opportunities for further improvements to service delivery, including greater use of technology
- a new Community Safety and Wellbeing Plan that will provide the framework for public safety management within the municipality including the development of the CCTV Public Space Policy

Equally, some components of what are included in Open Space and Transport could be grouped with Sustainability.

We would also recommend that environmental infrastructure assets be afforded equal attention as is given to “hard” assets such as buildings and roads. This would be consistent with moves to embrace natural capital accounting and the international System of Environmental-Economic Accounting at other levels of government (eg . <https://www.environment.vic.gov.au/accounting-for-the-environment>; <https://eea.environment.gov.au/about/what-eea>) and the call by the United Nations to regain our balance with nature, treating ecosystems as a primary asset for securing our collective well-being (<https://highleveladvisoryboard.org/new-blueprint-calls-for-reinvigorated-global-governance/>).

5. Questions

- a. What is the breakdown of the WSUD program spending each year: is it all for raingardens? (Vol 3, p 64) How are these WSUD initiatives spread across the different neighbourhoods throughout Port Phillip?
- b. We note that amounts for the Act and Adapt Strategy implementation are given variously as “an additional \$390,000 across 3 years” in Vol 1; and \$340,000 (2023/24), with \$140,000 (2024/25) and \$28000 (2025/26) in vol 3 (ie \$508,000 total over 3 years). Which is correct?

6. Opposition to the proposed cut of \$87,000 to the Cultural Development Fund – Project

PECAN urges Council to withdraw its proposal to cut \$87,000 from the Cultural Development Fund – Projects. Local artists are among those most affected by cost-of-living pressures and the range of projects funded through the Projects stream demonstrates significant local value to our whole community. At a time of significant economic and climate insecurity, we need local cultural and creative activity more than ever. Support the arts, reverse this funding cut.

7. St Kilda Library redevelopment

PECAN urges Council to reconsider the disappointing removal of funding for the planned redevelopment of St Kilda Library. We believe this is counter to previous commitments based on extensive community consultation, and also constitutes a failure of Council’s asset management obligations. This short sighted move by Council, when funding is clearly available, fails to recognise the benefits of the St

Kilda Library's role as a vital community hub and to realise the opportunities and importance of investment in spaces and new information technologies accessible to the community. Proceeding with the redevelopment of the Library as previously planned would recognise that it is a key community resource and focus for community engagement (as seen with Docklands Library and other contemporary libraries). Council has an opportunity to strengthen and improve this important community asset, rather than letting it decline.

We have stressed the importance of community engagement in the process of addressing climate change. St Kilda Library could be used by Council as a venue for information and exhibitions on sustainability and climate change. We would urge Council to consider its network of libraries in this respect. They should be seen as a valuable resource in providing information on all of Council's Sustainability actions, together with opportunities for information exchange and development, including measuring and communicating compliance with the various measures referred to in this submission.

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