

TWiSK questions about the St Kilda Marina Project

18 April

Dear media team and Mayor

I think we can agree that the St Kilda Marina Project is one of the biggest stories happening in the St Kilda area. It is surprising that there has been no update to the public since 2022. Given 1 May 2024 is the second anniversary of the new lease, it is timely to ask a few questions about the progress so far.

It's a very big and complex project spanning up at least 35 years, so the questions (at this stage) are focused on a number of early project issues:

1. Progress to date in comparison to original predictions
2. Issues around site contamination, specifically the council's liability
3. Changes to the consortium / proposals since winning the lease
4. The dynamic between the consortium, council and state on progress, decisions and costs/revenue.

Topic 1: Progress to date in comparison to original predictions

Public facing information July 22: "4.2 The preferred lease included a redevelopment concept valued at approximately \$30M (\$25.3M for commercial and approximately \$5.4M for public realm for stage one works) to be constructed across several stages:

- Stage 1a including the peninsula works, dry stack, Riva building refurbishment, carpark, Bay Trail Civic Heart – to be delivered in 12 to 24 months.
- Stage 1b including the new wet berths Marine Parade works, peninsula work and Marine Parade retail – to be delivered in 24 to 48 months"

Q1. Compared to the original proposal, how would you describe the progress so far with Stage 1? Please detail what has been achieved in the first 24 months.

Topic 2: Issues around site contamination, specifically the council's liability

Public facing information: July 22

"A summary of the status of contamination management works has been provided including the next steps which involve an independent assessment of the proposed methodology and costs provided by the tenant."

July 22

"4.80 Officers continue to work through the approach to managing contamination on the site with the tenant in parallel with the Landlord Approval submission review. This will also continue to progress alongside the planning process.

4.81 AMDC has proposed a broad methodology that uses alternative construction techniques to minimise contaminated soil disturbance and off-site disposal. The outcome of this is a cost in the order of **\$8M**. Council's commitment in line with the lease requirement of a contribution of 75% of costs is approximately **\$6M**. The approved budget allocates this amount to Marina contamination management.

4.82 If construction at grade with low-cost construction methods that generate higher volumes of soil are applied, the remediation cost could be up to **\$16M**, as estimated by the environmental consultant.

4.83 While only 'remediation' costs were contemplated in the lease when setting out the responsibilities of the parties, Officers consider that it is reasonable to contribute to the

indirect costs (alternative construction methodologies, related design fees and on-site superintendence) as well as direct 'remediation' costs, to ensure that the much lower direct cost achieved rather than the worst-case scenario of up to **\$16M**.

4.84 However, Council needs more information prior to committing to the approach and costs.

4.85 The next steps involve:

- An independent environmental consultant reviewing the AMDC proposed approach to ensure it is both effective in managing contamination and achieves as much cost minimisation as possible.

- A review of the proposal (and future proposals) by a Council appointed quantity surveyor"

Q2.1: Has an independent assessment of the proposed contamination methodology and costs been received? Where can it be viewed?

Q2.2 What is Council's liability for contamination? Where has this been budgeted?

Q2.3 What steps have been or will be taken to both clean-up the site and limit the Council's liability?

3. Changes to the consortium / proposals since winning the lease

We understand that there may have been significant changes to the consortium that won the lease. While this is not unusual over a 35 year lease, the community may like to be aware of major changes especially in the crucial early years that set up the long term success of the project.

Q3.1 What changes have there been made to key participants of the consortium, including architects, engineering, landscape design, project leadership and stakeholder relations?

Q3.2 What is the scope of the council's role in overseeing the consortium changes?

Q3.3 How would you describe the council's level of comfort with the consortium changes?

Q3.4 Please summarise the changes to the project proposed by the consortium since being awarded the lease?

Topic 4: The dynamic between the consortium, council and state on progress, decisions and costs/revenue

Council has many roles in a project of this type and scope, including proxy for the state, landlord, planning authority, community stakeholder and more. Please provide a brief response to these questions for the community.

Q4.1 Please outline your understanding of the role of CoPP in this project? Please also address how you might manage conflicts between these roles.

Q4.2 Please outline any compensation or remuneration or consideration that the council receives for performing these roles?

Q4.3 In the current council plan and budget, what is the income and expenditure forecast relating to the project?

Q4.4 How would you describe the tone of the relationship between council (and council officers) and the consortium?

Council response in full

26 April. 5 pm

Media Enquiry – response to be attributed to Port Phillip Council Mayor Heather Cunsolo

Greg Day of TWiSK asked a range of follow-up questions about the St Kilda Marina redevelopment:

“I think we can agree that the St Kilda Marina Project is one of the biggest stories happening in the St Kilda area. It is surprising that there has been no update to the public since 2022.”

This is incorrect. As previously stated, the tenant achieved landlord approval in late 2022 at a public council meeting, and has since developed the drawings to a stage where they were able to make a planning submission. The project update regarding the planning submission and its current status can be viewed on the project web-page.

As the new tenant, Australian Marina Development Corporation (AMDC) is responsible for the redevelopment of this complex site and we are working constructively with AMDC to progress the redevelopment.

This includes:

- preparing the development plan that has been submitted for planning approval for non-statutory public consultation
- resolving an approach to site contamination
- ensuring the development happens in a financially sustainable way. This follows considerable change to economic conditions since the lease was executed.

Contamination at the site has been discovered to be more extensive than previously thought. We are working through what that means to the project’s timeline and Council funding contributions.

In the meantime, AMDC continues to maintain marina operations including:

- storing boats and enabling boating activity in the bay
- dredging
- ensuring sub-tenants continue to provide services (hospitality, service station and boat fuelling, convenience store, boat maintenance/repairs and Coast Guard).

AMDC has also refreshed elements of the site, including notable upgrades to Riva to re-activate the hospitality and entertainment offer.

There is a Council approved plan for the site, which was considered at a public meeting of Council on 20 July 2022. There were some changes to the plan from the

original submission, as is to be expected through the more detailed planning process. None of these have impacted the delivery of community benefits. The approved plans are detailed in the document on Council's webpage that can be found here [a Landlord Approval Extract document](#).

Since winning the lease, the directors of AMDC haven't changed. There have been some changes to the design team since the tender submission by the tenant including the architect and the addition of other key design consultants. This is not uncommon in circumstances where projects move from a tender phase and lengthy negotiations to winning the tender then delivery.

As Committee of Management for the site, Council receives rent, which is legislatively required to be spent on supporting the marina and surrounding foreshore area and contributes to the administration and other costs associated with managing the lease and resolving the contamination. In the draft Budget for 2024/25 Council has put a placeholder for spending on contamination remediation, details can be found in the [Council Plan & Budget \(Year 4\) | Have Your Say Port Phillip – Volume 2, page 94](#). The timing of this expenditure and the total amount required is still being worked through.