

1.0 Comprehensive Income Statement Converted to Cash

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual (\$'000)	Forecast (\$'000)	Actual to Forecast (\$'000)	Forecast %	Forecast (\$'000)	Budget (\$'000)	Forecast to Budget (\$'000)	Budget %	
Rates and Charges	102,878	102,921	(43)	(0%)	135,848	135,224	624	0%	
Statutory Fees and Fines	13,623	13,797	(174)	(1%)	19,216	22,469	(3,253)	(14%)	
User Fees	25,113	25,301	(189)	(1%)	34,696	38,171	(3,475)	(9%)	
Grants - Operating	11,107	10,952	156	1%	12,884	10,908	1,976	18%	
Grants - Capital	841	800	41	5%	4,778	5,126	(348)	(7%)	
Contributions - Monetary	10,194	10,204	(10)	(0%)	12,999	9,108	3,892	43%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	8,620	7,954	666	8%	19,582	22,016	(2,435)	(11%)	
Total Income	172,376	171,929	447	0%	240,002	243,021	(3,019)	(1%)	1
Employee Costs	66,072	66,266	195	0%	93,075	94,368	1,293	1%	
Materials & Services	48,646	53,942	5,296	10%	84,274	89,552	5,278	6%	
Depreciation	14,973	17,156	2,183	13%	22,850	22,850	0	0%	
Amortisation of Right of Use assets	589	705	116	16%	940	808	(132)	(16%)	
Bad & Doubtful Debts	2,605	2,435	(171)	(7%)	4,654	5,135	481	9%	
Borrowing Costs	129	178	49	27%	178	178	0	0%	
Interest - Right of Use	42	48	6	13%	63	76	14	18%	
Other expenses	4,782	4,439	(342)	(8%)	16,201	16,187	(13)	(0%)	
Net proceeds from asset disposals	(10,077)	(10,120)	(42)	(0%)	2,143	3,619	1,476	41%	
Share of Joint Venture	0	0	0	0%	0	0	0	0%	
Total Expenses	127,760	135,050	7,289	5%	224,377	232,774	8,396	4%	2
Operating Surplus / (Deficit)	44,615	36,879	7,736	21%	15,625	10,247	5,377	52%	
Income Statement Converted to Cash									
Adjustments for non-cash operating items:									
• Add back depreciation	14,973	17,156	(2,183)	(13%)	22,850	22,850	0	0%	
• Add back amortisation	589	705	(116)	(16%)	940	808	132	16%	
• Add back written-down value of infrastructure assets disposals	124	62	62	101%	13,681	8,999	4,682	52%	
• Add back balance sheet work in progress reallocated to operating	0	0	0	0%	1,200	1,200	0	0%	
	15,686	17,922	(2,236)	(12%)	38,671	33,857	4,814	14%	
Adjustments for investing items:									
• Less Capital Expenditure	(13,009)	(18,065)	5,056	28%	(25,913)	(36,772)	10,859	30%	3
Adjustments for financing items:									
• Less Loan Repayments	(7,500)	(7,500)	0	0%	(7,500)	(7,500)	0	0%	
• Less Lease Repayments	(656)	(592)	(63)	(11%)	(759)	(889)	129	15%	
	(8,156)	(8,092)	(63)	(1%)	(8,259)	(8,389)	129	2%	
Adjustments for financing items:									
Net Reserves Drawdown/ (Replenishment)	0	0	0	0%	(22,868)	(661)	(22,207)	(3260%)	4
Current Year Cash Surplus/ (Deficit)	39,137	28,644	10,492	63%	(2,744)	(1,717)	(1,028)	(60%)	
Opening balance cash surplus/ (Deficit)	6,661	6,661	0	0%	6,661	4,720	1,941	41%	
Accumulated Cash Surplus	45,798	35,305	10,492	30%	3,917	3,003	913	30%	

Refer to explanatory notes on forecast adjustments.

2.0 Notes to the Income Statement

Legend: ↑ financial improvements, → neutral impact, ↓ unfavourable financial changes

Note 1. Operating income forecast adjustments:

↑ → ↓	Variance (\$,000's)	Operating income forecast explanatory notes
↑	978	Recognition of income received in 2020/21 from Commonwealth Home Support Programme in accordance with Accounting Standards tying funding to the timing of service delivery.
↑	624	The number of properties in the municipality has increased by 430 and an increased take up of the larger 240 litre domestic waste bins than budgeted and preliminarily estimated increase in supplementary rates
↑	269	Commonwealth Home Support Grant for Meals has had a 50% increase to the unit price per meal delivered.
↑	150	Greater than anticipated planning application fees received year to date.
↑	140	Increase in revenue - Abandoned and unregistered vehicles sale as motor vehicle auctions have resumed post covid and the increase in the value of second-hand vehicle market.
↑	122	Election income received in August for prior year council elections (not budgeted).
→	4,174	Additional development contribution for open space expected in St Kilda Hill, Montague and Sandridge neighbourhoods.
→	2,515	Changes to grant funding for operating projects not included in 2021/22 Budget – offset by additional expenditure <ul style="list-style-type: none"> ▪ \$1.6m Victorian Government funding for COVID Safe Outdoor Activation Fund 2021. Including \$0.8M for Immediate Outdoor Activations and \$0.7M for Semi-permanent and Permanent Outdoor Precinct Establishment ▪ \$1.2m Department of Transport funding for the Inner Melbourne Cycling Investment Program for the establishment of temporary pop-up bike across various locations. Funding to subsidise and expand existing project scopes ▪ \$0.1m Department of Jobs, Precinct and Regions for Fishermans Bend Program 2021-22 for Activations and Augmented Reality in Montague ▪ (\$0.4m) Reduction in Rail Projects Victoria funding received in 21/22 due to project delays into 22/23 for Domain Precinct Park St Bike Link
→	355	Changes to grant funding for capital projects not included in 2021/22 Budget – offset by additional expenditure <ul style="list-style-type: none"> ▪ \$0.56m Additional Department of Transport funded Safety Improvements at Mountain Street, Chapel Street and Pickles St/Bridge St which were not budgeted ▪ (\$0.2m) Blackspot Alma Rd and Alexandra Street (project contingent on external funding which has not eventuated. Project not going ahead.
→	115	Victorian Government funding for a six-month Health Officer to enhance COVID safe for business.
→	(1,409)	50% of Victorian Grants Commission general funding received in 2020/21 which was ringfenced in reserve. This is offset by drawdown on reserve in 2021/22.
→	(1,023)	Net reduction in Grant Income due to timing of receipt in prior year offset against tied grants. Including Wattie Watson Oval Construction, Point Ormond Playground, SMM External Food Hall Upgrade and other projects offset against grants received in advance for EcoCentre Redevelopment.
→	(367)	St Kilda Festival income reduced by \$0.37M due the COVID-19 recovery environment leading to a reduction in user fee and sponsorship income. This has been offset by \$0.37M reduction in expenses across the St Kilda Festival and Yalukut Weelam Ngargee.
→	(171)	COVID-19 closures of community facilities have resulted in reduced income. This is offset by matching expenditure reduction.
↓	(3,403)	Parking Infringement revenue forecast has been reduced to reflect the loss of income incurred due to the Covid-19 lockdowns since July, and State government restrictions on enforcement (enforcement activity has been limited to safety and red signed areas since early August). Additional \$1m decrease included in March to allow for shortfall anticipated using current trend data.
↓	(1,309)	Paid parking forecast has been reduced to reflect the loss of income incurred due to lockdowns since July. This has limited work-based car travel and general visitation to and within the city. This has been offset by better than anticipated summer period and greater compliance due to PayStay technology, resulting in a \$0.3m forecast improvement.

↑ → ↓	Variance (\$,000's)	Operating income forecast explanatory notes
↓	(2,920)	Council agreed to provide \$2.3m of support including rent waivers to Council tenants, rental waivers to South Melbourne Market Stallholders, and footpath trading permit fee waivers at the 18 August meeting. Additional \$0.6m approved in March for extension of rent waivers to June 22.
↓	(430)	Child Care Gap fee waiver mandated by Commonwealth Government whilst Victoria is impacted by COVID-19 restrictions.
↓	(100)	St Kilda Esplanade Market Income reduction for the period July-Oct due to Covid-19 State Government lockdown & Restrictions resulting in market closure
↓	(260)	South Melbourne Market parking income reduce for the period July-Oct due to Covid-19 State Government lockdown & Restrictions resulting in reduce attendance
↓	(600)	User fees for Long Day Care have been impacted by lower than average utilisation over December and January
↓	(100)	Visitor Permits revenue reduced due to (i) Impacts of new parking begin to take hold as new resident are only entitle to 1 Visitor permit reducing eligibility (ii) Residents are moving toward only obtaining resident permits and forgoing visitor permits (iii) Backlogs in issuing permits remain with about 1000 permits outstanding.
↓	(76)	SMM rent has stayed at 2019-20 levels, budget was set to have an increase during 2021-22. This didn't happen due to COVID and rent relief and the Commercial Tenancy Relief Scheme.

Note 2. Operating expenditure forecast adjustments:

↑ → ↓	Variance (\$,000's)	Operating expenditure forecast explanatory notes
↑	1,142	Lower employee costs and savings due to enterprise vacancy, with the main contributing factor being unable to secure ideal candidate(s) for budgeted positions. COVID-19 has also impacted service delivery including libraries, independent living partially offset by increases Maternal and Child Health Services due to increasing appointment volumes.
↑	696	Lower building and property maintenance requests as a result of temporary services closures (\$370K), and reduction in building maintenance due to lower than expected water (\$150K), security (\$100K) and graffiti expenditure (\$76K)
↑	567	Fulton Hogan contract renewal resulted in reduced management fee (\$420K) for first year of new contract and additional savings in signage and line marking
↑	481	Lower parking doubtful debts expected due to decreased number of parking infringements issued.
↑	289	Employee Costs for Long Day Care have been impacted by lower than average utilisation over December and January, together with efficiencies in the first half of the year
↑	260	Parking Contract Service underspend across the Database Consultants Australia and File search contracts due to fewer PINS being issued.
↑	259	Habitat Housing Initiative did not proceed as Department of Health and Human Services reclaimed funding in late 2020/21.
↑	250	Lower Fines Victoria lodgement fees due to reduced number of parking infringement notices issued caused by Covid-19 lockdowns and enforcement restrictions.
↑	220	Decommission Pathway software CX savings
↑	200	\$200k Clever Council project underspends due to budgeted consultancy tasks performed by staff (efficiency) and delays
↑	200	Council has moved to a new WorkCover provider. For the next couple of years, we will be classified as a new employer and allocated industrial rates. Premiums reduced.
↑	170	Contract payments for the management of parking infringement administration and VicRoads search fees reduced as a result of reduced parking infringement notices issued caused by COVID-19 lockdowns and enforcement restrictions.
↑	104	FOGO and COGO expenditure reduced due to delays into the second half of the financial year
↑	90	Reduction in property rates valuations expenditure due to lower than anticipated valuation objections

↑ → ↓	Variance (\$,000's)	Operating expenditure forecast explanatory notes
→	2,414	Reduction in capital write off component for capital projects. Mostly caused by deferrals to 2022/23 and minor savings achieved in 2021/22 (see capital works statement for detailed explanations).
→	1,754	Operating Projects deferred to 22/23 including <ul style="list-style-type: none"> ▪ \$0.4m Energy Efficient Street Lighting due to budget phasing error as only prepayment will be made in 2022 ▪ \$0.3m Parking Policy E-Permit Implementation due to 12-month project implementation extension. Stage two pushed back to 2022/23. ▪ \$0.15m Permeability Assessment deferred to 22/23 ▪ \$0.13m South Melbourne Structure Plan delayed due to resourcing constraints ▪ \$0.13m Standard Drawings - Clever City delayed due to resourcing and changes to scope definition ▪ \$0.1m Housing Strategy delayed due to resourcing constraints ▪ \$0.5m other minor deferrals across various projects
→	621	Forecast written down value of property sales. Income to be ringfenced in Strategic Property Reserve.
→	815	Greater net proceeds from sale of fleet which will be used to partially fund the additional purchase of street sweepers and community buses (previously leased).
→	367	St Kilda Festival and Yalukut Weelam Ngargee expenses reduced by \$0.37M to offset reduction in user fee and sponsorship income due the COVID recovery environment leading to a reduction.
→	121	COVID-19 closures of community facilities have resulted in reduced expenditure and matching loss of income.
→	(2,515)	Net movement in grant funded operating project expenditure, not included in 2021/22 Budget: <ul style="list-style-type: none"> ▪ (\$1.6m) Victorian Government funding for COVID Safe Outdoor Activation Fund 2021. Including \$0.8M for Immediate Outdoor Activations and \$0.7M for Semi-permanent and Permanent Outdoor Precinct Establishment ▪ (\$1.2m) Department of Transport funding for pop-up bike lanes and the Bank Street parking reconfiguration ▪ (\$0.1m) Department of Jobs, Precinct and Regions for Fishermans Bend Program 2021-22 for Activations and Augmented Reality in Montague ▪ \$0.4m Reduction in Rail Projects Victoria funding received in 21/22 due to project delays into 22/23 for Domain Precinct Park St Bike Link
→	(1,037)	Forecast increased to reflect approved end of year deferrals from 20/21 to deliver the remaining components of the project. <ul style="list-style-type: none"> ▪ (\$0.6m) Customer Experience Program ▪ (\$0.5m) Reactivation of Public Space
→	(115)	Victorian Government funding for a six-month Health Officer to enhance COVID safe for business.

Note 3. Capital expenditure forecast adjustments:

↑ → ↓	Variance (\$,000's)	Capital expenditure forecast explanatory notes
		See capital works statement

Note 4. Reserve forecast adjustments:

↑ → ↓	Variance (\$,000's)	Reserve forecast adjustment explanatory notes
→	(3,279)	Greater drawdown on Childcare Centre Infrastructure Reserve due to <ul style="list-style-type: none"> ▪ (\$2.7m) reduction in budgeted reserve due to delayed sale of council owned childcare centre ▪ (\$0.45m) additional drawdown for wall mounted air filtration units in childcare centres to mitigate risk of COVID-19 ▪ (\$0.13m) additional drawdown for Childcare Centre Fence Compliance due to higher construction cost
→	8,378	Net increase to project deferral reserves due to <ul style="list-style-type: none"> ▪ (\$1.6m) Additional drawdown on reserves for projects deferred from 2020/21 including Reactivation of Public Space, Customer Experience Program, and other minor deferrals. ▪ \$9.98m net deferral of projects to 2022/23 ▪ Refer to note 2 for operating project deferrals and Capital Works Statement for capital deferrals
→	7,950	Forecast property sale income to be ringfenced in the Strategic Property Reserve.
→	5,346	Net increase to Open Space Reserves includes <ul style="list-style-type: none"> ▪ \$4m additional development contribution for open space expected in St Kilda Hill, Montague and Sandridge neighbourhoods. ▪ \$1.4m lower net drawdown on Open Space Reserves due to significant project deferrals identified in the quarter 3 review
→	1,422	Net increase to Asset Renewal Fund including <ul style="list-style-type: none"> ▪ \$0.3m Road Resurfacing program saving through newly awarded civil panel ▪ \$0.2m Stormwater Capital Works program due to project descopeing ▪ \$0.34m Public Toilet Program saving through installation of modular/prefab units ▪ \$0.15m Station Pier Boardwalk & Jetty cancellation as project to be managed by Ports Victoria ▪ \$0.4m projects partially deferred to 2022/23 including South Melbourne Market Cecil street essential services and St Kilda Marina ▪ (\$0.4m) additional drawdown for spend required on Council Fleet Replacement Program 21/22
→	1,104	Net increase to tied grants due to <ul style="list-style-type: none"> ▪ (\$3.4m) additional drawdowns on tied grants received from prior financial years included: Victorian Grants Commission funding received in June 2021, Wattie Watson Oval Construction, Point Ormond Playground, SMM External Food Hall Upgrade and other projects ▪ \$2.4m Financial Assistance Grants 2022/23 advanced payment for 2022/23 ▪ \$2.1m for project grants received in 2021/22 received for works to be completed in 2022/23
→	705	Lower net drawdown on Sustainable Transport Reserve due to: <ul style="list-style-type: none"> ▪ \$0.26m Garden City Bike Path through project savings and contingency reduction ▪ \$0.22m reduced drawdown required due to Department of Transport funding for the Inner Melbourne Cycling Investment Program for the establishment of temporary pop-up bike across various locations ▪ \$0.2m Inkerman Street Bike Corridor due to revised project timing and delivery
→	737	Lower net drawdown on Palais Theatre Reserve due to <ul style="list-style-type: none"> ▪ \$0.8m project deferrals including Palais Theatre Concrete Palling and Tunnels Rectification Projects ▪ (\$0.08m) reduction due to Council Resolution fee waivers for Palais Theatre

3.0 Balance Sheet

	Opening Balance \$'000	Year to Date			Full Year			Variance %	Note
		Actual \$'000	Forecast \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000		
ASSETS									
Current assets									
Cash and cash equivalents	13,842	3,179	8,000	(4,821)	8,000	7,672	328	4%	
Trade and other receivables	20,159	9,084	20,461	(11,377)	20,461	17,905	2,556	14%	
Other financial assets	106,011	143,025	140,941	2,084	135,420	107,000	28,420	27%	1
Non current assets classified as held for sale	11,713	11,713	0	11,713	0	0	0	0%	
Other assets	2,479	613	2,516	(1,904)	2,516	4,137	(1,621)	(39%)	
Total current assets	154,205	167,613	171,919	(4,305)	166,398	136,714	29,684	22%	
Non-current assets									
Investments in associates and joint ventures	270	270	270	0	270	307	(37)	(12%)	
Trade and other receivables	532	532	532	0	532	521	11	2%	
Other financial assets	5	5	5	0	5	0	5	0%	
Property, infrastructure, plant and equipment	3,239,410	3,238,080	3,251,970	(13,890)	3,304,304	3,320,124	(15,820)	(0%)	2
Right of use assets	1,301	712	596	116	361	1,138	(777)	(68%)	
Total non-current assets	3,241,517	3,239,598	3,253,372	(13,774)	3,305,471	3,322,090	(16,619)	(1%)	
TOTAL ASSETS	3,395,721	3,407,211	3,425,291	(18,080)	3,471,870	3,458,804	13,066	0%	
LIABILITIES									
Current liabilities									
Trade and other payables	13,174	5,165	13,372	8,207	16,372	16,587	215	1%	
Trust funds and deposits	7,374	(8,710)	7,521	16,230	7,521	8,124	603	7%	
Provisions	18,567	16,426	18,938	2,511	18,938	16,266	(2,672)	(16%)	3
Interest-bearing loans and borrowings	7,500	0	0	0	0	0	0	0%	
Lease liabilities	767	931	174	(756)	7	605	598	99%	
Total current liabilities	47,381	13,813	40,005	26,192	42,838	41,582	(1,256)	(3%)	
Non-current liabilities									
Provisions	3,367	3,367	3,434	67	3,434	3,531	97	3%	
Interest-bearing loans and borrowings	0	0	0	0	0	0	0	0%	
Lease liabilities	563	0	563	563	563	789	226	29%	
Total non-current liabilities	3,930	3,367	3,997	630	3,997	4,320	323	7%	
TOTAL LIABILITIES	51,312	17,180	44,002	26,823	46,835	45,902	(933)	(2%)	
TOTAL ASSETS	3,344,410	3,390,032	3,381,289	8,743	3,425,034	3,412,902	12,132	0%	
EQUITY									
Accumulated surplus	640,760	685,374	666,382	18,992	622,517	638,974	(16,457)	(3%)	
Asset revaluation reserve	2,612,191	2,613,199	2,612,191	1,008	2,688,191	2,688,819	(628)	(0%)	
Other reserves	91,458	91,458	102,716	(11,257)	114,326	85,109	29,217	34%	
TOTAL EQUITY	3,344,409	3,390,032	3,381,289	8,743	3,425,034	3,412,902	12,132	0%	

Balance Sheet explanatory notes

Note	Explanatory notes
1	Improved cash holdings due to significant project deferrals, additional asset sale ringfenced in the Strategic Property Reserve and additional Open Space Contributions allocated to Open Space Reserves.
2	Significant capital works deferrals reducing forecast closing balance of Property, infrastructure, plant and equipment
3	Forecast higher staff provisions due to lower take up of leave. Management closely monitoring this to ensure staff take their annual leave allocations.

4.0 Statement of Cash Flows

	Full Year	Year to Date			Full Year			Variance %	Note
	2019/20 \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000		
Cash flows from operating activities									
Rates and charges	131,501	115,962	116,005	(43)	135,848	135,224	624	0%	
Statutory fees and fines	13,274	10,113	6,409	3,704	14,426	17,505	(3,079)	(18%)	1
User Fees	30,739	26,409	18,555	7,853	37,983	41,674	(3,691)	(9%)	1
Grants - operating	13,383	11,107	10,952	156	12,884	10,908	1,976	18%	
Grants - capital	3,860	841	800	41	4,778	5,125	(347)	(7%)	
Contributions- monetary	6,235	10,194	10,204	(10)	12,999	9,193	3,806	41%	2
Interest received	934	381	270	111	370	360	10	3%	
Trust funds and deposits taken	21,488	24,180	40,405	(16,225)	53,801	53,772	29	0%	
Other receipts	9,337	11,535	8,709	2,827	11,363	13,587	(2,224)	(16%)	3
Net GST refund	6,869	3,982	5,172	(1,190)	6,828	8,340	(1,512)	(18%)	
Employee costs	(90,090)	(68,212)	(65,828)	(2,384)	(92,637)	(94,133)	1,496	(2%)	
Materials and services	(79,190)	(60,381)	(61,010)	629	(91,747)	(100,465)	8,718	(9%)	4
Short term, low value and variable lease payr	(906)	(266)	(222)	(44)	(255)	0	(255)	0%	
Trust funds and deposits repaid	(22,063)	(40,263)	(40,258)	(5)	(53,654)	(53,684)	30	(0%)	
Other payments	(7,882)	(5,260)	(4,883)	(376)	(7,685)	(8,219)	534	(6%)	
Net cash provided by/(used in) operating ac	37,489	40,324	45,279	(4,955)	45,301	39,187	6,114	16%	
Cash flows from investing activities									
Payments for property, infrastructure, plant and equipment	(15,086)	(15,848)	(18,055)	2,207	(24,772)	(36,771)	11,999	(33%)	5
Proceeds from sale of property, infrastructure, plant and equipment	4,083	10,202	10,182	20	11,538	5,380	6,158	114%	6
Payments for investments	(106,011)	(143,025)	(140,941)	(2,084)	(135,420)	(90,000)	(45,420)	50%	7
Proceeds from sale of investments	87,000	106,011	106,011	0	106,011	90,000	16,011	18%	7
Net cash provided by/(used in) investing ac	(30,014)	(42,660)	(42,803)	143	(42,643)	(31,391)	(11,252)	36%	
Cash flows from financing activities									
Finance costs	(349)	(129)	(178)	49	(178)	(178)	0	(0%)	
Repayment of borrowings	0	(7,500)	(7,500)	0	(7,500)	(7,500)	0	0%	
Interest paid - lease liability	(77)	(42)	(48)	6	(63)	(76)	13	(17%)	
Repayment of lease liabilities	(849)	(656)	(592)	(63)	(759)	(889)	130	(15%)	
Net cash provided by/(used in) financing activities	(1,275)	(8,327)	(8,319)	(9)	(8,500)	(8,643)	143	(2%)	
Net (decrease) increase in cash and cash equivalents	6,200	(10,663)	(5,842)	(4,820)	(5,842)	(847)	(4,995)	590%	
Cash and cash equivalents at the beginning of the financial year	7,642	13,842	13,842	0	13,842	8,518	5,324	63%	
Cash and cash equivalents at the end of the financial year (investment less than 90 days)	13,842	3,179	8,000	(4,820)	8,000	7,671	329	4%	
Total cash and investments	119,853	146,203	148,941	(2,737)	143,420	114,672	28,748	25%	

Cash flows explanatory notes

Note	Explanatory notes
1	Forecast reduction in paid parking and infringement income due to lockdown restrictions.
2	Forecast additional Open Space Contributions from developers due to greater development at St Kilda Hill neighbourhood. Funds are ringfenced in reserve for future open space enhancement projects.
3	Council approved \$2.9 million of social and economic recovery package this financial year.
4	Expected lower expenditure related to lower parking income and lower maintenance for council facilities from COVID closures.
5	Lower than anticipated capital spends evidenced through quarter 2 and ongoing portfolio deferrals
6	Forecast sale of non-strategic assets to be ringfenced in the Strategic Property Reserve.
7	Greater investments balance from favourable forecast cash position at year end.

5.0 Capital Works Statement

Property	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual (\$'000)	Forecast (\$'000)	Actual to Forecast (\$'000)	%	Forecast (\$'000)	Budget (\$'000)	Forecast to Budget (\$'000)	%	
Property									
Buildings	2,941	4,392	1,451	33%	7,123	13,108	5,984	46%	1
Total Property	2,941	4,392	1,451	33%	7,123	13,108	5,984	46%	
Plant and Equipment									
Plant, machinery and equipment	1,886	2,739	852	31%	4,055	2,427	(1,628)	(67%)	2
Fixtures, fittings and furniture	124	266	142	53%	752	1,194	443	37%	
Computers and telecommunications	271	675	404	60%	1,098	1,336	238	18%	3
Library books	702	715	13	2%	872	952	80	8%	
Total Plant and Equipment	2,983	4,395	1,412	32%	6,776	5,910	(867)	(15%)	
Infrastructure									
Roads	480	852	372	44%	1,648	2,049	401	20%	4
Bridges	109	69	(40)	(59%)	157	151	(6)	(4%)	
Footpaths and cycleways	1,469	1,717	248	14%	2,514	3,432	918	27%	5
Drainage	280	501	221	44%	541	1,238	698	56%	6
Parks, open space and streetscape	4,748	6,141	1,393	23%	7,153	10,884	3,731	34%	7
Total Plant and Equipment	7,085	9,278	2,193	24%	12,013	17,754	5,742	32%	
Total Capital Works Expenditure	13,009	18,065	5,056	28%	25,913	36,772	10,859	30%	
Capital Expenditure Type									
New asset expenditure	858	1,273	415	33%	1,489	2,269	780	34%	
Asset renewal expenditure	6,389	9,080	2,691	30%	13,197	16,556	3,359	20%	
Asset upgrade expenditure	5,335	6,877	1,542	22%	10,139	16,442	6,303	38%	
Asset expansion expenditure	427	835	408	49%	1,088	1,504	416	28%	
Total Capital Works Expenditure	13,009	18,065	5,056	28%	25,913	36,771	10,858	30%	

Capital expenditure explanatory notes

Note	Explanatory notes
1	<p>Buildings - \$6.0m</p> <ul style="list-style-type: none"> ▪ \$6.4m Deferrals including <ul style="list-style-type: none"> ○ \$2.2m South Melbourne Town Hall Renewal Upgrade revised scheduling of works following Council approval of the project approach and full scope of works. ○ \$0.65m Palais Theatre Concrete Spalling due to change in delivery approach ○ \$0.63m Access Control Renewal Council Buildings as selection of suitable access control systems has taken longer than anticipated ○ \$0.5m Childcare Centre Fence Compliance due to design issues and resourcing ○ \$0.4m Building CCTV Program due to resourcing challenges and scope changes ○ \$0.36m Fitzroy Street Public Toilet due to resourcing, design issues and external approval delays ○ \$0.3m Building Safety Corrective Action Response due to resourcing, external approvals, latent conditions, permits, scope change and contractor availability ○ \$0.2m South Melbourne Market Fire Stairs to L1 due to delays in third party approvals and other minor deferrals ○ \$0.19m Sandbar Public Toilets due to resourcing delays ○ \$1.5m minor defers across various projects ▪ (\$0.45m) Procurement and installation of wall mounted air filtration units in childcare centres to reduce the risk of airborne transmission of the Covid-19 virus. Funded from Childcare Centre Infrastructure Reserve. ▪ (\$0.4m) Childcare Centre Fence Compliance – additional budget approved for increased construction costs of the remaining sites. Fully funded from Childcare reserve. ▪ \$0.3m Cora Graves Accessibility and Asbestos project cancellation savings
2	<p>Plant, Machinery and Equipment – (\$1.6m)</p> <ul style="list-style-type: none"> ▪ \$1.4m unbudgeted purchase of street sweepers and community buses which were previously leased. Key benefits included lower financing costs, lower carbon emissions and safer fleet. This has resulted in the significant increase in renewal expenditure.

Note	Explanatory notes
3	Computers & Telecommunications - \$0.2m <ul style="list-style-type: none"> ▪ \$0.2m below annual budget due to IT equipment received just before 30 June. This was previously expected to be included in 21/22 budget
4	Roads - \$0.4m <ul style="list-style-type: none"> ▪ \$0.3m Road resurfacing savings achieved through newly awarded civil panel ▪ \$0.2m savings Blackspot Safety Improvement at Alma Rd and Alexandra Street project contingent on external funding which has not eventuated. ▪ (\$0.3m) Additional funding received for Safety Improvements at Chapel Street and Pickles St/Bridge St which were not budgeted.
5	Footpaths and Cycleways – \$0.9m <ul style="list-style-type: none"> ▪ \$0.6m savings in 2021/22 including <ul style="list-style-type: none"> ○ \$0.26m Garden City Bike Path due to contingency not required ○ Other minor savings across Pram Crossing and Laneway Constructions/Upgrades ▪ \$0.5m Deferrals to 2022/23 including <ul style="list-style-type: none"> ○ \$0.34m Domain Precinct - Park St Bike Link due to change in project scope ○ \$0.16m Inkerman Street Bike Corridor to allow time for community consultation and construction has been re-scheduled for 2024/25. ▪ (\$0.2m) Department of Transport funded Safety Improvements at Mountain & Iffla Street and Liardet Street which were not budgeted.
6	Drainage - \$0.7m <ul style="list-style-type: none"> ▪ Storm Water Capital Works Program <ul style="list-style-type: none"> ○ \$0.3m deferral to 2022/23 due to supply chain challenges and contractor availability ○ \$0.3m savings due to reduction in scope of works ○ \$0.2m achieved through newly award Civil Panel
7	Parks, Open space and Street Scapes - \$3.7m <ul style="list-style-type: none"> ▪ \$3.3m Deferrals including <ul style="list-style-type: none"> ○ \$0.7m Public Space Lighting - Elwood Foreshore due to delays with external approvals and supply chain delaying construction to 2022/23 ○ \$0.5m Graham St Overpass Skatepark and Carpark due to contractor availability delaying construction to 2022/23 ○ \$0.4m Alma Park Play Space Upgrade due to resourcing challenges ○ \$0.25m Alma Park Public Toilet Reconstruction due to Resourcing, permits and contractor availability ○ \$0.25m Public Space Lighting - Bay Trail due to unsuccessful tender process ○ \$0.25m Catani Gardens Irrigation Upgrade due to external dependency scheduling delays ○ \$0.25m Rotary Park Play Space Development due to procurement resourcing issues ○ \$0.16m Solar PV Lighting across the city due to resourcing and material delays ○ \$0.7m minor deferrals across various projects ▪ (\$0.3m) Additional Costs <ul style="list-style-type: none"> ○ \$0.17m Wattie Watson Oval Reconstruction due to soil contamination issues ○ \$0.13m South Melbourne Market Public Safety Improvements due to tender above initial estimates ▪ \$0.2m Station Pier Boardwalk & Jetty Renewal – Project cancelled as responsibility of works confirmed to sit with Ports Victoria.

6.0 Financial Support

Rates Financial Hardship Report:

The updated financial hardship policy was published 1 September 2021. Since February, deferrals have decreased from \$185k to \$167K.

Property Type	Deferments		Waivers	
	Number	(\$'000)	Number	(\$'000)
Residential	40	137	9	5
Commercial	5	30	0	0
Total	45	167	9	5

Rates Coordinator highlights that reminder notices are out this week.

Economic and Social Recovery Package:

Included in the support provided is a mandated waiver of gap fees payable by families whose children did not attend childcare centres during lockdown.

Initiatives	FY21 Deferrals (\$'000)	FY22 Funding (\$'000)	Total Funding (\$'000)	Expenditure Jul - Mar 2022 (\$'000)	Comments
Rates Hardship Assistance Waivers, Deferrals, Rebates	0	965	965	123	Not a significant demand for waivers at this stage. Ratepayers have chosen payment plans rather than deferrals.
Rent relief - South Melbourne Market	186	1,880	2,066	1,265	Extended support to tenants until 30 June at 30% impact threshold. Release \$100k based on claims YTD.
Rent relief - Commercial tenants	118	1,206	1,324	866	Underbudget for Commercial tenants' support to Jan. Repurposed to extend support to tenants until 30 June at 30% impact threshold. Investigate but further claims expected
Registration and permit fees (business)	0	380	380	380	Waiver finalised
Public space activation	699	1,615	2,314	720	Have only spent 31% of available funding. Team confirm balance fully committed for remainder of year.
Other business support measures	202	200	402	244	Ongoing lockdowns limiting activation activity/progressing slower than anticipated. Trader association support delivered.
Childcare - Gap Fee Waiver	0	414	414	430	Federal Government mandated. Council absorbing this within budget.
Support for community organisations	0	164	164	96	\$15k monthly to PPCG & Licence fee waivers - sports & community recreation
Please don't stop the music	200		200	124	
Arts Grants	163	180	343	62	Funding for 6 key arts organisations has been arranged and payments are being processed.
Bicycle and pedestrian accessibility improvements	343	0	343	14	Part funding dependant on Department of Transport co funding (0.243m) balance works scheduled for late 2021, early 2022
Total Social & Economic Recovery	1,911	7,004	8,915	4,324	