

CEO Report May 2022

Volume 87

What's inside

- Beach Access Program Summer 2021/22
- Eco planters in St Kilda
- 2022 St Kilda Film Festival

Council respectfully acknowledges the Traditional Owners of this land, the people of the Kulin Nations. We pay our respect to their Elders, past and present. We acknowledge and uphold their continuing relationship to this land.



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Message from the CEO



Welcome to the May issue of the CEO Report. The month of May was a busy period for us as we worked hard to finalise our plans and budget for the next financial year. We also actively engaged with our community by celebrating International Day Against LGBTQ+ Discrimination (IDAHOBIT), Reconciliation Week, the return of St Kilda Film Festival to big screens and consulting on our draft Council Plan and Budget.

We continued to reinvigorate our local neighbourhoods and support traders with our Autumn Series, a two month-long activities and performances in Acland Street, St Kilda and Carlisle Street, Balaclava. The events, funded by the Victorian Government's COVIDSafe Outdoor Activation Fund, included live music and street performances, providing an opportunity for local artists and performers to showcase their talents.

Our website, now made available in most common languages of our community members, reflects upon our commitment to embrace the diversity of our City.

Lastly, our Year Two Council Plan 2021-31, a roadmap for everything we do, sets out the long-term vision for the City and aligns our key strategies with delivering on community priorities and the Budget for 2022/23 have been endorsed by end of June 2022.

Peter Smith
CEO, City of Port Phillip



Opening night at 2022 St Kilda Film Festival.

Strategic Direction 1

Inclusive Port Phillip

A City that is a place for all members of our community, where people feel supported and comfortable being themselves and expressing their identities.



Be Brave. Make Change

We held a week-long activities under the theme Be Brave. Make Change during Reconciliation Week. The activities provided an opportunity for community members from diverse backgrounds to come together and inspire each other to be brave to make change.

We collaborated with Port Phillip Citizens for Reconciliation (PPCfR) to organise various activities, including poem recitals, talks of notable Indigenous community members on the importance of reconciliation in Australia and a lunch on Sorry Day. The participants of the Sorry Day luncheon included representatives from various Indigenous organisations, service groups within our City and Councillors from Cities of Port Phillip and Stonnington.

The events align with our strategic directions of Inclusive Port Phillip and Liveable Port Phillip and help us in building trust between us and the local Indigenous community.

[Find out more about the activities](#)

Beach Access Program Summer 2021/22

The City of Port Phillip Summer Accessible Beaches Program celebrated another successful season. The program operated at St Kilda and Port Melbourne beaches removing some of the barriers that restrict people with disability or mobility issues from enjoying our beaches. Beach access equipment including a Mobi-Chair (floating wheelchair) and Accessible Beach Matting connecting the boardwalk to the water were made available to users through a booking process.

The Life Saving Clubs at St Kilda and Port Melbourne beaches collaborated with us by supporting the delivery of beach access equipment for community use during the summer lifesaving patrol season. The clubs reported daily use of Accessible beach Matting and a total of 40 bookings for Mobi-Chair across both sites.

Community members expressed their gratitude and thanked us for the Beach Access Program.

"Loved today. You made a little miracle happen and because of what you did, it gave me a feeling of being normal" – Rochelle.

"We would like to thank once again City of Port Phillip for their ongoing support and commitment to the diversity and total inclusion for all abilities, everywhere." – Paul Mapley, Committee Member Port Melbourne Life Saving Club.

[Find out more about the program](#)



Students reciting poems.



Accessible Beach Matting that was available at St Kilda and Port Melbourne beaches.

Strategic Direction 2

Liveable Port Phillip

A City that is a great place to live, where our community has access to high quality public spaces, development and growth are well-managed, and it is safer and easy to connect and travel within.



Beacon Cove boat landing works completed

Beacon Cove boat landing at Port Melbourne has been reopened for public use in June after the completion of the repair works. During our regular inspections last year, we identified the boat landing was unsafe and required repair works. We worked with the ferry operators at Port Melbourne to ensure their operations were not impacted by the closure of the boat landing. A total of 11 piles have been repaired and both the ferry operators and the general public resumed using this space.



Beacon Cove boat landing at Port Melbourne.

Linden Gallery rear courtyard pathway upgraded

We have recently completed an upgrade to the rear courtyard pathway at Linden Art Gallery, St Kilda. The project involved upgrading the existing pathway from a narrow, uneven dirt and gravel pathway to a wider, sealed and even pathway to improve accessibility and connection between the building and the courtyard. Special permitting requirements were navigated to find a suitable design outcome including approval of suitable pathway materials to retain the look and feel of the heritage of the site while achieving the outcome of improved accessibility. The gallery is planning to host some of this year's Spring and Summer events in this improved pathway.



Rear courtyard of Linden Art Gallery after the upgrade.

Pedestrian safety measures along Chapel Street

We have completed the installation of 40 kilometres per hour speed limit signs on Chapel Street between Dandenong Road and Brighton Road at St Kilda. The installations are part of our safety improvement project, which included negotiations with ViCRoads and Yarra Trams before finalising the speed limit change. The project is funded by TAC Safer Pedestrian funding program.

Other safety improvement works of the project is expected to be completed in the financial year 2022/23. The implementation of reduced speed and other pedestrian safety measures delivers on the strategic outcomes and priorities highlighted in our Integrated Transport Strategy Move, Connect, Live 2018-2028.

[Find out more about the project](#)



Chapel Street with green pavement marking with bike lane and painted islands.

Strategic Direction 3

Sustainable Port Phillip

A City that has a sustainable future, where our environmentally aware and active community benefits from living in a bayside city that is greener, cooler, cleaner and climate resilient.



New raingardens in our City

We have constructed two raingardens within the existing kerb outstands at the intersection of Coventry and Montague Streets in South Melbourne and Richardson and Withers Streets in Albert Park. The main benefits associated with the raingardens include:

- Passive watering and drought proofing of garden areas.
- Cleaning and recharging water into local soils to improve the health of the Port Phillip Bay.
- Cooling of the environment in summer.
- Improved streetscape amenity through new garden beds areas.

The project is part of our Water Sensitive Design Program that aims to conserve and improve water quality in our City.



Raingarden at the intersection of Coventry and Montague streets in South Melbourne.

Port Phillip Pickers

The Port Phillip Pickers is a volunteer led, fruit picking group, who support the maintenance and care of several olive trees within our City. In the first pick in April, 105 kilograms of olives were harvested and pressed into 12 litres. The group was born out of the Environment Leaders Program and our support strengthens our commitment to empower community and aligns with our Green Port Phillip strategy.



Olives picked by Port Phillip Pickers.

Fishermans Bend's Water Sensitive Cities Strategy

City of Port Phillip in partnership with Victorian Government, City of Melbourne, South East Water and Melbourne Water has released the Fishermans Bend's Water Sensitive Cities Strategy. The strategy aims to reduce the impact of flooding, clean stormwater before it enters the Bay and provide a climate-resilient water supply for the community members in the area. These changes will contribute to building a liveable, productive, sustainable and resilient future for Fishermans Bend precincts. The strategy is in its early stages and will be delivered as part of our Fishermans Bend urban renewal project. We will continue to collaborate with our partners, including the Victorian Government, to undertake infrastructure planning and begin delivery of this long-term strategy.

[Find out more about the project](#)

Elster Creek catchment partnership

We are collaborating with Bayside City Council to realise the Elsternwick Park Nature Reserve Masterplan. The masterplan includes planning for stormwater harvesting, water quality improvement and providing greater amenity in this new nature reserve on our southern border. The project works implemented by Bayside City Council is co-funded by Port Phillip and addresses our goals outlined for sustainable and liveable Port Phillip.

[Find out more about the project](#)

Strategic Direction 4

Vibrant Port Phillip

A City that has a flourishing economy, where our community and local businesses thrive, and we maintain and enhance our reputation as one of Melbourne's cultural and creative hubs.



Celebrating 41 years of volunteering in our Libraries

During National Volunteer Week, Port Phillip Libraries celebrated the incredible contributions made by our volunteers to the community. We acknowledged their work in supporting our library patrons, including spending time either by discussing, listening or recommending books to read. The celebrations included a morning tea at Emerald Hill Library, South Melbourne and presentation of certificates of appreciation to the volunteers. We continue to extend our support to the volunteers who help us in engaging and connecting with our community to maintain and enhance our reputation as a vibrant and liveable City.



Appreciating our volunteer.

St Kilda Library 50 year anniversary celebrations

Our St Kilda Library will be celebrating 50 years since its foundation stone was laid. In honour of the 50-year anniversary, the library will highlight its multi-decade evolution to become the largest and busiest library for the residents, business and visitors of Port Phillip. The celebrations feature light refreshments, an exhibition and digital presentation showcasing the 50-year evolution of the St Kilda Library.

👉 [Find out more about the celebration](#)



St Kilda Library from our archives.

Eco planters in St Kilda

We have installed 12 new environmentally friendly planter boxes along St Kilda Road and Carlisle Street, St Kilda. The hard-wearing native plants are growing in a mix of soil and used coffee grounds from local cafés and brighten up the streetscape. The boxes that house them are made from recycled plastic. They have an in-built reservoir and are self-wicking (watering), saving fifty per cent of water.

Feedback from the community has been positive, with people agreeing that the planter boxes improve the street and that they would like to see more such street installations. The project, an initiative of our Live Love Local program and funded by State Government's COVIDSafe Outdoor Activation Fund will be extended to other suburbs within our City in the coming months.

👉 [Find out more about Our City](#)



The eco planters along St Kilda Road

Vibrant South Melbourne Market

The South Melbourne Market hosted a number of indoor events throughout the month May, including BIG Sculpture, a free exhibition. The exhibition provided an opportunity for four local artists to showcase their work. The BIG Sculpture is a recipient of our Arts Response Grant, with the Market playing host to the exhibition.

The Market hosted its first Food Affair event, A Chilli Affair. The event included a self-guided tour, providing an opportunity for visitors to explore the sights, sounds and smells of South Melbourne Market and sample chilli dishes from our restaurants and food traders. We intend to host a series of similar Food Affair events including A Truffle Affair in July. We aim to put our South Melbourne Market on the culinary map with food events showcasing our exclusive and delicious seasonal produce.



2022 St Kilda Film Festival

St Kilda Film Festival (SKFF), Australia's longest running short film festival was held from Friday 27 May to Sunday 5 June. The festival saw the return of audiences to the screening venues across our City.

The festival, supported by Screen Australia and VicScreen recognises the genre of short film, including music videos, gaming and immersive forms, and celebrates some of our nation's best short filmmakers and screen artists. Highlights of the film festival included special events providing networking opportunities for artists of the screen industry, a series of filmmaking-related workshops, forums, panels, exhibitions, screening, and Questions and Answers sessions hosted by renowned national film talents and a day of events dedicated to First People's film, music and conversation, including a special screening of the film One Night the Moon.

The Festival Award winners for 2022 were announced on the final day of the festival. The Festival fulfills our promise of promoting our art and cultural industries and delivers on our action plan to enhance the vibrancy of Port Phillip and support our creative industries.

[Find out more about the Festival](#)



The audience at 2022 St Kilda Film Festival's opening night event.



2022 St Kilda Film Festival team.

Strategic Direction 5

Well Governed Port Phillip

A City that is a leading local government authority, where our community and our organisation are in a better place as a result of our collective efforts.



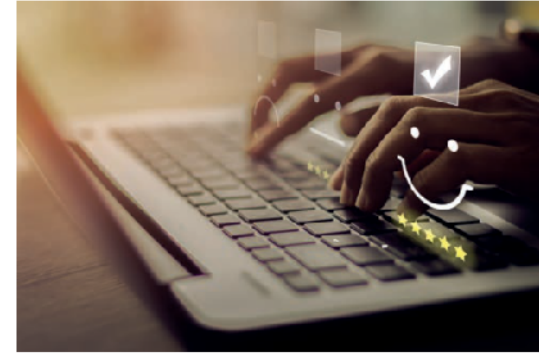
Customer satisfaction survey

Earlier this year, we had engaged an independent market research agency to conduct customer satisfaction survey on our behalf to assess our performance across a range of measures. Our goal is to identify ways to improve the effectiveness of our service delivery. The results of the survey are currently being considered and will be presented to the Council in due course.

The survey also provides us with insights on the areas that require further improvement. We would perform an in-depth analysis of customer feedback on different individual areas in the coming months to understand the areas of concern. We continue to strive to perform better by identifying ways to provide more effective service delivery to our community.

Our cyber resilience

We are redefining our infrastructure to keep the Council's data cyber-secure and stay alert for expanding threats of cyber-attack. Our steps toward cyber resilience starts with the development of a zero-trust, that is maintaining strict access control, cloud-centric environment that blocks threats and bolsters our security posture. We plan to develop a framework to build critical cyber infrastructure resilience and map processes so that the cyber security team could make risk-based decisions while protecting our records from security threats and preventing data breaches. At Port Phillip, we focus on adapting a multi-layer defence to achieve information and data security and thereby ensuring well governance.



Building cyber infrastructure.

Well-Governed snapshot

Well-Governed scorecard

The following are the results for the month of May 2022.

Trend measures ✓ meeting or above target ● not meeting target by 10 % or less ✗ Result off track from target

Target 2021/22	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022	Trend
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Variance from operating budget

-1% to +3%	-64%	-43%	8%	8%	8%	8%	0%	0%	89%	124%*	✗
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Material legislative breaches

0	0	0	0	0	0	0	0	0	0	0	✓
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External grant funding secured from the Australian and Victorian Governments

\$10 m to \$15 m	\$16.9 m	\$15.6 m	\$16.1 m	\$17.1 m	\$17.1 m	\$17.1 m	\$17.1 m	\$16.5m	\$16.9 m	\$23.2 m	✓
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Council decisions made at meetings open to the public

90% to 100%	89%	97%	83%	90%	92%	No Council meeting held	80%**	96%	100%	85%**	✗
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* Council's operating surplus is greater than budget due to project deferrals as detailed in Note 1 on pages 11 to 13.

** Of the 20 decisions made at Council meetings held in May 2022, three were related to confidential matters..

Financial update

Summarised Income a Converted to Cash

As of 31 May 2022, the full year forecast for 2021/22 is a cumulative cash surplus of \$5.3 million, which is higher than the budget of \$3.0 million. This is due to:




- an improvement in the opening cash balance for 2021/22,
- efficiency savings achieved during the year in addition to already budgeted savings and,
- lower employee expenditure due to staff vacancies. The organisation is facing a higher than the historical average staff vacancy rate, which is placing pressure on existing staff to respond to increased service volumes and backlogs to meet service levels and project delivery. Some roles are hard to recruit.










The above favourable items are offsetting the COVID-19 related impacts on parking income \$5.5 million (PINs \$3.9 million and paid parking \$1.6 million) and funds the \$1.9 million of additional social and economic recovery package approved by Council in August 2021 and February 2022. This was reduced in May due to both rates waivers and commercial rental waivers being undersubscribed.



	Year to date			Full year			Notes
	Actual (\$,000)	Forecast (\$,000)	Variance (\$,000)	Actual (\$,000)	Forecast (\$,000)	Variance (\$,000)	
Total income	213,510	211,741	1,769	245,550	243,021	2,529	1
Total expenses	163,808	169,876	6,068	222,647	232,774	10,127	2
Operating surplus / (deficit)	49,702	41,865	7,837	22,903	10,247	12,656	
Capital expenditure	(16,307)	(19,097)	2,790	(24,425)	(36,772)	12,347	3
Non-cash operating items	19,356	22,066	(2,710)	(38,671)	(36,772)	4,814	
Financing items	(8,306)	(8,216)	(90)	(8,259)	(8,389)	129	
Net reserves movement	0	0	0	(30,277)	(661)	(29,616)	4
Current year cash surplus / (deficit)	44,445	36,617	7,828	(1,387)	(1,717)	330	
Opening cash surplus balance	6,661	6,661	0	6,661	4,720	1,941	
Accumulated cash surplus	51,106	43,278	7,828	5,274	3,003	2,271	

Notes to the Income Statement

Note 1. Operating income forecast adjustments


Trend  financial improvements  neutral impact  unfavourable financial changes






Variance (\$,000)	Operating income forecast explanatory notes	Trend
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 per cent increase to the unit price per meal delivered.	
150	Greater than anticipated planning application fees received year to date.	
150	Interest income continues to improve above budget due to increasing cash holdings caused predominately by delays in capital expenditure and organisational savings.	
100	Increased income received due to higher than budget quantity of land information certificate requests.	
140	Increase in revenue from abandoned and unregistered vehicles sales as motor vehicle auctions have resumed post-COVID 19 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.	







Variance (\$,000)	Operating income forecast explanatory notes	Trend
3,158	Changes to grant funding for operating projects not included in 2021/22 Budget – offset by additional expenditure <ul style="list-style-type: none"> \$1.6 million Victorian Government funding for COVIDSafe Outdoor Activation Fund 2021. Including \$0.8 million for Immediate Outdoor Activations and \$0.7 million for Semi-permanent and Permanent Outdoor Precinct Establishment \$1.2 million Department of Transport funding received 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 \$0.2 million received from Department of Environment Land Water and Planning for Waste Transformation program \$0.1 million received from Department of Jobs, Precinct and Regions for Fishermans Bend Program 2021-22 for Activations and Augmented Reality in Montague And other minor grant movements 	
1,133	Net reduction in capital grant income due to timing of receipt <ul style="list-style-type: none"> \$2.6 million advance payment of grants for 2022/23 works including EcoCentre Redevelopment (\$1 million) and Elder Smith Netball Courts (\$1.6 million) (\$1.5 million) grant income received in prior year offset against tied grants. Including Wattie Watson Oval Construction, Point Ormond Playground, Elwood, South Melbourne Market External Food Hall Upgrade and other projects offset against grants received in advance for EcoCentre Redevelopment. 	

Notes to the Income Statement

Note 1. Operating income forecast adjustments (continued)




Trend  financial improvements  neutral impact  unfavourable financial changes

Variance (\$,000)	Operating income forecast explanatory notes	Trend
1,074	Victorian Grants Commission Financial Assistance Grants 75 per cent advanced payment (\$2.4 million) for 2022/23 received in current year and allocated in tied grants for 2022/23. This is reduced by the 50 per cent funding (\$1.4 million) received in advance for 2021/22. These funds are ringfenced in reserves.	
750	Grant funding for Southside Live Festival to occur in June 2022, offset against expenditure.	
(579)	Changes to grant funding for capital projects offset by expenditure movement: <ul style="list-style-type: none"> • (\$0.85 million) reduction in Rail Projects Victoria funding received for projects deferred to 2022/23 including Domain Precinct Park Street Bike Link and upgrades to Alma Road Park PlaySpace, St Kilda • (\$0.2 million) Blackspot Alma Road and Alexandra Street, St Kilda project contingent on external funding which has not eventuated. Project not going ahead. • \$0.56 million received from Department of Transport for Safety Improvements at Mountain Street South Melbourne, Chapel Street St Kilda and Pickles Street/Bridge Street which were not budgeted. 	
(367)	St Kilda Festival income reduced by \$0.37 million due the COVID-19 recovery environment leading to a reduction in user fee and sponsorship income. This has been offset by \$0.37 million reduction in expenses across the St Kilda Festival and Yalukut Weelam Ngargee.	
(262)	Reduction in anticipated insurance reimbursement to be received in 2021/22 for the Alma Park, St Kilda, Pavilion Amenities reconstruction deferred to 2022/23	

Variance (\$,000)	Operating income forecast explanatory notes	Trend
(171)	Closure of community facilities due to COVID-19 restrictions have resulted in reduced income. This is offset by matching expenditure reduction.	
(4,003)	Parking Infringement revenue forecast has been reduced to reflect the loss of income incurred due to the Covid-19 restrictions since July, and State government restrictions on enforcement (enforcement activity has been limited to safety and red signed areas since early August). Additional \$600k decrease included in April to allow for shortfall anticipated using current trend data.	
(1,600)	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 \$0.3 million forecast improvement.	
(1,920)	At the 18 August 2020 Council meeting, Council agreed to provide \$2.3 million of support including rent waivers to Council tenants, rental waivers to South Melbourne Market Stallholders, and footpath trading permit fee waivers. Additional \$0.6 million approved in March for extension of rent waivers up to June 2022. This was reduced in May by \$0.5 million for underutilised rates waivers and \$0.5 million for underutilised commercial rental waivers.	
(600)	User fees for Long Day Care have been impacted by lower than average utilisation over December and January.	
(441)	Child Care Gap fee waiver mandated by Commonwealth Government while Victoria is impacted by COVID-19 restrictions.	

Notes to the Income Statement


Note 1. Operating income forecast adjustments (continued)








Trend  financial improvements  neutral impact  unfavourable financial changes










Variance (\$,000)	Operating income forecast explanatory notes	Trend
(336)	South Melbourne Market parking income reduction for the period July to October due to Covid-19 restrictions resulting in reduced attendance (\$0.26 million) and also inability to pass on proposed budgeted increase during 2021/22 due to COVID-19 and rent relief and the Commercial Tenancy Relief Scheme (\$0.07 million).	
(200)	Reduction in income for private pool registration due to extension of the grace period for initial registration into 2022/23 by the State Government.	
(150)	Reduction in City Permits – Road Closures as developer opted for the better uses of the development area instead of seeking a road closure.	
(100)	St Kilda Esplanade Market income reduction for the period July to October due to Covid-19 restrictions resulting in market closure.	
(100)	Visitor Permits revenue reduced due to: <ul style="list-style-type: none"> impacts of new parking begin to take hold as new resident are entitled to one Visitor permit only reducing eligibility residents are moving toward in are only obtaining resident permits and forging visitor permits backlogs in permit remain with about 1000 permits outstanding. 	

Notes to the Income Statement

Note 2. Operating expenditure forecast adjustments




Trend  financial improvements  neutral impact  unfavourable financial changes


Variance (\$,000)	Operating expenditure forecast explanatory notes	Trend
1,735	Lower employee costs and savings due to enterprise vacancy; with the main contributing factor being unable to secure ideal candidate(s) for budgeted positions. <ul style="list-style-type: none"> COVID-19 has also impacted service delivery including libraries, independent living partially offset by increases in Maternal and Child Health Services due to increasing appointment volumes. City Planning and Sustainability due to ongoing vacancies and unable to secure ideal candidates for vacant positions. 	
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	Renewal of Fulton Hogan contract 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.	
440	Significant savings realised in Organisational Capability's training and development program largely due to the impact of the COVID-19 environment. Extended delays to training plans meant training programs have been reschedule for next financial year.	
260	Parking Contract Service underspend across the DCA and File search contracts due to fewer parking infringement notices being issued.	
259	Habitat Housing Initiative did not proceed as Department of Health and Human Services reclaimed funding in late 2020/21.	





Variance (\$,000)	Operating expenditure forecast explanatory notes	Trend
250	Lower Fines Victoria lodgement fees due to reduced number of parking infringement notices issued and enforcement restrictions caused by Covid-19 restrictions.	
220	Decommission Pathway software CX savings.	
200	\$200k Clever Council project underspends due to budgeted consultancy tasks performed by staff (efficiency) and delays.	
270	Digital Technology Services underspends due to budgeted consultancy tasks performed by staff (efficiency). Also, Cloud Services software expensed last financial was not taken up as a prepayment for 2021-22.	
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 and enforcement restrictions caused by COVID-19 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.	
2,533	Reduction in capital write off for capital projects, mostly caused by deferrals to 2022/23 and minor savings achieved in 2021/22 (see capital works statement for detailed explanations).	

Notes to the Income Statement

Note 3. Capital expenditure explanatory notes




Trend  financial improvements  neutral impact  unfavourable financial changes




Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
6,322	Buildings: \$6 million 1. \$6.8 million Deferrals including: <ul style="list-style-type: none"> \$2.2 million South Melbourne Town Hall Renewal Upgrade revised scheduling of works following Council's approval of the project approach and full scope of works \$0.65 million Palais Theatre Concrete Spalling due to change in delivery approach \$0.63 million Access Control Renewal Council Buildings as selection of suitable access control systems has taken longer than anticipated \$0.5 million Childcare Centre Fence Compliance due to design issues and resourcing \$0.4 million Building CCTV Program due to resourcing challenges and scope changes \$0.36 million Fitzroy Street, St Kilda, Public Toilet due to resourcing, design issues and external approval delays \$0.37 million Building Safety Corrective Action Response due to resourcing, external approvals, latent conditions, permits, scope change and contractor availability \$0.3 million South Melbourne Market Smoke Extraction \$0.2 million South Melbourne Market Fire Stairs to LI due to delays in third party approvals and other minor deferrals \$0.19 million Sandbar, Middle Park, Public Toilets due to resourcing delays \$1.1 million minor defers across various projects 	


Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
6,322	Buildings: \$6 million (continued) 2. (\$0.45 million) 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. 3. (\$0.4 million) Childcare Centre Fence Compliance – additional budget approved for increased construction costs of the remaining sites. Fully funded from Childcare reserve. 4. \$0.3 million Cora Graves Accessibility and Asbestos project cancellation savings	
(853)	Plant, Machinery and Equipment: (\$1.4 million) <ul style="list-style-type: none"> (\$1.4 million) 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. \$0.5 million deferral of fleet replacement program due to delivery delays for vehicles/heavy plant. This is due to industry wide delays.	
443	Fixtures, Fittings and Furniture: \$0.4 million <ul style="list-style-type: none"> \$0.3 million deferral of workplace locker and team storage roll out to 2022/23 due to supplier delays. 	
408	Computers & Telecommunications: \$0.2 million <ul style="list-style-type: none"> \$0.2 million below annual budget due to IT equipment received just before 30 June. This was previously expected to be included in 2021/22 budget \$0.2 million delay in delivery of 2021/22 IT equipment to 2022/23, items on order however no longer will be delivered by 30 June	

Notes to the Income Statement

Note 3. Capital expenditure explanatory notes (continued)




Trend  financial improvements  neutral impact  unfavourable financial changes





Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
396	<p>Roads: \$0.4 million</p> <ul style="list-style-type: none"> \$0.3 million Road resurfacing savings achieved through newly awarded civil panel \$0.2 million savings Traffic project Blackspot Safety Improvement at Alma Road and Alexandra Street, St Kilda project contingent on external funding which has not eventuated. <p>(\$0.3 million) Additional funding received for Safety Improvements at Chapel Street, St Kilda and Pickles Street/Bridge Street, Port Melbourne which were not budgeted.</p>	
897	<p>Footpaths and Cycleways: \$0.9 million</p> <p>\$0.6 million savings in 2021/22 including:</p> <ul style="list-style-type: none"> \$0.26 million Garden City Bike Path due to contingency not required Other minor savings across Pram Crossing and Laneway Constructions/Upgrades <p>\$0.5 million Deferrals to 2022/23 including:</p> <ul style="list-style-type: none"> \$0.34 million Domain Precinct - Park Street Bike Link at South Melbourne due to change in project scope \$0.16 million Inkerman Street, St Kilda Safe Travel Corridor to allow time for community consultation and construction has been re-scheduled for 2024/25. <p>(\$0.2 million) Department of Transport funded Safety Improvements at Mountain, and Iffla Streets, South Melbourne and Liardet Street, Port Melbourne which were not budgeted.</p>	
774	<p>Drainage: \$0.7 million</p> <ul style="list-style-type: none"> Storm Water Capital Works Program: <ul style="list-style-type: none"> \$0.3 million deferral to 2022/23 due to supply chain challenges and contractor availability \$0.3 million savings due to reduction in scope of works <p>\$0.2 million achieved through newly awarded Civil Panel</p>	




Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
3,915	<p>Parks, Open space and Street Scapes: \$3.7 million</p> <p>\$3.3 million Deferrals including:</p> <ul style="list-style-type: none"> \$0.7 million Public Space Lighting - Elwood Foreshore due to delays with external approvals and supply chain delaying construction to 2022/23 \$0.5 million Graham Street Port Melbourne Overpass Skatepark and Carpark due to contractor availability delaying construction to 2022/23 \$0.4 million Alma Park St Kilda Playspace Upgrade due to resourcing challenges \$0.25 million Alma Park St Kilda Public Toilet Reconstruction due to resourcing, permits and contractor availability \$0.25 million Public Space Lighting Bay Trail due to unsuccessful tender process \$0.25 million Catani Gardens, St Kilda Irrigation Upgrade due to external dependency scheduling delays \$0.25 million Rotary Park St Kilda Playspace Development due to procurement resourcing issues \$0.16 million Solar PV Lighting across the city due to resourcing and material delays \$1.0 million minor deferrals across various projects <p>(\$0.3 million) Additional Costs</p> <ul style="list-style-type: none"> \$0.17 million Wattie Watson Oval, Elwood reconstruction due to soil contamination issues \$0.13 million South Melbourne Market Public Safety Improvements due to tender above initial estimates <p>\$0.2 million Station Pier Boardwalk and Jetty Renewal, Port Melbourne, Project cancelled as responsibility of works confirmed to sit with Ports Victoria.</p>	

Notes to the Income Statement

Note 4. Reserve forecast adjustments

Trend  financial improvements  neutral impact  unfavourable financial changes


Variance (\$,000)	Reserve forecast adjustment explanatory notes	Trend
[3,279]	Greater drawdown on Childcare Centre Infrastructure Reserve due to: <ul style="list-style-type: none"> • (\$2.7 million) reduction in budgeted reserve due to delayed sale of council owned childcare centre • (\$0.45 million) additional drawdown for wall mounted air filtration units in childcare centres to mitigate risk of COVID-19 • (\$0.13 million) additional drawdown for Childcare Centre Fence Compliance due to higher construction cost 	
11,962	Net increase to project deferral reserves due to: <ul style="list-style-type: none"> • (\$1.3 million) Additional drawdown on reserves for projects deferred from 2020/21 including Activation of Public Space, Customer Experience Program, and other minor deferrals. • \$13.3 million net deferral of projects to 2022/23 • Refer to Note 2 for operating project deferrals and Note 3 for deferrals on capital expenditure 	
7,950	Forecast property sale income to be ringfenced in the Strategic Property Reserve.	
5,581	Net increase to Asset Renewal Fund including: <ul style="list-style-type: none"> • \$0.3 million Road Resurfacing program saving through newly awarded civil panel • \$0.2 million Stormwater Capital Works program due to project descopeing • \$0.34 million Public Toilet Program through installation of modular and prefab units • \$0.15 million Station Pier Boardwalk and Jetty Renewal, Port Melbourne cancellation as project to be managed by Ports Victoria • \$0.4 million projects partially deferred to 2022/23 including Cecil Street, South Melbourne Market essential services and St Kilda Marina 	

Variance (\$,000)	Reserve forecast adjustment explanatory notes	Trend
2,692	Net increase to tied grants due to: <ul style="list-style-type: none"> • (\$3.4 million) additional drawdowns on tied grants received from prior financial years included: Victorian Grants Commission funding received in June 2021, Wattie Watson Oval Construction and Point Ormond Playground, Elwood, South Melbourne Market External Food Hall Upgrade and other projects • \$0.6 million Independent living grants received in advance for 2022/23 • \$2.4 million Financial Assistance Grants 2022/23 advanced payment for 2022/23 • \$2.7 million for project grants received in 2021/22 received for works to be completed in 2022/23 including EcoCentre Redevelopment and Elder Smith Netball Courts and Pavilion 	
1,020	Lower net drawdown on Sustainable Transport Reserve due to: <ul style="list-style-type: none"> • \$0.26 million Garden City Bike Path through project savings and contingency reduction • \$0.22 million 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 • \$0.2 million Inkerman Street, St Kilda Safe Travel Corridor due to revised project timing and delivery • \$0.26 million reduced drawdown required to Department of Transport funding for pop-up bike lanes and the Bank Street, South Melbourne and Shimmy Routes 	
737	Lower net drawdown on Palais Theatre Reserve due to: <ul style="list-style-type: none"> • \$0.8 million project deferrals including Palais Theatre Concrete Palling and Tunnels Rectification Projects • (\$0.08 million) reduction due to Council Resolution fee waivers for Palais Theatre 	

Notes to the Income Statement

Note 4. Reserve forecast adjustments (continued)

Trend  financial improvements  neutral impact  unfavourable financial changes

Variance (\$,000)	Reserve forecast adjustment explanatory notes	Trend
110	Lower net drawdown on Gasworks Park Reserve due to: <ul style="list-style-type: none"> \$0.1 million partial deferral of Gasworks Arts Park, Albert Park Reinstatement project due to delays to 2022/23 	



City of Port Phillip

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