



# Financial Statements

March 2023

# 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 (\$'000)	Budget (\$'000)	Forecast to Budget (\$'000)	%	
Rates and Charges	107,782	107,924	(142)	(0%)	139,571	139,660	(90)	(0%)	
Statutory Fees and Fines	17,193	17,142	51	0%	22,789	21,650	1,138	5%	
User Fees	31,088	31,415	(328)	(1%)	39,695	38,858	837	2%	
Grants - Operating	8,830	8,703	127	1%	11,953	8,928	3,024	34%	
Grants - Capital	1,633	1,227	406	33%	2,496	5,700	(3,204)	(56%)	
Contributions - Monetary	4,706	4,656	50	1%	5,793	6,111	(318)	(5%)	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	12,610	12,669	(59)	(0%)	27,237	23,287	3,949	17%	
<b>Total Income</b>	<b>183,841</b>	<b>183,736</b>	<b>105</b>	<b>0%</b>	<b>249,533</b>	<b>244,196</b>	<b>5,338</b>	<b>2%</b>	<b>1</b>
Employee Costs	68,934	69,266	331	0%	97,835	99,126	1,291	1%	
Materials & Services	59,968	63,372	3,404	5%	93,522	96,391	2,870	3%	
Depreciation	15,098	15,892	794	5%	21,502	22,502	1,000	4%	
Amortisation of Right of Use assets	571	612	41	7%	871	857	(14)	(2%)	
Bad & Doubtful Debts	2,707	2,658	(49)	(2%)	4,690	4,691	1	0%	
Borrowing Costs	0	0	0	0%	0	0	0	0%	
Interest - Right of Use	31	26	(5)	(20%)	38	28	(10)	(36%)	
Other expenses	5,702	5,578	(124)	(2%)	17,731	19,247	1,517	8%	
Net proceeds from asset disposals	(161)	(153)	8	(5%)	5,123	4,733	(390)	(8%)	
Share of Joint Venture	0	0	0	0%	0	0	0	0%	
<b>Total Expenses</b>	<b>152,850</b>	<b>157,251</b>	<b>4,400</b>	<b>3%</b>	<b>241,311</b>	<b>247,575</b>	<b>6,265</b>	<b>3%</b>	<b>2</b>
<b>Operating Surplus / (Deficit)</b>	<b>30,991</b>	<b>26,485</b>	<b>4,505</b>	<b>17%</b>	<b>8,222</b>	<b>(3,380)</b>	<b>11,602</b>	<b>(343%)</b>	
<b>Income Statement Converted to Cash</b>									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	15,098	15,892	(794)	(5%)	21,502	22,502	(1,000)	(4%)	
• Add back amortisation	571	612	(41)	(7%)	871	857	14	2%	
• Add back written-down value of infrastructure assets disposals	93	105	(12)	(11%)	6,490	5,250	1,240	24%	
• Add back balance sheet work in progress reallocated to operating	5	0	5	0%	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounti	0	0	0	0%	0	0	0	0%	
• Add back Impairment	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	0	0	0	0%	0	0	0	0%	
	<b>15,767</b>	<b>16,609</b>	<b>(841)</b>	<b>(5%)</b>	<b>30,063</b>	<b>29,809</b>	<b>254</b>	<b>1%</b>	
<b>Adjustments for investing items:</b>									
• Less Capital Expenditure	(16,528)	(18,174)	1,645	(9%)	(31,304)	(48,425)	17,122	(35%)	3
<b>Adjustments for financing items:</b>									
• Add New Borrowings			0	0%		0	0	0%	
• Less Loan Repayments	0	0	0	0%	0	0	0	0%	
• Less Lease Repayments	(572)	(553)	(18)	(3%)	(738)	(738)	0	0%	
	<b>(572)</b>	<b>(553)</b>	<b>(18)</b>	<b>(3%)</b>	<b>(738)</b>	<b>(738)</b>	<b>0</b>	<b>0%</b>	
<b>Adjustments for financing items:</b>									
Net Reserves Draw down/ (Replenishmen	0	(0)	0	(100%)	(3,557)	19,008	(22,565)	(119%)	4
<b>Current Year Cash Surplus/ (Deficit)</b>	<b>29,658</b>	<b>24,367</b>	<b>5,291</b>	<b>22%</b>	<b>2,687</b>	<b>(3,726)</b>	<b>6,413</b>	<b>(172%)</b>	
Opening balance cash surplus/ (Deficit)	5,236	5,236	0	0%	5,236	5,274	(38)	(1%)	
<b>Accumulated Cash Surplus</b>	<b>34,894</b>	<b>29,603</b>	<b>5,291</b>	<b>18%</b>	<b>7,923</b>	<b>1,549</b>	<b>6,374</b>	<b>412%</b>	

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
↑	3,313	Increasing interest income due to favourable cash holdings and increasing investment yields from Reserve Bank increases to the cash rate.
↑	2,150	Improvement in paid parking income: <ul style="list-style-type: none"> <li>▪ \$2.0m Favourable weather conditions improving utilisation in foreshore and tourist areas with significant increase in utilisation of Paid Parking over the summer months.</li> <li>▪ \$0.15m South Melbourne Market Rooftop paid parking utilisation has increased above budget expectations</li> <li>▪ \$0.1m Temporary parking permits utilisation higher than forecast</li> </ul>
↑	1,100	Increase in parking infringement income due to full complement of parking enforcement officers and increased non-compliant activities in the foreshore/tourist area. Noting that there has been a small increase in operating expenditure as we lodge a greater volume of parking infringements with Fines Victoria.
↑	200	Increased income for supplying, planting and maintaining trees to external customers
↑	120	Additional revenue generated through fees for externally managed unplanned events held within the municipality.
↑	100	Increase in footpath trading permits, an additional 88 new permits issued in the last two months.
→	2,100	Additional operating grants from State Government (offset by additional expenditure): <ul style="list-style-type: none"> <li>▪ \$0.8m Graffiti mitigation and urban canvas program</li> <li>▪ \$0.7m St Kilda Festival as part of the Creative Victoria initiative offset by additional expenditure</li> <li>▪ \$0.3m Coordination of food relief activities</li> <li>▪ \$0.3m Metro Tunnel 2 for 1 Tree Planting</li> <li>▪ \$0.1m Long Day Care and Family Support</li> </ul>
→	400	Additional Capital Grants received (offset by additional expenditure) <ul style="list-style-type: none"> <li>▪ \$0.2m Ludwig Stamer Reserve Play Space Upgrade</li> <li>▪ \$0.1m Childcare Centre Improvement Program</li> <li>▪ \$0.1m Danks Street Biolink</li> </ul>
→	190	Childcare centres levy increase due to increased utilisation in community-managed centres (infrastructure maintenance levy ringfenced in reserves).
→	109	Finalisation of turnover rent for Previous St Kilda Marina tenant for 2021/22.
→	96	Income for E-scooter trial program (income to cover cost of program)

↑ → ↓	Variance (\$,000's)	Operating income forecast explanatory notes
→	92	Higher operating grant income for Project Portfolio adjusted based on year end performance obligations for Department of Transport Temporary Bike Lane projects and Fishermans Bend Project
→	(218)	Reduced South Melbourne Market Direct E-Commerce full year income as the program ceased operations in 2022. Reduction to income offsets matching program expenditure.
→	(318)	Adjustment to timing of insurance contribution to works on Alma Park Amenities Pavilion based on deferral of works. Contribution will be paid on project completion.
→	(3,900)	Portfolio Capital Grants changes due to timing of projects between financial years (offset by reserves) – predominately due to project delays: <ul style="list-style-type: none"> <li>▪ (\$1.5m) EcoCentre Redevelopment</li> <li>▪ (\$0.6m) Moubray Street Community Park</li> <li>▪ (\$0.8m) Park Street Bike Link</li> <li>▪ (\$0.3m) Palais Theatre and Luna Park Precinct</li> <li>▪ (\$0.2m) Elder Smith Netball Courts and Pavilion</li> <li>▪ (\$0.2m) Blackspot Inkerman Street Westbury, Balaclava</li> <li>▪ (\$0.3m) Palais Theatre and Luna Park Precinct</li> <li>▪ (\$0.2m) West Beach Boardwalk Accessibility</li> <li>▪ (\$0.2m) Laneway Construction Wellington Street</li> <li>▪ \$0.2m Chapel Street Safety Improvements</li> <li>▪ \$0.2m South Melbourne Market - The Courtyard</li> </ul>
↓	(100)	Sales of fleet vehicles not as high as expected
↓	(1,682)	Reduction in Childcare Centre User Fees due to low utilisation (partially offset by lower employee costs)

## Note 2. Operating expenditure forecast adjustments:

↑ → ↓	Variance (\$,000's)	Operating expenditure forecast explanatory notes
↑	870	Lower employee costs and savings due to enterprise vacancy. Staff retention and recruitment remains a challenge as was the case in the 2021/22.
↑	250	Savings in operating projects due to updated project information, works completed in-house and lower consultancy quotes than anticipated including Local Laws Review and Heritage Program Implementation.
↑	190	Efficiency savings achieved from competitive valuation services tender and additional ongoing savings from improved merchant fees through banking tender.
→	4,740	Operating project deferrals to 2023/24 and future years including: <ul style="list-style-type: none"> <li>▪ \$1.0m In Our Backyard</li> <li>▪ \$0.9m St Kilda Marina</li> <li>▪ \$0.87m Energy Efficient Street lighting upgrade</li> </ul>

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  	<b>Variance (\$,000's)</b>	<b>Operating expenditure forecast explanatory notes</b>
		<ul style="list-style-type: none"> <li>▪ \$0.69m Electrical Line Clearance</li> <li>▪ \$0.4m Fishermans Bend Program</li> <li>▪ \$0.1m Dogs Off-leash guidelines</li> <li>▪ \$0.2m Parking Policy E-Permit Implementation</li> </ul> \$0.58m various minor deferrals
→	3,002	Reduction in current year capital write off expenditure (non-capital spend) due to capital program deferrals to 2023/24 and future years (portfolio delivery delays).
→	1,000	Reduction in depreciation due to lower capital delivery than initial budget portfolio.
→	506	Commonwealth Home Support Programme underspends due to staff vacancies. Staff recruitment and retention is a challenge in the sector. There is a risk Council will have to repay the grant funding, therefore unearned portion of grant has been ringfenced in tied reserves.
→	800	Reduced direct waste services expense including \$290k from lower kerbside garbage and recycling processing/disposal volume; \$410k from FOGO roll out delay and low tonnage per bin, \$100k from low mattress and hard waste collection demand. These are costs funded from the waste charge. Savings are ringfenced in the waste reserve which will be used to offset next year's waste charge.
→	877	Reduction in Childcare employee costs due to lower utilisation (offset by reduced income)
→	340	Reduction in employee leave provisions (annual and long service leave) due to higher-than-expected turnover of staff and therefore reducing estimated provisions balance at year end.
→	218	Reduced South Melbourne Market Direct E-Commerce full year expenses as the program ceased operations in 2022. Reduction to expenses offset full year income forecast reduction.
→	(149)	Additional consultancy spend due to staff recruitment and retention issues consultants engaged to complete necessary works
→	(200)	Increase in Council paid parental leave to be taken in 2023/24
→	(217)	Southside Live Event completed July 2022 as expected and the Victorian Government funding was received and ringfenced in reserve in 2021/22 to offset this timing of expenditure.
→	(250)	Net loss (non-cash) from forecast property sale. Proceeds from sale ringfenced in the Strategic Property Reserve.
→	(308)	Additional one off increased spend on municipal weeding to maintain community amenity.

↑ → ↓	Variance (\$,000's)	Operating expenditure forecast explanatory notes
→	(378)	St Kilda triangle feasibility studies to assess the viability of a live music led development and inform Council decision making about investment (funded from reserves)
→	(2,200)	Additional grant funded expenditure for <ul style="list-style-type: none"> <li>▪ \$0.8m Graffiti mitigation and urban canvas program</li> <li>▪ \$0.6m St Kilda Festival as part of the Creative Victoria initiative</li> <li>▪ \$0.3m Coordination of food relief activities</li> <li>▪ \$0.3m Metro Tunnel 2 for 1 Tree Planting</li> <li>▪ \$0.1m Long Day Care and Family Support</li> </ul> \$0.1m IT Systems Uplift
→	(1,534)	Operating project deferrals identified post 2022/23 budget adoption. Key deferrals include \$0.55m Department of Transport Pop Up Bike Lanes, \$0.35m COVID Safe Outdoor Activation Fund, \$0.2m Customer Experience Program, \$0.15m Electrical Line Clearance and \$0.13m Carlisle St Carparks Strategy Execution
↓	(250)	Higher operational cost for parking infringements, as we lodge more PINS with Fines Victoria.
↓	(140)	Afternoon litter bin service provided by external supplier (previously provided by internal employees through overtime) not sufficiently budgeted for
↓	(142)	Agency backfilling vacancy roles at higher costs for contracts and tendering service
↓	(1,000)	Net additional enterprise employee costs required based on in new enterprise agreement.




**Note 3. Capital expenditure forecast adjustments:**

↑ → ↓	Variance (\$,000's)	Capital expenditure forecast explanatory notes
→	17,121	<ul style="list-style-type: none"> <li>▪ \$22.89m capital expenditure deferrals to 2023/24 and future years</li> <li>▪ (\$3.3m) Capital expenditure increase due to 2021/22 deferrals post budget adoption.</li> <li>▪ (\$1.07m) other minor movements including additional projects, cost escalations and savings</li> <li>▪ (\$1.4m) Land purchase for Pakington Street Reserve</li> </ul> <p><b><i>See capital works statement for full breakdown</i></b></p>

#### Note 4. Reserve forecast adjustments:

  	Variance (\$,000's)	Reserve forecast adjustment explanatory notes
↑	200	Council fully repaid the \$7.5 million loan from 2021/22 cash surplus. Budgeted internal borrowing repayment plan at \$0.2 million per annum over 10-year is no longer required.
→	408	Greater net drawdown on Open Space Reserves predominately due to additional drawdown of \$1.4m for the expansion of Pakington Street Reserve. This has been offset by project deferrals to 2023/24 predominately in Parks, Open space and Streetscapes (see capital works statement).
→	(11,846)	Net increase in Project Deferrals Reserve due to \$3.2m deferrals post 2022/23 budget adoption (\$1.5m Operating Projects – see Note 1 and \$1.7m Capital Projects – See Capital Works Statement), (\$15m) project deferrals to 2023/24 (\$2.76m Operating Projects – see Note 1 and \$12.24m Capital Projects – See Capital Works Statement)
→	(2,871)	Net increase to the Asset Renewal Fund predominately one-off portfolio savings achieved through successful tenders across various renewal projects including various laneway, footpaths, kerb & gutter renewals and constructions (see capital works Statement). A number of projects funded by the Asset Renewal Fund have also been deferral to 2023/24 including works at Palais Theatre and Luna Park Precinct, South Melbourne Market Cecil Street Essential Services, Skinners Adventure Playground and Albert Park Library HVAC installation
→	(1,144)	Net Increase to the Palais Theatre Reserve due to partial deferrals to 2023/24 including Palais Theatre Concrete Spalling and Palais Theatre Tunnels Rectification
→	(1,551)	Net increase to Tied Grants due to: <ul style="list-style-type: none"> <li>▪ (\$1.05m) to align timing of project delivery to grant funding performance obligations (e.g., Eco Centre Redevelopment)</li> <li>▪ \$0.75m for funding received in prior years to align with delivery of services in 2022/23 (e.g., Southside Live, Innovation Grants, Sleep and Settling Grant)</li> <li>▪ (\$1.0m) Commonwealth Home Support Programme Grant Funding unearned in 2023/24 due to lower delivery than funded targets.</li> <li>▪ (\$0.28m) funding received for project to be delivered in FY23/24.</li> </ul>
→	(1,000)	Forecast property sale income to be ringfenced in the Strategic Property Reserve
→	(1,000)	In Our Back Yard Reserve increase due to partial deferrals to 2023/24 of In Our Back Yard Project
→	(900)	St Kilda Marina contamination works partial deferral to 2022/24 due construction delays



  	Variance (\$,000's)	Reserve forecast adjustment explanatory notes
→	(870)	Energy Efficient Street Lighting Upgrade partial deferral to 2023/24 delaying drawdown on internal borrowings
→	(314)	Childcare Centre Infrastructure Reserve increasing due to a \$0.1m improvement in infrastructure maintenance levy income through improved utilisation in Community Managed Centres which is offset by timing of delivery of Children's Centre Projects including Childcare Centre Fence Compliance and Children's' Centres Improvement Program.
→	(436)	Sustainable Transport Reserve increase due to partial deferrals to 2023/24 of Park Street Bike Link
→	(650)	Gasworks Park Reserve increase due to partial deferrals to 2023/24 of Gasworks Arts Park Reinstatement
→	(587)	Net increase to Waste Charge Reserve due to underspends in direct waste costs (funded from waste charge) ringfenced in reserve which will be used to offset next year's waste charge. This is partially offset by greater waste charge rebates issued than budget. Specifically, a greater number of private collection rebates than initial estimated. The shortfall has been offset against the waste charge reserve.



## 2. Balance Sheet

	Opening	Year to Date			Full Year				Note
	Balance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000	Variance %	
<b>ASSETS</b>									
<b>Current assets</b>									
Cash and cash equivalents	12,339	15,300	14,025	1,275	9,078	9,829	(751)	(8%)	
Trade and other receivables	27,337	28,974	27,747	1,227	20,747	20,227	520	3%	
Other financial assets	118,000	132,974	132,681	293	138,900	126,011	12,889	10%	1
Non current assets classified as held for :	1,202	1,202	1,202	0	1,202	11,713	(10,511)	(90%)	2
Other assets	3,635	2,670	3,690	(1,021)	3,780	2,487	1,293	52%	
<b>Total current assets</b>	<b>162,514</b>	<b>181,120</b>	<b>179,346</b>	<b>1,774</b>	<b>173,708</b>	<b>170,267</b>	<b>3,441</b>	<b>2%</b>	
<b>Non-current assets</b>									
Investments in associates and joint ventu	239	239	239	0	239	270	(31)	(12%)	
Trade and other receivables	549	549	549	0	549	0	549	0%	
Other financial assets	17,019	17,019	17,019	0	17,119	537	16,582	3088%	1
Property, infrastructure, plant and equipm	3,427,490	3,429,505	3,429,986	(481)	3,494,602	3,381,436	113,166	3%	3
Right of use assets	786	215	174	41	1,007	1,021	(14)	(1%)	
<b>Total non-current assets</b>	<b>3,446,083</b>	<b>3,447,526</b>	<b>3,447,966</b>	<b>(440)</b>	<b>3,513,515</b>	<b>3,383,264</b>	<b>130,251</b>	<b>4%</b>	
<b>TOTAL ASSETS</b>	<b>3,608,596</b>	<b>3,628,646</b>	<b>3,627,312</b>	<b>1,334</b>	<b>3,687,223</b>	<b>3,553,531</b>	<b>133,692</b>	<b>4%</b>	
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Trade and other payables	16,107	6,820	8,349	1,529	20,073	21,762	1,689	8%	
Trust funds and deposits	7,007	5,778	7,147	1,369	7,287	7,626	339	4%	
Provisions	17,953	17,477	18,312	835	18,671	19,469	798	4%	
Interest-bearing loans and borrowings	0	0	0	0	0	0	0	0%	
Lease liabilities	592	856	38	(818)	446	658	212	32%	
<b>Total current liabilities</b>	<b>41,658</b>	<b>30,930</b>	<b>33,846</b>	<b>2,915</b>	<b>46,476</b>	<b>49,515</b>	<b>3,039</b>	<b>6%</b>	
<b>Non-current liabilities</b>									
Provisions	2,138	2,138	2,181	43	2,224	3,531	1,307	37%	
Interest-bearing loans and borrowings	0	0	0	0	0	0	0	0%	
Lease liabilities	213	0	213	213	713	692	(21)	(3%)	
<b>Total non-current liabilities</b>	<b>2,351</b>	<b>2,138</b>	<b>2,394</b>	<b>256</b>	<b>2,937</b>	<b>4,223</b>	<b>1,286</b>	<b>30%</b>	
<b>TOTAL LIABILITIES</b>	<b>44,009</b>	<b>33,068</b>	<b>36,240</b>	<b>3,171</b>	<b>49,413</b>	<b>53,738</b>	<b>4,325</b>	<b>8%</b>	<b>4</b>
<b>TOTAL ASSETS</b>	<b>3,564,587</b>	<b>3,595,578</b>	<b>3,591,073</b>	<b>4,505</b>	<b>3,637,810</b>	<b>3,499,793</b>	<b>138,017</b>	<b>4%</b>	
<b>EQUITY</b>									
Accumulated surplus	630,793	661,784	657,278	4,505	624,459	649,016	(24,557)	(4%)	
Asset revaluation reserve	2,805,775	2,805,775	2,805,775	0	2,881,775	2,748,050	133,725	5%	
Other reserves	128,019	128,019	128,019	(0)	131,576	102,727	28,849	28%	
<b>TOTAL EQUITY</b>	<b>3,564,587</b>	<b>3,595,578</b>	<b>3,591,073</b>	<b>4,505</b>	<b>3,637,810</b>	<b>3,499,793</b>	<b>138,017</b>	<b>4%</b>	

## Balance Sheet explanatory notes

Note	Explanatory notes
1	Financial investments comprised of short (less than 90 days), medium (less than one year) and longer terms (greater than one year) in line with investment strategy to balance investment risks, operational liquidity, corporate social responsibilities, achieve best yields where possible.
2	Reduction in overall non-current assets classified as held for sale due to sale being completed in 2021/22 and not extending in 2022/23.
3	Total asset value increased significantly on Budget 2022/23 estimates due to year end 2021/22 revaluation adjustments.
4	Total liabilities value decreased slightly on Budget 22/23 estimates due to finalised year end 2021/22 provision movements. Employee related provisions reducing due to staff turnover

### 3. Statement of Cash Flows

	Full Year	Year to Date			Full Year			Variance %	Note
	2021/22 \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000		
<b>Cash flows from operating activities</b>									
Rates and charges	130,570	107,782	107,924	(142)	146,571	139,660	6,911	5%	
Statutory fees and fines	14,641	13,749	14,299	(550)	18,099	17,179	920	5%	
User Fees	33,297	33,206	34,308	(1,103)	43,665	42,359	1,306	3%	
Grants - operating	17,456	8,830	8,703	127	11,953	8,928	3,025	34%	
Grants - capital	5,448	1,633	1,227	406	2,496	5,700	(3,204)	(56%)	
Contributions- monetary	10,005	4,706	4,656	50	5,793	6,111	(318)	(5%)	
Interest received	363	3,032	2,997	35	4,818	1,005	3,813	379%	
Trust funds and deposits taken	21,713	39,273	40,637	(1,364)	54,253	54,130	123	0%	
Other receipts	11,711	11,598	10,580	1,018	14,553	14,669	(116)	(1%)	
Net GST refund	5,804	5,074	5,408	(334)	7,552	10,243	(2,691)	(26%)	
Employee costs	(93,465)	(69,410)	(68,864)	(547)	(97,031)	(98,818)	1,787	2%	
Materials and services	(79,665)	(74,112)	(76,958)	2,846	(101,908)	(108,898)	6,990	6%	
Short term, low value and variable lease	(635)	(78)	(94)	16	(110)	0	(110)	0%	
Trust funds and deposits repaid	(22,025)	(40,502)	(40,497)	(5)	(53,973)	(54,003)	30	0%	
Other payments	(7,461)	(6,194)	(6,042)	(152)	(9,556)	(11,333)	1,777	16%	
<b>Net cash provided by/(used in) operatin:</b>	<b>47,757</b>	<b>38,586</b>	<b>38,284</b>	<b>302</b>	<b>47,175</b>	<b>26,932</b>	<b>20,244</b>	<b>75%</b>	<b>1</b>
<b>Cash flows from investing activities</b>									
Payments for property, infrastructure, plant and equipment	(22,023)	(20,243)	(21,277)	1,033	(29,718)	(48,425)	18,707	39%	2
Proceeds from sale of property, infrastructure, plant and equipment	10,329	254	258	(4)	1,367	517	851	165%	
Payments for investments	(135,019)	(133,032)	(132,999)	(33)	(139,310)	(98,000)	(41,310)	(42%)	3
Proceeds from sale of investments	106,016	118,000	118,000	0	118,000	118,000	0	0%	
<b>Net cash provided by/(used in) investing</b>	<b>(40,697)</b>	<b>(35,021)</b>	<b>(36,018)</b>	<b>997</b>	<b>(49,661)</b>	<b>(27,908)</b>	<b>(21,753)</b>	<b>(78%)</b>	
<b>Cash flows from financing activities</b>									
Finance costs	(129)	0	0	0	0	0	0	0%	
Repayment of borrowings	(7,500)	0	0	0	0	0	0	0%	
Interest paid - lease liability	(53)	(31)	(26)	(5)	(38)	(28)	(10)	(37%)	
Repayment of lease liabilities	(881)	(572)	(553)	(18)	(738)	(738)	(0)	(0%)	
<b>Net cash provided by/(used in)</b>	<b>(8,563)</b>	<b>(603)</b>	<b>(580)</b>	<b>(23)</b>	<b>(775)</b>	<b>(765)</b>	<b>(10)</b>	<b>(1%)</b>	
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,503)</b>	<b>2,962</b>	<b>1,686</b>	<b>1,276</b>	<b>(3,261)</b>	<b>(1,742)</b>	<b>(1,519)</b>	<b>87%</b>	
Cash and cash equivalents at the beginning of the financial year	13,842	12,339	12,339	0	12,339	11,571	769	7%	
<b>Cash and cash equivalents at the end of the financial year (investment less</b>	<b>12,339</b>	<b>15,301</b>	<b>14,025</b>	<b>1,276</b>	<b>9,078</b>	<b>9,829</b>	<b>(751)</b>	<b>(8%)</b>	
<b>Total cash and investments</b>	<b>147,358</b>	<b>165,293</b>	<b>163,725</b>	<b>1,568</b>	<b>165,097</b>	<b>136,377</b>	<b>28,720</b>	<b>21%</b>	





## Cash flows explanatory notes




Note	Explanatory notes
1	\$20m net increase in cash used in operating activities predominately caused by \$7m additional income for delays in payments of rates from 2021/22, \$3.8m increase in interest rates and return on investments and \$9.2m other movements include reduction in spend on materials (predominately due to project deferrals) and employee costs due to enterprise vacancies.
2	\$18.7m decrease in cash used in investing activities predominantly due to capital Project deferrals to 2023/24 and future years
3	\$41.3m increase in payments for investments (term deposits) due to increase in net cash from operating activities and reduction in payments for property, infrastructure, plant and equipment (project deferrals).

## 4. 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)	%	
Buildings	5,073	5,470	397	7%	9,827	18,729	8,902	48%	1
<b>Total Property</b>	<b>5,073</b>	<b>5,470</b>	<b>397</b>	<b>7%</b>	<b>9,827</b>	<b>18,729</b>	<b>8,902</b>	<b>48%</b>	
<b>Plant and Equipment</b>									
Plant, machinery and equipment	2,128	2,872	744	26%	3,975	3,825	(150)	(4%)	2
Fixtures, fittings and furniture	449	452	4	1%	652	846	194	23%	3
Computers and telecommunications	232	170	(62)	(37%)	620	970	350	36%	4
Library books	778	763	(15)	(2%)	949	952	3	0%	
<b>Total Plant and Equipment</b>	<b>3,586</b>	<b>4,257</b>	<b>671</b>	<b>16%</b>	<b>6,195</b>	<b>6,593</b>	<b>397</b>	<b>6%</b>	
<b>Infrastructure</b>									
Roads	1,486	1,255	(231)	(18%)	1,910	3,047	1,137	37%	5
Bridges	50	73	23	32%	100	255	155	61%	6
Footpaths and cycleways	977	1,067	89	8%	2,909	3,978	1,068	27%	7
Drainage	602	945	343	36%	1,970	2,261	291	13%	8
Parks, open space and streetscape	4,754	5,108	354	7%	8,392	13,563	5,171	38%	9
<b>Total Plant and Equipment</b>	<b>7,869</b>	<b>8,447</b>	<b>578</b>	<b>7%</b>	<b>15,281</b>	<b>23,104</b>	<b>7,822</b>	<b>34%</b>	
<b>Total Capital Works Expenditure</b>	<b>16,528</b>	<b>18,174</b>	<b>1,645</b>	<b>9%</b>	<b>31,304</b>	<b>48,425</b>	<b>17,122</b>	<b>35%</b>	
<b>Capital Expenditure Type</b>									
New asset expenditure	2,200	2,646	446	17%	3,367	5,194	1,827	35%	
Asset renewal expenditure	6,818	7,291	473	6%	13,882	19,200	5,318	28%	
Asset upgrade expenditure	5,453	5,954	501	8%	11,081	20,657	9,576	46%	
Asset expansion expenditure	2,057	2,283	226	10%	2,974	3,374	400	12%	
<b>Total Capital Works Expenditure</b>	<b>16,528</b>	<b>18,174</b>	<b>1,646</b>	<b>9%</b>	<b>31,304</b>	<b>48,425</b>	<b>17,121</b>	<b>35%</b>	




### Capital expenditure explanatory notes

Note	  	Variance (\$,000's)	Explanatory notes
1		8,902	<p><b>Buildings</b></p> <p>(\$2.12m) Deferrals post 2022/23 budget adoption:</p> <ul style="list-style-type: none"> <li>▪ \$0.3m Childcare Centre Fence Compliance</li> <li>▪ \$0.25m Bubup Nairn Cladding Rectification Works</li> <li>▪ \$0.2m Shakespeare Grove Public Toilet</li> <li>▪ \$0.2m South Melbourne Market – The Courtyard</li> <li>▪ \$0.2m Waterfront Place Public Toilet</li> <li>▪ \$0.15m Energy Efficiency &amp; Solar Program</li> <li>▪ \$0.12m EcoCentre Redevelopment</li> <li>▪ \$0.1m Operations Centre Fire Escape Upgrades</li> <li>▪ \$0.1m South Melbourne Central Stairs</li> </ul> <p>\$12m Deferrals to 2023/24 and future years including:</p> <ul style="list-style-type: none"> <li>▪ \$3.22m EcoCentre Redevelopment</li> <li>▪ \$2.28m South Melbourne Town Hall Renewal Upgrade</li> <li>▪ \$0.81m Access Control Renewal Council Buildings</li> </ul>

Note	  	Variance (\$,000's)	Explanatory notes
			<ul style="list-style-type: none"> <li>▪ \$0.84m Palais Theatre Tunnels Rectification</li> <li>▪ \$0.79 Elder Smith Netball Courts and Pavilion</li> <li>▪ \$0.69m SMM Amenities Upgrades &amp; Regrading</li> <li>▪ \$0.5m Palais Theatre Concrete Spalling</li> <li>▪ \$0.42m Building CCTV Project</li> <li>▪ \$0.36m South Melbourne Market Cecil Street Essential services</li> <li>▪ \$0.24m Albert Park Library HVAC Installation</li> <li>▪ \$0.24m Fitzroy Street Public Toilet</li> <li>▪ \$0.22m Edwards Park Public Amenities</li> <li>▪ \$0.33m South Melbourne Market York St Stair and Lift</li> <li>▪ \$0.14m Building Safety Corrective Action Responses</li> <li>▪ \$1.19m various minor deferrals</li> </ul> (\$1.59m) Additional expenditure: <ul style="list-style-type: none"> <li>▪ (\$0.33m) HVAC, Air and Energy Improvement Program</li> <li>▪ (\$0.3m) Building Assets Renewals</li> <li>▪ (\$0.25m) South Melbourne Town Hall Renewal contract variations</li> <li>▪ (\$0.43m) Childcare Centre Fence Compliance</li> </ul> \$0.34m Savings: <ul style="list-style-type: none"> <li>▪ \$0.1m Flooring Renewal Program</li> <li>▪ \$0.1m St Kilda Town Hall Heritage Fire Sprinkler Upgrade</li> <li>▪ \$0.11m Shakespeare Grove Public Toilet</li> <li>▪ \$0.11m Shakespeare Grove Public Toilet</li> </ul>
2	→	(150)	<b>Plant, Machinery and Equipment</b> <ul style="list-style-type: none"> <li>▪ (\$0.23m) Deferrals post 2022/23 budget adoption for Fleet Renewal Program</li> <li>▪ \$0.08m Savings for Mobile CCTV Trailer - lower purchase price</li> </ul>
3	→	194	<b>Fixtures, Fittings and Furniture</b> <ul style="list-style-type: none"> <li>▪ (\$0.30m) Deferrals post 2022/23 budget adoption predominantly for the St Kilda Town Hall Staff Accommodation Program</li> <li>▪ \$0.47m Deferrals to 2023/24 and future years for St Kilda Town Hall Staff Accommodation</li> </ul>
4	→	350	<b>Computers &amp; Telecommunications</b> <ul style="list-style-type: none"> <li>▪ \$0.35m transfer to Operating Portfolio to part fund Data Centre Modernisation Project (From Core IT Renew &amp; Upgrade Program)</li> </ul>

Note	↑ → ↓	Variance (\$,000's)	Explanatory notes
5	→	1137	<p><b>Roads</b></p> <p>(\$0.02m) Deferrals post 2022/23 budget adoption for Chapel Street Safety Improvements</p> <p>\$0.73m Deferrals to 2023/24 and future years including:</p> <ul style="list-style-type: none"> <li>▪ \$0.05m for Kerb &amp; Gutter Construction – Dunstan Pde</li> <li>▪ \$0.3m Road Construction – Park Street</li> <li>▪ \$0.17m Blackspot Inkerman St Westbury</li> <li>▪ \$0.24m Pier Road and Bay Trail Safety</li> </ul> <p>\$0.5m Savings:</p> <ul style="list-style-type: none"> <li>▪ \$0.20m Alma Rd- Lansdown Rd Safety Improvement lower tender price</li> <li>▪ \$0.16m Kerb &amp; Gutter Construction – Wilton Gr lower tender price</li> <li>▪ \$0.18m various minor savings</li> </ul> <p>(\$0.17m) Additional Expense for Heavy Patching scope change</p>
6	→	155	<p><b>Bridges</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.02m) Deferrals post 2022/23 budget adoption for Broadway Bridge Works</li> <li>▪ \$0.18m Savings for Broadway Bridge Works</li> </ul>
7	→	1068	<p><b>Footpaths and Cycleways</b></p> <p>(\$0.06m) Deferrals post 2022/23 budget adoption including West Beach Boardwalk Accessibility and St Kilda Junction Safety Upgrade</p> <p>\$1.36m Deferrals to 2023/24 and future years including:</p> <ul style="list-style-type: none"> <li>▪ \$1.26m Park Street Bike Link</li> <li>▪ \$0.07m Inkerman Safety Travel Corridor</li> <li>▪ \$0.03m Footpaths and Cycleways</li> </ul> <p>\$0.24m Savings:</p> <ul style="list-style-type: none"> <li>▪ \$0.12m Footpath Renewals 22-23</li> <li>▪ \$0.12m other minor savings</li> </ul> <p>(\$0.47m) additional expenditure:</p> <ul style="list-style-type: none"> <li>▪ (\$0.05m) Liardet street Pedestrian (reserve funded)</li> <li>▪ (\$0.22m) West Beach Boardwalk Accessibility</li> <li>▪ (\$0.2m) Footpath Renewals 22-23</li> </ul>
8	→	291	<p><b>Drainage</b></p> <p>(\$0.07m) Deferrals post 2022/23 budget adoption including \$0.02m James Services Place WSUD Swales and \$0.05m various minor deferrals.</p> <p>\$0.3m Deferrals to 2023/24 and future years including:</p> <ul style="list-style-type: none"> <li>▪ \$0.13m Stormwater harvesting Design</li> <li>▪ \$0.1m Water Sensitive Urban Design Program</li> </ul>



Note	  	Variance (\$,000's)	Explanatory notes
9	→	5,171	<p><b>Parks, Open Space and Street Scapes</b></p> <p>(\$0.5m) Deferrals post 2022/23 budget adoption including:</p> <ul style="list-style-type: none"> <li>▪ (\$0.2m) New Dog Park Moran Reserve</li> <li>▪ (\$0.1m) Alma Park Amenities Pavilion</li> <li>▪ (\$0.2m) various minor project deferrals</li> </ul> <p>\$7.52m Deferrals to 2023/24 and future years including:</p> <ul style="list-style-type: none"> <li>▪ \$1.55m Palais Theatre and Luna Park Precinct</li> <li>▪ \$1.08m Moubray St Community Park</li> <li>▪ \$0.67m Elwood Foreshore</li> <li>▪ \$0.65m Gasworks Arts Park Reinstatement</li> <li>▪ \$0.46m Public Space Lighting – Elwood Foreshore</li> <li>▪ \$0.4m Catani Gardens Irrigation Upgrade</li> <li>▪ \$0.42m Alma Park Amenities pavilion</li> <li>▪ \$0.37m Acland Street Plaza Planting and HVM</li> <li>▪ \$0.34m Alma Park Playspace Upgrade</li> <li>▪ \$0.3m St Kilda Junction underpass Safety Upgrade</li> <li>▪ \$0.25m Public Space Lighting – Bay Trail</li> <li>▪ \$0.26m Skinners Adventure Playground</li> <li>▪ \$0.18m Hewison Reserve upgrade</li> <li>▪ \$0.17m St Kilda Adventure Playground Upgrade</li> <li>▪ \$0.15m Ludwig Stamer Reserve Paly Space</li> <li>▪ \$0.1m St Kilda Pier Landside Works Upgrade</li> <li>▪ \$0.17m various minor deferrals</li> </ul> <p>(\$0.08m) bring froward from 2024/25 to FY22/23 – St Kilda Pier Landside Works</p> <p>\$0.49m Savings:</p> <ul style="list-style-type: none"> <li>▪ \$0.1m Park Lighting Renewal and upgrades</li> <li>▪ \$0.13m Recreation Renewals and Upgrades</li> <li>▪ \$0.18m Sandridge Foreshore BBQ &amp; Amenity</li> <li>▪ \$0.05m Little Page Reserve Playground Renewal</li> </ul> <p>(\$0.79m) additional expenditure:</p> <ul style="list-style-type: none"> <li>▪ (\$0.34m) Public Space Minor Capital Works</li> <li>▪ (\$0.15m) Gasworks Arts Park Reinstatement</li> <li>▪ (\$0.13m) Public Space lighting – Elwood</li> <li>▪ (\$0.1m) Danks Street Biolink (Grant funded)</li> </ul> <p>(\$1.4m) Land purchase for Pakington Street Reserve (reserve funded)</p>