



# CEO Report

# February 2023

Volume 94

## What's inside

- **Powered 4WD Beach Wheelchair**
- **Dickens Street Pop Up Park**
- **First Environmental Upgrade Agreement Signed**
- **Latin Festival and Sunset Cinema**

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.

# Message from the CEO



Welcome to the February edition of the CEO report.

## Good Governance and Advocacy

Parliament met for the first time in February. Our Mayor and I have met with local members to build on the important relationships we have cultivated with our Victorian and Australian Government representatives to progress our priorities and the [commitments they made in the 2022 election](#).

I have also met with a wide variety of stakeholders including the M9 Councils, the Department of Transport and Planning, the Victorian Police, and Homes Victoria to advocate on behalf of Council and our community. I'm hopeful I will have some positive results to share in my next report.

## Delivering the Council Plan

One of the Council's top priorities has been implementation of our [Don't Waste It! Waste Management Strategy \(2022-25\)](#) including Our Food and garden organics (FOGO) recycling bin roll out.

Within just a few months of rolling out our kerbside FOGO services to eligible standalone households, we have increased our diversion from landfill from the 31.7 per cent recorded in November last year to 39.5 per cent in February of this Year.

While we continue to make solid progress on delivering the initiatives in the Council Plan, project delivery continues to be subject to delays with 63% of projects reporting on track. While much of this relates to external factors, we are also making improvements to internal operations.

We are reviewing delivery expectations as part of ongoing project governance and in developing the draft Budget for 2023/24. Changes will be outlined in my CEO Report each month to ensure transparency.

## Communicating and engaging with our community

This month our iconic St Kilda Festival returned to the foreshore with some of the best local and international acts in Australia playing across two fantastic days. This is one of the world's largest, free music festivals in one of Australia's greatest places. Many of our teams took advantage of the unique opportunity to have conversations with a wide range of excited and engaged community members by holding stalls and engagements at the Festival. This included:

- our Waste team, who handed out FOGO caddies and chatted all things waste to eligible households
- our Libraries team who partnered with Jobs Victoria to provide career support, hosted and virtual reality gaming experience and shared the benefits of being a member of our Library Service

## Message from the CEO (continued)

- our Middle Years and Youth Services team who handed out free fairy floss, enjoyed a spin the wheel prize game and collected the thoughts of over 130 young people on what matters to them in Port Phillip.

This month we also opened community-wide consultation on our Positive Ageing Policy, the outcomes of which will guide how Council promotes ageing well in our community for people aged 60 years and older for the next four years. The team have been actively involved in consultation throughout the creation of this draft Policy, including conducting interviews with service providers, a survey of community members and input from our older persons, multicultural and LGBTIQ+ advisory committees. Conducting varied consultation activities like this will ensure we can capture the thoughts of a range of different people in the community.

We are seeking the communities' input on our South Melbourne Market 2023-27 Environmental Sustainability Strategy. The strategy includes a range of actions to achieve in three key areas: wiping out waste, transitioning to zero carbon energy emissions and reducing our water use and impact on our waterways. The Market's customers, traders and our community will play an integral role in the delivery of this strategy, so it's important that we take in their feedback and get it right.

Finally, in efforts to further engage our community, we have increased the frequency of our community eNewsletter, Divercity. You can [read the latest edition here](#).

### Demonstrating value for money

The Cost Review has been completed and reported to Council. This involved detailed analysis of our services and resources across many hours of reading and briefings. It highlighted the value we provided everyday through our broad range of services and the difficulty in making decisions to cease or reduce services.

Efficiency savings this financial year are tracking at \$1.5 million, which adds to the \$2.3 million of savings delivered in Budget 2021/22, and \$12.6 million delivered over the four budgets in the previous Council. Cumulative savings since the introduction of rates capping in 2016/17 are now more than \$70 million.

## Message from the CEO (continued)

### People and Culture

In February, we received the results of our Annual Staff Survey, which we undertook in November 2022 to gauge how staff feel about working for the City of Port Phillip. The overall result was solid given the context and remains around the middle of organisations included in the benchmark. There are some positive indicators with some areas targeted from the last survey including leadership and recognition showing good improvement.

We have developed five key actions at an organisation level as we work towards our goal of being in the top 25 per cent of organisations over the next 3 to 5 years. While these are the organisational focus areas, we are also focusing on tailored responses at a local level in consultation with staff. This reflects the wide variety of results across the organisation and the role that we all play in building and sustaining a great culture.

This month we also sent our draft Enterprise Agreement 2022 to Fair Work for approval and ratification. Once approved, we will roll out our new benefits and remuneration increases to all staff.



**Chris Carroll**

CEO, City of Port Phillip

# 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.



## Friends of Suai film night fundraiser

Friends of Suai held a film night fundraiser at the Classic Cinema in Elsternwick on Thursday 9 February. It was a sellout event with 75 people attending a private screening of the film *Tár*, starring Cate Blanchett.

The event raised \$975 for the With One Seed carbon forestry initiative in Covalima district. This successful initiative supports reforestation of the planet and provides income for rural communities in Timor-Leste. All funds raised will go directly to subsistence farmers through annual payments to grow and maintain trees on their land. To date, more than 44,000 trees have been planted by 152 small landholders, and a further 20,000 trees will be planted in April 2023.

The Friends of Suai Community Reference Committee has plans for other fundraising events and community engagement activities throughout the year. Councillors will be informed of all new initiatives and invited to all events, including the annual trivia night which is scheduled to be held on Thursday 20 April 2023.



**Umbelina Madeira from Tilomar sub-district, proudly showing her With One Seed identity card and one of the 750 mahogany trees**



**Council branding will be initiated for the chair from February.**

## Powered 4WD Beach Wheelchair Trial

Council is committed to accessible initiatives for Council beaches and has introduced a pilot program for a powered beach wheelchair, at St Kilda's Lifesaving Club (LSC).

Over a trial period of eight weeks starting on 11 February 2023, the powered wheelchair will be available through an online booking process.

The chair is based at St Kilda LSC and the club members will be able to assist with the booking process and handover protocols. They will also oversee storage of the chair, basic cleanliness and charging of the chair's battery.

This trial will allow us time to instigate a full site review of wheelchair storage and relevant feedback to determine program feasibility after the pilot and future timelines.

The powered 4WD beach wheelchair trial enhances the current Accessible Beaches program which includes beach matting and an in water wheelchair, at both Port Melbourne and St Kilda Beaches.

## Midsumma fun in St Kilda (From News)

The Midsumma Pride March saw an estimated 50,000 strong crowd flock to St Kilda on Sunday 5 February 2023 for this colourful celebration of the LGBTIQ+ community.

A Council contingent, including Councillors and members of the staff Pride Network, were among the 13,000 registered marchers travelling down Fitzroy Street to Catani Gardens, along with Council's distinctive local laws beach buggy. Our Council was again proud to be the major sponsor of this inclusive event.

Port Phillip played host to 30 Midsumma Festival events at Gasworks Arts Park, Theatre Works, Temperance Hall and the Victorian Pride Centre.

These included the ceremonial raising of the transgender and inclusive pride flags at the St Kilda Town Hall, an annual event hosted by our Council.

The inclusive progress pride flag flew atop the masthead at the Town Hall for the first time as a strong symbol of our Council's support for the LGBTIQ+ community.



**Pride flags at the St Kilda Town Hall**



**Pride march travelling down Fitzroy Street to Catani Gardens**

## Youth Services Engage Local Young People at St Kilda Festival 2023

Middle Years and Youth Services (MYYS) team ran a stall at the St Kilda Festival with the goal of engaging local young people and promoting our services.

With the encouragement of free fairy floss and a spin of the 'spin the wheel' game, over 130 young people aged 12 to 25 completed a survey seeking input on what matters to young people and issues they currently face. The survey results will inform the Youth Summit event due to take place in August 2023.

On the festival Sunday the Port Phillip FReeZA committee hosted the all-ages stage in O'Donnell Gardens. The committee worked hard over three months in collaboration with youth music organisation The Push and other young people from the cities of Stonnington, Kingston and Bayside to program and manage the all-ages stage from 2pm to 9pm.

With support from Festivals and Youth Services teams the committee members gained practical experience in stage management, volunteer coordination, artist liaison, photography / videography and marketing. A big congratulations to all the young volunteers who worked tirelessly before, during and after the event to ensure our local young community could safely enjoy a day of live music.





**Middle Years Youth Services staff working hard handing out free fairy floss**

**Two members of the FReeZA committee backstage at St Kilda festival.**

## Snapshot: Inclusive Port Phillip indicators

The following are the results for the month of February 2023

**Assessment**  Favourable result  Unfavourable result  No change

Service / Measure	Monthly target	November 2022	December 2022	January 2023	February 2023	Assessment
Housing and homelessness						
Direct hours of housing assistance	>65 direct hours	73	37	80	112	
Number of older local persons housed	>5 housed	5	1	6	13	



# 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.



## Dickens Street Pop Up Park

Balaclava/St Kilda East has the lowest amount of open space (5 per cent) of all our neighbourhoods, significantly lower than the City of Port Phillip average of 17 per cent and has one of the larger historic gaps in our public space network.

One of Council's actions in the Places for People: Public Space Strategy 2022 – 2032 is the activation of Dickens Street's underutilised car parking (10 spaces only) to trial additional public space, converting it to a temporary pop-up park. This will improve the look and feel of the area by adding colour and activity to the streetscape as well as providing a versatile public space including planting, a basketball hoop, seating and bike parking.

Work commences in February with completion around the end of March 2023.



**Dickens Street Pop Up Park illustration**

## Pedestrian & Streetscape Improvement Works at Iffla St and Tribe St, South Melbourne

The works commence in mid-February 2023, and it is anticipated that it will take approximately eight weeks to complete, subject to favourable weather conditions.

The proposed upgrade works includes:

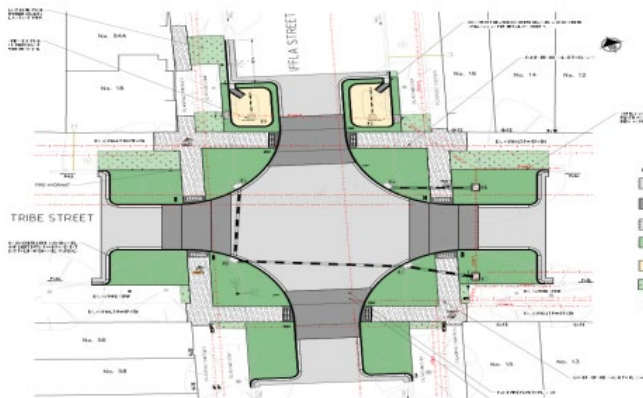
- Construction of kerb extensions
- Construction of raised pedestrian crossings
- Construction of raingardens and landscaped improvements to treat local stormwater
- Asphalt re-sheeting works of the intersection, and
- Associated line markings and remedial works.

The main benefits associated with this project include:

- Safety improvements through shorter pedestrian crossing distances, reduced vehicle speeds and improved visibility of the intersection because of the narrowing of the roadway
- Improved streetscape amenity through new permeable landscaped improvements
- Cleaning and recharging water into local soils to improve the health of the Port Phillip Bay

- Cooling of the environment in summer through less asphalt and by evapotranspiration – the process of water being returned to the atmosphere by plants and trees.

Iffla and Tribe Streets will be open to traffic during the construction works, with partial closures affecting the through traffic on an infrequent basis.



**Iffla & Tribe Street Work map**

## Bike repair hubs and education sessions

Local community group Back2Bikes commenced a monthly 'pop-up' bike repair hub at South Melbourne Market in February 2023. The free workshop from 10 am to 1 pm will help residents and visitors tune up bikes on the last Saturday of the month from February until June 2023.

Four sessions of bike education targeting different skill levels and groups also commenced at Peanut Farm Reserve, St Kilda in February and will run until April 2023. Sessions specifically for beginners, intermediary riders, families and women will be run to increase riding knowledge, confidence and skills with an experienced accredited facilitator.








**Back2Bikes at Sth Melb Market**

## Snapshot: Liveable Port Phillip indicators

The following are the results for the month of February 2023

**Assessment**  Favourable result  Unfavourable result  No change

Service / Measure	Monthly target	November 2022	December 2022	January 2023	February 2023	Assessment
<b>Local laws and animal management</b>						
Time taken to action animal management requests	1 to 10 days	1	1	1	1	
Animals re-homed	20% to 80%	40%	40%	25%	25%	
Animals reclaimed	30% to 90%	15.0%	16.7%	58.62%	63.63%*	
Animal management prosecution	Trend data	2	3	0	2	
Number fines issued related to Animal Management	Trend data	9	19	5	25	
<b>Transport and parking management</b>						
Sealed local road requests	10 to 120 requests	10	9	11	10	
Sealed local roads maintained to condition standards	80% to 100%	94%	93%	93%	93%	

\* Of the 11 animals collected in February, 7 animals (63.63%) were reclaimed by their owners. Out of the remaining 4 animals, 1 was rehomed (25%) to new owners. No animals were being assessed at the time of this report was generated. All avenues are explored to ensure animals find new homes.

## 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.



## Grab your free FOGO kitchen caddy

We are handing out free kitchen caddies and rolls of compostable caddy liners to help the community recycle their food waste.

The caddies are mini versions of our larger FOGO bins. We're encouraging the community to collect food and organic waste in the smaller caddy, and then empty the contents into their kerbside FOGO bin or in our communal food organic recycling hubs to recycle food waste into nutrient rich soil conditioner and compost.

So far, we've handed out a massive 2000 caddies (that also come with a roll of compostable bin liners and a free meal planner!).

Caddies, compostable caddy liners, and meal planners can be collected from the St Kilda Town Hall and any of our five library branches: Albert Park, Emerald Hill, Middle Park, Port Melbourne and St Kilda. Visitors to our market stall at St Kilda Festival on Sunday 19 February 2023 was also able to grab a caddy and roll of liners.

The next few events where we are handing out FOGO caddies are:

- Saturday 4 March 2023, VegOut Farmers Market 9 am to 12 pm
- Friday 10 March 2023, South Melbourne Market 9 am to 12 pm
- Friday 17 March 2023, Ripponlea 10 am to 1 pm.

Find out more on our website.



## South Melbourne Market 2023-27 Environmental Sustainability Strategy

South Melbourne Market is proud to be delivering its very first Environmental Sustainability Strategy in 2023 to support the Market being a leader in this field.

A draft strategy has been developed in consultation with Market traders, cleaning contractors, the South Melbourne Market Committee and City of Port Phillip. We have identified a range of actions to achieve in three key areas: wiping out waste, transitioning to zero carbon energy emissions and reducing our water use and impact on our waterways.

The Market is calling on our local community and customers to review the draft 2023-27 Environmental Sustainability Strategy and provide feedback. Our customers, traders and community will play an integral role in the delivery of this strategy, so it's important that we get it right. The community feedback survey closes 17 March 2023 with the final strategy set to launch in Quarter 4 of this year.

## Sustainable Travel to and from St Kilda Fest!

Our new sensors at the St Kilda Pier are tracking pedestrian, bike rider and vehicle volumes along the Bay Trail and Pier Road.

On the Sunday the 19 February 2023 during St Kilda Fest, we had some of our largest pedestrian volumes that we've seen since installation in August 2021.

A total of 34,260 pedestrian movements were counted on the day, a large increase on our average of 5000 and 8000 pedestrian movements on a typical Sunday.

On Fitzroy Street, we saw nearly 8 times as many pedestrians as a typical day and we saw decreases in car volumes in a number of our other sensors in locations such as Marine Parade. The reasons for the decreased car volumes are due to some road closures but also suggests that more residents and visitors were choosing sustainable transport modes to get to and from the festival.

## First Environmental Upgrade Agreement Signed

City of Port Phillip has entered into its first Environmental Upgrade Agreement (EUA) contract. Blue Moon, a business located at 302 Clarendon St, South Melbourne applied for an EUA to fund a 7.38 kilowatt solar panel array, paid through their rates. Repayments by the business for this EUA will commence from the May 2023 rates cycle.

An EUA is a formal agreement that documents an arrangement between three parties: a building owner, a lender and a Council. The lender provides a loan to the building owner which is then repaid through Council rates. The loan is used to fund works that "improve the energy, water or environmental efficiency or sustainability of the building on that rateable land".

The loans are considered low risk because they are attached to the property, which results in low interest rates. They are also provided over ten years, which minimises the annual repayments and the impact on cash flow for businesses.

Council approved EUAs for businesses in Port Phillip in September 2019. Using this first EUA, Council will further refine and test the process to ensure future EUAs are able to be processed quickly and efficiently.







Blue Moon, Clarendon St., South Melbourne

# Snapshot: Sustainable Port Phillip indicators

The following are the results for the month of February 2023

**Assessment**     Favourable result     Unfavourable result     No change

Service / Measure	Monthly target	November 2022	December 2022	January 2023	February 2023	Assessment
<b>Waste management</b>						
Kerbside bin collection requests (per 1,000 kerbside bin collection households)	1 to 25 requests	13.04	14.3	57.62	<b>16.4</b>	
Kerbside collection bins missed (per 10,000 scheduled kerbside collection bin lifts)	1 to 5 bins	3.87	5.26	4.82	<b>6.32</b>	
Kerbside collection waste diverted from landfill	20% to 60%	31%	32%	34%	<b>39%</b>	
Percentage of investment in fossil-free institutions	60% to 80%	72.20%	74.60%	75.40%	<b>72.50%</b>	

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.



## St Kilda Latin Festival 2023

The multicultural St Kilda Latin Festival returned on Saturday 11 and Sunday 12 February 2023, 12pm to 10pm daily to South Beach for a weekend celebrating rich and diverse Latin culture.

The festival, in its fourth year, is organised by local event producer Casablanca Events. Festival goers enjoyed Latin cuisine, hand crafts, live music, a bar and free dance classes. Parades and dance performances showcase Latin American music, dance and costume and there will be a family area with kids activities.



## Sunset Cinema

After a successful trial run in 2022, Sunset Cinemas (previously Barefoot Cinema) returned for a second season: Tuesdays through Saturdays from 1 February to 4 March 2023, 6.30pm to 11.00pm at the St Kilda Botanical Gardens, St Kilda.

Over 24 nights, audiences of up to 500 people per night enjoyed a variety of feature films under the stars.

Patrons were encouraged to arrive early and soak up the serenity of the gardens with gates opening at 6.30pm and to bring their own picnic or enjoy the offering from the nightly selection of food trucks. The event is fully licensed with a bar onsite. Film will start as the sun sets, approximately 8.30pm, and conclude by 11.00pm.

The gardens remain open to the public throughout February 2023 with a section fenced off with access only limited during cinema operating hours.



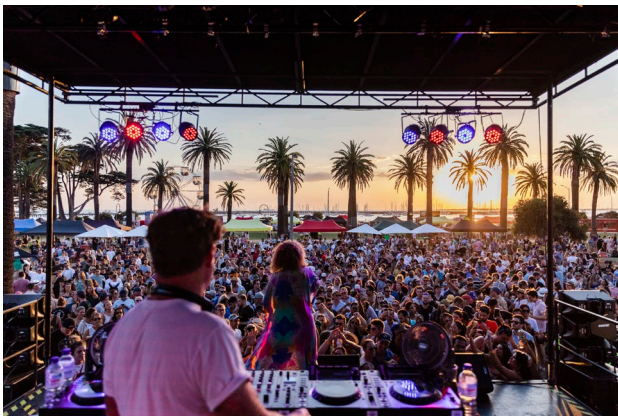
The sunset cinema

## Melbourne Craft Beer Festival – BeerFest 2023

Melbourne BeerFest returns to Catani Gardens for their 8th year on Saturday 25 February 2023, 11am to 3:30pm and 5:00pm to 9:30pm. The event is one of the largest meeting places of Australian producers and featured over 50 exhibitors with 350 unique, exotic and small batch craft beers, ciders and cocktails. The beverages on offer were complemented by a the very best in gourmet local street food.

BeerFest operated in a two-session format that was introduced in 2021 – a family friendly all ages day session from 11am to 3.30pm and an 18+ session from 5:00pm to 9:30pm, and had approximately 7,000 people attended over the two sessions.

The event hosted local entertainment and education including masterclasses, brewer forums, comedy, music and roaming performers.



## St Kilda Festival

The vibes at St Kilda Festival on the Saturday 18 February and Sunday 19 February weekend were off the chain. Our community was out in force, ready to join in on all the amazing entertainment our team had brought together.

This was our first time presenting a two-day Festival format, including the welcome return to our traditional Big Festival Sunday, and the atmosphere was electric with over 50 artists—plus street performers, family entertainment, sports demonstrations, market stalls, local community group activations, and more.

Day one was a dedicated First Peoples Festival Day, with a music line up showcasing established and emerging artists from the main stage on the St Kilda beach foreshore, as well as a day of family friendly activities in O'Donnell Gardens.

The second day of the Festival is a large-scale, multi-stage event showcasing more than 50 artists and bands and welcoming an audience historically in the region of 400,000, to St Kilda's iconic foreshore area.

Here is what some festivalgoers had to say:

*"I live in St Kilda, close to Balaclava, and I was so impressed by the little brochure that arrived in my mailbox – especially because it detailed the accessibility. I really appreciated these details. Knowing that there were spaces allocated for disabled people, knowing that you had put thought into how you communicated that information so that it reached everyone – I was so happy and felt very welcomed."*

*"The festival was **un-freaking-believable!** I have received so much positive feedback from community about how well they were looked after, and how proud they felt to see Aboriginal and Torres Strait Island representation through every element of the festival. It was really deadly!"*

*"What an awesome event, great music and good vibes. St Kilda was just pumping and on show for the 2 days, something for everyone."*

*"So much to do!! Food everywhere, Entertainment everywhere 🍷🍷"*

*"Absolutely sensational and terrific to see so many families. Kudos to all the organisers and so impressed today by how clean everything is. The clean up team have done an awesome job. Just tremendous."*




Huge congratulations to the Festival team for an incredible event – you made putting on a massive two-day Festival look easy peasy lemon squeezy when we all know in fact it was a massive undertaking. We hope everyone is taking a well-deserved rest!



## Snapshot: Vibrant Port Phillip indicators

The following are the results for the month of February 2023

**Assessment**  Favourable result  Unfavourable result  No change

Service / Measure	Monthly target	November 2022	December 2022	January 2023	February 2023	Assessment
<b>Libraries</b>						
Visits to libraries	41,000 to 60,000	17,205	13,332	15,260	17,895*	
<b>South Melbourne Market</b>						
Visits to South Melbourne market	>360,000	406,632	488,227	405,677	382,561	
<b>Street cleaning</b>						
Street cleaning audit compliance	>90%	95%	94%	93%	95%	

\* The number of recorded visits to libraries remains low due to a broken front roller door at St Kilda Library for the entire quarter. This caused visitors to enter via other non-sensor equipped gates where data could not be captured. A replacement part for the roller door is on order from overseas and there is a significant waiting period for a roller door repair tradesperson.

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



## Elder Smith Netball Courts and Pavilion - Community consultation commencement

Community consultation on the draft concept design for the Elder Smith Reserve Netball Courts and Pavilion project went live on the 27 February 2023 via Council's Have Your Say Page.

Officers will conduct a drop-in session on-site, timing of this is still being confirmed and will be advertised on the Have Your Say Page.

Concept design development for the project was done in parallel to the consultation process. The consultation will close on 24 March 2023. Feedback received through the consultation process will be used to help progress the design where possible.

The project seeks to support the growth of netball participation within the municipality through the construction of a sub-regional level facility inclusive four (4) outdoor netball courts with sports lighting and pavilion. On-site carparking will also be incorporated into the design to support reserve users and help minimise disruptions to residents.



Elder Smith Netball Courts and Pavilion map

## Help Shape positive ageing in our City (From News)

Our draft Positive Ageing Policy will guide how Council promotes ageing well in our community for people aged 60 years and older (and First Nations people aged 50 years and older), as well as their families and carers in the City of Port Phillip over the next four years. We have already engaged extensively with stakeholders and community members to develop this draft policy. This has included interviews with service providers, a survey of community members and input from our older persons, multicultural and LGBTIQ+ advisory committees.

The draft policy sets out the following six goals to promote positive ageing in the City of Port Phillip:

- All people have access to opportunities for social and intergenerational connections as they age
- Effective communication and duration to ensure people are aware of, and can access services to maintain their health and wellbeing
- The contribution of older people from all genders, backgrounds, identities, and abilities is respected and valued across our community
- Accessible, affordable, and quality services are available to meet changing needs to support health and independence as people age
- Secure, affordable and accessible housing enables people to 'age in place'
- Well-designed neighbourhoods enable easy access to services, and connection to friends, family, and community life.

Each goal is supported by commitments of what Council will do. For more on how we propose to implement these commitments and to provide your feedback, visit our Have Your Say page: [Positive Ageing | Have Your Say Port Phillip](#)











Our commitments will guide Council decisions about the programs and services it will provide to promote positive ageing in our community. The full draft Positive Ageing Policy is available on Council's website.

We invite your feedback on the draft Positive Ageing Policy by Monday 20 March 2023 via our Have Your Say page or a paper survey available for download on the Have Your Say page.

## Snapshot: Well-governed Port Phillip indicators

The following are the results for the month of February 2023

**Assessment**  Favourable result  Unfavourable result  No change

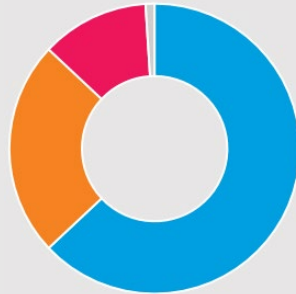
Service / Measure	Monthly target	November 2022	December 2022	January 2023	February 2023	Assessment
<b>Customer experience</b>						
Complaints resolved within agreed timeframes	>75%	69%	82%	83%	94%	
Proportion of community service requests resolved within agreed timeframes	>80%	80%	83%	78%*78%	65%	
<b>Governance, risk and policy</b>						
Councillor requests resolved within agreed timeframe (cumulative)	>80%	74%	86%	92%	74%	
Council decisions made at meetings closed to the public	0% to 30%	3%	14%	NA	6%	
Councillor attendance at council meetings	80% to 100%	89%	89%	NA	100%	
Material legislative breaches	0	0	1	0	0	
Proportion of occupational health and safety incidents reported within 24 hours.	>75%	84%	84%	83%	83%	
<b>Finance and project management</b>						
Proportion of capital projects on track	>80%	66%	65%	56%	57%	
Proportion of operating projects on track	>80%	78%	79%	69%	66%	
Variance from operating budget adjusted for Council approved expenditure	-1% to +3%	3%	1%	1%	7%*	

\* Tracking slightly favourable due to delayed spend across the organisation, predominately in the project portfolio.

# Project portfolio

## Overall status

The project portfolio is made up of programs and projects which achieve the initiatives set out in the Council Plan and Budget 2021–31.



**On track** 63%

Latest result has achieved target for measure. On track across all elements.

**At risk** 24%

Latest result experienced a minor miss in relation to target for measure. One or more elements at risk.

**Off track** 12%

There is a significant variation from targeted result for measure. Off track for one or more elements.

**No report** 1%

Status update was not available at the time this report was generated.

## Portfolio status trend

	Feb 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
<b>On track</b>	72%	62%	69%	59%	63%
<b>At risk</b>	17%	16%	16%	29%	24%
<b>Off track</b>	11%	14%	14%	11%	12%
<b>No report</b>	0%	7%	1%	1%	1%

## Portfolio financial performance

	Number of projects	Annual budget (\$ million)	Annual forecast (\$ million)	YTD forecast (\$ million)	YTD actuals (\$ million)	YTD variance (\$ million)
<b>Capital</b>	158	53.6	34.6	15.2	15.0	0.2
<b>Operating</b>	56	17.6	15.8	5.9	4.9	1.0
<b>Total</b>	<b>214</b>	<b>71.2</b>	<b>50.4</b>	<b>21.1</b>	<b>19.9</b>	<b>1.2</b>

## Portfolio changes

Building Asset Renewals Program	Increase the program budget by \$300,000 to fund additional minor capital works projects on our property portfolio.
Childcare Centre Fence Compliance	Additional \$285,000 required for the design revisions and change in materials to obtain building permits. Works are underway and expected to be completed by June 2023.
Bay St Coles Public Toilet Contribution	\$50,000 contribution deferred to 2023/24 as the owner's corporation are finding it difficult to engage a contractor to undertake the works.
Fitzroy Street Public Toilet	\$240,000 deferred to 2023/24 due to delays obtaining general approvals and permits.
Building Safety Corrective Action Responses	Delays have occurred in finalising the design for the Port Melbourne Town Hall fire systems, ramp and electrical upgrades due to complexity around the heritage and Fire Recue Victoria requirements. As a result, \$135,000 has been deferred to 2023/24.
Albert Park Library HVAC installation	Due to resourcing constraints and expected material lead times the completion date has been moved from June 2023 to August 2023. This has resulted in a deferral of \$236,000 to 2023/24.
Alma Park Amenities Pavilion	\$415,000 deferral required due to delays in awarding the construction contract through the insurance company. Construction is expected to be completed in November 2023.
Peanut Farm Oval Reconstruction	Construction works have been moved to 2025/26 due to complex drainage issues, resourcing constraints and the need to sequence the loss of sporting field sites.
St Kilda Promenade Safety Upgrade	The concept phase will take longer than anticipated due to the need to complete additional feasibility and develop further scope and cost options. \$29,000 has been deferred to 2023/24 and the construction completion has been extended 12 months to December 2024.
Gasworks Arts Park Reinstatement	\$200,000 deferral of design costs have been deferred to 2023/24. The project experienced resourcing issues late in 2022 which led to a delay in commencing the procurement process for the design consultant. Consequently, the procurement advertisement period had to be extended to account for the summer break to ensure a successful outcome.
Alma Park Play space Upgrade	Delays in the procurement process caused by internal resourcing constraints has resulted in construction commencement moving from April 2023 to May 2023. \$400,000 will be deferred to 2023/24 as construction is expected to continue into August 2023.
Moubray St Community Park	The delays caused by additional community consultation and the subsequent design changes have caused a 4-month delay. Construction commencement has been delayed to November 2023 and \$590,000 has been deferred to 2023/24.
Energy Efficient Street Lighting Upgrade	Deferral \$873,000 based on the availability of contractors to complete the works on CitiPower and United Energy owned street lighting. The completion date is yet to be confirmed.
South Melbourne Market Compliance Works	Delays with the fire stairs to level 1 and program early designs has resulted in a \$124,000 deferral to 2023/24. The delays are due to internal resourcing pressures and contractor availability.
Various projects and programs	Savings of \$0.8m have been identified across both capital and operating portfolio due to projects completed with contingency not required, design completed in-house and successful tenders. The majority of the savings were in the capital program and the funding has been moved to the Asset Renewal Reserve to fund future capital works or reallocated to projects where there are current cost pressures.

## Financial update

### Financial Update

As at 28 February 2023 the full year forecast for the 2022/23 cumulative cash surplus of \$7.9 million is a decrease of \$0.6m for the month and is favourable compared to budget of \$1.55 million by \$6.4 million.

The full year forecast surplus improvement is predominantly due to improving parking income of \$2.1 million particularly improved utilisation at South Melbourne Market and foreshore precincts, an increase \$1.1m parking infringement income and increasing interest income of \$3.3 million as a result of higher than anticipated cash available for investment, higher investment returns, and an increase in longer term floating notes which attract higher yields with further increases assumed to year end.

### VAGO Indicator

At this stage of the financial year, there is no change to the overall financial sustainability low risk rating as budgeted. That said, Council is mindful of the rapidly changing operating environment due to current economic uncertainty, high uncertainty, and challenges in capital program delivery.

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. Employee costs underspends have been used to offset the net additional enterprise employee costs (including vacancies) required based on the new enterprise agreement.

There has also been a noticeable decrease in utilisation at our Childcare Centres, coupled with sector wide staff shortages, resulting in reduction in operating income, which has been partially offset by reduced costs.

Key forecast changes made this month include:

- \$0.2m savings in operating projects due updated project information, works completed in-house and lower consultancy quotes than anticipated
- \$0.5m savings in operations due to ongoing vacancies and related service delivery costs
- \$0.6m capital portfolio savings due to projects completed and contingency not required, design completed in-house and successful tenders (savings ringfenced in the Asset Renewal Fund)
- \$1.2m increase in projected capital portfolio spend 2023/24 for existing projects due to project changes (held in reserves).

There were also \$3.7m of project deferrals to 2023/24 and future years – predominately for capital projects including Energy Efficient Street Lighting Upgrade, Moubray Street Community Park, Alma Park Playspace Upgrade, Alma Park Amenities Pavilion and other minor deferrals.

## Summarised Income Statement Converted to Cash

	Year to Date			Full Year			Note
	Actual (\$,000's)	Forecast (\$,000's)	Variance (\$,000's)	Forecast (\$,000's)	Budget (\$,000's)	Variance (\$,000's)	
Total Income	165,235	164,760	475	248,689	244,196	4,493	1
Total Expenses	(132,040)	(133,788)	1,749	242,161	247,575	5,414	2
<b>Operating Surplus/ (Deficit)</b>	<b>33,195</b>	<b>30,972</b>	<b>2,223</b>	<b>6,528</b>	<b>(3,380)</b>	<b>9,907</b>	
Capital Expenditure	(14,374)	(14,534)	160	(31,743)	(48,425)	16,682	3
Non-cash operating items	<b>14,012</b>	<b>14,600</b>	<b>(588)</b>	<b>30,073</b>	<b>29,809</b>	<b>264</b>	
Financing Items	<b>(487)</b>	<b>(492)</b>	<b>5</b>	(738)	(738)	0	
Net Reserves Movement	0	0	0	<b>(1,413)</b>	<b>19,008</b>	<b>(20,421)</b>	4
<b>Current Year Cash Surplus/(Deficit)</b>	<b>32,346</b>	<b>30,545</b>	<b>1,801</b>	<b>2,707</b>	<b>(3,726)</b>	<b>6,432</b>	
Opening cash surplus balance	5,236	5,236	0	5,236	5,274	(38)	
<b>Accumulated Cash Surplus</b>	<b>37,582</b>	<b>35,781</b>	<b>1,801</b>	<b>7,943</b>	<b>1,549</b>	<b>6,394</b>	

Refer to explanatory notes on forecast adjustments














## Comprehensive Income Statement Converted to Cash

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual (\$'000)	Forecast (\$'000)	Actual to (\$'000)	Forecast %	Forecast (\$'000)	Budget (\$'000)	Forecast to (\$'000)	Budget %	
Rates and Charges	97,362	97,504	(142)	(0%)	139,651	139,660	(10)	(0%)	
Statutory Fees and Fines	15,194	15,179	15	0%	22,789	21,650	1,138	5%	
User Fees	28,147	28,255	(109)	(0%)	40,067	38,858	1,209	3%	
Grants - Operating	7,690	7,545	145	2%	11,325	8,928	2,396	27%	
Grants - Capital	1,299	948	351	37%	2,222	5,700	(3,477)	(61%)	
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	10,836	10,672	164	2%	26,842	23,287	3,555	15%	
<b>Total Income</b>	<b>165,235</b>	<b>164,760</b>	<b>475</b>	<b>0%</b>	<b>248,689</b>	<b>244,196</b>	<b>4,493</b>	<b>2%</b>	<b>1</b>
Employee Costs	59,345	59,880	535	1%	98,084	99,126	1,042	1%	
Materials & Services	51,039	51,832	793	2%	93,893	96,391	2,498	3%	
Depreciation	13,419	13,981	562	4%	21,502	22,502	1,000	4%	
Amortisation of Right of Use assets	507	526	18	3%	871	857	(14)	(2%)	
Bad & Doubtful Debts	2,294	2,318	23	1%	4,690	4,691	1	0%	
Borrowing Costs	0	0	0	0%	0	0	0	0%	
Interest - Right of Use	21	22	1	6%	38	28	(10)	(36%)	
Other expenses	5,590	5,425	(165)	(3%)	18,050	19,247	1,197	6%	
Net proceeds from asset disposals	(176)	(195)	(19)	(10%)	5,033	4,733	(300)	(6%)	
<b>Total Expenses</b>	<b>132,040</b>	<b>133,788</b>	<b>1,749</b>	<b>1%</b>	<b>242,161</b>	<b>247,575</b>	<b>5,414</b>	<b>2%</b>	<b>2</b>
<b>Operating Surplus / (Deficit)</b>	<b>33,195</b>	<b>30,972</b>	<b>2,223</b>	<b>7%</b>	<b>6,528</b>	<b>(3,380)</b>	<b>9,907</b>	<b>293%</b>	
Income Statement Converted to Cash									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	13,419	13,981	(562)	(4%)	21,502	22,502	(1,000)	(4%)	
• Add back amortisation	507	526	(18)	(3%)	871	857	14	2%	
• Add back written-down value of infrastructure assets disposals	80	93	(13)	(14%)	6,500	5,250	1,250	24%	
• Add back balance sheet work in progress reallocated to operating	5	0	5	0%	1,200	1,200	0	0%	
	<b>14,012</b>	<b>14,600</b>	<b>(588)</b>	<b>(4%)</b>	<b>30,073</b>	<b>29,809</b>	<b>264</b>	<b>1%</b>	
<b>Adjustments for investing items:</b>									
• Less Capital Expenditure	(14,374)	(14,534)	160	1%	(31,743)	(48,425)	16,682	34%	3
<b>Adjustments for financing items:</b>									
• Less Lease Repayments	(487)	(492)	5	1%	(738)	(738)	0	0%	
	<b>(487)</b>	<b>(492)</b>	<b>5</b>	<b>1%</b>	<b>(738)</b>	<b>(738)</b>	<b>0</b>	<b>0%</b>	
<b>Adjustments for financing items:</b>									
Net Reserves Drawdown/ (Replenishment)	0	(0)	0	100%	(1,413)	19,008	(20,421)	(107%)	4
<b>Current Year Cash Surplus/ (Deficit)</b>	<b>32,346</b>	<b>30,545</b>	<b>1,801</b>	<b>6%</b>	<b>2,707</b>	<b>(3,726)</b>	<b>6,432</b>	<b>173%</b>	
Opening balance cash surplus/ (Deficit)	5,236	5,236	0	0%	5,236	5,274	(38)	(1%)	
<b>Accumulated Cash Surplus</b>	<b>37,582</b>	<b>35,781</b>	<b>1,801</b>	<b>5%</b>	<b>7,943</b>	<b>1,549</b>	<b>6,394</b>	<b>413%</b>	

## Notes to the Income Statement

### Note 1. Operating income forecast adjustments






**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Variance (\$,000)	Operating income forecast explanatory notes	Trend
3,313	Increasing interest income due to favourable cash holdings and increasing investment yields from recent 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 increase due to full complement of parking enforcement officers and increased 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 major events held on the foreshore not budgeted; events received and approved outside of the EOI process.	
100	Increase in footpath trading permits, an additional 88 new permits issued in the last two months.	
190	Childcare centres levy increases due to increased utilisation in community-managed centres (infrastructure maintenance levy ringfenced in reserves).	
1,307	Additional operating grants from State Government (offset by additional expenditure): <ul style="list-style-type: none"> <li>▪ \$0.6m 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>▪ \$0.2m Graffiti mitigation and urban canvas program</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>	
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).	

## Notes to the Income Statement

### Note 1. Operating income forecast adjustments (continued)















**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Variance (\$,000)	Operating income forecast explanatory notes	Trend
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. Income reduction offset by matching 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.	
(1,162)	Reduction in Childcare Centre User Fees due to low utilisation (partially offset by lower employee costs).	
(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>	

## Notes to the Income Statement

### Note 2. Operating expenditure forecast adjustments













**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Variance (\$,000)	Operating expenditure forecast explanatory notes	Trend
970	Lower employee costs and savings due to enterprise vacancy. Staff retention and recruitment remains a challenge as was the case in the 2021/22.	
400	Lower organisational materials and services spend associated with enterprise vacancies.	
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.	
2,610	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>▪ \$0.4m Fishermans Bend Program</li> <li>▪ \$0.1m Dogs Off-leash guidelines</li> <li>▪ \$0.2m Parking Policy E-Permit Implementation.</li> </ul>	
2,094	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.	
498	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.	
450	Reduced direct waste services expense including \$250k from lower kerbside garbage and recycling processing/disposal volume; \$150k from FOGO roll out delay (from start of January to end of January 2023), \$50k from low mattress 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.	
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.	
877	Reduction in Childcare employee costs due to lower utilisation (offset by reduced income).	
(134)	Additional expenditure associated additional funding for IT systems uplift (external grant funded).	
(149)	Additional consultancy expenditure due to staff recruitment and retention issues, consultants engaged to complete necessary works.	

## Notes to the Income Statement

### Note 2. Operating expenditure forecast adjustments (continued)


**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Variance (\$,000)	Operating expenditure forecast explanatory notes	Trend
(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.	
(300)	Additional weed control provided in streetscapes from February to June 23, service funded through organisational savings.	
(308)	Additional one off increased spend on municipal weeding to maintain community amenity.	
(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).	
(1,307)	Additional grant funded expenditure for <ul style="list-style-type: none"> <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>▪ \$0.2m Graffiti mitigation and urban canvas program</li> <li>▪ \$0.1m Long Day Care and Family Support.</li> </ul>	
(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 at contracts and tendering service	
(1,000)	Net additional enterprise employee costs required based on in principle enterprise agreement (subject to Fair Work Aust. approval).	

## Notes to the Income Statement

### Note 3. Capital expenditure forecast adjustments








**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
16,652	<ul style="list-style-type: none"> <li>\$22.7m 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>(\$1.3m) other minor movements including additional projects, cost escalations and savings</li> <li>(\$1.4m) Land purchase for Pakington Street Reserve.</li> </ul> <p><i>See capital works statement for full breakdown</i></p>	

## Notes to the Income Statement

### Note 4. Reserve forecast adjustments








**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Variance (\$,000)	Reserve forecast adjustment explanatory notes	Trend
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.	
870	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).	
(10,955)	Net increase in Project Deferrals Reserve due to: <ul style="list-style-type: none"> <li>▪ \$3.2m deferrals post 2022/23 budget adoption (\$1.5m Operating Projects – see Note 1 and \$1.7m Capital Projects – See Capital Works Statement)</li> <li>▪ (\$14.2m) project deferrals to 2023/24. (\$2.6m Operating Projects – see Note 1 and \$11.6m Capital Projects – See Capital Works Statement).</li> </ul>	
(2,494)	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.	
(1,078)	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> </ul>	
(1,000)	Forecast property sale income to be ringfenced in the Strategic Property Reserve.	

## Notes to the Income Statement

### Note 4. Reserve forecast adjustments (continued)

**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Variance (\$,000)	Reserve forecast adjustment explanatory notes	Trend
(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 2022/23 due construction delays.	
(870)	Energy Efficient Street Lighting Upgrade partial deferral to 2023/24 delaying drawdown on internal borrowings.	
(596)	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.	
(261)	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.	
(317)	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.	



## 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	4,429	4,464	36	1%	9,801	18,729	8,928	48%	1
<b>Total Property</b>	<b>4,429</b>	<b>4,464</b>	<b>36</b>	<b>1%</b>	<b>9,801</b>	<b>18,729</b>	<b>8,928</b>	<b>48%</b>	
<b>Plant and Equipment</b>									
Plant, machinery and equipment	1,991	2,014	23	1%	3,975	3,825	(150)	(4%)	2
Fixtures, fittings and furniture	443	444	1	0%	652	846	194	23%	3
Computers and telecommunications	214	170	(44)	(26%)	620	970	350	36%	4
Library books	727	721	(6)	(1%)	949	952	3	0%	
<b>Total Plant and Equipment</b>	<b>3,376</b>	<b>3,349</b>	<b>(27)</b>	<b>(1%)</b>	<b>6,195</b>	<b>6,593</b>	<b>397</b>	<b>6%</b>	
<b>Infrastructure</b>									
Roads	796	811	15	2%	1,910	3,047	1,137	37%	5
Bridges	47	70	23	33%	100	255	155	61%	6
Footpaths and cycleways	764	774	10	1%	2,934	3,978	1,043	26%	7
Drainage	518	578	60	10%	1,945	2,261	316	14%	8
Parks, open space and streetscape	4,444	4,488	44	1%	8,888	13,563	4,675	34%	9
<b>Total Plant and Equipment</b>	<b>6,570</b>	<b>6,721</b>	<b>151</b>	<b>2%</b>	<b>15,777</b>	<b>23,104</b>	<b>7,326</b>	<b>32%</b>	
<b>Total Capital Works Expenditure</b>	<b>14,374</b>	<b>14,534</b>	<b>160</b>	<b>1%</b>	<b>31,773</b>	<b>48,425</b>	<b>16,652</b>	<b>34%</b>	
<b>Capital Expenditure Type</b>									
New asset expenditure	1,961	2,018	57	3%	3,816	5,194	1,378	27%	
Asset renewal expenditure	5,491	5,494	3	0%	13,930	18,230	4,300	24%	
Asset upgrade expenditure	4,681	4,751	70	1%	11,636	20,657	9,021	44%	
Asset expansion expenditure	2,241	2,271	30	1%	2,391	4,344	1,953	45%	
<b>Total Capital Works Expenditure</b>	<b>14,374</b>	<b>14,534</b>	<b>160</b>	<b>1%</b>	<b>31,773</b>	<b>48,425</b>	<b>16,652</b>	<b>34%</b>	

## Capital expenditure explanatory notes

We are experiencing challenges in delivering of our extensive 2022/23 project portfolio. We are currently tracking at 62% of projects on track. While the vast majority of these projects will still be completed; they will take longer (resulting in deferrals) and, in some cases, cost more than planned. Much of this is due to external factors such as limited availability of project managers, supply chain issues from pandemic and global conflict, and external approval processes.

**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Note	Variance (\$,000)	Capital expenditure explanatory notes	Trend
1	8,928	<p><b>Buildings</b></p> <ul style="list-style-type: none"> <li>▪ (\$2.12m) Deferrals post 2022/23 budget adoption:                             <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> </li> <li>▪ \$12.3m Deferrals to 2023/24 and future years including:                             <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> <li>○ \$0.84m Palais Theatre Tunnels Rectification</li> <li>○ \$0.79m 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> </ul> </li> </ul>	

## Capital expenditure explanatory notes

**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Note	Variance (\$,000)	Capital expenditure explanatory notes	Trend
1		(Continued) <ul style="list-style-type: none"> <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>○ \$1.22m various minor deferrals</li> <li>▪ (\$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> </li> <li>▪ \$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> </ul> </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>	○



## Capital expenditure explanatory notes

**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change




Note	Variance (\$,000)	Capital expenditure explanatory notes	Trend
5	1,137	<p><b>Roads</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.02m) Deferrals post 2022/23 budget adoption for Chapel Street Safety Improvements</li> <li>▪ \$0.73m Deferrals to 2023/24 and future years including: <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> </li> <li>▪ \$0.5m Savings: <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> </li> <li>▪ (\$0.17m) Additional Expenditure: <ul style="list-style-type: none"> <li>○ \$0.12m Heavy Patching 22-23 scope change</li> </ul> </li> </ul>	-
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	1,043	<p><b>Footpaths and Cycleways</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.06m) Deferrals post 2022/23 budget adoption including \$0.02m West Beach Boardwalk Accessibility, \$0.04m St Kilda Junction Safety Upgrade</li> <li>▪ \$1.33m Deferrals to 2023/24 and future years including: <ul style="list-style-type: none"> <li>○ \$1.26m Park Street Bike Link</li> <li>○ \$0.07m Inkerman Safety Travel Corridor</li> </ul> </li> <li>▪ \$0.24m Savings: <ul style="list-style-type: none"> <li>○ \$0.12m Footpath Renewals 22-23</li> <li>○ \$0.12m other minor savings</li> </ul> </li> <li>▪ (\$0.47m) additional expenditure: <ul style="list-style-type: none"> <li>○ (\$0.05m) Liardet street Pedestrian (Transport reserve funded)</li> <li>○ (\$0.22m) West Beach Boardwalk Accessibility</li> </ul> </li> </ul> <p>(\$0.2m) Footpath Renewals 22-23</p>	-


## Capital expenditure explanatory notes

**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Note	Variance (\$,000)	Capital expenditure explanatory notes	Trend
8	316	<p><b>Drainage</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.07m) Deferrals post 2022/23 budget adoption including \$0.02m James Services Place WSUD Swales and \$0.05m various minor deferrals.</li> <li>▪ \$0.3m Deferrals to 2023/24 and future years including:                             <ul style="list-style-type: none"> <li>○ \$0.13m Stormwater harvesting Design</li> <li>○ \$0.1m Water Sensitive Urban Design Program</li> </ul> </li> </ul>	
9	4,675	<p><b>Parks, Open Space and Street Scapes</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.5m) Deferrals post 2022/23 budget adoption including:                             <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> </li> <li>▪ \$7.22m Deferrals to 2023/24 and future years including:                             <ul style="list-style-type: none"> <li>○ \$1.44m Palais Theatre and Luna Park Precinct</li> <li>○ \$1.14m 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 Public Space Lighting – Bay Trail</li> <li>○ \$0.26m Skinner 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> </li> <li>▪ (\$0.08m) bring forward from 2024/25 to FY22/23 – St Kilda Pier Landside Works</li> </ul>	

## Capital expenditure explanatory notes

**Trend measures**  Financial improvement  Neutral impact  Unfavourable financial change

Note	Variance (\$,000)	Capital expenditure explanatory notes	Trend
		(continued) <ul style="list-style-type: none"> <li>▪ \$0.26m Savings:                             <ul style="list-style-type: none"> <li>○ \$0.1m Park Lighting Renewal and upgrades</li> <li>○ \$0.13m Recreation Renewals and Upgrades</li> <li>○ (\$0.15m) Gasworks Arts Park Reinstatement</li> <li>○ (\$0.13m) Public Space lighting – Elwood</li> <li>○ (\$0.1m) Danks Street Biolink (Grant funded)</li> </ul> </li> <li>(\$1.44m) Land purchase for Pakington Street Reserve (reserve funded)</li> <li>▪ (\$0.08m) bring forward from 2024/25 to FY22/23 – St Kilda Pier Landside Works</li> <li>▪ \$0.26m Savings:                             <ul style="list-style-type: none"> <li>○ \$0.1m Park Lighting Renewal and upgrades</li> <li>○ \$0.13m Recreation Renewals and Upgrades</li> </ul> </li> <li>▪ (\$0.79m) additional expenditure:                             <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> </li> <li>▪ (\$1.44m) Land purchase for Pakington Street Reserve (reserve funded)</li> </ul>	



## City of Port Phillip

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