



Financial Statements

December 2022

City of Port Phillip ASSIST

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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	76,471	76,542	(71)	(0%)	139,651	139,660	(10)	(0%)	
Statutory Fees and Fines	11,747	11,668	79	1%	22,417	21,650	766	4%	
User Fees	20,778	20,710	68	0%	38,742	38,858	(116)	(0%)	
Grants - Operating	6,595	6,520	75	1%	10,789	8,928	1,861	21%	
Grants - Capital	442	436	6	1%	3,713	5,700	(1,987)	(35%)	
Contributions - Monetary	4,347	4,299	47	1%	6,208	6,111	97	2%	
Other Income	7,720	7,643	77	1%	26,352	23,287	3,065	13%	
Total Income	128,101	127,819	283	0%	247,871	244,196	3,676	2%	1
Employee Costs	45,321	45,462	141	0%	99,447	99,126	(322)	(0%)	
Materials & Services	37,942	38,753	811	2%	97,072	96,391	(681)	(1%)	
Depreciation	10,062	10,343	282	3%	21,502	22,502	1,000	4%	
Amortisation of Right of Use assets	381	383	2	1%	882	857	(25)	(3%)	
Bad & Doubtful Debts	1,353	1,419	66	5%	4,721	4,691	(30)	(1%)	
Interest - Right of Use	17	16	(1)	(7%)	38	28	(10)	(36%)	
Other expenses	4,536	4,352	(185)	(4%)	18,072	19,247	1,175	6%	
Net proceeds from asset disposals	(218)	(183)	34	19%	4,983	4,733	(250)	(5%)	
Total Expenses	99,393	100,545	1,151	1%	246,718	247,575	858	0%	2
Operating Surplus / (Deficit)	28,708	27,274	1,434	5%	1,153	(3,380)	4,533	134%	
Income Statement Converted to Cash									
Adjustments for non-cash operating items:									
• Add back depreciation	10,062	10,343	(282)	(3%)	21,502	22,502	(1,000)	(4%)	
• Add back amortisation	381	383	(2)	(1%)	882	857	25	3%	
• Add back written-down value of infrastructure assets disposals	39	70	(31)	(45%)	6,500	5,250	1,250	24%	
• Add back balance sheet work in progress reallocated to operating	0	0	0	0%	1,200	1,200	0	0%	
	10,481	10,796	(315)	(3%)	30,084	29,809	275	1%	
Adjustments for investing items:									
• Less Capital Expenditure	(11,224)	(11,623)	399	3%	(35,699)	(48,425)	12,726	26%	3
Adjustments for financing items:									
• Less Lease Repayments	(387)	(369)	(18)	(5%)	(738)	(738)	0	0%	
	(387)	(369)	(18)	(5%)	(738)	(738)	0	0%	
Adjustments for financing items:									
Net Reserves Drawdown/ (Replenishment)	0	(0)	0	100%	5,755	19,008	(13,253)	(70%)	4
Current Year Cash Surplus/ (Deficit)	27,578	26,079	1,500	6%	556	(3,726)	4,281	115%	
Opening balance cash surplus/ (Deficit)	5,236	5,236	0	0%	5,236	5,274	(38)	(1%)	
Accumulated Cash Surplus	32,814	31,315	1,500	5%	5,792	1,549	4,243	274%	

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
↑	2,800	Increasing interest income due to favourable cash holdings and increasing investment yields from recent Reserve Bank increases to the cash rate.
↑	800	Increase in parking infringement income due full complement of staff and increased non-compliance/activities in the Foreshore/Tourist areas. 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.
↑	355	Improvement in paid parking income: <ul style="list-style-type: none"> ▪ \$200k Favourable weather conditions improving utilisation in foreshore and tourist areas ▪ \$155k South Melbourne Market Rooftop paid parking utilisation has increased above budget expectations
↑	175	External funding secured for works at Ludwig Stamer Reserve Play Space Upgrade to fund existing project works
→	1,307	Additional operating grants from State Government (offset by additional expenditure) for: <ul style="list-style-type: none"> ▪ \$585k St Kilda Festival as part of the Creative Victoria initiative offset by additional expenditure ▪ \$297k Coordination of food relief activities ▪ \$250k Graffiti mitigation and urban canvas program ▪ \$136k Long Day Care and Family Support
→	493	Portfolio Capital Grants deferrals from 2021/22 to align with project construction: <ul style="list-style-type: none"> ▪ \$0.2m Chapel Street Safety Improvements ▪ \$0.2m South Melbourne Market - The Courtyard
→	293	Ongoing grant funding to recover costs of Metro Tunnel 2 for 1 Tree Planting
→	200	Additional Capital Grants received (offset by additional expenditure) <ul style="list-style-type: none"> ▪ \$0.1m Childcare Centre Improvement Program ▪ \$0.1m Danks Street Biolink
→	109	Finalisation of turnover rent for Previous St Kilda Marina tenant for 2021/22.
→	97	Minor adjustment to timing of insurance contribution to works on Alma Park Amenities Pavilion based on part deferral from 2021/22.
→	96	Income for E-scooter trial program (income to cover cost of program)

3

↑ → ↓	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 full year expenses forecast reduction.
→	(567)	Reduction in Childcare Centre User Fees due to low utilisation (partially offset by lower employee costs)
→	(773)	Portfolio Capital Grants received in advance in 2021/22 including: <ul style="list-style-type: none"> ▪ (\$0.3m) Palais Theatre and Luna Park Precinct ▪ (\$0.2m) West Beach Boardwalk Accessibility ▪ (\$0.2m) Laneway Construction Wellington Street
	(2,100)	Portfolio Capital Grants delayed to future years as projects have been deferred or delayed: <ul style="list-style-type: none"> ▪ (\$0.8m) Park Street Bike Link ▪ (\$0.7m) EcoCentre ▪ (\$0.7m) Moubray Street Community Park ▪ (\$0.7m) Palais Theatre and Luna Park Precinct ▪ (\$0.2m) Elder Smith Netball Courts and Pavilion ▪ (\$0.2m) Blackspot Inkerman Street Westbury, Balaclava ▪ (\$0.1m) Alma Park Playspace Upgrade

Note 2. Operating expenditure forecast adjustments:

↑ → ↓	Variance (\$,000's)	Operating expenditure forecast explanatory notes
↑	579	Lower employee costs and savings due to enterprise vacancy. Staff retention and recruitment remains a challenge as was the case in the 2021/22.
↑	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"> ▪ \$1.0m In Our Backyard ▪ \$0.9m St Kilda Marina ▪ \$0.4m Fishermans Bend Program ▪ \$0.1m Dogs Off-leash guidelines ▪ \$0.2m Parking Policy E-Permit Implementation
→	1,000	Reduction in depreciation due to lower capital delivery than initial budget portfolio.

4

↑ → ↓	Variance (\$,000's)	Operating expenditure forecast explanatory notes
→	992	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)
→	200	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.
→	272	Reduction in Childcare employee costs due to lower utilisation
→	150	Kerbside garbage and recycling disposal/processing tonnage is not as high as expected. Savings ringfenced in waste reserve
→	(134)	Additional expenditure associated additional funding for IT systems uplift (external grant funded).
→	(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.
→	(297)	Inner Melbourne partnership coordination of food relief activities fully funded by Victorian Government grants.
→	(293)	Ongoing expenditure on Metro Tunnel 2 for 1 Tree Planting project (reimbursed by grant funding)
→	(250)	Additional expenditure for the graffiti mitigation and urban canvas program, this program is fully funded by Victorian Government
→	(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)
→	(585)	Additional grant funded expenditure for St Kilda Festival
→	(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
↓	(97)	Higher operational costs at South Melbourne Market due to cost pressures.

5

↑ → ↓	Variance (\$,000's)	Operating expenditure forecast explanatory notes
↓	(80)	Higher operational cost for parking Technology sensors after previous program expansion.
↓	(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 voting and Fair Work Aust.)

Note 3. Capital expenditure forecast adjustments:

↑ → ↓	Variance (\$,000's)	Capital expenditure forecast explanatory notes
→	12,726	<ul style="list-style-type: none"> • \$18.1m capital expenditure deferrals to 2023/24 and future years • (\$3.3m) Capital expenditure increase due to 2021/22 deferrals post budget adoption. • (\$0.7m) other minor movements including additional projects, cost escalations and savings • (\$1.4m) Land purchase for Pakington Street Reserve <p>See capital works statement for full breakdown</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.
→	1,368	Greater net drawdown on Open Space Reserves: <ul style="list-style-type: none"> ▪ \$1.44m additional drawdown for the expansion of Pakington Street Reserve ▪ \$0.46m deferrals post 2022/23 budget adoption including: <ul style="list-style-type: none"> ○ \$0.33m Palais Theatre and Luna Park Precinct ○ \$0.13m New Dog Park Moran Reserve ▪ (\$0.5m) minor deferrals to 2023/24 including Ludwig Stamer Reserve Playspace, Hewison Reserve Upgrade, Palais Theatre, Edwards Park Public Amenities and Alma Park East Multi-Purpose Courts
→	10	Greater net drawdown to the Childcare Centre Infrastructure Reserve: <ul style="list-style-type: none"> ▪ \$0.27m deferral post budget 2022/23 adoption for the Childcare Centre Fence Compliance ▪ (\$0.26m) Children's' Centres Improvement Program reduction in reserve funding due 2021/22 overspend and receipt of external funding.

6

↑ → ↓	Variance (\$,000's)	Reserve forecast adjustment explanatory notes
→	(8,500)	Net increase in Project Deferrals Reserve <ul style="list-style-type: none"> ▪ \$3.2m deferrals post 2022/ 23 budget adoption <ul style="list-style-type: none"> ○ \$0.3m Energy Efficiency & Solar Program ○ \$0.25m Bubup Nairm Cladding Rectification ○ \$0.23m Shakespeare Grove Public Toilet ○ \$0.23m Council Fleet Replacement Program ○ \$0.23m St Kilda Town Hall Staff Accommodation ○ \$0.21m Waterfront Place Public Toilet, \$0.2m Customer Experience Program ○ \$0.2m Childcare Centre Fence Compliance Works ○ \$0.15m Electrical Line Clearance ○ \$0.13m Carlisle St Carparks Strategy Execution ○ \$0.11m EcoCentre Redevelopment ○ \$0.1m South Melbourne Market Central Stairs ○ \$0.8m minor project deferrals across various projects. ▪ (\$11.2m) project deferrals to 2023/24 including <ul style="list-style-type: none"> ○ (\$2.9m) South Melbourne Townhall Renewal ○ (\$1.9m) EcoCentre Redevelopment ○ (\$1.1m) Palais Theatre and Luna Park ○ (\$0.9m) Access Control Renewal Council Buildings ○ (\$0.5m) Public Space Lighting Elwood ○ (\$0.5m) Building CCTV Program ○ (\$0.5m) Catani Gardens Irrigation Upgrade ○ (\$0.4m) Acland Street Plaza Planting and Hostile Vehicle Management ○ (\$0.4m) Fishermans Bend Program ○ (\$0.4m) Palais Theatre Concrete Spalling ○ (\$0.3m) Public Space Lighting – Bay Trail ○ (\$0.2m) St Kilda Town Hall Staff Accommodation ○ (\$0.2m) Pier Road and Bay Trail Safety ○ (\$0.1m) Dogs of Leash Guidelines ○ (\$0.2m) Parking Policy E-Permit Implementation • (\$0.2m) South Melbourne Market Fire Stairs
→	(1,144)	Net Increase to the Palais Theatre Reserve due to partial deferrals to 2023/24: <ul style="list-style-type: none"> ▪ (\$0.24m) Palais Theatre Concrete Spalling ▪ (\$0.91m) Palais Theatre Tunnels Rectification
→	(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 2022/23 due construction delays
→	(414)	Sustainable Transport Reserve increase due to partial deferrals to 2023/24 of Park Street Bike Link

7

↑ → ↓	Variance (\$,000's)	Reserve forecast adjustment explanatory notes
→	(350)	Gasworks Park Reserve increase due to partial deferrals to 2023/24 of Gasworks Arts Park Reinstatement
→	(101)	<p>Net increase to Tied Grants due to:</p> <ul style="list-style-type: none"> ▪ \$1.25m project deferrals post 2022/23 budget adoption including <ul style="list-style-type: none"> ○ \$0.37 Department of Transport Pop Up Bike Lanes ○ \$0.35 COVID Safe Outdoor Activation Fund ○ \$0.2m West Beach Boardwalk Accessibility ○ \$0.2m Laneway Construction Wellington St ○ \$0.13m other minor deferrals ▪ \$0.75m for funding received in prior years to align with performance obligations: <ul style="list-style-type: none"> ○ \$0.13m State Government funding for Southside Live Event ○ \$0.16m Innovation grant – Connect and Cook ○ \$0.26m Sleep and settling grant ○ \$0.1m Digital Technology Grant ▪ (\$2.1m) reduction in drawdown on tied grants due to partial project deferrals to 2023/24 <ul style="list-style-type: none"> ○ (\$1.0m) EcoCentre Redevelopment ○ (\$0.6m) Elder Smith Netball Courts and Pavilion ○ (\$0.6m) Moubray Street Community Park
→	(188)	<p>Net increase to the Asset Renewal Fund</p> <ul style="list-style-type: none"> ▪ \$0.32m deferrals post 2022/ 23 budget adoption including <ul style="list-style-type: none"> ○ \$0.25m South Melbourne Town Hall Renewal Upgrade ○ \$0.07m other minor deferrals ▪ \$0.33m additional drawdown for HVAC, Air and Energy Improvements Program based on latest cost estimates ▪ (\$0.56m) savings ringfenced in Asset Renewal Fund including: <ul style="list-style-type: none"> ○ \$0.2m Alma/Lansdowne Road Safety Improvements ○ \$0.1m Park Lighting Renewal and Upgrades ○ \$0.1m Kerb & Gutter Construction – Wilton Grove ▪ (\$0.27m) deferral to 2023/24 for Palais Theatre and Luna Park Precinct
→	(17)	<p>Net increase to Waste Charge Reserve:</p> <ul style="list-style-type: none"> ▪ (\$150k) Replenish reserve due to kerbside garbage and recycling disposal/processing tonnage not as high as expected. ▪ \$133k Drawdown due to shortfall in net Waste Charge income due to greater rebates than budget.

2. Balance Sheet

	Opening	Year to Date			Full Year			Variance %	Note
	Balance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000		
ASSETS									
Current assets									
Cash and cash equivalents	12,339	12,294	13,737	(1,443)	11,547	9,829	1,718	17%	
Trade and other receivables	27,337	49,121	42,747	6,374	20,747	20,227	520	3%	
Other financial assets	118,000	113,473	112,681	792	124,900	126,011	(1,111)	(1%)	1
Non current assets classified as held for sale	1,202	1,202	1,202	0	1,202	11,713	(10,511)	(90%)	2
Other assets	3,635	1,500	3,690	(2,190)	3,780	2,487	1,293	52%	
Total current assets	162,514	177,590	174,057	3,532	162,176	170,267	(8,091)	(5%)	
Non-current assets									
Investments in associates and joint ventures	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 equipment	3,427,490	3,428,852	3,429,019	(166)	3,499,076	3,381,436	117,640	3%	3
Right of use assets	786	405	403	2	996	1,021	(25)	(2%)	
Total non-current assets	3,446,083	3,447,064	3,447,228	(164)	3,517,978	3,383,264	134,714	4%	
TOTAL ASSETS	3,608,596	3,624,654	3,621,285	3,368	3,680,154	3,553,531	126,623	4%	
LIABILITIES									
Current liabilities									
Trade and other payables	16,107	5,383	1,349	(4,034)	20,073	21,762	1,689	8%	
Trust funds and deposits	7,007	5,822	7,147	1,325	7,287	7,626	339	4%	
Provisions	17,953	17,366	18,312	945	18,871	19,469	598	3%	
Interest-bearing loans and borrowings	0	0	0	0	0	0	0	0%	
Lease liabilities	592	650	223	(427)	446	658	212	32%	
Total current liabilities	41,658	29,221	27,030	(2,191)	46,676	49,515	2,839	6%	
Non-current liabilities									
Provisions	2,138	2,138	2,181	43	2,024	3,531	1,507	43%	
Interest-bearing loans and borrowings	0	0	0	0	0	0	0	0%	
Lease liabilities	213	0	213	213	713	692	(21)	(3%)	
Total non-current liabilities	2,351	2,138	2,394	256	2,737	4,223	1,486	35%	
TOTAL LIABILITIES	44,009	31,359	29,424	(1,935)	49,413	53,738	4,325	8%	4
TOTAL ASSETS	3,564,587	3,593,295	3,591,861	1,434	3,630,741	3,499,793	130,948	4%	
EQUITY									
Accumulated surplus	630,793	659,501	658,067	1,434	626,220	649,016	(22,796)	(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)	122,745	102,727	20,018	19%	
TOTAL EQUITY	3,564,587	3,593,295	3,591,861	1,434	3,630,741	3,499,793	130,948	4%	

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 our investment strategy to balance investment risks, operational liquidity, corporate social responsibilities, and to 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 22/23 estimates due to year end 21/22 revaluation adjustments.
4	Total liabilities value decreased slightly on Budget 22/23 estimates due to finalised end 21/22 provision movements.

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		
Cash flows from operating activities									
Rates and charges	130,570	76,471	76,542	(71)	146,651	139,660	6,991	5%	
Statutory fees and fines	14,641	591	3,313	(2,722)	17,696	17,179	517	3%	
User Fees	33,297	9,677	13,457	(3,780)	42,616	42,359	257	1%	
Grants - operating	17,456	6,595	6,520	75	10,789	8,928	1,861	21%	
Grants - capital	5,448	442	436	6	3,713	5,700	(1,987)	(35%)	
Contributions- monetary	10,005	4,347	4,299	47	6,208	6,111	97	2%	
Interest received	363	1,576	1,576	1	3,818	1,005	2,813	280%	
Trust funds and deposits taken	21,713	25,816	27,137	(1,320)	54,253	54,130	123	0%	
Other receipts	11,711	8,884	6,391	2,494	14,681	14,669	12	0%	
Net GST refund	5,804	4,734	5,125	(391)	8,473	10,243	(1,770)	(17%)	
Employee costs	(93,465)	(45,907)	(45,060)	(847)	(98,643)	(98,818)	175	0%	
Materials and services	(79,665)	(50,365)	(54,122)	3,757	(106,261)	(108,898)	2,637	2%	
Short term, low value and variable lease pay	(635)	(68)	0	(68)	0	0	0	0%	
Trust funds and deposits repaid	(22,025)	(27,002)	(26,997)	(5)	(53,973)	(54,003)	30	0%	
Other payments	(7,461)	(4,699)	(4,564)	(135)	(10,042)	(11,333)	1,291	11%	
Net cash provided by/(used in) operating a	47,757	11,095	14,054	(2,958)	39,977	26,932	13,046	48%	1
Cash flows from investing activities									
Payments for property, infrastructure, plant and equipment	(22,023)	(15,514)	(17,526)	2,012	(34,201)	(48,425)	14,223	29%	2
Proceeds from sale of property, infrastructure, plant and equipment	10,329	256	254	3	1,517	517	1,001	194%	
Payments for investments	(135,019)	(113,479)	(112,999)	(480)	(125,310)	(98,000)	(27,310)	(28%)	3
Proceeds from sale of investments	106,016	118,000	118,000	0	118,000	118,000	0	0%	
Net cash provided by/(used in) investing a	(40,697)	(10,736)	(12,271)	1,535	(39,994)	(27,908)	(12,086)	(43%)	
Cash flows from financing activities									
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)	(17)	(16)	(1)	(38)	(28)	(10)	(37%)	
Repayment of lease liabilities	(881)	(387)	(369)	(18)	(738)	(738)	(0)	(0%)	
Net cash provided by/(used in) financing activities	(8,563)	(403)	(385)	(19)	(775)	(765)	(10)	(1%)	
Net (decrease) increase in cash and cash equivalents	(1,503)	(44)	1,398	(1,442)	(793)	(1,742)	949	(54%)	
Cash and cash equivalents at the beginning of the financial year	13,842	12,339	12,339	0	12,339	11,571	769	7%	
Cash and cash equivalents at the end of the financial year (investment less than 90 days)	12,339	12,295	13,737	(1,442)	11,546	9,829	1,717	17%	
Total cash and investments	147,358	142,786	143,437	(651)	153,565	136,377	17,188	13%	

Cash flows explanatory notes

Note	Explanatory notes
1	\$12.7m net increase predominately caused by delays in payments of rates from 2021/22. Expecting 2022/23 payments to be received in more timely manner and improvement in interest rates and return on investments
2	\$15m decrease in cash used in investing activities predominantly due to capital Project deferrals to 2023/24 and future years
3	\$27m increase in payments for investments due to increase in net cash from operating activities and reduction in payments for property, infrastructure, plant and equipment.

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	3,710	3,851	141	4%	10,926	18,729	7,803	42%	1
Total Property	3,710	3,851	141	4%	10,926	18,729	7,803	42%	
Plant and Equipment									
Plant, machinery and equipment	1,057	1,208	151	12%	3,975	3,825	(150)	(4%)	2
Fixtures, fittings and furniture	424	427	3	1%	681	846	165	19%	3
Computers and telecommunications	171	170	(1)	(1%)	620	970	350	36%	4
Library books	603	600	(3)	(0%)	949	952	3	0%	
Total Plant and Equipment	2,256	2,405	149	6%	6,224	6,593	368	6%	
Infrastructure									
Roads	475	463	(12)	(3%)	2,132	3,047	915	30%	5
Bridges	32	65	33	51%	100	255	155	61%	6
Footpaths and cycleways	666	670	4	1%	2,879	3,978	1,098	28%	7
Drainage	384	361	(23)	(6%)	2,200	2,261	60	3%	
Parks, open space and streetscape	3,701	3,808	107	3%	11,238	13,563	2,326	17%	8
Total Plant and Equipment	5,258	5,367	108	2%	18,549	23,104	4,555	20%	
Total Capital Works Expenditure	11,224	11,623	399	3%	35,699	48,425	12,726	26%	
Capital Expenditure Type									
New asset expenditure	1,150	1,229	79	6%	4,007	5,179	1,172	23%	
Asset renewal expenditure	4,104	4,288	184	4%	15,026	18,236	3,210	18%	
Asset upgrade expenditure	3,909	4,058	149	4%	12,556	20,651	8,095	39%	
Asset expansion expenditure	2,061	2,048	(13)	(1%)	4,110	4,359	249	6%	
Total Capital Works Expenditure	11,224	11,623	399	3%	35,699	48,425	12,726	26%	

Capital expenditure explanatory notes

Note	Variance (\$,000's)	Explanatory notes
1	7,803	<p>Buildings</p> <ul style="list-style-type: none"> ▪ (\$2.12m) Deferrals post 2022/23 budget adoption: <ul style="list-style-type: none"> ○ \$0.3m Childcare Centre Fence Compliance ○ \$0.25m Bubup Nairn Cladding Rectification Works ○ \$0.2m Shakespeare Grove Public Toilet ○ \$0.2m South Melbourne Market – The Courtyard ○ \$0.2m Waterfront Place Public Toilet ○ \$0.15m Energy Efficiency & Solar Program ○ \$0.12m EcoCentre Redevelopment ○ \$0.1m Operations Centre Fire Escape Upgrades ○ \$0.1m South Melbourne Central Stairs ▪ \$11.08m Deferrals to 2023/24 and future years including: <ul style="list-style-type: none"> ○ \$3.57m EcoCentre Redevelopment ○ \$2.99m South Melbourne Town Hall Renewal Upgrade ○ \$0.81m Access Control Renewal Council Buildings ○ \$0.81m Palais Theatre Tunnels Rectification ○ \$0.78 Elder Smith Netball Courts and Pavilion ○ \$0.41m Building CCTV Project

13

Note	↑ → ↓	Variance (\$,000's)	Explanatory notes
			<ul style="list-style-type: none"> ○ \$0.47m Palais Theatre Concrete Spalling ○ \$0.24m Edwards Park Public Amenities ○ \$0.69m SMM Amenities Upgrades & Regrading ○ \$0.16m South Melbourne Market York St Stair and Lift ○ \$0.15m South Melbourne Market Fire Stairs to L1 ▪ (\$1.17m) Additional expenditure: <ul style="list-style-type: none"> ○ (\$0.33m) HVAC, Air and Energy Improvement Program (reserve funded) ○ (\$0.25m) South Melbourne Town Hall Renewal Upgrade (reserve funded) contract variations ○ (\$0.14m) Childcare Centre Fence Compliance ○ (\$0.07m) St Kilda Townhall Façade Rectification ○ (\$0.07m) South Melbourne Market Compliance Works ○ (\$0.06m) Bubup Nairm Energy ○ (\$0.25m) Palais Theatre Concrete Spalling
2	→	(150)	Plant, Machinery and Equipment <ul style="list-style-type: none"> ▪ (\$0.23m) Deferrals post 2022/23 budget adoption for Fleet Renewal Program ▪ \$0.08m Savings for Mobile CCTV Trailer - lower purchase price
3	→	165	Fixtures, Fittings and Furniture <ul style="list-style-type: none"> ▪ (\$0.30m) Deferrals post 2022/23 budget adoption predominantly for the St Kilda Town Hall Staff Accommodation Program ▪ \$0.47m Deferrals to 2023/24 and future years for St Kilda Town Hall Staff Accommodation
4	→	350	Computers & Telecommunications \$0.35m transfer to Operating Portfolio to part fund Data Centre Modernisation Project (From Core IT Renew & Upgrade Program)
5	→	915	Roads <ul style="list-style-type: none"> ▪ (\$0.02m) Deferrals post 2022/23 budget adoption for Chapel Street Safety Improvements ▪ \$0.69m Deferrals to 2023/24 and future years including: <ul style="list-style-type: none"> ○ \$0.05m for Kerb & Gutter Construction – Dunstan Pde ○ \$0.3m Road Construction – Park Street ○ \$0.17m Blackspot Inkerman St Westbury ○ \$0.2m Pier Road and Bay Trail Safety, ▪ \$0.42m Savings: <ul style="list-style-type: none"> ○ \$0.20m Alma Rd- Lansdown Rd Safety Improvement lower tender price ○ \$0.16m Kerb & Gutter Construction – Wilton Gr lower tender price ○ \$0.06m Richardson and Nimmo Safety Improvements ▪ (\$0.17m) Additional Expenditure: <ul style="list-style-type: none"> ○ \$0.12m Heavy Patching 22-23 scope change
6		155	Bridges <ul style="list-style-type: none"> ▪ (\$0.02m) Deferrals post 2022/23 budget adoption for Broadway Bridge Works ▪ \$0.18m Savings for Broadway Bridge Works

14

Note	↑ → ↓	Variance (\$,000's)	Explanatory notes
7	→	1,098	<p>Footpaths and Cycleways</p> <ul style="list-style-type: none"> ▪ (\$0.06m) Deferrals post 2022/23 budget adoption including \$0.02m West Beach Boardwalk Accessibility, \$0.04m St Kilda Junction Safety Upgrade ▪ \$1.21m Deferrals to 2023/24 and future years for Park Street Bike Link ▪ \$0.19m Savings: <ul style="list-style-type: none"> ○ \$0.12m Footpath Renewals 22-23 ○ \$0.07m LATM – Danks Street and Withers Street- scope change ▪ (\$0.30m) additional expenditure: <ul style="list-style-type: none"> ○ (\$0.05m) Liardet street Pedestrian (Transport reserve funded) ○ (\$0.05m) West Beach Boardwalk ○ (\$0.2m) Footpath Renewals 22-23
8	→	2,326	<p>Parks, Open Space and Street Scapes</p> <ul style="list-style-type: none"> ▪ (\$0.5m) Deferrals post 2022/23 budget adoption including: <ul style="list-style-type: none"> ○ (\$0.2m) New Dog Park Moran Reserve ○ (\$0.1m) Alma Park Amenities Pavilion ○ (\$0.2m) various minor project deferrals ▪ \$5.03m Deferrals to 2023/24 and future years including: <ul style="list-style-type: none"> ○ \$1.44m Palais Theatre and Luna Park Precinct ○ \$0.55m Moubray St Community Park ○ \$0.47M Elwood Foreshore ○ \$0.46m Public Space Lighting – Elwood Foreshore ○ \$0.4m Catani Gardens Irrigation Upgrade ○ \$0.37m Acland Street Plaza Planting and HVM ○ \$0.35m Gasworks Arts Park Reinstatement ○ \$0.3m Public Space Lighting – Bay Trail ○ \$0.26m Skinner Adventure Playground ○ \$0.18m Hewison Reserve upgrade ○ \$0.15m Ludwig Stamer Reserve Paly Space ○ \$0.1m various minor deferrals ▪ (\$0.08m) bring forward from 2024/25 to FY22/23 – St Kilda Pier Landside Works ▪ \$0.1m Savings for Park Lighting Renewal and Upgrades ▪ (\$0.79m) additional expenditure: <ul style="list-style-type: none"> ○ (\$0.34m) Public Space Minor Capital Works ○ (\$0.15m) Gasworks Arts Park Reinstatement ○ (\$0.13m) Public Space lighting – Elwood ○ (\$0.1m) Danks Street Biolink (Grant funded) ○ (\$0.03m) Peanut Farm Oval Reconstruction new project ○ (\$0.02m) Alma Park Playspace Upgrade ○ (\$0.02m) TT Buckingham Flying fox ▪ (\$1.44m) Land purchase for Pakington Street Reserve (reserve funded)