



## Message from the CEO



### Welcome to the October edition of our CEO Report.

Welcome to the October edition of our CEO Report. I want to start by acknowledging the service of our General Manager of City Growth and Development, Kylie Bennetts, who this month resigned her role to take up a new opportunity. Kylie has been working with the City of Port Phillip for close to five years and is a passionate advocate for this City. She was at the forefront of our revitalisation efforts following the pandemic, she is a passionate champion of sustainability and has been instrumental in development of our workplace culture and the transformation of our customer experience. Kylie is a highly respected member of our executive leadership team and will be greatly missed. I want to thank Kylie for her years of service to our community and wish her all the best in her future endeavours.

The delivery of our Council Plan continues to be a key focus in October, as we progress the 139

initiatives we have committed to within the plan. As of October, we have completed five initiatives, 51 have been integrated into ongoing service delivery, and a further 80 are progressing. One commitment we were pleased to progress is the installation of pop-up electric vehicle chargers on our streets. This trial program is the first of its kind in Australia and allows participants with no off-street parking to install a charger on public land so they can charge their electric vehicle outside their homes.

Engaging and communicating with our community is an ongoing priority, and we were pleased with the outcomes of our Neighbourhood Conversation Program, which saw us visit seven activity centres to have important conversations with the community about the future of our City. We spoke to a diverse range of people about developing a new Housing Strategy and updating the Car Share

Policy and Guidelines. The community also had the opportunity to raise issues with staff and our Councillors at these sessions and have their concerns referred to the appropriate Council department.

Our advocacy priorities for the State Election were at front of mind in the lead up to the Victorian Government election. As a part of making sure that our candidates had a greater understanding of what services and facilities our community needs, our Mayor and Deputy Mayor, alongside Council officers, hosted candidate tours across the City. We were able to have a range of discussions on key projects, policy changes, and funding requests. In October, we were successful in receiving direct funding from the Victorian Government for our highly attended St Kilda festival, and for improvements and upgrades to lighting, BBQ's, drinking fountains and other important

# Message from the CEO (continued)

infrastructure in various locations across Port Phillip.

We continue our dedication to providing the best value for money to our ratepayers, and to date we have achieved \$0.5m of ongoing efficiency savings and \$0.58m capital project savings. Some of the initiatives that have contributed to these savings include encouraging customers to use BPay to reduce banking fees, automation of some resident letters, and our transition to cashless paid parking. We are continuing to look for better value from our waste, parks maintenance, and tree amenity contracts.

Developing our staff and culture continues to be an area of focus. We continued our focus on leadership development including commencement of a new program targeted towards team leaders who combined lead approximately 50 per cent of staff. We also held our Service Awards, which acknowledges employees who have worked at Port Phillip

for a milestone 10, 20 or 30 years. We celebrated 41 staff across a range of services for their enduring commitment to the community.



**Chris Carroll**  
Interim CEO, City of Port Phillip

Strategic Direction 1

# Inclusive Port Phillip

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



CEO message

Inclusive Port Phillip

Livable Port Phillip

Sustainable Port Phillip

Vibrant Port Phillip

Well-governed Port Phillip

## Consultations on Skinners APG

We ran the first phase of consultations for the Skinners Adventure Playground (APG) play equipment rectifications in October. This round of consultations primarily focused on hearing from the children that use the park during opening hours, to get their feedback on what they do and do not like, how they use the play equipment, and which play equipment they think they would get the most use from.

A variety of pictures of play equipment were printed out onto large sheets of paper where the children could draw, write comments, and identify which play equipment they favoured and staff at the APG were there to help guide and facilitate.

The play equipment represented in the pictures was chosen in line with the Adventure Playground Vision and design principles adopted by Council earlier this year.

Parents have also been encouraged to share their thoughts and participate in the consultation via a 'Have Your Say' page where they could complete a survey.



Young people completing the survey for Skinners APG

## First Aid Parenting Information session

We deliver a Parenting Information Program, offering six to eight free information sessions each year for parents and caregivers in the City of Port Phillip. First Aid Awareness is always the most popular and sought-after topic of this program, with four sessions delivered in the last two years.

We delivered an online session in October attended by 76 parents. The video recording of the session was also made available for those who missed out on the night. The recording has been viewed by 60 parents who have provided positive feedback, indicating the success of the session in providing useful parenting information to our community.

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### Bubs in Mind Mums in Mind

We have been implementing a new supported play group for families who are struggling to adjust to being new parents. The Bubs in Mind Mums in Mind supported play group is facilitated by our Early Parenting Practitioners under the guidance of the Maternal and Child Health (MCH) Nurse and focuses on mothers getting to know their baby through a variety of sensory mediums including baby massage, music and connection through play.

The aim of the group is to support families to decrease their anxiety so that they can enjoy the experience of being a new parent.

The group runs for six weeks and is available to all families via a referral from their MCH Nurse.

The second group commenced in October with 13 families enrolled and attending.

### Middle Years and Youth Support drop-in service

We partnered with The Park Towers Committee members to deliver drop-in services to provide support to young people aged five to 25 years and their parents, as part of our Middle Years and Youth Support Program at Park Towers Housing Estate in South Melbourne. The drop-in service is delivered on a weekly basis on Thursdays from 1pm to 4.30pm.

Some of the interventions that we have made in this program include:

- linking a newly arrived young mother and child to a Council facilitated supported playgroup
- supporting a resident to reconnect with St Kilda Legal Services for advocacy pertaining to debts
- coordinating and delivering food parcels and pet food from Uniting Church to a resident who was in home quarantine due to COVID-19
- providing a household with five children with educational support and advocacy

- referring families to Team Sports 4 All, so their children can be provided with mentors and access to fully funded recreational activities.

We will review the service to understand how we can continually meet the needs of our most vulnerable community members in 2023.





Our drop-in service at Park Towers Housing Estate

## Snapshot: Inclusive Port Phillip indicators

The following are the results for the month of October 2022

Trend measures  Favourable result  Unfavourable result

Measure	Target	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Trend
Direct hours of housing assistance	>65 direct hours	132	104	83	81	
Number of older local persons housed	>5 housed	1	10	0	7	

Strategic Direction 2

## Liveable Port Phillip

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



### Ride2Work Day

In line with our Move, Connect, Live - Integrated Transport Strategy 2018-28, we took part in Ride2Work Day 2022 in October.

Ride2Work Day is a national event organised by Bicycle Network. The overarching objective is to encourage and support the community to ride bikes as a transport option to work. The aim of Ride2Work Day is to celebrate people who currently ride to work and encourage those who have never ridden or are not regular riders.

To support and celebrate the community to ride to work, we hosted a Ride2Work Day event at South Melbourne Market. The event was a success with over 100 people attending and enjoying free breakfast and coffee from local businesses, free bike servicing by Back2Bikes, a local not for profit, and free bike engraving from Victoria Police to reduce bike theft.

Over 100 people entered the prize draw and around 50 bikes were serviced by Back2Bikes.

We also hosted an event for Council staff at St Kilda Town Hall with over 30 staff riding to work on the day.



Ride2Work day at South Melbourne Market

### Summer management campaign

We are working closely with Victoria Police to keep our City clean and safe over the busy summer months, starting on 1 November.

As part of the campaign, we annually introduce a range of restrictions and changes including alcohol bans around our City, glass ban along our foreshore, dog off-leash areas changes, and a no camping restriction.

Victoria Police will be drawing on Council's mobile CCTV unit, including at known hooning haunts. While our Local Laws buggy will be patrolling beaches and a record number of public rubbish bins will be on hand, along with extra bin collections and beach cleans.

More people are expected to flock to Port Phillip's beaches this summer, with interstate and international travel on the rise following the previous COVID-19 restrictions. But it's not all rules and restrictions, there are amazing activities and events coming too.

**Find out what's on in the summer.**

## Snapshot: Liveable Port Phillip indicators

The following are the results for the month of October 2022

**Trend measures** ✓ Favourable result ✗ Unfavourable result

Measure	Target	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Trend
Time taken to action animal management requests	1 to 10 days	1	1	1	1	✓
Animals re-homed	20% to 80%	45.45%	28.58%	0%	18%*	✗
Animals reclaimed	30% to 90%	28%	33%	53.85%	31.25%	✓
Animal management prosecution	0% to 200%	0	0	1%	0	✓
Sealed local road requests	10 to 120 requests	NA	NA	10	9	✗
Sealed local roads maintained to condition standards	80% to 100%	94%	94%	94%	94%	✓

\*Of the 16 animals collected in October, five animals (31.25%) were reclaimed by their owners. Out of the remaining 11 animals, two were rehomed (18%) to new owners. A further eight animals (72.72%) 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.



### Climate change advocacy

Over four months to October, the South East Councils Climate Change Alliance (SECCCA) has advocated to 29 key decision makers at the State and Federal Government level.

Using the 2022 Policy Platform, a document representing all councils with one voice, SECCCA has met with local Members of Parliament and Ministers to call for urgent action on climate change in our south-east Melbourne region, with the guiding mission of ensuring a safe and prosperous future for our communities.

The Policy Platform lays out recommendations for action and investment in our communities, while also extending a hand of partnership to work with the Victorian and Australian Governments.

### Victorian Greenhouse target advocacy

In early 2022, the Minister for Energy, Environment and Climate Change set up an independent panel of experts to advise on a greenhouse gas emissions reduction target for 2035, the best action to reach that target and what the pathways to net zero emissions by 2050 could look like. In June, City of Port Phillip was one of four local governments to submit a response. We requested that the Victorian Government commit to urgent action through setting a strong interim greenhouse emission reduction target for 2035, to reduce the impacts of climate change and maintain a safe environment for current and future generations. The South East Councils Climate Change Alliance also submitted a response as part of the joint Victorian Greenhouse Alliances.

In October, the Victorian Government announced they will set a greenhouse gas emissions reduction target of 75-80 per cent by 2035 and bring forward the net zero emissions target by five years to 2045.

The Victorian Government also announced they will deliver new renewable energy targets for Victoria – increasing to 65 per cent by 2030, and 95 per cent by 2035. This is a good outcome supported by Council's advocacy.

Informed by the views of Council and other concerned Victorians, the Independent Panel will prepare their report to the Minister on a Victorian greenhouse gas emissions reduction target for 2035, which will be finalised by March 2023.



Cyclist at Montague Street Bridge during flooding event

Strategic Direction 3

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## Kerbside electric vehicle charging

For the first time, residents without access to garages or driveways, can easily charge their electric vehicle (EV) parked on the street outside their homes using a pop-up Kerb Charge unit.

The Kerb Charging Permit that we issue allows trial participants to install a charger on public land and is the first of its kind in Australia.

The flood-proof Kerb Charger, approved for use by Energy Safe Victoria, is Australia's first on-street personal EV charger. The lockable 35cm high charger, pops up from the footpath or nature strip when in use, and uses the participant's personal electricity supply.

The trial will help understand the merits of making kerbside charging more widely available to EV owners. A second permit application is currently being assessed for the trial which will have at least 10 participants.

There were about 324 EVs registered to Port Phillip residents in 2020, with this number continuing to grow due to factors including lower costs and government incentives.



The first participants in our kerbside EV charging trial

## Snapshot: Sustainable Port Phillip indicators

The following are the results for the month of October 2022

**Trend measures** ✓ Favourable result ✗ Unfavourable result

Measure	Target	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Trend
Kerbside bin collection requests (per 1,000 kerbside bin collection households)	1 to 25 requests	6.27	8.61	8.43	7.42	✓
Kerbside collection bins missed (per 10,000 scheduled kerbside collection bin lifts)	1 to 5 bins	3.61	6.7	5.28	6.95*	✗
Kerbside collection waste diverted from landfill	20% to 60%	32.4%	32.4%	32.10%	32%	✓
Percentage of investment in fossil-free institutions	60% to 80%	72.80%	69%	71.40%	70.40%	✓

\* Increase in this month missed bins is due to system error where multiple reports are generated for one request. We are currently monitoring and resolving the issue.

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.



## Victorian Live Music Restart funding

We are proud to be a recipient of the Victorian Live Music Restart funding from Creative Victoria, with investment to be spread across the First Peoples Festival and Festival Sunday of our beloved St Kilda Festival. The Festival is returning to its traditional format in February 2023, following on from a cancellation and altered format to meet public health restrictions in 2021 and 2022.

It is the first time in more than ten years that the Festival has attracted direct funding from the Victorian Government, and delivers on a key advocacy priority for Council.



## The Spirit of Tasmania send-off

In October the Spirit of Tasmania set sail from Station Pier for the last time, prior to moving to its new terminal in Geelong.

We partnered with the Spirit of Tasmania and Bastion to deliver the event that was attended by roughly 800-1000 locals, who came down to the Port Melbourne Band Rotunda to wave goodbye to the ferry.

The event included live music, activations, and media prior to a final send-off in the evening.



Crowd farewelling the Spirit of Tasmania

## Grants success - Living Local Funding

We have been successful in obtaining grant funding for three projects under the Our Suburbs: Living Local program, managed by the Department of Jobs, Precincts and Regions.

The program is designed to drive the economic and social recovery of the suburbs hardest hit by the pandemic. It provides funding for local community-building projects that promote social connections, enhance liveability, and support the development, improvement and promotion of suburban neighbourhoods, shopping strips and activity centres as places of local economic activity and community gathering.

Approved projects include lighting and beautification works in South Melbourne, and upgrading of BBQs, drinking fountains and furniture at several reserves in St Kilda and St Kilda West. These projects will be delivered over the next 18 months.

Strategic Direction 4

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## Carlisle Street activation

Following the success of the Renew Australia Fitzroy Street vacant shopfront pop-up project, we are bringing new life to Carlisle Street, Balaclava, with a \$200,000 pop-up program aimed at filling vacant shopfronts with new businesses, creativity, and innovation.

Carlisle Street, one of Port Phillip’s most recognised high streets, is experiencing a downturn, largely linked to the COVID-19 pandemic. To counter this, we will activate short-term pop-ups over a period of 12 months. A year-round calendar of events and promotional activities for Carlisle Street will also be developed.

The project involves successful applicants paying a portion of the market value rent and any outgoings for the pop-up space. A \$10,000 grant will be provided to each participant to uplift their space or help cover outgoing costs.





Carlisle Street, Balaclava

## Snapshot: Vibrant Port Phillip indicators

The following are the results for the month of October 2022

Trend measures  Favourable result  Unfavourable result

Measure	Target	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Trend
Visits to libraries	41,000 to 60,000	40,846	32,101	14,164	18,340*	
Visits to South Melbourne market	>360,000	455,572	392,913	411,129	439,801	
Street cleaning audit compliance	>90%	95%	96%	95%	95%	

\* Number of visits to library has been appearing lower due to an issue with the front roller door at St Kilda Library between 13 August to 31 October, causing visitors to enter via other non-sensor equipped gates which data could not be captured.

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



## Neighbourhood Conversation program

Our Neighbourhood Conversation program popped-up around the City between 30 September and 16 October this year as part of our planned community engagement activities. We visited seven activity centres which included South Melbourne, St Kilda/St Kilda West, Elwood, St Kilda Road, Ripponlea, Albert Park/Middle Park and Port Melbourne.

The sessions were attended by Councillors and our staff. We spoke to a total of 231 people across all sessions about two active consultations: the development of a new Housing Strategy and the update of the Car Share Policy and Guidelines. The community also had the opportunity to raise local issues with staff and Councillors at these sessions and have their concerns referred to the appropriate Council department.



Neighbourhood Conversation at VegOut Farmer's Market



Albert Park candidates tour South Melbourne Market

## Pre-election advocacy hits the streets

In October, we hosted State Election candidate tours across the City. We visited key sites with candidates from Albert Park and Caulfield and were able to have a range of discussions on issues and priorities for each area.

The tours took candidates from across political parties, including independents through sites in the City that have been identified as key priorities for our community.

Our advocacy priorities for 2022/23, include key projects, policy changes and funding requests we want to be considered by the Victorian and Australian Governments. These priorities have been informed by community input into our Council Plan.

**Stay up to date on our latest advocacy in the lead up to the Victorian State election.**

Strategic Direction 5

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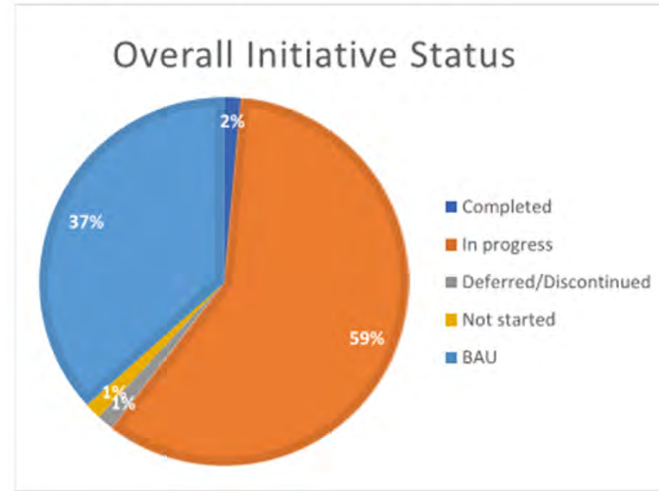


## Progress of Council Plan initiatives

The delivery of the Council Plan is our main focus, and we continue to progress on the initiatives that we have committed to.

As of October, of a total of 139 initiatives in the Plan, we have completed two initiatives and are progressing a further 82. As many as 51 of the remaining initiatives have now been integrated into our ongoing service delivery, which means we are 96 per cent on track to delivering our commitments.

The delivery of our project portfolio continues to be impacted by internal and external resourcing challenges. In October, 65 per cent of the 228 projects are on track, an improvement from 61 per cent in the previous month. We continue to closely monitor and undertake measures to improve this situation.
















## Snapshot: Well-governed Port Phillip indicators

The following are the results for the month of October 2022

Trend measures  Favourable result  Unfavourable result

Measure	Target	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Trend
Complaints resolved within agreed timeframes	70% to 80%	76%	89%	73%	75%	
Proportion of community service requests resolved within agreed timeframes	>80%	75%	76%	78%	80%	
Councillor requests resolved within agreed timeframe (cumulative)	>80%	N/A	N/A	73%	75%*	
Council decisions made at meetings closed to the public	0% to 30%	12%	17%	8%	14%	
Councillor attendance at council meetings	80% to 100%	93%	94%	100%	100%	
Material legislative breaches	0	0	0	0	0	
Proportion of occupational health and safety incidents reported within 24 hours.	75% to 80%	N/A	N/A	85%	84%	
Number of Council Plan initiatives on track	>80%	N/A	N/A	N/A	97%	
Proportion of capital projects on track	>80%	N/A	N/A	N/A	62%**	
Proportion of operating projects on track	>80%	N/A	N/A	N/A	71%**	
Variance from operating budget adjusted for Council approved expenditure	-1% to +3%	0%	-1%	-0.2%	3%	

\* An improvement in service level from last month as we continue to focus on embedding processes to support responsiveness for these requests.

\*\*Significant issues impacting project delivery include resourcing, external approvals, external dependencies, and design issues.

# 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 65%**

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

**At risk 19%**

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 3%**

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

## Portfolio status trend

	Oct 2021	Jul 2022	Aug 2022	Sep 2022	Oct 2022
<b>On track</b>	73%	78%	70%	61%	65%
<b>At risk</b>	15%	13%	13%	18%	19%
<b>Off track</b>	12%	10%	9%	16%	12%
<b>No report</b>	-	-	9%	5%	3%

No portfolio changes in October 2022

## Portfolio financial performance

	Number of projects	Annual budget (\$ million)	Annual forecast (\$ million)	YTD forecast (\$ million)	YTD actuals (\$ million)	YTD variance (\$ million)
<b>Capital</b>	152	53.6	50.4	6.5	5.9	0.5
<b>Operating</b>	76	17.5	18.4	2.9	2.6	0.2
<b>Total</b>	228	71.2	68.9	9.5	8.7	0.8

## Financial update

### Summarised Income Statement Converted to Cash

As of 31 October 2022, the full year forecast for 2022/23 is a cumulative cash surplus of \$2.68 million, which is higher than the budget of \$1.55 million. This is mainly due to:




- increase in interest income due to several factors including greater cash and investment available for investment, higher investments returning average of 4.17 per cent, and an increase in longer term floating notes which attract higher yields
- lower employee expenditure due to staff vacancies. The organisation is facing a higher than the historical average staff vacancy rate, which is placing pressure on existing staff to respond to increased service volumes and backlogs to meet service levels and project delivery. Some roles are hard to recruit. However, these savings will be used to offset the net additional enterprise employee costs (including vacancies) required based on in principle enterprise agreement (subject to voting and Fair Work Aust.).










	Year to Date			Full Year			Note
	Actual	Forecast	Variance	Forecast	Budget	Variance	
	\$,000			\$,000			
Total income	87,897	87,793	104	245,410	244,196	1,214	1
Total expenses	(63,928)	(65,614)	(1,685)	(248,494)	(247,575)	(918)	2
<b>Operating surplus/ (deficit)</b>	<b>23,969</b>	<b>22,179</b>	<b>1,789</b>	<b>(3,084)</b>	<b>(3,380)</b>	<b>296</b>	
Capital expenditure	(5,714)	(6,194)	480	(45,639)	(48,425)	2,786	3
Non-cash operating items	6,980	7,894	(914)	31,109	29,809	1,300	
Financing items	(261)	(246)	(15)	(738)	(738)	0	
Net reserves movement	0	0	0	15,951	19,008	(3,057)	4
<b>Current year cash surplus/(deficit)</b>	<b>24,975</b>	<b>23,634</b>	<b>1,341</b>	<b>(2,561)</b>	<b>(3,726)</b>	<b>1,165</b>	
Opening cash surplus balance	5,236	5,236	0	5,236	5,274	(38)	
<b>Accumulated cash surplus</b>	<b>30,211</b>	<b>28,870</b>	<b>1,341</b>	<b>2,675</b>	<b>1,549</b>	<b>1,127</b>	

Refer to explanatory notes on forecast adjustments.

## 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
1,050	Increasing interest income due to favourable cash holdings and increasing investment yields from recent Reserve Bank increases to the cash rate.	
154	South Melbourne Market rooftop paid parking utilisation has increased above budget expectations.	
200	Increased income for supplying, planting and maintaining trees to external customers.	
534	Increase in operating grant income due to attaining grants to deliver graffiti mitigation and urban canvas program, together with growth funding in Family Support and additional unbudgeted Social Inclusion funding. These are offset by additional program expenditure.	
97	Minor adjustment to timing of insurance contribution to works on Alma Park Amenities Pavilion based on part deferral from 2021/22.	
62	Project Portfolio operating grant income expected this year due project deferral from 2021/22 for Department of Transport Temporary Bike Lane projects and Fishermans Bend Project (offset by Project Expenditure).	
(311)	Reduction in Childcare Centre User Fees as industry wide staff shortages have been an impediment to user utilisation. This is partially offset by lower expenditure.	
(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.	
(489)	Portfolio capital grant adjusted for transactions occurred in previous financial year: <ul style="list-style-type: none"> <li>(\$0.74m) Grants received in advance in 2021/22 for 2023/23 including (\$0.3m) Palais Theatre and Luna Park Precinct, (\$0.2m) West Beach Boardwalk Accessibility, and (\$0.2m) Laneway Construction Wellington Street (offset by reserves); and</li> <li>\$0.25m Funding delayed to 2022/23 to match project milestones including South Melbourne Market – The Courtyard and New Dog Park Moran Reserve (offset by delayed expenditure).</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
364	Lower employee costs and savings due to enterprise vacancy. Staff retention and recruitment remains a challenge as was the case in the 2021/22.	
1,520	Operating project deferrals to 2023/24 and future years including \$0.9m St Kilda Marina, \$0.4m Fishermans Bend Program, \$0.08m Temporary Park Lansdowne Road and \$0.08m Permeability Assessment (offset by reserves).	
435	Net decrease in capital write off expenditure (non-capital spend) in Capital Portfolio due to deferrals to 2023/24 and portfolio adjustments.	
300	Open space maintenance expenditure re-allocated to capital portfolio due to nature of works being completed.	
218	South Melbourne Market Direct program reduction in expenditure due to program cancellation (offset by reduction in income).	
168	Reduction in Childcare employee costs due to inability to attract staff stemming from sector wide shortages (offset by reduction in income).	
(250)	Net loss (non-cash) from forecast property sale. Proceeds income from sale ringfenced in the Strategic Property Reserve.	
(250)	Additional expenditure on the graffiti mitigation and urban canvas program, this program is fully funded by Victorian Government.	
(217)	Southside Live Event completed in July 2022 as expected and the Victorian Government funding was received and ringfenced in reserve in 2021/22 to offset this timing of expenditure.	
(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).	
(1,534)	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.	
(600)	Net additional enterprise employee costs (including vacancies) required based on in principle enterprise agreement (subject to voting and Fair Work Aust.).	

## 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
2,786	<ul style="list-style-type: none"> <li>\$6.8m capital expenditure deferrals identified during the first quarter review process.</li> <li>(\$3.3m) Capital expenditure has increased by \$3.5m from Budget 2022/23 predominantly due to deferrals from 2021/22 post budget adoption.</li> <li>(\$0.7m) other minor movements including additional projects, cost escalations and savings</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.	
310	Greater net drawdown on Open Space Reserves: <ul style="list-style-type: none"> <li>\$0.57m deferrals post 2022/ 23 budget adoption including \$0.33m Palais Theatre and Luna Park Precinct and \$0.13m New Dog Park Moran Reserve and</li> <li>\$0.26m minor deferrals to 2022/23 including Palais Theatre and Luna Park and Alma Park East Multi-Purpose Courts</li> </ul>	
169	Greater net drawdown on tied grants due to: <ul style="list-style-type: none"> <li>\$1.25m deferrals post 2022/ 23 budget adoption including \$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 and \$0.13m minor deferrals</li> <li>\$0.13m Victorian Government funding for Southside Live Event</li> <li>(\$1.1m) reduction in drawdown on tied grants for \$0.85m EcoCentre Redevelopment and \$0.22m Moubray Street Community Park due to project delays into 2023/24.</li> </ul>	
115	Net decrease to the Childcare Centre Infrastructure Reserve: <ul style="list-style-type: none"> <li>\$0.27m Childcare Centre Fence Compliance deferral post budget 2022/23 adoption.</li> <li>(\$0.16m) Children's Centres Improvement Program negative year-end deferral due to 2021/22 overspend.</li> </ul>	
(98)	Net decrease to the Asset Renewal Fund: <ul style="list-style-type: none"> <li>\$0.32m deferrals post 2022/ 23 budget adoption including \$0.25m South Melbourne Town Hall Renewal Upgrade and \$0.07m minor deferrals.</li> <li>\$0.33m additional for HVAC, Air and Energy Improvements Program based on latest cost estimates.</li> <li>(\$0.48m) savings identified during the first quarter review including \$0.16m Kerb &amp; Gutter Construction - Wellington St, \$0.2m Alma/Lansdowne Road Safety Improvements.</li> <li>(\$0.27m) deferral to 2023/24 for Palais Theatre and Luna Park Precinct.</li> </ul>	

## 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
(103)	Net increase (lower drawdown) to the Palais Theatre Reserve due to partial deferral to 2023/24 Palais Theatre Concrete Spalling.	
(1,877)	<p>Net increase in Project Deferrals:</p> <ul style="list-style-type: none"> <li>\$3.2m deferrals post 2022/23 budget adoption \$0.3m Energy Efficiency &amp; 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 and \$0.8m minor project deferrals across various projects.</li> <li>(\$5.1m) project deferrals to 2023/24 including \$1.6m EcoCentre Redevelopment, \$1.1m Palais Theatre and Luna Park, \$0.9m Access Control Renewal Council Buildings, \$0.48m St Kilda Town Hall Staff Accommodation, \$0.49 Building CCTV Program, \$0.4m Fishermans Bend Program \$0.35 Acland Street Plaza Planting and Hostile Vehicle Management.</li> </ul>	
(900)	St Kilda Marina contamination works partial deferral to 2022/23 due to tenant delaying construction.	
(1,000)	Forecast cash proceeds from property sale to be ringfenced in this Strategic Property Reserve.	



### Capital expenditure explanatory notes

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

Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
1,126	<p><b>Buildings</b></p> <ul style="list-style-type: none"> <li>▪ (\$2.12m) year end 2021/22 Deferrals including \$0.32m Childcare Centre Fence Compliance, \$0.25m Bubup Nairn Cladding Rectification Works, \$0.23m Shakespeare Grove Public Toilet, \$0.22m South Melbourne Market – The Courtyard, \$0.22m Waterfront Place Public Toilet, \$0.15m Energy Efficiency &amp; Solar Program, \$0.12m EcoCentre Redevelopment, \$0.1m Operations Centre Fire Escape Upgrades, \$0.1m South Melbourne Central Stairs, and \$0.5m various minor deferrals.</li> <li>▪ \$4.09m deferrals to 2023/24 and future years including \$2.69m EcoCentre Redevelopment, \$0.81m Access Control Renewal Council Buildings, \$0.42m Building CCTV Project, \$0.17m Palais Theatre Concrete Spalling.</li> <li>▪ (\$0.85m) additional expenditure:                             <ul style="list-style-type: none"> <li>○ (\$0.33m) HVAC, Air and Energy Improvement Program (ARF funded).</li> <li>○ (\$0.25m) South Melbourne Town Hall Renewal Upgrade (reserve funded) contract variations.</li> <li>○ (\$0.14m) Childcare Centre Fence Compliance.</li> <li>○ (\$0.07m) St Kilda Townhall Façade Rectification.</li> </ul> </li> </ul>	⊖
(180)	<p><b>Plant, Machinery and Equipment</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.23m) year end 2021/22 deferral for Fleet Renewal Program.</li> <li>▪ \$0.05m Q1 savings for Mobile CCTV Trailer – lower purchase price.</li> </ul>	⊖
165	<p><b>Fixtures, Fittings and Furniture</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.30m) year end 2021/22 deferrals 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>	⊖
250	<p><b>Computers &amp; Telecommunications</b></p> <p>\$0.25m transfer to Operating Portfolio to part fund Data Centre Modernisation Project (From Core IT Renew &amp; Upgrade Program).</p>	⊖

### Capital expenditure explanatory notes (continued)

Trend measures		
 Financial improvement	 Neutral impact	 Unfavourable financial change
Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
217	<p><b>Roads</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.02m) year end 2021/22 Deferral for Chapel Street Safety Improvements.</li> <li>▪ \$0.06m deferrals to 2023/24 and future years for Kerb &amp; Gutter Construction – Dunstan Pde.</li> <li>▪ \$0.42m 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>○ \$0.06m Richardson and Nimmo Safety Improvements.</li> </ul> </li> <li>▪ (\$0.17m) additional expenditure:                             <ul style="list-style-type: none"> <li>○ \$0.12m Heavy Patching 2022/23 scope change.</li> </ul> </li> </ul>	-
137	<p><b>Footpaths and Cycleways</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.06m) year end 2021/22 Deferral including \$0.02m West Beach Boardwalk Accessibility, \$0.04m St Kilda Junction Safety Upgrade.</li> <li>▪ \$0.19m Savings:                             <ul style="list-style-type: none"> <li>○ \$0.12m Footpath Renewals 2022-23.</li> <li>○ \$0.07m LATM – Danks Street and Withers Street- scope change</li> </ul> </li> </ul>	-
1,045	<p><b>Parks, Open Space and Street Scapes</b></p> <ul style="list-style-type: none"> <li>▪ (\$0.5m) year end 2021/22 Deferrals including (\$0.2m) New Dog Park Moran Reserve, (\$0.1m) Alma Park Amenities Pavilion and (\$0.2m) various minor project deferrals.</li> <li>▪ \$2.16m deferrals to 2023/24 and future years including \$1.44m Palais Theatre and Luna Park Precinct, \$0.35m Acland Street Plaza Planting and HVM, \$0.3m Moubray St Community Park, \$0.035 BMX Track, \$0.035m Alma Park East – Multi Purpose Court.</li> <li>▪ (\$0.55m) additional expenditure:                             <ul style="list-style-type: none"> <li>○ (\$0.2m) Public Space Minor Capital Works.</li> <li>○ (\$0.15m) Gasworks Arts Park Reinstatement.</li> <li>○ (\$0.13m) Public Space lighting – Elwood.</li> <li>○ (\$0.03m) Peanut Farm Oval Reconstruction new project.</li> <li>○ (\$0.02m) Alma Park Playspace Upgrade.</li> <li>○ (\$0.02m) TT Buckingham Flying fox.</li> </ul> </li> </ul>	-



## City of Port Phillip

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