



CEO Report February 2022

Volume 84

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- EcoCentre Redevelopment

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 2022 issue of the CEO Report. Throughout February, we continued to enjoy summer festivities across the City, delivering the return of an in-person St Kilda Festival, and supporting live music, cultural and sporting events. We continue to welcome back these activities in an effort to boost our economic recovery after the impacts of COVID-19 restrictions seen on events, tourism and hospitality in the last 24 months.

Due to the lift on work-from-home restrictions, we are seeing the return of officers to the workplace across all our sites, in particular the St Kilda Town Hall. As a large employer in our City, we hope this will assist the local day economy especially in the Carlisle Street, St Kilda area which has been heavily impacted over the last two years.

In February, we saw the resumption of the Community Reservation initiative at the iconic Palais Theatre, which makes the venue accessible to our local artists and community groups for their performances by reducing the venue hire cost to just one dollar.

We have also been working with a community panel to discuss and listen to feedback on key topics for the upcoming draft of the Council Plan and Budget 2022/23. Formed by community expression of interest, the panel is engaged on community issues that help inform Councillors on the views and opinions of the community as we develop the Budget. A draft Budget will be considered by Council on 27 April 2022 and we look forward to hearing wider community feedback and submissions between then and 27 May 2022.

Peter Smith

CEO, City of Port Phillip



The St Kilda Festival is back!

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.



Youth Events Committee FReeZA at St Kilda Festival

The Push Stage for young musicians at the St Kilda Festival 2022 was produced by Vision FReeZa team, our volunteer youth committee for young people in creative industries. The Team collaborated with music organisations and worked with like groups from the Cities of Stonnington and Kingston to manage the Stage for the duration of the event and connect with and book renowned local and national artists. The FReeZa committee members, under the mentorship of our Officers gained practical experience in stage management, audio visual production, artist liaison, photography, marketing, youth development and employment pathways.



Vision FReeZa team behind the Push Stage.

Vision FReeZa focusses on providing young people, aged between 12 and 25 years, work experience in the creative sector and the Push Stage at the 2022 St Kilda Festival is the first public event the group has managed since the pandemic began in 2020.

Congratulations to all the young volunteers who worked tirelessly to ensure our community enjoyed a day of live music. We look forward to activating youth spaces together across the City throughout 2022.

[!\[\]\(b792654f2cef9719eabeb6c5be00811e_img.jpg\) Find out more about Vision Freeza](#)

Seniors Summer Series 2022

The Seniors Summer Series was hosted by Port Phillip over the summer months to recognise the valuable contributions older people have made and continue to make in our community. The series included a range of free events such as exhibitions of renowned artists, guided walks, music concerts, barbecue, afternoon tea, sports and fitness sessions, with the aim of offering something for every older person to enjoy.



All the events followed the COVID-19 guidelines of Chief Health Officer of Victoria.

[Find out more about Seniors Summer Series 2022](#)

LGBTQIA+ Advisory Committee

Council has established a Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual and other gender diverse (LGBTQIA+) Advisory Committee to ensure our LGBTQIA+ community is represented in decision-making.

The Committee has been created to help shape Council policy, strategy and practice, providing advice to Council on matters that affect LGBTQIA+ residents, businesses and community members who work, study and visit the City. The Committee will also inform on the development of an LGBTQIA+ Action Plan.

Valentine's Day 2022 marked the inaugural meeting of the Committee made up of two Councillors and 11 community members reflecting the experiences of LGBTQIA+ people. Committee members were selected from 27 nominations received from a publicly advertised recruitment process.

The LGBTQIA+ Advisory Committee will support Council in its commitment to maintaining a culturally safe and inclusive City, free from discrimination based on sexuality, sex or gender.

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.



Port Play Fishermans Bend

In February, we delivered 'Port Play', a series of family-friendly free community events at Kirrip Park and an immersive art and illumination experience by night at JL Murphy Reserve in Fishermans Bend.

Port Play was supported by local business event partners to create a play-zone filled with colour, dance and fun activities to embrace outdoors, celebrate community spirit and showcase the local hospitality offerings.

This event was supported by the Victorian Government Place Creation Grant and delivers upon the Fishermans Bend Framework outcomes to provide opportunities for growth and development to different groups of community members by engaging various local artists and businesses.

[Find out more about the event](#)



Free community events at Kirrip Park

Road works

City of Port Phillip's Road Management Plan has identified the roads within the municipality that require resurfacing, heavy patching or line marking as the roads have fallen below service levels.

The works include reconstruction of 2,535 square metres of asphalt roads, reinstatement of line markings and adjustment of pit lids.

The works locations include:

- Albion Street, Balaclava
- Richardson and Glover Streets intersections on Pickles Street, Port Melbourne
- Tennyson Street, Elwood
- Jackson Street, St Kilda.

Work is expected to be completed within approximately 12 weeks, subject to favourable weather conditions.

Liveable Port Phillip

Moran Reserve bridge, Elwood

We are replacing the existing timber deck on pedestrian bridge at Moran Reserve, Elwood with heavier and stiffer timber planks to minimise the bridge vibration. This work includes non-slip treatment to the deck surface of the pedestrian and adjacent bicycle bridge.



Moran Reserve Bridge, Elwood.

The Moran Reserve Bridge project aims to improve the bridge asset life condition, reduce vibrations when in use and improve safety for the general users. The works on the bridges will be staged so that one bridge will always remain open to pedestrians and cyclist traffic. The work is expected to be completed approximately in six weeks, subject to favourable weather conditions.

Your Heritage, Our Heritage

We are working with Heritage Victoria to improve accessibility in extracting available heritage data to enable the design of an online mapping tool. This tool will allow community members to use a property address to search for heritage information such as the relevant heritage overlay, grading, significance and other descriptive information about the historical context of a property.

Development of this mapping tool serves to strengthen our commitment to conserve and enhance heritage places and ensure that any new development is sympathetic and respectful to heritage and neighbourhood character through compliance with the Port Phillip Planning Scheme and heritage overlays.

We are currently testing and seeking feedback from users on the tool. The next phase of updates will include enhancements such as incorporating photographs, updated and new citations and active hyperlinks to relevant documents. Use of the platform to gather input from the community about heritage value to inform future policy reviews will also be considered.

🔍 Find out more about the online mapping tool, Your Heritage, Our Heritage

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.



EcoCentre redevelopment

City of Port Phillip, in partnership with the Victorian Government, is redeveloping the Port Phillip EcoCentre. Once constructed, the EcoCentre building will be a leading example of environmentally sustainable design. The functional and multi-use spaces will increase the centre's capacity to deliver sustainability programs and expand existing services to the community.

During the construction phase, EcoCentre services will be temporarily relocated to the Cora Graves Community Centre building on Blessington Street, directly opposite the St Kilda Botanic Gardens and will continue to deliver its services and programs with minimal disruption to the community.

Early works to prepare for construction begin in April, with construction work expected to commence in mid-2022. The project is expected to be completed by mid-2023.

[Find out more about the redevelopment](#)



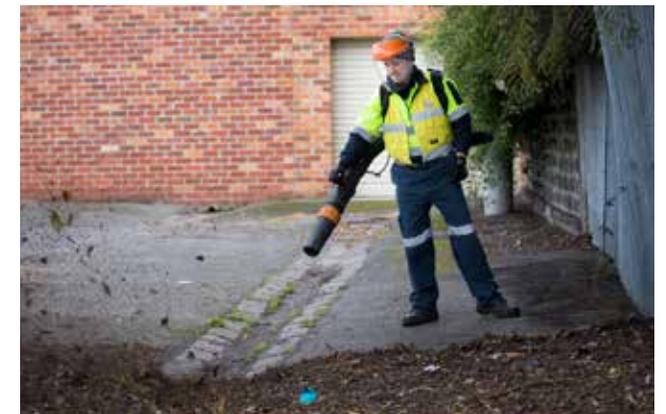
Port Phillip EcoCentre

Street and beach services

We are currently seeing an overall increase in tree debris in our streets reflecting early onset of Autumn.

The Leaf Season program is due to start in April with the seven day a week leaf collection schedule. We have noticed an increase in illegal dumping in recent months and are reviewing our existing response processes to asbestos incidents, including investigation and potential enforcement.

The months of January and February have been a challenging period as we experienced severe impacts of COVID-19 on our staff. We continue to work with our contractors to process all service requests.



Leaf season program is due to kick off in April.

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.



Summer Sessions

Over 12 weeks the Summer Sessions program delivered 37 activations across St Kilda, Ripponlea and South Melbourne. All events were held outdoors aiming to increase pedestrian foot traffic and economic activity in our neighbourhoods to provide a boost for our local traders.

Summer Sessions offered something for everyone, including indigenous dance workshops, face painting, children's games, live music and outdoor pilates and yoga. We celebrated the diversity and vibrancy of the City by embracing our post-lockdown freedoms in a COVID-safe environment.

The Summer Sessions program was made possible with the support of the Inner Metro Partnership and funding from the Victorian Government.

[Find more about Summer Sessions](#)



Summer Sessions events ran for 12 weeks.

Clarendon and Coventry Streets Business Association

Local business leaders in Clarendon and Coventry Streets, South Melbourne have come together with support from Council to establish the incorporated Clarendon and Coventry Streets Business Association (CCSBA). The CCSBA has defined their purpose as "To develop, promote and market Clarendon and Coventry Street as a preeminent shopping and business hub and one of the significant traditional activity centres of Melbourne".

CCSBA envisions their precinct to:

- have a distinctive sense of identity
- maintain their heritage feel
- retain the diverse, friendly and relaxed environment for work, shop and visit
- have an active street life with more people staying longer
- have interesting boutique style shops
- continue to have a strong range of professional and business services
- offer memorable lifestyle experiences
- have an active business group working for the interests of all businesses.

[Find out more about the CCSBA](#)

Vibrant Port Phillip

Something for everyone

We continue to offer a wide range of fun filled activities across our City. The cool and fashionable danced the night away beneath the iconic palm trees of Catani Gardens, enjoying international music acts at the For The Love music and lifestyle event. All things Irish were celebrated at the St Kilda St Patrick's Day event which included green beer, great music and Irish dancing.

We supported our local venues, listening to blues at the St Kilda Blues Festival. The SummerSalt music festival provided an opportunity to chill out to the vocal stylings of renowned national artists. The fit and sporty competed in the 2XU triathlon in Elwood, with the season almost at the end for our local triathletes. We welcomed back a half Ironman event in St Kilda for the very serious competitors, cheered on by locals, families and friends.

Our local Elwood community enjoyed connecting with one another again at the Elwood Canal Festival, which was supported by the Love My Place Grants. Market goers had an abundance of choice at the Bourne Market, Elwood, Veg Out St Kilda Farmers' Market, Gasworks Farmers Market, Albert Park and our Esplanade Market at St Kilda.



All things Irish at St Patricks Day event.



Esplanade Market, St Kilda.

Vibrant Port Phillip

South Melbourne Market abuzz

South Melbourne Market was abuzz with activity in February. Our Market community and stallholders were treated to Lunar New Year festivities, which saw traditional dragon and lion dancers performing at the Market, celebrating the Year of the Tiger and bringing good fortune to everyone.



Chinese New Year celebration at South Melbourne Market.

The vibrant Cecil Street outdoor dining space played host to some great local artists and musicians including the fascinating human statues and a pop-up bike repair station. The Market also welcomed an artisanal cheese stall, focussing on farmhouse and artisanal cheese from Australia and abroad in the deli aisle.

[Find out more about What's On at the Market](#)

St Kilda's music history map

The St Kilda's music history map is a program to record our live music heritage and the places, bands and characters who have contributed to St Kilda's history. Footpath decals will be positioned outside eight significant venues along Fitzroy Street to Acland Street, St Kilda and linked to the map.

Songs have been sung on this land for generations, led by First Peoples and joined by voices from many cultures. This map is a marker of what was and what is, encouraging people to delve deeper and also to share their own experiences of all genres of music in this area. The map includes some iconic places of music scenes which are pinned together with a brief history of the site, stories from our contributors, images and links to bands who played there as well as the material available in our Port Phillip City Collection.

To enrich and expand the map, we invite contributions, recollections and suggestions from our community on their favourite gigs, the music of yesteryear, the places lost and the new ones we love.

This program aligns with our objectives highlighted in Live Music Action Plan and is connected to other Art and Heritage services programs such as St Kilda Festival and Renew Fitzroy Street activities.

[Find more about the program](#)



The Ike Saunders Dance Band at the Palais De Danse, 1940.



The Boys Next Door at Bananas, 1979.

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.



Council's new Gender Equality Action Plan

We have endorsed our first workplace Gender Equality Action Plan 2022 to 2025.

The plan has been developed over 12 months, starting with a workplace gender audit, and engaging staff and Councillors in consultation. The plan aims to ensure our workplace is safe, respectful, fair and inclusive for everyone. Gender equality is about people of all genders and backgrounds having equitable access to opportunities, recognition and pay in our organisation.

Council is a large employer, workplace and service provider, and we have considerable influence to advance gender equality through our workplace policies, culture and practices and, by extension, through how we plan programs, services and initiatives for the community.

We are confident that advancing gender equality aligns with our strategic directions of Inclusive Port Phillip and Well-Governed Port Phillip addressed in the Council Plan.

[Find out more about the Council Plan and Budget](#)

OneCouncil 2021B Upgrade

Our enterprise software, OneCouncil now allows greater functionality, experience and efficiency in interacting with our community. The latest upgrade completed in February delivers improvements across multiple services, enabling us to communicate better with our community and providing an improved user experience for all.



Well-Governed snapshot

Well-Governed scorecard

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

Trend measures

- ✓ meeting or above target
- not meeting target by 10 per cent or less
- ✗ result off track from target

| Target 2021/22 | August 2021 | September 2021 | October 2021 | November 2021 | December 2021 | January 2022 | February 2022 | Trend |
|---|-------------|----------------|--------------|---------------|---------------|-------------------------|---------------|-------|
| Variance from operating budget | | | | | | | | |
| -1% to +3% | -64% | -43% | 8% | 8% | 8% | 8% | Variance 0% | ● |
| Material legislative breaches | | | | | | | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ✓ |
| External grant funding secured from the Australian and Victorian Governments | | | | | | | | |
| \$10m to \$15m | \$16.9 m | \$15.6 m | \$16.1 m | \$17.1 m | \$17.1 m | \$16.6 m | \$17 m | ✓ |
| Council decisions made at meetings open to the public | | | | | | | | |
| 90% to 100% | 89% | 97% | 83% | 90% | 92% | No Council meeting held | 80%* | ✗ |

* Three of the 15 decisions made at Council meetings held in February 2022 were related to confidential matters.

Financial update

Summarised Income Statement Converted to Cash

As at 28 February 2022 the full year forecast for 2021/22 is a cumulative cash surplus of \$2.26 million, which is lower than the budget of \$3.01 million. This is due to the COVID-19 related impacts on parking income \$4.9 million (PINs \$3.4 million and paid parking \$1.6 million) and \$2.9 million of an additional social and economic recovery package approved by Council in August 2021 and February 2022. This has been offset by savings in reactive building maintenance expenditure, staff vacancies and lower parking doubtful debts.

| | Year to date | | | Full year | | | Notes |
|--|--------------------|----------------------|----------------------|--------------------|----------------------|----------------------|-------|
| | Actual (\$,000) | Forecast (\$,000) | Variance (\$,000) | Actual (\$,000) | Forecast (\$,000) | Variance (\$,000) | |
| Total income | 153,876 | 154,098 | (222) | 239,508 | 243,021 | (3,513) | 1 |
| Total expenses | 113,725 | 118,718 | 4,993 | 229,266 | 232,774 | 3,508 | 2 |
| Operating surplus / (deficit) | 40,151 | 35,380 | 4,771 | 10,242 | 10,247 | (5) | |
| Capital expenditure | (10,709) | (14,235) | 3,526 | (34,460) | (36,772) | 2,312 | 3 |
| Non-cash operating items | 13,936 | 15,917 | 1,981 | 38,671 | 33,857 | 4,814 | |
| Financing items | (8,083) | (8,031) | (53) | (8,259) | (8,389) | 129 | |
| Net reserves movement | 0 | 0 | 0 | (10,592) | (661) | (9,931) | 4 |
| Current year cash surplus / (deficit) | 35,295 | 29,031 | 6,263 | (4,398) | (1,717) | (2,681) | |
| Opening cash surplus balance | 6,661 | 6,661 | 0 | 6,661 | 4,720 | 1,941 | |
| Accumulated cash surplus | 41,956 | 35,692 | 6,263 | 2,263 | 3,003 | (740) | |

Refer to explanatory notes on forecast adjustments.

Notes to the Income Statement

Note 1. Operating income forecast adjustments

Trend  financial improvements  neutral impact  unfavourable financial changes

| Variance (\$,000) | Operating income forecast explanatory notes | Trend |
|-------------------|---|---|
| 978 | Recognition of income received in 2020/21 from Commonwealth Home Support Programme in accordance with Accounting Standards tying funding to the timing of service delivery. |  |
| 624 | The number of properties in the municipality has increased by 430 and an increased take up of the larger 240 litre domestic waste bins than budgeted and preliminarily estimated increase in supplementary rates. |  |
| 269 | Commonwealth Home Support Grant for Meals has increased as there had been a 50 percent increase to the unit price per meal delivered. |  |
| 150 | Greater than anticipated planning application fees received year to date. |  |
| 4,174 | Additional development contribution for open space expected in St Kilda Hill, Montague and Sandridge neighbourhoods. |  |
| 1,575 | Successful funding from the Victorian Government as part of the COVID Safe Outdoor Activation Fund 2021. Including \$0.8 million for Immediate Outdoor Activations and \$0.7 million for Semi-permanent and Permanent Outdoor Precinct Establishment. Both allocations are offset by additional expenditure. |  |
| 562 | Additional Department of Transport funded Safety Improvements at Mountain Street South Melbourne, Chapel Street St Kilda and Pickles Street/Bridge Street Port Melbourne which were not budgeted and grant award from Department of Jobs, Precinct and Regions for Fishermans Bend Program 2021-22 to cover additional expenditure. |  |
| 122 | Election income received in August for prior year council elections (not budgeted). |  |
| (171) | Closures of community facilities due to COVID-19 restrictions have resulted in reduced income. This is offset by matching expenditure reduction. |  |
| (207) | Traffic Blackspot project Alma Road and Alexandra Street, St Kilda project contingent on external funding which has not eventuated. Project not going ahead. |  |

| Variance (\$,000) | Operating income forecast explanatory notes | Trend |
|-------------------|--|---|
| (367) | St Kilda Festival income reduced by \$0.37 million due the COVID-19 recovery environment leading to a reduction in user fee and sponsorship income. This has been offset by \$0.37 million reduction in expenses across the St Kilda Festival and Yalukut Weelam Ngargee. |  |
| (1,023) | Net reduction in Grant Income due to receipt in prior year offset against tied grants. Including Wattie Watson Oval Construction, Point Ormond Playground, South Melbourne Market External Food Hall Upgrade and other projects offset against grants received in advance for EcoCentre Redevelopment. |  |
| (1,409) | 50 percent of Victorian Grants Commission general funding received in 2020/21 which was ringfenced in reserve. This is offset by drawdown on reserve in 2021/22. |  |
| (3,403) | Parking Infringement revenue forecast has been reduced to reflect the loss of income incurred due to the COVID-19 restrictions since July, and State government restrictions on enforcement (enforcement activity has been limited to safety and red signed areas since early August). Additional \$1 million decrease included in February to allow for shortfall anticipated using current trend data. |  |
| (1,309) | Paid parking forecast has been reduced to reflect the loss of income incurred due to COVID-19 restrictions since July. This has limited work-based car travel and general visitation to and within the city. This has been offset by better than anticipated summer period and greater compliance due to PayStay technology, resulting in a \$0.3 million forecast improvement. |  |
| (2,920) | At the 18 August Council meeting, Council agreed to provide \$2.3 million of support including rent waivers to Council tenants, rental waivers to South Melbourne Market Stallholders and footpath trading permit fee waivers. Additional \$0.6 million approved in February 2022 for extension of rent waivers up to June 2022. |  |
| (414) | Child Care Gap fee waiver mandated by Commonwealth Government whilst Victoria is impacted by COVID-19 restrictions . |  |
| (100) | St Kilda Esplanade Market income reduction for the period July to October due to COVID-19 restrictions resulting in market closure. |  |

Notes to the Income Statement

Note 1. Operating income forecast adjustments (continued)

Trend  financial improvements  neutral impact  unfavourable financial changes

| Variance (\$,000) | Operating income forecast explanatory notes | Trend |
|-------------------|---|---|
| (260) | South Melbourne Market parking income reduced for the period July to October due to COVID-19 restrictions resulting in reduced attendance |  |
| (600) | User fees for Long Day Care have been impacted by lower than average utilisation over the months of December and January |  |
| (100) | Visitor Permits revenue reduced due to (i) Impacts of new parking norms begin to take hold as new residents are entitled to 1 Visitor permit only reduces eligibility. (ii) Residents are moving toward in are only obtaining resident permits and forging visitor permits. (iii) Backlogs in permit remain with about 1000 permits outstanding. |  |
| (76) | South Melbourne Market rent has stayed at 2019-20 levels, budget was set to have an increase during 2021-22. This didn't happen due to COVID-19 rent relief and the Commercial Tenancy Relief Scheme. |  |

Notes to the Income Statement

Note 2. Operating expenditure forecast adjustments

Trend  financial improvements  neutral impact  unfavourable financial changes

| Variance (\$,000) | Operating expenditure forecast explanatory notes | Trend |
|-------------------|---|---|
| 481 | Lower parking doubtful debts expected due to decreased number of parking infringements issued. |  |
| 567 | Renewal of Fulton Hogan contract resulted in reduced management fee (\$420K) for first year of new contract and additional savings in signage and line marking. |  |
| 546 | Lower building and property maintenance requests as a result of temporary services closures (\$370K), and reduction in building maintenance due to lower than expected security and graffiti expenditure (\$176K). |  |
| 424 | Lower employee costs and savings due to enterprise vacancy and COVID-19 impacting on service delivery including libraries, independent living offset by increases in Childcare Services and Maternal and Child Health Services due to increasing appointment volumes. |  |
| 289 | Employee Costs for Long Day Care have been impacted by lower than average utilisation over the months of December and January, together with efficiencies in the first half of the year. |  |
| 259 | Habitat Housing Initiative did not proceed as Department of Health and Human Services reclaimed funding in late 2020/21. |  |
| 250 | Lower Fines Victoria lodgement fees due to reduced number of parking infringement notices issued and enforcement restrictions caused by COVID-19 restrictions. |  |
| 220 | Decommission Pathway software CX savings. |  |
| 200 | Council has moved to a new WorkCover provider. For the next couple of years, we will be classified as a new employer and allocated industrial rates. Premiums reduced. |  |
| 170 | Contract payments for the management of parking infringement administration and VicRoads search fees reduced as a result of reduced parking infringement notices issued and enforcement restrictions caused by COVID-19 restrictions. |  |
| 104 | FOGO and COGO expenditure reduced due to delays into the second half of the financial year. |  |

| Variance (\$,000) | Operating expenditure forecast explanatory notes | Trend |
|-------------------|---|---|
| 90 | Reduction in property rates valuations expenditure due to lower than anticipated valuation objections. |  |
| 1,476 | Forecast property sale to be ringfenced in Strategic Property Reserve. |  |
| 1,616 | Operating Projects deferred to 22/23 including Clever Council Program due to resourcing delays, South Melbourne Structure Plan due to change in delivery approach and Energy Efficient Street Lighting Upgrade due to project delays and capital write offs for capital program deferrals including Graham Street Port Melbourne Overpass Skatepark and Carpark, Alma Park St Kilda Playspace Upgrade, Palais Theatre Concrete Spalling and more (see note 3 for capital project expenditure explanations). |  |
| 815 | Greater net proceeds from sale of fleet which will be used to partially fund the additional purchase of street sweepers and community buses (previously leased). |  |
| 500 | Annual affordable housing contribution expenditure reduced and ringfenced in the In Our Back-Yard reserve. |  |
| 333 | Parking E-permit implementation stage one (develop functional and technical requirements and tender process) to be completed in 2021/22. Stage two pushed back to 2022/23. |  |
| 367 | St Kilda Festival and Yalukut Weelam Ngargee expenses reduced by \$0.37 million to offset reduction in user fee and sponsorship income due the COVID recovery environment leading to a reduction. |  |
| 121 | Closures of community facilities due to COVID-19 restrictions have resulted in reduced expenditure and matching loss of income. |  |
| (2,000) | Council contributed \$2 million to the Wellington Street Common Ground project of In Our Backyard project. Funded through \$2 million drawdown on In Our Backyard Reserve. |  |
| (1,575) | Expenditure associated with the Victorian Government funding for COVID Safe Outdoor Activation Fund 2021. Including \$0.8 million for Immediate Outdoor Activations and \$0.7 million for Semi-permanent and Permanent Outdoor Precinct Establishment. Both allocations are offset by additional expenditure. |  |

Notes to the Income Statement

Note 2. Operating expenditure forecast adjustments (continued)

Trend  financial improvements  neutral impact  unfavourable financial changes

| Variance (\$,000) | Operating expenditure forecast explanatory notes | Trend |
|-------------------|---|---|
| (600) | Customer Experience program forecast increased to reflect approved end of year deferrals from 2020/21 to deliver the remaining components of the project. |  |
| (537) | Activation of Public Space project forecast increased to reflect approved end of year deferrals from 2020/21 to deliver the remaining components of the project. |  |
| (115) | Victorian Government funding for a six-month Health Officer to enhance COVID safe for business. |  |
| (110) | Additional grant funded expenditure from Department of Jobs, Precinct and Regions for Fishermans Bend Program 2021-22 for Activations and Augmented Reality in Montague Street, South Melbourne |  |

Notes to the Income Statement

Note 3. Capital expenditure forecast adjustments

Trend  financial improvements  neutral impact  unfavourable financial changes

| Variance (\$,000) | Capital expenditure forecast explanatory notes | Trend |
|-------------------|---|---|
| 152 | Station Pier Boardwalk and Jetty Renewal, Port Melbourne Project cancelled as responsibility of works confirmed to sit with Ports Victoria. |  |
| (503) | Deferral of 2020/21 budget approved for various projects including North Port Oval, Building Roof Renewals, and others affected by delays caused by resourcing and supply issues during the pandemic. Offset by lower deferrals for the Core Information Technology infrastructure renewal and upgrade project due to greater spend in 2020/21. |  |
| (452) | Department of Transport funded Safety Improvements at Mountain Street South Melbourne, Chapel Street St Kilda and Pickles Street/Bridge Street Port Melbourne which were not budgeted. |  |
| (437) | Childcare Centre Fence Compliance additional budget approved for increased construction costs of the remaining sites. Fully funded from Childcare reserve. |  |
| (450) | Procurement and installation of wall mounted air filtration units in childcare centres to reduce the risk of airborne transmission of the COVID-19 virus. Funded from Childcare Centre Infrastructure Reserve. |  |
| (308) | Wattie Watson Oval construction expenditure deferred from 2020/21 including \$200k transferred from Point Ormond Playground savings. |  |
| (136) | Additional costs for St Kilda Town Hall Façade Rectification repurposed from Cora Graves Accessibility and Asbestos savings. |  |
| 70 | St Kilda Town Hall Training Room Access Improvement Project deferred to 2022/23 due to planning permit process. |  |
| 163 | Inkerman Street, St Kilda Safe Travel Corridor deferral to future years. Three concept design options will inform the community consultation and construction has been re-scheduled for 2024/25. |  |
| 207 | Traffic project Blackspot Safety Improvement at Alma Road and Alexandra Street, St Kilda project contingent on external funding which has not eventuated. Project not going ahead. |  |

| Variance (\$,000) | Capital expenditure forecast explanatory notes | Trend |
|-------------------|---|---|
| 750 | Access Control Renewal Council Buildings partial deferred to 2022/23 as the development of key principles to be considered in the selection of suitable access control systems has taken longer than anticipated due the availability of current resources. Whilst these have now been developed and approved, it is unlikely the initial timelines identified to procure an electronic system will be able to be met. |  |
| 1,303 | South Melbourne Town Hall Renewal Upgrade partial deferred to 2022/23 based on revised scheduling of works following Council approval of the project approach and full scope of works. |  |
| 3,324 | Quarter 2 Projects deferred to 2022/23 including \$0.76 million South Melbourne Town Hall Renewal Upgrade due to longer than anticipated initiation phase, \$0.57 million Palais Theatre Concrete Spalling due to change in delivery approach, \$0.42 million Graham Street, Port Melbourne Overpass Skatepark and Carpark due to unsuccessful tender process, \$0.38 million Alma Park St Kilda Playspace Upgrade due to internal resourcing challenges, \$0.34 million Domain Precinct Park Street South Melbourne Bike Link due to change in project scope, \$0.24 million Public Space Lighting Bay Trail due to unsuccessful tender process, \$0.21 million South Melbourne Market Fire Stairs to LI due to delays in third party approvals and other minor deferrals. |  |
| (1,416) | Fleet replacement expenditure increased due to the purchase of street sweepers and community buses (previously leased) and a net reduction of staff packaged vehicles (key benefits including lower financing costs \$0.04 million, reduced carbon emissions from investment in hybrid/ electric vehicle and safer vehicles). Funded partly from additional sales proceeds and drawdown on Asset Renewal Reserve. |  |
| (210) | Elwood Park Sports Field Lighting project additional budget approved to remediate soil contamination. Including additional \$110K requested in December 2021 for further removal works on contaminated soil. |  |
| (172) | South Melbourne Market Public Safety Improvements additional construction budget approved following closure of tender resulting in a higher market price from prior estimates. |  |

Notes to the Income Statement

Note 4. Reserve forecast adjustments

Trend  financial improvements  neutral impact  unfavourable financial changes

| Variance (\$,000) | Reserve forecast adjustment explanatory notes | Trend |
|-------------------|--|---|
| (3,779) | Greater net drawdown on Childcare Infrastructure reserve for Childcare Centre Fence Compliance due to higher construction costs wall mounted air filtration units in childcare centres, offset by property sales. |  |
| (2,017) | Drawdown on tied grants received from prior financial years included: Victorian Grants Commission funding received in June 2021, Wattie Watson Oval Construction, Point Ormond Playground, South Melbourne Market External Food Hall Upgrade and other projects. |  |
| (2,000) | Greater net drawdown on In Our Backyard reserve due to \$2 million contribution in 2021/22. Funds have been flagged for the Wellington project conditional on additional other government funding. |  |
| (1,289) | Net drawdown on reserves for projects deferred from 2020/21 including Reactivation of Public Space, Customer Experience Program and other projects. |  |
| (174) | Additional \$380K drawdown on Asset Renewal Fund to partially fund additional spend required on Council Fleet Replacement Program 2021/22 offset by savings in Station Pier Boardwalk and Jetty Renewal and Cora Graves Accessibility and Asbestos. |  |
| 7,950 | Forecast property sale to be ringfenced in the Strategic Property Reserve. |  |
| 6,583 | Partial deferral of projects to 2022/23 including Access Control Renewal Council Buildings, South Melbourne Town Hall Renewal Upgrade, Clever Council Program, Palais Theatre Concrete Spalling, Graham Street Port Melbourne Overpass Skatepark and Carpark, Alma Park St Kilda Playspace Upgrade, Domain Precinct Park Street Bike Link, South Melbourne Market Fire Stairs to L1, Public Space Lighting Bay Trail, EcoCentre Redevelopment, Clever Council Program and other minor deferrals. |  |
| 3,985 | Lower net drawdown on Open Space Contributions mainly due to receipts from St Kilda Hill exceeding forecast expectations. |  |

| Variance (\$,000) | Reserve forecast adjustment explanatory notes | Trend |
|-------------------|---|---|
| 531 | \$646K deferral of Palais Theatre Concrete Spalling works deferred to 2022/23 and \$80K reduction in reserve replenish due to Council Resolution fee waivers. |  |
| 140 | Lower net drawdown on Sustainable Transport Reserve mainly due to Inkerman Street Safe Travel Corridor deferral. |  |



City of Port Phillip

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