

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	68,884	68,940	(56)	(0%)	135,848	135,224	624	0%	
Statutory Fees and Fines	8,886	8,893	(7)	(0%)	20,256	22,469	(2,213)	(10%)	
User Fees	15,196	15,185	10	0%	34,630	38,171	(3,541)	(9%)	
Grants - Operating	8,449	8,427	22	0%	12,606	10,908	1,698	16%	
Grants - Capital	778	800	(22)	(3%)	4,463	5,126	(663)	(13%)	
Contributions - Monetary	9,157	9,157	0	0%	12,464	9,108	3,357	37%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	5,091	4,698	394	8%	20,288	22,016	(1,728)	(8%)	
Total Income	116,441	116,100	341	0%	240,555	243,021	(2,467)	(1%)	1
Employee Costs	45,923	45,397	(526)	(1%)	94,674	94,366	(308)	(0%)	
Materials & Services	32,181	34,246	2,065	6%	89,333	89,552	219	0%	
Depreciation	9,982	9,982	0	0%	22,850	22,850	0	0%	
Amortisation of Right of Use assets	393	393	0	0%	740	808	68	8%	
Bad & Doubtful Debts	1,914	1,576	(337)	(21%)	4,654	5,135	481	9%	
Borrowing Costs	176	178	2	1%	178	178	0	0%	
Interest - Right of Use	29	30	1	5%	53	76	24	31%	
Other expenses	3,597	2,974	(623)	(21%)	16,439	16,687	248	1%	
Net proceeds from asset disposals	(404)	(468)	(64)	14%	1,089	3,619	2,530	70%	
Share of Joint Venture	0	0	0	0%	0	0	0	0%	
Total Expenses	93,790	94,308	518	1%	230,009	233,270	3,262	1%	2
Operating Surplus / (Deficit)	22,651	21,792	859	4%	10,546	9,751	795	8%	
Income Statement Converted to Cash									
Adjustments for non-cash operating items:									
• Add back depreciation	9,982	9,982	0	0%	22,850	22,850	0	0%	
• Add back amortisation	393	393	0	0%	740	808	(68)	(8%)	
• Add back written-down value of infrastructure assets disposals	62	0	62	0%	10,127	8,999	1,128	13%	
• Add back balance sheet work in progress reallocated to operating	0	0	0	0%	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Add back Impairment	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	0	0	0	0%	0	0	0	0%	
	10,437	10,374	62	1%	34,917	33,857	1,060	3%	
Adjustments for investing items:									
• Less Capital Expenditure	(7,522)	(9,429)	1,907	20%	(34,680)	(36,772)	2,091	6%	3
Adjustments for financing items:									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	(7,500)	(7,500)	0	0%	(7,500)	(7,500)	0	0%	
• Less Lease Repayments	(398)	(407)	9	2%	(759)	(889)	129	15%	
	(7,898)	(7,907)	9	0%	(8,259)	(8,389)	129	2%	
Adjustments for financing items:									
Net Reserves Drawdown/ (Replenishment)	0	0	0	0%	(6,510)	(161)	(6,349)	(3843%)	4
Current Year Cash Surplus/ (Deficit)	17,667	14,830	2,837	81%	(3,987)	(1,713)	(2,273)	(133%)	
Opening balance cash surplus/ (Deficit)	6,661	6,661	0	0%	6,661	4,720	1,941	41%	
Accumulated Cash Surplus	24,328	21,491	2,837	13%	2,674	3,007	(332)	(11%)	

Refer to explanatory notes on forecast adjustments.

2.0 Notes to the Income Statement

Legend: ↑ financial improvements, ↓ unfavourable financial changes

Note 1. Operating income forecast adjustments:

↑ ↓	Variance (\$,000's)	Operating income forecast explanatory notes
↑	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.
↑	780	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.
↑	122	Election income received in August for prior year council elections (not budgeted).
↑	452	Additional Department of Transport funded Safety Improvements at Mountain Street, Chapel Street and Pickles St/Bridge St which were not budgeted.
↑	150	Greater than anticipated planning application fees received year to date.
	3,357	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 \$0.8M for Immediate Outdoor Activations and \$0.7M for Semi-permanent and Permanent Outdoor Precinct Establishment. Both allocations are offset by additional expenditure.
	(1,409)	50% 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.
	(908)	Net reduction in Grant Income due to receipt in prior year offset against tied grants. Including Wattie Watson Oval Construction, Point Ormond Playground, SMM External Food Hall Upgrade and other projects offset against grants received in advance for EcoCentre Redevelopment.
	(367)	St Kilda Festival income reduced by \$0.37M due the COVID-19 recovery environment leading to a reduction in user fee and sponsorship income. This has been offset by \$0.37M reduction in expenses across the St Kilda Festival and Yalukut Weelam Ngargee.
	(171)	COVID-19 closures of community facilities have resulted in reduced income. This is offset by matching expenditure reduction.
	110	Grant awarded from Department of Jobs, Precinct and Regions for Fishermans Bend Program 2021-22 to cover additional expenditure
↓	(2,403)	Parking Infringement revenue forecast has been reduced to reflect the loss of income incurred due to the Covid-19 lockdowns since July, and State government restrictions on enforcement (enforcement activity has been limited to safety and red signed areas since early August).
↓	(2,179)	Paid parking forecast has been reduced to reflect the loss of income incurred due to lockdowns since July. This has limited work-based car travel and general visitation to and within the city.
↓	(2,280)	Council agreed to provide \$2.3m of support including rent waivers to Council tenants, rental waivers to South Melbourne Market Stallholders, and footpath trading permit fee waivers at the 18 August meeting.
↓	(207)	Blackspot Alma Rd and Alexandra Street project contingent on external funding which has not eventuated. Project not going ahead.
↓	(364)	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-Oct due to Covid-19 State Government lockdown & Restrictions resulting in market closure
↓	(100)	South Melbourne Market parking income reduce for the period July-Oct due to Covid-19 State Government lockdown & Restrictions resulting in reduce attendance

Note 2. Operating expenditure forecast adjustments:

↑ ↓	Variance (\$,000's)	Operating expenditure forecast explanatory notes
↑	481	Lower parking doubtful debts expected due to decreased number of parking infringements issued.
↑	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)
↑	536	Lower employee costs and savings due to enterprise vacancy and COVID-19 impacting on service delivery including libraries, independent living.
↑	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 caused by Covid-19 lockdowns and enforcement restrictions.
↑	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 caused by COVID-19 lockdowns and enforcement restrictions.
↑	567	Fulton Hogan contract renewal resulted in reduced management fee (\$420K) for first year of new contract and additional savings in signage and line marking
↑	104	FOGO and COGO expenditure reduced due to delays into the second half of the financial year
↑	90	Reduction in property rates valuations expenditure due to lower than anticipated valuation objections
	1,650	Forecast property sale to be ringfenced in Strategic Property Reserve.
	1,182	Quarter 2 Projects deferred to 22/23 including \$0.55m Clever Council Program due to resourcing delays, \$0.06m South Melbourne Structure Plan due to change in delivery approach and \$0.57m capital write offs for capital program deferrals including Graham St Overpass Skatepark and Carpark, Alma Park 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 \$0.37M to offset reduction in user fee and sponsorship income due the COVID recovery environment leading to a reduction.
	121	COVID-19 closures of community facilities have resulted in reduced expenditure and matching loss of income.
	(2,000)	\$2M In Our Backyard Council contributions to the Wellington Street Common Ground project. Funded through \$2M drawdown on In Our Backyard Reserve.
	(1,575)	Expenditure associated with the Victorian Government funding for COVID Safe Outdoor Activation Fund 2021. Including \$0.8M for Immediate Outdoor Activations and \$0.7M for Semi-permanent and Permanent Outdoor Precinct Establishment. Both allocations are offset by additional expenditure
	(600)	Customer Experience program – forecast increased to reflect approved end of year deferrals from 20/21 to deliver the remaining components of the project.

↑ ↓	Variance (\$,000's)	Operating expenditure forecast explanatory notes
	(537)	Reactivation of Public Space project – forecast increased to reflect approved end of year deferrals from 20/21 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
↓	(102)	Pedagogy & Practice Lead converted full time to maintain consistent childcare service provisions.
↓	(100)	M&CH employee costs have increased as a Department of Health mandate has been to undertake in-person appointments when Coronavirus restrictions were lifted in addition to previous telehealth appointments thereby increasing appointment volume. Additional departmental funding may be forthcoming.

Note 3. Capital expenditure forecast adjustments:

↑ ↓	Variance (\$,000's)	Capital expenditure forecast explanatory notes
↑	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 22/23 including \$0.76m South Melb Town Hall Renewal Upgrade due to longer than anticipated initiation phase, \$0.57m Palais Theatre Concrete Spalling due to change in delivery approach, \$0.42m Graham St Overpass Skatepark and Carpark due to unsuccessful tender process, \$0.38m Alma Park Playspace Upgrade due to internal resourcing challenges, \$0.34m Domain Precinct - Park St Bike Link due to change in project scope, \$0.24m Public Space Lighting - Bay Trail due to unsuccessful tender process, \$0.21m South Melb Market Fire Stairs to L1 due to delays in third party approvals and other minor deferrals.
↑	395	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
↑	273	Cora Graves Accessibility – Project cancelled due to the future use of building under consideration.
↑	207	Blackspot Safety Improvement at Alma Rd and Alexandra Street project contingent on external funding which has not eventuated. Project not going ahead.
↑	200	Point Ormond Playground upgrade savings expected following the award of tender. Savings transferred to Wattie Watson also a Local Road and Community Infrastructure funded project.
↑	163	Inkerman Street Bike Corridor – deferral to future years. Three concept design options will inform the community consultation and construction has been re-scheduled for 2024/25.
↑	152	Station Pier Boardwalk & Jetty Renewal – Project cancelled as responsibility of works confirmed to sit with Ports Victoria.
↑	70	St Kilda Town Hall Training Room Access Improvement – Project deferred to 22/23 due to planning permit delays
	(210)	Elwood Park Sports Field Lighting – additional budget approved to remediate soil contamination. Including additional \$110K requested in Dec 2021 for further contaminated soil removal works

↑ ↓	Variance (\$,000's)	Capital expenditure forecast explanatory notes
	(172)	South Melbourne Market Public Safety Improvements – additional construction budget approved following closure of tender resulting in a higher market price from prior estimates.
	(308)	Wattie Watson Oval construction expenditure deferred from 2020/21 including \$200k transferred from Point Ormond Playground.
	(452)	Department of Transport funded Safety Improvements at Mountain Street, Chapel Street and Pickles St/Bridge St 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.
	(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.
	(136)	Additional costs for St Kilda Town Hall Façade Rectification repurposed from Cora Graves Accessibility and Asbestos savings
↓	(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 \$0.04m, reduced carbon emissions from investment in hybrid/electric vehicle and safer vehicles). Funded partly from additional sales proceeds and drawdown on Asset Renewal Reserve

Note 4. Reserve forecast adjustments:

↑ ↓	Variance (\$,000's)	Reserve forecast adjustment explanatory notes
	2,491	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, SMM External Food Hall Upgrade and other projects offset against grants received in advance for EcoCentre Redevelopment.
	1,585	Net Drawdown on reserves for projects deferred from 2020/21 including Reactivation of Public Space, Customer Experience Program, and other projects.
	1,500	Greater net drawdown on In Our BackYard reserve due to \$2M contribution in 21/22 offset by \$500K annual contribution. Funds have been flagged for the Wellington project conditional on additional other government funding.
	173	Additional \$380K drawdown on Asset Renewal Fund to partially fund additional spend required on Council Fleet Replacement Program 21/22 offset by \$208K savings in Station Pier Boardwalk & Jetty Renewal and Cora Graves Accessibility and Asbestos
	133	\$50K additional drawdown from Palais Theatre Reserve for Palais Theatre Concrete Spalling and Palais Theatre Renewal and Upgrades and \$80K reduction in reserve replenish due to Council Resolution fee waivers
	(3,567)	Lower net drawdown on Open Space Contributions mainly due to receipts from St Kilda Hill exceeding forecast expectations.
	(5,715)	Partial deferral of projects to 22/23 including Access Control Renewal Council Buildings, South Melbourne Town Hall Renewal Upgrade, Clever Council Program, Palais Theatre Concrete Spalling, Graham St Overpass Skatepark and Carpark, Alma Park Playspace Upgrade, Domain Precinct - Park St Bike Link, South Melb

↑ ↓	Variance (\$,000's)	Reserve forecast adjustment explanatory notes
		Market Fire Stairs to L1, Public Space Lighting - Bay Trail, EcoCentre Redevelopment and other minor deferrals
	(1,650)	Forecast property sale to be ringfenced in the Strategic Property Reserve.
	(120)	Lower net drawdown on Sustainable Transport Reserve mainly due to Inkerman Street Bike Corridor deferral.
	(121)	Greater net drawdown on Child Care Infrastructure reserve for Childcare Centre Fence Compliance due to higher construction costs wall mounted air filtration units in childcare centres, offset by property sales.

3.0 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	13,842	3,337	8,000	(4,663)	8,000	7,672	328	4%	
Trade and other receivables	20,159	49,617	20,461	29,155	20,461	17,905	2,556	14%	
Other financial assets	106,011	109,025	127,127	(18,101)	117,819	107,000	10,819	10%	1
Non current assets classified as held for sale	11,713	11,713	0	11,713	0	0	0	0%	
Other assets	2,479	134	2,516	(2,382)	2,516	4,137	(1,621)	(39%)	
Total current assets	154,205	173,826	158,105	15,721	148,797	136,714	12,083	9%	
Non-current assets									
Investments in associates and joint ventures	270	270	270	0	270	307	(37)	(12%)	
Trade and other receivables	532	532	532	0	532	521	11	2%	
Other financial assets	5	5	5	0	5	0	5	0%	
Property, infrastructure, plant and equipment	3,239,409	3,237,500	3,250,569	(13,069)	3,316,625	3,320,124	(3,499)	(0%)	
Right of use assets	1,301	908	908	0	561	1,138	(577)	(51%)	
Total non-current assets	3,241,516	3,239,214	3,252,283	(13,069)	3,317,992	3,322,090	(4,098)	(0%)	
TOTAL ASSETS	3,395,720	3,413,040	3,410,388	2,652	3,466,790	3,458,804	7,986	0%	
LIABILITIES									
Current liabilities									
Trade and other payables	13,174	5,379	13,372	7,993	16,372	16,587	215	1%	
Trust funds and deposits	7,374	17,459	7,521	(9,939)	7,521	8,124	603	7%	
Provisions	18,567	17,677	18,938	1,261	18,938	16,266	(2,672)	(16%)	2
Interest-bearing loans and borrowings	7,500	0	0	0	0	0	0	0%	
Lease liabilities	767	1,037	360	(677)	7	605	598	99%	
Total current liabilities	47,381	41,552	40,190	(1,362)	42,838	41,582	(1,256)	(3%)	
Non-current liabilities									
Provisions	3,367	3,367	3,434	67	3,434	3,531	97	3%	
Interest-bearing loans and borrowings	0	0	0	0	0	0	0	0%	
Lease liabilities	563	0	563	563	563	789	226	29%	
Total non-current liabilities	3,930	3,367	3,997	630	3,997	4,320	323	7%	
TOTAL LIABILITIES	51,312	44,919	44,187	(732)	46,835	45,902	(933)	(2%)	
TOTAL ASSETS	3,344,409	3,368,121	3,366,201	1,920	3,419,954	3,412,902	7,052	0%	
EQUITY									
Accumulated surplus	640,760	663,463	652,885	10,578	633,795	638,974	(5,179)	(1%)	
Asset revaluation reserve	2,612,191	2,613,199	2,612,191	1,008	2,688,191	2,688,819	(628)	(0%)	
Other reserves	91,458	91,458	101,124	(9,666)	97,968	85,109	12,859	15%	
TOTAL EQUITY	3,344,409	3,368,120	3,366,201	1,920	3,419,954	3,412,902	7,052	0%	

Balance Sheet explanatory notes

Note	Explanatory notes
1	Forecast updated for additional asset sale which will be ringfenced in the Strategic Property Reserve.
2	Forecast higher staff provisions due to lower take up of leave. Management closely monitoring this to ensure staff take their annual leave allocations.

4.0 Statement of Cash Flows

	Full Year 2019/20 \$'000	Actual \$'000	Year to Date Forecast \$'000	Variance \$'000	Forecast \$'000	Full Year Budget \$'000	Variance \$'000	Variance %	Note
Cash flows from operating activities									
Rates and charges	131,501	40,851	40,907	(56)	135,848	135,224	624	0%	
Statutory fees and fines	13,274	6,332	17,578	(11,246)	15,466	17,505	(2,039)	(12%)	1
User Fees	30,739	15,854	35,922	(20,069)	37,910	41,674	(3,764)	(9%)	1
Grants - operating	13,383	8,449	8,427	22	12,606	10,908	1,698	16%	
Grants - capital	3,860	778	800	(22)	4,463	5,125	(662)	(13%)	
Contributions- monetary	6,235	9,157	9,157	0	12,464	9,193	3,271	36%	2
Interest received	934	206	180	26	370	360	10	3%	
Trust funds and deposits taken	21,488	36,928	26,984	9,944	53,801	53,772	29	0%	
Other receipts	9,337	8,181	5,127	3,054	12,140	13,587	(1,447)	(11%)	3
Net GST refund	6,869	2,946	932	2,014	8,162	8,340	(178)	(2%)	
Employee costs	(90,090)	(46,813)	(44,959)	(1,854)	(94,236)	(94,133)	(103)	0%	
Materials and services	(79,190)	(41,608)	(38,475)	(3,133)	(98,175)	(100,465)	2,290	(2%)	4
Short term, low value and variable lease payment	(906)	(231)	(208)	(23)	(317)	0	(317)	0%	
Trust funds and deposits repaid	(22,063)	(26,842)	(26,837)	(5)	(53,654)	(53,684)	30	(0%)	
Other payments	(7,882)	(3,400)	(3,263)	(137)	(8,026)	(8,219)	191	(2%)	
Net cash provided by/(used in) operating activities	37,489	10,787	32,271	(21,485)	38,820	39,187	(367)	(1%)	
Cash flows from investing activities									
Payments for property, infrastructure, plant and equipment	(15,086)	(10,640)	(9,350)	(1,290)	(33,401)	(36,771)	3,370	(9%)	5
Proceeds from sale of property, infrastructure, plant and equipment	4,083	466	468	(2)	9,038	5,380	3,658	68%	6
Payments for investments	(106,011)	(109,025)	(127,127)	18,101	(117,819)	(90,000)	(27,819)	31%	7
Proceeds from sale of investments	87,000	106,011	106,011	0	106,011	90,000	16,011	18%	7
Net cash provided by/(used in) investing activities	(30,014)	(13,189)	(29,998)	16,809	(36,172)	(31,391)	(4,781)	15%	
Cash flows from financing activities									
Finance costs	(349)	(176)	(178)	2	(178)	(178)	0	(0%)	
Repayment of borrowings	0	(7,500)	(7,500)	0	(7,500)	(7,500)	0	0%	
Interest paid - lease liability	(77)	(29)	(30)	1	(53)	(76)	23	(30%)	
Repayment of lease liabilities	(849)	(398)	(407)	9	(759)	(889)	130	(15%)	
Net cash provided by/(used in) financing activities	(1,275)	(8,103)	(8,115)	13	(8,490)	(8,643)	153	(2%)	
Net (decrease) increase in cash and cash equivalents	6,200	(10,505)	(5,842)	(4,663)	(5,842)	(847)	(4,995)	590%	
Cash and cash equivalents at the beginning of the financial year	7,642	13,842	13,842	0	13,842	8,518	5,324	63%	
Cash and cash equivalents at the end of the financial year (investment less than 90 days)	13,842	3,337	8,000	(4,663)	8,000	7,671	329	4%	
Total cash and investments	119,853	112,362	135,127	(22,765)	125,819	114,672	11,147	10%	

Cash flows explanatory notes

Note	Explanatory notes
1	Forecast reduction in paid parking and infringement income due to lockdown restrictions.
2	Forecast additional Open Space Contributions from developers due to greater development at St Kilda Hill neighbourhood. Funds are ringfenced in reserve for future open space enhancement projects.
3	Council approved \$2.3 million of social and economic recovery package in August 2021.
4	Expected lower expenditure related to lower parking income and lower maintenance for council facilities from COVID closures.
5	Lower than anticipated capital spend evidenced through quarter 2 portfolio deferrals.
6	Forecast sale of non-strategic assets to be ringfenced in the Strategic Property Reserve.
7	Greater investments balance from favourable forecast cash position at year end.

5.0 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	1,426	1,987	561	28%	10,707	13,108	2,401	18%	1
Total Property	1,426	1,987	561	28%	10,707	13,108	2,401	18%	
Plant and Equipment									
Plant, machinery and equipment	1,209	1,055	(154)	(15%)	3,910	2,427	(1,483)	(81%)	2
Fixtures, fittings and furniture	71	93	22	24%	1,194	1,194	(0)	(0%)	
Computers and telecommunications	176	523	347	66%	1,098	1,336	238	18%	3
Library books	561	363	(198)	(55%)	872	952	80	8%	
Total Plant and Equipment	2,018	2,034	17	1%	7,074	5,910	(1,165)	-20%	
Infrastructure									
Roads	181	254	74	29%	2,214	2,049	(165)	(8%)	
Bridges	13	2	(11)	(572%)	177	151	(26)	(17%)	
Footpaths and cycleways	982	1,198	215	18%	3,144	3,432	288	8%	4
Drainage	234	242	8	3%	1,309	1,238	(71)	(6%)	
Parks, open space and streetscape	2,669	3,713	1,044	28%	10,056	10,884	829	8%	5
Total Plant and Equipment	4,079	5,408	1,329	25%	16,899	17,754	855	5%	
Total Capital Works Expenditure	7,522	9,429	1,907	20%	34,680	36,772	2,091	6%	
Capital Expenditure Type									
New asset expenditure	581	845	264	31%	2,112	2,269	157	7%	
Asset renewal expenditure	3,732	4,251	519	12%	16,854	16,556	(298)	(2%)	
Asset upgrade expenditure	2,973	3,947	974	25%	14,137	16,442	2,305	14%	
Asset expansion expenditure	236	386	150	39%	1,577	1,504	(73)	(5%)	
Total Capital Works Expenditure	7,522	9,429	1,907	20%	34,680	36,771	2,091	6%	

Capital expenditure explanatory notes

Note	Explanatory notes
1	Buildings forecast is \$2.4m below annual budget mainly due to delays resulting in the partial deferral of the Access Control Renewal Council Buildings, South Melbourne Town Hall Renewal Upgrade Projects, Palais Theatre Concrete Spalling, South Melb Market Fire Stairs to L1, EcoCentre Redevelopment and other minor deferrals. These are partially offset by the approval of increased construction costs for Childcare Centre Building Asset Renewal Project and wall mounted air filtration units in childcare centres.
2	Unbudgeted purchase of street sweepers and community buses which were previously leased. Key benefits included lower financing costs, lower carbon emissions and safer fleet. This has resulted in the significant increase in renewal expenditure.
3	Computers & Telecommunications is \$0.2m below annual budget mainly due to forecast reduction to adjust IT equipment received just before 30 June. This was previously expected to be received and included in 21/22 budget.
4	Footpaths and Cycleways Forecast is \$0.29m below budget mainly due to deferral of Domain Precinct - Park St Bike Link due to delays caused by changes to project scope.
5	Parks, Open space and Street scape forecast is 0.83m below budget due to partial deferrals to 22/23 including Graham St Overpass Skatepark and Carpark, Alma Park Playspace Upgrade, and Public Space Lighting - Bay Trail. Further reduced by Station Pier Boardwalk & Jetty Renewal cancellation. This is partially offset due to approval of additional construction budget for SMM Public Safety Improvement and Elwood Park Sports Field lighting.

6.0 Financial Support

Rates Financial Hardship Report (N/A):

The updated financial hardship policy was published 1 September 2021.

The monthly employment data provides an insight on the local economy.

Economic and Social Recovery Package:

Total support expected this year to provide \$8.225 million of support including \$1.9m carried forward from 2020/21. This includes additional funding received from the State Government for Covid Safe outdoor activation.

Included in the support provided is a mandated waiver of gap fees payable by families whose children did not attend childcare centres during lockdown.

Initiatives	FY21 Deferrals (\$'000)	FY22 Funding (\$'000)	Spend Jul – Dec 2021 (\$'000)	Comments
Rates Hardship Assistance Waivers, Deferrals, Rebates	0	965	TBC* Approx. \$61k	Not a significant demand for waivers at this stage. Ratepayers have chosen payment plans rather than deferrals. May change when pay in full option (Feb 2022) is due.
Rent relief – South Melbourne Market	186	1,120	1,081	
Rent relief – Commercial tenants	118	1,326	698	Will likely end up in Jan underbudget for Commercial tenant's support. Suggest hold forecast until certain that tenant support scheme comes to end.
Registration and permit fees (business)	0	380	380	Waiver finalised
Public space activation	699	1,615	359	Additional funding \$40k received from State Government to deliver community parklets
Other business support measures	202	200	85	Ongoing lockdowns limiting activation activity/progressing slower than anticipated. Trader association support delivered.
Childcare – Gap Fee Waiver	0	364	364	Federal Government mandated. Council absorbing this within budget.
Support for community organisations	200	164	214	\$15k monthly to PPCG & Licence fee waivers – sports & community recreation
Arts Grants	163	180	8	Funding for 6 key arts organisations to be administered in February 2022
Bicycle and pedestrian accessibility improvements	343	0	6	Part funding dependant on Department of Transport co funding (0.243m) balance works scheduled for late 2021, early 2022
Total Social & Economic Recovery	1,911	6,315	3,195	