



CEO Report

January 2023

Volume 93

What's inside

- Midsumma and Pride
- Fitzroy Street mural
- Fogo commences service
- Library systems upgrade

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 first edition of the CEO report for 2023.

Good Governance and Advocacy

I would like to start by welcoming Councillor Robbie Nyaguy to the City of Port Phillip. Cr Nyaguy was elected on countback to the Lake Ward following the election of Cr Katherine Copsey to the Victorian Parliament. A former advisor to two Victorian Government ministers, Cr Nyaguy is in Canada on a short-term contract in the tourism sector. He will return to Australia shortly and has been working remotely in the meantime. You can find out a more about Cr Nyaguy and his priorities [on our website](#). I am looking forward to working closely with Cr Nyaguy to deliver on the promises we have outlined in our Council Plan 2021–31.

Delivering the Council Plan

The delivery of our Council Plan 2021–31 is a key focus for 2023. While we continue to progress many of the initiatives in the plan, delivery of our project portfolio continues to be a challenge with 59 per cent of projects reporting “on track”. While the

percentage of “off-track” projects has reduced from 14 per cent to 11 per cent, the percentage of at risk projects has increased from 16 per cent to 29 per cent. This is largely due to a change in how we define project status so we can identify at risk projects earlier to enable more timely intervention and reduce the likelihood of them going off track.

We have taken several other actions to address project delivery including engaging external project management services to boost capability, streamline processes, improve guidance for our project managers, and establish procurement panels. In addition, we have reduced project manager vacancies and recently overcome some procurement and external approval delays, which will help build delivery momentum.

Communicating and engaging with our community

Our [kerbside food and garden organics \(FOGO\)](#) recycling bins were distributed to eligible houses and townhouses in January, and we have been delivering a series of new and exciting

communications to prepare our community for this new recycling service. Kerbside FOGO bins were delivered with a brochure and flyer containing information on how residents can use the service, what goes in their FOGO bin, and what happens to their FOGO materials.

[St Kilda Festival](#) was back and better than ever in February, and our team have worked hard to secure some of the best music acts in Australia. This year we have focused our communications efforts on large scale outdoor advertising, traditional media formats and digital media to reach a broader range of people, including families, music lovers and event goers from across Victoria.

During January, we also finalised our consultations with the community on accessibility upgrades we want to make to the St Kilda West Beach Boardwalk, so that it can be enjoyed by everyone. We also [opened consultation](#) on the new concept design for Hewison Reserve, which is funded to be constructed this year and includes improvements to park amenities and new play equipment.

Message from the CEO (continued)

We also continue to develop inclusive communications; this month we launched a series of welcome postcards for our newest residents at our Citizenship ceremonies. The postcards are offered in four languages and are designed to help new Australians feel welcome and provide information on the diverse community they are joining.

Demonstrating value for money

Providing a service for our community that is cost effective is a priority, and we have been working very closely with Council to deliver a comprehensive cost review on the programs and services we offer across the organisation.

Our surplus has grown this month from \$5.8 million to \$8.6 million due to much improved parking revenue and interest income. At time of setting the budget, the impact of the pandemic was still lingering, and the RBA was forecasting continuation of historic low interest rates.

We are in the process of developing the budget for 2023/24 and will update our assumptions as

part of this process. The rates cap for 2023/24 was set at 3.5 per cent, well below our inflation and the recommendation of the Essential Services Commission.

Our strengthened financial position will enable the Council to address soaring inflation costs within the rates cap and start to address infrastructure funding gaps such as those related to Elwood Foreshore, public space acquisition, South Melbourne Market, and Fishermans Bend.

Council will also consider its capacity to provide rates relief as part of budget process, noting this is partially already included in the below inflation rates cap set for next year, that Local Government Victoria has indicated below inflation rates caps may continue, and the need to maintain financial sustainability.

People and Culture

Staff turnover and vacancies remain just below 20 per cent – similar to the rest of the sector and broader industry. We forecast this will continue to

be a challenge into 2023/24 and we are increasing our efforts to reduce turnover, improve recruitment, and better onboard, develop, and retain staff. This has included an industry leading draft Enterprise Agreement and a bigger focus on recognition.

In January we took our Draft Enterprise Agreement 2022 to a staff vote, and I am pleased to say that the outcome was a resounding yes to adopting the Agreement. This included an industry leading wage offer and range of benefits – I know that this Agreement will put us in a great position to attract and retain talented industry leaders to help us deliver the big promises we have made in our Council Plan

This month we also finalised the nominations for last quarter's Proudly Port Phillip Awards, which celebrates our exemplary staff and teams who are going above and beyond for our community and their colleagues.



Chris Carroll
CEO, City of Port Phillip

Inclusive Port Phillip

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



Midsumma Stall, Pride Awards and March

Our Council officially introduced its Pride Network and Pride Committee for the first time last year. The committee held a stall at Midsumma's Carnival to demonstrate Port Phillip's presence within the LGBTQIA+ scene, while promoting other events with pamphlets and Port Phillip branded trinkets. Carnival visitors took advantage of the photobooth that was present at our Pride stall.

Adding to the Midsumma celebration, Port Phillip Council was runner-up at the Victorian Pride Awards this year. Another accolade for the additional volunteer works we commit to as Council.

Celebrations for Midsumma continued with Councillors and employees marching and dancing up Fitzroy Street. This year we had nearly 60 participants and we anticipate to have more people marching next year.



Flag raising ceremony

Inclusive communication

We are reviewing our translation services to ensure we are meeting the needs of our diverse demographic seen within our city.

With Food and Garden Organics (FOGO) service commencing this month, various teams within Council collaborated to communicate the additional service in six languages.

The translation services were extended for the Positive Ageing Policy survey, which was also made available in six languages. The translation services were extended to the Positive Ageing Policy survey, which was also made available in six languages. Welcome postcards were also developed in four languages to be presented at the Citizenship ceremonies.

Snapshot: Inclusive Port Phillip indicators

The following are the results for the month of January 2023

Assessment

✓ Favourable result ✗ Unfavourable result

Measure	Target	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Assessment
Direct hours of housing assistance	>65 direct hours	81	73	37	80	✓
Number of older local persons housed	>5 housed	7	5	1	6	✓

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.



Middle Park toilet upgrade

Anticipated to be completed in April this year, upgrades to the public toilets in Middle Park has begun. Upgrades

to the public toilets in Middle Park has begun and is anticipated to be completed in April this year.

Additional modifications will provide easier access to the toilet and the beach with the extended ramp installation. Three unisex ambulant toilets and a fully compatible accessible toilet will replace the current male toilets.

Temporary facilities are made available in the interim to minimise impact for visitors.



Public toilet design

Traffic safety improvement

To reduce traffic speeds on Howe Parade between Centre Avenue and Beacon Road, a line marking proposal was developed to narrow down the width of the traffic lane by installing a chevron buffer treatment.

This does not alter the function of the road. The treatment is also expected to raise the safety of bicycle riders with a separation being created for them from motor vehicles.

Two existing signs have also been replaced with larger 40km/h signage and additional signs have also been positioned to increase the awareness of the speed limit.

Snapshot: Liveable Port Phillip indicators

The following are the results for the month of January 2023

Assessment

✓ Favourable result ✗ Unfavourable result

Measure	Monthly target	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Assessment
Time taken to action animal management requests	1 to 10 days	1	1	1	1	✓
Animals re-homed	20% to 80%	18%	40%	40%	40%	✓
Animals reclaimed	30% to 90%	31.2%	15.0%	16.7%	58.62%*	✓
Animal management prosecution	No target	0%	100%	0%	0%	0
Number fines issued related to Animal Management	No target	5	9	19	5	0
Sealed local road requests	10 to 120 requests	9	10	9	11	✓
Sealed local roads maintained to condition standards	80% to 100%	94%	94%	93%	93%	✓

* Of the 29 animals collected in January, 17 animals (58.62%) were reclaimed by their owners. Out of the remaining 12 animals, 3 were rehomed (25%) to new owners. A further 4 animals (33.33%) were being assessed at the time of this report was generated. All avenues are explored to ensure animals find new homes. Number of euthanised animals was 5 (41.66%).

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.



FOGO commences

Our Food Organics and Garden Organics (FOGO) services commenced on 23 January 2023.

Approximately 1,500 FOGO bins are being delivered to our residents, using six trucks to dispatch them.

Port Phillip previously did not collect separate food and garden waste, as we have a large portion of our population that reside in apartments or unit dwellings. The new kerbside collection allows eligible households to recycle their food and garden waste into a valuable resource that can be recovered and used for its rich nutrient contents to condition soils.

The service creates a more sustainable future for Port Phillip and achieves the targets and milestones within our [Don't Waste It! Waste Management Strategy 2022-25](#).



Our new FOGO bin

New electric tipper truck

Council has procured a new electric truck that will be utilised to manage heavy duty waste collections and waste transportation needs.

Albeit a higher initial investment to replace our existing diesel trucks with electric trucks, there are economic and ecological benefits in the long run.

An estimated 10 tonnes of diesel carbon emissions will be reduced and a saving of \$5,000 annually on fuel costs can be expected. The new addition to the fleet aligns with Council's [Act and Adapt Sustainable Environment Strategy 2018-28](#).

Snapshot: Sustainable Port Phillip indicators

The following are the results for the month of January 2023

Assessment

✓ Favourable result ✗ Unfavourable result

Measure	Monthly target	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Assessment
Kerbside bin collection requests (per 1,000 kerbside bin collection households)	1 to 25 requests	12.73	13.04	14.3	57.62*	✗
Kerbside collection bins missed (per 10,000 scheduled kerbside collection bin lifts)	1 to 5 bins	5.08	3.87	5.26	4.82	✓
Kerbside collection waste diverted from landfill	20% to 60%	33%	31%	32%	31%**	✓
Percentage of investment in fossil-free institutions	60% to 80%	70.40%	72.20%	74.60%	75.40%	✓

* Increase in customer enquiries and requests due to FOGO rollout (Dec: 533 and Jan: 2,147). This is expected this to continue until the service is imbedded in the community in up to 12 months.

** Value reported is approximate and might be revised once we have full information on FOGO volumes for the month.

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.



Fitzroy Street's new mural

One of the most prolific Australian graffiti artists has uplifted the façade of a store front on Fitzroy Street. This initiative comes with the support of Renew Victoria and Council to add some impact to the street.

From the Ground Up, currently being exhibited at St Kilda town hall until the end of March, also showcases works from Melbourne-based graffiti artists.



Store front mural on Fitzroy Street

Rainbow Road resurface

Discolouration, delamination and undue wearing defects resulted in, Jackson Street's Rainbow Road to be newly repainted.

With cumulative festivals for Midsumma, works on the resurfacing was addressed swiftly so that it was ready for the much celebrated Pride March.



Rainbow road

Snapshot: Vibrant Port Phillip indicators

The following are the results for the month of January 2023

Assessment

✓ Favourable result ✗ Unfavourable result

Measure	Monthly target	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Assessment
Visits to libraries	41,000 to 60,000	18,340	17,205	13,332	15,260*	✗
Visits to South Melbourne market	>360,000	439,801	406,632	488,227	405,677	✓
Street cleaning audit compliance	>90%	95%	95%	94%	93%	✓

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

Strategic Direction 5

Well Governed Port Phillip

A city that is a leading local government authority, where our community and our organisation are in a better place as a result of our collective efforts



Council Plan and Budget 2023/24

We have started the process of reviewing our Council Plan 2021-31 (Year 3) and developing our budget for 2023/24.

The Council Plan 2021-31 sets out the Strategic Directions that guide our priorities and actions as we work towards achieving our Community Vision. We undertake a review and minor refresh of the Council Plan each year along with the development of the draft annual budget to reflect any key changes in Council priorities, or other changes that have occurred in the broader environment.

We engage with our community on the process every year to ensure that our community has their say on the plans and vision for our City for the year ahead.

Key dates:

19 April: At the meeting of Council on the 19 April, Council will consider the release of the Council Plan refresh and draft Budget for community consultation. Over the period of approximately a month, there will be an opportunity for community members and groups to make submissions, respond to a questionnaire or provide general feedback.

21 June: At the meeting of Council on the 21 June, Council will consider the Council Plan refresh and draft Budget for adoption, having considered the submissions and other feedback received through the community consultation process.

We will be updating the community on our communications channels throughout the engagement process.

Find out more about the Council Plan and Budget 2023/24

Countback of votes

The Victorian Electoral Commission (VEC) conducted a countback of votes on 16 January, after a vacant seat in Lake Ward.

The countback saw success for candidate, Robbie Nyaguy, who has accepted his place in Council after taking the Oath or Affirmation of Office.

“As a proud openly gay Councillor I will also be keen to help deliver on commitments for Port Phillip’s LGBTIQ+ community, including the LGBTIQ+ Action Plan which is being developed.”

He listed investing in our essential community services and support for parks, gardens and tree-lined streets and local climate change action as his three top priorities in 2020 during his campaign.

Snapshot: Well-governed Port Phillip indicators

The following are the results for the month of January 2023

Assessment

✓ Favourable result ✗ Unfavourable result

Measure	Monthly target	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Assessment
Complaints resolved within agreed timeframes	>75%	75%	69%	82%	83%	✓
Proportion of community service requests resolved within agreed timeframes	>80%	80%	80%	83%	78%*	✗
Councillor requests resolved within agreed timeframe (cumulative)	>80%	75%	74%	86%	92%	✓
Council decisions made at meetings closed to the public	0% to 30%	14%	3%	14%	NA**	⊖
Councillor attendance at council meetings	80% to 100%	100%	89%	89%	NA**	⊖
Material legislative breaches	0	0	0	1	0	✓
Proportion of occupational health and safety incidents reported within 24 hours.	>75%	84%	84%	84%	83%	✓
Number of Council Plan initiatives on track	>80%	97%	97%	97%	97%	✓
Proportion of capital projects on track	>80%	62%	66%	65%	56%***	
Proportion of operating projects on track	>80%	71%	78%	79%	69%***	✗
Variance from operating budget adjusted for Council approved expenditure	-1% to +3%	3%	3%	1%	1%	✓

* This month we dipped below our goal of 80% completed on time, which could be attributed to the significant increase in customer requests received in January.

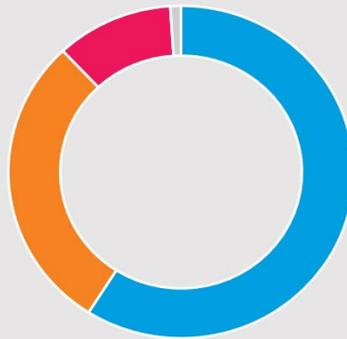
**There were no meetings held in January 2023.

***Significant increase in project being reported as "At risk" based on new objective measures. Significant issues still impact project delivery including resourcing, external approvals, external provider availability and design concerns.

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 59%

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

At risk 29%

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

Off track 11%

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

No report 1%

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

Portfolio status trend

	Jan 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023
On track	75%	65%	62%	69%	59%
At risk	11%	19%	16%	16%	29%
Off track	10%	12%	14%	14%	11%
No report	N/A	3%	7%	1%	1%

Portfolio financial performance

	Number of projects	Annual budget (\$ million)	Annual forecast (\$ million)	YTD forecast (\$ million)	YTD actuals (\$ million)	YTD variance (\$ million)
Capital	158	53.6	38.90	14.0	13.6	0.4
Operating	56	17.6	17.3	5.1	4.4	0.7
Total	214	71.2	56.2	19.1	18.0	1.1

Portfolio changes

Expand Pakington Street Reserve	\$30,000 brought forward to commence the design of the reserve expansion.
Coles Carpark Balaclava Toilet Upgrade	New project commenced to upgrade the public toilet. The \$35,000 in 2022/23 for design has been funded from savings in the Public Toilet Program.
Elwood Angling Club Roof Replacement	Deferral of \$100,000 of construction costs to 2023/24 based on the updated schedule. There is no change to the completion date.
BMX Track at RF Julier	An additional \$150,000 allocated based on cost estimates of a track for a variety of users groups and abilities.

Financial update

Summarised Income Statement

Converted to Cash

As at 31 January 2023 the full year forecast for the 2022/23 cumulative cash surplus of \$8.55 million is an improvement of \$2.76m for the month and is favourable compared to budget of \$1.55 million by \$7.0 million.

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

It should be noted that 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. The underspends will be used to offset the net additional enterprise employee costs (including vacancies) required based on the in-principle enterprise agreement (subject to Fair Work Australia ratification).

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

	Year to Date			Full Year			Note
	Actual (\$,000's)	Forecast (\$,000's)	Variance (\$,000's)	Forecast (\$,000's)	Budget (\$,000's)	Variance (\$,000's)	
Total Income	145,808	145,763	45	249,134	244,196	4,938	1
Total Expenses	(114,540)	(116,276)	1,735	(244,580)	(247,575)	2,996	2
Operating Surplus/ (Deficit)	31,268	29,488	1,780	4,554	(3,380)	7,934	
Capital Expenditure	(13,037)	(13,263)	226	(35,492)	(48,425)	12,933	3
Non-cash operating items	12,225	12,780	555	30,073	29,809	(264)	
Financing Items	(444)	(430)	(14)	(738)	(738)	0	
Net Reserves Movement	0	0	0	4,917	19,008	(14,091)	4
Current Year Cash Surplus/(Deficit)	30,012	28,574	1,437	3,315	(3,726)	7,040	
Opening cash surplus balance	5,236	5,236	0	5,236	5,274	(38)	
Accumulated Cash Surplus	35,248	33,810	1,437	8,551	1,549	7,002	

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
3,313	Increasing interest income due to favourable cash holdings and increasing investment yields from recent Reserve Bank increases to the cash rate.	↔
2,100	Improvement in paid parking income: <ul style="list-style-type: none"> ▪ \$2.0m Favourable weather conditions improving utilisation in foreshore and tourist areas with significant increase in utilisation of Paid Parking over the summer months. ▪ \$0.15m South Melbourne Market Rooftop paid parking utilisation has increased above budget expectations ▪ \$50k Temporary parking permits utilisation higher than forecast 	↔
1,100	Increase in parking infringement income due increase due to full complement of parking enforcement officers and increased activities in the foreshore/tourist area. Noting that there has been a small increase in operating expenditure as we lodge a greater volume of parking infringements with Fines Victoria.	↔
200	Increased income for supplying, planting and maintaining trees to external customers	↔
175	External funding secured for works at Ludwig Stamer Reserve Play Space Upgrade to fund existing project works	↔
1,307	Additional operating grants from State Government (offset by additional expenditure) for: <ul style="list-style-type: none"> ▪ \$585k St Kilda Festival as part of the Creative Victoria initiative offset by additional expenditure ▪ \$297k Coordination of food relief activities ▪ \$250k Graffiti mitigation and urban canvas program ▪ \$136k Long Day Care and Family Support 	○
493	Portfolio Capital Grants deferrals from 2021/22 to align with project construction: <ul style="list-style-type: none"> ▪ \$0.2m Chapel Street Safety Improvements ▪ \$0.2m South Melbourne Market - The Courtyard 	○
293	Ongoing grant funding to recover costs of Metro Tunnel 2 for 1 Tree Planting	○
200	Additional Capital Grants received (offset by additional expenditure) <ul style="list-style-type: none"> ▪ \$0.1m Childcare Centre Improvement Program ▪ \$0.1m Danks Street Biolink 	○
109	Finalisation of turnover rent for Previous St Kilda Marina tenant for 2021/22.	○
97	Minor adjustment to timing of insurance contribution to works on Alma Park Amenities Pavilion based on part deferral from 2021/22	○

Notes to the Income Statement

Note 1. Operating income forecast adjustments (continued)

Trend measures  Financial improvement  Neutral impact  Unfavourable financial change

Variance (\$,000)	Operating income forecast explanatory notes	Trend
96	Income for E-scooter trial program (income to cover cost of program)	
92	Higher operating grant income for Project Portfolio adjusted based on year end performance obligations for Department of Transport Temporary Bike Lane projects and Fishermans Bend Project	
(218)	Reduced South Melbourne Market Direct E-Commerce full year income as the program ceased operations in 2022. Income reduction offset by matching expenditure.	
(1,162)	Reduction in Childcare Centre User Fees due to low utilisation (partially offset by lower employee costs)	
(773)	Portfolio Capital Grants received in advance in 2021/22 including: <ul style="list-style-type: none"> ▪ (\$0.3m) Palais Theatre and Luna Park Precinct ▪ (\$0.2m) West Beach Boardwalk Accessibility ▪ (\$0.2m) Laneway Construction Wellington Street 	
(2,000)	Portfolio Capital Grants delayed to future years as projects have been deferred or delayed: <ul style="list-style-type: none"> ▪ (\$0.8m) Park Street Bike Link ▪ (\$0.7m) EcoCentre ▪ (\$0.3m) Palais Theatre and Luna Park Precinct ▪ (\$0.2m) Elder Smith Netball Courts and Pavilion ▪ (\$0.2m) Blackspot Inkerman Street Westbury, Balaclava 	

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
870	Lower employee costs and savings due to enterprise vacancy. Staff retention and recruitment remains a challenge as was the case in the 2021/22.	
190	Efficiency savings achieved from competitive valuation services tender and additional ongoing savings from improved merchant fees through banking tender.	
2,610	Operating project deferrals to 2023/24 and future years including: <ul style="list-style-type: none"> ▪ \$1.0m In Our Backyard ▪ \$0.9m St Kilda Marina ▪ \$0.4m Fishermans Bend Program ▪ \$0.1m Dogs Off-leash guidelines ▪ \$0.2m Parking Policy E-Permit Implementation 	
1,000	Reduction in depreciation due to lower capital delivery than initial budget portfolio.	
1,758	Reduction in current year capital write off expenditure (non-capital spend) due to capital program deferrals to 2023/24 and future years (portfolio delivery delays).	
498	Reduction in employee costs due to vacancy to deliver the Commonwealth Home Support Programme. There is a risk Council will have to repay the grant funding, therefore have ringfenced the unearned portion of grant income in reserves.	
589	Reduction in employee leave provisions (annual and long service leave) due to higher-than-expected turnover of staff and therefore reducing estimated provisions balance at year end.	
218	Reduced South Melbourne Market Direct E-Commerce full year expenses as the program ceased operations in 2022. Reduction to expenses offset full year income forecast reduction.	
852	Reduction in Childcare employee costs due to lower utilisation	
150	Kerbside garbage and recycling disposal/processing tonnage is not as high as expected. Savings ringfenced in waste reserve	
(134)	Additional expenditure associated additional funding for IT systems uplift (external grant funded).	
(149)	Additional consultancy expenditure due to staff recruitment and retention issues, consultants engaged to complete necessary works	
(200)	Increase in Council paid parental leave to be taken in 2023/24	

Notes to the Income Statement

Note 2. Operating expenditure forecast adjustments (continued)

Trend measures	 Financial improvement	 Neutral impact	 Unfavourable financial change
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Variance (\$,000)	Operating expenditure forecast explanatory notes	Trend
(217)	Southside Live Event completed July 2022 as expected and the Victorian Government funding was received and ringfenced in reserve in 2021/22 to offset this timing of expenditure.	
(250)	Net loss (non-cash) from forecast property sale. Proceeds from sale ringfenced in the Strategic Property Reserve.	
(308)	Additional one off increased spend on municipal weeding to maintain community amenity.	
(297)	Inner Melbourne partnership coordination of food relief activities fully funded by Victorian Government grants.	
(293)	Ongoing expenditure on Metro Tunnel 2 for 1 Tree Planting project (reimbursed by grant funding)	
(250)	Additional expenditure for the graffiti mitigation and urban canvas program, this program is fully funded by Victorian Government	
(378)	St Kilda triangle feasibility studies to assess the viability of a live music led development and inform Council decision making about investment (funded from reserves)	
(585)	Additional grant funded expenditure for St Kilda Festival	
(1,534)	Operating project deferrals identified post 2022/23 budget adoption. Key deferrals include \$0.55m Department of Transport Pop Up Bike Lanes, \$0.35m COVID Safe Outdoor Activation Fund, \$0.2m Customer Experience Program, \$0.15m Electrical Line Clearance and \$0.13m Carlisle St Carparks Strategy Execution	
(150)	Higher operational costs at South Melbourne Market due to CPI increased cost pressures to the cleaning contract & electricity charges.	
(80)	Higher operational cost for parking Technology sensors after previous program expansion.	
(142)	Agency backfilling vacancy roles at higher costs at contracts and tendering service	
(1,000)	Net additional enterprise employee costs required based on in principle enterprise agreement (subject to Fair Work Aust. approval)	

Notes to the Income Statement

Note 3. Capital expenditure forecast adjustments

Trend measures  Financial improvement  Neutral impact  Unfavourable financial change

Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
12,933	<ul style="list-style-type: none"> ▪ \$18.3m capital expenditure deferrals to 2023/24 and future years ▪ (\$3.3m) Capital expenditure increase due to 2021/22 deferrals post budget adoption. ▪ (\$0.7m) other minor movements including additional projects, cost escalations and savings ▪ (\$1.4m) Land purchase for Pakington Street Reserve <p><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.	
1,221	Greater net drawdown on Open Space Reserves: <ul style="list-style-type: none"> ▪ \$1.44m additional drawdown for the expansion of Pakington Street Reserve ▪ \$0.46m deferrals post 2022/23 budget adoption including: <ul style="list-style-type: none"> ○ \$0.33m Palais Theatre and Luna Park Precinct ○ \$0.13m New Dog Park Moran Reserve ▪ (\$0.7m) minor deferrals to 2023/24 including Ludwig Stamer Reserve Playspace, Hewison Reserve Upgrade, Palais Theatre, Edwards Park Public Amenities and Alma Park East Multi-Purpose Courts 	
10	Greater net drawdown on Childcare Centre Infrastructure Reserve: <ul style="list-style-type: none"> ▪ \$0.27m deferral post budget 2022/23 adoption for the Childcare Centre Fence Compliance ▪ (\$0.26m) Children's Centres Improvement Program reduction in reserve funding due 2021/22 overspend and receipt of external funding. 	
(8,788)	Net increase to Project Deferrals Reserve <ul style="list-style-type: none"> ▪ \$3.2m deferrals post 2022/23 budget adoption <ul style="list-style-type: none"> ○ \$0.3m Energy Efficiency & Solar Program ○ \$0.25m Bubup Nairn Cladding Rectification ○ \$0.23m Shakespeare Grove Public Toilet ○ \$0.23m Council Fleet Replacement Program ○ \$0.23m St Kilda Town Hall Staff Accommodation ○ \$0.21m Waterfront Place Public Toilet, \$0.2m Customer Experience Program ○ \$0.2m Childcare Centre Fence Compliance Works ○ \$0.15m Electrical Line Clearance ○ \$0.13m Carlisle St Carparks Strategy Execution ○ \$0.11m EcoCentre Redevelopment ○ \$0.1m South Melbourne Market Central Stairs ○ \$0.8m minor project deferrals across various projects. 	

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
	(continued) <ul style="list-style-type: none"> ▪ (\$11.9m) project deferrals to 2023/24 including <ul style="list-style-type: none"> ○ (\$2.9m) South Melbourne Townhall Renewal ○ (\$1.9m) EcoCentre Redevelopment ○ (\$1.1m) Palais Theatre and Luna Park ○ (\$0.9m) Access Control Renewal Council Buildings ○ (\$0.5m) Public Space Lighting Elwood ○ (\$0.5m) Building CCTV Program ○ (\$0.5m) Catani Gardens Irrigation Upgrade ○ (\$0.5m) Elwood Foreshore Facilities Development ○ (\$0.4m) Acland Street Plaza Planting and Hostile Vehicle Management ○ (\$0.4m) Fishermans Bend Program ○ (\$0.4m) Palais Theatre Concrete Spalling ○ (\$0.3m) Public Space Lighting – Bay Trail ○ (\$0.2m) St Kilda Town Hall Staff Accommodation ○ (\$0.2m) Pier Road and Bay Trail Safety ○ (\$0.1m) Dogs of Leash Guidelines ○ (\$0.2m) Parking Policy E-Permit Implementation ○ (\$0.2m) South Melbourne Market Fire Stairs ○ (\$0.1m) Elwood Angling Club Roof Replacement 	-
(1,144)	Net Increase to the Palais Theatre Reserve due to partial deferrals to 2023/24: <ul style="list-style-type: none"> ▪ (\$0.24m) Palais Theatre Concrete Spalling ▪ (\$0.91m) Palais Theatre Tunnels Rectification 	-
(1,000)	Forecast property sale income to be ringfenced in the Strategic Property Reserve	-

Notes to the Income Statement

Note 4. Reserve forecast adjustments (continued)

Trend measures



Financial improvement



Neutral impact



Unfavourable financial change

Variance (\$,000)	Reserve forecast adjustment explanatory notes	Trend
(1,000)	In Our Back Yard Reserve increase due to partial deferrals to 2023/24 of In Our Back Yard Project	⊖
(900)	St Kilda Marina contamination works partial deferral to 2022/23 due construction delays	⊖
(162)	Sustainable Transport Reserve increase due to partial deferrals to 2023/24 of Park Street Bike Link	⊖
(350)	Gasworks Park Reserve increase due to partial deferrals to 2023/24 of Gasworks Arts Park Reinstatement	⊖
(1,185)	<p>Net increase to Tied Grants due to:</p> <ul style="list-style-type: none"> ▪ \$1.25m project deferrals post 2022/23 budget adoption including <ul style="list-style-type: none"> ○ \$0.37 Department of Transport Pop Up Bike Lanes ○ \$0.35 COVID Safe Outdoor Activation Fund ○ \$0.2m West Beach Boardwalk Accessibility ○ \$0.2m Laneway Construction Wellington St ○ \$0.13m other minor deferrals ▪ \$0.75m for funding received in prior years to align with performance obligations: <ul style="list-style-type: none"> ○ \$0.13m State Government funding for Southside Live Event ○ \$0.16m Innovation grant – Connect and Cook ○ \$0.26m Sleep and settling grant ○ \$0.1m Digital Technology Grant ▪ (\$2.2m) reduction in drawdown on tied grants due to partial project deferrals to 2023/24 <ul style="list-style-type: none"> ○ (\$1.0m) EcoCentre Redevelopment ○ (\$0.6m) Elder Smith Netball Courts and Pavilion ○ (\$0.5m) Moubray Street Community Park ○ (\$0.1m) Graham Street Overpass Skatepark and Carpark ▪ (\$1.0m) Commonwealth Home Support Programme Grant Funding unearned in 2023/24 due to lower delivery than funded targets. 	

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
(976)	<p>Net increase to the Asset Renewal Fund</p> <ul style="list-style-type: none"> ▪ \$0.32m deferrals post 2022/ 23 budget adoption including <ul style="list-style-type: none"> ○ \$0.25m South Melbourne Town Hall Renewal Upgrade ○ \$0.07m other minor deferrals ▪ \$0.33m additional drawdown for HVAC, Air and Energy Improvements Program based on latest cost estimates ▪ (\$0.89m) savings ringfenced in Asset Renewal Fund including: <ul style="list-style-type: none"> ○ \$0.2m Alma/Lansdowne Road Safety Improvements ○ \$0.2m Flooring Renewal Program ○ \$0.1m Park Lighting Renewal and Upgrades ○ \$0.08m Broadway Bridge Works ○ \$0.08m Mobile CCTV Trailer ○ \$0.22m other minor savings ▪ (\$0.75m) deferral to 2023/24 including: <ul style="list-style-type: none"> ○ \$0.27m Palais Theatre and Luna Park Precinct ○ \$0.27m Skinners Adventure Playground 	
(17)	<p>Net increase to Waste Charge Reserve:</p> <ul style="list-style-type: none"> ▪ (\$150k) Replenish reserve due to kerbside garbage and recycling disposal/processing tonnage not as high as expected. ▪ \$133k Drawdown due to shortfall in net Waste Charge income due to greater rebates issued than budget. Specifically, a greater number of private collection rebates than initial estimated. The shortfall has been offset against the waste charge reserve. 	

Capital Works Statement

Property	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual (\$'000)	Forecast (\$'000)	Actual to Forecast (\$'000)	%	Forecast (\$'000)	Budget (\$'000)	Forecast to Budget (\$'000)	%	
Buildings	3,952	4,166	214	5%	10,801	18,729	7,928	42%	1
Total Property	3,952	4,166	214	5%	10,801	18,729	7,928	42%	
Plant and Equipment									
Plant, machinery and equipment	1,977	1,956	(21)	(1%)	3,975	3,825	(150)	(4%)	2
Fixtures, fittings and furniture	433	467	35	7%	681	846	165	19%	3
Computers and telecommunications	171	170	(1)	(1%)	620	970	350	36%	4
Library books	653	656	3	0%	949	952	3	0%	
Total Plant and Equipment	3,235	3,250	15	0%	6,224	6,593	368	6%	
Infrastructure									
Roads	690	562	(128)	(23%)	2,072	3,047	975	32%	5
Bridges	43	66	23	35%	100	255	155	61%	6
Footpaths and cycleways	704	695	(9)	(1%)	2,879	3,978	1,098	28%	7
Drainage	412	437	26	6%	2,173	2,261	88	4%	
Parks, open space and streetscape	4,002	4,087	85	2%	11,243	13,563	2,321	17%	8
Total Plant and Equipment	5,850	5,847	(3)	(0%)	18,467	23,104	4,637	20%	
Total Capital Works Expenditure	13,037	13,263	226	2%	35,492	48,425	12,933	27%	
Capital Expenditure Type									
New asset expenditure	1,786	1,832	46	3%	3,858	5,194	1,336	26%	
Asset renewal expenditure	4,877	4,814	(63)	(1%)	14,254	18,236	3,982	22%	
Asset upgrade expenditure	4,240	4,395	155	4%	12,112	20,651	8,539	41%	
Asset expansion expenditure	2,134	2,222	88	4%	5,268	4,344	(924)	(21%)	
Total Capital Works Expenditure	13,037	13,263	226	2%	35,492	48,425	12,933	27%	

Capital expenditure explanatory notes

Trend measures



Financial improvement



Neutral impact



Unfavourable financial change

Note	Variance (\$,000)	Capital expenditure explanatory notes	Trend
1	7,928	<p>Buildings</p> <ul style="list-style-type: none"> ▪ (\$2.12m) Deferrals post 2022/23 budget adoption: <ul style="list-style-type: none"> ○ \$0.3m Childcare Centre Fence Compliance ○ \$0.25m Bubup Nairn Cladding Rectification Works ○ \$0.2m Shakespeare Grove Public Toilet ○ \$0.2m South Melbourne Market – The Courtyard ○ \$0.2m Waterfront Place Public Toilet ○ \$0.15m Energy Efficiency & Solar Program ○ \$0.12m EcoCentre Redevelopment ○ \$0.1m Operations Centre Fire Escape Upgrades ○ \$0.1m South Melbourne Central Stairs ▪ \$10.9m Deferrals to 2023/24 and future years including: <ul style="list-style-type: none"> ○ \$3.22m EcoCentre Redevelopment ○ \$2.28m South Melbourne Town Hall Renewal Upgrade ○ \$0.81m Access Control Renewal Council Buildings ○ \$0.84m Palais Theatre Tunnels Rectification ○ \$0.79 Elder Smith Netball Courts and Pavilion ○ \$0.69m SMM Amenities Upgrades & Regrading ○ \$0.5m Palais Theatre Concrete Spalling ▪ \$0.42m Building CCTV Project <ul style="list-style-type: none"> ○ \$0.22m Edwards Park Public Amenities ○ \$0.16m South Melbourne Market York St Stair and Lift ○ \$0.61m various minor deferrals ▪ (\$0.96m) Additional expenditure: <ul style="list-style-type: none"> ○ (\$0.33m) HVAC, Air and Energy Improvement Program (reserve funded) ○ (\$0.25m) South Melbourne Town Hall Renewal Upgrade (reserve funded) contract variations ○ (\$0.14m) Childcare Centre Fence Compliance ○ (\$0.07m) St Kilda Townhall Façade Rectification ○ (\$0.07m) South Melbourne Market Compliance Works ○ (\$0.06m) Bubup Nairn Energy ○ (\$0.04m) Coles Carpark Balaclava Toilet Upgrade ▪ \$0.10m Savings for Flooring Renewal Program 	

Capital expenditure explanatory notes

Trend measures



Financial improvement



Neutral impact



Unfavourable financial change

Note	Variance (\$,000)	Capital expenditure explanatory notes	Trend
2	(150)	Plant, Machinery and Equipment <ul style="list-style-type: none"> ▪ (\$0.23m) Deferrals post 2022/23 budget adoption for Fleet Renewal Program ▪ \$0.08m Savings for Mobile CCTV Trailer - lower purchase price 	-
3	165	Fixtures, Fittings and Furniture <ul style="list-style-type: none"> ▪ (\$0.30m) Deferrals post 2022/23 budget adoption predominantly for the St Kilda Town Hall Staff Accommodation Program ▪ \$0.47m Deferrals to 2023/24 and future years for St Kilda Town Hall Staff Accommodation 	-
4	350	Computers & Telecommunications \$0.35m transfer to Operating Portfolio to part fund Data Centre Modernisation Project (From Core IT Renew & Upgrade Program)	-
5	975	Roads <ul style="list-style-type: none"> ▪ (\$0.02m) Deferrals post 2022/23 budget adoption for Chapel Street Safety Improvements ▪ \$0.69m Deferrals to 2023/24 and future years including: <ul style="list-style-type: none"> ○ \$0.05m for Kerb & Gutter Construction – Dunstan Pde ○ \$0.3m Road Construction – Park Street ○ \$0.17m Blackspot Inkerman St Westbury ○ \$0.2m Pier Road and Bay Trail Safety ▪ \$0.48m Savings: <ul style="list-style-type: none"> ○ \$0.20m Alma Rd- Lansdown Rd Safety Improvement lower tender price ○ \$0.16m Kerb & Gutter Construction – Wilton Gr lower tender price ○ \$0.06m Richardson and Nimmo Safety Improvements ○ R1335 Laneway Renewal – Young Street ▪ (\$0.17m) Additional Expenditure: <ul style="list-style-type: none"> ○ \$0.12m Heavy Patching 22-23 scope change 	-
6	155	Bridges <ul style="list-style-type: none"> ▪ (\$0.02m) Deferrals post 2022/23 budget adoption for Broadway Bridge Works ▪ \$0.18m Savings for Broadway Bridge Works 	-

Capital expenditure explanatory notes

Trend measures



Financial improvement



Neutral impact



Unfavourable financial change

Note	Variance (\$,000)	Capital expenditure explanatory notes	Trend
7	1,098	<p>Footpaths and Cycleways</p> <ul style="list-style-type: none"> ▪ (\$0.06m) Deferrals post 2022/23 budget adoption including \$0.02m West Beach Boardwalk Accessibility, \$0.04m St Kilda Junction Safety Upgrade ▪ \$1.21m Deferrals to 2023/24 and future years for Park Street Bike Link ▪ \$0.19m Savings: <ul style="list-style-type: none"> ○ \$0.12m Footpath Renewals 22-23 ○ \$0.07m LATM – Danks Street and Withers Street- scope change ▪ (\$0.30m) additional expenditure: <ul style="list-style-type: none"> ○ (\$0.05m) Liardet street Pedestrian (Transport reserve funded) ○ (\$0.05m) West Beach Boardwalk ○ (\$0.2m) Footpath Renewals 22-23 	-
8	2,321	<p>Parks, Open Space and Street Scapes</p> <ul style="list-style-type: none"> ▪ (\$0.5m) Deferrals post 2022/23 budget adoption including: <ul style="list-style-type: none"> ○ (\$0.2m) New Dog Park Moran Reserve ○ (\$0.1m) Alma Park Amenities Pavilion ○ (\$0.2m) various minor project deferrals ▪ \$5.03m Deferrals to 2023/24 and future years including: <ul style="list-style-type: none"> ○ \$1.44m Palais Theatre and Luna Park Precinct ○ \$0.55m Moubray St Community Park ○ \$0.47M Elwood Foreshore ○ \$0.46m Public Space Lighting – Elwood Foreshore ○ \$0.4m Catani Gardens Irrigation Upgrade ○ \$0.37m Acland Street Plaza Planting and HVM ○ \$0.35m Gasworks Arts Park Reinstatement ○ \$0.3m Public Space Lighting – Bay Trail ○ \$0.26m Skinner Adventure Playground ○ \$0.18m Hewison Reserve upgrade ○ \$0.15m Ludwig Stamer Reserve Paly Space ○ \$0.1m various minor deferrals 	-

Capital expenditure explanatory notes

Trend measures  Financial improvement  Neutral impact  Unfavourable financial change

Note	Variance (\$,000)	Capital expenditure explanatory notes	Trend
	2,321	(continued) <ul style="list-style-type: none"> ▪ (\$0.08m) bring forward from 2024/25 to FY22/23 – St Kilda Pier Landside Works ▪ \$0.1m Savings for Park Lighting Renewal and Upgrades ▪ (\$0.79m) additional expenditure: <ul style="list-style-type: none"> ○ (\$0.34m) Public Space Minor Capital Works ○ (\$0.15m) Gasworks Arts Park Reinstatement ○ (\$0.13m) Public Space lighting – Elwood ○ (\$0.1m) Danks Street Biolink (Grant funded) ○ (\$0.03m) Peanut Farm Oval Reconstruction new project ○ (\$0.02m) Alma Park Playspace Upgrade ○ (\$0.02m) TT Buckingham Flying fox ▪ (\$1.44m) Land purchase for Pakington Street Reserve (reserve funded) 	



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