

# CEO Report January 2022

Volume 83

## What's inside

- Planning for climate resilient infrastructure
- Garden City Bike Corridor now open
- Port Phillip Art Walks

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.



[portphillip.vic.gov.au](http://portphillip.vic.gov.au)

## Message from the CEO



CEO message

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Welcome to the January 2022 issue of the CEO Report. In this last month we have had many exciting events, festivals and activations across our City seeing our foreshore, markets and streets come to life and visitors begin to return in the new COVID-19 safe environment.

The start of the year saw some challenges to our service delivery, with impacts from the Omicron wave affecting the way we work, yet officers have risen to the challenge of being adaptable and agile to continue to provide for our community.

There were no Council meetings across January, in line with our gender equity policy of suspending meetings over school holidays, however, delivery of our services continued including a focus on the development of the draft Council Plan and Budget 2022/23, which we expect to be presented to Council in April 2022.

26 January celebrations are always a significant day for our community. This year we welcomed just over one hundred new citizens at ceremonies across our City and partnered with the Boonwurrung Land and Sea Council for the We-Akon Diliinja Morning Reflection service.



**Australian Citizenship Ceremony on 26 January.**

2022 will continue to be a challenging year for everyone in our community and we look forward banding together, each playing our part and working hard to support businesses, community organisations and vulnerable people to recover from the COVID-19 pandemic and continue to deliver on our Council Plan to realise our community's vision.

**Peter Smith**

CEO, City of Port Phillip

### COVID-19 update

The surging COVID-19 infections due to the Omicron wave at the beginning of the year saw Council officers and contractors work hard to deliver our services to the standards expected. We re-evaluated timelines of our infrastructure projects including, Lagoon Reserve Pavilion, Elder Smith Reserve Netball Courts and Graham Street Overpass Skate Park and Carparking Upgrade, as we experienced modest delays due to contractor availability, supply chain issues and staff shortages. We also modified some of our events to comply with latest COVID-19 directives of the Chief Health Officer of Victoria.

We played our part in the Pandemic Code Brown announced by State Government to address the overwhelming demand on health services. This involved a coordinated approach designed to ensure the most vulnerable mothers/caregivers, infants and babies receive timely and essential support. In addition to the most vulnerable, families who contacted our MCH services with concerns that could not be addressed by a deferred or delayed consultation, were also offered support. These service adjustments allowed our MCH nurses to be deployed to other parts of the health care system, including nurses that volunteered to work at Monash Health Clayton Campus for the duration of the surge to support the midwifery workforce and families.

## Strategic Direction 1

# Inclusive Port Phillip

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



## We-Akon Dillinja Morning Reflection 2022

Before dawn on 26 January, members of our community gathered on the lawns of Alfred Square, St Kilda for the We-Akon Dillinja Morning Reflection service. This local reconciliation event was presented by the Boonwurrung Land and Sea Council through the support of the National Australia Day Council and the City of Port Phillip.

Held as a part of the Australia Day commemorations, the event recognised the culture and history of the area's First People through stories, song, and ceremony. The event included representation from the City's faith community. We-Akon Dillinja represents our firm commitment to reconciliation and collaboration with Traditional Owner groups. We congratulate the Boonwurrung Land and Sea Council and are proud to have played a part in supporting their vision for the 2022 morning reflection.

[Find out more about We-Akon Dillinja 2022](#)



We-Akon Dillinja Morning Reflection service.

## First People's Arts and Culture Festival returns to St Kilda Festival

Our annual First People's Arts and Cultural Festival Yaluk-ut Weelam Ngargee, returned to the St Kilda Festival.

Local First People's artists took to the stage on South Beach Reserve, St Kilda and throughout local venues to share their musical talents and culture. We were proud to present a mix of long-established artists, beautifully complemented by the next generation of young and emerging talent as we recognise the importance of providing free, high quality artistic entertainment to engage the local community, many of whom would not otherwise be able to access this.

Other activations throughout the festival included a youth day basketball 3 x 3 competition, hip hop dance performances presented by the St Kilda PCYC and Indigenous outreach projects.

[Find out more about the 2022 festival program](#)

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## Celebrating Midsumma Festival and Pride March

**City of Port Phillip is proud to once again be a major partner of the Midsumma Festival.**

The annual Rainbow Flag Raising Ceremony was held at the St Kilda Town Hall with Councillors and local community and LGBTIQ+ representatives on 1 February to celebrate pride and inclusion as a part of the Midsumma Festival. Pride and Transgender flags were flown at all three town halls for the duration of the week.

Fitzroy Street, St Kilda was closed to traffic and local businesses were a flutter on Sunday 6 February, in celebration of the 27th Annual Midsumma Pride March, which returned this year after being suspended in 2021 due to COVID-19 impacts. Councillors, members of Council's Pride Employee Network and staff marched along with approximately 7,500 representatives of community groups, businesses and various government agencies in support of Victoria's LGBTIQ+ community.

 **Find out more about Midsumma 2022**



27th Annual Midsumma Pride March returned this year.

## Library iPads to help bridge the digital divide

City of Port Phillip has partnered with StarHealth to address the digital disadvantage experienced by the people living in public housing towers in South Melbourne by providing iPads for loan through the Emerald Hill Library. This will enable the community members to connect to the internet, participate fully in the digital economy, have access to online services and be able to communicate widely using digital technologies.

StarHealth had identified lack of access to the internet as a significant barrier for people living in the public housing towers to engage with the digital and wider community. The socio-economic gap for people who are digitally disadvantaged has also been highlighted during COVID-19 restrictions.

Around 38 iPads purchased through the Community Activation and Social Isolation grants program are available for loan to eligible public housing community members at the Emerald Hill Library. Digital training will be provided by Elwood St Kilda Neighbourhood Learning Centre in different community languages to support members who have cultural and linguistically diverse backgrounds.

## Strategic Direction 2

# Liveable Port Phillip

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



## Port Melbourne Secondary College Opens in Fishermans Bend

On the first day of this school year, Port Melbourne Secondary College welcomed its first Year Seven students. The secondary school development facilitated by City of Port Phillip represents a key catalyst to Victorian Government infrastructure project for supporting further renewal of Fishermans Bend.

The world-class new vertical school will cater for 1,100 students, with facilities like a fabrication lab and robotics workshop, 200-seat lecture theatre, gymnasium with competition-grade basketball and netball court and outdoor art and learning terraces, providing local students the best learning opportunities.

The school has a strong focus on science, technology, engineering, arts and maths (STEAM) subjects and also includes Learning Resource Centre spaces that can be used by the wider community in its design, which honours the area's strong maritime history.

As part of delivering on the Fishermans Bend Framework Plan, the Victorian Government proposes to deliver additional primary schools in Fishermans Bend to support its growing population into the future. Port Phillip is in discussions with the Fishermans Bend Taskforce and the Victorian School Building Authority to help facilitate opportunities to bring forward the delivery of these new schools.

[Find out more about the college](#)



Port Melbourne Secondary College has opened to Year 7 students.

## Artificial intelligence sensors capturing transport data

**Artificial intelligence (AI) powered traffic sensors, the first of their kind in Victoria are measuring all transport movements at various locations in our City.**

The sensors are a significant tool to measure traffic movements and helps to make informed decisions to achieve Council's Move, Connect, Live Integrated Transport Strategy objectives. At present, sensors are monitoring traffic movements in St Kilda at the Fitzroy Street and Loch Street intersection, Pier Road at the St Kilda Sea Baths and at Marine Parade and Dickens Street.

The data is anonymous as it does not capture individual moving images on roads, bike paths and footpaths. Instead, a colour assigned to each form of transport appears on a graph or radiates across as an image of the sensor site. The AI capability of the Vivacity Labs sensors can distinguish between cars, motorbikes, trucks, buses, bikes, pedestrians and vans.

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### E-scooter trial commences in Port Phillip

City of Port Phillip along with Melbourne and Yarra City Councils have entered into an agreement with Lime and Neuron Mobility to implement a 12-month dockless shared e-scooter trial. Up to five hundred e-scooters have been deployed in locations across these municipalities since late January 2022. E-scooters will be restricted to these metro areas using geofencing and with a speed limit of 20 kilometres per hour. Other restrictions such as 'no ride', 'go slow' and 'no parking' zones for e-scooters will also be introduced and adjusted.



The shared e-scooter trial will run for 12 months.

Our **Move, Connect, Live - Integrated Transport Strategy** recognises that a well-regulated shared transport service including e-scooters may offer an alternative, sustainable and affordable transport option for our community, particularly for first and last mile trips. The trial is in partnership with the Victorian Government to understand whether e-scooters offers to be an alternate sustainable transport option and can be safely regulated.

[Find out more about the trial](#)

### Garden City Bike Corridor now open

The new and improved bike route from Garden City Reserve to the Sandridge and Bay trails shared path networks increases connections for bike riders as the route provides a link between popular destinations in the Port Melbourne area.

The upgrade means Port Melbourne residents now have increased access to Garden City Reserve or can simply enjoy the views along their journey through Port Melbourne. The construction of the corridor also features the installation of upgraded lighting at the Howe Parade and Beacon Road intersection, as well as at the Swallow Street and Ross Street intersection.



The Garden City Bike Corridor provides a link between popular destinations in the Port Melbourne area.

The project, partially funded by the Australian Government's Local Roads Community Infrastructure grant, is part of the Move, Connect, Live - Integrated Transport Strategy 2018-28 which sets out our delivery of bike lanes and other transport projects across Port Phillip.

[Find out more about the strategy](#)

## Strategic Direction 3

## Sustainable Port Phillip

A City that has a sustainable future, where our environmentally aware and active community benefits from living in a bayside city that is greener, cooler, cleaner and climate resilient.



### Planning for climate resilient infrastructure

**City of Port Phillip is planning for the future of our City by assessing the impact of climate change on our infrastructure. Climate change, including extreme temperatures, flooding, sea level rise and storms, means that we need to change how we plan, design and maintain our infrastructure.**

Port Phillip participated in a project, led by the South East Councils Climate Change Alliance (SECCCA), to assess how each of our roads, drains and buildings are vulnerable to climate change impacts. The project maps each of our assets and uses the latest climate change projections and modelling to assign a 'vulnerability rating' for each of the 224 buildings, 5,991 road segments, 13,698 drainage pits, 13,760 drainage pipes and 494 open spaces in Port Phillip. The map-based tool will show how existing or proposed infrastructure is likely to be impacted and will enable us to plan future infrastructure programs and budgets.

The project also included a specific case study for Elwood Foreshore Precinct that will be used to inform the Elwood Foreshore Masterplan.

Further information about the project can be found on SECCCA's website.

[Find out more about the project](#)

### Waste management initiative wins award

Port Phillip's Ops System initiative, designed to revolutionise the way the waste, street and beach teams deliver operational services, has won the top prize at the 2021 Keep Victoria Beautiful Sustainable Cities Awards in the Litter Category.

The Ops System integrates hardware and software into the waste management fleet, turning waste and sweeper vehicles into intelligent data capture devices. By integrating the system with our asset database, it divides the municipality into a micro-environment where we are then able to view, analyse and contrast each bin, footpath and street segment to see how often they have been cleaned, how often they are experiencing incidents or requests, and any changes in performance and service requirements.

The solution will allow us to revolutionise our service delivery and create predictive modelling that will drive future waste management of our City.

[Find out more about the award](#)



Waste collection services at work.

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# Vibrant Port Phillip



**A range of events continued to entertain our community throughout this Summer.**

Our treasured local markets of VegOut St Kilda, Gasworks Farmers Market in Albert Park, the Bourne Local Market in Elwood and the St Kilda Esplanade Market were busy in selling fresh produce or creative arts and crafts, to visitors and the local community. The Barefoot Cinema set-up in St Kilda Botanical Gardens for the first time, also offered a range of movies for the entire family.

City of Port Phillip partnered with Renew Fitzroy Street to deliver Berlin by the Sea: a projection celebration of the musical and youth culture spirit of Fitzroy Street in 1980 told through the punk rock lens of two filmmakers and a photographer. Each artist lived, breathed and documented this extraordinary cultural moment that changed the shape of Australian music and youth culture from the heart of St Kilda.



### Berlin by the Sea: A collaborative projection project

The film Punkline is projected on the White Room window at the George, the home of the legendary Crystal Ballroom the location where the film was shot, while the film's outtakes were projected at Aperture, 77 Fitzroy Street, St Kilda and the photography of Peter Milne at 39 Fitzroy Street, St Kilda.

The exhibition, in three parts, has been developed in collaboration with Renew Australia, City of Port Phillip and the St Kilda Film Festival.

Port Phillip's treasured artwork collection and works of other talented artists are highlighted across the City through Art Walks, a series of footpath decals that take residents and visitors on an exploration of Elwood, Port Melbourne, Albert Park, South Melbourne and St Kilda.



The decals are installed for a three-month period, from end of January to April 2022

Art Walks encourages participants to learn more about the history of Port Phillip through art, while reactivating the neighbourhoods by enjoying the offerings of nearby businesses. Each decal has a label and features a QR code that provides viewers further information about the artist, the relevant site and also highlights the nearby shopping precincts, restaurants and cafés.

 Find more about the art walks



## Cecil Street Activation

Additional outdoor dining and seating spaces for the South Melbourne Market community have been created by a temporary closure of the city bound lane of Cecil Street between York and Coventry Streets, South Melbourne. This outdoor space hosted many live performances during Summer. Live music in this space has created a vibrant atmosphere and a memorable experience for the South Melbourne Market visitors and supported our local arts industry by engaging local artists who have had performances cancelled over the past couple of years due to COVID-19 restrictions.



Additional outdoor dining and seating on Cecil Street.

The Market has also been successful in receiving Victorian Government funding as part of the COVIDSafe Outdoor Activation Fund, that contributed to the Cecil Street, South Melbourne road closure program, cleaning, furniture, entertainment and marketing. These funds also are used for activating existing York and Coventry Street, South Melbourne parklets.

[Find out more about the Cecil Street makeover](#)

## St Kilda Festival re-emerged with fun-filled festivities

St Kilda Festival, a celebration of community spirit, Australian talent, and the beautiful St Kilda foreshore re-emerged fresh-faced in February after the necessary pandemic-induced powernap. The 41 st edition of the Festival, was a nine-day program with fun-filled jam-packed line up of diverse events and activities for people of all ages.



The St Kilda Festival featured events for all ages.

The Festival was operated under a comprehensive COVID-safe plan. The diverse program featured live Australian music and dance, workshops, carnival rides, sports demonstrations, community group activities, food and market stalls, extended business trading, and family-friendly entertainment.

[Find out more about the festival](#)

## Reimagine Design Competition winners announced

Six talented artists have been selected to design and deliver amazing activations across Port Phillip creating vibrancy and increased activity through creative use of public space. The Reimagine Design Competition is an initiative to explore and recontextualise use of the City's public spaces. The twelve shortlisted applicants of Stage One were invited to provide further details of their concept.



W(e)aves of Colour by Village Well and Slow Art Collective

The winners were selected after careful deliberation based on how well their designs and ideas would be able to provoke interest, ignite conversation, engage pedestrian foot traffic and stimulate economic activity in our neighbourhoods. Also, preference was given to interactive or tactile projects, made from recycled or sustainably sourced materials.

These vibrant, interactive winning pieces will be installed throughout our City over the coming months.

[Find out more about the winners](#)

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## 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.



### Review of Council Plan and Budget 2021-31

In January, we continued our review process of the Council Plan and Budget to ensure that we are in the best position to achieve the priorities we have set out in the Plan. Our review process involves reflection on our progress against the priorities and projects in the Plan, changes in our operating environment, and decisions of Council. Given the significant effort that went into developing the Plan, the review process looks at incremental and significant issues rather than starting from a zero base each year.

The Council Plan and Budget for 2022/23 will be drafted after a deliberative community engagement and consideration of the submissions received on how we can update and revise our Council Plan and better align our budget with our community's priorities and needs.

We intend to release the draft of updated Council Plan and Budget for 2022/23 by the end of April for public comment. There will be an opportunity to lodge written submission through our Have Your Say website.

 **Find out more about the Council Plan and Budget**



The Council Plan and Budget for 2022/23 will be drafted after a deliberative community engagement.

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## Well-Governed snapshot

### Customer service figures for January 2022

	8,509	Calls answered
	7,971	Community requests
	352	Complaints and feedback

### Well-Governed scorecard

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

**Trend measures** ✓ meeting or above target ● not meeting target by 10 % or less ✗ Result off track from target

Target 2021/22	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	Trend
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#### Variance from operating budget

-1% to +3%	-64%	-43%	8%	8%	8%	8%*	●
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#### Material legislative breaches

0	0	0	0	0	0	0	✓
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#### 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	✓
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#### Council decisions made at meetings open to the public

90% to 100%	89%	97%	83%	90%	92%	No Council meeting held	✓
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\* Council's operating surplus is greater than budget due to receipt of additional open space development contributions and proceeds from sale of Council property which are ringfenced as Strategic Reserves for future funding of open space and property projects. This overshadows the ongoing COVID-19 related impacts to Council's projected surplus in reduced parking fee and fine income of \$4.3 million and approval by Council of additional social and economic recovery package of \$2.3 million.

# Financial update

## Summarised Income Statement Converted to Cash

As at 31 January 2022 the full year forecast for 2021/22 is a cumulative cash surplus of \$2.82 million, which is lower than the budget of \$3.01 million. This is due to the COVID-19 related impacts on parking income \$4.7 million (PINs \$2.4 million and paid parking \$2.3 million) and \$2.3 million of an additional social and economic recovery package approved by Council in August 2021. 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	134,565	133,993	572	240,732	243,021	[2,289]	1
Total expenses	100,833	105,568	4,735	229,646	232,774	3,128	2
<b>Operating surplus / (deficit)</b>	<b>33,732</b>	<b>28,424</b>	<b>5,307</b>	<b>11,086</b>	<b>10,247</b>	<b>839</b>	
Capital expenditure	(9,241)	(11,899)	2,659	(34,985)	(36,772)	1,787	3
Non-cash operating items	12,166	12,165	0	34,917	33,857	1,060	
Financing items	(7,962)	(7,969)	7	(8,259)	(8,389)	129	
Net reserves movement	0	0	0	(6,557)	(661)	(5,986)	4
<b>Current year cash surplus / (deficit)</b>	<b>28,695</b>	<b>20,722</b>	<b>7,973</b>	<b>(3,799)</b>	<b>(1,717)</b>	<b>(2,082)</b>	
Opening cash surplus balance	6,661	6,661	0	6,661	4,720	1,941	
<b>Accumulated cash surplus</b>	<b>35,356</b>	<b>27,383</b>	<b>7,973</b>	<b>2,862</b>	<b>3,003</b>	<b>(141)</b>	










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## 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.	
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 South Melbourne, Chapel Street St Kilda and Pickles Street/Bridge Street Port Melbourne which were not budgeted.	
150	Greater than anticipated planning application fees received year to date.	
4,042	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 COVIDSafe 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.	
[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.	
[1,328]	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.	

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.	
[171]	Closures of community facilities due to COVID-19 restrictions 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 restrictions since July, and State government restrictions on enforcement (enforcement activity has been limited to safety and red signed areas since early August).	
[1,879]	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, resulting in a \$0.3 million forecast improvement.	
[2,280]	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.	
[207]	Traffic Blackspot project Alma Road and Alexandra Street, St Kilda 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 to October due to COVID-19 restrictions resulting in market closure.	
[100]	South Melbourne Market parking income reduce for the period July to October due to COVID-19 restrictions resulting in reduced attendance.	




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## Notes to the Income Statement (continued)

### 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.	
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.	
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.	
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.	
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.	
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.	

Variance (\$,000)	Operating expenditure forecast explanatory notes	Trend
1,182	Quarter 2 Projects deferred to 22/23 including \$0.55 million Clever Council Program due to resourcing delays, \$0.06 million South Melbourne Structure Plan due to change in delivery approach and \$0.57 million capital write offs for capital program deferrals including Graham Street Port Melbourne 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 \$0.37 million to offset reduction in user fee and sponsorship income due to the COVID-19 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 contribution of \$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	
[600]	Customer Experience program forecast increased to reflect approved end of year deferrals from 2020/21 to deliver the remaining components of the project.	



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Notes to the Income Statement (continued)

Note 2. Operating expenditure forecast adjustments (continued)









Trend  financial improvements  neutral impact  unfavourable financial changes











Variance (\$,000)	Operating expenditure forecast explanatory notes	Trend
(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 (continued)

### Note 3. Capital expenditure forecast adjustments

**Trend**  financial improvements  neutral impact  unfavourable financial changes

Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
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 \$0.76 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 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 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	Traffic project Blackspot Safety Improvement at Alma Road and Alexandra Street St Kilda East 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 Oval Reconstruction also a Local Road and Community Infrastructure funded project.	
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.	
152	Station Pier Boardwalk and Jetty Renewal Project cancelled as responsibility of works confirmed to sit with Ports Victoria.	




Variance (\$,000)	Capital expenditure forecast explanatory notes	Trend
70	St Kilda Town Hall Training Room Access Improvement Project deferred to 2022/23 due to planning permit process.	
(210)	Elwood Park Sports Field Lighting project additional budget approved to remediate soil contamination. Including additional \$110K requested in December 2021 for further contaminated soil removal works.	
(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 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.	
(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 \$0.04 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.	

CEO message

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## Notes to the Income Statement (continued)

### Note 4. Reserve forecast adjustments

**Trend**  financial improvements  neutral impact  unfavourable financial changes

Variance (\$,000)	Reserve forecast adjustment explanatory notes	Trend
(2,442)	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 Activation 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.	
5,372	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 Playspace Upgrade, Domain Precinct - Park Street Bike Link, South Melbourne Market Fire Stairs to L1, Public Space Lighting - Bay Trail, EcoCentre Redevelopment, and other minor deferrals.	
3,985	Lower net drawdown on Open Space Contributions mainly due to receipts from St Kilda Hill exceeding forecast expectations.	
1,650	Forecast property sale to be ringfenced in the Strategic Property Reserve.	
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.	
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.	



## City of Port Phillip

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