

**Management report to Council****Agenda item 6.5****Quarterly performance reporting – Council Plan Major Initiatives, Finances and Capital Program****Council****Presenter:** Justin Hanney, Chief Executive Officer**30 August 2022****Purpose and background**

1. The purpose of this report is to inform the community of the performance of the Council at the end of the fourth quarter of the financial year, as set out in the attachments, outlining:
  - 1.1. Council's quarterly performance against the Council Plan 2021–2025 strategic objectives.
  - 1.2. The quarterly financial performance of the Council Works program, including the progress of Council's major projects.
  - 1.3. The quarterly financial performance of the Council and Budget, in accordance with the *Local Government Act 2020* (Act).

**Key issues**

2. This report provides an overall view of Council performance and delivery against our Council Plan 2021-2025, Council Works program and the Budget 2021-2022.
3. Attached are the:
  - 3.1. Council Plan quarter four summary report (Attachment 2).
  - 3.2. Council Plan quarter four performance report (Attachment 3).
  - 3.3. Capital Works Program quarter four summary report (Attachment 4)
  - 3.4. Capital Works Program record of program adjustments (Attachment 5)
  - 3.5. Capital Works recommended carry forward of capital funds into 2022–23 (Attachment 6)
  - 3.6. Financial Performance Summary Report and Budget for the fourth quarter (Attachment 7).
  - 3.7. Financial Performance Report for the fourth quarter (Attachment 8).
  - 3.8. Supplementary Valuations Report (Attachment 9).
  - 3.9. Overview of Supplementary Valuations Returns (Attachment 10).
4. Amongst the many important milestones achieved in the delivery of the Council Plan 2021-2025 this quarter were: delivery of the second Midweek Melbourne Money program and city activation events to boost the city economy (under the Council Plan objective 'Economy of the Future'). Enterpize Park was completed, an important Greenline Project milestone (under 'Melbourne's unique identity and place' strategic objective). Phase one of the Aboriginal Melbourne Digital Map was launched, and National Reconciliation week program was delivered successfully (under the 'Aboriginal Melbourne' objective.) City of Melbourne's first Voluntary Local Review of progress against the United Nations Sustainable Development Goals was published (under the 'Climate and Biodiversity Emergency' strategic objective). Council endorsed a new Neighbourhood Planning Framework and engaged over 6000 people on neighbourhood planning for 10 areas (under 'Access and Affordability.'). The Night Safety Charter and Toolkit, and the Step Up Speak Up sexual violence awareness campaign were launched (under the objective 'Safety and Wellbeing.')
5. A number of key projects reached significant milestones, including the completion of the Western Pavilion upgrade, two neighbourhood parks on Southbank Boulevard, the new dog park in the southern undercroft adjacent City Road and Enterpize Park. Projects that entered delivery phase included the new playspace on Southbank Boulevard, extension works on Southbank Promenade Stage 1, Gateway to GMH Turner Street and Kensington Community Recreation Centre redevelopment. The Renewal and Maintenance programs delivered as per their plan. However, the portfolio of New Projects were challenged by issues affecting the broader industry. These significant challenges were predominately driven by COVID-19,

delays in acquisitions, necessary portfolio adjustments, delays in receiving grants, latent conditions, and insufficient scope.

6. The preliminary result from ordinary activities (excluding gains on disposal of assets and investment revaluations) for the financial year ended 30 June 2022 is an underlying net deficit of \$45.1 million, \$18.1 million unfavourable versus Budget. This unfavourable variance is driven by COVID-19 lockdown 6.0 restrictions impacting reduced parking revenues (\$27.9 million) which has been partially offset by lower administrative expenditure (\$3.1 million), lower consultancy expense (\$2.0 million) and lower PINS provisions (\$4.7 million) associated with lower parking revenue.
7. The COVID-19 impacts on revenue continue to be felt with an estimated reduction of \$51.6 million in revenue (compared with normal business environment).

### **Recommendation from management**

8. That Council:
  - 8.1. Accepts the Council Plan 2021-2025 quarter four summary report and performance report (refer Attachments 2 and 3 of the report from management).
  - 8.2. Accepts the 2021-2022 Capital Works Program quarter four summary report on Major and Complex projects (Attachment 4 of the report from management).
  - 8.3. Approves program adjustments in Council Works Program, within the overall adopted budget-funding envelope, as follows (Attachment 5)
    - 8.3.1. New budget allocation for –
      - 8.3.1.1. Make Room – Vacation of 602 Lt Bourke St, and relocation of Arts Collection (Project 21B3714N) - \$1,853,824
      - 8.3.1.2. Shrine of Remembrance – Drainage Upgrade (Project 21B1434N) - \$30,000
    - 8.3.2. Additional budget (internal funding) for –
      - 8.3.2.1. Greenline (Project 21B2514N) - from \$1,000,000 to \$1,800,000
      - 8.3.2.2. Property Services City Baths Renewal Works (Project 20B3714R) - from \$1,964,401 to \$2,164,401
      - 8.3.2.3. Furniture and Equipment New Purchases (Project 21B3701N) - from \$100,000 to \$200,000
      - 8.3.2.4. Our HOOD City of Melbourne Heritage Database (Project 19B3106N) - from \$179,294 to \$269,667
      - 8.3.2.5. Public Toilet Installation (Project 19B4430N) - from \$352,081 to \$432,081
    - 8.3.3. Additional budget (external funding) for –
      - 8.3.3.1. Technology and Digital Innovation - New (Project 21B0303N) - from \$10,900,000 to \$13,900,000
      - 8.3.3.2. Parks Tree Planting and Replacement Program (Project 21B1422R) - from \$1,700,000 to \$1,972,123
      - 8.3.3.3. Memorials (Project 17B3347N) - from \$407,274 to \$609,305

- 8.3.3.4. Street Furniture Renewal (Project 21B1341R) - from \$400,000 to \$434,724
- 8.3.4. Budget reduced for –
  - 8.3.4.1. Urban Renewal Open Spaces (Project 21B1432N) - from \$10,000,000 to \$50,000
  - 8.3.4.2. Dodds Street linear park, Southbank (Project 14G8129N) - from \$5,214,000 to \$250,000
  - 8.3.4.3. Exhibition Street Bike Lane (Project 19B1376N) - from \$3,440,000 to \$219,500
  - 8.3.4.4. Cycle Infrastructure (Project 21B1363N) - from \$8,060,000 to \$5,200,000
  - 8.3.4.5. Pocket Parks (Project 21B1430N) - from \$2,500,000 to \$200,000
  - 8.3.4.6. Library Pop-Ups (Project 21B4501N) - from \$1,000,000 to \$251,262
  - 8.3.4.7. Flinders Street Hostile Vehicle Mitigation (Project 21B1371N) - from \$1,900,000 to \$1,700,000
  - 8.3.4.8. Climate Adaptation Urban Landscapes New Works (Project 21B1414N) - from \$1,400,000 to \$1,250,000
  - 8.3.4.9. Event Fence Branding Wrap (Project 21B5113N) - from \$110,000 to \$59,750
- 8.4. Notes that FY 2022-23 Cycle Infrastructure budget will rise by \$3,229,577 to account for underspend in FY 2021-22.
- 8.5. Accepts the 2021–22 financial year ending 30 June 2022 Financial Performance Report (Attachments 7 to 10).

**Attachments:**

1. Supporting Attachment (Page 4 of 39)
2. Council Plan quarter four summary report (Page 5 of 39)
3. Council Plan quarter four performance report (Page 6 of 39)
4. Capital Works Program quarter four summary report (Page 12 of 39)
5. Capital Works Program record of program adjustments (Page 19 of 39)
6. Capital Works recommended carry forward of capital funds into 2022–23 (Page 22 of 39)
7. Financial Performance Summary Report and Budget for quarter four (Page 23 of 39)
8. Financial Performance Report for the Fourth Quarter (Page 24 of 39)
9. Supplementary Valuations Report (Page 38 of 39)
10. Overview of supplementary valuations returns (Page 39 of 39)

**Supporting Attachment**

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**Legal**

1. Section 97(1) of the Act provides that as soon as practicable after the end of each quarter of the financial year, the Chief Executive Officer must ensure that a quarterly budget report is presented to a Council meeting which is open to the public.
2. Section 97(2) of the Act provides that the Report must include:
  - 2.1. a comparison of the actual and budgeted results to date
  - 2.2. an explanation of any material variations
  - 2.3. any other matters prescribed by regulations under the Act (none at present)
3. Section 99 of the Act provides that as soon as practicable after the end of the financial year, the Council must cause to be prepared its performance statement and financial statements for the financial year. The statements must:
  - 3.1. be prepared in accordance with section 98 of the Act
  - 3.2. after being approved in principle by the Council, be submitted to the auditor for reporting on the audit.

**Finance**

4. The financial implications are detailed in the body of the report and attachments.

**Conflict of interest**

5. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

**Health and Safety**

6. In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

**Stakeholder consultation**

7. The report is an internal statutory report under the Act and external stakeholder consultation is not appropriate.

**Relation to Council policy**

8. The report provides an update on progress towards delivering the Council Plan 2021–2025.

**Environmental sustainability**

9. Environmental sustainability issues or opportunities are not directly related to this report, but are covered as part of the matters raised in the attachments to this report.

**Council Plan quarter four summary report April to June 2022****Background**

1. The Council endorsed the City of Melbourne's Council Plan 2021–2025 (including the Public Health and Wellbeing Plan) on 29 June 2021.
2. The Council Plan outlines the Council's commitment to the community, including Council's four-year strategic objectives, priorities, major initiatives and indicators of success.
3. Each year, as required under the *Local Government Act 2020*, the Council produces a public annual report of progress on its implementation of the Council Plan.
4. In addition, the City of Melbourne provides a quarterly public report on its progress of implementation of major initiatives under each Council strategic objective. This enables the Council to provide a regular account of performance to the community while highlighting any notable achievements and issues.

**Key issues**

5. The public quarterly report for the period April to June 2022 is attached, covering progress against the Council's strategic objectives; these being:
  - 5.1. Economy of the future
  - 5.2. Melbourne's unique identity and place
  - 5.3. Aboriginal Melbourne
  - 5.4. Climate and biodiversity emergency
  - 5.5. Access and affordability
  - 5.6. Safety and wellbeing.
6. The majority of the 52 major initiatives are on track, with one completed. Nine initiatives are identified as amber (delayed).
7. All of the current major initiatives will continue to be delivered and reported during the 2022–23 financial year.
8. The final quarterly report for April to June 2022 will be made available on the City of Melbourne website.

# Economy of the Future

Over the next four years, we will focus on driving economic recovery and creating the conditions for a strong, adaptive, sustainable and thriving future city economy supported by a diverse mix of industries and jobs that provide dignity and opportunity.

## Highlights for quarter four (April to June 2022)

Our second Midweek Melbourne Money program closed in April delivering the city an enormous economic boost. This year, 850,000 Melbourne Money claims were submitted and almost \$100 million was injected into the local economy. The Business Concierge Service made a further 4,119 contacts and ten Business Precincts Associations received a \$900,000 boost through our Business Precinct Program.

Support and advocacy for international students continued with outreach and events through our Melbourne Student Experiences program, engagement during Melbourne International Student Week and participation at the Victorian Government’s International student employability industry roundtable.

Key events and activations included The Playground activation and Firelight Festival in Docklands, Melbourne Knowledge Week with 103 in-person and online events, and Shop the City: Winter Weekend delivering retail offers, discounts and activations across the city.

Council endorsed the establishment of Experience Melbourne on 14 June, as well as the strategic review of City of Melbourne’s (CoM) international relationships which will inform the delivery of a refreshed International Strategy.

The ‘This is your local’ campaign closed in May, successfully promoting Melbourne’s unique offering to renters and buyers and this year’s stamp duty exemption offer.

CoM’s first [Voluntary Local Review](#) of progress against the United Nations Sustainable Development Goals was published. It enables all Melburnians to take stock of what is happening in our municipality, assess what we are doing, how well we are doing it and ask the question: “Are we pursuing a better future for all Melburnians?”



## Our progress and challenges

The city’s economy is steadily recovering from the impacts of COVID with particularly strong activity recorded for the weekend and night-time economies. Notwithstanding the challenges presented by vacant shopfronts and increased levels of COVID infections, progress towards achieving the four-year targets is on-track. Central Pier redevelopment delivery is being driven by Development Victoria and Department of Transport.

### The major initiatives we’re delivering this year

	Council’s role	Our progress
Continue to strengthen Melbourne’s economic recovery, including through precinct and shopfront activation, delivery of an enhanced <a href="#">business concierge service</a> and support for the night-time economy.	Deliver	On track
Ensure Melbourne is the easiest place to start and grow a business through the establishment of Invest Melbourne.	Deliver	On track
Drive economic growth and resilience by implementing the <a href="#">Economic Development Strategy</a> , focusing support on existing and emerging industry sectors.	Deliver Partner	On track
Work in partnership with the Victorian Government and other stakeholders to advocate for and deliver integrated high-quality public and active transport in urban renewal areas.	Partner	On track
Establish a new tourism entity called Visit Melbourne and review and refresh the program of City of Melbourne-owned and <a href="#">sponsored events</a> to maximise opportunities to drive visitation and spend.	Deliver Partner	On track
Market and promote Melbourne as a great place to live for all, while ensuring key workers have access to affordable housing.	Deliver	On track
Increase visitation to Docklands by partnering with the Victorian Government and key stakeholders to enable reconstruction and redevelopment in Central Pier and surrounds.	Partner Advocate	Delayed
Review Melbourne’s international relationships to optimise future and existing partnerships to enable mutual growth and opportunity.	Deliver	On track
Partner with industry to support the development of globally competitive innovation ecosystems.	Partner Deliver	On track
Develop a corporate strategy for the City of Melbourne to drive exemplary customer service, digitise services and operations, improve productivity and identify new revenue opportunities.	Deliver	On track
Embed the <a href="#">Sustainable Development Goals</a> in the way City of Melbourne plans, prioritises its investments, reports and benchmarks against other cities.	Deliver	On track

### How we’re measuring progress over four years

How we’re measuring progress over four years	Target outcome
Capital city gross local product.	Increase
Number of businesses in the municipality.	Increase
Number of start-ups in the municipality.	Increase
Vacancy rate of retail premises.	Decrease
Proportion of residents employed in the municipality.	Increase
Gross local product per capita per person employed.	Increase
Number of jobs in the municipality.	Increase
Number of visitors to the municipality.	Increase
Planning applications decided within required timeframes.	100%

# Melbourne's unique identity and place

Over the next four years we will celebrate and protect the places, people and cultures that make Melbourne a unique, vibrant and creative city with world-leading liveability.

## Highlights for quarter four (April to June 2022)

Our new look Enterprize Park was completed marking the first milestone of The Greenline Project. A Cultural Values Assessment is underway in collaboration with our Wurundjeri elders on The Greenline Project. Plans for the Munro Library and Community Hub in the Queen Victoria Market (QVM) precinct were completed following community consultation and engagement with Traditional Owners. QVM precinct works also saw construction begin on a contemporary Food Hall on the corner of Queen and Victoria streets.

Community favorites, Run for the Kids and the Mother's Day Classic took to our streets and Melbourne's Formula One Australian Grand Prix returned for the first time in three years. The Rising Festival brought back the buzz after dark as foot traffic and consumer spending reached a two-year high.

Council endorsed the C417 Macaulay Planning Scheme Amendment, which seeks interim controls needed to implement our Macaulay Structure Plan 2021. Hoddle Grid Heritage (C387) and Fishermans Bend Heritage (C394) Amendments await ministerial approval. Carlton Heritage Amendment (C405) finished its exhibition period, and North Melbourne Heritage Amendment (C403) will begin exhibition in August.

Together with the Moonee Ponds Creek Chain of Ponds Group, we affirmed an ongoing commitment to improve the environment surrounding the Moonee Ponds Creek. Negotiations with the Victorian Government have progressed to gain access to land adjacent to the creek to provide enhanced public open space.

As part of our new Design Excellence Program, we hosted four MPavilion Talks and five Melbourne Design Week events. We also launched the Design Excellence Network for local government.



## Our progress and challenges

The completion of another two neighborhood parks at Southbank Boulevard and the introduction of the new pop-up park located at QVM continue to increase the availability of open space available to residents. While escalating construction costs and continuing COVID19-related impacts have created some delivery pressures for QVM Precinct Renewal, work is progressing. Land acquisition for public open space across the municipality remains under way. Otherwise, no significant issues have impacted on progress towards meeting our four-year targets.

The major initiatives we're delivering this year	Council's role	Our progress
Partner with the Victorian Government and other stakeholders to deliver specific components of <a href="#">Greenline</a> along the north bank of the Yarra River.	Deliver Partner	Delayed
Protect <a href="#">Queen Victoria Market</a> as a traditional open-air market.	Deliver	Delayed
Deliver Queen Victoria Market precinct improvements and Munro Community Hub.	Deliver Partner	Delayed
Deliver public art projects that reflect Melbourne's unique culture and heritage.	Deliver	On track
Increase the amount of public open space in the municipality with a focus on areas of greatest need.	Deliver	Delayed
Play a lead role in facilitating the delivery of high-quality and climate adapted urban renewal in <a href="#">Arden</a> and <a href="#">Macaulay</a> , <a href="#">Fishermans Bend</a> , and Docklands in partnership with the Victorian Government.	Partner (with Victorian Government)	On track
Facilitate increased investment in unique Melbourne events to further activate and celebrate the city.	Partner	Delayed
Celebrate, partner and advocate for investment in the city's three key waterways, the <a href="#">Yarra River-Birrarung</a> , the Maribyrnong and Moonee Ponds Creek.	Partner Advocate	On track
Adopt the Municipal Planning Strategy in 2022-23.	Deliver	On track
Complete heritage reviews and implement associated planning scheme amendments to protect and celebrate heritage in our municipality.	Deliver	On track
Champion high quality development and public realm design through delivering the <a href="#">Design Excellence Program</a>	Deliver	On track

## How we're measuring progress over four years

## Target outcome

Proportion of residents within 300m of public open space.

Increase

Proportion of people surveyed who visit a park in the municipality on a regular basis.

Increase

Area of new public open space in Southbank.

1.1ha (by 2025)

Neighbourhoods in the municipality with up-to-date local heritage studies and controls.

100%

Proportion of people who support the city being made up of different cultures.

100%

Value of the creative sector to the local economy.

Increase

The number of creative spaces in the municipality.

Increase

The number of artists supported by City of Melbourne through city planning, design and city operations.

Increase

The number of design reviews of major projects.

Increase

For the Wurundjeri, Bunurong, Taungurung, Dja Dja Wurrung and Wadawurrung peoples of the Eastern Kulin, the place now known as Melbourne has always been an important meeting place and location for events of political, cultural, social and educational significance. Over the next four years, we will ensure that First Peoples’ culture, lore, knowledge, and heritage enrich the city’s growth and development.

## Highlights for quarter four (April to June 2022)

Phase one of the Aboriginal Melbourne Digital Map was launched at a function by the Lord Mayor and Traditional Owners during Melbourne Knowledge Week.

The program of activities for National Reconciliation Week (27 May to 3 June) was delivered successfully, including an Oration by Adam Briggs and a concert at Federation Square on 3 June to celebrate Mabo Day.

Three sites in the municipality have been identified as potential locations for the establishment of a Stolen Generations memorial. Work to date has been guided by a project Advisory group. Consultation with the broader Aboriginal community will commence in the next quarter.

Work continues with Aboriginal Victoria on next steps to progress the First Nations Cultural Precinct, after the concept with pre-feasibility study was pitched to Victorian Government last quarter.



**ABORIGINAL  
MELBOURNE**

## Our progress and challenges

City of Melbourne is on track to deliver the Reconciliation Action Plan (RAP). The RAP is in its final year of delivery and during the 2022-23 financial year a formal review will commence.

Recent survey results highlight the low levels of understanding of Melbourne’s Aboriginal heritage and culture. In part this is due to the measure that has been adopted in which survey respondents must identify both names of the Traditional Owners whose land is within the municipality.

The proportion of people surveyed who believe the relationship with Aboriginal people is important is over 90%. This is consistent with national surveys published by Reconciliation Australia.

In 2021-22 Traditional Owners were consulted/engaged in projects on at least 66 occasions (this number excludes Welcomes to Country). City of Melbourne remains on track to meet our Aboriginal Melbourne four-year target outcomes.

## The major initiatives we’re delivering this year

The major initiatives we’re delivering this year	Council’s role	Our progress
Explore and deliver opportunities for ‘truth-telling’ to facilitate learning, healing, and change within Melbourne and beyond. This will be an opportunity to impart knowledge of thousands of years of rich history, language and stories, as well as provide a form of restorative justice by acknowledging Aboriginal peoples’ experiences of dispossession and inequity.	Partner	On track
Implement the Declaration of Recognition and Commitment in good faith which signals and elevates the City of Melbourne’s shared commitment for reconciliation across the whole of the organisation.	Deliver	Completed
Govern with Sovereign First Nations to enable true self-determination, where deliberative engagement is proactive, responsive and consistent.	Deliver	On track
Commence planning for a co-designed First Nations Cultural Precinct with First Peoples – a place to retain, maintain and recreate in a culturally specific geography, where First Peoples can practice continuity of customs and traditions, through uninterrupted connection to lands and waters.	Partner	On track
Support a partnership forum – an annual gathering of the Eastern Kulin (noting the history of Tanderrum).	Partner	On track

## How we’re measuring progress over four years

## Target outcome

Proportion of people surveyed who demonstrate an understanding of Melbourne’s Aboriginal heritage and culture.	100%
Proportion of people surveyed who believe the relationship with Aboriginal people is important.	100%
Delivery of the City of Melbourne’s Reconciliation Action Plan.	100%
Level of involvement of Traditional Custodians in city governance.	Increase



# Climate and Biodiversity Emergency

Over the next four years, we will prioritise our environment and take urgent action to reduce emissions and waste in order to protect public health, strengthen the economy and create a city that mitigates and adapts to climate change. The City of Melbourne declared a climate and biodiversity emergency in 2019.

## Highlights for quarter four (April to June 2022)

As part of City of Melbourne's (CoM) successful Food Organic, Green Organics (FOGO) recycling roll-out, all low-rise households (23,000) up to five storeys in height now have access to the service. Five buildings have formally committed to the FOGO pilot program for high-rise buildings. In June, our first high-rise building produced fertiliser from food waste collected within the building that will be used in their community garden. Compost created from recycled food / green waste is being used in Kensington and Stockyard Gardens with great success. More than 100 landfill bins have been removed from service, equivalent to more than 12,000L of landfill per week. A Waste Champions program has begun, with Melbourne residents committing to be community leaders in this area.

As part of the Power Melbourne project, we completed a feasibility study to establish a network of neighbourhood-scale batteries to deliver more renewable energy with strong interest from potential industry partners, and have identified five prospective battery host sites.

The CoM has been granted \$2.5 million of funding through the Victorian State Government's Integrated Water Management Grant Program for a new stormwater harvesting system.

As part of the Urban Forest Strategy, development and planting around precinct streetscapes are well underway for the new planting year. Current and historic tree canopy cover for the municipality is currently being analysed via machine learning to generate a consistently measured dataset of canopy cover through 2008 - 2022. This dataset will allow future species specific growth models to be developed to support future planning towards 40% canopy cover by 2040.

## Our progress and challenges

Our planning scheme amendment to improve the environmental performance of new buildings has been delayed. Negotiations with the Victorian Government continue in an effort to progress this work. Development of potential actions and initiatives that could reduce the 66 per cent of our city's emissions currently generated by existing buildings is progressing well. Otherwise, no significant issues have impacted on our progress towards meeting our four-year target outcomes.



The major initiatives we're delivering this year	Council's role	Our progress
To enhance Melbourne's position as a global leader on climate action, we will undertake bold advocacy on behalf of our community.	Deliver	On track
Create an enabling environment for Melbourne businesses and universities to become the employment centre of a resilient zero-carbon economy.	Deliver	On track
Progress a planning scheme <a href="#">amendment</a> to improve the environmental performance of buildings in order to reduce emissions to zero by 2040.	Deliver Partner	Delayed
Deliver on our <a href="#">Urban Forest Strategy</a> including tree canopy, private greening incentives and city greening.	Partner	On track
Lead the reduction of food waste and diversion of waste from landfill, by continuing the Food Organics, Green Organics rollout through high-rise apartment innovation and by addressing food-waste reduction.	Deliver Partner	On track
Support the development of a circular economy through bold leadership and community neighbourhood projects, including the container deposit scheme, alternative waste technologies, circular economy guidelines and partnered or aggregated demand to stimulate end markets.	Deliver	On track
Support the development of battery storage and renewable energy in the municipality through the Power Melbourne initiative.	Partner Advocate	On track
Implement the <a href="#">Climate and Biodiversity Emergency action plan</a> .	Deliver	On track

## How we're measuring progress over four years

- Municipal greenhouse gas emissions.
- On-road transport emissions.
- Installed battery storage capacity in the municipality.
- Household waste produced.
- Municipal waste diverted from landfill.
- Alternative water use.
- Stormwater quality.
- Hospital admissions in relation to extreme weather events.
- Percentage of tree canopy cover in the public realm.
- Number of trees planted in the municipality.
- Area of native understorey habitat in the public realm.

## Target outcome

- 33% reduction (from 2015 baseline by 2025)
- Decrease
- Increase
- 10% reduction (by 2025)
- 50% increase (by 2025)
- Increase
- Increase
- Decrease
- 27% (by 2025)
- 2400 plus number of trees removed in previous year, 3000, whichever is more.
- Increase

Over the next four years, we will reduce economic and social inequality by ensuring universal access to housing, core services and information.

## Highlights for quarter four (April to June 2022)

As part of City of Melbourne’s Disability Access and Inclusion Plan, we extended our contract with Travellers Aid for Mobility Support Services for another two years until June 2024. This is an important partnership to ensure that companion services and mobility equipment are available to people with disability within the city. The Disability Advisory Committee continued to evolve, with the introduction of a community member co-chair role alongside the existing Councillor chair, demonstrating best practice in civic engagement. Pop-up libraries on Little Collins Street, Lygon Street and Federation Square have been extended until the end of September 2022.

The Elizabeth Street Pop-up will continue to operate until December 2022 with the library and Family Services working together to open a Maternal and Child Health location next to this venue.

Council endorsed a new Neighbourhood Planning Framework and engaged over 6000 people on neighbourhood planning for 10 areas. The first two Neighbourhood Planning Portals for CBD and Kensington launched and a prototype of the Knowledge Bank has been developed. Lord Mayor Sally Capp and councillors Jamal Hakim and Dr Olivia Ball and Davydd Griffiths joined local sporting groups in June to mark the opening of the upgraded Western Pavilion at Royal Park.



## Our progress and challenges

Significant progress was made toward our commitment to improve housing access and affordability this year with the establishment of the Homes Melbourne team. In addition, the Make Room housing project, a unique partnership between the City of Melbourne, the Victorian Government, housing providers and corporate and philanthropic organisations was created and will oversee the converting of a Council-owned building at 602 Little Bourke Street into secure, safe, supported accommodation for people experiencing homelessness and sleeping rough. Progress towards achieving our four-year targets is on-track.

The major initiatives we’re delivering this year	Council's role	Our progress
Increase and upgrade accessible, inclusive spaces for women in City of Melbourne sports facilities	Deliver	On track
Implement a neighbourhood model by working with communities to develop neighbourhood plans and neighbourhood service centres that respond to the local community’s existing and projected needs.	Deliver	On track
Deliver a revitalised library network, including pop-up libraries, to increase access for our diverse community and to help revitalise the city.	Deliver	On track
Deliver the <a href="#">Disability Access Plan 2020–2024</a> including ensuring our services and events are more accessible, increasing the number of accessible adult change facilities, and partnering with community and transport groups to make transport more accessible.	Deliver Partner	On track
Develop and deliver initiatives and programs that will provide food relief to vulnerable members of our community and improve local food production by supporting communities to grow their own food.	Deliver Partner Advocate	On track
As part of a new corporate strategy for the City of Melbourne, ensure our core services remain accessible and affordable.	Deliver	On track
In partnership with the Victorian Government commence construction on a replacement North Melbourne Community Centre precinct for the Melrose St community and growing Macaulay population.	Deliver Partner	On track
Deliver programs that will build digital literacy skills and capabilities, improve access to free Wi-Fi from our community facilities and advocate for appropriate digital infrastructure, to improve digital inclusion for all, particularly for vulnerable groups.	Deliver	On track
Create a new entity ‘Homes Melbourne’, to coordinate and facilitate more affordable housing for key workers and people on low-incomes and progress a demonstration project on Council-owned land, support the Make Room accommodation project and new homeless support hubs for vulnerable citizens to access essential support.	Partner	On track

## How we’re measuring progress over four years Target outcome

Number of people sleeping rough who have not been offered accommodation.	Zero
Number of people supported through a range of accommodation including long-term supportive housing and affordable housing.	500 (by 2025)
Number of new demonstration social and affordable housing units facilitated on City of Melbourne land.	100 (by 2025)
Proportion of people reporting food insecurity.	25% reduction (by 2025)
Proportion of people surveyed who participate in lifelong learning in the municipality.	Increase
Proportion of people surveyed who participate in arts and cultural activities in the municipality.	Increase

Over the next four years, we will plan and design for the safety and wellbeing of those who live, visit, work and do business in Melbourne, regardless of their background.

## Highlights for quarter four (April to June 2022)

This quarter the Night Safety Charter and Toolkit, and the Step Up Speak Up sexual violence awareness campaign were launched, as part of Project Night Justice – a two year collaboration with Victoria Police, Crime Stoppers Victoria, Full Stop Australia and University of Melbourne to enhance women and gender diverse people’s safety at night.

Actions for year two of the Women’s Safety and Empowerment Action Plan were finalised and endorsed by Council, as well as a report on the progress of actions completed in year one.

The E-Scooter trial has reached 1.2 million trips with over 800,000 of those within the municipality. Scooter trips are strongly focussed on City of Melbourne aiding city reactivation. Community reports continue to provide useful feedback for the trial.

Vehicle speed limit reductions continue to be implemented and progressed across our neighbourhood streets.

## Our progress and challenges

A slight increase in the proportion of people who report feeling safe in the city at night may be attributed to more people returning to the city. There was a decrease in the rate of ambulance attendance for alcohol and drug misuse in the municipality due to COVID-19 lockdowns and late night venue closures. Other than minor delays associated with works around the Transport Amenity Program and City Road Masterplan: Northern Undercroft, progress towards achieving our four-year targets is on-track.



The major initiatives we’re delivering this year	Council’s role	Our progress
Continue to implement the <a href="#">Transport Strategy 2030</a> , including delivery of a protected bike lane network, station precincts, and streets for people, safer speed limits, and etcetera.	Advocate Partner Deliver	On track
Deliver the North and West Melbourne and Docklands Transport and Amenity Program in partnership with the Victorian Government.	Deliver Partner	Delayed
City of Melbourne will design and deliver the upgrades to the City Road northern undercroft by end of 2023-2024 and advocate for the full delivery of upgrades to the City Road East and West.	Deliver Advocate	Delayed
Adopt in 2021-22 and then implement an <a href="#">Inclusive Melbourne Strategy</a> that will increase access to opportunities for all people who live, work, and study in and visit the city.	Deliver	On track
We will be a leading organisation on equality and inclusion and deliver programs in communities that will reduce physical and psychological harm to all people.	Deliver	On track
We will continue to work with Victoria Police and other agencies to deliver a range of initiatives that improve safety on the streets of Melbourne and within our communities.	Partner Deliver	On track
Deliver and maintain a clean city through the Rapid Response Clean Team initiative.	Deliver	On track
Engage and prepare residents and communities to enhance their resilience to hazards, disasters and the health impacts of climate change.	Deliver	On track

How we’re measuring progress over four years	Target outcome
Proportion of people who report feeling safe in the city.	90% by day, 65% by night
Melburnians’ self-reported sense of belonging to community.	At least 70 /100
Rate of recorded family violence incidents.	Decrease
Complaints of discrimination based on sexual orientation, sexuality, disability, sex, gender, race, religious or political beliefs or other grounds for unlawful discrimination.	Decrease
Proportion of adults who get adequate physical exercise.	Increase
Rate of ambulance attendance for alcohol and drug misuse in the municipality.	Decrease
Number of transport related injuries and fatalities.	Decrease
Proportion of trips made by public transport, bicycle or on foot.	Increase

Council Works Program quarter four summary report

## Capital Works portfolio financial year 2021-22

The Capital Projects portfolio comprises programs and projects that the City of Melbourne delivers to achieve the initiatives set out in the Council Plan. To achieve the Council’s strategic objectives and respond to the many challenges faced by our municipality such as population growth, climate change and most recently impacts of COVID-19, the Council endorsed a \$282.5 million Council works budget for financial year 2021-22, the largest in council history.

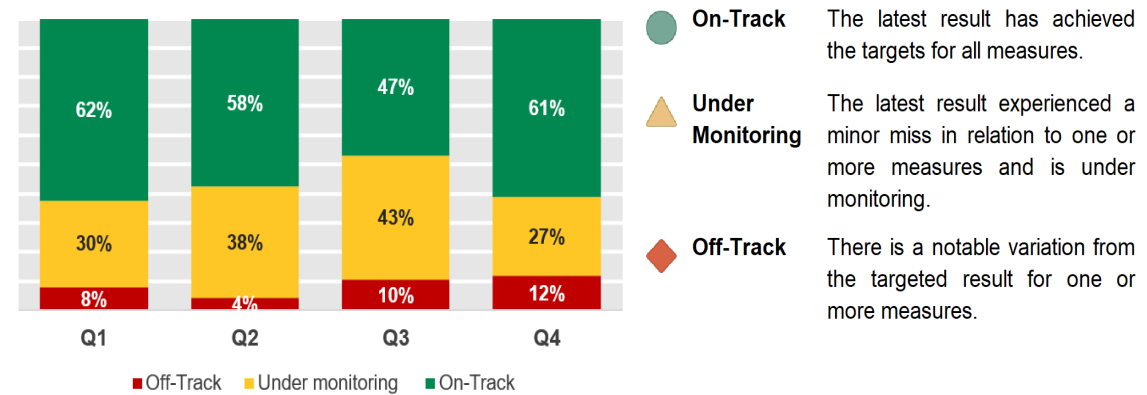
This budget incorporates \$230.5 million capital works (\$187 million new works and \$43.5 million renewals works), \$23.6 million maintenance works, and \$28 million, which was approved to be carried forward from last year.


### Highlights for quarter four (April-June 2022)





The largest capital work portfolio in the City of Melbourne's history has progressed, notwithstanding challenges faced throughout the year. COVID-19 lockdowns significantly impacted delivery capability, followed by shortages of skilled resources, supply chain disruption, material shortages, and most recently, high inflation, which has heavily impacted delivery costs. At the end of financial year 2021-22, we delivered \$149 million - historically the second highest.





Planning continues to be well underway for projects being delivered in financial year 2022-23 as Council delivers another significant Capital Works portfolio.



Quarterly Delivery Confidence Trend



Project Title	Description	Quarterly Update	Completion Date	Project Photo
<b>Queen Victoria Market – Pop Up Park</b>	The transformation of the existing Queen Victoria Market (QVM) customer car park into 1.75 hectares of public open space, is a key strategic project of the market renewal program and follows the July 2021 opening of the 500 space Munro car park. With funding from the Melbourne City Recovery Fund (MCRF), the first stage will transform car parking on Queen Street near QVM into a welcoming green space and activation area known as the Market Square Pop Up Park.	<p>Pop up park was delivered in November 2021 with initial activation commencing within the precinct in May 2022.</p> <p>Testing grounds activation has been delayed due to Heritage Victoria approval and it is scheduled to commence in August 2022.</p> <p><b>Budget: \$1.5 million YTD Actuals: \$239,023</b></p>	Dec 2022	

<p><b>Community Sports Western Pavilion Upgrade</b></p>	<p>To promote and continue to grow women’s participation in sport, City of Melbourne will upgrade accessible and inclusive spaces in our sports pavilions. The first to be redeveloped will be the Western Pavilion in Royal Park with construction to be completed in early 2022. The new pavilion will provide equity of access for all genders and abilities, and an ecologically sustainable design.</p>	<p>The Western Pavilion redevelopment was completed in May 2022.</p> <p><b>Budget: \$2,432,427 YTD Actuals: \$2,475,270</b></p>	<p>May 2022</p>	
<p><b>Southbank Boulevard</b></p>	<p>Transforming Southbank Boulevard Project is progressing towards completion to convert this under-utilised roadway into a series of public open spaces. The project is focussed on sustainable transport, open space, environmental outcomes, and reinforcing the cultural centre of Melbourne’s Arts Precinct. The project is comprised of six stages of work.</p>	<p>The play space located between Kavanagh and Fawkner street is progressing as scheduled and due for completion by September 2022. There will be temporary road closures on local streets while the play space equipment, including large boulders, are being craned into place. Pedestrian access and access to properties will be maintained at all times.</p> <p><b>Budget: \$5,904,197 YTD Actuals: \$3,427,526</b></p>	<p>Sep 2022</p>	
<p><b>Melbourne City Baths Renewal Works</b></p>	<p>Melbourne City Baths is an iconic heritage building in the heart of the CBD.</p> <p>External maintenance works are being completed include replacement of skylights, turret refurbishment, painting and tuck-point works. Planning works have commenced to identify the next tranche of works which include <i>Disability Discrimination Act</i> review and compliance and safety improvements. Mechanical works are in progress.</p>	<p>The works in Melbourne City Bath are progressing on various fronts. The design for the male change room is completed and we are seeking quotes for the works. Electrical investigations of the existing power supply have been completed and an application has been submitted for additional power to the site. Additionally, vendors are engaged to provide improved delivery and handling of chlorine supplies for water treatment facilities to the site.</p> <p><b>Budget: \$2,164,401 YTD Actuals: \$1,872,830</b></p>	<p>Dec 2023</p>	
<p><b>Melbourne Town Hall Renewal and Priority Roof Works</b></p>	<p>Melbourne Town Hall requires urgent drainage upgrades and façade repairs to eliminate leaks which are causing damage to the building.</p> <p>Replacement of three mansard roofs and upgrades to guttering across both the Town Hall Roof and the Melbourne Town Hall administration building roof are required.</p>	<p>Replacement of the membrane under the cooling towers, internal painting, completion of all outstanding defects and providing better access to the roof mansards have been completed. Remaining contract works are in progress and will be completed by September 2022.</p> <p><b>Budget: \$1.9 million YTD Actuals: \$1,479,948</b></p>	<p>Sep 2022</p>	


<p><b>Queen Victoria Market Precinct Renewal Program</b></p>	<p>Guided by the 2015 Master Plan, the Queen Victoria Market Precinct Renewal (QVMPR) program will secure the market's place as a traditional open-air market, through heritage restoration and provision of essential market infrastructure to improve customer and trader experience. Alongside the heritage market, the renewal program will also deliver precinct improvements for the community through quality open space, community services and facilities. Key projects in 2021-22 include continued restoration of the heritage sheds, progression of essential market infrastructure plans, phase one design for 1.75 hectares of new public open space and the preparation of the southern site.</p>	<p>Work has commenced on progress on key market renewal projects including:</p> <ul style="list-style-type: none"> <li>• Construction of a contemporary new Food Hall on the corner of Queen and Victoria streets.</li> <li>• Following the restoration of Sheds A and B earlier this year, works are also nearing completion for the installation of essential services including power and running water for fruit and vegetable traders through new service bollards in these sheds.</li> <li>• Significant progress has been made on the divestment process for the southern development site with the appointment of a preferred developer on track for late 2022</li> <li>• Planning for other projects including Market Infrastructure and Market Square has also continued over this period.</li> </ul> <p><b>Budget: \$42,670,401 YTD Actuals: \$13,007,844</b></p>	<p>Sept 2027</p>	
<p><b>Kensington Community Recreation Centre redevelopment</b></p>	<p>The City of Melbourne is committed to redeveloping the Kensington Community Recreation Centre to improve its facilities for the local community to include three new full-sized indoor multi-purpose courts, health and wellness facilities, an eight lane x 25 m indoor pool, children's water play, three large flexible spaces suitable for a range of classes and community uses and accessible change rooms. The budget for this multiyear project is \$51 million.</p>	<p>Demolition works were completed in May. Following removal of the existing building, Council undertook further investigations and discovered the presence of non-friable asbestos in some areas of the work site. While there is no risk to the residents and surrounding community, works have been temporarily suspended to enable the project team to investigate the most viable soil remediation option. Nearby residents and community members are being informed about the asbestos removal in July 2022.</p> <p><b>Budget: \$10,216,000 YTD Actuals: \$3,917,650</b></p>	<p>Jun 2024</p>	
<p><b>Munro Library and Community Hub</b></p>	<p>To deliver a revitalised library network, increase access for our diverse community and help revitalise the city. Identify and secure a location for a new city library. Finalise design plan and tender documentation. Award contract for building works.</p>	<p>The schematic design is complete and ready to seek Council endorsement of the final concept plan. The detailed design is being progressed with ongoing consultation with Traditional Owners.</p> <p><b>Budget \$1 million YTD Actuals: \$427,173</b></p>	<p>Nov 2023</p>	
<p><b>Exhibition Street Bike Lane</b></p>	<p>This project includes streetscape upgrades including the expansion of footpaths in front of the Rydges and Marriott hotels and the Comedy and Her Majesty's theatres for improved pedestrian connectivity and street furniture will be installed. The project will also improve the urban tree canopy by increasing the number of trees on Exhibition Street.</p>	<p>Detailed design has been completed with tendering to progress in the first quarter of financial year 2022-23. Formal approvals from the Department of Transport are still pending with additional traffic surveys having been undertaken in May 2022.</p> <p><b>Budget: \$219,500 YTD Actuals: \$168,084</b></p>	<p>Jun 2023</p>	

<p><b>Cycle Infrastructure</b></p>	<p>We are committed to making the City of Melbourne a bike friendly city. We are continuing cost effective treatments to accelerate the delivery of new kerbside protected bike lanes along strategic cycling routes. All designs will be approved by the Department of Transport as trials and will be evaluated post implementation. The projects in this program will complete works from 2020-21.</p>	<p>In the past quarter, the following various major works were completed: Page 15 of 39</p> <ul style="list-style-type: none"> <li>• Minor amendments were made to existing bike lanes as part of continuous improvement and fixing reported issues</li> <li>• Additional permanent bike counting equipment was procured to improve captured data</li> <li>• Comprehensive traffic surveys in the Hoddle grid were completed</li> <li>• Grattan Street and Royal Parade designs were completed and ready for installation. Royal Parade was paused at the request of the DOT and Grattan Street is yet to be formally approved by the DOT</li> <li>• Designs for Arden Street, Macaulay Road and Queensberry Street were progressed and are awaiting approval from the DOT</li> </ul> <p><b>Budget: \$7,225,383 YTD Actuals: 3,995,806</b></p>	<p>Dec 2022</p>	 <p><b>New green paint in William Street</b></p>
<p><b>Greenline</b></p>	<p>Partnered with the Victorian Government and other stakeholders to deliver specific components of Greenline along the north bank of the Yarra River (including the implementation of the Yarra River–Birrarrung Strategy).</p>	<p>Greenline Major Initiative 12 and sub initiatives 12.1, 12.2, 12.3 and 12.4 have been progressed significantly during financial year 2021-22.</p> <p>A Cultural Heritage Management Plan has been completed for the extent of the Greenline. A Cultural Values Assessment is underway by consultants in collaboration with Wurundjeri elders, along with other actions, to progress the Yarra River–Birrarrung Strategy.</p> <p>A Greenline business case is being finalised and advocacy to multiple levels of government has resulted in a \$20 million commitment from the new Federal Government with State Government allocating funding conditional upon a transport review. A Request for Proposal process is underway to engage master planning consultants for the whole Greenline. A contract has been awarded for the Birrarung Trial Floating Wetlands which will commence construction in October 2022. The Seafarers Rest Park will commence construction once the main Seafarers development is nearing completion towards 2024.</p> <p><b>Budget: \$1.8 million YTD Actuals: \$1,842,439</b></p>	<p>Jun 2030</p>	




<p><b>City Road Master Plan</b></p>	<p>The City Road Master Plan is a public realm plan that aims to improve the safety, amenity and environmental sustainability of City Road and adjacent spaces.</p>	<p>Draft concept designs for the new Northern Undercroft space have been completed and will be open for community consultation via Participate Melbourne as soon as agreement with Department of Transport (DoT) regarding use of the space is finalised.</p> <p>We also continue to work with DOT on the implementation and monitoring of safety interventions at the City Road and Power Street intersection.</p> <p><b>Budget: \$1,244,992 YTD Actuals: \$623,827</b></p>	<p>Mar 2024</p>	
<p><b>North and West Melbourne and Docklands Transport and Amenity Program</b></p>	<p>The North Melbourne, West Melbourne and Docklands Transport and Amenity Program (TAP) is a suite of streetscape improvement projects that will help alleviate some of the effects and leverage the benefits that the West Gate Tunnel Project will have on local and arterial roads in the city of Melbourne.</p>	<p>Council has progressed several projects within the program. Dynon Road shared user path upgrades and Provost and Little Provost street upgrades are under construction.</p> <p>Hawke Street Linear Park, Spencer Street North Master Plan and Franklin Street Streetscape improvements are all in design phase.</p> <p><b>Budget: \$2 million YTD Actuals: \$822,749</b></p>	<p>Dec 2025</p>	
<p><b>Gateway to GMH Turner Street Works</b></p>	<p>From the \$4.68 million building works stimulus grant, \$3.75 million is allocated to the Gateway to GMH project and funded from September 2020 to June 2022. The project comprises designing and constructing a bike path along Turner Street in Fishermans Bend. The funding will also cover greening, digital infrastructure and some creative place-making if capital expenditure is applicable. The balance of this grant will fund operational costs.</p>	<p>The tender was awarded in May 2022 and works commenced onsite in late June 2022. Slight delays have been experienced in commencing due to CitiPower approval. The current forecast completion of works is due at the end of December 2022.</p> <p><b>Budget: \$3,671,382 YTD Actuals: \$425,440</b></p>	<p>Dec 2022</p>	
<p><b>Southbank Promenade Stage 1</b></p>	<p>Stage 1 Southbank Promenade stretches 300 m along Southbank Promenade between Princes Bridge and Evan Walker Bridge. The area has been prioritised because of the condition of trees, pavements, and longstanding issues with fast cyclist speeds. Due to pending multimillion dollar Southgate development, Council decided in April 2021 to proceed with an early works package, limited to extension of the upper promenade on the west.</p>	<p>The works commenced onsite in May 2022 and are progressing to schedule. To date a large portion of the demolition and wall construction has been completed. Installation of the steel beams to support the new slab are underway, and current forecast for completion of works is late December 2022.</p> <p><b>Budget: \$3.8 million YTD Actuals: \$439,724</b></p>	<p>Dec 2022</p>	



<p><b>Pocket Parks</b></p>	<p>The Pocket Parks program contributes towards the delivery of Major Initiative 16 - Increase Public Open Space. The major initiative will provide high quality, functional, useful and beautiful parks and gardens close to where people live and work. The Pocket Parks program will deliver the Bedford Street Pocket Park in North Melbourne among others.</p>	<p>The design for Bedford Street Pocket Park is being finalised to share with the community and seek Council endorsement of the final concept plan. Investigations are underway into further pocket park opportunities in Southbank, North Melbourne and Melbourne.</p> <p><b>Budget: \$200,000 YTD Actuals: \$294,708</b></p>	<p>Sep 2023</p>	
<p><b>Riverside Skate Park Redevelopment</b></p>	<p>The Riverside Skate park is an iconic space located in the Alexandra Gardens. It has been identified as needing replacement due to aging infrastructure and heavy use. The Skate Melbourne Plan 2017-27 lists updating the skate park as action 2.6. An extensive program of community consultation was conducted during 2019-20 to understand how the park is currently used, and what is required in the future redevelopment. The engagement concluded with development of a design brief.</p>	<p>The skate park design consultant Convic Skate Parks Pty Ltd finalised the background research, with schematic design now progressing. Site investigations have been undertaken and recruitment to appoint the skate park reference group is underway. Schematic design for the toilet block refurbishment has also commenced.</p> <p><b>Budget: \$350,000 YTD Actuals: \$131,404</b></p>	<p>Nov 2024</p>	
<p><b>North Melbourne Community Centre Redevelopment</b></p>	<p>This project is Capital Works Major Initiative 42 in 2021-22 and is the continuation of an Annual Plan Initiative 2020-21 (now referred to as a Major Initiative). The purpose of this project is to ensure the services, indoor community activity space and outdoor recreation needs of the growing Macaulay population in the Melrose Precinct in North Melbourne are met while contributing to Council's affordable housing objectives.</p>	<p>Plans to redevelop the North Melbourne Community Centre (NMCC) progressed with a focus on detailed assessments to determine a suitable site for the build. This included projected community service needs for expected population growth in the area, benefits for the community and impact on open space. This site option assessment was underpinned by a comprehensive review of previous community engagement and needs analysis in North Melbourne. Factored in were interviews with key stakeholders and community consultation on what would contribute to the build and delivery of an impactful NMCC. Based on the findings of these assessments, Council approved to progress the project to the next stage to undertake more detailed planning. A progress update including a funding model will be presented to Council for endorsement later in 2022. The next round of community engagement is expected to commence in late 2022 or early 2023.</p> <p><b>Budget: \$500,000 YTD Actuals: \$1182</b></p>	<p>Jun 2026</p>	
<p><b>Waste and Resource Recovery Hub Expansion Program</b></p>	<p>Expanding the waste and resource recovery hub network across the central city is a key action of the City of Melbourne's ambitious Waste and Resource Recovery Strategy 2030. The strategy will move us towards a city that produces less waste and transforms the way we collect and process waste.</p>	<p>Food waste processing capacity on-site at Degraeves Street Recycling Facility has been increased. A food waste collection service for businesses in an additional precinct in the central city has started and is diverting over 300 kg per day from landfill. Community engagement on the new hubs facility siting continues.</p>	<p>Jun 2024</p>	

	<p>An additional two new communal waste and recycling hubs, plus an uplift in existing hubs for improved recycling options, will be introduced for city businesses to improve business recycling rates and divert waste from landfill.</p> <p>The new facilities will remove nearby private bins stored permanently in public space, reduce the number of waste collection vehicle movements in the central city and improve amenity of the surrounding area.</p> <p>It is anticipated the city will invest up to \$4.58 million over the life of this project.</p>	<p>New technology and collection systems are required to meet the challenge regarding access, limited space and service requirements.</p> <p>A tender for supplying technology and collection and maintenance services opened to the international market in January 2022 and is progressing through the evaluation process.</p> <p><b>Budget: \$1,889,612 YTD Actuals: \$334,771</b></p>		
<p><b>Dodds Street linear park, Southbank</b></p>	<p>Delivery of the Dodds street linear park, in conjunction with the Southbank Major Public Art Commission.</p> <p>The Dodds Street linear park will deliver an additional 2700 m<sup>2</sup> of open space in Southbank, and deliver on a number of Council strategies such as the overall Transforming Southbank Boulevard project, the Urban Forest Strategy and Precinct Plans, and Open Space Strategy.</p> <p>The open space works are being developed and delivered in coordination with a number of significant art pieces.</p> <p>Funding is being transferred from 14G8111N - Transforming Southbank Boulevard and Dodds Street. Total funds transferred \$2,227,000 with balance expected to be spent in 2021-22.</p>	<p>The tender documentation phase of the project was completed in May 2022 and tender documents were finalised in June 2022. The tender package has now been issued to shortlisted tenderers with tenders to close mid-August 2022 followed by tender evaluation and award of tender.</p> <p><b>Budget: \$250,000 YTD Actuals: \$305,327</b></p>	<p>Aug 2023</p>	




## Proposed Record of Program Adjustments 2021–22 - End of Year










Symbols:  Budget increase  
 New project or no change in the amount  
 Budget reduction

Attachment 5  
 Agenda item 6.5  
 Council  
 30 August 2022




Month	Project No.	Project Name	Council Approved Budget	Project Funding Source					Revised Budget	Adjustment Type	YTD Actual	Comments
				Council Funds	External Funds	Parking Levy	Public Open Space Funds	Grants				
Mar-22	21B1432N	Urban Renewal Open Spaces	10,000,000				(9,950,000)		50,000	0	Budget rephased across future years to provide the necessary time required to identify the best location options for creating the urban open spaces, acquiring the land, followed by designing and constructing.	
Feb-22	14G8129N	Dodds Street linear park, Southbank	5,214,000				(4,964,000)		250,000	305,327	Delay in completing the design of landscape works. Accordingly, the budget for completing design construction work has been revised and shifted to 2022-23.	
Feb-22	19B1376N	Exhibition Street Bike Lane	3,440,000	(3,220,500)					219,500	168,084	The Department of Transport requested additional traffic analysis prior to finalising approvals. Consequently, the budget has to be transferred to 2022-23 to undertake the remaining design and construction works.	
Mar-22	21B1363N	Cycle Infrastructure	8,060,000	1,170,000				(4,030,000)	5,200,000	2,067,402	Anticipated MCFR Funding will not be provided by the State Government; the allocation of \$1,170,000 Council Funding was agreed as per the Council meeting held 23 November 2021.	
Mar-22	21B1430N	Pocket Parks	2,500,000				(2,300,000)		200,000	294,708	Budget rephased across future years to provide the necessary time required to identify the best location options for creating the urban open spaces, acquiring the land, followed by designing and constructing.	
May-22	21B4501N	Library Pop-Ups	1,000,000	(748,738)					251,262	251,262	Necessary accounting adjustment to shift the operating costs budgeted in the CAPEX.	
Jan-22	21B1371N	Flinders Street Hostile Vehicle Mitigation	1,900,000					(200,000)	1,700,000	199,254	Reduction to State Government budget allocation. COM will deliver the work as per the signed funding agreement.	
Mar-22	21B1414N	Climate Adaptation Urban Landscapes New Works	1,400,000				(730,000)	580,000	1,250,000	984,376	Funding adjustment due to the transfer of the proposed scope to Bedford Street Pocket Park Expansion, which is part of the Pocket Parks Project.	
Jan-22	21B5113N	Event Fence Branding Wrap	110,000	(50,250)					59,750	60,000	Budget revised due to a change in the size of the New Years Eve event.	






## Proposed Record of Program Adjustments 2021–22 - End of Year

Symbols:  Budget increase  
 New project or no change in the amount  
 Budget reduction

Month	Project No.	Project Name	Council Approved Budget	Project Funding Source					Revised Budget	Adjustment Type	YTD Actual	Comments
				Council Funds	External Funds	Parking Levy	Public Open Space Funds	Grants				
May-22	21B0303N	Technology and Digital Innovation - New	10,900,000					3,000,000	13,900,000		11,384,748	Additional funding was received from the State Government for the Digital Permits Project, Phase Two (Business Permits).
Mar-22	21B1422R	Parks Tree Planting and Replacement Program	1,700,000					272,123	1,972,123		2,259,907	Additional funding received from Rail Projects Victoria for undertaking extra tree planting works.
Jan-22	17B3347N	Memorials	407,274					202,031	609,305		623,866	This project is funded via the State Government, additional grant funding received to reflect increase in costs.
Apr-22	21B1341R	Street Furniture Renewal	400,000		34,724				434,724		431,751	External funding received from developers for increased scope of street furniture removal / reinstatement works.
Mar-22	21B3714N	Make Room – Vacation of 602 Lt Bourke St, and relocation of Arts Collection	0	1,853,824					1,853,824		800,000	Adjustment to align requirements under the agreement to lease 602 Little Bourke Street to housing provider for the Make Room project.
May-22	21B2514N	Greenline	1,000,000	800,000					1,800,000		1,842,439	In order to facilitate the endorsement of the Final Greenline Implementation Plan, funds are required to be brought forward from future years for internal design costs, as well as external consultancy costs to expedite works for the Greenline Major Initiative.
Feb-22	20B3714R	Property Services City Baths Renewal Works	1,964,401	200,000					2,164,401		1,872,830	Additional funding for installation of shower partitions and change room modifications at Melbourne City Baths men's shower area.
Apr-22	21B3701N	Furniture and Equipment New Purchases	100,000	100,000					200,000		140,769	Extra funding to supply necessary office furniture and equipment to support return to work.
Apr-22	19B3106N	Our HOOD City of Melbourne Heritage Database	179,294	90,373					269,667		101,604	The project was delayed due to the post COVID-19 technical resource shortage. Accordingly, additional funding is required to bring the project on track and cover the market resourcing costs.

## Proposed Record of Program Adjustments 2021–22 - End of Year

Symbols:  Budget increase  
 New project or no change in the amount  
 Budget reduction

Month	Project No.	Project Name	Council Approved Budget	Project Funding Source					Revised Budget	Adjustment Type	YTD Actual	Comments
				Council Funds	External Funds	Parking Levy	Public Open Space Funds	Grants				
May-22	19B4430N	Public Toilet Installation	352,081	80,000					432,081		386,382	Increased funding for additional scope of construction works.
Mar-22	21B1434N	Shrine of Remembrance – Drainage Upgrade	0	30,000					30,000		1,280	The funding is required for site investigation and engineering solution report to mitigate the impact of drainage deficiency on the Shrine of Remembrance ring road, which was impacted by a significant flooding event in December 2019. The engineering report will enable construction in financial year 2022-23.
May-22	21B2801M	Make Room Refurbishment	0					1,000,000	1,000,000		1,000,000	Accounting adjustment to recognise the \$1 million Capital Grant received by the City of Melbourne.
May-22	20B0901N	Make Room	1,000,000	356,065				(1,000,000)	356,065		110,038	Accounting adjustment to recognise the \$1 million Capital Grant received by the City of Melbourne.
Jan-22	19B3331N	Market Street Open Space	992,718	(478,000)				478,000	992,718		732,244	Accounting adjustment to recognise unspent Local Roads and Community Infrastructure Program grant received in 2020-21. Overall no change to the original approved budget.
<b>Total</b>			<b>52,619,768</b>	<b>182,774</b>	<b>34,724</b>	<b>0</b>	<b>(17,944,000)</b>	<b>302,154</b>	<b>35,195,420</b>		<b>26,018,270</b>	

## Recommended Carry Forward of Capital Funds into 2022-23

Project No.	Project Name	Carry Forward
19B1429N	Australia Wharf Fitout	1,098,022
18B4507N	Carlton Central Learning Precinct – ELC and Family Services	84,481
18B3410N	City North Urban Realm Improvements	136,000
21B4425N	Community Sports Pavilion Upgrade (Brens)	698,583
21B4426N	Community Sports Pavilion Upgrade (Ryder Pavilion)	308,758
19B3336N	Fawkner Park Pasley Street North Entrance Improvement Works	60,000
21B1371N	Flinders Street Hostile Vehicle Mitigation	1,500,746
21B3701N	Furniture and Equipment New Purchases	59,231
20B3102N	Gateway to GMH Turner Street Works	1,375,542
21B3101N	Gateway to GMH Turner Street Works	1,870,400
21B1365N	Improve Pedestrian Priority In Little Streets	610,000
21B3315N	Investigate Deployment of Distributed Battery Systems	200,000
17B1404N	Kensington Community Recreation Precinct Redevelopment	6,298,350
16B4504N	Lady Huntingfield Child Care Centre - Upgrade	271,461
21B1803N	Laneway Waste Management	242,385
16B3333N	Lincoln Square (Landscape Concept Plan)	22,000
21B3714N	Make Room - Vacation of 602 Lt Bourke St, and relocation of Arts Collection	1,053,824
19B3331N	Market Street Open Space	70,500
21B1349R	Melbourne City Marina Renewal	922,895
21B4123N	Munro Library and Community Hub	572,827
20B1412N	New Climate Adaptation Urban Landscapes	492,032
17B3334N	North Bank Open Space & Public Realm Projects	65,186
21B4431N	North Melbourne Community Centre Redevelopment	498,818
18B2005N	Office Accommodation	495,354
19B3106N	Our HOOD City of Melbourne Heritage Database	168,063
21B1353R	Parking Meter Renewal	292,275
20B1371N	Parking Technology Services	237,000
19B1355N	Pump Station Upgrade - Stubbs Street	2,469,531
21B4428N	Riverslide skate park redevelopment	211,661
21B1434N	Shrine of Remembrance - Drainage Upgrade	28,720
14G8111N	Southbank Boulevard Upgrading	2,476,671
20B3308N	Southbank Promenade Stage 1	3,360,276
20B1372N	Swanston Street HVM (SSH) Works Project	767,078
20B0303N	Technology and Digital Innovation - New	74,569
21B0303N	Technology and Digital Innovation - New	2,515,252
21B0301R	Technology Modernisation - Renewal	50,966
20B3715R	Town Hall Renewal and Priority Roof Works	420,052
20B1801N	Waste and Resource Recovery Hub Expansion Program	394,362
21B1802N	Waste and Resource Recovery Hub Expansion Program	1,052,751
21B4427N	Waterways Operations precinct in the Bolte Precinct West	236,596
21B4429N	Waterways provision of kayak storage and fishing infrastructure	139,658
20B1347N	Widen Footpath In Overcrowded Streets	876,098
	<b>Total Carry Forward into 2022-23</b>	<b>34,778,974</b>

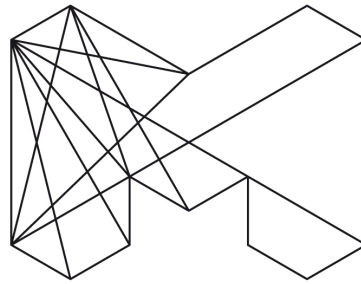
## Financial Performance Report and Budget 2022–23 for the Fourth Quarter

### Purpose and background

1. The purpose of this report by the Chief Executive Officer (CEO), is to inform Council of its financial performance for the financial year ending 30 June 2022 in accordance with the *Local Government Act 2020* (the Act) and to provide information on supplementary valuations adopted under delegation (refer **Attachment 9 and 10**).
2. The preliminary results from ordinary activities (excluding gains on disposal of assets and investment revaluations) for the financial year ending 30 June 2022 is an underlying net deficit of \$45.1 million versus a budget deficit of \$27.0 million. The unfavourable variance of \$18.1 million is driven by COVID-19 lockdown 6.0 restrictions impacting reduced parking revenues (\$27.9 million) which has been partially offset by lower administrative expenditure (\$3.1 million), lower consultancy expense (\$2.0 million) and lower PINS provisions (\$4.7 million) associated with lower parking revenue.
3. This preliminary result was \$8.2 million unfavourable compared to March 2022 forecast (\$36.9 million) mainly due to one-off items recognised in June for grants in advance income deferral (\$3 million) and capital work in progress (WIP) write-downs (\$4.5 million).

### Key issues

4. The preliminary result includes estimated COVID-19 impacts of \$51.6 million due to reduced parking revenue (\$34.4 million), lower statutory and other user fees (\$14 million), and lower investment and market rental earnings (\$3.2 million).
5. In addition to the underlying deficit, in accordance with accounting standards, the Council is also required to reflect a comprehensive result in the Annual Report. The comprehensive result includes capital contribution revenue and additional non-cash items including revaluation of Council assets. The Council has a net asset base in excess of \$4.8 billion with land, parkland, roads, footpaths, buildings, kerbs and channels and infrastructure assets being the most significant items.
6. Given the asset base size, revaluations often generate significant non cash gains or (losses) that are unlikely to be realised but do need to be reflected to comply with accounting standards.
7. The comprehensive result for Council in 2021–22 is a surplus of \$185.6 million (\$38.8 million surplus in 2020–21) and includes a revaluation asset increment of \$200.7 million, gain on disposal of asset of \$2.2 million, fair value adjustments of investment properties of \$5.2 million and capital contribution revenue of \$22.6 million in the current year.
8. The preliminary results remain subject to statutory account adjustments (including subsequent events) and final audit review outcomes.
9. A detailed analysis of revenue and expenditure is included in **Attachment 8**.

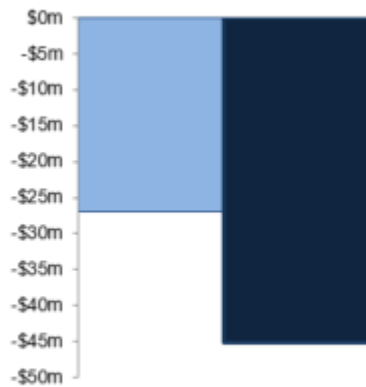


**CITY OF MELBOURNE**

# FINANCIAL PERFORMANCE REPORT

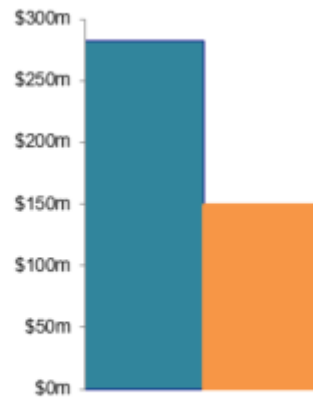
## 30 June 2021-22

**Underlying Surplus/(Deficit)**



Full Yr Budget	(\$27.0m)
Full Yr Actual	(\$45.1m)
Full Yr Variance	(\$18.2m)

**Council Works Program**



Full Yr Budget	\$282.5m
Full Yr Actual	\$149.0m
Full Yr Variance	\$133.4m



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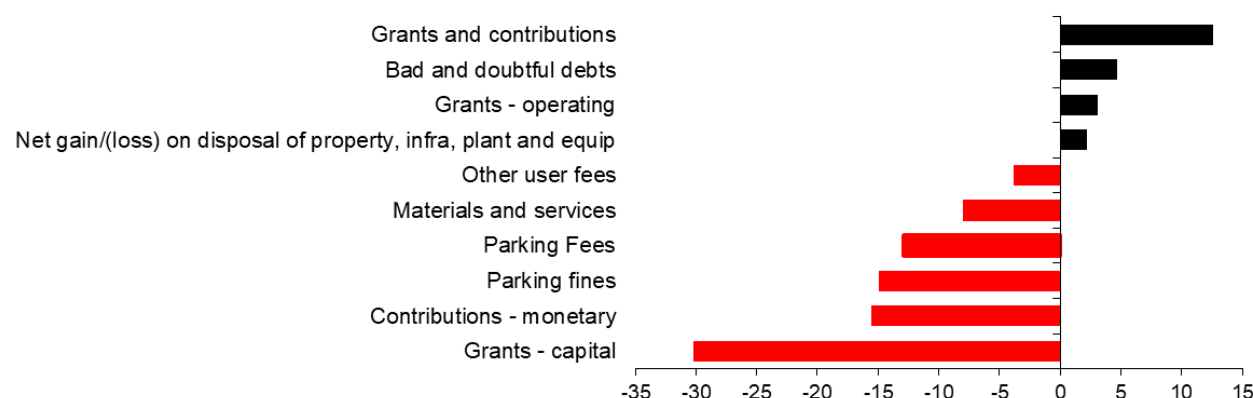
## Executive Summary

### Underlying Operating Results:

2020-21 Actual	\$ Thousands	FY 2021-22 (\$'000)		
		Budget	Actual	Variance
527,717	Revenue	586,364	511,770	(74,594)
483,702	Operating Expenditure	545,211	534,297	10,913
44,015	<b>Results from Ordinary Activities</b>	41,153	(22,527)	(63,681)
23,605	Net gain/(loss) on disposal of property, infra, plant and equip	8	2,176	2,168
5,378	Fair value adjustments for investment properties	0	5,223	5,223
0	Contributions - non monetary	0	0	0
0	Writedown on Investment	0	0	0
<b>72,998</b>	<b>Profit/(Loss)</b>	<b>41,161</b>	<b>(15,128)</b>	<b>(56,289)</b>
(61,160)	Less External Contributions to Capital	(68,117)	(22,604)	45,513
(5,378)	Less Gain on Investment Revaluation	0	(5,223)	(5,223)
0	Less Contributed Assets	0	0	0
(23,605)	Less Gain on disposal of asset	(8)	(2,176)	(2,168)
<b>(17,145)</b>	<b>Underlying Surplus/(Deficit)</b>	<b>(26,964)</b>	<b>(45,132)</b>	<b>(18,167)</b>

### Key Financial Variances:

#### Top 10 Variances (\$millions)



The 2021–22 result excluding gain on disposal of properties and investment revaluations was an underlying net deficit of \$15.1 million, \$18.2 million unfavourable versus Budget. COVID-19 impacts on revenue are estimated to be \$51.6 million (compared with a normal business environment).

The unfavourable variances are due to:

- Grants – capital (\$30.2 million unfavourable) due to various capital grants not received in FY 2021–22 (Capital Grants are excluded from underlying surplus).
- Parking Fines and Fees (\$27.9 million unfavourable) driven by the reduction of parking and traffic activities impacted by COVID-19 lockdown 6.0 restrictions. Council made a conscious decision to strategically support the community by limiting metered revenue enforcement operations to only red signs to further assist with city reactivation activities.
- Contributions - monetary (\$15.6 million unfavourable) as a result of lower Public Open Space contributions (capital revenue is excluded from underlying surplus).
- Materials and services (\$8.0 million unfavourable) due mainly to below budget Melbourne City Revitalisation Fund (MCRF) activities expenditure and capital work in progress (WIP) write-downs which is partially offset by lower administrative, consultant and maintenance expense.
- Other User Fees (\$3.6 million unfavourable) given lower fee income as a result of COVID-19

lockdown 6.0 restrictions.

*Partially offset by:*

- Grants and contributions (\$12.6 million favourable) due mainly to MCRF expenditure referred to above in the materials and services expense category.
- Bad and doubtful debts (\$4.7 million favourable) consistent with lower parking infringements (PINS) provisions as a result of lower PINS revenue.
- Operating Grants (\$3.1 million favourable) due to the timing of MCRF expenditure and other COVID-19 related grants income which is aligned with actual expenditure; and
- Net gain on disposal of assets (\$2.2 million favourable) due mainly to part sale of Munro site properties.

**COVID-19 Impacts**

- There has been a prolonged impact on the City of Melbourne's (CoM) operations as a result of COVID-19. Total revenue impacts for the FY 2021–22 are estimated at \$51.6 million.
- The major financial impacts for COVID-19 compared to non-COVID year include:
  - \$34.5 million lower Parking Fee and Fine revenue.
  - \$14.0 million lower statutory and other user fees; and
  - \$3.2 million lower Other Income items.

**Council Works Program**

The value of works completed in FY 2021–22 is \$149.0 million, \$133.5 million lower versus Budget of \$282.5 million mainly as a result of COVID-19 restrictions on the construction industry during the first half of the financial year.

**Borrowings & Liquidity position**

As at 30 June 2022, CoM's total cash balance was \$39.8 million (2021: \$143.9 million). It is forecasted Council will have lower cash balances to rely on this year compared to last year and will need to rely on borrowing in accordance with its approved Budget to fund its operating and capital requirements. It is forecast CoM will need to begin drawing from its available debt facilities in July 2022.

## Balance Sheet

Prior Year 2020-21 Actual (\$'000)	<b>Balance Sheet</b>	Current Year Jun-22 Actual (\$'000)	Movement 2021-22 Actual (\$'000)
	<b>Assets</b>		
	<b>Current Assets</b>		
143,871	<i>Ref 1</i> Cash and cash equivalents	39,800	(104,071)
39,595	<i>Ref 2</i> Trade and other receivables	32,146	(7,449)
30,000	<i>Ref 1</i> Other financial assets	0	(30,000)
0	Inventories	0	0
7,862	<i>Ref 3</i> Other assets	13,853	5,991
0	Short-Term Loan to QVM	0	0
<b>221,328</b>	<b>Total Current Assets</b>	<b>85,799</b>	<b>(135,529)</b>
	<b>Non current assets</b>		
33,626	<i>Ref 1</i> Other financial assets	33,717	91
26,356	Investment in subsidiaries and trust	26,356	0
4,242,467	<i>Ref 6</i> Property, infrastructure, plant and equipment	4,488,465	245,998
188,518	<i>Ref 6</i> Investment property	227,978	39,460
36,798	Intangible assets	43,699	6,901
5,656	Right of Use Asset	5,868	212
<b>4,533,421</b>	<b>Total Non-Current Assets</b>	<b>4,826,083</b>	<b>292,662</b>
<b>4,754,749</b>	<b>TOTAL ASSETS</b>	<b>4,911,882</b>	<b>157,133</b>
	<b>Liabilities</b>		
	<b>Current Liabilities</b>		
(122,447)	<i>Ref 4</i> Trade and other payables	(89,846)	32,601
(13,677)	Trust funds and deposits	(13,653)	24
(37,312)	<i>Ref 5</i> Provisions	(41,100)	(3,788)
(1,961)	Lease Liability	(1,649)	312
0	Interest-bearing loans and borrowing	0	0
<b>(175,397)</b>	<b>Total Current Liabilities</b>	<b>(146,248)</b>	<b>29,149</b>
	<b>Non- current Liabilities</b>		
(3,992)	Provisions	(4,050)	(58)
0	Interest-bearing loans and borrowings	0	0
(1,526)	Trust funds and deposits	(1,617)	(91)
(3,922)	Lease Liability	(4,510)	(588)
<b>(9,440)</b>	<b>Total Non-Current Liabilities</b>	<b>(10,177)</b>	<b>(737)</b>
<b>(184,837)</b>	<b>TOTAL LIABILITIES</b>	<b>(156,425)</b>	<b>28,412</b>
<b>4,569,912</b>	<b>NET ASSETS</b>	<b>4,755,458</b>	<b>185,546</b>
	<b>Equity</b>		
(2,180,371)	Accumulated Surplus	(2,167,017)	13,354
(2,389,541)	Reserves	(2,588,441)	(198,901)
<b>(4,569,912)</b>	<b>TOTAL EQUITY</b>	<b>(4,755,458)</b>	<b>(185,546)</b>

## Balance Sheet

### Comparison to June 2021 Actual

1. The decrease in cash and cash equivalents is due to a combination of a lower statutory fines, user fees and a higher level of operating outflows related to employee costs, and materials and services when compared to the prior year, plus the \$46.4 million for the purchase of Munro Community Hub, and \$128.7 million of other capital and project expenditure.
2. The decrease in trade and other receivables is a result of an increase in PINS provision to \$95.4 million (95.5% of the debt) to bring it into line with other debtor provisions and the policy. There was also a slight decrease in Other Debtors and the Environmental Upgrade Charge with payments being received during the year.
3. The increase in other assets is due to a prepayment to Melbourne University of \$2.8 million related to Fisherman's Bend, and an accrual of \$3.5 million for the second instalment of the Melbourne City Revitalisation Fund at 30 June 2021.
4. Trade and other payables have decreased due mainly to a reduction in Trade Creditors of \$2.5 million from prior year, a reduction in Income in Advance – Grants of \$14.8 million from prior year relating to lower activity on MCRF1 and MCRF 2, and a reduction in general accruals from prior year of \$16.0 million.
5. Provisions have increased given increases of leave balances of \$2.86 million since June 2021 due to a combination of COVID lockdown, low levels of leave taken, and an increase in the Insurance Claims Provision to \$2.67 million due to new claims through the year.
6. The increase in property plant and equipment and investment property assets of \$286.1 million is driven by capital works spend \$128.7 million, plus the purchase of Munro Community Hub (\$45.6 million), and valuation adjustments that was dominated by increases in Land Freehold of \$179.5 million. This was partially offset by depreciation expense for the year (\$78.1 million).

## Cash Flow Statement

2020-21 Actual (\$'000)	Statement of Cash Flows	2021-22 Actual (\$'000)
	<b>Cashflows from Operating Activities</b>	
	<b>Receipts</b>	
292,563	Rates and charges	325,964
62,814	Statutory fees and fines	42,211
67,454	User fees	57,363
19,485	Grants - operating	27,420
24,962	Grants - capital	25,874
5,295	Contributions - monetary	2,543
2,290	Interest	392
2,063	Dividends	25
3,582	Trust funds and deposits taken	124
14,303	Other receipts	13,311
28,156	Contributions on Public Open Spaces (Reserve)	4,649
<b>522,967</b>		<b>499,876</b>
	<b>Payments</b>	
(168,437)	Employee Costs	(186,195)
(193,704)	Materials & Services	(233,275)
(32,108)	Other Payments	(44,225)
<b>(394,249)</b>		<b>(463,695)</b>
<b>128,718</b>	<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>36,180</b>
	<b>Cashflows from Investing Activities</b>	
(127,838)	Payments for property, infrastructure, plant & equipment	(128,676)
0	Purchase of Munro Community Hub	(46,415)
9,035	Proceeds from sale of property, infrastructure, plant & equipment	7,404
14,975	Compensation for City Square	0
(73,000)	TD Deposit Reclassification	30,000
0	Loan to QVM	0
<b>(176,828)</b>	<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(137,687)</b>
	<b>Cashflows from Financing Activities</b>	
(339)	Finance Costs	(91)
(28,482)	Repayments of borrowings	0
0	Interest paid - Lease Liability	(189)
0	Repayment of Lease Liability	(2,285)
<b>(28,821)</b>	<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>(2,565)</b>
<b>(76,931)</b>	<b>Net Cash Inflow / (Outflow) from all Activities</b>	<b>(104,071)</b>
119,529	Cash at beginning of the financial period	143,871
42,598	Cash at the end of Jun-22	39,800
<b>(76,931)</b>	<b>Movement in cash equivalents</b>	<b>(104,071)</b>

2020-21 Actual (\$'000)	Statement of Cash Flow (reconciliation)	2021-22 Actual (\$'000)
38,488	<b>Net Surplus (exc Public Open Space Contributions)</b>	<b>(19,237)</b>
	<b>Add Back Non-Cash Items</b>	
70,774	Depreciation/Amortisation	78,098
5,558	WIP Write Off	4,937
(5,378)	Fair value adjustments for investment property	(5,223)
(23,605)	Profit/(loss) on disposal of property, plant and equipment	(2,176)
<b>85,837</b>	<b>Operating Surplus/(Deficit) before Non cash items</b>	<b>56,399</b>
14,388	Net Movement in Working Capital	(27,417)
(127,839)	Capital Expenditure	(128,689)
0	Purchase of Munro Community Hub	(46,415)
9,035	Proceeds from sale of assets	7,404
14,975	Compensation on City Square	0
28,156	Contributions on Public Open Spaces (Reserve)	4,649
(73,000)	TD Deposit Reclassification	30,000
(28,482)	Repatriation of CEFC Loan	0
<b>(76,931)</b>	<b>Net Cash inflow/(outflow)</b>	<b>(104,071)</b>

For year 2021–22, Council has a total cash outflow of \$104.1 million which is primarily comprised of:

- An operating surplus of \$56.4 million.
- A net outflow of working capital of \$27.4 million.
- Capital expenditure of \$128.7 million and purchase of Munro Community Hub of \$46.4 million.
- Proceeds on sale of asset \$7.4 million; and
- A decrease in investment term deposits greater than 90 days from cash of \$30.0 million.

## Income Statement

2020-21 (\$'000)	Income Statement		FY 2021-22 (\$'000)		
			Budget	Actual	Variance
		<b>REVENUE</b>			
316,147	Ref 3.1	Rates and charges	327,807	325,869	(1,938)
		Statutory fees and fines			
24,502	Ref 3.2	Parking fines	39,041	24,068	(14,973)
11,749	Ref 3.3	Other	10,920	12,400	1,480
		User fees			
32,009	Ref 3.4	Parking	51,912	38,995	(12,917)
15,645	Ref 3.5	Other	21,800	17,932	(3,868)
62,594	Ref 3.6	Grants - operating	47,091	50,221	3,130
32,626	Ref 3.7	Grants - capital	48,117	17,905	(30,212)
31,699	Ref 3.8	Contributions - monetary	22,755	7,192	(15,563)
	Ref 3.9	Other income			
804		Interest	203	392	190
4,218		Dividends	4,068	4,025	(43)
3,561		Investment property/market rentals	4,997	4,740	(256)
3,423		Intercompany revenue - Citywide	4,134	2,692	(1,442)
(19)		Intercompany revenue - Queen Vic Market	0	(56)	(56)
4,469		Sales & recoveries	3,415	4,967	1,553
264		Project income	105	428	322
<b>543,692</b>		<b>Total Revenue</b>	<b>586,364</b>	<b>511,770</b>	<b>(74,594)</b>
		<b>EXPENDITURE</b>			
167,150	Ref 4.1	Employee benefit expense	180,296	178,205	2,091
216,065	Ref 4.2	Materials and services	214,583	222,549	(7,966)
7,263	Ref 4.3	Bad and doubtful debts	12,755	8,047	4,708
75,219	Ref 4.4	Depreciation and amortisation	79,169	78,098	1,071
82		Borrowing Costs	148	91	57
9,222	Ref 4.5	Other expenses	9,054	10,707	(1,653)
41,817	Ref 4.6	Grants and contributions	49,205	36,600	12,605
4,298		Impairment Loss	0	0	0
<b>521,116</b>		<b>Total Operating Expenditure</b>	<b>545,211</b>	<b>534,297</b>	<b>10,913</b>
(1,114)		Net gain/(loss) on disposal of property, infra, plant and equip	8	2,176	2,168
3,939		Fair value adjustments for investment properties	0	5,223	5,223
490		Contributions - non monetary	0	0	0
0		Writedown on Investment	0	0	0
<b>25,891</b>		<b>Profit/(Loss)</b>	<b>41,161</b>	<b>(15,128)</b>	<b>(56,289)</b>
(60,804)		Less External Contributions to Capital	(68,117)	(22,604)	45,513
(3,939)		Less Gain on Investment Revaluation	0	(5,223)	(5,223)
(490)		Less Contributed Assets	0	0	0
1,114		Less Gain on disposal of asset	(8)	(2,176)	(2,168)
<b>(38,228)</b>		<b>Underlying Surplus/(Deficit)</b>	<b>(26,964)</b>	<b>(45,132)</b>	<b>(18,167)</b>



### Analysis of Revenue Variances

<b>Budget \$586.4m</b>	<b>Actual \$511.8m</b>	<b>Variance \$74.6m Unfavourable</b>
------------------------	------------------------	--------------------------------------

#### **3.1 Rates and charges** **-0.6% Variance**      **\$1.9m Unfav**

This unfavourable variance is due to lower supplementary rates revenue to Budget as a result of delays in developments given COVID-19 construction industry impacts.

#### **3.2 Parking fines** **-38.4% Variance**      **\$15.0m Unfav**

Parking infringements are unfavourable driven by less traffic activities as result of COVID-19 restrictions and slowdown.

#### **3.3 Other statutory fees and fines** **13.6% Variance**      **\$1.5m Fav**

This favourable variance is due to \$2.9 million higher than expected statutory planning fees (mainly construction zone permits for small projects) which is partially offset by \$0.4 million lower general fines, \$0.4 million lower election fines and \$0.6m food registration revenue which is a result of COVID-19 impacts.

#### **3.4 Parking fees** **-24.9% Variance**      **\$12.9m Unfav**

Parking meter revenue is unfavourable as a result of less traffic activities due to COVID-19 impacts and parking technology project implementation impacts since March 2022.

#### **3.5 Other user fees** **-17.7% Variance**      **\$3.9m Unfav**

This unfavourable variance is mainly related to COVID-19 lockdown restrictions including lower fees and income from various facilities (including recreation centres, Town Hall, libraries, community centres \$2.5 million), unfavourable building services fees (\$1.1 million), and reduced street trading (\$0.6 million).

#### **3.6 Grants – operating** **6.6% Variance**      **\$3.1m Fav**

This favourable variance is a result mainly due to the timing of MCRF expenditure.

#### **3.7 Grants – capital** **-62.8% Variance**      **\$30.2m Unfav**

This unfavourable variance relates to the timing of grants on various major initiatives and projects, including Make Room, Metro Bike Lane, and Southbank Promenade projects.

#### **3.8 Contributions – monetary** **-68.4% Variance**      **\$15.6 Unfav**

This unfavourable variance is due mainly to \$15.4 million lower Public Open Space funds.

#### **3.9 Other income** **1.6% Variance**      **\$0.3m Fav**

This favourable variance is due mainly to:

- \$0.5 million additional securities recoveries.
- \$0.5 million sponsorship In-Kind income which is fully offset by expense; and
- \$0.9 million Arts House income.

The above favourable variance are partially offset by lower CityWide revenue (\$1.4 million) and legal recovery costs (\$0.3 million).

### Analysis of Expense Variances

<b>Budget \$545.2m</b>	<b>Actual \$534.3m</b>	<b>Variance \$10.9m Favourable</b>
------------------------	------------------------	------------------------------------

#### **4.1 Employee benefit expense** **1.2% Variance**      **\$2.1m Fav**

This favourable variance is largely due to holding vacant positions across Council which is partially offset by back filling agency staff expenditure.

#### **4.2 Materials & Services** **-3.7% Variance**      **\$8.0m Unfav**

Variances of note have occurred mainly in the following categories:

- **Contract payments** (unfavourable \$16.9 million) due mainly to additional MCRF and COVID-19 related expenditure (\$13.5 million) and capital WIP write-downs (\$4.5 million) partially offset by lower spending in parking control devices (\$1.0 million) and lower city infrastructure related expenditure (\$1.0 million).
- **General Maintenance** (favourable \$2.9 million) due mainly to MCRF expenditure.
- **Admin/Supplies** (favourable \$3.1 million) given the timing of \$0.9 million marketing and advertising costs and \$0.5 million research spending. As a result of COVID-19 restrictions, Council overall has incurred less administration costs compared to a normal year; and
- **Consultancy Expenses** (favourable \$2.1 million) given lower consultancy spend on strategies, programs and tourism as a result of COVID-19 delays on Council's activities.

#### **4.3 Bad and doubtful debts** **36.9% Variance**      **\$4.7m Fav**

This favourable variance is consistent with lower PINS revenue.

#### **4.4 Depreciation and amortisation** **1.4% Variance**      **\$1.1m Fav**

This favourable variance is driven by the capitalisation timing of capital projects.

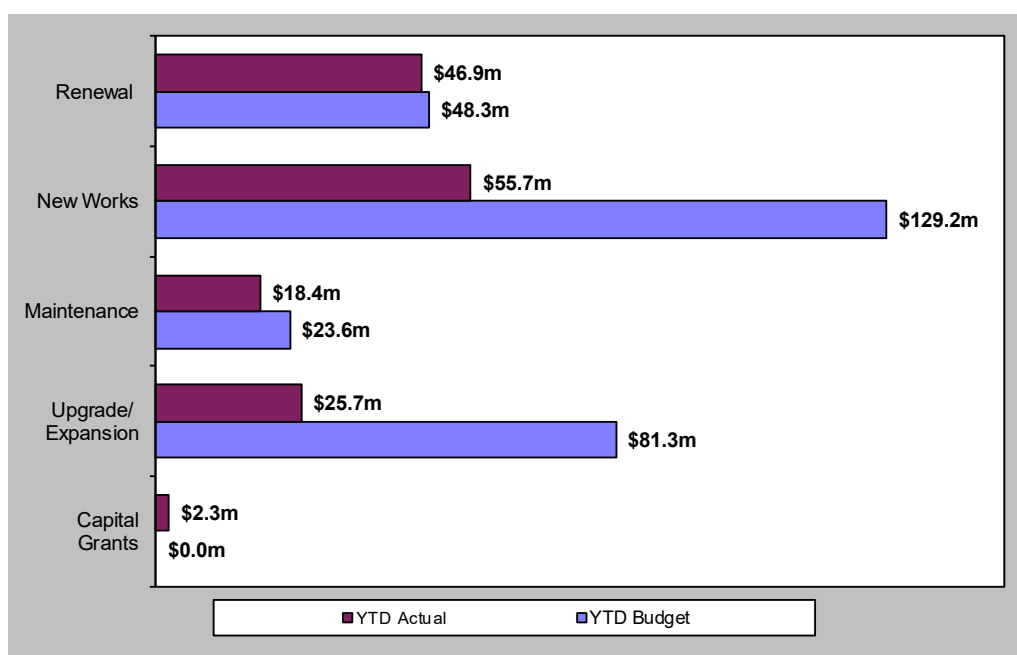
#### **4.5 Other expenses** **-18.3% Variance**      **\$1.7m Unfav**

This unfavourable variance is due mainly to higher landfill levies and tree asset write-downs.

#### **4.6 Grants and contributions** **25.6% Variance**      **\$12.6 Fav**

This favourable variance due mainly to MCRF expenditure occurring in the material and services expense category.

## Council Works – Expenditure



Period: Jun-22

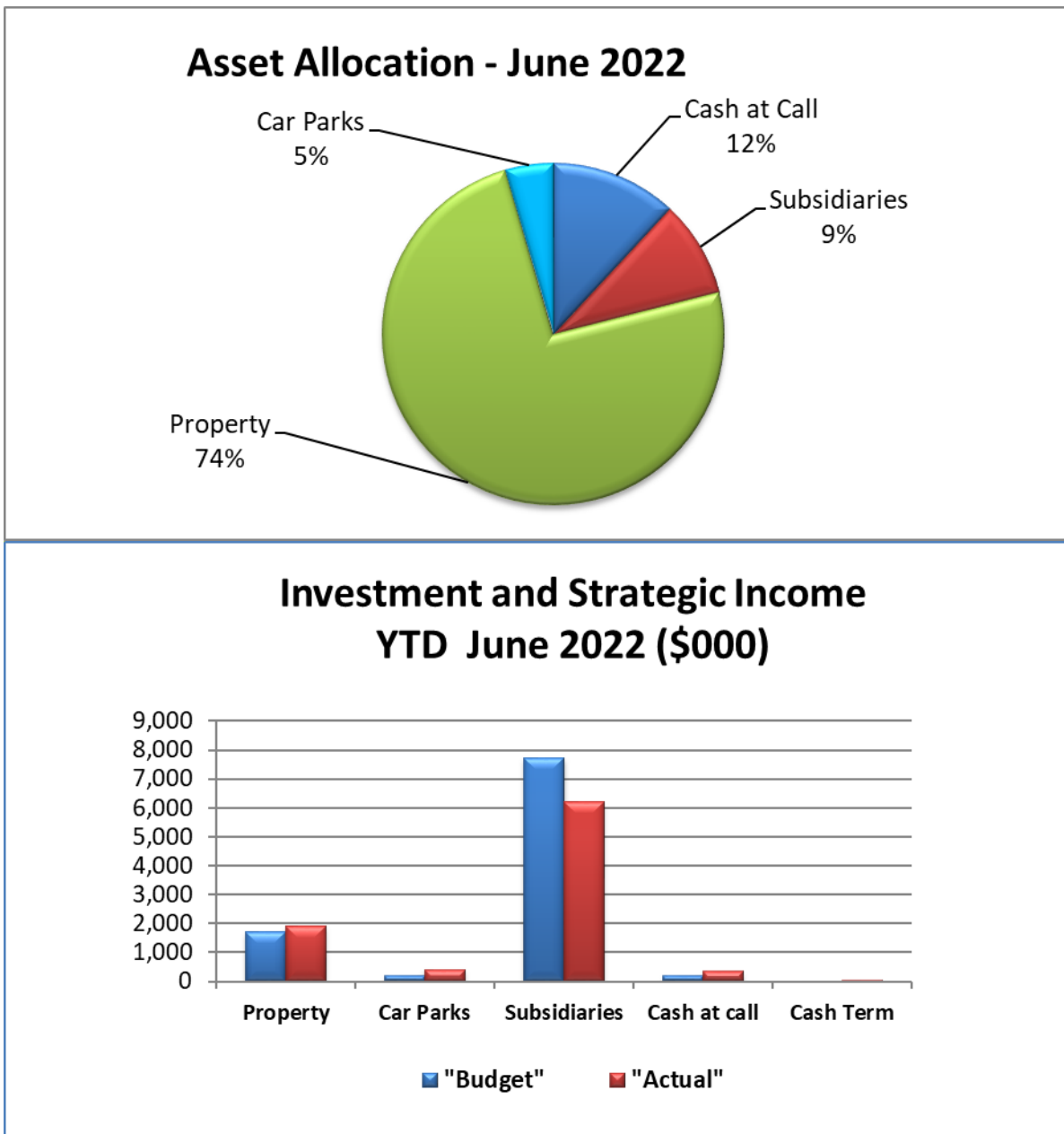
Council Works Area	2021-22 (\$'000)		
	Budget	Actual	Variance
<b>Maintenance</b>			
Capital Grants	0	2,301	(2,301)
Maintenance	23,636	18,430	5,206
<b>Total Maintenance</b>	<b>23,636</b>	<b>20,731</b>	<b>2,904</b>
<b>Capital Works</b>			
Expansion	12,021	4,231	7,790
Upgrade	69,284	21,461	47,823
New Works	129,246	55,721	73,525
Renewal	48,273	46,910	1,363
<b>Total Capital Expenditure</b>	<b>258,824</b>	<b>128,323</b>	<b>130,500</b>
<b>Total Council Works Program</b>	<b>282,460</b>	<b>149,054</b>	<b>133,406</b>

**Council Works 2021–22 \$149.0m versus Budget \$282.5m (\$133.5m underspend).** State Government restrictions on the number of workers on construction sites, and the construction shutdown in September have impacted on COM's delivery through the first half of the financial year.

### Investment Portfolio Performance

The Investment Portfolio returned \$8.8 million for the period to 30 June 2022, \$1.0 million below the total budget on Investment Portfolio for FY2021–22 of \$9.9 million.

- Investment Properties - YTD returned \$0.2 million favourable against budget.
- Car Parks – overall favourable against YTD budget by \$0.2 million from Council House and Elgin St.
- Citywide – YTD returned \$1.5 million unfavourable to budget due to a lower than expected operating profit.
- Cash Investments – YTD interest income was favourable by \$0.1 million due to lower than expected expenditure overall and not having to borrow to support Council activity.



### Public Open Space Contributions

DATE PAID	SUBDIVISION REG. NO	ADDRESS OF DEVELOPMENT	SUBURB	Proposed Fee Figure
07/07/2021	SA-2021-22	481 Victoria Street	WEST MELBOURNE	\$200,000
27/08/2021	SA-2019-70	512-544 Spencer Street	WEST MELBOURNE	\$500,000
30/08/2021	SA-2019-70	512-544 Spencer Street	WEST MELBOURNE	\$457,000
05/11/2021	SA-2020-6	91-93 Millswyn Street	SOUTH YARRA	\$175,000
20/12/2021	SA-2017-78	43 Provost Street	NORTH MELBOURNE	\$88,000
17 & 25/02/2022	SA-2021-11	6-10 Gardiner Street	NORTH MELBOURNE	\$137,500
31/03/2022	SA-2021-33	295-309 King Street, 512-524 Little Lonsdale Street & Nicholson Place	MELBOURNE	\$2,471,000
03/06/2022	SA-2022-27	216-218 Domain Road & 2-30 Kurneh Place	SOUTH YARRA	\$487,500
21-23/06/22	SA-2021-71	24 Parsons Street	KENSINGTON	\$57,500
28/06/2022	SA-2020-43	79 Arden Street	NORTH MELBOURNE	\$75,000
			<b>Total</b>	<b>\$4,648,500</b>

## SUPPLEMENTARY VALUATIONS REPORT

Supplementary valuations are undertaken for a variety of reasons and these are prescribed in the *Valuation of Land Act 1960 (VLA)*. Pursuant to the Council resolution of February 2013, supplementary valuations are returned to the Chief Executive Officer and reported quarterly to Council.

In the Apr to June 2022 quarter, there was one supplementary valuation return; the total of this return is as follows:

<b>Return Date</b>	<b>NAV Change</b>	<b>Total Rate Change</b>	<b>New Rates</b>	<b>Exemptions</b>	<b>Objections</b>
10 Mar 22	\$16,059,300	(\$15,173.69)	\$81,997.61	(\$73,271.03)	(\$23,900.27)
<b>Total</b>	<b>\$16,059,300</b>	<b>(\$15,173.69)</b>	<b>\$81,997.61</b>	<b>(\$73,271.03)</b>	<b>(\$23,900.27)</b>

The net effect of supplementary valuations, objections and exemptions is a decrease of \$15,173.69 in rates. The financial impact of each category is detailed in Attachment 1. The 2021-22 budget for supplementary valuations was originally \$9.5 million, revised to \$7.1 million. The year-to-actual supplementary valuation revenue including this return is \$7.0 million.

## Overview of supplementary valuation returns

Category	Address	Effective Date	Rates 2021-22	Rates Previous Years	Total Rates	NAV Change	Comments
<b>10 March 2022 Return (processed in Apr 2022)</b>							
<b>EXEMPTIONS</b>	545-547 St Kilda Road MELBOURNE	14-Aug-21	(\$42,683.21)	\$0.00	(\$42,683.21)	\$0	Alfred Health - building demolished
	364-378 Little Lonsdale Street MELBOURNE	11-Mar-22	(\$17,750.90)	\$0.00	(\$17,750.90)	\$10,943,500	University - construction of an office tower
	512A-512B Elizabeth Street MELBOURNE	01-Jul-21	(\$7,282.02)	\$0.00	(\$7,282.02)	\$0	CoM pop-up library
	Balance of smaller Exemptions		(\$3,554.35)	(\$2,000.55)	(\$5,554.90)	\$231,750	
	<b>TOTAL</b>		<b>(\$71,270.48)</b>	<b>(\$2,000.55)</b>	<b>(\$73,271.03)</b>	<b>\$11,175,250</b>	
<b>OBJECTIONS</b>	Unit 2, 1 Bedford Place NORTH MELBOURNE	01-Jul-21	(\$19,842.22)	\$0.00	(\$19,842.22)	(\$416,950)	Sales evidence supports a reduction in valuation
	443 Flemington Road NORTH MELBOURNE	01-Jul-21	(\$2,153.17)	\$0.00	(\$2,153.17)	(\$70,750)	Sales evidence supports a reduction in valuation
	Balance of smaller Objections		(\$1,904.88)	\$0.00	(\$1,904.88)	(\$44,000)	
	<b>TOTAL</b>		<b>(\$23,900.27)</b>	<b>\$0.00</b>	<b>(\$23,900.27)</b>	<b>(\$531,700)</b>	
<b>NEW RATES</b>	422-440 Elizabeth Street MELBOURNE	01-Jul-21	\$75,932.10	\$0.00	\$75,932.10	\$198,350	Updated occupancy details and rents
	255 William Street MELBOURNE	19-Jul-21	\$55,793.13	\$0.00	\$55,793.13	\$0	Exempted occupier vacated
	693 Collins Street DOCKLANDS	01-Oct-21	\$50,434.33	\$0.00	\$50,434.33	\$0	Lot S17 transferred to rateable occupier
	1000 La Trobe Street DOCKLANDS	11-Mar-22	\$48,974.85	\$0.00	\$48,974.85	\$3,331,500	Subdivided lot B into lot S2 & S3 (car parking lot)
	720-750 Collins Street MELBOURNE	01-Jul-21	\$0.00	(\$209,416.75)	(\$209,416.75)	\$0	Correction to rates
	Balance of smaller Objections		\$73,686.01	(\$13,406.06)	\$60,279.95	\$1,885,900	
	<b>TOTAL</b>		<b>\$304,820.42</b>	<b>(\$222,822.81)</b>	<b>\$81,997.61</b>	<b>\$5,415,750</b>	
<b>TOTAL</b>			<b>\$209,649.67</b>	<b>(\$224,823.36)</b>	<b>(\$15,173.69)</b>	<b>\$16,059,300</b>	<b>\$16,059,300</b>