

Management report to Council**Agenda item 6.2****Quarterly performance reporting – Council Plan Major Initiatives, Finances and Capital Program****Council****Presenter:** Justin Hanney, Chief Executive Officer**31 May 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 third 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 Annual Budget 2021-2022.
3. Attached are the:
 - 3.1. Council Plan quarter three summary report (Attachment 2).
 - 3.2. Council Plan quarter three performance report (Attachment 3).
 - 3.3. Capital Works Program quarter three summary report (Attachment 4)
 - 3.4. Financial Performance Summary Report and Budget for the third quarter (Attachment 5).
 - 3.5. Financial Performance Report for the third quarter (Attachment 6).
 - 3.6. Supplementary Valuations Report (Attachment 7).
 - 3.7. Overview of Supplementary Valuations Returns (Attachment 8).
4. Achievements in the delivery of the Council Plan 2021-2025 this quarter include: events and city activations have been driving high visitor levels back to the city, including a successful Moomba 2022 and other signature Melbourne events - supporting the Council Plan objectives 'Economy of the Future' as well as 'Melbourne's Unique Identity and Place.' Our food waste recycling service has been further expanded to low rise apartments, a soft plastics recycling trial has begun, and the Moomba festival received carbon neutral certification - supporting the objective 'Climate and Biodiversity Emergency.' Construction of the Western Pavilion is complete, with the facility already in use by community members, and two library pop-ups opened in Federation Square and Carlton, supporting the objective 'Access and Affordability.' The Future Melbourne Committee adopted the Inclusive Melbourne Strategy – which will support Council's objective 'Safety and Wellbeing.'
5. The projects in the capital works portfolio continued making progress, with Swanston Street Hostile Vehicle Mitigation projects fully completed and delivered. The Renewal and Maintenance projects portfolios perform as per their plan and are expected to meet their budget targets. However, in the portfolio of New projects, the trajectory of year-to-date spending deviation from the year-to-date budget continued, resulting from the issues and challenges the portfolio faced in the last 6 to 9 months.
6. Various significant factors impacted the portfolio delivery rate, predominately driven by COVID-19, delays in acquisitions, necessary portfolio adjustments, delays in receiving grants, latent conditions, and insufficient scope.
7. The year-to-date Financial Performance result to end March 2022 resulted in an underlying deficit of \$19.5 million, \$10 million unfavourable versus budget. The COVID-19 impacts on revenue continue to be felt with an estimated reduction of \$44.7 million in revenue (compared with normal business environment).

8. Council is forecast to have a full year underlying deficit of \$36.9 million (\$9.9 million unfavourable versus Budget of \$27 million). This is largely driven by COVID-19 impacts versus budget.

Recommendation from management

9. That Council:
 - 9.1. Notes the Council Plan 2021-2025 quarter three summary report and performance report (refer Attachments 2 and 3 of the report from management).
 - 9.2. Notes the 2021-2022 Capital Works Program quarter three summary report on Major and Complex projects (Attachment 4).
 - 9.3. Notes the 2021-22 quarter one Financial Performance Report and the current forecast (Attachments 5 to 8).

Attachments:

1. Supporting Attachment (Page 3 of 33)
2. Council Plan quarter three summary report (Page 4 of 33)
3. Council Plan quarter three performance report (Page 5 of 33)
4. Capital Works Program quarter three summary report (Page 11 of 33)
5. Financial Performance Summary Report and Budget for quarter three (Page 17 of 33)
6. Financial Performance Report for quarter three (Page 18 of 33)
7. Supplementary Valuations Report (Page 32 of 33)
8. Overview of supplementary valuations returns (Page 33 of 33)

Supporting Attachment

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).

Finance

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

Conflict of interest

4. 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

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

Stakeholder consultation

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

Relation to Council policy

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

Environmental sustainability

8. 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 three summary report January to March 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 January to March 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. Out of the 52 major initiatives in the Council Plan, 49 are being reported for quarter three of 2021–22. With the exception of seven initiatives identified as amber (delayed), the rest are on track, with one completed.
7. The final quarterly report 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 three (January to March 2022)

Events and activations continued to drive high visitation numbers and activity across the city. The 2022 Moomba Festival was hugely successful with over one million people celebrating in the city over the long weekend.

Supporting our city businesses remained a strong focus with \$100,000 in funding through the Business Event Sponsorship Program being awarded to support conferences and other forums delivered before June.

In partnership with the State Government, the Midweek Melbourne Money program returned to encourage workers and visitors back to the city, with another \$10 million program launched on 7 March. The two previous rounds saw more than \$61million flow back to the city's businesses. The Business Concierge Service continued its outreach and support, with 5,600 interactions during the period and a dedicated Business Breakfast was held at Town Hall on 17 March for industry leaders to share insights and discuss the revitalisation of Melbourne's economy.

A range of initiatives to support and welcome international students were also rolled out to coincide with the start of the academic year, including programs at The Couch, International Student Centre.

Community consultation also opened this month on the voluntary local review of City of Melbourne's progress towards the United Nations Sustainable Development Goals.



Our progress and challenges

As a State owned asset, the Central Pier redevelopment is delayed as key milestones and timeframes are driven by Development Victoria and Department of Transport. No significant issues have impacted on our progress towards meeting our target outcomes.

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 business concierge service 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 Economic Development Strategy , 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	Not started
Establish a new tourism entity called Visit Melbourne and review and refresh the program of City of Melbourne-owned and sponsored events 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 Sustainable Development Goals 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

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 three (January to March 2022)

Australia's largest free community festival, Moomba, returned to the banks of the Yarra River this quarter along with several signature Melbourne events including the Australian Open, Melbourne Food and Wine Festival, Melbourne Fashion Festival and Round 1 of the AFL Round 1. Tom Nicholson's new public artwork 'Chimney in store (Towards a monument to Batman's Treaty)' was launched at Batman Park.

Work continued on the structure and precinct plans for Macaulay, Arden, Fishermen's Bend and the National Employment and Innovation Cluster. Public consultation was undertaken for the Carlton Heritage Review Amendment C405, eight development projects were reviewed by the newly formed Melbourne Design Review Panel, and we led three public design events at MPavilion and contributed to five other design events as part of Melbourne Design Week.

The Queen Victoria Market Precinct Renewal Program continued to progress towards the vision of a world-class market with works commencing to create a contemporary new Food Hall and installation of essential services for fruit and vegetable traders. Consultation commenced with Traditional Owners and via Participate Melbourne to inform the detailed designs of the new Munro Library and Community Hub. An Expression of Interest was launched calling for local and international design consultants interested in designing Greenline as part of a 2-stage process. An on-site panel 'Greenline the Big Picture' was held in association with Open House Melbourne and the reopening of Enterprize Park saw the completion of one of Greenline's first program milestones.

Our progress and challenges

Queen Victoria Market and Munro Community Hub have faced some delivery pressures, partly from COVID-related impacts. Otherwise, no significant issues have impacted on our progress towards meeting our target outcomes this quarter.



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 Greenline along the north bank of the Yarra River.	Deliver Partner	On track
Increase the amount of public open space in the municipality with a focus on areas of greatest need.	Deliver	On track
Celebrate, partner and advocate for investment in the city's three key waterways, the Yarra River-Birrarung , the Maribyrnong and Moonee Ponds Creek.	Partner Advocate	On track
Play a lead role in facilitating the delivery of high-quality and climate adapted urban renewal in Arden and Macaulay , Fishermans Bend , and Docklands in partnership with the Victorian Government.	Partner (with Victorian Government)	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
Protect Queen Victoria Market 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
Facilitate increased investment in unique Melbourne events to further activate and celebrate the city.	Partner	On track
Champion high quality development and public realm design through delivering the Design Excellence Program	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

Aboriginal Melbourne

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 three (January to March 2022)

Planning and organisation have continued on a series of truth telling activities scheduled for Melbourne Knowledge Week, National Reconciliation Week and NAIDOC Week during 2022. Planning and organisation is taking place for truth telling activities in 2023.

Preparations are under way for the launch of phase one of the Aboriginal Melbourne Digital Map during Melbourne Knowledge Week. This has been developed with Wurundjeri Woi Wurrung and Bunurong Boon Wurrung Elders.

Preparations are underway for National Reconciliation Week which takes place from the 27 May until 3 June. Highlights include an Oration by Adam Briggs and a range of children's activities across all libraries in the city. The week concludes on Mabo Day with a concert at Federation Square.

NAIDOC week activities planning and organisation continues including a pre-school/early primary school education program is being developed in partnership with Wurundjeri Council and Museum Victoria.

A pre-feasibility study on the First Nations Cultural Precinct has been submitted to the Victorian Government for funding consideration.

Our progress and challenges

No significant issues have impacted on our progress this quarter towards meeting our 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

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 three (January to March 2022)

The City of Melbourne's food waste recycling service has been further expanded to include low rise apartments. This service is now utilised by almost 15,000 households, diverting more than 120 tonnes of food organic waste from landfill every month.

A trial to recycle soft plastic commenced in partnership with Cleanaway as part of our kerbside recycling service – helping to reduce waste to landfill.

Our largest Moomba ever received Climate Active carbon neutral certification.

Council has committed to upgrade North Melbourne Town Hall to be gas free and the Kensington Recreation Centre design and construction contract was awarded for all-electric build, as outlined in the Emissions Reduction Plan.

Power Melbourne Expressions of Interest for commercial partners closed on 11 February and evaluation of proposals received is currently underway.

The annual tree planting program started in March. This is supported by two new monitoring programs for City of Melbourne trees

There has been a successful and positive community consultation around planting productive and native plants along the Kensington Stock Route, with lots of community interest surrounding native plants.

Round four of the Urban Forest Fund Grants Program has closed and 10 eligible applications have been assessed. Recommendations for funding the successful grants are currently being finalised.

Our progress and challenges

Exhibition of Amendment C376 to improve environmental performance of buildings has been delayed. Otherwise, no significant issues have impacted on our progress towards meeting our target outcomes this quarter.



The major initiatives we're delivering this year

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 amendment to improve the environmental performance of buildings in order to reduce emissions to zero by 2040.	Deliver Partner	Delayed
Deliver on our Urban Forest Strategy 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 Climate and Biodiversity Emergency action plan .	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, or 3000, whichever is more.

Increase

Access and Affordability

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 three (January to March 2022)

Construction of the Western Pavilion building is complete and the old pavilion demolished. Landscaping works are underway. User groups have commenced utilising the new building. The Brens Pavilion project is underway and expected to be completed by early 2023.

As part of the Neighbourhood Model we have launched consultations for the remaining eight neighbourhoods and are undertaking the second phase consultations for CBD and Kensington.

As part of City of Melbourne's Disability Access and Inclusion Plan (DAIP) and in partnership with Hidden Disabilities and Travellers Aid, volunteers handed out over 259 Sunflower lanyards, pins, and wristbands to Moomba patrons who may have a hidden disability. The sunflower symbol makes it easier to identify patrons that may need additional assistance.

Two library pop-ups opened in this quarter: Federation Square focussing on children and families; 185 Lygon Street Carlton focussed on writing. The library van was launched on 28 March. It will visit neighbourhoods to highlight library services and to provide access to free Wi-Fi. Community consultation regarding the new library at the Munro development was completed.



Our progress and challenges

No significant issues have impacted on our progress this quarter towards meeting our target outcomes.

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 Disability Access Plan 2020–2024 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	Not started
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

Safety and Wellbeing

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 three (January to March 2022)

The e-scooter trial, in partnership with the Victorian Government started this quarter on 1 February and continues for the next 12 months. So far, more than 500,000 trips have been taken, with 60 per cent of all trips within the City of Melbourne. More than 170 new jobs have been created. Officers are continuing to collaborate with stakeholders to address footpath riding, carrying passengers, underage riding and riding without helmets. Data for March shows bike and scooter volumes on protected routes surrounding the central city has jumped 42 per cent month on month.

Construction of new bike lanes on Princes Park Drive and College Crescent are complete. These upgraded routes are being used increasingly by riders.

Works to the dog park and skate space in the southern City Road undercroft are complete and open for use.

The Inclusive Melbourne Strategy was adopted by the Future Melbourne Committee on 15 February 2022. It outlines how the City of Melbourne will embrace the diversity of cultures, ages, genders, sexualities, backgrounds, religions and abilities of the people who live, work, study and visit the city.

Our progress and challenges

Some elements of the bike lane program and work on station precincts have had to be deferred, and there are minor delays associated with works around the Transport Amenity Program and City Road northern undercroft. Otherwise no significant issues have impacted on our progress towards meeting our target outcomes this quarter.



The major initiatives we're delivering this year	Council's role	Our progress
Continue to implement the Transport Strategy 2030 , including delivery of a protected bike lane network, station precincts, and streets for people, safer speed limits, and etcetera.	Advocate Partner Deliver	Delayed
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 Inclusive Melbourne Strategy 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

Proportion of people who report feeling safe in the city.

Melburnians' self-reported sense of belonging to community.

Rate of recorded family violence incidents.

Complaints of discrimination based on sexual orientation, sexuality, disability, sex, gender, race, religious or political beliefs or other grounds for unlawful discrimination.

Proportion of adults who get adequate physical exercise.

Rate of ambulance attendance for alcohol and drug misuse in the municipality.

Number of transport related injuries and fatalities.

Proportion of trips made by public transport, bicycle or on foot.

Target outcome

90% by day,
65% by night

At least 70 /100

Decrease

Decrease

Increase

Decrease

Decrease

Increase

Council Works Program quarter three summary report

Capital Works Portfolio FY2021-22

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 FY21-22, the largest in council history.

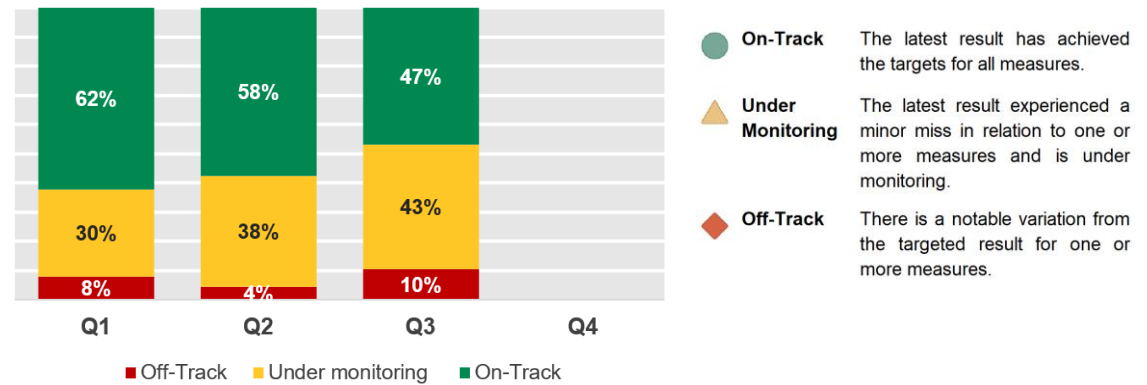
This budget incorporates \$230.5 million capital works (\$187 million new works and \$43.5 million renewals works), \$23.6 million maintenance works, and \$28 million, which was approved to be carried forward from last year. Together, the current and next three years of Council Works budget total almost \$1b in the four-year cycle.


Highlights for quarter three (January to March 2022)





In the third quarter, we continued to progress the largest capital works program despite the challenges imposed on us due to COVID-19 restrictions and the wave of Omicron variant, which hit our delivery capabilities in the 3rd quarter. Disruption in the labour market, supply chain, material availability, and delay in awarding new contracts are some of the most noticeable impacts on the capital project portfolio, resulting in a \$55 million variance from the planned budget.



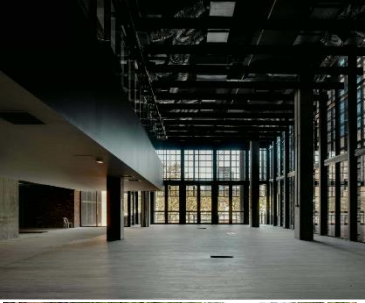

Despite the above issues, we have made progress on our major construction works this quarter and are in the delivery phase of some of the portfolio's important projects.




Quarterly Delivery Confidence Trend





Project Title	Description	Quarterly Update	Completion Date	Project Photo
Queen Victoria Market – Pop Up Park	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 Queen Victoria Market into a welcoming green space and activation area known as the Market Square Pop Up Park.	Pop up park was delivered in November 2021 with activation on track to commence from May 2022. Budget: \$1,030,000 YTD Actuals: \$675,000	Dec-2022	

<p>Community Sports Western Pavilion Upgrade</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 ecologically sustainable design.</p>	<p>New Pavilion is complete and being utilised again by clubs. Landscaping is underway with demolition of the old pavilion to be completed by Monday 4 April. Practical completion of all elements is expected 14 April. Budget: \$2,432,500 YTD Actuals: \$1,935,000</p>	<p>April 2022.</p>	
<p>Southbank Boulevard</p>	<p>The Transforming Southbank Boulevard Project is progressing towards completion to convert this underutilised 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>Works on the play space have commenced this quarter. City of Melbourne is working through designs to update the walkway in the neighbourhood park at Fawkner St and City Rd, and expect to formalise plans this financial year. Expected towards the end by September 2022. Budget: \$5,904,000 YTD Actuals: \$2,711,500</p>	<p>August-2022</p>	
<p>Melbourne City Baths Renewal Works</p>	<p>Melbourne City Baths is an iconic heritage building in the heart of the CBD. External maintenance works being completed include replacement of skylights, turret refurbishment, and painting and tuck-point works. Planning works have commenced to identify the next tranche of works which include DDA review, compliance and safety improvements. Mechanical works in progress.</p>	<p>Works on Air Conditioning and ventilation systems commenced in March 2022 and will be completed in April 2022. Procurement process for shower partition works in the men's change rooms is in progress and will be completed in April 2022. Procurement for contractor to undertake design and construction for chlorine delivery system is in progress and will be completed in April 2022. Budget: \$1,964,400 YTD Actuals: \$1,897,000</p>	<p>June-2022</p>	
<p>Melbourne Town Hall Renewal and Priority Roof Works</p>	<p>Melbourne Town Hall requires urgent drainage upgrades and façade repairs to eliminate leaks, which are causing damage to the building. Replacement of three mansard roofs and upgrades to guttering across both the Town Hall Roof and the Melbourne Town Hall administration building roof.</p>	<p>Scaffold removed and waterproofing sheeting is underway to the Collins St side flat roof, completion by April 2022. Main Hall murals restoration and ceiling repairs are completed. Mansard Roof Access System Upgrade contract finalised, works on site to start in April to be completed in June. Budget: \$1,900,000 YTD Actuals: \$1,250,000</p>	<p>June-2022.</p>	

<p>Queen Victoria Precinct Renewal Program</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>Delivery of the Queen Victoria Market Precinct Renewal program continues. Key updates this quarter include:</p> <ul style="list-style-type: none"> • Construction of the new Food Hall commenced in early February and is progressing from demolition into structural work. • Completion of Stage 3 (A and B Sheds) of the Shed Restoration project with works now focused on delivering infrastructure for essential trader services including power and water • Release of the tender for essential Market Infrastructure – Trader Shed and Northern Shed. • Progression of the divestment of the land to the south of the market. <p>Budget: \$42,000,000 YTD Actuals: \$8,384,000</p>	<p>Sept-2027</p>	
<p>Kensington Community Recreation Centre redevelopment</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 multipurpose courts, health and wellness facilities, an eight-lane x 25 metre 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 commenced in March 2022 and due to be completed in May 2022. Soil contamination under building completed.</p> <p>Bulk Earthworks Permit application in progress. Fortnightly site meetings and design meetings ongoing, with construction to commence in coming months.</p> <p>.</p> <p>Budget: \$10,216,000 YTD Actuals: \$2,152,000</p>	<p>End of 2023</p>	
<p>Munro Library and Community Hub</p>	<p>Deliver a revitalised library network, to increase access for our diverse community and to 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>Consultation with Traditional Owners is underway to inform the detailed design of the new Munro Library and Community Hub at Queen Victoria Market. Community engagement is now complete and responses from Participate Melbourne will also be incorporated into the design. Regular operational planning meetings with the Body Corporate and building management are underway.</p> <p>Budget \$1,000,000 YTD Actual \$98,000</p>	<p>September-2023</p>	
<p>Exhibition Street Bike Lane</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. 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 in anticipation to tendering for the works before June 2022. Formal approvals from Department of Transport are still pending with additional traffic surveys having been requested now traffic is returning to pre-covid levels – scheduled in early May.</p> <p>Budget: \$219,5000 YTD Actuals: \$130,000</p>	<p>November-2022</p>	

<p>Cycle Infrastructure</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 Department of Transport as trials and evaluated post implementation. The projects in this program will complete works in progress from 2020/21.</p>	<p>Most of the bike lane design projects are on track to be completed by the end of the financial year. Regular meetings with the Department of Transport and council officers are ongoing to ensure that issues are resolved and approvals provided. Princes Park Drive has been completed recently and the Grattan Street project will commence shortly. Consultation on other 21/22 projects are scheduled to commence in the next month.</p> <p>Budget: \$5,200,000 YTD Actuals: \$1,260,000</p>	<p>August-2022</p>	
<p>Library Pop-Ups</p>	<p>Deliver a revitalised library network, including pop-up libraries, to increase access for our diverse community and to help revitalise the city</p>	<p>The fourth Library Pop-up has opened at 185 Lygon Street Carlton. With decorations reflecting the Italian history of the area, the focus of this pop-up is writing and literature. Writing workshops and author talks are planned in the coming weeks.</p> <p>Budget \$3,000,000 YTD Actual: \$136,000</p>	<p>December-2022</p>	
<p>Greenline</p>	<p>Partner 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>The final Greenline Implementation Plan was endorsed by Future Melbourne Committee on 7 December 2021. Cost planning, budgeting, scheduling and initiative planning in ongoing, along with Traditional Owner, and other targeted authority and stakeholder engagement. A two stage Expression of Interest process for Design and Engineering consultants was advertised on 26 March 2022, with the first stage closing 10 May 2022. It is anticipated that the successful consultant will be appointed in October 2022. An Economic Impact Assessment has been developed to understand value creation and capture for the Greenline, and the Greenline Business Case and Partnerships and Funding Plan are likely to be complete by mid-2022.</p> <p>A change request has been prepared and will be submitted to account for current costs, with budget required to be brought forward from next financial year.</p> <p>Budget: \$1,000,000 YTD Actuals: \$1,118,000</p>	<p>June-2030</p>	
<p>City Road Master Plan</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 and local workshops in May.</p> <p>Budget: \$650,000 YTD Actuals: \$114,000</p>	<p>Dec - 2023</p>	<p>No photo available - project at concept design phase.</p>

<p>North and West Melbourne and Docklands Transport and Amenity Program</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 being Dynon Road Shared User Path Upgrades and Provost and Little Provost Street Upgrades under construction. Other key projects are Hawke Street Linear Park, Spencer Street North Masterplan and Franklin Street Streetscape improvements (all in design stage).</p> <p>Budget: \$6,500,000 YTD Actuals: \$700,000</p>	<p>December-2025</p>	
<p>Gateway to GMH Turner Street Works</p>	<p>From the \$4.68m building works stimulus grant, \$3.75m 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 for the works was closed on 29/3/22 and the tender submissions are currently being evaluated. Upon completion of the evaluation the tender will be awarded. It is anticipated that the works will be commencing in May/June and completed by end of December 2022.</p> <p>Budget: \$1,765,000 YTD Actuals: \$300,000</p>	<p>December-2022</p>	
<p>Southbank Promenade Stage 1</p>	<p>Stage 1 of Southbank Promenade stretches 300 metres 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 tender was awarded in December and the works will be commencing onsite soon after ANZAC Day and completed by late December 2022.</p> <p>Budget: \$3,800,000 YTD Actuals: \$500,000</p>	<p>December 2022</p>	
<p>Pocket Parks</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.</p> <p>Investigations are underway into further pocket park opportunities in Southbank, North Melbourne and Melbourne, including traffic and geotechnical studies.</p> <p>Budget: \$2,500,000 YTD Actuals: \$40,000</p>	<p>April-2023</p>	
<p>Riverslide skate park redevelopment</p>	<p>The Riverslide 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 <i>Skate Melbourne Plan 2017-2027</i> 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 quotation evaluation has been finalised with schematic design works to commence in April. The toilet block schematic design has commenced.</p> <p>The Skate Reference Group is under establishment. Key site investigations including geotechnical, contamination and sewer line assessment have been conducted.</p> <p>Budget: \$350,000 YTD Actuals: \$76,308</p>	<p>September-2024</p>	

<p>North Melbourne Community Centre Redevelopment</p>	<p>This project is a Capital Works Major Initiative (MI 42) in 2021-22 and is the continuation of an API 2020-21. 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>The project is still in the initiation phase having been most recently considered by Council in December 2021. Councillors requested detailed analysis of site options which is currently underway and the matter is scheduled to return to FMC for decision on a preferred site in July 2022. Budget: \$500,000 YTD Actuals: \$0</p>	<p>June-2026</p>	<p>No design work for the building yet undertaken</p>
<p>Waste and Resource Recovery Hub Expansion Program</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 processes waste.</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. 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>Community engagement is informing site location, technology and design for first new Hub.</p> <p>Technology and collection systems for new Hubs were assessed to determine feasible options for space restricted laneways. A tender for supplying technology and collection services for the new Hubs opened to the international market in January 2022.</p> <p>Increasing the food waste processing capacity at the Degraeves Street Recycling Facility is underway. This will enable an expansion of food waste collection and recycling from businesses within existing Hubs in the central city.</p> <p>Budget: \$1,889,612 YTD Actuals: \$197,000</p>	<p>June 2024</p>	
<p>Dodds Street linear park, Southbank</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 2,700 m2 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 updated concept design was endorsed by Council on 28 Feb 2022. Design Documentation is in progress. Expression of Interest for contract works closed on 22 March 2022, and shortlisting of tenderers in progress.</p> <p>Budget: \$250,000 YTD Actuals: \$156,000</p>	<p>August-2023</p>	

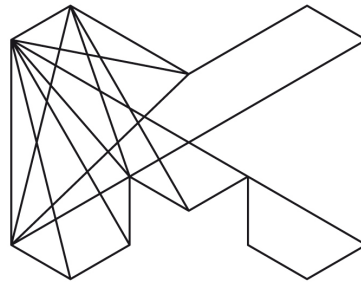
Financial Performance Report and Budget 2021-22 Third Quarter

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 third quarter ending 31 March 2022 in accordance with the *Local Government Act 2020* (the Act) and to provide information on supplementary valuations adopted under delegation (refer **Attachment 7 and 8**).
2. The result from ordinary activities for the third quarter ending 31 March 2022 is an underlying net deficit of \$19.5 million versus a budget deficit of \$9.5 million. The unfavourable variance of \$10 million is driven by COVID-19 lockdown 6.0 restrictions impacting reduced parking revenues (\$28.2 million) which has been partially offset by lower materials and services spend (\$10.1 million) due to a reduction/delay on Council's operations across various areas.
3. In addition, monetary income from Public Open Space contributions (\$11.3 million) is tracking well below Budget. As these monies are retained on the Balance Sheet this does not impact the Underlying Surplus/(Deficit).

Key issues

4. The YTD result includes estimated COVID-19 impacts of \$44.7 million due to reduced parking revenue (\$28.2 million), lower statutory and other user fees (\$11.4 million), and lower investment and market rental earnings (\$5.1 million).
5. Assuming Victorian Government COVID safe guidelines remain consistent and current economic conditions do not deteriorate over the remainder of the financial year, the full year forecast is an underlying deficit of \$36.9 million, which is \$9.9 million less favourable than the budgeted underlying deficit of \$27 million. This is largely due to unexpected COVID-19 lockdown 6.0 restriction impacts.
6. The uncertainty of COVID-19 is forecast to have an adverse impact of \$49.5 million on both revenue and expenditure over the full financial year. This includes significant impacts from reduced parking revenue, and community grants support.
7. A detailed analysis of revenue and expenditure is included in **Attachment 6**.

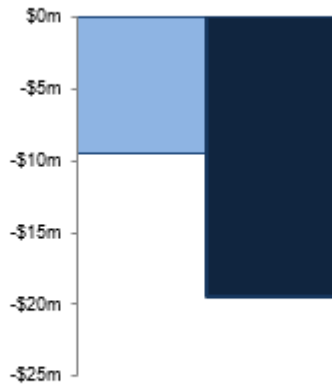


CITY OF MELBOURNE

FINANCIAL PERFORMANCE REPORT

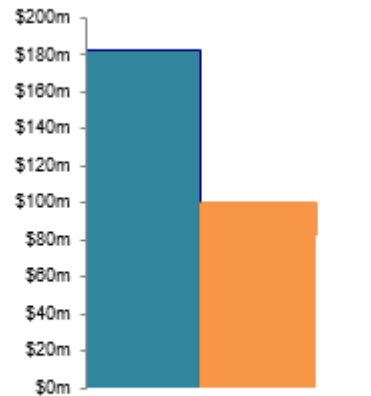
March 2021-22

Underlying Surplus/(Deficit)



■ YTD Budget	(\$9.5m)
■ YTD Actual	(\$19.5m)
YTD Variance	(\$10.0m)

Council Works Program



■ YTD Budget	\$182.1m
■ YTD Actual	\$100.2m
YTD Variance	\$81.9m

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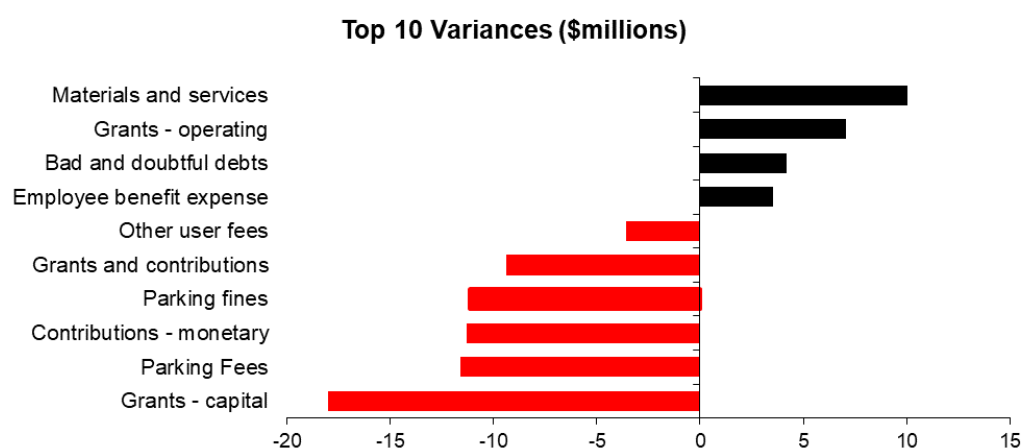
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Executive Summary

Underlying Operating Results:

2020-21 Actual	2021-22 Budget	\$ Thousands	FY 2021-22 (\$'000)		
			Budget	Actual	Variance
527,717	566,364	Revenue	432,928	383,323	(49,606)
483,702	545,211	Operating Expenditure	389,284	378,596	10,687
44,015	21,153	Results from Ordinary Activities	43,644	4,727	(38,919)
23,605	8	Net gain/(loss) on disposal of property, infra, plant and equip	8	162	154
5,378	0	Fair value adjustments for investment properties	0	0	0
0	0	Contributions - non monetary	0	0	0
0	0	Writedown on Investment	0	0	0
72,998	21,161	Profit/(Loss)	43,652	4,889	(38,764)
(61,160)	(48,117)	Less External Contributions to Capital	(53,132)	(24,185)	28,947
(5,378)	0	Less Gain on Investment Revaluation	0	0	0
0	0	Less Contributed Assets	0	0	0
(23,605)	0	Less Gain on disposal of asset	(8)	(162)	(154)
(17,145)	(26,956)	Underlying Surplus/(Deficit)	(9,488)	(19,459)	(9,971)

Key Financial Variances:



The YTD March 2021-22 result excluding gain on disposal of properties was an underlying deficit of \$19.5 million, \$10 million unfavourable versus budget. The COVID-19 impacts on revenue are estimated to be \$44.7 million (compared with a normal business environment).

The unfavourable variances are due to:

- Grants – capital (\$18.0 million unfavourable) due to various capital grants not expected to be received in FY 2021-22 (Capital Grants are excluded from underlying surplus).
- Parking Fines and Fees (\$22.8 million unfavourable) driven by the reduction of parking and traffic activities impacted by COVID-19 lockdown 6.0 restrictions.
- Contributions - monetary (\$11.3 million unfavourable) as a result lower Public Open Space contributions (capital revenue is excluded from underlying surplus).
- Grants and contributions (\$9.4 million greater than budget) due mainly to the support for Midweek Melbourne Money.
- Other User Fees (\$3.6 million unfavourable) given lower fees income as a result of COVID-19 lockdown 6.0 restrictions.

Partially offset by:

- Materials and services (\$10.1 million favourable) as a result of COVID-19 restrictions which has led to a reduction/delay on Council's operations across various areas including events, maintenance projects, infrastructure services and community services.

- Operating Grants (\$7.1 million favourable) due to the timing of MCRF grant income which is expected to align with actual expenditure when this is incurred later during the year.
- Bad and doubtful debts (\$4.2 million favourable) consistent with lower parking infringements (PINS) provisions as a result of lower PINS revenue; and
- Employee Benefit expense (\$3.5 million favourable) due to vacant positions being held across the organisation.

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 YTD are estimated at \$44.7 million.
- The YTD major financial impacts for COVID-19 compared to Non-COVID year include:
 - \$28.2 million lower Parking Fee and Fine revenue
 - \$11.4 million lower statutory and other user fees
 - \$5.1 million lower Other Income items
- As at 31 March 2022, net rates debtors has increased to \$75.6 million which is \$7.1 million higher than the balance of \$68.5 million at 31 March 2021.

Council Works Program

The value of works completed YTD is \$100.2 million, \$81.9 million lower than budget of \$182.1 million budget mainly as a result of COVID-19 restrictions on construction during the first half of the year.

Borrowings & Liquidity position

As at 31 March 2022, CoM's total cash balance was \$107 million (2021: \$165 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 June 2022.

Balance Sheet

Prior Year 2020-21 Actual (\$'000)	Balance Sheet	Current Mar-22 Actual (\$'000)	Movement 2021-22 Actual (\$'000)
	Assets		
	Current Assets		
143,871	Ref 1 Cash and cash equivalents	117,190	(26,681)
39,595	Ref 2 Trade and other receivables	85,770	46,175
30,000	Ref 1 Other financial assets	0	(30,000)
7,862	Ref 3 Other assets	1,445	(6,417)
0	Short-Term Loan to QVM	0	0
221,328	Total Current Assets	204,405	(16,923)
	Non current assets		
33,626	Ref 1 Other financial assets	33,676	50
26,356	Investment in subsidiaries and trust	26,356	0
4,242,467	Ref 7 Property, infrastructure, plant and equipment	4,294,126	51,659
188,518	Ref 7 Investment property	213,533	25,015
36,798	Intangible assets	34,023	(2,775)
5,656	Right of Use Asset	6,417	761
4,533,421	Total Non-Current Assets	4,608,131	74,710
4,754,749	TOTAL ASSETS	4,812,536	57,787
	Liabilities		
	Current Liabilities		
(122,447)	Ref 4 Trade and other payables	(128,463)	(6,016)
(13,677)	Ref 5 Trust funds and deposits	(55,932)	(42,255)
(37,312)	Ref 6 Provisions	(41,066)	(3,754)
(1,961)	Lease Liability	(1,893)	68
0	Interest-bearing loans and borrowing	0	0
(175,397)	Total Current Liabilities	(227,354)	(51,957)
	Non- current Liabilities		
(3,992)	Provisions	(3,992)	0
0	Interest-bearing loans and borrowings	0	0
(1,526)	Trust funds and deposits	(1,576)	(50)
(3,922)	Lease Liability	(4,812)	(890)
(9,440)	Total Non-Current Liabilities	(10,380)	(940)
(184,837)	TOTAL LIABILITIES	(237,734)	(52,897)
4,569,912	NET ASSETS	4,574,802	4,890
	Equity		
(2,180,371)	Accumulated Surplus	(2,191,976)	(11,605)
(2,389,541)	Reserves	(2,382,826)	6,715
(4,569,912)	TOTAL EQUITY	(4,574,802)	(4,889)

Balance Sheet

Comparison to June 2021 Actual

1. The decrease in cash and cash equivalents is due to (\$49.0 million) for the purchase of Munro Community Hub, and (\$97.8 million) of other capital and project expenditure, and total operating expenditure being just \$10.7 million below budget, driven by materials and services and grants expenditure, while total cash revenue is below budget driven by rates collections, statutory fines and user fees at the end of March.
2. The increase in trade and other receivables is a result of an increases in Debtors Rates (\$75.6 million) and Fire Service Levy Debtors (\$16.6 million), which is offset by reduction of other debtors. This will decrease through the year as rates and the fire services levies are paid.
3. The decrease in other assets is due to the receipt of Citywide dividends of \$6.6 million recognised at 30 June 2021.
4. Trade and other payables have increased due mainly to Rates in Advance billed (\$79.9 million), and current accruals which is offset by a reduction of creditors and accrual reversals from FY 2020-21 year end.
5. Trust funds and deposits are higher due to Fire Service Levy payable (\$49.5 million).
6. Provisions have increased given increases of leave balances of \$3.75 million since June 2021 due to a combination of COVID lockdown, low levels of leave taken, and EBA rate adjustments.
7. The increase in property plant and equipment and investment property assets of \$73.9 million is driven by capital works spend (\$87.9 million) and purchase of Munro Community Hub (\$45.6 million) which is partially offset by depreciation (\$57.9 million).

Cash Flow Statement

2020-21 Actual (\$'000)	Statement of Cash Flows	2021-22 Actual (\$'000)
	Cashflows from Operating Activities	
	Receipts	
292,563	Rates and charges	268,863
62,814	Statutory fees and fines	38,034
67,454	User fees	57,997
19,485	Grants - operating	18,421
24,962	Grants - capital	14,384
5,295	Contributions - monetary	1,919
2,290	Interest	220
2,063	Dividends	25
3,582	Trust funds and deposits taken	30,430
14,303	Other receipts	7,402
28,156	Contributions on Public Open Spaces (Reserve)	4,029
522,967		441,723
	Payments	
(168,437)	Employee Costs	(117,685)
(193,704)	Materials & Services	(201,186)
(32,108)	Other Payments	(36,254)
(394,249)		(355,124)
128,718	Net Cash Inflow / (Outflow) from Operating Activities	86,598
	Cashflows from Investing Activities	
(127,838)	Payments for property, infrastructure, plant & equipment	(97,763)
0	Purchase of Munro Community Hub	(44,565)
9,035	Proceeds from sale of property, infrastructure, plant & equipment	977
14,975	Compensation for City Square	0
(73,000)	TD Deposit Reclassification	30,000
0	Loan to QVM	0
(176,828)	Net Cash Inflow / (Outflow) from Investing Activities	(111,351)
	Cashflows from Financing Activities	
(339)	Finance Costs	(68)
(28,482)	Repayments of borrowings	0
0	Interest paid - Lease Liability	(142)
0	Repayment of Lease Liability	(1,718)
(28,821)	Net Cash Inflow / (Outflow) from Financing Activities	(1,928)
(76,931)	Net Cash Inflow / (Outflow) from all Activities	(26,681)
119,529	Cash at beginning of the financial period	143,871
42,598	Cash at the end of Dec-21	117,190
(76,931)	Movement in cash equivalents	(26,681)

2020-21 Actual (\$'000)	Statement of Cash Flow (reconciliation)	2021-22 Actual (\$'000)
38,488	Net Surplus (exc Public Open Space Contributions)	861
	Add Back Non-Cash Items	
70,774	Depreciation/Amortisation	57,940
5,558	WIP Write Off	0
(5,378)	Fair value adjustments for investment property	0
(23,605)	Profit/(loss) on disposal of property, plant and equipment	(162)
85,837	Operating Surplus/(Deficit) before Non cash items	58,639
14,388	Net Movement in Working Capital	22,004
(127,839)	Capital Expenditure	(97,763)
0	Purchase of Munro Community Hub	(44,565)
9,035	Proceeds from sale of assets	977
14,975	Compensation on City Square	0
28,156	Contributions on Public Open Spaces (Reserve)	4,029
(73,000)	TD Deposit Reclassification	30,000
(28,482)	Repatriation of CEFC Loan	0
(76,931)	Net Cash inflow/(outflow)	(26,681)

For year 2021-22, Council has a total cash outflow of \$26.7 million which is primarily comprised of:

- An operating surplus of \$58.6 million
- A net inflow of working capital of \$22.0 million
- Capital expenditure of \$97.7 million and purchase of Munro Community Hub of \$44.6 million
- A decrease in investment term deposits greater than 90 days from cash of \$30.0 million.

Income Statement

2020-21 Actual (\$'000)	2021-22 Budget (\$'000)	Income Statement		FY 2021-22 (\$'000)		
				Budget	Actual	Variance
			REVENUE			
316,147	327,807	Ref 3.1	Rates and charges	247,943	245,890	(2,053)
			Statutory fees and fines			
24,502	39,041	Ref 3.2	Parking fines	28,504	17,359	(11,145)
11,749	10,920	Ref 3.3	Other	8,592	9,988	1,396
			User fees			
32,009	51,912	Ref 3.4	Parking	39,082	27,481	(11,601)
15,645	21,800	Ref 3.5	Other	16,547	12,963	(3,584)
62,594	47,091	Ref 3.6	Grants - operating	28,860	35,925	7,065
32,626	48,117	Ref 3.7	Grants - capital	38,132	20,122	(18,010)
31,699	2,755	Ref 3.8	Contributions - monetary	17,268	5,948	(11,320)
		Ref 3.9	Other income			
804	203		Interest	142	220	78
4,218	4,068		Dividends	18	25	8
3,561	4,997		Investment property/market rentals	3,758	2,992	(765)
3,423	4,134		Intercompany revenue - Citywide	1,828	1,540	(288)
(19)	0		Intercompany revenue - Queen Vic Market	0	0	0
4,469	3,415		Sales & recoveries	2,176	2,596	421
264	105		Project income	79	274	193
543,692	566,364		Total Revenue	432,928	383,323	(49,606)
			EXPENDITURE			
167,150	180,296	Ref 4.1	Employee benefit expense	130,863	127,348	3,515
216,065	214,584	Ref 4.2	Materials and services	159,871	149,812	10,059
7,263	12,755	Ref 4.3	Bad and doubtful debts	9,513	5,314	4,199
75,219	79,169	Ref 4.4	Depreciation and amortisation	59,377	57,940	1,437
82	148		Borrowing Costs	97	68	29
9,222	9,054	Ref 4.5	Other expenses	6,607	5,799	808
41,817	49,205	Ref 4.6	Grants and contributions	22,955	32,315	(9,360)
4,298	0		Impairment Loss	0	0	0
521,116	545,211		Total Operating Expenditure	389,284	378,596	10,687
(1,114)	8		Net gain/(loss) on disposal of property, infra, plant and equip	8	162	154
3,939	0		Fair value adjustments for investment properties	0	0	0
490	0		Contributions - non monetary	0	0	0
0	0		Writedown on Investment	0	0	0
25,891	21,161		Profit/(Loss)	43,652	4,889	(38,764)
(60,804)	(48,117)		Less External Contributions to Capital	(53,132)	(24,185)	28,947
(3,939)	0		Less Gain on Investment Revaluation	0	0	0
(490)	0		Less Contributed Assets	0	0	0
1,114	0		Less Gain on disposal of asset (irregular)	(8)	(162)	(154)
(38,228)	(26,956)		Underlying Surplus/(Deficit)	(9,488)	(19,459)	(9,971)

Analysis of Revenue Variances

Budget \$432.9m	Actual \$383.3m	Variance \$49.6m Unfavourable
------------------------	------------------------	--------------------------------------

3.1 Rates and charges **-0.8% Variance** **\$2.1m Unfav**

This unfavourable variance is due to the timing of supplementary rates revenue.

3.2 Parking fines **-39.1% Variance** **\$11.1m Unfav**

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

3.3 Other statutory fees and fines **16.2% Variance** **\$1.4m Fav**

This favourable variance is due to \$2.2 million higher than expected statutory planning fees which is partially offset by \$0.6 million lower general fines and \$0.2m food registration revenue which is a result of COVID-19 restrictions.

3.4 Parking fees **-29.7% Variance** **\$11.6m Unfav**

This unfavourable variance in parking meter revenue is a result of less traffic activities under COVID-19 restrictions.

3.5 Other user fees **-21.7% Variance** **\$3.6m 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 \$1.6 million), unfavourable building services fees (\$1.0 million), and reduced Street trading and Garbage Compact charges (\$0.5 million).

3.6 Grants – operating **24.5% Variance** **\$7.1m Fav**

This favourable variance is a result mainly due to the timing of MCRF fund revenue recognition.

3.7 Grants – capital **-47.2% Variance** **\$18.0m Unfav**

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

3.8 Contributions – monetary **-65.6% Variance** **\$11.3 Unfav**

This unfavourable variance is due mainly to \$11.0 million lower Public Open Space funds.

3.9 Other income **4.4% Variance** **\$0.4m Unfav**

This unfavourable variance comprises various immaterial items.

Analysis of Expense Variances

Budget \$389.3m	Actual \$378.6m	Variance \$10.7m Favourable
------------------------	------------------------	------------------------------------

4.1 Employee benefit expense **2.7% Variance** **\$3.5m Fav**

This favourable variance is largely due to holding vacant positions across Council.

4.2 Materials & Services **6.3% Variance** **\$10.1m Fav**

Variances of note have occurred mainly in the following categories:

- **General Maintenance** (favourable \$5.1 million) due mainly to \$2.7 million timing of MCRF1 related projects (expected to be incurred throughout in FY 2021-22), \$0.5 million Christmas programs and Birrarung Trial Floating Wetland
- **Admin/Supplies** (favourable \$4.9 million) given the timing of \$2.0 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 \$5.0 million) given lower consultancy spend on events and tourism as a result of lockdown 6.0, lower legal expenditure, and the timing of IT consultancy
- **Contract payments (unfavourable \$4.6 million)** due mainly to MCRF related expenditure.

4.3 Bad and doubtful debts **44.1% Variance** **\$6.3m Fav**

This favourable variance is consistent with lower PINS revenue.

4.4 Depreciation and amortisation **2.4% Variance** **\$1.4m Fav**

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

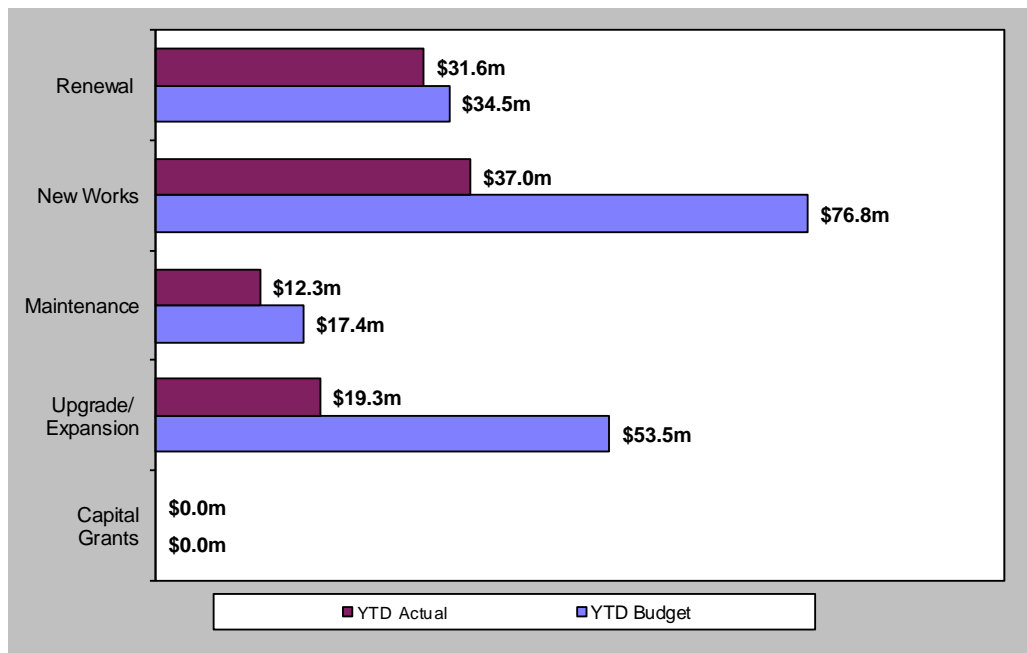
4.5 Other expenses **12.2% Variance** **\$0.8m Fav**

This favourable variance is due to the lower lapsed PINS expenditure and lower parking services bank charges.

4.6 Grants and contributions **-40.8% Variance** **\$9.4 Unfav**

This unfavourable variance relates to financial support grants paid to QVM and Melbourne Money Schemes being paid earlier than budgeted.

Council Works – Expenditure



Period: Sep-21

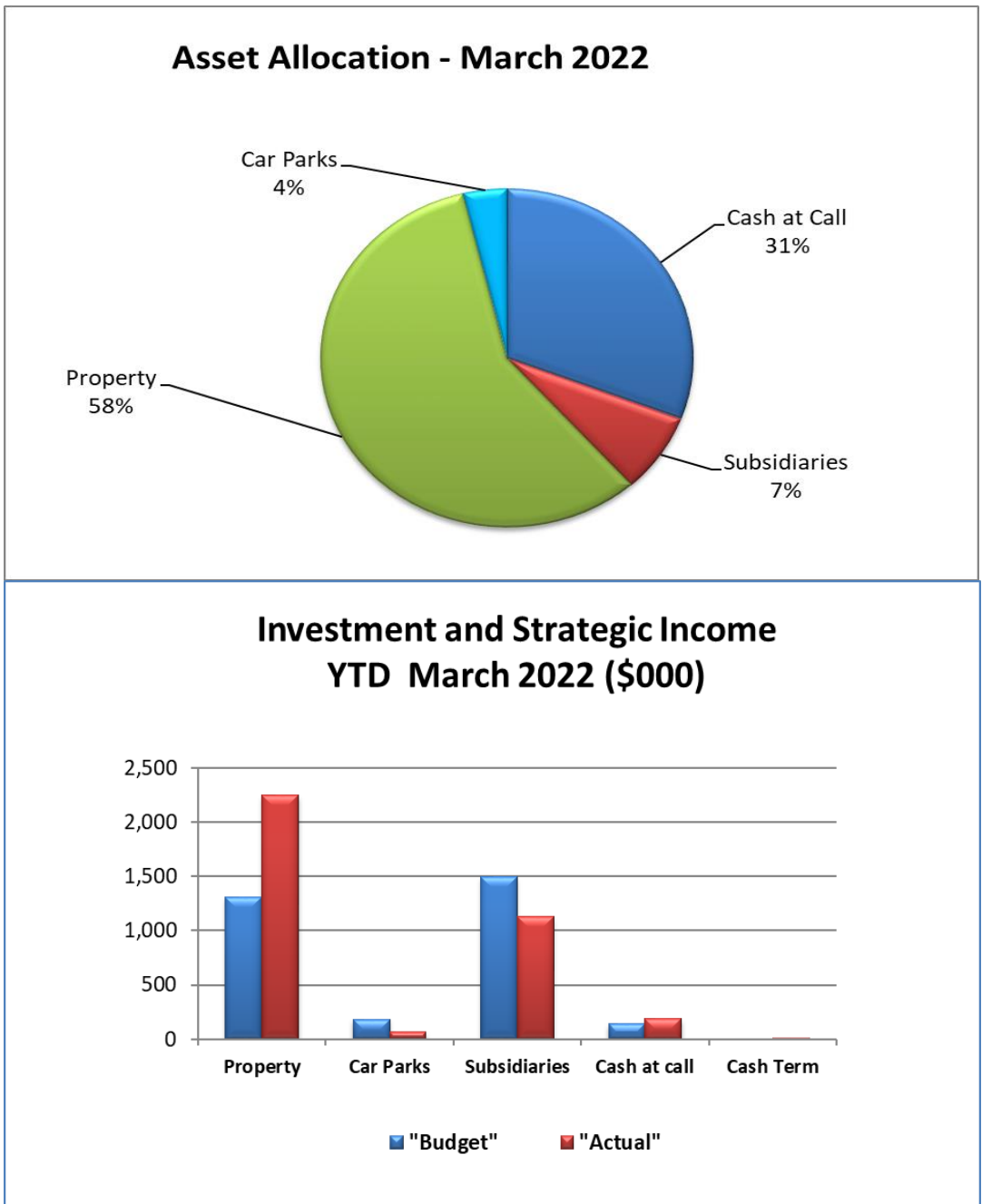
Council Works Area	2021-22 (\$'000)		
	Budget	Actual	Variance
Maintenance			
Capital Grants	0	0	0
Maintenance	17,363	12,255	5,108
Total Maintenance	17,363	12,255	5,107
Capital Works			
Expansion	6,905	3,418	3,487
Upgrade	46,553	15,911	30,641
New Works	76,764	37,039	39,725
Renewal	34,536	31,575	2,961
Total Capital Expenditure	164,757	87,943	76,814
Total Council Works Program	182,120	100,198	81,922

Council Works YTD \$100.2m versus Budget \$182.1m (\$81.9m 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 quarter of the year

Investment Portfolio Performance

The Investment Portfolio returned \$3.6 million for the period to 31 March 2022, \$0.5 million above the YTD Budget of \$3.1 million. The total budget for return on Investment Portfolio for FY2021-22 is \$9.9 million.

- Investment Properties - YTD returned \$0.9 million favourable against budget.
- Car Parks – overall unfavourable against YTD budget by \$116K from Council House and Elgin St. this was because of a higher than budget congestion levy.
- Citywide – YTD returned \$376K unfavourable to budget due to a higher than expected operating loss.
- Cash Investments – YTD interest income was favourable by \$50K 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
			Total	\$4,028,500

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 Jan to Mar 2022 quarter, there was one supplementary valuation return; the total of this return is as follows:

Return Date	NAV Change	Total Rate Change	New Rates	Exemptions	Objections
31 Dec 21	\$6,285,525	\$193,378.17	\$241,696.92	(\$48,318.75)	\$0.00
Total	\$6,285,525	\$193,378.17	\$241,696.92	(\$48,318.75)	\$0.00

The 2021-22 budget for new rates is \$9.5 million. The year to date actual for new rates is \$6.9 million.

Overview of supplementary valuation returns

Category	Address	Effective Date	Rates 2021-22	Rates Previous Years	Total Rates	NAV Change	Comments
31 Dec 21 Return (processed in Mar 2022)							
EXEMPTIONS	138-142 Bouverie Street CARLTON	31-Dec-21	\$0.00	\$0.00	\$0.00	\$397,500	Reserve extended due to partial road closures.
	Balance of smaller Exemptions		\$0.00	\$0.00	\$0.00	\$0	
	TOTAL		\$0.00	\$0.00	\$0.00	\$397,500	
OBJECTIONS	Langham Hotel 1 Southgate Avenue SOUTHBANK	01-Jul-20	\$0.00	(\$34,519.09)	(\$34,519.09)	\$0	VG V approved objection
	609 Swanston Street CARLTON	01-Jul-20	\$0.00	(\$13,704.74)	(\$13,704.74)	\$0	VG V approved objection
	Balance of smaller Objections		(\$94.92)	\$0.00	(\$94.92)	(\$2,250)	
	TOTAL		(\$94.92)	(\$48,223.83)	(\$48,318.75)	(\$2,250)	
NEW RATES	143-171 A'Beckett Street MELBOURNE	31-Dec-21	\$51,937.99	\$0.00	\$51,937.99	\$2,294,000	Stage 106 subdivisiion - 6 residential lots, 14 commercial lots & S107
	399-413 Lonsdale Street MELBOURNE	31-Dec-21	\$48,105.20	\$0.00	\$48,105.20	\$1,172,750	Property subdivided from 1 assessment into 8.
	332 St Kilda Road SOUTHBANK	31-Dec-21	\$27,749.92	\$0.00	\$27,749.92	\$2,311,500	Holmesglen have vacated, now rateable
	10-20 Oliver Lane MELBOURNE	01-Jul-21	\$26,224.84	\$0.00	\$26,224.84	\$547,400	Property renovated and additional level now valued.
	Balance of smaller Objections		\$90,010.79	(\$2,331.82)	\$87,678.97	(\$435,375)	
	TOTAL		\$244,028.74	(\$2,331.82)	\$241,696.92	\$5,890,275	
TOTAL			\$243,933.82	(\$50,555.65)	\$193,378.17	\$6,285,525	