

Management report to Council

Agenda item 6.5

Quarterly Financial Performance Report and Budget

Council

Presenter: Michael Tenace, General Manager Finance and Corporate and Chief Financial Officer

25 May 2021

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 of the financial year in accordance with the *Local Government Act 2020* (the Act) and to provide information on supplementary valuations adopted by the CEO under delegation (refer Attachment 3).
2. The result from ordinary activities for the quarter ending 31 March 2021 shows an underlying YTD surplus on the Income Statement of \$11.4 million versus a budget deficit of \$29.1 million. The favourable variance of \$40.5 million is mainly due to the timing of income and expenditure (\$31.3 million) associated with Melbourne City Recovery Fund (MCRF), increase in supplementary rate income (\$6.5 million), improved Parking revenue performance (\$7.5 million) and lower employee expenses given prudent vacancy management (\$8.7 million), partially offset by COVID-19 cleaning expenditure (\$8.9 million) and the timing of receipts of capital grants (\$2.9 million) and lower user fees (\$3.1 million) impacted by COVID-19.

Key issues

3. The result includes estimated COVID-19 impacts of \$59.1 million YTD largely due to reduced parking revenue (\$34.0 million) and lower statutory and other user fees (\$13.9 million). This is estimated to have a full year material adverse impact of \$72.2 million on both revenue and expenditure which includes significant impacts from reduced parking revenue, hardship allowances and community grants support.
4. After allowing for the acceleration of MCRF stimulus expenditure to reactivate the City in the second half, Council is forecast to have a full year underlying deficit of \$35.2 million, which is an improvement in forecast from the last quarter due to an improved outlook in parking revenue, an increase in supplementary rates and the revised forecast treatment of COVID-19 financial assistance through rates deferrals as compared to rates waivers.
5. At the end of the Second Quarter, the CEO was of the opinion a revised Budget may be required due to the potential increase in need of borrowings to enable Council to maintain its restricted cash, however a strong rates collection month in February 2021 has alleviated immediate cash flow risks. Consequently, a revised budget will not be required for the current financial year.
6. A detailed analysis of revenue and expenditure is included in Attachment 2.

Recommendation from management

7. That Council:
 - 7.1. Accepts the 2020–21 Third Quarterly Financial Performance Report and Budget.
 - 7.2. Notes that the Chief Executive Officer is no longer of the opinion a revised budget may be required for the current financial year.

Attachments:

1. Supporting Attachment (Page 2 of 30)
2. 2020-21 Third Quarterly Financial Performance Report and Budget (Page 3 of 30)
3. Supplementary Valuations (Page 17 of 30)
4. Overview of Supplementary Valuation Returns (Page 18 of 30)
5. Capital Works Quarter 3 Update (Page 19 of 30)

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 CEO must ensure that a quarterly budget report (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 Health and Safety issues or opportunities have been identified.

Stakeholder consultation

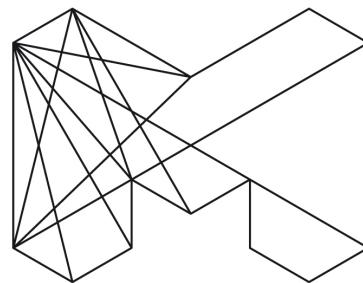
6. Consultation with the various branches of Council has been undertaken in preparation of this report.

Relation to Council policy

7. This is not applicable for purpose of Council policies with regard to the recommendations

Environmental sustainability

8. The financial performance for the quarter ended 31 December 2020 reflected many activities impacting on environmental sustainability. There is no direct impact on environmental sustainability from the recommendations in this report.

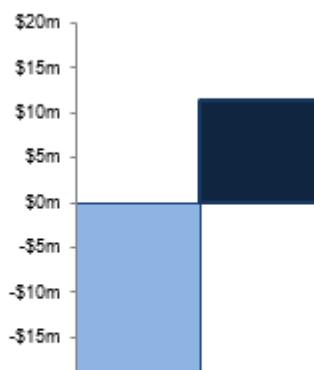


CITY OF MELBOURNE

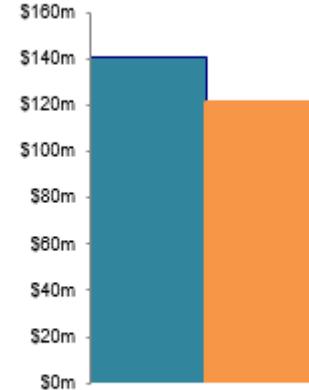
FINANCIAL PERFORMANCE REPORT

March 2021

Underlying Surplus/(Deficit)



Council Works Program



*Underlying surplus/(deficit) excludes one-off compensation for asset sales throughout this report

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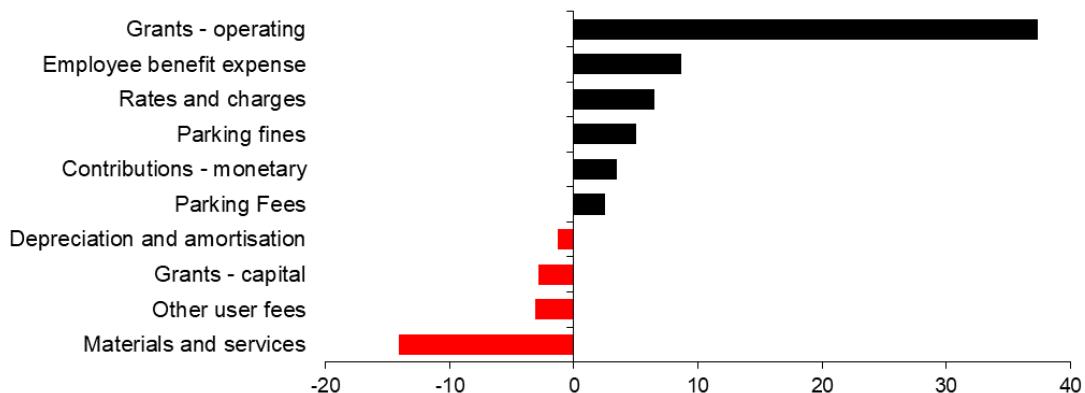
Executive Summary

Underlying Operating Results:

2019-20 Actual	2020-21 Budget	\$ Thousands	2020-21 YTD (\$'000)		
			Budget	Actual	Variance
527,717	430,670	Revenue	349,800	397,666	47,866
483,702	463,565	Operating Expenditure	338,634	346,263	(7,630)
44,015	(32,895)	Results from Ordinary Activities	11,166	51,403	40,236
23,605	1,100	Net gain/(loss) on disposal of property, infra, plant and equip	825	(72)	(897)
5,378	0	Fair value adjustments for investment properties	0	0	0
0	0	Contributions - non monetary	0	490	490
0	0	Written down on Investment	0	0	0
72,998	(31,795)	Profit/(Loss)	11,991	51,821	39,830
(61,160)	(25,572)	Less External Contributions to Capital	(40,300)	(40,008)	292
(5,378)	0	Less Gain on Investment Revaluation	0	0	0
0	0	Less Contributed Assets	0	(490)	(490)
(23,605)	0	Less Gain on disposal of asset	(825)	72	897
(17,145)	(57,367)	Underlying Surplus/(Deficit)	(29,134)	11,395	40,528

Key Financial Variances:

Top 10 Variances (\$millions)



The March YTD financial year result excluding gain on disposal of properties was an underlying surplus of \$11.4 million, \$40.5 million favourable against budget. The COVID-19 impacts are estimated to be \$59.1 million (compared with normal business environment).

The favourable variances are due to:

- Grants - operating (\$37.4 million favourable) mainly as a result of \$31.3m City Reactivation Activity Grants and \$4.0m Working for Victoria Fund.
 - Employee benefit expense (\$8.7 million favourable) due to vacant positions held across the organisation and secondment of staff to DHHS/DoJ.
 - Rates and charges (\$6.5 million favourable) due mainly to higher supplementary rates revenue.
 - Parking Fines and Fees (\$7.5 million favourable) due mainly to city activities recovering more quickly than expected compared to budget expectations.
 - Contributions - monetary (\$3.5 million favourable) as a result of the timing of higher Public Open Space contributions (capital revenue is excluded from underlying surplus)
- Partially offset by:*
- Materials & Services (\$14.1 million unfavourable) impacted by City Reactivation Activity expenditure, COVID-19 cleaning contract payments (fully offset by operating grants) and WIP

Capitalisation reassessment.

- Other User Fees (\$3.1 million unfavourable) primarily due to impacts from extended Stage 4 COVID-19 lockdown restrictions in Victoria
- Grants – capital (\$2.9 million unfavourable) due mainly to Community Sports Pavilion Upgrade project grants being received later than expected.

COVID-19 Impacts

- There has been an unprecedented impact on the City of Melbourne operations as a result of COVID-19. Total revenue impacts for the 3 quarters are estimated at \$59.1 million.
- The year to date major financial impacts for COVID-19 compared to prior year include:
 - \$34.0 million lower Parking Fee and Fine revenue
 - \$13.9 million lower statutory and other user fees
 - \$5.3 million lower Other Income items, *partially offset by*
 - \$8.6 million favourable impacts on timing of grants revenue and COVID-19 related expenditure
- As at 31 March 2020, net rates debtors has increased to \$68.5 million which is higher than the balance of \$58.1 million in 31 March 2020.

Council Works Program

The value of works completed is \$121 million compared to the YTD budget of \$140.8 million, mainly due to the timing of a contractual payment in relation to the QVM program.

Borrowings & Liquidity position

As at the end of the Second Quarter, the Chief Executive Officer as required under Section 97(3) of the Act was of the opinion a revised Budget may be required due to potential increase need of borrowing to enable Council to maintain its restricted cash. This is money set aside to meet our statutory obligations, confirmed projects and liabilities as per the community and regulatory expectations. However a strong rates collection month in February has alleviated immediate cash flow risks. Consequently, a revised budget will not be required for the current financial year.

Balance Sheet

Prior Year 2019-20 Actual (\$'000)	Balance Sheet	Current Mar-21 Actual (\$'000)	Movement 2019-20 Actual (\$'000)
	Assets		
	Current Assets		
42,598	Ref 1 Cash and cash equivalents	92,937	50,339
36,764	Ref 2 Trade and other receivables	114,668	77,904
64,000	Ref 1 Other financial assets	74,600	10,600
13,687	Ref 3 Other assets	5,650	(8,037)
157,049	Total Current Assets	287,855	130,806
	Non current assets		
63,488	Ref 1 Other financial assets	33,609	(29,879)
26,356	Investment in subsidiaries and trust	26,356	0
4,156,594	Ref 7 Property, infrastructure, plant and equipment	4,210,597	54,003
210,922	Ref 7 Investment property	184,579	(26,343)
41,886	Intangible assets	38,326	(3,560)
5,493	Right of Use Asset	4,441	(1,052)
4,504,739	Total Non-Current Assets	4,497,908	(6,831)
4,661,788	TOTAL ASSETS	4,785,763	123,975
	Liabilities		
	Current Liabilities		
(70,188)	Ref 4 Trade and other payables	(128,923)	(58,735)
(13,356)	Ref 5 Trust funds and deposits	(25,932)	(12,576)
(36,217)	Ref 6 Provisions	(37,964)	(1,747)
(1,411)	Lease Liability	(918)	493
	Interest-bearing loans and borrowing	0	0
(121,172)	Total Current Liabilities	(193,737)	(72,565)
	Non- current Liabilities		
(3,909)	Provisions	(3,909)	0
0	Interest-bearing loans and borrowings	0	0
(1,388)	Trust funds and deposits	(1,509)	(121)
(4,237)	Lease Liability	(3,710)	527
(9,534)	Total Non-Current Liabilities	(9,128)	406
(130,706)	TOTAL LIABILITIES	(202,865)	(72,159)
4,531,082	NET ASSETS	4,582,898	51,816
	Equity		
(2,169,912)	Accumulated Surplus	(2,209,928)	(40,016)
(2,361,170)	Reserves	(2,372,970)	(11,801)
(2,287,010)	Asset revaluation reserve	(2,287,010)	0
(63,625)	Public Open Space reserve	(77,124)	(13,499)
0	QVM renewal reserve	0	0
(10,536)	Other reserves	(8,836)	1,700
(4,531,082)	TOTAL EQUITY	(4,582,898)	(51,816)

Balance Sheet

Comparison to June 2020 Actual

1. The increase in cash and cash equivalents is a net result of inflows from Other Financial Assets of term deposit maturities, and proceeds from partial sale of the Munro site, which has been more than offset by capital expenditure (\$108m).
2. The increase in trade and other receivables is due to pre-billed rates (net \$68m), the Fire Services Levy (net \$15m), and Debtors Control (\$17m) which currently includes \$15m from the Victorian State Government for grants as at 31 March.
3. The decrease in other assets is mainly a result of the reversal of accrued income recorded at year end for the CBD Security project (\$10m).
4. Trade and other payables are higher mainly as a result of rates in advance as per trade receivables (2. above), which was partly offset by reductions in creditors and accruals as at 31 March.
5. The increase in Trust funds and deposits is due to the Fire Services Levy (2. above) collected for the State Government.
6. Provisions are now only slightly higher than prior year due to an increase in accrued leave over the current financial period. This is expected to reduce following the Easter and school breaks.
7. The net increase in property plant and equipment and investment property assets (\$24m) is the net result of \$108m in projects being capitalised upon completion during 2020-21, depreciation of \$55m, and the sale of the ground level portion of the Munro site development to PDG Corporation at \$26m.

Cash Flow Statement

2019-20 Actual (\$'000)	Statement of Cash Flows	2020-21 Actual (\$'000)
	Cashflows from Operating Activities	
	Receipts	
292,563	Rates and charges	262,874
62,814	Statutory fees and fines	22,431
67,454	User fees	37,458
19,485	Grants - operating	47,922
24,962	Grants - capital	18,418
5,295	Contributions - monetary	3,077
2,290	Interest	637
2,063	Dividends	18
3,582	Trust funds and deposits taken	1,301
14,303	Other receipts	6,587
28,156	Contributions on Public Open Spaces (Reserve)	20,372
522,967		421,095
	Payments	
(168,437)	Employee Costs	(115,645)
(193,704)	Materials & Services	(160,249)
(32,108)	Other Payments	(24,068)
(394,249)		(299,962)
128,718	Net Cash Inflow / (Outflow) from Operating Activities	121,132
	Cashflows from Investing Activities	
(127,838)	Payments for property, infrastructure, plant & equipment	(107,625)
9,035	Proceeds from sale of property, infrastructure, plant & equipment	26,359
14,975	Compensation for City Square	0
(73,000)	TD Deposit Reclassification	19,400
0	Loan to QVM	(7,450)
(176,828)	Net Cash Inflow / (Outflow) from Investing Activities	(69,316)
	Cashflows from Financing Activities	
(339)	Finance Costs	(59)
(28,482)	Repayments of borrowings	0
0	Interest paid - Lease Liability	(111)
0	Repayment of Lease Liability	(1,308)
(28,821)	Net Cash Inflow / (Outflow) from Financing Activities	(1,478)
(76,931)	Net Cash Inflow / (Outflow) from all Activities	50,339
119,529	Cash at beginning of the financial period	42,598
42,598	Cash at the end of Mar-21	92,937
(76,931)	Movement in cash equivalents	50,339

2019-20 Actual (\$'000)	Statement of Cash Flow (reconciliation)	2020-21 Actual (\$'000)
	38,488 Net Surplus (exc Public Open Space Contributions)	31,447
	Add Back Non-Cash Items	
70,774	Depreciation/Amortisation	56,268
5,558	WIP Write Off	2,978
(5,378)	Fair value adjustments for investment property	0
(23,605)	Profit/(loss) on disposal of property, plant and equipment	72
0	Contributions - Non-monetary assets	(490)
85,837	Operating Surplus/(Deficit) before Non cash items	90,275
	14,388 Net Movement in Working Capital	9,012
(127,839)	Capital Expenditure	(107,628)
0	Loan to QVM	(7,450)
9,035	Proceeds from sale of assets	26,359
14,975	Compensation on City Square	0
28,156	Contributions on Public Open Spaces (Reserve)	20,372
(73,000)	TD Deposit Reclassification	19,400
(28,482)	Repatriation of CEFC Loan	0
0	Proceeds of borrowings	0
(76,931)	Net Cash inflow/(outflow)	50,339

As at 31 March, Council has a total cash inflow of \$50.3 million which is comprised of:

- An operating surplus of \$90.3m
- A net inflow of working capital of \$9.0m
- Capital expenditure of \$107.6m
- Short-term loan to Queen Victoria Market (QVM) of \$7.5m
- Proceeds from partial sale of Munro site \$26.4m
- An increase in longer term deposits from cash \$19.4m

Income Statement

2019-20 Actual (\$'000)	2020-21 Budget (\$'000)	Income Statement	2020-21 YTD (\$'000)		
			Budget	Actual	Variance
		REVENUE			
301,764	309,251	Ref 3.1 Rates and charges	233,459	239,947	6,488
		Statutory fees and fines			
38,197	17,510	Ref 3.2 Parking fines	12,660	17,692	5,032
13,694	13,556	Ref 3.3 Other	9,929	9,021	(908)
		User fees			
46,639	28,578	Ref 3.4 Parking	18,800	21,307	2,507
24,515	6,186	Ref 3.5 Other	14,224	11,159	(3,065)
19,485	14,948	Ref 3.6 Grants - operating	11,537	48,887	37,350
24,962	24,267	Ref 3.7 Grants - capital	21,814	18,963	(2,851)
39,805	3,193	Ref 3.8 Contributions - monetary	19,988	23,449	3,461
		Ref 3.9 Other income			
2,290	979	Interest	685	637	(49)
2,063	2,060	Dividends	60	18	(43)
5,701	5,010	Investment property/market rentals	3,723	2,333	(1,389)
2,487	1,013	Intercompany revenue - Citywide	383	1,186	803
20	0	Intercompany revenue - Queen Vic Market	0	0	0
5,728	3,962	Sales & recoveries	2,426	2,915	489
367	158	Project income	111	153	41
527,717	430,670	Total Revenue	349,800	397,666	47,866
		EXPENDITURE			
169,798	172,928	Ref 4.1 Employee benefit expense	126,072	117,374	8,698
196,744	178,068	Ref 4.2 Materials and services	128,136	142,216	(14,080)
14,464	5,909	Ref 4.3 Bad and doubtful debts	3,969	4,859	(890)
70,774	73,317	Ref 4.4 Depreciation and amortisation	54,988	56,268	(1,280)
339	500	Ref 4.5 Borrowing Costs	293	59	234
9,134	8,671	Ref 4.6 Other expenses	6,140	5,252	888
22,449	24,172	Ref 4.7 Grants and contributions	19,035	20,235	(1,200)
483,702	463,565	Total Operating Expenditure	338,634	346,263	(7,630)
23,605	1,100	Net gain/(loss) on disposal of property, infra, plant and equip	825	(72)	(897)
5,378	0	Fair value adjustments for investment properties	0	0	0
0	0	Contributions - non monetary	0	490	490
0	0	Writedown on Investment	0	0	0
72,998	(31,795)	Profit/(Loss)	11,991	51,821	39,830
(61,160)	(25,572)	Less External Contributions to Capital	(40,300)	(40,008)	292
(5,378)	0	Less Gain on Investment Revaluation	0	0	0
(23,605)		Less Gain on disposal of asset (irregular)	(825)	72	897
(17,145)	(57,367)	Underlying Surplus/(Deficit)	(29,134)	11,395	40,529

Analysis of Revenue Variances

Budget \$349.8m	Actual \$397.7m	Variance \$47.9m Favourable
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3.1 Rates and charges	2.8% Variance	\$6.5m Fav
This favourable variance is due mainly to higher supplementary rates revenue.		
3.2 Parking fines	39.7% Variance	\$5.0m Fav
Parking infringements are more favourable to budget expectations, noting that there is a significant year on year decline of 44% compared to the same time in a non-COVID year.		
3.3 Other statutory fees and fines	-9.1% Variance	(\$0.9m) Unfav
Minor unfavourable variance as a result of COVID-19.		
3.4 Parking fees	13.3% Variance	\$2.5m Fav
This favourable variance is due mainly to increasing non-compliance, noting that there is a significant year on year decline of 48% compared to the same time in a non-COVID year.		
3.5 Other user fees	-21.5% Variance	(\$3.1m) Unfav
This unfavourable variance is due to lower user fees as a result of COVID-19 stage 4 lockdown restrictions including:		
<ul style="list-style-type: none"> • \$4.2 million building services fees; • \$1.0 million events revenue; • \$0.9 million lower Town Hall spotless income; • \$0.6 million leisure and recreational fees; and • \$0.2 million lower child care fees. 		
The above unfavourable variance is partially offset by \$5.0 million rates hardship given COVID-19 financial assistance is through rates deferrals as compared to rates waivers.		
3.6 Grants – operating	large% Variance	\$37.5m Fav
This favourable variance is a result of:		
<ul style="list-style-type: none"> • \$24.8 million due to the timing of spend of the Melbourne City Recovery Fund (MCRF) grants; • \$4.5 million Laneway Revitalisation grants; • \$4.0 million Working for Victoria funds and \$2.0 million Business Support grants; and • \$2.0 million Small Business Transformation grants. 		
3.7 Grants – capital	-13.1% Variance	(\$2.8m Unfav)
This unfavourable variance is due mainly to \$2.4 million CBD security measurements project funding and \$2.6 million Community Sports Pavilion Upgrade funding being received later than expected which is partially offset by \$1.9 million capital funding related to La Trobe Street Bridge project.		
3.8 Contributions – monetary	17.3% Variance	\$3.5m Fav
This favourable variance is due to \$3.1 million higher Public Open Space funds and \$0.4 million higher children subsidy contributions.		
3.9 Other income	-2.0% Variance	(\$0.1m) Unfav
Minor unfavourable variance.		

Analysis of Expense Variances

Budget \$338.6m	Actual \$346.3m	Variance \$7.6m Unfavourable
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4.1 Employee benefit expense	6.9% Variance	\$8.7m Fav
This favourable variance is largely due to holding vacant positions across Council, lower leave taken due to COVID, and secondment of staff to DHHS/DoJ.		
4.2 Materials & Services	-11.0% Variance	(\$14.1m) Unfav

Variances of note have occurred in the following categories:

- Contract payments \$9.8 million unfavourable;
- General Maintenance \$2.8 million unfavourable;

Contract payments (unfavourable \$9.8 million)

This unfavourable variance is due mainly to:

- \$8.9 million COVID-19 cleaning expenditure (timing);
- \$3.0 million WIP Capitalisation reassessment;

Partially offset by:

- \$2.6 million home support service contract (cease of services from 2020-21)

General Maintenance (unfavourable \$2.8 million)

This unfavourable variance is driven by City Reactivation Projects.

4.3 Bad and doubtful debts	-22.4% Variance	(\$0.9m) Unfav
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This unfavourable variance is associated with higher than expected parking infringement provision costs given collectability uncertainty due to COVID-19 impacts.

4.4 Depreciation and amortisation	-2.3% Variance	(\$1.3m) Unfav
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This unfavourable variance is driven by the capitalisation timing of capital projects.

4.5 Borrowing costs	79.9% Variance	\$0.2m Fav
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This favourable variance is due mainly to improved cash positions.

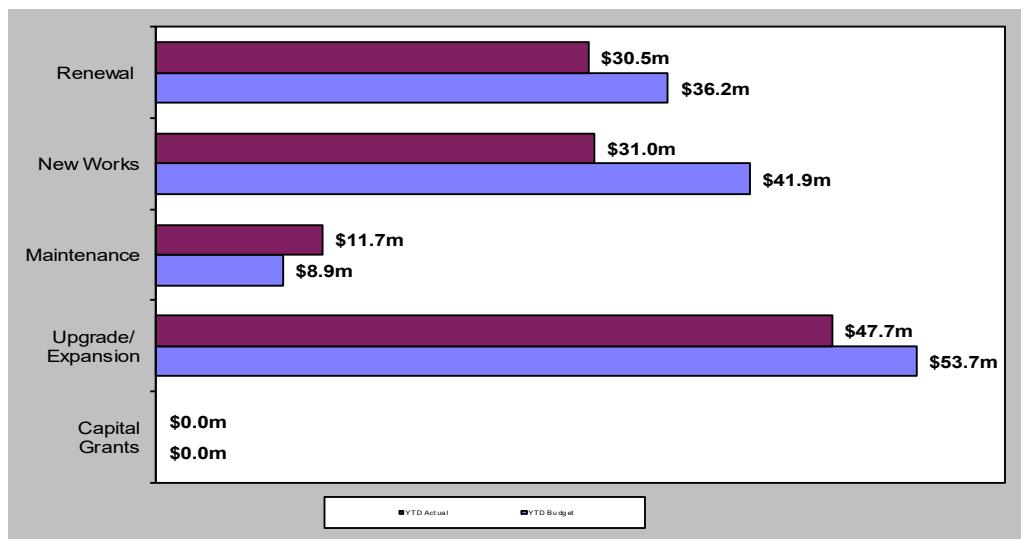
4.6 Other expenses	14.5% Variance	\$0.9m Fav
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This favourable variance is due to \$0.5 million lower landfill levy expenditure and timing of \$0.4 million statement revenue office payments.

4.7 Grants and contributions	-6.3% Variance	(\$1.2m Unfav)
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This unfavourable variance is due mainly to timing of COVID-19 Grants payments.

Council Works – Expenditure



Period: Mar-21

Council Works Area	2019-20 (\$'000)		
	Budget	Actual	Variance
Maintenance			
Capital Grants	0	0	(0)
Maintenance	8,919	11,733	(2,815)
Total Maintenance	8,919	11,733	(2,816)
Capital Works			
Expansion	10,428	6,651	3,777
Upgrade	43,300	41,093	2,207
New Works	41,943	30,978	10,966
Renewal	36,206	30,527	5,679
Total Capital Expenditure	131,877	109,249	22,628
Total Council Works Program	140,796	120,982	19,814

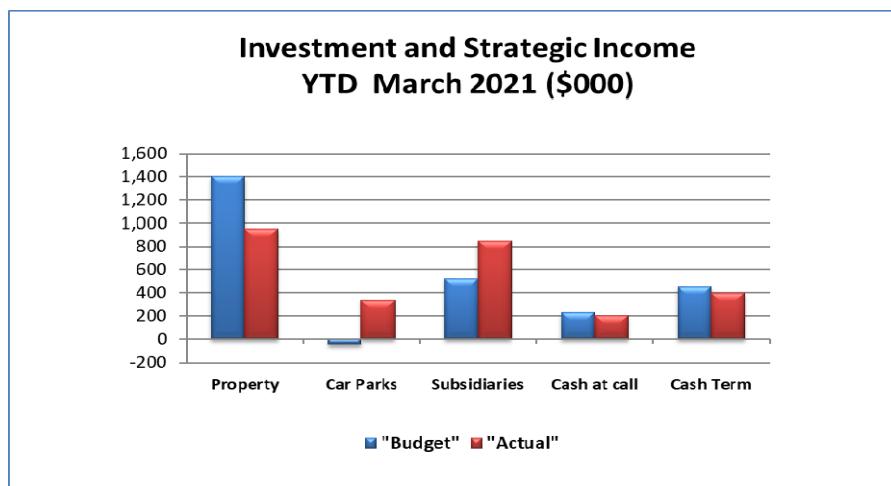
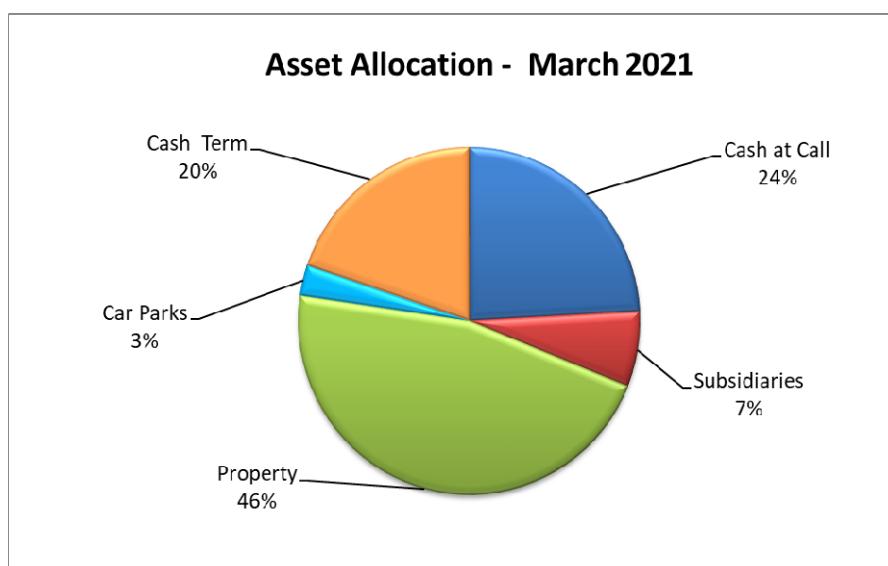
Council Works variance is driven by the COVID-19 restrictions to construction works during September and October 2020. In spite of those restrictions, variance has been mitigated through the acceleration of maintenance works, and revised delivery methodologies on some of our projects and programs. These adjustments will enable projects to accelerate over the following two final quarters, thereby the ultimate reducing the impact of restrictions on the portfolio.

Through to March 2021, program adjustments have been endorsed. Please refer to Attachment #5.

Investment Portfolio Performance

The Investment Portfolio returned \$2.7 million for year to date which was \$0.1 million above the \$2.6 million budget.

- Investment Properties - YTD returned \$0.4 million unfavourable against budget mainly due to \$1.2 million negative Covid-19 impacts on revenue as a result of rent relief and a small number of vacancies due to market condition.
- Car Parks – YTD overall favourable against budget with Council House returned \$0.3 million & Elgin St returned \$40K
- CityWide – YTD returned \$0.4 million higher than budget due to higher payroll tax as a result of sanitisation works during the pandemic.
- Procurement Australasia paid dividend in December of \$17.5K (7 cents @ 250,000 ordinary shares)
- Cash Investments – YTD interest income was unfavourable by \$86K due to the historical low interest rates offered for the at call accounts and term deposits



Public Open Space Contributions

DATE PAID	SUBDIVISION REG. NO	ADDRESS OF DEVELOPMENT	SUBURB	Contribution Amount
16/07/2020	SA-2019-93	346-362 Queen Street	MELBOURNE	\$6,092,074
11/08/2020	SA-2019-86	374 Lonsdale Street	MELBOURNE	\$6,707,000
12/10/2020	SA-2019-108	81 Manningham Street	PARKVILLE	\$67,500
26/10/2020	SA-2019-89	141 Arden Street	NORTH MELBOURNE	\$130,000
16/10/2020	SA-2011-70	Crowne Plaza 1-5 Spencer Street	DOCKLANDS	\$2,750,000
13/11/2020	SA-2019-92	185 Rosslyn Street	WEST MELBOURNE	\$2,271
30/11/2020	SA-2019-78	22-28 Courtney Street	NORTH MELBOURNE	\$374,180
08/12/2020	SA-2019-32	134-160 Spencer Street	MELBOURNE	\$3,229,950
01/12/2020	SA-2019-14	404-408 Spencer Street	WEST MELBOURNE	\$625,000
24/12/2020	SA-2020-9	233-239 Dryburgh Street	NORTH MELBOURNE	\$303,580
12/03/2021	SA-2019-47	2 Lothian Street	NORTH MELBOURNE	\$90,000
			Total	\$20,371,555

Attachment 3
Agenda item 6.5
Council
25 May 2021

SUPPLEMENTARY VALUATIONS

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 March 2021 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
1 Feb 2021	\$53,207,275	\$754,817.54	\$815,207.44	(\$60,389.90)	\$0.00
Total	\$53,207,275	\$754,817.54	\$815,207.44	(\$60,389.90)	\$0.00

The 2020-21 supplementary new rates budget is \$6.2 million. The year to date actual for new rates is \$11.7 million.

Category	Address	Effective Date	Rates 2020-21	Rates Previous Years	Total Rates	NAV Change	Comments
1 Feb 2021							
EXEMPTIONS	Front 221-245 Salmon Street, PORT MELBOURNE	01-Jan-21	(\$39,287.25)	\$0.00	(\$39,287.25)	\$0	GMH vacated on 31/12/2020, property is owned by Development Victoria
	27-31 Dudley Street, WEST MELBOURNE	18-Nov-20	(\$8,778.87)	\$0.00	(\$8,778.87)	\$0	Occupied by an education provider.
	227-229 Bourke Street MELBOURNE	17-Nov-20	(\$7,655.84)	\$0.00	(\$7,655.84)	\$0	Tenant vacated CoM property, now exempt
	Balance of smaller Exemptions		(\$4,667.94)	\$0.00	(\$4,667.94)	\$578,500	
	TOTAL		(\$60,389.90)	\$0.00	(\$60,389.90)	\$578,500	
OBJECTION S							
	TOTAL		\$0.00	\$0.00	\$0.00	\$0	
NEW RATES	244-276 Spencer Street MELBOURNE	02-Feb-21	\$383,618.32	\$0.00	\$383,618.32	\$22,857,200	Stage 6 subdivision of Lots S22 & S23 into 732 residential lots & 3 retail lots
	197-231 Rosslyn Street WEST MELBOURNE	02-Feb-21	\$230,068.09	\$0.00	\$230,068.09	\$13,665,900	Construction of building E, 102 residential lots
	367-375 Little Lonsdale Street MELBOURNE	02-Feb-21	\$97,026.83	\$0.00	\$97,026.83	\$5,785,300	Stage 3 subdivision of Lot 3 into 151 residential lots
	433-455 Collins Street MELBOURNE	02-Feb-21	\$85,889.90	\$0.00	\$85,889.90	\$5,121,250	Stage 6 subdivision of Lot S6 into 46 residential lots
	Balance of smaller supps		\$23,975.18	(\$5,370.88)	\$18,604.30	\$5,199,125	
	TOTAL		\$820,578.32	(\$5,370.88)	\$815,207.44	\$52,628,775	
TOTAL			\$760,188.42	(\$5,370.88)	\$754,817.54	\$53,207,275	

Record of Program Adjustments 2020–21

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
		Total Adjustments	132,240,861	(3,327,888)	(441,531)	0	(4,378,301)	16,357,572	140,450,713	
Quarter Three										
Mar-21	20B1502M	City Activation	19,500,000				(12,000,000)	7,500,000		The Detailed project is not fully scoped and is still under development. \$12 million 100% Grant funded has been added to Budget 2021-22; this has been communicated during ELT Budget Sessions.
Feb-21	14G8111N	Transforming Southbank Boulevard and Dodds Street	13,058,301				(4,538,301)		8,520,000	<p>Excess funding is being handed back from the Southbank Boulevard budget code, as the final two stages of the project will be delivered during the 2021-22 financial year.</p> <p>Two Stages are complete, funding which is being retained will contribute to the following:</p> <ul style="list-style-type: none"> - completion of delivery of stage three of the project - commencement and progress of stage four which has recently commenced construction - associated fees and project costs related to these stages - development of planning and documentation for the final stages of the project. <p>Surplus funds will be required in the 2021-22 financial year in order to complete the delivery of the Southbank Boulevard Upgrade project \$2.31 million and Dodds Street linear park total \$2.23 million with \$160,000 to be spent in 2020-21.</p>
Jan-21	19B1376N	Exhibition Street Bike Lane	6,000,000	(3,044,800)	(905,200)			625,000	2,675,000	<p>Council was initially seeking rapid implementation. Two distinct stakeholder profiles along the street were identified and a decision was made to break up design to resolve distinct challenges separately.</p> <ul style="list-style-type: none"> - Stage 1 - South of Bourke Street – shop holders, residents - Lower risk - Stage 2 - North of Bourke Street – theatres/hotels, safety/functionality/aesthetic concerns - Higher risk <p>An opportunity to uplift the streetscape was identified and project scope was increased to include theatre block footpath expansions, works in the central median, additional tree planting. PCG decision was sought to increase the scope and budget accordingly and that was approved – May 2020.</p> <p>Stage one has been delivered as part of the COVID-19 accelerated bike lane program.</p> <p>Stage two is to be delivered as a separate project: bike lane implementation as part of the COVID-19 accelerated bike lane program with permanent works being delivered as a standalone project.</p> <p>Project budget (\$6.0 million) was available for 2020-21. Due to the increase in the scope, design for the permanent works and streetscape is still in progress. Therefore, allocated funds won't be fully spent in 2020-21. Permanent works will need to be delayed until 2021-22. COVID-19 accelerated bike lane will still be delivered in the current financial year as reflected in the proposed budget for 2020-22.</p> <p>A contribution of up to \$2.0 million from the Tree Removal Reserve is part of the approved budget. This amount won't be entirely required this financial year. It is estimated that around \$1.2 million will be used in 2020-21 with the outstanding amount to be made available for 2021-22.</p>

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 20 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Mar-21	20B3712R	Property Services CH2 Renewal Works	2,500,000	(2,450,000)					50,000	<p>Due to COVID-19 there was delay in procurement of services. Further the works impact CH2 occupants and extensive consultation is required for relocation of staff on various floors for 8 weeks period to alternative venue.</p> <p>Further discussions with procurement has resulted in need to re-tender the project.</p>
Feb-21	20B3102N	Gateway to GMH Turner Street Works	3,750,400					(1,906,400)	1,844,000	<p>In September 2020 a new project (20B3102N) was set up for delivery of a state government-funded streetscape project in Fishermans Bend. The project's funding will be provided through Department of Jobs, Precincts and Renewals (DJPR). The 'Out of Cycle 2020-21' bid submitted in September 2020 (DM#14009294) reflected the total multi-year CAPEX budget of \$3.75 million instead of the forecast spend for the current financial year. This change request seeks to rectify this so that the budget reflects the DJPR contribution that has been received for 2020-21.</p> <p>A Detailed Project Plan for the Gateway to GMH project was signed off by CoM and DJPR in mid-December, which marked the beginning of the project's planning phase. The scope for 2020-21 is limited to consultant engagement, site investigations and the beginning of the design process, so it is anticipated that only \$200,000 will be required for this financial year. Any surplus external funds will be carried forward into 2021-22 for the project's main plan and delivery phase. This is in line with the accounting standard around recognising grant income in the year it is received.</p> <p>Please note, the DJPR funding agreement has a funding deadline of 30 June 2022.</p>
Feb-21	19B3328N	Seafarers Rest Park	952,141	(892,141)					60,000	<p>Budget proposed to be retained in the current 2020-21 financial year is \$60,000. This is for ongoing coordination and design review. Currently included within the 2020-21 is a Council contribution for structural remediation works which will not be required in the current financial year.</p> <p>Future Financial Years</p> <p>Budget requested for the 2021-22 financial year is \$40,000. This is for ongoing coordination and design review.</p> <p>Council has agreed to contribute \$750,000 for structural remediation works, to enable the delivery of Seafarers Rest Park, the MOU detailing this agreement is still being finalised. This will be paid to the adjacent property developer/land owner, Asset1, who is responsible to complete the structural remediation works, and later delivering the Seafarers Rest Park. The structural remediation works are currently expected to start in December 2022. The structural remediation works funds (\$750,000) will be required in the 2022-23 financial year to meet Councils obligations.</p> <p>An additional \$102,141 will be required in the 2022-23 financial year for coordination and design review. A total of \$852,141 is requested for the 2022-23 financial year.</p>

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 21 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Feb-21	20B2511M	Birrarung Trial Floating Wetland	700,000					(600,000)	100,000	Total funds were received from DELWP this financial year. However, it is anticipated that only planning and design would occur in 2020-21 with implementation and monitoring scheduled for 2021-22. Project planning is being done with CoM resources and minimal engagement of external consultants. Therefore the amount to be spent this financial year \$100,000 reflects this and it is aligned with the project key milestones stated in the fund agreement with DELWP. The balance of the funds \$600,000 will be added to the budget 2021-22. Funding can only be used for the purpose of delivering this project as per agreement with DELWP. Executed funding agreement is DM#14323217.
Mar-21	20B2301N	N+W Melb and Docklands Transport + Amenity Program (TAP)	1,700,000	(200,000)				(200,000)	1,300,000	Two TAP projects that were proposed to begin this financial year have been postponed to next financial year, due to ongoing negotiations with DoT and the West Gate Tunnel Authority.
Mar-21	20B1344N	Major Streetscape Improvements	2,004,978					(50,000)	1,954,978	The Franklin Street Streetscape Improvements project is undergoing a feasibility assessment this financial year to help guide the final project's design scope and integration with the two major developments nearby, QVMPR and Metro. Preparation of the concept design – which is embedded in the feasibility scope – was delayed by two months and this is resulting in a budget underspend of an estimated \$125,000. The Franklin Street project is co-funded through the Transport Amenity Program (TAP). Budget change proposed for external funds only: The estimated underspend of \$125,000 includes a reduction of external funds by \$50,000 and a reallocation of Council funds to the amount of \$75,000 to Market St streetscape upgrade project. Please refer to the 'Proposed New Scope' section on page 2. No funds have been received from state government yet for this project so this change does not require further engagement with the funding body.
Jan-21	20B1370R	Local Roads and Community Infrastructure Program (LRCI)	468,698					1,866,629	2,335,327	An additional \$5,016,626 has been received from the Commonwealth Local Roads and Community Infrastructure Program (LRCI) Phase 2 program. Please refer to DM#14323670 for signed funding agreement. From this funding \$1,866,629 has been allocated to the 2020-21 road and footpath renewal/upgrade projects under the above project code. Another \$650,000 has been allocated to Market St streetscape project (separated change request has been submitted for this amount). The balance (\$2.5 million) will be used for 2021-22 road and footpath renewal projects.

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 22 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Feb-21	20B4122N	Creative Laneways Program Working for Victoria Fund	0	650,000				1,824,500	2,474,500	<p>Key Objectives</p> <ul style="list-style-type: none"> To employ 156 people to undertake a major renewal of the laneway network from October 2020 – June 2021 To renew 40 CBD laneways by commissioning art, music and lighting projects Intersect with the Little Streets and Eat Streets Projects To enhance the social, economic and cultural qualities of the CBD laneways by drawing people back to the city To improve public safety, amenity and increase business participation To collect wayfinding and navigation data to inform an assessment of CBD renewal. <p>Scope</p> <ul style="list-style-type: none"> Site preparation including deep cleaning and refurbishment Stakeholder engagement Lighting of approximately 15 CBD laneways to improve public safety 80 art and music commissions in CBD laneways. <p>State Government plus 25% CoM input plus contingency \$650,000.</p>
Jan-21	19B3331N	Market Street Open Space	3,235,718					650,000	3,885,718	<p>The project is the creation of a new park in the centre of the city. Cbus managed has delivered park and contributed approximately \$4.1 million whilst City of Melbourne is investing \$3.43 million. City of Melbourne are managing and delivering modifications to the roadway.</p> <p>The authority costs budget has been exceeded due to actual authority costs coming in higher than expected (\$180,000), contingency budget for latent conditions (asbestos, abandoned in ground services etc. was insufficient (additional \$70,000) and increase scope (extension of Park to the south to utilize unused road pavement - \$400,000). Additional budget is required to complete the scope of works included in the original budget; upgrade Market Street in between Collins Street and Flinders Lane adjacent to the newly completed Market street Open Space.</p> <p>The upgrade of Market was tendered in November 2021 and a contractor at \$650,000 has been recommended. Subject to additional Budget approval works can be planned to commence early March 2021 and completed by May 2021.</p> <p>The additional \$650,000 is being funded by the Commonwealth Local Roads and Community Infrastructure Program (LRCI) Phase 2 program. Please refer to DM#14323670 for signed funding agreement.</p>
Jan-21	20B1336R	Roadway Renewal	2,500,000		109,000				2,609,000	\$109,000 external funding received from QICP Pty Ltd as a contribution towards full reconstruction of Pink Alley related to building works at 80 Collins Street.
Jan-21	20B1367M	Street Lighting Upgrade	900,000					15,000	915,000	\$15,000 grant received from DOT as a contribution towards lighting upgrade/maintenance works on Swan Street Bridge.
Jan-21	20B1330R	DDA Compliance - Infrastructure	500,000		13,602				513,602	\$13,600 external funding received from CYP for design and construction of an access ramp in Swanston Street north of Little Lutrope Street related to Metro Tunnel Works.
Feb-21	20B1366M	Banner Pole Maintenance	30,000		8,630				38,630	\$8,630 external funding received from the developer of 12 Bourke Street for removal of a banner pole to facilitate the development and reinstatement after the completion of building works.

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 23 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Mar-21	18B4507N	Carlton Central Learning Precinct – ELC and Family Services	43,962	176,038					220,000	<p>The Carlton Learning Precinct development was completed and opened in 2020. Post occupancy a number of additional works have been requested by the services operating out of the centre seeking to address improved security for staff and children, OH&S items (additional sunshading) and 'access for all' provisions. These include:</p> <ul style="list-style-type: none"> • New perimeter fencing to the Early Learning Centre to address security issues. • Provision of a secure electric bike storage facility including charging points for Family Services/ELC staff • Additional (retractable) sun shading devices to certain areas of the outdoor play space • Additional electronic security measures • Changes to reception desk based on a recent OH&S audit • Modifications to further improve accessibility for children with a disability within the centre • Late Invoicing impact on allocated 2020-21 budget • Project Fees
Feb-21	14G8129N	Dodds Street linear park, Southbank	0				160,000		160,000	<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>
Feb-21	20B0901N	Homelessness - Make Room	0	77,837					77,837	<p>This project is an API 2.9 (2020-21) - Reduce homelessness in the city. This project has the working title of Let's Make Room (the Project). On 10 December 2019, Council resolved to repurpose specific Council owned buildings for the purpose of providing safe and supported accommodation for people sleeping rough or at risk of homelessness. 602 Little Bourke Street was identified and supported as an available asset. A confidential Council briefing paper providing a project update was submitted 12 August 2020. The Project is managed internally by a PCG that meets fortnightly. A monthly PRG also occurs with CEO and LM.</p> <p>City of Melbourne (CoM) submitted an Expression of Interest (EoI) for the Victorian Government's Housing Stimulus Funding package on 23 July 2020. EoI assessments took place during August 2020. To assist with the assessment process, CoM was requested to provide further clarification in relation to the submission.</p> <p>The Victorian Government advised CoM in December 2020 of its success in securing \$9.0 million towards the project. Conditional to receiving the funding and to meet is the commencement of preparatory building works. This will ensure the site is 'shovel ready' before the end of 2021, to commence work. A detailed Project Plan and cash flow analysis have been completed. To enable this preparatory works to commence, the project is seeking out of cycle capital works funding.</p>

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 24 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Jan-21	18B3362N	Victoria Emergency Services Memorial in Treasury Gardens	0	46,607					46,607	<p>This project was completely funded externally by CFA and EMV. We have received a total funding of \$ 2,268,869 for the project. The project construction was completed last year in 2019-20.</p> <p>Funds were received in 2019-20 but not carried forward at the end of the financial year.</p> <p>Recognised unspent portion of income received from CFA is \$46,607, which is required for the following;</p> <ul style="list-style-type: none"> • Establishment of plants • Planting of two garden beds • Installation of Pit • Ongoing maintenance of the plants
Feb-21	20B1336R	Roadway Renewal	2,609,000	250,000					2,859,000	<p>The Princes Bridge deck waterproofing and road resurfacing works has to be deferred to next Financial year due to delay in Yarra Trams (YT) doing their Tram track renewal works on the Princess Bridge. Council was planning to undertake waterproofing and road resurfacing works on the bridge after YT completed their works in April this FY. Only \$20,000 out of \$270,000 allocated to bridge waterproofing works will be required to complete investigation and design works this financial year. The remaining \$250,000 to be used for road renewal works this year and the Roadway renewal budget (20B1336R) to be increased by \$250,000. Additional funding allocated to Road Renewal budget will be used for completing three additional road renewal projects brought forward from next year to this year. Bridge waterproofing and road resurfacing works will be funded from next year's Roadway renewal budget.</p>
Feb-21	20B1354R	Princess Bridge - Waterproofing of bridge deck	270,000	(250,000)					20,000	<p>Yarra Trams (YT) has deferred their Tram track renewal works on the Princess Bridge from April to early July 2021. Council was planning to undertake waterproofing and road resurfacing works on the bridge after YT completed their works in April this FY. Due to YT delaying their works, Council will not be able to complete proposed Council works by the end of this FY. Only \$20,000 out of \$270,000 will be required to complete investigation and design works this financial year. This budget (20B1354R) to be reduced by \$250,000 and the Roadway renewal budget (20B1336R) to be increased by \$250,000. Additional funding allocated to Road Renewal budget will be used for completing three other road renewal projects brought forward from next year to this year. Bridge waterproofing and road resurfacing works will be funded from next year's Roadway renewal budget. This is to avoid having to carry forward the remaining budget to complete the rest of the works on the bridge next year.</p>
Feb-21	20B4120R	ArtPlay Kiosk Renewal	50,250	10,000					60,250	<p>RFQ tender results over budget allocation. Scope to include addition of air conditioning unit. Additional funding transferred from 20B3707R Property Services Renewal Works.</p>
Feb-21	20B3707R	Property Services Renewal Works	4,000,000	(10,000)					3,990,000	<p>Transfer of \$10,000 surplus funds to project 20B4121R Art Play Kiosk Renewal to fund air conditioning unit.</p>
Total Quarter Three			64,773,448	(5,636,459)	(773,968)	0	(4,378,301)	(9,775,271)	44,209,449	
Quarter Two										

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 25 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Oct-20	20B1502M	City Activation	0					19,500,000	19,500,000	The City of Melbourne (CoM) has been severely impacted by the COVID-19 emergency. Traders within Melbourne's CBD have suffered severe losses to business due to the loss of the daily influx of workers and students, who were the primary customers. ABS payroll data indicates inner Melbourne is the third hardest-hit region in Australia. An estimated 31.7 per cent of local businesses have applied for JobKeeper, a CoM survey shows 7.5 per cent of food businesses have closed permanently and a further 8 per cent are considering closing. The pedestrian use of streets within the Hoddle Grid has fallen dramatically under COVID-19 – by around 90 percent. To address this issue the Victorian State Government and CoM have reached an agreement to reactivate the city. The Melbourne Central City Recovery fund is aimed at activating the city through supporting local business. As part of that fund \$40.0 million (\$20.0 million State & \$20.0 million CoM) of funding will be used to support hospitality through extending dining footprints. CoM's contribution \$20.0 million is from existing projects already funded through the 2020-21 Capital Works budget. This Out of Cycle bid is to capture the \$20.0 million contribution from State Government. Maintenance will total \$19.5 million.
Oct-20	20B1501N	City Activation	0					500,000	500,000	The City of Melbourne (CoM) has been severely impacted by the COVID-19 emergency. Traders within Melbourne's CBD have suffered severe losses to business due to the loss of the daily influx of workers and students, who were the primary customers. ABS payroll data indicates inner Melbourne is the third hardest-hit region in Australia. An estimated 31.7 per cent of local businesses have applied for JobKeeper, a CoM survey shows 7.5 per cent of food businesses have closed permanently and a further 8 per cent are considering closing. The pedestrian use of streets within the Hoddle Grid has fallen dramatically under COVID-19 – by around 90 percent. To address this issue the Victorian State Government and CoM have reached an agreement to reactivate the city. The Melbourne Central City Recovery fund is aimed at activating the city through supporting local business. As part of that fund \$40.0 million (\$20.0 million State & \$20.0 million CoM) of funding will be used to support hospitality through extending dining footprints. CoM's contribution \$20.0 million is from existing projects already funded through the 2020-21 Capital Works budget. This Out of Cycle bid is to capture the \$20.0 million contribution from State Government. New Works will total \$500,000.
Nov-20	20B1350N	Latrobe Street Bridge - Installation of Protection Screens	1,850,000	878,000				500,000	3,228,000	Onerous rail authority requirement for isolations, permits and limited ALBF (after last before first train) windows to complete the works has resulted in tender pricing well in excess of the budget. Additional budget funding has been sought from the Department of Transport (DoT). City of Melbourne (CoM) contributions as detailed will be required for the shortfall. DoT has verbally advised of a \$500,000 additional contribution and is seeking formal approval of the change in parallel with this bid. The original agreement with DoT was for cost share. Under this arrangement, CoM is carrying around one third of the projected total cost.
Oct-20	17B3347N	Memorials - St Andrews Place Family Violence Memorial	0					463,000	463,000	Construction of a permanent memorial for victims and survivors of family violence. Recognise unspent portion of grant received in 2019-20 \$231,500. Recognise second half of the Grant which will be received in 2020-21 \$231,500. It is expected the construction phase of the new memorial will commence in January/February 2021.

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 26 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Nov-20	17B3334N	North Bank Open Space & Public Realm Projects	1,607,957	195,571					1,803,528	The current allocated budget will be sufficient to award the tender, however additional funding will be required to cover such costs as contingency, fees (Project Management, Landscape Architect and Melbourne Metro) and current commitments already in place for this project.
Oct-20	20B2513N	Chinatown Illuminated Rectangular Frames	0	160,000					160,000	The concept is to infill the existing catenary frames in Chinatown with mesh and lighting. The mesh infills will be illuminated at night adding vitality and interest to the Chinatown Precinct and completing a long term strategy for lighting upgrades in the area. The budget breakdown is as follows, • Fabrication and installation of the wire mesh and lighting \$150,000 • Fees \$10,000
Oct-20	19B4425R	Princes Hill Tennis Club Courts Renewal	334,140	150,000					484,140	Request for additional funds to upgrade the tennis courts at Princess Hill Tennis Club (Club) to an acceptable standard. As part of the 2019-20 Budget; Club was allocated \$244,140 by City of Melbourne and with \$90,000 by the Club to convert four (4No) courts to synthetic playing surface. The current Budget is insufficient to convert all four courts. Proposed revised scope so that the current courts are upgraded to an acceptable standard. Hard Courts (2 No) – crack repair and new sports acrylic surface at \$50,000. Red Porous courts (2 No) – compact existing surface and construct new synthetic grass surface on a concrete base. \$386,694. Revised Budget for 2020-21 \$484,140 (included \$90,000 from Club).
Oct-20	20B5104R	Melbourne Knowledge Week Hub	70,000	45,000					115,000	<p>Due to physical distancing requirements and attendance caps on attendees in the main Melbourne Knowledge Week (MKW) Hub at the Meat Market, additional venues will need to be activated as "satellite Hubs" to allow audiences to attend across multiple sites. These satellite Hubs will be located throughout the city and can be accessed by foot, public transport or bike. Venues planned include Town Hall Commons, State Library Victoria, The Wheeler Centre and ACMI. This dispersed Hub model will require the additional venues to have some fitout and theming to be congruent with the main Hub fitout. In moving some of the programming outdoors in response to COVID-19, Prototype City will replace Prototype Street, showcasing existing testbeds and infrastructure. This will be supported by shopfront and Spacecube placements at key sites throughout the city, increasing the "stumble upon" factor and supporting broader City initiatives to re-energise the economy.</p> <p>The satellite sites will also be linked by "play zones" to manage queues and building access in a creative and playful way to encourage participants to be in an optimal mindset to positively engage with the MKW content. Not part of the original scope, which was established, pre-COVID-19, the additional funds will be used to purchase signage structures engineered for outdoors, built set pieces, play spaces (skate ramps and other built items for games) and outdoor seating. These purchases can be used for future MKW events and other Premier Events.</p> <p>Full details of the proposed MKW21 plan can be seen here - DM #13912479.</p>

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 27 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Oct-20	20B0301R	Technology Modernisation - Renewal	5,600,000	1,302,270					6,902,270	<p>The Technology and Digital Innovation Branch (TDI) has been requested to carry out an upgrade of staff technology equipment to support the move to a more flexible and modern way of working, inside and outside the office, as part of the Return to Workplace program. A presentation was made to ELT on 23 September and the proposal to move to a modern workplace was supported by the ELT committee. (DM#13983155).</p> <p>The proposal will see the majority of City of Melbourne staff provided with a Mobile Working Kit comprising a laptop, headset, phone, bag, keyboard and mouse.</p> <p>To support this request, TDI are requesting additional capital funding. A decision has been made to lease the laptops.</p> <p>Further, 400 laptops have already been purchased this financial year to support the transition of staff to work from home (many of these were purchased to replace laptops required by Win 10 project that were used during the March/April transition period). These costs are included below as they had not previously been incorporated in other budgets. The vendor has advised that this equipment may be transitioned to leasing should that option be taken up.</p> <p>The request for these funds have been offset by a surplus from project 20B0303N Technology and Digital Innovation - New.</p>
Oct-20	20B0303N	Technology and Digital Innovation - New	11,555,458	(1,302,270)					10,253,188	Transfer of \$1,302,270 surplus funds to project 20B0301R Technology Modernisation - Renewal to fund a Mobile Working Kit for staff as part of the Return to Workplace program.
Total Quarter Two			21,017,555	1,428,571	0	0	0	20,963,000	43,409,126	
Quarter One										
Sep-20	20B1427R	Rapid Greening Melbourne	3,052,952					(508,825)	2,544,127	<p>The budget for 2020-21 is reduced by \$508,825 as it was accounted for in 2019-20.</p> <p>CityWide commenced the works in 2019-20 with the costs for the amount of \$508,825 fully offset by grant income from the Victorian Government received in 2019-20.</p> <p>The Net impact for 2020-21 is zero as the reduction to budget is offset by the reduction in expenses.</p>
Sep-20	20B31_N	Gateway to GMH Turner Street Works	0					3,750,400	3,750,400	<p>Minister Pakula on behalf of the Department of Jobs, Precincts and Regions has granted the City of Melbourne \$4.69 million in stimulus funding out of the Building Works stimulus package for the 'Gateway to GMH' project, funded from September 2020 to June 2022. Of this funding, \$3.75 million is capital expenditure for the design and construction of a bike path along Turner Street in Fishermans Bend. The funding will also cover greening, digital infrastructure and some creative placemaking if capital expenditure is applicable. The other portion of the funding is for operational expenditure. The grant agreement was signed by Justin Hanney on 22 September 2020 and can be found at DM#14016078. A high-level project concept drafted by DJPR can be found at DM#13967710.</p>

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 28 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Aug-20	20B1350N	Latrobe Street Bridge - Installation of Protection Screens	0					1,850,000	1,850,000	Department of Transport (DoT) has agreed to fully fund the cost of installation of protection screen on the La Trobe Street Bridge. Council will deliver the installation of protection screen on the La Trobe Street Bridge to address the concerns about safety at the La Trobe Street Bridge permanently. This project has been brought forward by one year from 2021-22 where it was originally reflected as 50/50 funding. This project is fully funded by DoT and must be completed by the end of 2020-21. Please refer to DM#13902906 Funding Contribution Agreement.
Sep-20	20B2511M	Birrarung Trial Floating Wetland	0					700,000	700,000	The project is an action identified in the City of Melbourne's Yarra River - Birrarung Strategy (2019) – Action 2. Deliver a trial project for floating vegetation on the Yarra River - Birrarung in collaboration with State Government. Project will be fully funded through a \$700,000 grant from the State Government. An agreement was signed with the Department of Environment, Land, Water and Planning (DELWP) in September 2020 and certain milestones need to be met during the . Awaiting receipt of List Financial Year 2020-21. This is a multi-year project to be delivered by 30 June 2022.
	20B1370R	Local Roads and Community Infrastructure Program (LRCI)	0					468,698	468,698	Commonwealth grant to fund road and footpath renewal works under the Local Roads and Community Infrastructure Program. Total funding \$468,698: <ul style="list-style-type: none">• No.1. Punt Road \$320,698• No.2. Flinders Lane \$148,000 This project is fully funded by Commonwealth and must be completed by the end of 2020-21.
Sep-20	14G8111N	Transforming Southbank Boulevard and Dodds Street	12,815,864		242,437				13,058,301	Unbudgeted income from Taverners Property Pty Ltd ATF Taverners Property Unit Trust No. 7 for footpath reinstatement works to be undertaken by Council on behalf of the Developer, as per planning permit conditions.
Aug-20	20B3714R	Property Services City Baths Renewal Works	3,429,456	800,000					4,229,456	A budget of \$3.43 million is allocated in the 2020-21 to carry out urgent repairs at City Baths. Works include replacing skylights, structural repairs to roof trusses, columns, beams and balustrades, paint pool halls and repair feature windows. Project scope now needs to include urgent repairs to Turrets because of the recent incident a roof shingle from one turret was blown off the building during high winds on Tuesday 8 September. Worksafe and the municipal building surveyor have inspected the building and issued a directive to make the turrets safe in the interim and plan to address the issue permanently. Turrets have been wrapped with a mesh to stop any further shingles from falling and this is only a temporary solution. Turret shingles and Bali Rope ridges are required to be fabricated by hand and need significant lead time. This change request is to increase the budget to include rectification works for turrets roofs, estimate for the works is around \$800,000. Additional scope includes: Install external Scaffolding, Remove existing turrets shingles, Structural repairs to turret roof frames, Install new shingles to turrets roof and roof stormwater drainage.

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 29 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Sep-20	20B2512N	Princess Bridge Planters	0	170,000					170,000	The concept is to realise a long term strategy for the permanent inclusion of integrated planter boxes on Princes Bridge. 21 new stainless steel containers are to be placed between existing concrete HVM barriers on either side of the bridge to further establish its role as an important gateway and threshold to the central city, linking pedestrians, cyclists and drivers from the CBD to Melbourne's arts precinct. The planters hold soil and are connected to an irrigation system. The budget breakdown is as follows, <ul style="list-style-type: none"> • Fabrication of Containers \$81,250 • Plumbing \$18,750 including software • Soil and planting \$40,000 • Installation of containers \$20,000 • Fees \$10,000 • Total \$170,000
Aug-20	20B0303N	Technology and Digital Innovation - New	10,365,688	1,189,770					11,555,458	The Technology Modernisation (New) Budget is managed by Technology and Digital Innovation under governance of the Technology Strategy Committee (TSC) and the Organisation Strategy ELT Sub-Committee (OSELTSC). At the end of 2019-20, \$2,045,280 of the 19B0302N budget remained unspent and has been carried forward into the new financial year. Continuing projects required \$855,510 to complete planned deliverables for the 2019-20 financial year. The remaining \$1,189,770 was designated to allocate to new technology projects in 2020-21, adding to the budget of \$10 million already approved by capital works and the \$365,688 transferred from the 2019-20 budgets for Source to Contract. To simplify the governance and reporting of this latter amount (\$1,189,770), it is proposed that it be moved to the 2020-21 budget so that all new technology projects for 2020-21 are funded from the one budget code.
Aug-20	19B0302N	Tech Mod – New	2,045,280	(1,189,770)					855,510	The Technology Modernisation (New) Budget is managed by TDI under governance of the Technology Strategy Committee (TSC) and the Organisation Strategy ELT Sub-Committee (OSELTSC). At the end of 2019-20, \$2,045,280 of the 19B0302N budget remained unspent and has been carried forward into the new financial year. Continuing projects required \$855,510 to complete planned deliverables for the 2019-20 financial year. The remaining \$1,189,770 was designated to allocate to new technology projects in 2020-21, adding to the budget of \$10 million already approved by capital works and the \$365,688 transferred from the 2019-20 budgets for Source to Contract. To simplify the governance and reporting of this latter amount (\$1,189,770), it is proposed that it be moved to the 2020-21 budget so that all new technology projects for 2020-21 are funded from the one budget code.
Sep-20	19B1352N	Major Streetscape Improvements	0	545,022					545,022	Funds required for Streetscape Upgrade Works in Hardware Lane, Russell St and Franklin Street. This is to reflect the unspent portion (\$545,022) of Parking Levy (PL) which was received last year but was not carried forward to 2020-21. ELT Sub-Committee Capital Works (ELTS-CCW) did not agree to carry forward the unspent PL funding as there were sufficient funds in 2020-21 Council budget. This amount will be offset against 2020-21 Annual Budget on 20B1344N (Major Streetscape Improvements) by the same amount. There will not be any net increase in 2020-21 Council budget. This is in line with the PL agreement.

Month	Project No.	Project Name	Council Approved Budget	Council Funds	External Funds	Page 30 of 30 Parking Levy	Public Open Space Funds	Grants	Revised Budget	Comments
Sep-20	20B1344N	Major Streetscape Improvements	3,350,000	(545,022)				(800,000)	2,004,978	The Franklin Street project will undergo a feasibility assessment during 2020-21 and the original external funds from Department of Transport (under the Transport Amenity Program – TAP) will no longer be required in full. Original estimated cost was \$2 million (\$1 million from Council and \$1 million from TAP). Revised cost for the proposed works in 2020-21 is \$400,000 (\$200,000 from Council and \$200,000 from TAP). As a result remaining \$800,000 Council funds will be reallocated to other Major Streetscapes projects managed by the Infrastructure and Assets branch. In addition, Council funding will be reduced by \$545,022 as per the out of cycle bid (#13982757) to offset against 19B1352N (Parking Levy received in 2019-20).
Sep-20	19B1373N	Cycle Infrastructure	0	494,076					494,076	Funds required for completion of separated bike lanes in Kavanagh Street, Southbank – and other minor carry forward projects. This is to reflect the unspent portion (\$494,076) of Parking Levy (PL) which was received in 2019-20 but was not carried forward to 2020-21. ELT Sub-Committee Capital Works (ELTS-CCW) did not agree to carry forward the unspent PL funding as there were sufficient funds in 2020-21 Council budget. This amount will be offset against 2020-21 Annual Budget on 20B1329N (Cycle Infrastructure) by the same amount. There will be zero net impact to 2020-21 Council budget. This is in line with the PL agreement.
Sep-20	20B1329N	Cycle Infrastructure	10,000,000	(494,076)					9,505,924	Please refer to E-Docs # 13995656 - Out of Cycle Bid Request Form. This form requests \$494,076 to be allocated to the 2019-20 Cycle Infrastructure Budget (19B1373N) for Streetscape Upgrade Works in Hardware Lane, Russell St and Franklin Street. This amount will be offset against 2020-21 Annual Budget on 20B1329N (Cycle Infrastructure) by the same amount. There will be zero net impact to 2020-21 Council budget. This is in line with the PL agreement.
Aug-20	19B1341R	Victorian Grants Commission - Local Road Funding	383,024	(383,024)					0	It is proposed to transfer funds from project 19B1341R Victorian Grants Commission - Local Road Funding due to income budgeted in 2020-21 against project 20B1352R Victorian Grants Commission - Local Road Funding received in 2019-20 with the full amount being carried forward \$383,024.
Aug-20	20B1352R	Victorian Grants Commission - Local Road Funding	673,454	383,024				(290,430)	766,048	It is proposed to transfer to current year project 20B1352R Victorian Grants Commission - Local Road Funding due to income received in 2019-20 against project 19B1341R Victorian Grants Commission - Local Road Funding. The full amount was carried forward \$383,024. This is represented by an increase in Council Funds offset by a decrease in Grants. Recognise increase in Grants \$92,594 to match total fund relating to 2020-21 ie \$766,048.
Aug-20	19B4425R	Princes Hill Tennis Club Courts Renewal	334,140	(90,000)	90,000				334,140	External Funds to be contributed by the Club \$90,000. These funds were budgeted for 2019-20 but not received. The project budget should have been revised down via a change request last financial year; instead it wasn't with the whole surplus carried forward. This is a true up of funds ie reduce City of Melbourne and increase External Funds which are expected to be received in 2020-21.
Total Quarter One			46,449,858	880,000	332,437	0	0	5,169,843	52,832,138	