

## Management report to Council

Agenda item 6.2

### Quarterly performance reporting – Council Plan Major Initiatives, Finances and Capital Program

Council

Presenter: Alison Leighton, Acting Chief Executive Officer

30 May 2023

#### Purpose and background

1. The purpose of this report is to inform the community of the performance of 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 2021–25 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 the Council Plan 2021–25, Council Works Program and the Budget 2022–23.
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. Council Works Program quarter three summary report (Attachment 4).
  - 3.4. Council Works Program quarter three report – record of program adjustments (Attachment 5).
  - 3.5. Financial Performance Summary Report and Budget for quarter three (Attachment 6).
  - 3.6. Financial Performance Report for quarter three (Attachment 7).
  - 3.7. Supplementary Valuations Report (Attachment 8).
  - 3.8. Overview of Supplementary Valuations Returns (Attachment 9).
4. Achievements in the delivery of the Council Plan 2021–25 for this quarter include:
  - 4.1. (under 'Economy of the future') The Shopfront Activation Program came to an end, having successfully delivered 67 activations.
  - 4.2. (under 'Melbourne's unique identity and place') The Birrarung Trial Floating Wetlands construction for the Greenline Project has been completed with the Turning Basin floating wetland.
  - 4.3. (under 'Aboriginal Melbourne') Aboriginal Melbourne staff participated in the First Peoples for All Peoples conference in Brisbane to observe case studies for best practice.
  - 4.4. (under 'Climate and Biodiversity Emergency') The Sustainable Building Design Melbourne Planning Scheme Amendment was open for exhibition until 17 April 2023, with virtual information sessions held in March for community and industry input.
  - 4.5. (under 'Access and Affordability') The adult change toilets at Melbourne Town Hall and the Community Hub at The Dock have been audited and modified to ensure they are available and accessible.

- 4.6. (under 'Safety and Wellbeing') City of Melbourne received a Commendation at the Victorian Multicultural Awards for Excellence for its approach to supporting international students during COVID-19 and newly arrived refugees evacuated from Kabul.
5. The financial year 2022–23 capital works portfolio consists of 142 programs and projects with a Council approved budget of \$288 million. This budget comprises \$274 million capital works (\$221 million new works and \$53 million renewals works) and \$14 million maintenance works. This budget includes \$35 million approved carried forward from the last financial year 2021–22.
- 5.1. Until the end of third quarter, there were net portfolio adjustments of \$18.8 million with an adjusted budget of \$269.4 million. The year-to-date delivery is \$130 million, which is 83 per cent of the year-to-date planned value (\$155 million). The variance of the year-to-date spending from the year-to-date budget is \$25 million.
- 5.2. Key project adjustments included:
- 5.2.1. New budget allocation for Pocket Parks of \$730,000 for design and consultancy work at Bedford Street Pocket Park, Chapman Street Pocket Park as well as Miles and Dodds Reserve in 2022–23.
- 5.2.2. New budget allocation for office accommodation fit-out project of \$542,000.
- 5.2.3. Additional budget from external funding for Bicycle lane maintenance from \$165,000 to \$1,971,601 for traffic signals infrastructure (Blackspots project) and maintenance of bike lanes.
- 5.2.4. Additional budget from internal funding for Munro Library and Community Hub project from \$8,772,827 to \$13,272,827, approved by Council in November 2022 to accommodate detailed design cost, increased scope including additional signage, artwork installation allowance and specialised equipment and cost escalation including COVID-19 related supply limitations, material cost increases.
- 5.2.5. Additional budget from internal funding for Dodds Street linear park, Southbank project from \$4,995,467 to \$6,326,532, approved by Council in November 2022 to accommodate higher tender costs than allowed in the approved budget due to cost escalation including COVID-19 related supply limitations, material cost increases.
- 5.3. A number of key projects reached significant milestones, including the completion of the Western Pavilion on Park Street and the Melbourne Town Hall renewal and priority roof works.
- 5.4. Projects with key variances include Kensington Community Recreation Centre (\$11.44 million underspend) with unforeseen delays halting the project, Queen Victoria Market Precinct Renewal project (\$5.1 million underspend) due to Heritage Shed restoration, Technology and Digital Innovation programs (\$3.1 million underspend) due to market forces, Make Room Refurbishment (\$3 million underspend) due to delay in receiving the philanthropic funds, Dodds Street Linear Park (\$2.3 million underspend) due to tender requirement, Munro Library (\$1.9 million underspend) due to changes in landscape design and works on the footpath, Greenline (\$1.8 million underspend). The maintenance portfolio delivers nearly eight per cent ahead of its budget, and the Asset Renewal portfolio is performing 96 per cent of the year to date budget.
- 5.5. Currently, 13 projects have reported overall Red Amber Green status as red, which shows an improvement of five projects from the last quarter and 38 projects as amber, which shows an improvement of two projects from the last quarter.
6. The results from ordinary activities for the third quarter ending 31 March 2023 is an underlying net surplus of \$7.5 million versus a budget deficit of \$2.1 million. The favourable variance of \$9.6 million is mainly driven by the timing of Melbourne City Revitalisation Fund grant expenditure (\$12.7 million), efficiency gained through lower materials and services spend (\$4.9 million) and prudent vacancy management (\$5.7 million). This has been partially offset by reduced parking fine infringements issuance (\$6.9 million), and the timing of operating grant income (\$11.2 million).

## Recommendation from management

### 7. That Council:

- 7.1. Notes the Council Plan 2021–25 quarter three summary report and performance report (refer Attachments 2 and 3 of the report from management) and the proposal to publish this information on the City of Melbourne website, authorising the Acting Chief Executive Officer to make any further minor editorial changes to the report prior to publication.
- 7.2. Notes the 2022–23 Council Works Program quarter three summary report (Attachment 4 of the report from management).
- 7.3. Approves program adjustments in the Council Works Program, within the overall adopted budget funding envelope, as follows (Attachment 5 of the report from management):
  - 7.3.1. New budget allocation for
    - 7.3.1.1. Queen Victoria Market Southern Site Cable Relocation received \$14,458,000. This is for the relocation of underground cable necessary before the commencement of new development at the Queen Victoria Market Southern Site.
    - 7.3.1.2. Homes Melbourne Site Investigation for Affordable Housing received \$353,920 (of which \$211,692 will be spent this financial year) to deliver a detailed site investigation of existing environmental conditions (soil and groundwater) across three City of Melbourne's properties to meet environmental obligations and provide site condition reports necessary for the development of affordable housing by selected project proponents.
  - 7.3.2. Additional budget from external funding for
    - 7.3.2.1. Cycle Infrastructure – increasing program budget from \$6,163,930 to \$6,806,890, after management successful application for \$642,960 partial external grant from the National Blackspot Program administered by the Department of Transport.
    - 7.3.2.2. Road Safety Initiatives – increasing program budget from \$1,250,000 to \$1,400,000, after management successful application for \$150,000 external funding through the Safer Roads Program administered by the Department of Transport.
    - 7.3.2.3. Improving Pedestrian Safety – increasing program budget from \$1,510,000 to \$1,610,000, followed by receiving \$100,000 from ProBuild payment in form of External Contribution, in lieu of outstanding reinstatement public works payable by developer at 364-378 Little Lonsdale Street Melbourne.
  - 7.3.3. Additional budget from internal funding for
    - 7.3.3.1. Stubbs Street Pump Station Upgrade – additional \$2,762,000 Council contribution due to additional works and delay in Melbourne Water payment, which will not be realised in this financial year.
    - 7.3.3.2. Parking Technology Services – additional \$427,000 is necessary for undertaking further rounds of security testing during April and May to ensure that the solution meets Council's security standards.
    - 7.3.3.3. Community Sports Pavilion Upgrade (Brens) – additional funding of \$689,755 is necessary for covering the costs of rectifying issues identified on site, additional scope, and the extension of time due to climate and ground condition, and permit approval.

- 7.3.3.4. Library Collection Renewal – \$200,000 is required to commence the acquisition of the new Munro Library book collection in the current financial year, 2022–23 to open the Munro Library on time and avoid any delay to publicly committed open date of November 2023.
- 7.3.3.5. Carlton Early Learning and Family Services Centre – \$340,000 to cover the new, improved reception area capital costs and building a new compliant fence. (This is a budget shift from Property Services Renewal)
- 7.3.3.6. Town Hall Renewal and Priority Roof Works – additional \$136,000 necessary for improving non-compliant areas of the roof and replacing the materials at the end of their usable life, including backlog maintenance items where appropriate.
- 7.3.3.7. Birrarung Trial Floating Wetland – \$200,000 over three financial years (including \$65,000 for financial year 2022–23) for additional scope and a time lapse camera.
- 7.3.3.8. HOOD City of Melbourne Heritage Database – \$20,000 budget shift from City Strategy OPEX to CAPEX to deliver Heritage data solution to refine the functionalities and accommodate data variety in different sections.
- 7.3.3.9. Asset Renewal Works Acceleration – there was an opportunity to accelerate the Capital Works delivery and close the gap in the Capital Works' performance from its year to date budget. Allocating unutilised CAPEX budget from the current year to the following programs, not only enables to meet CAPEX targets, but also will enable us to deliver additional scope from financial year 2023–24 to create capacity for more scope in the next year's renewal program:
  - 7.3.3.9.1. Footpath renewal – additional \$1,750,000 to increase the scope, making the total program budget \$7,431,896.
  - 7.3.3.9.2. Street Furniture renewal – additional \$16,000 to increase the scope, making the total program budget \$416,000.
  - 7.3.3.9.3. Parks Renewal Program – additional \$676,000 to increase the scope, making the total program budget \$7,176,000.
  - 7.3.3.9.4. Climate Adaptation Urban Landscapes Renewal Works (CASP) - additional \$275,000 to increase the scope, making the total program budget \$1,175,000.
  - 7.3.3.9.5. Property Renewal Works – additional \$2,655,000 to increase the scope, making the total program budget \$8,155,000.
  - 7.3.3.9.6. Property Services Sustainability Renewal Works – additional \$505,000 to increase the scope, making the total program budget \$905,000.
  - 7.3.3.9.7. Accommodation Modifications – additional \$400,000 to increase the scope, making the total program budget \$700,000.

7.3.4. Reduce budget for

- 7.3.4.1. Greenline – a combined net reduction of \$32,545,000, includes a re-phasing of a Council contribution of \$12,500,000 and grants of \$20,000,000, into financial year 2023–24 to align with a recently announced federal government commitment. Also, shifting \$45,000 to Birrarung Trial Floating Wetland. \$7,500,000 to be retained in financial year 2022–23 for Greenline Major Initiative activities.
- 7.3.4.2. Queen Victoria Market Precinct Renewal Program – combined \$17,313,257 reduction in program funding to allocate \$14,458,000 to Southern Site Cable Relocation and \$2,900,000 due to delay in delivery of some of the scopes.
- 7.3.4.3. Make Room – the unforeseen delays, such as receiving the philanthropic payments, resulted in the delay in key milestones 3 and 4 payments from Homes Victoria. Accordingly, a new milestone payment regime has been established, which requires a \$1,085,000 reduction in the current year program budget.
- 7.3.4.4. Library Pop-Ups – a significant proportion of the program budget is required for the operational cost of library pop-ups (including staff costs). Therefore, a \$370,000 budget shift from CAPEX to OPEX is necessary.

7.4. Notes funding and accounting adjustments for:

- 7.4.1. Dodds Street linear park, Southbank reduced \$1,331,065 from Council funding and \$1,668,935 from Public and Open Space funding, followed by receiving \$3,000,000 from state government as grant funding.
- 7.4.2. Parks Renewal Program reducing \$1,100,000 from Public and Open Space funding and re-allocation \$1,100,000 from Council funding since Public and Open Space funding cannot be allocated to sports facilities.

7.5. Notes the 2022–23 third quarter Financial Performance Report (Attachments 6 to 9 of the report from management).

**Attachments:**

- 1. Supporting Attachment (Page 6 of 57)
- 2. Council Plan quarter three summary report (Page 7 of 57)
- 3. Council Plan quarter three performance report (Page 8 of 57)
- 4. Council Works Program quarter three summary report (Page 28 of 57)
- 5. Council Works Program quarter three report – record of program adjustment (Page 36 of 57)
- 6. Financial Performance Summary Report and Budget for quarter three (Page 41 of 57)
- 7. Financial Performance Report for quarter three (Page 42 of 57)
- 8. Supplementary Valuations Report (Page 56 of 57)
- 9. Overview of Supplementary Valuations Returns (Page 57 of 57)

**Supporting Attachment**

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**Legal**

1. Section 97(1) of the Act provides that as soon as practicable after the end of each quarter of the financial year, the Chief Executive Officer must ensure that a quarterly budget report is presented to a Council meeting which is open to the public.
2. Section 97(2) of the Act provides that the report must include:
  - 2.1. a comparison of the actual and budgeted results to date
  - 2.2. an explanation of any material variations
  - 2.3. any other matters prescribed by regulations under the Act (none at present).

**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. Not applicable.

**Relation to Council policy**

7. The report provides an update on progress towards delivering the Council Plan 2021–25.

**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 2023

### 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 the implementation of the Council Plan.
4. In addition, the City of Melbourne provides a quarterly public progress report on the 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 or issues.

### Key issues

5. The public quarterly report for the period January to March 2023 is attached, covering progress against the Council's strategic objectives; these being:
  - 5.1. Economy of the future
  - 5.2. Melbourne's unique identity and place
  - 5.3. Aboriginal Melbourne
  - 5.4. Climate and biodiversity emergency
  - 5.5. Access and affordability
  - 5.6. Safety and wellbeing.
6. The majority of the 52 major initiatives are on track, with one completed in the 2021–22 financial year and one completed in this (2022-23) financial year. Thirteen initiatives are delayed, although the delivery of all major initiatives within the Council Plan term is on track.
7. The quarterly report for January to March 2023 will be made available on the City of Melbourne website.

## Strategic Objective: Economy of the Future

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.

### Key developments this quarter (January to March 2023)

#### What we achieved against our Strategic Objective:

- On 31 March, the Shopfront Activation Program came to an end, having successfully delivered 67 activations, out of which 19 are still currently operational.
- The Chinese Lunar New Year festival organized by the Melbourne Chinatown Association proved to be a success, with a 19 per cent increase in pedestrian activity from the 2019 festival.
- There has been a robust turnout of visitors during night-time, as pedestrian traffic has reached 96.9 per cent of the pre-COVID benchmark. Moreover, night-time spending constituted one-third of the overall expenditure in the region and demonstrated a 9 per cent increase compared to February 2019.
- Investment facilitation has resulted in the creation of 1,080 job opportunities, with Business Concierge alone accounting for 35 per cent of these employments and has led to an estimated \$377 million worth of capital expenditure.
- Over 70 businesses are currently receiving support from Business Concierge, which is expected to generate up to 500 jobs and \$12.2 million worth of capital expenditure.
- The Asia Pacific Incentives Meetings and Events 2023, which celebrated its 30th anniversary, was a two-day event that attracted 3,000 visitors, 450 hosted buyers and media personnel from 25 countries, 350 exhibitors, and facilitated 12,000 meetings among global event management professionals.
- The 2023 Moomba Festival was successfully conducted from Thursday 9 March to Monday 13 March, and attracted an estimated attendance of 1.4 million people, which was in line with the record crowds seen in 2022.

### Risks and issues this quarter









Accelerator programs delivered in partnership with external organisations have been scheduled later than originally anticipated. Delivery of our major initiatives within the Council Plan term is on track.










The major initiatives we're delivering	Council's role	Progress on meeting our milestones for 2022-23	Confidence in delivery by Council Plan term end
Continue to strengthen Melbourne's economic recovery, including through precinct and shopfront activation, delivery of an enhanced <a href="#">business concierge service</a> and support for the night-time economy.	Deliver	On track	<input checked="" type="checkbox"/>
Ensure Melbourne is the easiest place to start and grow a business through the establishment of Invest Melbourne.	Deliver	On track	<input checked="" type="checkbox"/>
Drive economic growth and resilience by implementing the <a href="#">Economic Development Strategy</a> , focusing support on existing and emerging industry sectors.	Deliver Partner	On track	<input checked="" type="checkbox"/>
Work in partnership with the Victorian Government and other stakeholders to advocate for and deliver integrated high-quality public and active transport in urban renewal areas.	Partner	On track	<input checked="" type="checkbox"/>
Establish Experience Melbourne and refresh the program of City of Melbourne-owned and <a href="#">sponsored events</a> to maximise opportunities to drive visitation and spend.	Deliver Partner	On track	<input checked="" type="checkbox"/>
Market and promote Melbourne as a great place to live for all, while ensuring key workers have access to affordable housing.	Deliver	Completed	<input checked="" type="checkbox"/>



The major initiatives we're delivering	Council's role	Progress on meeting our milestones for 2022-23	Confidence in delivery by Council Plan term end
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	On track	☑
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 tracking based on our measures of success:

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <b>Capital city gross local product.</b>	 Increase	\$107.8 billion (2021)	\$107.4 billion (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <b>Number of businesses in the municipality.</b>	 Increase	15,045 (2021)	14,513 (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <b>Number of startups in the municipality.</b>	 Increase	1230 (2021)	1180 (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <b>Vacancy rate of retail premises.</b>	 Decrease	17% (Q2)	17% (Q3)	No new results this quarter. Result reported annually, at financial year end.	⊖

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p>Proportion of residents employed in the municipality.</p>	 <p>Increase</p>	54.9% (2016)	53.2% (2021)	No new results this quarter. Result reported every five years.	N/A
 <p>Gross local product per capita per person employed.</p>	 <p>Increase</p>	\$235,515 (2020)	\$230,741 (2021)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Number of jobs in the municipality.</p>	 <p>Increase</p>	457,900 (2020)	465,600 (2021)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Number of visitors to the municipality.</p>	 <p>Increase</p>	3,065,592 (Mar 2021)	6,318,523 (Mar 2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Planning applications decided within required timeframes.</p>	100%	N/A	67.79 (Q2)	No new results unavailable at time of reporting.	N/A

## Strategic Objective: Melbourne's Unique Identity and Place

We will celebrate and protect the places, people and cultures that make Melbourne a unique, vibrant and creative city with world-leading liveability.

### Key developments this quarter (January to March 2023)

#### What we achieved against our Strategic Objective:

- The Birrarung Trial Floating Wetlands construction for The Greenline Project has been completed with the Turning Basin floating wetland.
- Service fit-off works are currently underway for the newly enclosed Queen Victoria Market Food Hall.
- The construction of the Munro Library and Community Hub has begun, and the landscape design has been revised to include play areas and artwork.
- The artist and curator are continuing with detailed design development and fabrication research for the Munro library commissions.
- The community consultation for the site of the Stolen Generations Marker has been completed.
- Various events were supported by the Event Partnership Program, including Midsumma Festival, District Live: Open Air Series, Vida Melbourne Latin Festival, Melbourne City Slam, NGV Kids Summer Festival, Chinese Lunar New Year, National Sustainable Living Festival, Antipodes Festival, Melbourne Fashion Festival, Melbourne Vixens Fan Day, Holi Festival, Turkish Pazar Festival, Transurban Run for the Kids, Melbourne Food & Wine Festival, and Melbourne International Flower & Garden Show. Many of these events have experienced similar or higher attendance than pre-COVID.
- The following achievements were delivered as part of the Design Excellence Program:
  - Four thought provoking and well attended public events on design were delivered as part of The Excellent City Series at MPavilion
  - FMC endorsed an ongoing program for the Melbourne Design Review Panel and noted reports on year one of the Design Excellence Advisory Committee (DEAC) and Melbourne Design Review Panel (MDRP, Pilot)
  - Draft Design Competition Guidelines are in community consultation
  - Meeting 6 of DEAC and meeting 8 of MDRP were completed
- The City of Melbourne was a National Finalist in the Banksia Foundation Awards, for its Grey to Green Program in the Future Places category. The program has transformed over 80 hectares of underutilised hardscape into high quality, pedestrian-orientated streetscapes and open space.

### Risks and issues this quarter

Challenges facing the construction sector due to rising costs continue to impact delivery timelines for the Queen Victoria Market Precinct Renewal.

There is a high-level of uncertainty regarding property availability in Southbank and urban renewal areas

Regarding urban renewal, exhibition of the Macaulay C417 planning scheme amendment (endorsed by the Future Melbourne Committee June 2022) is awaiting authorisation by the Minister for Planning. Delivery of our major initiatives within the Council Plan term is on track.

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

### How we're tracking based on our measures of success:

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
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Proportion of residents within 300m of public open space.



Increase

N/A

96.3%  
(2022)

No new results this quarter. Result reported annually, at financial year end.

N/A

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










Increase





84.3%  
(2021)

84.5%  
(2022)

No new results this quarter. Result reported annually, at financial year end.

N/A

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p>Area of new public open space in Southbank.</p>	1.1ha by 2025	0ha (Q1)	0ha (Q2)	While there has been no movement in this result since it was last reported, we're on track to achieve our target of 1.1ha by 2025. New green spaces have been constructed along Southbank Boulevard, yet to be formally gazetted.	ON TRACK
 <p>Neighbourhoods in the municipality with up-to-date local heritage studies and controls</p>	100%	N/A	43% (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Proportion of people who support the city being made up of different cultures</p>	100%	94.1% (2021)	94.2% (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Value of the creative sector to the local economy.</p>	 Increase	\$7.80 billion Gross Value Added (2020)	\$7.37 billion Gross Value Added (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>The number of creative spaces in the municipality.</p> <p>[Reported as the amount of floor space used by the creative sector.]</p>	 Increase	1,082,027 sqm (2020)	1,041,171 sqm (2021)	No new results this quarter. Result reported annually, at financial year end.	N/A

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p><b>The number of artists supported by City of Melbourne through city planning, design and city operations</b></p>	 <p>Increase</p>	N/A	14 (2022)	<p><i>No new results this quarter. Result reported annually, at financial year end.</i></p> <p>A total of 6 projects were reviewed through formal design review processes in Quarter 3, and 61 projects were reviewed by City Design through formal statutory planning design referral processes. This includes:</p> <ul style="list-style-type: none"> <li>• 5 projects of state or local significance were reviewed by the Victorian Design Review Panel (Office of the Victorian Government Architect), 3 of which City of Melbourne/City Design provided briefings or contributed to workshoping.</li> </ul>	N/A
 <p><b>The number of design reviews of major projects.</b></p> <p><small>(To enable meaningful data collection and reporting on a quarterly basis, the methodology has been changed. This means that comparison to prior periods is not possible).</small></p>	 <p>Increase</p>	N/A	67 (Q3)	<ul style="list-style-type: none"> <li>• 1 project of state of local significance was reviewed by the Melbourne Design Review Panel (MDRP).</li> <li>• City of Melbourne/City Design reviewed 61 planning applications in Q3. This included 31 design referrals of Ministerial applications and 30 design referrals of local applications.</li> </ul>	N/A

## Strategic Objective: 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. We will ensure that First Peoples' culture, lore, knowledge, and heritage enrich the city's growth and development.

### Key developments this quarter (January to March 2023)

#### What we achieved against our Strategic Objective:






- Continued consultations were held with members of the Stolen Generations regarding the Stolen Generations Marker, including five focus group gatherings, and promotion of the online and hardcopy survey.
- Efforts were made to build stakeholder relationships, including Aboriginal Melbourne's attendance at the Anniversary of the National Apology event.
- Aboriginal Melbourne staff participated in the First Peoples for All Peoples conference in Brisbane to observe case studies for best practice.
- Initiatives like Moomba were explored to strengthen relationships with Traditional Owners through engagement models.
- Aboriginal Melbourne met with the Wurundjeri Council to discuss the current relationship with the City of Melbourne and to establish future goals and objectives.

#### Risks and issues this quarter

The work on governing with First Nations is being re-scoped. Progress on the First Nations Cultural Precinct is dependent on Victorian Government support. Delivery of our major initiatives within the Council Plan term is on track.

The major initiatives we're delivering this year	Council's role	Progress on meeting our milestones for 2022-23	Confidence in delivery by Council Plan term end
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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
Govern with Sovereign First Nations to enable true self-determination, where deliberative engagement is proactive, responsive and consistent.	Deliver	Delayed	<input checked="" type="checkbox"/>
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	Delayed	<input checked="" type="checkbox"/>
Support a partnership forum – an annual gathering of the Eastern Kulin (noting the history of Tanderrum).	Partner	On track	<input checked="" type="checkbox"/>

## How we're tracking based on our measures of success:

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p><b>Proportion of people surveyed who demonstrate an understanding of Melbourne's Aboriginal heritage and culture.</b></p>	100%	10.5% (2021)	13.9% (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p><b>Proportion of people surveyed who believe the relationship with Aboriginal people is important.</b></p>	100%	95.7% (2021)	94.2% (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p><b>Delivery of the City of Melbourne's Reconciliation Action Plan.</b> (To enable meaningful data collection and reporting on a quarterly basis, the methodology has been changed. This means that comparison to prior periods is not possible).</p>	100%	N/A	48% (as at March 2023)	As at 31 March 2023, 40 out of the 84 deliverables in the RAP are fully completed. The remaining 44 are partially delivered and on track to be completed.	N/A
 <p><b>Level of involvement of Traditional Custodians in city governance.</b></p>	 <p>Increase</p>	N/A	66	No new results this quarter. Result reported annually, at financial year end.	N/A



## Strategic Objective: Climate and Biodiversity Emergency

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.

### Key developments this quarter (January to March 2023)

#### What we achieved against our Strategic Objective:

- The Zero Carbon Buildings paper was developed in continued engagement with the built environment sector.
- Community resilience workshops were held in Kensington, and community engagement on Heat Safe City and Urban Forest plans began.
- The Lord Mayor represented CoM as Chair of the Council of Capital City Lord Mayors in Canberra, discussing topics such as the energy transition, zero carbon buildings, waste, circular economy, and resilient urban centers with Federal leaders.
- The Sustainable Building Design amendment C376 is now open for consultation.
- The Climate Investor Forum, sponsored by the City of Melbourne, was held on March 22, with the Lord Mayor delivering the opening address. The event showcased investment-ready companies in various sectors, such as energy, carbon, climate tech, mobility, agriculture, infrastructure, and the blue economy.
- The Sustainable Building Design Melbourne Planning Scheme Amendment is now open for exhibition until April 17, with virtual information sessions held in March for community and industry input.
- Urban forest precinct plan renewal workshops received positive feedback after being held twice.
- 100 per cent of low-rise properties are receiving a FOGO kerbside service.
- The Power Melbourne tender was released to seek a commercial partner for building a battery network at Boyd, CH2, and Library at the Dock.
- A grant application for \$500k was submitted to the Federal Government Community Battery program to support the Southbank Battery at Boyd Community Hub.
- Jean McKendry Neighbourhood Center has been fully electrified, becoming the first significant City of Melbourne asset to be completely gas-free.




### Risks and issues this quarter










The planning scheme amendment to improve the environmental performance of buildings had been delayed due to the Victorian Government's original conditions of authorisation. With the removal of those conditions, following further discussion at officer level, preparation for exhibition of the amendment can proceed. Delivery of our major initiatives within the Council Plan term is on track.











The major initiatives we're delivering	Council's role	Progress on meeting our milestones for 2022-23	Confidence in delivery by Council Plan term end
To enhance Melbourne's position as a global leader on climate action, we will undertake bold advocacy on behalf of our community.	Advocate	On track	☑
Create an enabling environment for Melbourne businesses and universities to become the employment centre of a resilient zero-carbon economy.	Partner	On track	☑
Progress a planning scheme amendment to improve the environmental performance of buildings, in order to reduce emissions to zero by 2040.	Deliver	Delayed	☑

The major initiatives we're delivering	Council's role	Progress on meeting our milestones for 2022-23	Confidence in delivery by Council Plan term end
Deliver on our Urban Forest Strategy including tree canopy, private greening incentives and city greening.	Deliver	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.	Partner	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 tracking based on our measures of success:

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <b>Municipal greenhouse gas emissions.</b>	33% reduction (from 2015 baseline by 2025) 	4,137,873 tCO <sub>2</sub> -e <small>(calendar year data 2020)</small>	4,231,629 tCO <sub>2</sub> -e <small>(calendar year data 2021)</small>	<i>No new results this quarter. Result reported annually, at financial year end.</i>	N/A
 <b>On-road transport emissions.</b>	Decrease 	410,175 tCO <sub>2</sub> -e <small>(calendar year data 2020)</small>	457,890 tCO <sub>2</sub> -e <small>(calendar year data 2021)</small>	<i>No new results this quarter. Result reported annually, at financial year end.</i>	N/A

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p>Installed battery storage capacity in the municipality.</p>	 <p>Increase</p>	0kW (2021)	107kW (December 2022)	<p>Over 100 kW of batteries have been installed across the municipality, primarily at residential properties in Kensington, North Melbourne, Parkville and Carlton. Capacity figures derived from AEMO data, last updated Dec 2022.</p> <p>City of Melbourne's Power Melbourne initiative – which seeks to establish an initial 500 kW network of community-scale batteries – has progressed to tender evaluation stage. The first battery is expected to be installed at Library at the Dock by May 2024.</p>	
 <p>Household waste produced.</p>	<p>10% reduction (by 2025)</p> 	11,501 t (Q2)	10,225 t (Q3)	<p>The total volume of waste produced reduced in comparison to the prior quarter, with a slight increase in the volume of household waste produced due to new high-rise buildings now being serviced by the City of Melbourne, offset by a slight reduction in organics waste collected due to seasonal variation which is expected during this quarter.</p>	
 <p>Municipal waste diverted from landfill.</p>	 <p>50% increase (by 2025)</p>	35.98% (Q2)	30.5% (Q3)	<p>The municipal waste diverted from landfill has decreased since the last quarter in part due to a seasonal reduction in organic waste collected and also due to a reduction in recycling tonnages for the quarter. Feedback from our landfill and recycling processing contractor has indicated significant recycling in the landfill bins which is a trend across other similar councils. This is a behaviour change opportunity which will be explored in the next quarter.</p>	

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p>Alternative water use.</p>	 <p>Increase</p>	23%	23%	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Stormwater quality.</p>	 <p>Increase</p>	13%	13%	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Hospital admissions in relation to extreme weather events.</p>	<p>Decrease</p> 	N/A	3 heat health alerts recorded (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Percentage of tree canopy cover in the public realm.</p>	27% (by 2025)	23.3% (2021)	25.22% (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Number of trees planted in the municipality.</p>	2400< 3000	1644 cumulative number of trees planted (Q2)	3 cumulative number of trees planted (Q3)	The summer quarter (1 Jan - 31 March) is outside of the planting season. Three trees were planted late in March to officially commence the season.	N/A
 <p>Area of native understory habitat in the public realm.</p>	 <p>Increase</p>	472,899 m <sup>2</sup> (2020-21)	489,943 m <sup>2</sup> (2021-22)	No new results this quarter. Result reported annually, at financial year end.	N/A

## Strategic Objective: Access and Affordability

We will reduce economic and social inequality by ensuring universal access to housing, core services and information.

### Key developments this quarter (January to March 2023)

#### What we achieved against our Strategic Objective:

- The City of Melbourne website now features all 10 neighbourhood portals, which went live after consulting with over 7,000 people in the last year. The portals have garnered over 30,000 unique visits since their launch in October 2022.
- The Microlab pop-up in Bourke Street has been transformed into a bookable space for the community.
- The adult change toilets at Melbourne Town Hall and the Community Hub at the Dock have been audited and modified to ensure they are available and accessible.
- During the Moomba Festival, Travellers Aid provided access and inclusion services, including 10 wheelchair or stroller hires, 84 conversations about their services, 172 Sunflower Initiative items, and eight uses of the quiet space.
- The City of Melbourne partnered with Grow it Local in January 2023, a food-sharing and food literacy initiative that will run until January 2025 in response to community demand for food growing activities.
- Carlton Street Eats Market, backed by a Connected Community grant, launched in February 2023 and was held weekly until April 2023.
- Initial community consultation on the draft Food Policy has concluded.
- The Victorian Government will grant the City of Melbourne \$21,824 through the Digital Literacy for Seniors Program to provide targeted digital training programs through public libraries for older members of the community.
- The City of Melbourne organized 12 Mel-Van sessions in February and March 2023 to teach 469 participants how to use mobile apps and online services. There were also 47 book-a-librarian sessions focused on digital skill-building in library branches and 48 makerspace technology inductions attended by 313 people.
- A stakeholders' lunch was held with the Lord Mayor to explore ways in which the City of Melbourne can collaborate with government and industry to deliver a replicable mixed-tenure affordable housing model in the post-COVID recovery setting.
- Contractors commenced work on the Make Room site on Monday 6 February.
- In conjunction with Launch Housing the Melbourne Zero Campaign launched on 14 February 2023.

#### Risks and issues this quarter

Project delays, unplanned latent condition remediation works, and subsequent cost escalations have impacted work on accessible and inclusive sports facilities resulting in delays.









Further work is being undertaken on the future approach to service planning for City of Melbourne core services under the corporate strategy.

Delivery of our major initiatives within the Council Plan term is on track.

The major initiatives we're delivering	Council's role	Progress on meeting our milestones for 2022-23	Confidence in delivery by Council Plan term end
Increase and upgrade accessible, inclusive spaces for women in City of Melbourne sports facilities	Deliver	Delayed	✓
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 <u>Disability Access Plan 2020–2024</u> 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	Delayed	✓
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	Delayed	✓
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 Minor improvement-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 tracking based on our measures of success:

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p>Number of people sleeping rough who have not been offered accommodation. (To enable meaningful data collection and reporting on a quarterly basis, the methodology has been changed. The result recorded for the prior quarter reflects the new methodology).</p>	Zero	121 (Q2)	107 (Q3)	<p>There has been an 11.5 per cent decline since last quarter which is the lowest number of people recorded sleeping rough in the City of Melbourne since February 2022 when funding for the COVID-19 Victorian Government hotel emergency accommodation program concluded. However, further analysis of the data available indicates that there were more inflows of people into municipality in this quarter than there were housing placements. This continues to highlight the challenge that there is not enough funded crisis accommodation available to meet the needs.</p>	☑
 <p>Number of people supported through a range of accommodation including long-term supportive housing and affordable housing. (To enable meaningful data collection and reporting on a quarterly basis, the methodology has been changed. The result recorded for the prior quarter reflects the new methodology).</p>	400 (by 2025)	36 (Q2)	29 (Q3)	<p>Housing outcomes can be attributed to people who have case management support and have been connected with the Victorian Government Homelessness to a Home Program and moved into head lease accommodation. Changes to the State Government's Homeless to a Home program mean fewer people will qualify for this pathway out of homelessness in coming months.</p>	N/A
 <p>Number of new demonstration social and affordable housing units facilitated on City of Melbourne land.</p>	100 (by 2025)	Zero	Zero	<p>Work continues to identify potential affordable housing sites in the City of Melbourne. Note, the result excludes units already committed during the life of the previous Council Plan on the Munro and Boyd sites.</p>	⊖

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p>Proportion of people reporting food insecurity.</p>	<p>25% reduction (by 2025)</p> 	<p>33.3% (2021)</p>	<p>31.7% (2022)</p>	<p>No new results this quarter. Result reported annually, at financial year end.</p>	<p>N/A</p>
 <p>Proportion of people surveyed who participate in lifelong learning in the municipality.</p>	<p>Increase</p> 	<p>59% (2021)</p>	<p>69% (2022)</p>	<p>No new results this quarter. Result reported annually, at financial year end.</p>	<p>N/A</p>
 <p>Proportion of people surveyed who participate in arts and cultural activities in the municipality.</p>	<p>Increase</p> 	<p>16% (2021)</p>	<p>19.1% (2022)</p>	<p>No new results this quarter. Result reported annually, at financial year end.</p>	<p>N/A</p>
 <p>Number of City of Melbourne programs that are inclusive and respond to the needs of people with disability.</p>	<p>Increase</p> 	<p>N/A</p>	<p>222 (2022)</p>	<p>No new results this quarter. Result reported annually, at financial year end.</p>	<p>N/A</p>



## Strategic Objective: Safety and Wellbeing

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.

### Key developments this quarter (January to March 2023)

#### What we achieved against our Strategic Objective:

- City of Melbourne delivered communications campaigns to encourage bike riding. Promotional videos in June reached 569,000 people across Ten Play, SBS on-demand and YouTube. City of Melbourne supported the Bicycle Network's national Ride to Work day with a radio promotion on radio station, Nova (727,000 audience reach).
- Protected bike lanes within the Metro Tunnel precinct near Anzac Station have now opened. New pedestrian crossings have been installed at Hotham/Simpson in East Melbourne, Dodds Street in Southbank, Caravel Lane in Docklands and Galada/Oak intersection in Parkville.
- Promotional efforts combined with infrastructure upgrades is attracting new people to ride, with 2022 average bike and e-scooter volumes up 48 per cent compared to 2021. Ridership is also becoming more diverse. The proportion of women riding on protected routes is now 36 per cent (up from 24 per cent in 2018).
- The northern undercroft (City Road) concept design has been completed in preparation for community consultation.
- City of Melbourne received a Commendation at the Victorian Multicultural Awards for Excellence for its approach to supporting international students during COVID-19 and newly arrived refugees evacuated from Kabul.
- As part of the 16 Days of Activism Against Gender Based Violence campaign (25 November to 10 December 2022), City of Melbourne coordinated activities including participation by staff and a Councillor in the Safe Steps Annual Walk Against Family Violence.
- The Rapid Response Clean Team is now commencing two hours earlier seven days a week to collect items left behind by rough sleepers. This change has been implemented to enhance the visitor experience and city presentation. The graffiti at heights program removed 620sqm of graffiti within the Central City in the lead up to the holiday period. The new Graffiti Prevention and Management Plan was endorsed at Future Melbourne Committee in October 2022.
- The Little Streets Shared Zone Review was completed, aligned with Action 3 of the Transport Strategy 2030. The review identified a number of recommendations to ensure Little Streets perform as intended under the strategy.
- Pedestrian priority improvements to Little Lonsdale Street (between Elizabeth and Swanston Streets) is under construction, aligned with the delivery of Action 3 of the Transport Strategy 2030.
- City of Melbourne facilitated a panel discussion on commemorative justice at Melbourne Town Hall. The event was precipitated by the launch of [Finding Her](#) - Australia's first interactive state-wide map spotlighting locations commemorating women - at HerPlace Womens Museum in Victoria.



#### Risks and issues this quarter













We continue to work with Department of Transport and Planning (DTP) on securing approvals for the northern undercroft on City Road.

Delivery of our major initiatives within the Council Plan term is on track.

The major initiatives we're delivering	Council's role	Progress on meeting our milestones for 2022-23	Confidence in delivery by Council Plan term end
Continue to implement the <a href="#">Transport Strategy 2030</a> including delivery of a protected bike lane network, station precincts as key gateways, little streets as streets for people, safer speed limits, micro mobility trials, more efficient traffic signal timing, developing an approach to support electric vehicles, and bicycling encouragement programs.	Advocate Partner Deliver	On track	☑
Deliver the North and West Melbourne and Docklands Transport and Amenity Program in partnership with the Victorian Government.	Deliver Partner	Delayed	☑
As part of the delivery of the City Road Master Plan, the City of Melbourne will design and deliver the upgrades to the City Road northern under croft by end of 2023-2024 and advocate for the full delivery of upgrades to the City Road East and West.	Deliver Advocate	Delayed	☑
Adopt in 2021-22 and then implement an <a href="#">Inclusive Melbourne Strategy</a> that will increase access to opportunities for all people who live, work, and study in and visit the city.	Deliver	On track	☑
We will be a leading organisation on equality and inclusion and deliver programs in communities that will reduce physical and psychological harm to all people.	Deliver	On track	☑
We will continue to work with Victoria Police and other agencies to deliver a range of initiatives that improve safety on the streets of Melbourne and within our communities.	Partner Deliver	On track	☑
Deliver and maintain a clean city through the Rapid Response Clean Team initiative.	Deliver	On track	☑
Engage and prepare residents and communities to enhance their resilience to hazards, disasters and the health impacts of climate change.	Deliver	On track	☑

### How we're tracking based on our measures of success:

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p>Proportion of people who report feeling safe in the city.</p>	90% by day, 65% by night	78.9% by day 47.2% by night (2021)	81% by day 49% by night (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Melburnians' self-reported sense of belonging to community.</p>	At least 70 on a scale of 100	63.2% (2021)	64.6% (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A

Strategic indicator	Target or desired trend	Previous result, where available	Latest result	Comments on new results this quarter	Trend this period
 <p>Rate of recorded family violence incidents.</p>	Decrease 	1123 per 100,000 (2021)	1398 per 100,000 (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Complaints of discrimination based on sexual orientation, sexuality, disability, sex, gender, race, religious or political beliefs or other grounds for unlawful discrimination.</p>	Decrease 	N/A	5 racial vilification reports 10 race discrimination reports 4 disability discrimination reports (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Proportion of adults who get adequate physical exercise.</p>	Increase 	45.3% (2021)	46% (2022)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Rate of ambulance attendance for alcohol and drug misuse in the municipality.</p>	Decrease 	2354 per 100,000 population (2020)	1967 per 100,000 population (2021)	No new results this quarter. Result reported annually, at financial year end.	N/A
 <p>Number of transport related injuries and fatalities.</p>	Decrease 	22 (Q2)	45 (Q3)	There were 45 crashes during Q3.	⊠
 <p>Proportion of trips made by public transport, bicycle or on foot.</p>	Increase 	92.6% (2016)	62.9% (2018)	No new results this quarter. Result reported every two years, with a pause due to pandemic restrictions. Next published results scheduled for late 2024 release.	N/A

Council Works Program quarter three summary report

## Capital Works Portfolio FY2022-23

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 the post-pandemic impacts the Council endorsed a \$288 million Council works budget for FY22-23, the largest in council history.

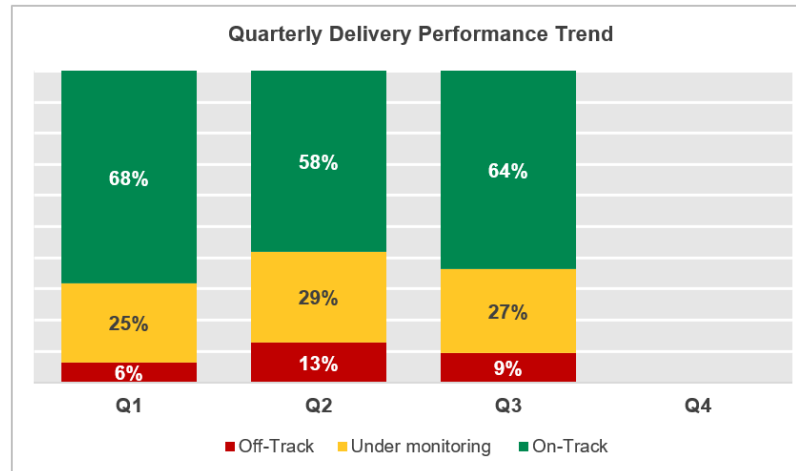
This budget incorporates \$274 million capital works (\$221 million new works and \$53 million renewals works), \$14 million maintenance works, and \$35 million approved carried forward from last year. Together, the current and following three years of the Council Works budget total almost \$863 million in the four-year cycle.

### Highlights for quarter three (Jan to March 2023)


The City of Melbourne has delivered \$129.9 million in capital works up to the end of the third quarter.



The maintenance portfolio delivers nearly 8% ahead of its budget, and Asset Renewal projects are performing 96% of the year to date budget. However, the New Works projects met 77.5% of its year to date budget. This has predominantly resulted from supply chain and procurement delays, external approval processes, high material costs, inflation and existing challenges facing the construction industry. As a result, the portfolio has a \$26 million variance from the year to date budget.

We continue identifying opportunities to improve performance by fast-tracking some activities and bringing forward other activities planned for later this year or in future years.







- **On-Track** The latest result has achieved the targets for all measures.
- ▲ **Under Monitoring** The latest result experienced a minor miss in relation to one or more measures and is under monitoring.
- ◆ **Off-Track** There is a notable variation from the targeted result for one or more measures.


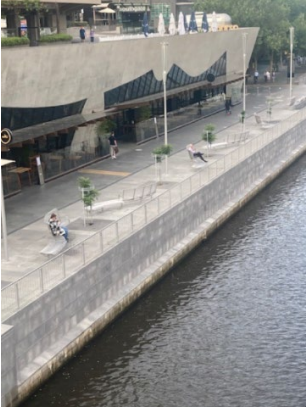
Project Title	Description	Quarterly Update	Completion Date	Project Photo
Melbourne City Baths Renewal Works	Melbourne City Baths is an iconic heritage building in the heart of the CBD.  External maintenance works being completed include replacement of skylights, turret refurbishment, and painting and tuck-point works. Planning works have commenced to identify the next tranche of works which include DDA review, compliance and safety improvements.	Three major activities were completed in the last quarter, including partition upgrade works to the men’s change room, dry chlorine dousing and installation of new fan, coils and ductwork.  DDA works are planned to commence in early April 2023.  <b>Budget: \$900,000 YTD Actuals: \$264,565</b>	June 2023	

Project Title	Description	Quarterly Update	Completion Date	Project Photo
<p><b>Queen Victoria Market Precinct Renewal Program</b></p>	<p>Guided by the 2015 Master Plan, the Queen Victoria Market Precinct Renewal (QVMPR) will secure the market's place as a traditional open air market, through heritage restoration, and provision of essential market infrastructure to improve the 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 2022-23 include: delivery of the new Food Hall, restoration of the heritage sheds start of construction of essential market infrastructure (Trader and Northern Sheds) the appointment of the Southern Site developer, progression of the design of Market Square, and precinct streetscape improvements.</p>	<p>Work has continued to progress on key market renewal projects, including:</p> <ul style="list-style-type: none"> <li>• Food Hall: the new Food Hall is now enclosed, with fit-out, finishing and glazing works underway. Entrance canopies are nearing completion. A mid-year opening is anticipated, however the retail tenancies will open progressively as their fit-outs are completed.</li> <li>• Heritage shed restoration: works on the final sage Sheds H and I are nearing mid-year completion. Traders will remain in their temporary locations for an estimated three-year period as Sheds H and I will be used by the Market Infrastructure builders for site sheds and hard storage to ensure the safety of the traders and public.</li> <li>• Therry Street streetscape renewal: the first two of five stages are complete with the widening of the northern side of the Therry Street footpath. Stage 3 is underway and the project is anticipated to finish mid-year.</li> <li>• Market Infrastructure: Councillors are expected to award the Market Infrastructure contract in late April. Planning for construction and management of daily market operations is continuing, with works set to commence in mid-2023.</li> </ul> <p><b>Budget: \$50,000,000 YTD Actuals: \$17,385,171</b></p>	<p>September 2027</p>	
<p><b>Munro Library and Community Hub</b></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>The construction contract was awarded in December 2022 and works started in March 2023. The new library and community hub is scheduled to open in November 2023.</p> <p><b>Budget: \$15,500,000 YTD Actuals: \$539,551</b></p>	<p>November 2023</p>	
<p><b>City Road Master Plan</b></p>	<p>The City Road master plan is a public realm plan that aims to improve the safety, amenity and environmental sustainability of City Road and adjacent spaces.</p>	<p>After an agreement was reached with the Department of Transport and Planning for the use of the Kings Way Undercroft space, consultants were engaged to further develop the concept design that will progress to community engagement later this year. Community feedback will be incorporated in the design, and construction is scheduled to commence in late 2024 following a public tender process.</p> <p><b>Budget: \$500,000 YTD Actuals: \$105,000</b></p>	<p>June 2025</p>	<p>Project is at concept design phase and still no photo or design illustration is available.</p>


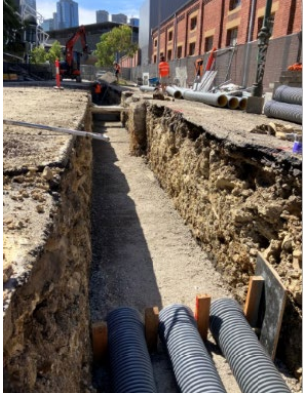





Project Title	Description	Quarterly Update	Completion Date	Project Photo
<p><b>Kensington Community Recreation Centre redevelopment</b></p>	<p>The City of Melbourne is committed to redeveloping the Kensington Community Recreation Centre to improve its facilities for the local community to include three new full-sized indoor 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>Soil removal works are on track to be complete by July 2023. Retaining walls have been constructed along Altona Street to support excavation.</p> <p>Pre-piling works are 50% complete, backfill of mudstone is 30% complete and piling works are expected to commence later this year</p> <p><b>Budget: \$68.2M YTD Actuals: \$ 6,385,431</b></p>	<p>Early 2025</p>	
<p><b>Cycle Infrastructure</b></p>	<p>We are committed to making the City of Melbourne a bike friendly city. We are continuing cost effective treatments to accelerate the delivery of new kerbside protected bike lanes along strategic cycling routes. All designs will be approved by Department of Transport as trials and evaluated post implementation. The projects in this program will complete works in progress from 2020/21.</p>	<p>Kerbside protected bike lanes:</p> <ul style="list-style-type: none"> <li>• Albert Street from Hoddle Street to Powlett Street=: Department of Transport (DTP) approval received and construction commencing in April 2023.</li> <li>• Arden Street and Macaulay Road: Community engagement to commence at the end April 2023.</li> <li>• Grattan Street: Designs progressing with DTP, including works on the interface with Metro Tunnel project.</li> <li>• St Kilda Road: Coordinating with Major Roads Projects Victoria to deliver the local road section between Southbank Boulevard and Princes Bridge.</li> <li>• Princes Bridge bike lanes: Completed in February 2023.</li> </ul> <p>Bicycle safety: Through part external funding from the Victorian Government, electronic LED "Watch for Bicycles" signs were installed at two sites on La Trobe Street. Similar signs are being installed in Barnett Street and Queensberry Street.</p> <p><b>Budget: \$6,163,930 YTD Actuals: \$2,879,595</b></p>	<p>June 2023</p>	


Project Title	Description	Quarterly Update	Completion Date	Project Photo
<p><b>Greenline</b></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–Barrarung Strategy).</p>	<p>The Greenline Project Master Plan is underway with background studies, investigations and survey works. Consultation and engagement is scheduled for April and May 2023 to inform the master plan development.</p> <p>The Greenline Barrarung Marr Precinct Site 1 procurement process is underway to engage a suitably qualified and experienced Design and Construct contractor team. The Expression of Interest (EOI) phase is complete with the Request for Tender (RFT) released in March to shortlisted respondents.</p> <p>Installation of the Trial Floating Wetlands, a partnership project between the City of Melbourne and DELWP, is complete, with the final floating wetlands installed in March 2023. Maintenance, establishment, monitoring and education is now underway.</p> <p>The Seafarers Rest Park will commence construction in 2024 when the main Seafarers development is nearing completion.</p> <p><b>Budget: \$7,500,000 YTD Actuals: \$2,049,492</b></p>	<p>June 2030</p>	
<p><b>North and West Melbourne and Docklands Transport and Amenity Program</b></p>	<p>The North Melbourne, West Melbourne and Docklands Transport and Amenity Program (TAP) is a suite of streetscape improvement projects that will help alleviate some of the effects and leverage the benefits that the West Gate Tunnel Project will have on local and arterial roads in the City of Melbourne.</p>	<p>Concept designs are being finalised for several sub-projects.</p> <p>Hawke Street Linear Park, Spencer Street North Masterplan and Franklin Street Streetscape improvements are all progressing to community engagement in FY23/24.</p> <p><b>Budget: \$3,000,000 YTD Actuals: \$423,000</b></p>	<p>December 2025</p>	

Project Title	Description	Quarterly Update	Completion Date	Project Photo
<p><b>Gateway to GMH Turner Street Works</b></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 December 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>Works are progressing, with 90% of conduits and pits installed along Grahan Street with the remaining items in progress. There have been delays due to working around multiple live underground services.</p> <p>Asphalt works in the remaining areas will be complete in mid-April and this part of the project will be complete in May 2023.</p> <p>Planting of the grass nature strips with native shrubs and ground covers is currently in tender and is scheduled to commence mid-2023.</p> <p><b>Budget: \$3,245,942 YTD Actuals: \$1,357,394</b></p>	<p>May 2023</p>	
<p><b>Southbank Promenade Stage 1</b></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 other potential future development in the area, Council decided in April 2021, limited to extension of the upper promenade on the west.</p>	<p>The project has been placed on hold until April 2023, to enable local business owners to operate during their busiest time of the year.</p> <p>The contractor will recommence works in early April 2023, with the project finishing in July 2023.</p> <p><b>Budget: \$3,800,000 YTD Actuals: \$1,876,150</b></p>	<p>July 2023</p>	
<p><b>Riverslide skate park redevelopment</b></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>A schematic design of the skatepark and toilet block is being finalised for community engagement. The design incorporates feedback from previous community engagement and workshops.</p> <p><b>Budget: \$311,661 YTD Actuals: \$100,640</b></p>	<p>November 2024</p>	<p>Project is at concept design phase and no photo or design illustration is available.</p>



Project Title	Description	Quarterly Update	Completion Date	Project Photo
<p><b>North Melbourne Community Centre Redevelopment</b></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>Internal planning continues for the North Melbourne Community Centre (NMCC) redevelopment, with community engagement scheduled for late 2023.</p> <p><b>Budget: \$498,818 YTD Actuals: \$89,356</b></p>	<p>June 2026</p>	<p>Project is at option analysis and no photo or architectural render is available.</p>
<p><b>Waste and Resource Recovery Hub Expansion Program</b></p>	<p>Expanding the waste and resource recovery hub network across the central city is a key action of the City of Melbourne's ambitious Waste and Resource Recovery Strategy 2030. The strategy will move us towards a city that produces less waste and transforms the way we collect and process waste.</p> <p>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 on first two new Hubs in program continues.</p> <p>Designing bespoke technology and collection systems are in progress – these will be piloted as a world first in urban environments.</p> <p>Business food waste service expansion continues to be successful. More than 100 tonnes of food waste has been diverted from landfill since May 2022. Engagement with businesses in an additional precinct has begun to further expand the service.</p> <p><b>Budget: \$1,447,113 YTD Actuals: \$605,119</b></p>	<p>June 2025</p>	
<p><b>Dodds Street linear park, Southbank</b></p>	<p>Delivery of the Dodds street linear park, in conjunction with the Southbank Major Public Art Commission.</p> <p>The Dodds Street linear park will deliver an additional 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 the Open Space Strategy. The open space works are being developed in coordination with a public artwork that is being planned for this area.</p>	<p>Works commenced in January 2023, with drainage and paving works currently in progress. Works are scheduled to be complete by the end of December 2023, however recent delays with existing underground services may impact timeframes.</p> <p><b>Budget: \$6,326,532 YTD Actuals: \$415,090</b></p>	<p>December 2023</p>	

Project Title	Description	Quarterly Update	Completion Date	Project Photo
<p><b>Royal Park Pavilions</b></p>	<p>City of Melbourne is upgrading three pavilions in Royal Park to provide universally accessible change facilities and more room for the growing demand in community sport, particularly the growth in female participation in sport.</p> <p>The pavilions include:</p> <ul style="list-style-type: none"> <li>• Western Pavilion located near Park Street</li> <li>• Brens Pavilion located between Melbourne Zoo and Royal Parade</li> <li>• Ryder Pavilion located near the corner of Park Street and The Avenue.</li> </ul>	<p>Western Pavilion: Completed in 2022.</p> <p>Brens Pavilion: Construction works are in the final stage. The building is due to be complete in May 2023. Glazing and internal fit-out are underway, with tiling, floor covering, and painting well progressed. The project is on track to be complete in June 2023, when landscaping and new tree planting will be complete.</p> <p>Ryder pavilion: The budget estimate has undergone an extensive value management redesign exercise to ensure the project is delivered within the approved budget. As a result, the tender process has been postponed, with construction is now expected to commence in late 2023.</p> <p><b>Budget: \$11,854,000 YTD Actuals: \$3,610,152</b></p>	<p><b>June 2023</b></p>	
<p><b>Exhibition Street Theatre Precinct Streetscape</b></p>	<p>This project includes streetscape upgrades including the expansion of footpaths in front of the Rydges and Marriott Hotels and the Comedy and Her Majesty's Theatres for improved pedestrian connectivity. 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>This project will formalise the temporary changes that have been delivered as part of Stage 2 works and will provide safer street routes for cyclists to support Melbourne as a cycling city. It will involve the permanent installation of continuous protected bicycle lanes in Exhibition Street between La Trobe Street and Bourke Street.</p>	<p>Detailed design has been completed for tendering of the works in mid-2023. It is anticipated construction will commence in mid-late 2023, pending approvals from the Department of Transport and Planning (DTP) for the trial bicycle lane.</p> <p><b>Budget: \$3,220,500 YTD Actuals: \$76,000</b></p>	<p>December 2023</p>	
<p><b>Princes Bridge Bluestone Repair works</b></p>	<p>Heritage conservation works including bluestone repairs and replacement, drainage works, painting of bridge elements and rationalisation electrical supply. This is year 1 of a 3-year rolling programme of works.</p>	<p>The procurement phase is complete, and Council endorsed the appointed the contractor in March. Bluestone quarrying and manufacture will proceed for the remainder of the current financial year.</p> <p><b>Budget: \$4,130,000 YTD Actuals: \$95,000</b></p>	<p><b>Southern Half</b> Stage 1 – June 2024 Stage 2 – April 2025 <b>Northern Half</b> Stage 3 - June 2026</p>	




Project Title	Description	Quarterly Update	Completion Date	Project Photo
<p><b>Pocket Parks</b></p>	<p>The Pocket Parks program contributes towards the delivery of Major Initiative 16 Increase Public Open Space. The major initiative will provide high-quality, functional, useful and beautiful parks and gardens close to where people live and work.</p> <p>Creation and development of pocket parks in areas of need, such as North Melbourne, West Melbourne, Docklands, Southbank and Melbourne 3000, increasing the proportion of residents living within 300 metres of public open space.</p>	<p>The project focus is currently on Bedford Street Pocket Park, with a public tender to undertake the works to be advertised at the end of April 2023. Works are scheduled for 2023/24. Scoping is underway on two other pocket park locations, Chapman Street (North Melbourne) and Miles and Dodds Street Reserve (Southbank).</p> <p><b>Budget: \$730,000 YTD Actuals: \$194,000</b></p>	<p>2024</p>	
<p><b>Urban Renewal Open Spaces</b></p>	<p>Urban renewal open spaces 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.</p> <p>Acquisition, creation and development of new open space in the Arden, Macaulay, City North and Fishermans Bend urban renewal areas. Structure planning is currently in progress and the proposed open space networks and delivery mechanisms will likely be understood in 2021–22. Proactive acquisition of suitable parcels for open space ahead of development is required.</p>	<p>Preliminary site investigations and concept designs are underway for a future open space in Kensington. Community consultation is scheduled to start in late 2023, which will inform the creation of a concept plan.</p> <p><b>Budget: \$240,000 YTD Actuals: \$3,000</b></p>	<p>2025</p>	

Proposed Record of Program Adjustments 2022–23 - Quarter THREE








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

Month	Project No.	Project Name	Council Approved Budget	Project Funding Source					Revised Budget	Adjustment Type	YTD Actual	Comments
				Council Funds	External Funds	Parking Levy	Public Open Space Funds	Grants				
Jan-23	21B2514N	Greenline	40,000,000	(12,500,000)				(20,000,000)	7,500,000	▼	2,669,965	Reducing Council contribution by \$12.5 million and grants by \$20 million, the combined value of \$32.5m to meet the federal government commitment in the FY2023-24. \$7.5m to be retained in FY2022-23 for Greenline Major Initiative activities.
Jan-23	14G1301N	Queen Victoria Market Precinct Renewal Program (QVMPR)	50,000,000	(17,313,257)					32,686,743	▼	17,385,171	\$14.4 million from the QVMPR budget is to be allocated to a new project for the relocation of high-voltage cable required for the Southern Development Site. And reduction of \$2.9 million Council funding due to delay in some works.
Mar-23	22B2802M	Make Room Refurbishment	4,920,000	1,085,000				(2,000,000)	4,005,000	▼	1,500,000	The unforeseen delays, such as receiving the philanthropic payments, resulted in the delay in key milestones 3 and 4 payments from HomesVictoria. Accordingly, a new milestone payment regime has been established, which moved milestone payment 4 to FY23-24, and reduced the current year's grant by \$2 million making, making the total Make Room Refurbishment budget for the current year \$4 million.
Feb-23	21B4501N	Library Pop-Ups	500,000					(370,000)	130,000	▼	42,614	A significant proportion of program budget allocated to operational cost of pop-ups. Therefore, project owner recommended a budget shift of \$0.37 million from CAPEX to OPEX. This will reduce the program budget to \$0.13 million for purchase of books, equipment and furniture that can be retained and reused by the library.
Mar-23	21B2514N	Greenline	7,500,000	(45,000)					7,455,000	▼	2,669,965	Transfer the \$65k budget to Birrarung Trial Floating Wetland to fund Time Lapse for 12 months, drying banisters, and educational opportunities over three financial years.
Feb-23	14G8129N	Dodds Street linear park, Southbank	6,326,532	(1,331,065)				(1,668,935)	3,000,000	■	432,288	Reduction of CoM funding and Public Open Space (POS) funding by \$3.0 million, followed by receiving \$3.0 million of State Government grants.
Feb-23	22B1305N	Cycle Infrastructure	6,163,930						642,960	▲	2,879,595	The program budget increase from \$6.16 million to \$6.8 million, after CoM successful application for \$0.64 million partial external grant from the National Blackspot Program administered by the Department of Transport.

## Proposed Record of Program Adjustments 2022–23 - Quarter THREE




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

Attachment 5  
Agenda item  
Council  
30 May 2023





Month	Project No.	Project Name	Council Approved Budget	Project Funding Source					Revised Budget	Adjustment Type	YTD Actual	Comments
				Council Funds	External Funds	Parking Levy	Public Open Space Funds	Grants				
Feb-23	22B1353N	Road Safety Initiatives	1,250,000					150,000	1,400,000		1,044,892	The program budget increase from \$1.25 million to \$1.4 million, after CoM successful application for \$0.15 million external funding through the Safer Roads Program administered by the Department of Transport.
Feb-23	22B1365N	Improving Pedestrian Safety	1,510,000		100,000				1,610,000		66,955	The program budget increase from \$1.51 million to \$1.61 million, followed by receiving \$0.1 million from ProBuild payment in form of External Contribution, in lieu of outstanding reinstatement public works payable by developer at 364-378 Little Lonsdale Street Melbourne.
Jan-23	22B2603N	Southern Site cable relocation	0	14,458,010					14,458,010		14,458,010	\$14.4 million from the QVMPR budget is to be allocated to a new project for the relocation of high-voltage cable required for the Southern Development Site.
Jan-23	19B1355N	Pump Station Upgrade - Stubbs Street	6,514,730	2,762,698					9,277,428		3,290,087	Additional \$2.76 million Council contribution due to additional works and delay in Melbourne Water payment, which will not be realised in this financial year.
Jan-23	20B1371N	Parking Technology Services	237,000	427,000					664,000		518,001	An additional \$0.42 million is necessary for undertaking further rounds of security testing during April and May to ensure that the solution meets the City's security standards.
Jan-23	21B4425N	Community Sports Pavilion Upgrade (Brens)	5,098,583	689,755	0	0	0		5,788,338		4,043,685	Additional funding of \$0.69 million is necessary for covering the costs of rectifying issues identified on site, additional scope, the extension of time due to climate and ground condition, and permit approval.
Feb-23	22B4115R	Library Collection Renewal	1,400,000	200,000					1,600,000		1,097,865	\$0.2 million is required to commence the acquisition of the new Munro Library book collection in the current financial year, 2022-23 to open the Munro Library on time and avoid any delay to publicly committed open date of November 2023.






Proposed Record of Program Adjustments 2022–23 - Quarter THREE

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





Attachment 5  
 Agenda item  
 Council  
 30 May 2023

Month	Project No.	Project Name	Council Approved Budget	Project Funding Source					Revised Budget	Adjustment Type	YTD Actual	Comments
				Council Funds	External Funds	Parking Levy	Public Open Space Funds	Grants				
Mar-23	22B3705R	Property Services Renewal Works	5,500,000	2,655,000					8,155,000		2,318,140	Transfer of \$0.34 million of budget to Carlton Central Learning Precinct and Family Services project to construct the new fence. Additionally, Considering there is a gap in the Capital Works' performance from its year to date budget, we actively try to identify opportunities to accelerate the Capital Works delivery where practical. Accordingly, allocating \$2.65 million from the current year's unutilised CAPEX budget to the program will enable us to deliver additional scope from FY23-24 to create capacity for more scope in the next year's renewal program.
Mar-23	22B1309R	Footpath Renewal	5,681,896	1,750,000					7,431,896		5,127,167	Considering there is a gap in the Capital Works' performance from its year to date budget, we actively try to identify opportunities to accelerate the Capital Works delivery where practical. Accordingly, allocating \$1.75 million from the current year's unutilised CAPEX budget to the program will enable us to deliver additional scope from FY23-24 to create capacity for more scope in the next year's renewal program.
Mar-23	22B1409R	Parks Renewal Program	6,500,000	676,000					7,176,000		4,160,274	Considering there is a gap in the Capital Works' performance from its year to date budget, we actively try to identify opportunities to accelerate the Capital Works delivery where practical. Accordingly, allocating \$0.676 million from the current year's unutilised CAPEX budget to the program will enable us to deliver additional scope from FY23-24 to create capacity for more scope in the next year's renewal program.
Mar-23	22B3706R	Property Services Sustainability Renewal Works	400,000	505,000					905,000		377,202	Considering there is a gap in the Capital Works' performance from its year to date budget, we actively try to identify opportunities to accelerate the Capital Works delivery where practical. Accordingly, allocating \$0.505 million from the current year's unutilised CAPEX budget to the program will enable us to deliver additional scope from FY23-24 to create capacity for more scope in the next year's renewal program.




## Proposed Record of Program Adjustments 2022–23 - Quarter THREE

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






Attachment 5  
Agenda item  
Council  
30 May 2023

Month	Project No.	Project Name	Council Approved Budget	Project Funding Source					Revised Budget	Adjustment Type	YTD Actual	Comments
				Council Funds	External Funds	Parking Levy	Public Open Space Funds	Grants				
Mar-23	22B3702M	Accommodation Modifications	300,000	400,000					700,000		50,847	Considering there is a gap in the Capital Works' performance from its year to date budget, we actively try to identify opportunities to accelerate the Capital Works delivery where practical. Accordingly, allocating \$0.4 million from the current year's unutilised CAPEX budget to the program will enable us to deliver additional scope from FY23-24 to create capacity for more scope in the next year's renewal program.
Mar-23	18B4507N	Carlton Central Learning Precinct – ELC and Family Services	84,481	340,000					424,481		94,000	The original budget was to fund the fit-out of family services spaces in the new Carlton Primary School and Early Learning Centre. However, the need for a new reception area and a new compliant fence has been identified. As a result, \$0.34 million will be shifted from Property Services Renewal Works to cover the additional scopes.
Mar-23	22B1414R	Climate Adaptation Urban Landscapes Renewal Works (CASP)	900,000	275,000					1,175,000		648,000	Considering there is a gap in the Capital Works' performance from its year to date budget, we actively try to identify opportunities to accelerate the Capital Works delivery where practical. Accordingly, allocating \$0.275 million from the current year's unutilised CAPEX budget to the program will enable us to deliver additional scope from FY23-24 to create capacity for more scope in the next year's renewal program.
Mar-23	23B28__N	Homes Melbourne site investigations for affordable housing	0	211,692					211,692		0	Site investigations at three different the City of Melbourne properties are proposed to understand better the existing conditions of sites to validate the suitability of potential future use for affordable housing.

Proposed Record of Program Adjustments 2022–23 - Quarter THREE

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

Attachment 5  
 Agenda item  
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 30 May 2023

Month	Project No.	Project Name	Council Approved Budget	Project Funding Source					Revised Budget	Adjustment Type	YTD Actual	Comments
				Council Funds	External Funds	Parking Levy	Public Open Space Funds	Grants				
Mar-23	20B3715R	Town Hall Renewal and Priority Roof Works	420,052	136,000					556,052		270,000	Additional funding for payment to Heritage Architect consultant, development of cost plan by professional Quantity Surveyor, Roof Safety Consultant and covering CoM's internal fees and costs. This funding is necessary for improving non-compliance areas of the roof and replacing the materials at the end of their usable life, including backlog maintenance items where appropriate.
Mar-23	22B5601M	Birrarung Trial Floating Wetland	605,000	65,000					670,000		553,871	Additional \$0.2 million over three financial years for additional scope and a time lapse camera. This will increase the project budget for FY22-23 from \$0.605 million to \$0.67 million.
Mar-23	19B3106N	Our HOOD City of Melbourne Heritage Database	168,063	20,000					188,063		139,842	Budget shift from City Strategy branch OPEX to CAPEX to deliver Heritage data solution to refine the functionalities and accommodate data variety in different sections.
Mar-23	22B1343R	Street Furniture Renewal	400,000	16,000					416,000		250,456	Considering there is a gap in the Capital Works' performance from its year to date budget, we actively try to identify opportunities to accelerate the Capital Works delivery where practical. Accordingly, allocating \$0.016 million from the current year's unutilised CAPEX budget to the program will enable us to deliver additional scope from FY23-24 to create capacity for more scope in the next year's renewal program.
Jan-23	22B1409R	Parks Renewal Program	6,500,000	1,100,000			(1,100,000)	0	6,500,000		4,160,274	Reallocation of the \$1.1 million allocation from Public and Open Space (POS) funding to a sport facility to CoM funding. Since the POS funding cannot be allocated to sport facilities.
<b>Total Adjustment</b>			<b>158,880,267</b>	<b>(3,417,167)</b>	<b>100,000</b>	<b>0</b>	<b>(2,768,935)</b>	<b>(18,577,040)</b>	<b>134,217,125</b>		<b>70,249,169</b>	



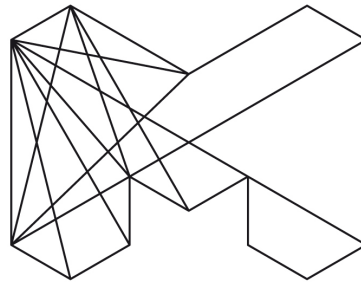
## Financial Performance Report and Budget 2022–23 Third Quarter

### 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 2023 in accordance with the *Local Government Act 2020* (the Act) and to provide information on supplementary valuations adopted under delegation (refer **Attachment 8 and 9**).
2. The result from ordinary activities for the third quarter ending 31 March 2023 is an underlying net surplus of \$7.5 million versus a budget deficit of \$2.1 million. The favourable variance of \$9.6 million is mainly driven by the timing of Melbourne City Revitalization Fund (MCRF) grant expenditure (\$12.7 million), efficiencies gained through lower materials and services spend (\$4.9 million), prudent vacancy management (\$5.7 million) and higher construction zone permits revenue (\$3.2 million). This has been partially offset by reduced parking fine infringements revenue (\$6.9 million) and the timing of operating grant income (\$11.2 million).
3. In addition, monetary income for Public Open Space contributions (\$8.8 million) is tracking above Budget. As these monies are retained in the Balance Sheet, this does not impact the Underlying Surplus/(Deficit).

### Key issues

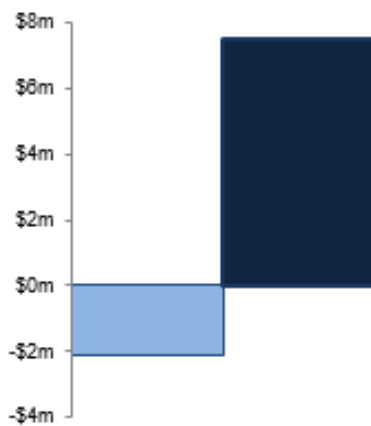
4. As at the end of the third quarter, the Acting Chief Executive Officer as required under Section 97(3) of the Act is of the opinion a revised Budget is not required as our borrowing position is expected to be within budgeted expectations.
5. A detailed analysis of revenue and expenditure is included in **Attachment 7**.



**CITY OF MELBOURNE**

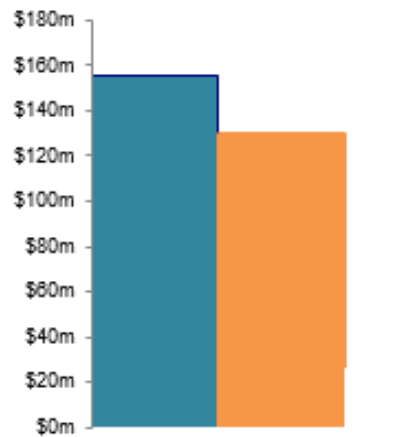
# **FINANCIAL PERFORMANCE REPORT March 2022–23**

**Underlying Surplus/(Deficit)**



YTD Budget	(\$2.1m)
YTD Actual	\$7.5m
YTD Variance	\$9.6m

**Council Works Program**



YTD Budget	\$155.9m
YTD Actual	\$129.9m
YTD Variance	\$26.0m

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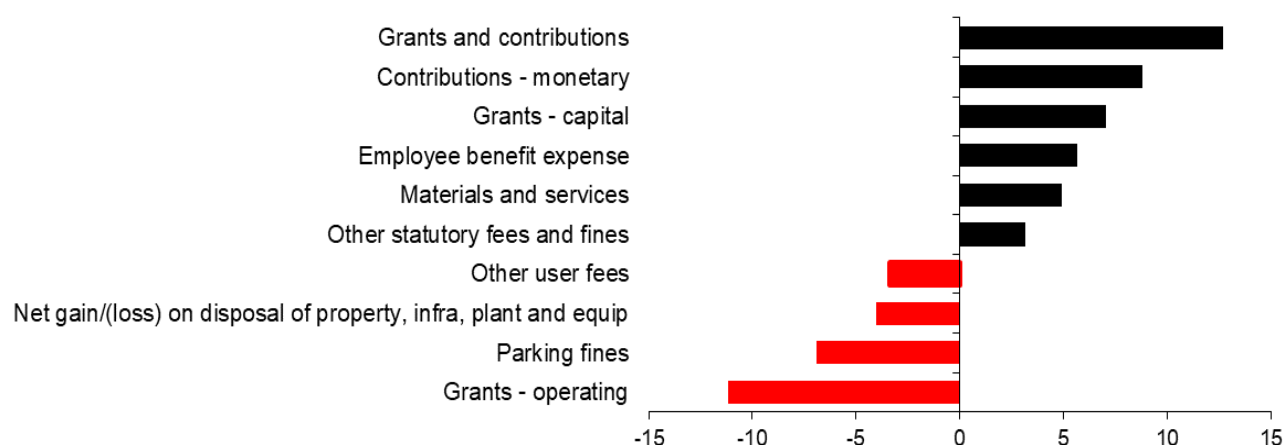
## Executive Summary

### Underlying Operating Results:

2021-22 Actual	2022-23 Budget		\$ Thousands	FY 2022-23 (\$'000)		
				Budget	Actual	Variance
527,717	597,303		Revenue	428,325	425,349	(2,976)
483,702	557,383		Operating Expenditure	404,268	375,664	28,603
44,015	39,920		<b>Results from Ordinary Activities</b>	24,057	49,685	25,626
23,605	4,524		Net gain/(loss) on disposal of property, infra, plant and equip	4,274	229	(4,045)
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
<b>72,998</b>	<b>44,444</b>		<b>Profit/(Loss)</b>	<b>28,331</b>	<b>49,914</b>	<b>21,582</b>
(61,160)	(56,160)		Less External Contributions to Capital	(26,197)	(42,203)	(16,006)
(5,378)	0		Less Gain on Investment Revaluation	0	0	0
0	0		Less Contributed Assets	0	0	0
(23,605)	(4,524)		Less Gain on disposal of asset	(4,274)	(229)	4,045
<b>(17,145)</b>	<b>(16,240)</b>		<b>Underlying Surplus/(Deficit)</b>	<b>(2,140)</b>	<b>7,481</b>	<b>9,621</b>

### Key Financial Variances:

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



The YTD March 2022–23 result (excluding gain on disposal of properties) was an underlying surplus of \$7.5 million, \$9.6 million favourable versus Budget.

The favourable variances are due to:

- Grants and contributions (\$12.7 million favourable) as a result timing of Melbourne City Revitalization Fund (MCRF) grants expenditure (which is partially spent in other expense categories)
- Contributions - monetary (\$8.8 million favourable) as a result higher Public Open Space contributions and Public Arts contributions (capital revenue is excluded from underlying surplus)
- Grants – capital (\$7.1 million favourable) due to carried over capital grants revenue from FY2021–22 (capital revenue is excluded from underlying surplus)
- Employee Benefit expense (\$5.7 million favourable) due to vacant positions being held across the organisation which is largely offset by backfilling agency expenditure (see comment below)
- Materials and services (\$4.9 million favourable) due lower spend in administrative expense (\$3.7 million), and timing of Make Room affordable housing project spend (\$3.0 million) which is partially offset by higher agency expenditure
- Other statutory fees and fines (\$3.2 million favourable) due mainly to higher than expected

construction zone permit revenue.

*Partially offset by:*

- Operating Grants (\$11.2 million unfavourable) due to the timing of Make Room affordable housing project grants and MCRF grants income not yet received in FY2022–23
- Parking Fines (\$6.9 million unfavourable) driven by lower than Budget infringements volumes
- Gain on disposal of property (\$4.0 million unfavourable) due to later than expected property divestments
- Other User Fees (\$3.4 million unfavourable) due to lower building service fees as a result of a rate difference from FY2021–22 applications and lower volumes.

### **Council Works Program**

The value of works completed YTD is \$129.9 million, \$26.0 million lower than budget of \$155.9 million Budget as a result of building industry related delays affecting construction.

### **Borrowings & Liquidity position**

As at 31 March, City of Melbourne's (CoM's) total cash balance was \$67 million (FY2021–22: \$107 million) which was higher than forecast. Council currently has zero borrowings with no further borrowings forecast until May 2023. The cash balance as at 31 March is higher than forecast due to lower than expected expenditure, mainly related to a lower capital works expenditure run rate and payment of the \$28 million 3rd quarter Fire Services Levy in early April, rather than late March.

Prior Year 2021-22 Actual (\$'000)	Balance Sheet	Current Year Mar-23 Actual (\$'000)	Movement 2022-23 Actual (\$'000)
	<b>Balance Sheet</b>		
	<b>Assets</b>		
	<b>Current Assets</b>		
39,800	<i>Ref 1</i> Cash and cash equivalents	67,475	27,675
32,146	<i>Ref 2</i> Trade and other receivables	96,956	64,810
0	Other financial assets	0	0
13,853	<i>Ref 3</i> Other assets	4,883	(8,970)
<b>85,799</b>	<b>Total Current Assets</b>	<b>169,314</b>	<b>83,515</b>
	<b>Non current assets</b>		
33,717	Other financial assets	34,411	694
26,356	Investment in subsidiaries and trust	26,356	0
4,488,465	<i>Ref 7</i> Property, infrastructure, plant and equipment	4,543,955	55,490
227,978	<i>Ref 7</i> Investment property	227,978	0
43,699	<i>Ref 7</i> Intangible assets	45,636	1,937
5,868	Right of Use Asset	4,474	(1,394)
<b>4,826,083</b>	<b>Total Non-Current Assets</b>	<b>4,882,810</b>	<b>56,727</b>
<b>4,911,882</b>	<b>TOTAL ASSETS</b>	<b>5,052,124</b>	<b>140,242</b>
	<b>Liabilities</b>		
	<b>Current Liabilities</b>		
(89,846)	<i>Ref 4</i> Trade and other payables	(139,955)	(50,109)
(13,653)	<i>Ref 5</i> Trust funds and deposits	(54,523)	(40,870)
(41,100)	Provisions	(41,081)	19
(1,649)	Lease Liability	(1,216)	433
0	<i>Ref 6</i> Interest-bearing loans and borrowing	0	0
<b>(146,248)</b>	<b>Total Current Liabilities</b>	<b>(236,775)</b>	<b>(90,527)</b>
	<b>Non-current Liabilities</b>		
(4,050)	Provisions	(4,050)	0
0	Interest-bearing loans and borrowings	0	0
(1,617)	Trust funds and deposits	(2,311)	(694)
(4,510)	Lease Liability	(3,618)	892
<b>(10,177)</b>	<b>Total Non-Current Liabilities</b>	<b>(9,979)</b>	<b>198</b>
<b>(156,425)</b>	<b>TOTAL LIABILITIES</b>	<b>(246,753)</b>	<b>(90,328)</b>
<b>4,755,458</b>	<b>NET ASSETS</b>	<b>4,805,372</b>	<b>49,914</b>
	<b>Equity</b>		
(2,167,017)	Accumulated Surplus	(2,204,794)	(37,777)
(2,588,441)	Reserves	(2,600,579)	(12,137)
<b>(4,755,458)</b>	<b>TOTAL EQUITY</b>	<b>(4,805,372)</b>	<b>(49,914)</b>

## Balance Sheet

### Comparison to June 2022 Actual

1. The increase in cash and cash equivalents to \$67.5 million is due to good collection of rates for February quarterly payments, and below budget operating and capital expenditures for the period.
2. The decrease in trade and other receivables by \$156 million in the March quarter is a result of decreases in Rates Debtors by \$139.0 million to \$69.3 million as a result of quarterly collections, a reduction in the Fire Service Levy Debtors to \$14.4 million, which was partly offset by an increase in Other Debtors to \$15.3 million. This will continue to 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 intercompany dividends, and the decrease in Prepayments for insurance premiums recognised.
4. Trade and other payables have decreased in the quarter due to the reduction in Rates in advance (\$85.6 million), with general Creditors remaining at December levels (\$4.9 million).
5. Trust funds and deposits remained steady for the quarter as the March Fire Service Levy payment was not made until April.
6. Interest-bearing loans and borrowings were fully paid down in February.
7. The net movement in infrastructure, property plant and equipment, investment property assets, and intangible assets of \$56.0 million includes value of works accruals recognised as at the end of March 2023.



### Cash Flow Statement

2021-22 Actual (\$'000)	Statement of Cash Flows	2022-23 Actual (\$'000)
	<b>Cashflows from Operating Activities</b>	
	<b>Receipts</b>	
325,964	Rates and charges	288,797
42,211	Statutory fees and fines	36,440
57,904	User fees	57,998
27,420	Grants - operating	16,499
25,874	Grants - capital	10,925
2,543	Contributions - monetary	5,488
392	Interest	965
25	Dividends	38
124	Trust funds and deposits taken	39,851
12,770	Other receipts	7,760
4,649	Contributions on Public Open Spaces (Reserve)	14,292
<b>499,876</b>		<b>479,053</b>
	<b>Payments</b>	
(186,195)	Employee Costs	(137,861)
(233,275)	Materials & Services	(178,586)
(44,225)	Other Payments	(19,503)
<b>(463,695)</b>		<b>(335,950)</b>
<b>36,181</b>	<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>143,103</b>
	<b>Cashflows from Investing Activities</b>	
(128,676)	Payments for property, infrastructure, plant & equipment	(113,794)
(46,415)	Purchase of Munro Community Hub	0
7,404	Proceeds from sale of property, infrastructure, plant & equipment	286
30,000	TD Deposit Reclassification	0
<b>(137,687)</b>	<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(113,507)</b>
	<b>Cashflows from Financing Activities</b>	
0	Proceeds of borrowings	0
(91)	Finance Costs	(457)
(189)	Interest paid - Lease Liability	(119)
(2,285)	Repayment of Lease Liability	(1,345)
<b>(2,565)</b>	<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>(1,921)</b>
<b>(104,071)</b>	<b>Net Cash Inflow / (Outflow) from all Activities</b>	<b>27,675</b>
143,871	Cash at beginning of the financial period	39,800
39,800	Cash at the end of Mar-23	67,475
<b>(104,071)</b>	<b>Movement in cash equivalents</b>	<b>27,675</b>

2021-22 Actual (\$'000)	Statement of Cash Flow (reconciliation)	2022-23 Actual (\$'000)
(19,778)	<b>Net Surplus (exc Public Open Space Contributions)</b>	<b>35,623</b>
	<b>Add Back Non-Cash Items</b>	
78,098	Depreciation/Amortisation	59,954
4,937	WIP Write Off	0
(5,223)	Fair value adjustments for investment property	0
(2,176)	Profit/(loss) on disposal of property, plant and equipment	(229)
<b>55,858</b>	<b>Operating Surplus/(Deficit) before Non cash items</b>	<b>95,348</b>
(26,876)	Net Movement in Working Capital	31,859
(128,689)	Capital Expenditure	(114,109)
(46,415)	Purchase of Munro Community Hub	0
0	Proceeds from Borrowings	0
7,404	Proceeds from sale of assets	286
4,649	Contributions on Public Open Spaces (Reserve)	14,292
30,000	TD Deposit Reclassification	0
(104,071)	<b>Net Cash inflow/(outflow)</b>	<b>27,675</b>

For year 2022–23, Council has a total cash inflow of \$27.7 million which is primarily comprised of:

- An operating surplus of \$35.6 million
- A net inflow of working capital of \$31.9 million
- Capital expenditure of \$114.1 million
- Public Open Space Contributions of \$14.3 million
- TD Deposit of \$30 million utilised as part of financing activities to fund capital and operating expenditure.

## Income Statement

2021-22 Actual (\$'000)	2022-23 Budget (\$'000)	Income Statement		FY 2022-23 (\$'000)		
				Budget	Actual	Variance
			<b>REVENUE</b>			
325,869	345,618	Ref 3.1	Rates and charges	260,137	262,540	2,403
			Statutory fees and fines			
24,068	41,060	Ref 3.2	Parking fines	30,661	23,782	(6,879)
12,400	11,634	Ref 3.3	Other	9,261	12,426	3,165
			User fees			
38,995	47,111	Ref 3.4	Parking	35,153	34,138	(1,015)
17,932	29,566	Ref 3.5	Other	21,453	18,072	(3,381)
50,221	44,965	Ref 3.6	Grants - operating	32,388	21,216	(11,172)
17,905	42,110	Ref 3.7	Grants - capital	17,561	24,632	7,071
7,192	16,854	Ref 3.8	Contributions - monetary	10,948	19,780	8,832
17,188	18,385	Ref 3.9	Other income	10,763	8,763	(2,000)
<b>511,770</b>	<b>597,303</b>		<b>Total Revenue</b>	<b>428,325</b>	<b>425,349</b>	<b>(2,976)</b>
			<b>EXPENDITURE</b>			
178,205	194,835	Ref 4.1	Employee benefit expense	140,202	134,528	5,674
222,549	209,480	Ref 4.2	Materials and services	155,178	150,238	4,940
8,047	13,396	Ref 4.3	Bad and doubtful debts	9,981	9,520	461
78,098	83,947	Ref 4.4	Depreciation and amortisation	62,960	59,954	3,006
91	2,400	Ref 4.5	Borrowing Costs	1,640	457	1,183
10,707	11,463	Ref 4.6	Other expenses	7,958	7,314	644
36,600	41,862	Ref 4.7	Grants and contributions	26,348	13,653	12,695
0	0		Impairment Loss	0	0	0
<b>534,297</b>	<b>557,383</b>		<b>Total Operating Expenditure</b>	<b>404,268</b>	<b>375,664</b>	<b>28,603</b>
2,176	4,524		Net gain/(loss) on disposal of property, infra, plant and equip	4,274	229	(4,045)
5,223	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
<b>(15,128)</b>	<b>44,444</b>		<b>Profit/(Loss)</b>	<b>28,331</b>	<b>49,914</b>	<b>21,582</b>
(22,604)	(56,160)		Less External Contributions to Capital	(26,197)	(42,203)	(16,006)
(5,223)	0		Less Gain on Investment Revaluation	0	0	0
0	0		Less Contributed Assets	0	0	0
(2,176)	(4,524)		Less Gain on disposal of asset	(4,274)	(229)	4,045
<b>(45,132)</b>	<b>(16,240)</b>		<b>Underlying Surplus/(Deficit)</b>	<b>(2,140)</b>	<b>7,481</b>	<b>9,621</b>

### Analysis of Revenue Variances

<b>Budget \$428.3m</b>	<b>Actual \$425.3m</b>	<b>Variance \$3.0m unfavourable</b>
------------------------	------------------------	-------------------------------------

**3.1 Rates and charges** **0.9% Variance** **\$2.4m Fav**

This favourable variance is due mainly to higher supplementary rates revenue.

**3.2 Parking fines** **-22.4% Variance** **\$6.9m Unfav**

Parking infringements notices (PINs) are lower than expected given lower volumes.

**3.3 Other statutory fees and fines** **34.2% Variance** **\$3.2m Fav**

This favourable variance is primarily due to

- \$2.3 million higher than expected construction zone permits fees; and
- \$0.4 million general fines revenue.

**3.4 Parking fees** **-2.9% Variance** **\$1.0m Unfav**

This unfavourable variance is due mainly to \$1 million lower parking meter revenue.

**3.5 Other user fees** **-15.8% Variance** **\$3.4m Unfav**

This unfavourable variance is due to lower building services fees as a result of a rate difference from FY2021–22 applications (including lower volumes) and lower rate for space occupancy rental income which is partially offset timing of Moomba event income.

**3.6 Grants – operating** **-34.5% Variance** **\$11.2m Unfav**

This variance is due mainly to the timing of Homes Melbourne affordable housing project grants and MCRF Grants which is partially offset by contributions for Shrine Reserve.

**3.7 Grants – capital** **40.3% Variance** **\$7.1m Fav**

This variance relates to:

- \$2.9 million Public Art grants
- \$2.5 million Local Roads and Community Infrastructure Program
- \$1.5 million Advancing Stormwater Harvesting Project; and
- \$1.0 million Munro Library Project.

The above variance is partially offset by \$0.8 million funding received in FY2021-22 for Community Sports Pavilion Upgrade.

**3.8 Contributions – monetary** **80.7% Variance** **\$8.8 Fav**

This favourable variance is due to higher Public Open Space funds (\$5.7 million) and external contributions for the Shrine Reserve (\$2.8 million).

**3.9 Other income** **-18.6% Variance** **\$2.0m Unfav**

This unfavourable variance comprises \$0.8 million lower commercial rent revenue and \$2.8 million lower intercompany revenue which is partially offset by \$0.5 million legal cost recoveries and \$0.8 million higher interest revenue.

### Analysis of Expense Variances

<b>Budget \$404.3m</b>	<b>Actual \$375.7m</b>	<b>Variance \$28.6m Favourable</b>
------------------------	------------------------	------------------------------------

**4.1 Employee benefit expense** **4.0% Variance** **\$5.7m Fav**

This favourable variance is largely due to vacant positions held across Council which is largely offset by backfilling agency expense.

**4.2 Materials & Services** **3.2% Variance** **\$4.9m Fav**

Variances of note have occurred in the following categories:

**Admin/Supplies** (favourable \$3.7 million) relates to

- \$1.1 million expenses related to PINs infringements;
- \$0.9 million events related expense;
- \$0.6 million Waste Bin replacement spending;
- \$0.4 million timing of destination marketing spending; *and*
- \$0.7 million lower overall administration costs due to efficiency benefits realised via digital and technological investment.

**Consultant costs** (favourable \$1.6 million) relates to lower legal expenses (\$0.8 million) and the timing of overall consultancy expenditure.

**General maintenance** (favourable \$2.0 million) due mainly to timing of spending on Make Room Refurbishment Project.

**Contract Costs** (unfavourable \$3.1 million) due mainly to backfilling agency expenditure which is largely offset by favourable employee benefit expense.

**4.3 Bad and doubtful debts** **4.6% Variance** **\$0.5m Fav**

This favourable variance is due mainly to lower PINs revenue.

**4.4 Depreciation and amortisation** **4.8% Variance** **\$3.2m Fav**

This favourable variance is driven by the timing of commissioning of capital investments.

**4.5 Borrowing Costs** **72.1% Variance** **\$0.7m Fav**

This favourable variance is driven lower than expected borrowing levels.

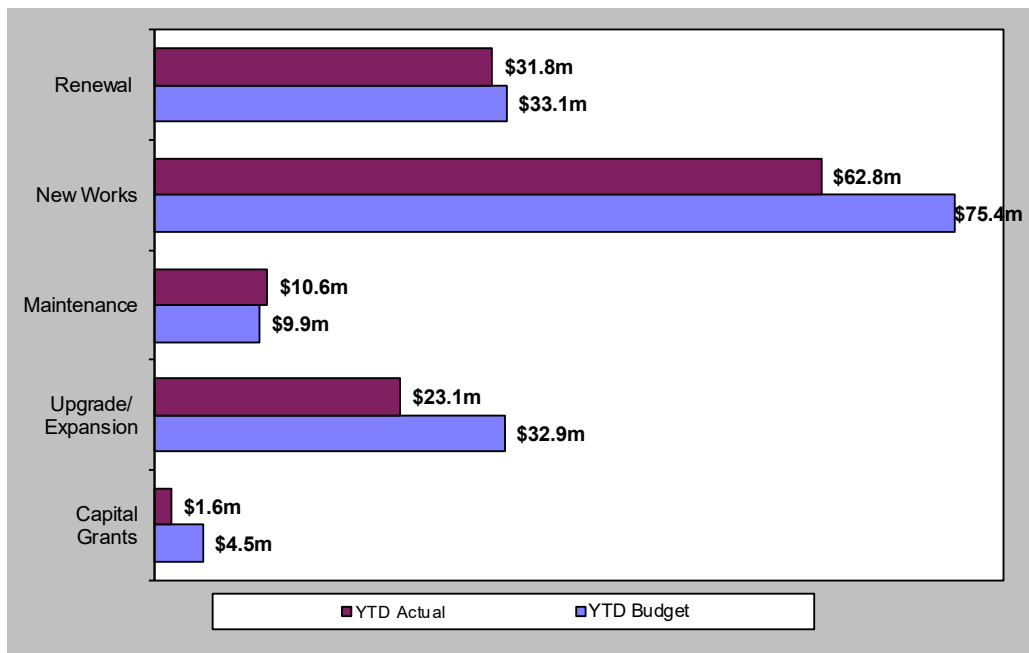
**4.6 Other Expense** **8.1% Variance** **\$0.6m Fav**

This favourable variance is due mainly to lower bank charges as a result of lower PINs activities.

**4.5 Grants and contributions** **48.2% Variance** **\$12.7 Fav**

This favourable variance relates to \$13.0 million lower MCRF spend which is partially spent in other expense categories.

### Council Works – Expenditure



Period: Mar-23

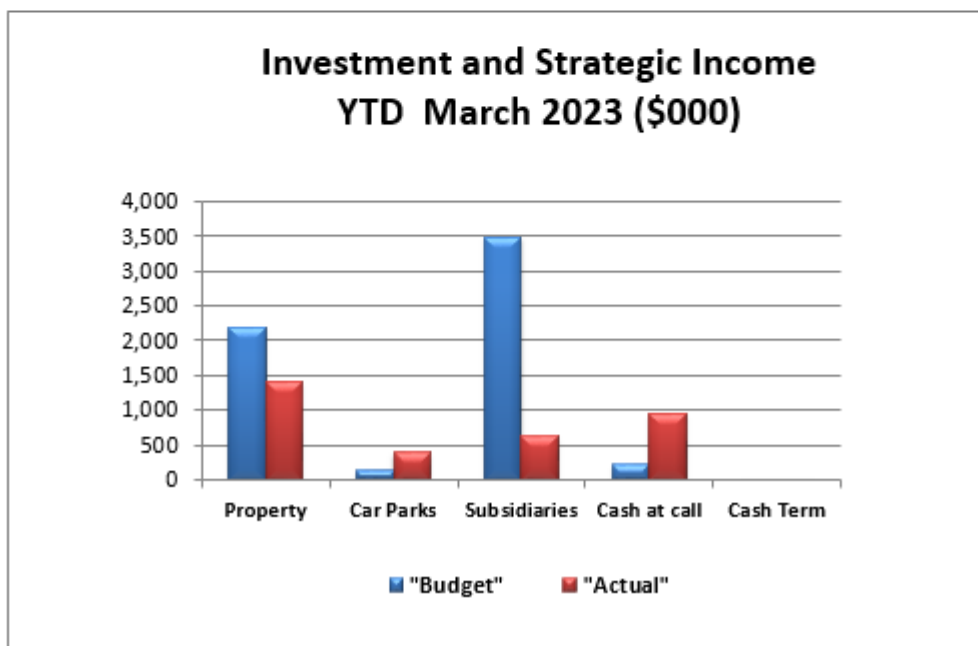
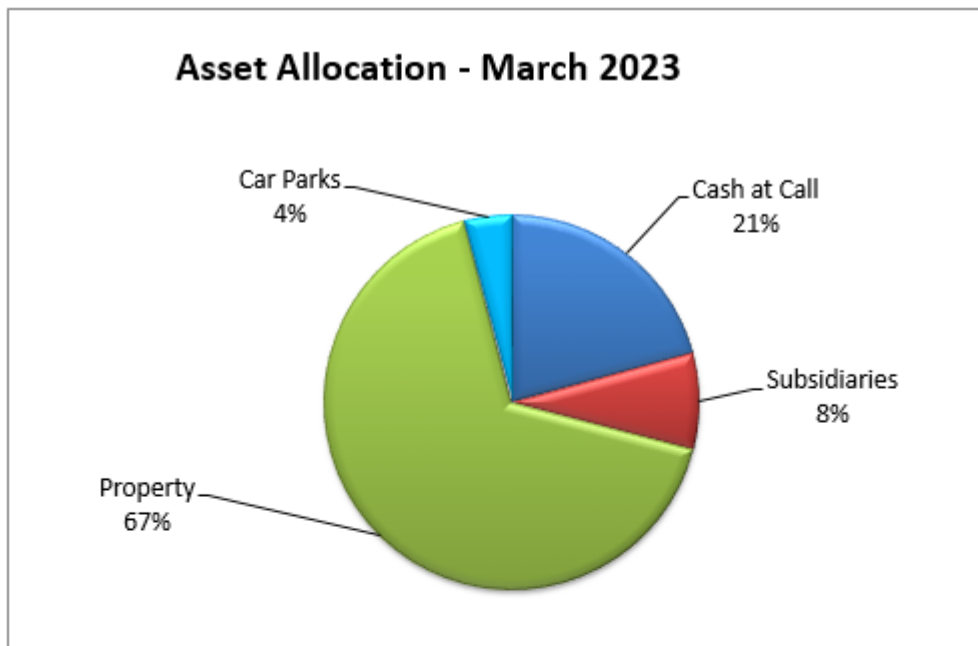
Council Works Area	2021-22 (\$'000)		
	Budget	Actual	Variance
<b>Maintenance</b>			
Capital Grants	4,500	1,555	2,945
Maintenance	9,856	10,611	(755)
<b>Total Maintenance</b>	<b>14,356</b>	<b>12,166</b>	<b>2,189</b>
<b>Capital Works</b>			
Expansion	4,360	1,985	2,375
Upgrade	28,589	21,161	7,428
New Works	75,446	62,776	12,670
Renewal	33,144	31,834	1,310
<b>Total Capital Expenditure</b>	<b>141,539</b>	<b>117,755</b>	<b>23,783</b>
<b>Total Council Works Program</b>	<b>155,895</b>	<b>129,921</b>	<b>25,973</b>

**Council Works YTD \$129.9m versus Budget \$155.9 (\$26.0m underspend).** Industry restrictions and partial construction shutdown in 1<sup>st</sup> Quarter have impacted on Council's delivery.

### Investment Portfolio Performance

The Investment Portfolio returned \$3.7 million for the nine months to March 2023, \$2.3 million below the YTD Budget of \$6 million. The total budget for return on Investment Portfolio for FY2022–23 is \$11.9 million.

- Investment Properties - YTD returned \$0.8 million unfavourable versus Budget due to lower than expected revenue, mainly as a result of rent relief provided
- Car Parks – overall favourable against YTD Budget by \$0.4m from Council House and Elgin St
- Citywide – YTD returned \$2.9 million unfavourable to Budget due to lower than intercompany income for the year; and
- Cash Investments – YTD interest income was favourable by \$0.7 million due to higher than forecast cash balances as a result of lower payments.





### Public Open Space Contributions

DATE PAID	SUBDIVISION REG. NO	ADDRESS OF DEVELOPMENT	SUBURB	Proposed Fee Figure
25/07/2022	SA-2019-100	310-326 Exhibition Street	MELBOURNE	\$6,354,000
12/08/2022	SA-2021-43	383-399 Macaulay Road	KENSINGTON	\$416,540
06/09/2022	SA-2021-81	413-427 Macaulay Road	KENSINGTON	\$367,120
16/09/2022	SA-2021-47	13-23 Spring Street	MELBOURNE	\$2,824,000
02/11/2022	SA-2019-26	111-125 A'beckett Street	MELBOURNE	\$3,530,000
16/02/2023	SA-2022-22	45 Dudley Street	MELBOURNE	\$800,000
			<b>Total</b>	<b>\$14,291,660</b>

## SUPPLEMENTARY VALUATIONS REPORT

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

In the January to March 2023 quarter, there was one supplementary valuation return (Jan 2023) processed; the year to date total of supplementary valuations is as follows:

Supplementary Valuations	2022-23 Annual Budget	Year to date Supplementary Valuations	July 2022 Supplementary Return	Sep 2022 Supplementary Return	Oct 2022 Supplementary Return	Nov 2022 Supplementary Return	Jan 2023 Supplementary Return
<b>General Rates</b>			<b>Jul-Sep 2022</b>	<b>Oct-Dec 2022</b>	<b>Oct-Dec 2022</b>	<b>Oct-Dec 2022</b>	<b>Jan-Mar 2023</b>
Exemptions	-\$600,000	-\$1,985,601	-\$439,466.51	-\$201,742.08	-\$1,020,457.48	-\$81,087.75	-\$242,846.87
Objections	-\$1,200,000	-\$185,105	-\$441.65	-\$80,031.05	-\$65,485.46	-\$6,982.59	-\$32,164.45
New Rates	\$4,000,000	\$6,202,626	\$3,192,880.45	\$220,668.57	\$892,316.60	\$1,389,464.20	\$507,296.34
<b>Total</b>	<b>\$2,200,000</b>	<b>\$4,031,920</b>	<b>\$2,752,972.29</b>	<b>-\$61,104.56</b>	<b>-\$193,626.34</b>	<b>\$1,301,393.86</b>	<b>\$232,285.02</b>
<b>Waste Charges</b>		<b>\$941,650</b>	<b>\$819,918.91</b>	<b>-\$16,235.02</b>	<b>-\$60,638.25</b>	<b>\$117,533.55</b>	<b>\$81,070.52</b>
<b>Total</b>		<b>\$4,973,570</b>	<b>\$3,572,891.20</b>	<b>-\$77,339.58</b>	<b>-\$254,264.59</b>	<b>\$1,418,927.41</b>	<b>\$313,355.54</b>

Quarterly Totals	Year to date	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023
		\$M	\$M	\$M
General Rates	4.03	2.75	1.05	0.23
Waste Charges	0.94	0.82	0.04	0.08
	<b>\$4.97</b>	<b>\$3.57</b>	<b>\$1.09</b>	<b>\$0.31</b>

As detailed above the net effect of supplementary valuations is an increase of \$0.31 million in general rates and waste service charges for the January to March 2023 quarter.

The financial impact of each category of general rates is detailed in Attachment 9.

Overview of supplementary valuation returns to date Page 57 of 57

Summary of supplementary valuations highlights to date							\$'000	\$'000
<b>General Rates</b>								
<b>Exemptions</b>								
July 2022	Victorian Government purchased back the County Court buildings from the developer							-391
July 2022	Various other exemptions							-48
Sep 2022	Peter MacCallum Cancer Centre Carpark							-130
Sep 2022	Various other exemptions							-72
Oct 2022	Exemption of Melbourne University properties							-1,020
Oct 2022	Various other exemptions							-1
Nov 2022	Exemption of training organisation - Australian Technical & Management College Pty Ltd.							-81
Jan 2023	Exemption of Melbourne University properties (Student Accom & rateable occupier vacated)							-239
Jan 2023	Various other exemptions							-4
						<b>Total Exemptions</b>		<b>-1,986</b>
<b>Objections</b>								
Sep 2022	Various objections							-80
Oct 2022	Various objections							-66
Nov 2022	Various objections.							-7
Jan 2023	Various objections.							-32
						<b>Total Objections</b>		<b>-185</b>
<b>New Rates</b>								
<b>Major Developments</b>							\$'000	
July 2022	393-403 Bourke Street MELBOURNE	construction of an office tower				990		
July 2022	611-669 Elizabeth Street MELBOURNE	construction of office/retail buildings				295		
July 2022	256-258 City Road SOUTHBANK	construction of a 403 built to rent resi development				284		
July 2022	1-11 Aquitania Way DOCKLANDS	construction of a 166 resi unit and retail development				191		
Sep 2022	295-309 King Street MELBOURNE	Stage 1 - 78 residential units				60		
Sep 2022	216-218 Domain Road SOUTH YARRA	Construction of a 4 residential unit development				43		
Oct 2022	71-87 City Road SOUTHBANK	Construction of residential unit development				462		
Oct 2022	295-309 King Street MELBOURNE	Stage 2 - construction of 225 residential units				135		
Oct 2022	20-30 Bourke Street MELBOURNE	Construction of a 13 storey hotel				104		
Oct 2022	1-11 Batman Street WEST MELBOURNE	Construction of student accommodation				52		
Nov 2022	310-326 Exhibition Street MELBOURNE	Construction of a residential tower & hotel				539		
Nov 2022	93-129 Therry Street MELBOURNE	Construction of a 490 resi unit tower				296		
Nov 2022	150-162 Lonsdale Street MELBOURNE	Construction of an office tower				247		
Nov 2022	633-669 Flinders Street DOCKLANDS	Refurbishment of building				30		
Nov 2022	143-171 A'Beckett Street MELBOURNE	Stage subdivision, 5 residential lots added.				7		
Jan 2023	512-544 Spencer Street WEST MELBOURNE	construction of resident development				113		
Jan 2023	111-125 A'Beckett Street MELBOURNE	construction of a residential tower - stage 1				74		
Jan 2023	34-44 Albermarle Street KENSINGTON	construction of a residential building				40		
Jan 2023	413-423 Macaulay Road KENSINGTON	construction of a residential tower				15		
Jan 2023	77-79 Capel Street WEST MELBOURNE	construction of a hotel				5		
							<b>3,983</b>	
<b>Property alterations; refurbishments; extensions &amp; other improvements</b>								
July 2022	Various properties (284)						440	
Sep 2022	Various properties (60)						34	
Oct 2022	Various properties (5)						14	
Jan 2023	Various properties (17)						1	
							<b>489</b>	
<b>Correction to valuations and valuation models; Change of Use</b>								
July 2022	113-149 Exhibition Street MELBOURNE	Change in occupancy				518		
July 2022	308-336 Collins Street MELBOURNE	Adjusted rental influences and building conditions				102		
July 2022	Various other corrections & change of use (317)						81	
Sep 2022	Various corrections & change of use (87)						-55	
Oct 2022	Various corrections & change of use (38)						30	
Nov 2022	Various corrections & change of use (44)						31	
Jan 2023	297-307 Arden Street KENSINGTON	Agreed valuation approach b/t the VGV and Ausnet				248		
Jan 2023	430-442 Collins Street MELBOURNE	Tenancy schedule realignment				35		
Jan 2023	1-4 Nicholson Street EAST MELBOURNE	Tenancy schedule realignment				25		
Jan 2023	Various corrections & change of use (41)						-49	
							<b>966</b>	
<b>Exempt properties becoming rateable</b>								
July 2022	300-316 Flinders Street MELBOURNE	Vic Uni ceased operation at this location as of 23/6/2022				214		
July 2022	Victoria University 225 King Street MELBOURNE	Exempted properties sold with vacant possession				76		
July 2022	376 Victoria Parade EAST MELBOURNE	Premise occupied by commercial entities				1		
Sep 2022	346-350 Macaulay Road KENSINGTON	Building being demolished. Exempted occupier vacated				73		
Sep 2022	271-285 Collins Street MELBOURNE	Monash Uni vacated Levels 6 & 7, now rateable				64		
Sep 2022	129-139 Stubbs Street KENSINGTON VIC 3031	Victrack land now occupied by rateable tenant				2		
Oct 2022	301-311 Flinders Lane MELBOURNE	Vic Uni exempt occupier has vacated				50		
Oct 2022	Various other properties (5)						45	
Nov 2022	130-188 Todd Road PORT MELBOURNE	Commercial tenant occupies Development Victoria site				121		
Nov 2022	Levels 5-6 200 Victoria Street CARLTON	Trinity College has vacate premises				35		
Nov 2022	Part Ground 538-544 Collins Street MELBOURNE	Exempted occupier vacated premises				25		
Nov 2022	Various other properties (11)						59	
							<b>765</b>	
						<b>Total New Rates</b>		<b>6,203</b>
						<b>Total Supplementary Valuations for General Rates</b>		<b>4,032</b>