



# Colac Otway

## SHIRE

### Colac Otway Shire Council Budget Report – 2017/18

This Budget Report has been prepared with reference to Chartered Accountants ANZ “Victorian City Council Model Budget 2017/18” a best practice guide for reporting local government budgets in Victoria.



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## Mayor's introduction

On behalf of the Councillors of the Colac Otway Shire, I am pleased to release the 2017-18 budget to the community, which delivers the lowest rate rise in the municipality's history.

This budget delivers an average rise of 0.63 per cent across all rating categories, which is considerably below the two per cent rate cap set by the State Government and establishes Colac Otway as one of the very few shires across Victoria that has committed to setting rates below the cap.

Notably, we are reducing the Rural Farm rating differential from 79 per cent to 77 per cent of the general rate, which will equate to the sector paying 1.2 per cent less total rates on average than they did last year. This reduction is in recognition of the hardship and ongoing challenges the rural sector faces.

This budget is the result of an extensive amount of work by Councillors and staff over many months, and its priorities reflect what you, the community, told us during the election campaign.

We have delivered on our commitment to maintain affordable rates without affecting the important services our community relies on. We are committed to delivering high quality community services and identify ongoing cost savings for long-term financial sustainability.

Key budget highlights include:

- A rise in the average rate of just 0.63 per cent, which is the lowest rate rise in the history of the Colac Otway Shire.
- Ratepayers in the Rural Farm rating category will receive a reduction in rates on average of 1.4 per cent (per s7.1) compared to last year, as a result of reducing the Rural Farm rating differential from 79 per cent to 77 per cent of the base rate.
- The delivery of significant capital works totalling \$21.64 million. And \$12.31 million will be spent on renewing community assets, a further \$1.57 million spent on assets to improve community services.
- A significant roads program totalling \$7.31 million.
- \$700,000 for the Queen Street footpath improvement between Pound Road and Hearn Street.
- \$1.95 million for the central business district revitalisation project.
- \$1.008 million in building renewal upgrades including \$0.47m for the Winifred Nance Kindergarten building upgrade.
- \$3.09 million for the Apollo Bay kindergarten relocation to the P-12 College.
- Recreational facility improvements of \$181,057 for redevelopment of netball facilities at the Irrewarra Beeac Recreation Reserve.
- \$160,000 for the playground renewal program, \$50,000 for the open space renewal program and \$100,000 for the street furniture renewal program.
- Reduction in operating expenditures as a result of continued business improvement and cost reduction programs.
- No new borrowings for 2017-2018 budget or forward projections.

Our materials and services expenses have reduced from the previous year and this is the result of the work done on business improvement to reduce operating costs, generating savings exceeding \$600,000.

This is a financially responsible budget, one that ensures Colac Otway remains in a sustainable, low-risk financial position.

Council has undertaken a rigorous process developing the budget and has been cautious and conservative in its forecasting, which provides a solid position. There are no new borrowings and as debt levels reduce, further cash flow will be released to fund capital works.

Ensuring the financial sustainability of the organisation is always the key focus and Council's budget paints a realistic picture of achieving an operating surplus while maintaining its community services and asset renewal program.

Although achieving community expectations in an environment of ongoing financial constraints beyond the organisations control, is a challenge, Council in partnership with staff continue to focus on delivering services and programs for community benefit now and into the future.

**Cr Chris Potter**  
**Mayor**

## Executive Summary

Colac Otway Shires Budget for 2017/18 seeks to maintain our services and infrastructure as well as deliver key projects and services that are valued by our community and aligned to outcomes set out in the Council Plan 2017 to 2021.

This Budget projects a surplus of \$7.54m for 2017/18 and an adjusted underlying surplus result of \$0.12m after adjusting for non-recurrent capital grants and contributions (refer Sections 5 and 10.1).

Note the Operating Surplus has reduced by \$3.11m to \$7.542m due to the State Government's decision to prepay the Federal Assistance Grants for 2017/18 in the 2016/17 financial year. This decision has no funding impact for Colac Otway Shire as the prepaid amount will be placed in reserve for utilisation in the 2017/18 financial year.

### 1. Key things we are funding

1) Ongoing delivery of services to the Colac Otway Shire community funded by a budget of \$47.9m. These services are summarised in Section 2.1.

2) Continued investment in capital assets (\$21.64m) primarily for renewal works (12.3m).

*The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and 12.*

3) The 2017/18 Budget also allocates funding to major projects and initiatives including:

- \$240,000 for provision of a new sports shelter and amenities at Colac Secondary College Community Sports field
- \$150,000 Apollo Bay Harbour precinct Expression Of Interest (EOI) process and development plan
- \$30,000 for the implementation of the asset management improvement plan
- \$30,000 for a property management framework development

### 2. The Rate Rise

a. The average rate will rise by 0.63% which is 1.37% below the maximum level set by the Minister for Local Government on 19 December 2016 under the Fair Go Rates System of 2%.

b. Key drivers

- i. To support our farming community during difficult times – we are proposing to reduce the rural farm sector by 2% of the Colac Residential Category representing a drop in differential from 79% of Colac Residential to 77%
- i. To fund ongoing service delivery – business as usual (balanced with greater service demands from residents)
- ii. To fund renewal of infrastructure and community assets
- iii. To cope with growth in the population of Colac Otway Shire residents
- iv. To cope with cost shifting from the State Government

c. This is not a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2016 (as amended by supplementary valuations).

d. The waste service charge incorporating kerbside collection and recycling will increase by 2.0% per property.

e. Note that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50. The other \$96.50 goes to the State and Federal Governments.

f. Refer Section 7 for further Rates and Charges details.

### 3. Key Statistics

- Total Revenue: \$55.43M (2016/17 - \$61.3M)
- Total Expenditure: \$47.89M (2016/17 - \$47.3M)
- Accounting Result: \$ 7.54M Surplus (2016/17 - \$14.06M Surplus)

(Refer Income Statement in Section 3)

- Underlying operating result: Surplus of \$0.12M (2016/17 - Surplus of \$9.08M)

(Refer Analysis of operating Budget in Section 10.1)

(Note: Underlying operating result is an important measure of financial sustainability as it excludes income which is to be used for capital, from being allocated to cover operating expenses)

- Total Capital Works Program of \$21.64M (2016/17 - \$21.35M)
  - o \$9.80M from Council Cash
  - o \$0.0M from borrowings
  - o \$0.26M from asset sales
  - o \$9.91M from external grants
  - o \$1.673M from reserves

#### 4. Budget Influences

##### External Influences

The preparation of the budget is influenced by the following external factors:

- The Victorian State Government has introduced a cap on rate increases from 2016/17. The cap for 2017/18 has been set at 2.0% (2016/17 - 2.5%).
- Consumer Price Index (CPI) increases on goods and services of 1.5% through the year to December quarter 2016 (ABS release 25 January 2017). Significantly below the Reserve Bank of Australia's target CPI of 2-3%.
- Reduction by the state government in the level of funding for School crossing Guards.
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervisors, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the Fire Services Property Levy Act 2012.

##### Internal Influences

As well as external influences, there are also a number of internal influences which have a significant impact on the preparation of the 2017/18 Budget. These matters and their financial impact are set out below:

- The outcomes of the renegotiation of Council's Enterprise Bargaining Agreement covering the Strategic Resource Plan period.
- Transitioning to the National Disability Insurance Scheme (NDIS) impacting the resources required in the Council's Older Persons/Health and Community Care Services.
- Further resource diversion as a result of the finalisation of the disaster recovery works.
- Estimated Bushfire expenditure relating to recovery works from the December 2015 Wye River/Separation Creek Bushfires as follows:  
Bushfire Operating expenditure: \$0.57 million  
Bushfire Capital expenditure: \$2.15m
- Estimated Flood expenditure relating to recovery works from the August Flood event as follows:  
Flood Operating expenditure: \$0.25 million  
Flood Capital expenditure: \$1.13 million

#### 5. Advocacy and support (State and Federal Government)

Council will continue to advocate for:

- a. Colanda future use of site
- b. Great Ocean Road Authority
- c. Public transport improvements including:
  - i. Increased Vline services between Colac and Geelong
- d. Implementation of the Advocacy Strategy 2017-2020.

#### 6. Cost Shifting

Cost shifting occurs when Commonwealth and State programs transfer responsibilities to local government with insufficient funding or grants which don't keep pace with delivery costs.

##### *Type 1: Cost Shifting for Specific Services*

Examples

1. Home and Community Care (HACC)
2. State Emergency Service (SES)
3. Fire Management Services
4. Maternal & Child Health
5. School Crossing Supervision
6. Administration of the state wide temporary food registration system 'Stretrader'

##### *Type 2: Loss of funding in General*

7. A freeze on indexation of the federal financial assistance grants. The Commonwealth announced in its 2014/2015 budget that it will pause indexation of the total national pool of financial assistance grants to local government for three years. The 2017 budget indicated the freeze will be lifted for 2017/2018, we have not factored this in the budget as this has not been formally notified at the time of the completion of the budget.

##### *Type 3: Statutory fee that prohibits full cost recovery*

9. After freezing planning fees since 2009 the State Government in October 2016 increased the allowable fee that Council may charge for these services. While this belated action is welcomed the new fees still do not cover the full cost of providing the service hence rate payers are still forced to subsidise the activities of developers across the city.

##### *Type 4: Levies*

10. State Government landfill levy - The levy has increased from \$9 per tonne in 2008/2009 to a forecast \$63.27 per tonne in 2017/18. The increase from 2016/17 to 2017/18 is approximately 2%

##### *Type 5: Statutory requirements lead to increased costs*

11. Increased reporting requirements (i.e. Local government Performance reporting framework)

## Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 16 of this report.

This section includes the following reports and statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

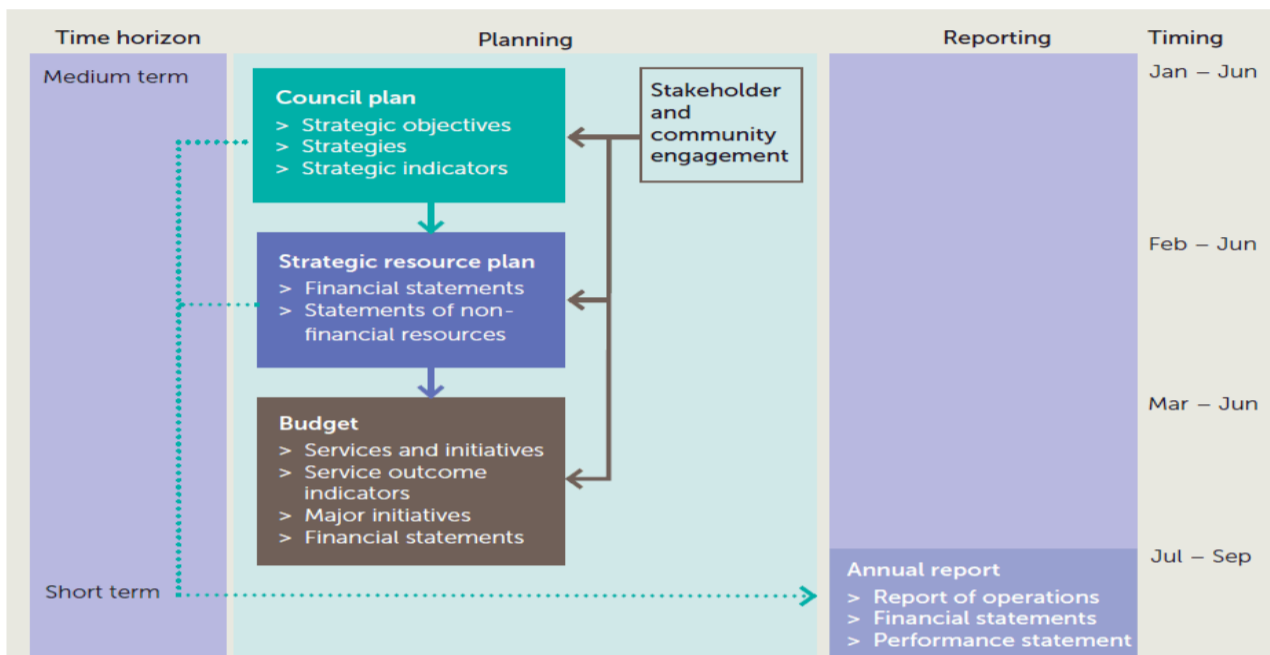
- 1 Links to Council Plan
- 2 Services and service indicators
- 3 Financial Statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

## 1. Link to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term, medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

### 1.1 Planning and accountability framework

The Strategic Resource Plan, is part of and prepared in conjunction with the Council Plan, and is a rolling four year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, taking into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

In addition to the above, Council has a long term plan which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term Community Plan.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

### 1.2 Our purpose

#### Our vision "Towards a prosperous future"

The Councillors at Colac Otway Shire commit to plan for growth in business and employment for our town and settlements; The delivery of high quality services that meet community needs and demonstrate value for money; and to be leaders and work together as a team with the community and the organisation to achieve our goals for shire.

#### Our values

- **Respect** - Be open and consistent in our dealings with people and respect their views.
- **Integrity** - We will work in an open and transparent way, ensuring our processes, decisions and actions are ethical, responsible and honest.
- **Goodwill** - We will have an attitude of kindness and friendliness and build a good relationship with our customers and community.
- **Honesty** - We will be consistent, keep our promises, admit our mistakes and clearly communicate our decisions.
- **Trust** - We will act honestly, openly and fairly to build levels of trust.

### 1.3 Strategic objectives

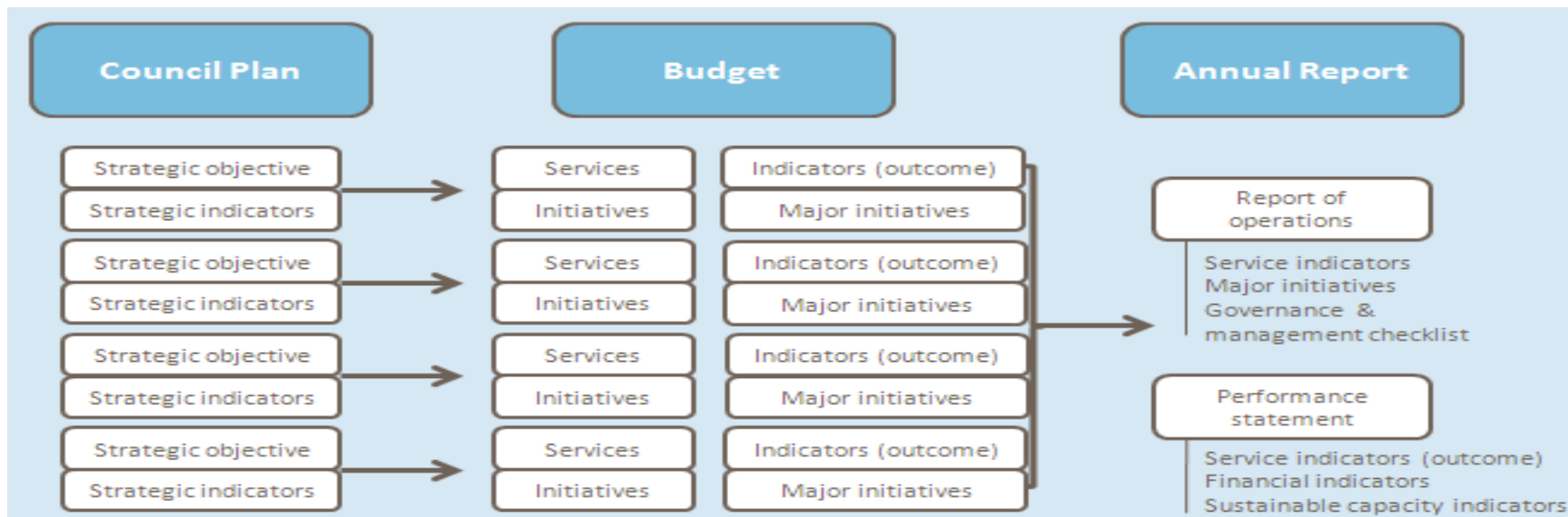
Council delivers activities and initiatives under major service categories. Each contributes to the achievement of one of the four Strategic Objectives as set out in the 2017-2021 Council Plan. The following table lists the four Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. Our Prosperity	We work together to improve the prosperity of our people, businesses and community partners by working to promote our beautiful shire as an attractive place to invest, live and work.
2. Our Places	Our places are well-planned. We work with local and government partners to plan healthy, safe environments which promote community life and enhance well-being. Our infrastructure assets are managed so that they are sustainable for the long term.
3. Our Community	We work to know our community and to understand their needs and aspirations. We plan our assets and services to meet community need and to foster a culture of good service and partnership with others.
4. Our Leadership & Management	We will work together with our community to create a sustainable future. We will deliver value for money for ratepayers in everything we do and we will achieve long term sustainability and transparent community leadership.



## 2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2017/18 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives, initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify initiatives, major initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

Services for which there are prescribed performance indicators to be reported on in accordance with the Regulations are shown in **bold** and underlined in the following sections.

### 2.1 Strategic Theme 1: Our Prosperity

We work together to improve the prosperity of our people, businesses and community partners by working to promote our beautiful shire as an attractive place to invest, live and work.

#### Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Building Control	This service provides for planned building developments to meet present and future community requirements.	560 <u>(135)</u> <b>425</b>
Events	This service provides for active community involvement in the provisioning of management and support for community entertainment and events.	268 <u>(1)</u> <b>267</b>
Economic Development	This service facilitates a healthy and resilient economy by providing effective leadership, advocacy, and partnership, by working with government business and the community.	1,762 <u>(814)</u> <b>947</b>
Tourism	This service provides economic benefit by promoting the Shire as a location for visitors to enjoy, explore and return to. Visitor information is provided via Council's two Visitor Information Centres and via media.	987 <u>(368)</u> <b>619</b>
Apollo Bay Harbour	This service manages and maintains the Apollo Bay Harbour for the enjoyment of the community.	1,196 <u>(918)</u> <b>278</b>
Colac Livestock Selling Centre	This service provides a vital link in our rural infrastructure by providing a marketplace for buying and selling livestock.	408 <u>(600)</u> <b>(192)</b>
Statutory Planning	This service fulfils Council's statutory obligations in being the responsible authority for the management and regulation of land use and development, with the aim of achieving sustainable outcomes in the interests of current and future generations.	966 <u>(283)</u> <b>683</b>
Strategic Planning	This service ensures that land use planning is undertaken to meet the sustainable long term needs of current and future generations.	566 <u>(93)</u> <b>473</b>

Major Initiatives	Expenditure \$'000
Streamlining Planning Scheme	50
Apollo Bay Harbour Precinct Expression of Interest (EOI) process and Development Plan	150

#### LGPRF Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100

*NB: Indicators shown above are based on the 2015-16 reporting period these may be subject to change.*

## 2.2 Strategic Theme 2: Our Places

Our places are well-planned. We work with local and government partners to plan healthy, safe environments which promote community life and enhance well-being. Our infrastructure assets are managed so that they are sustainable for the long term.

### Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Emergency Management	This service provides for the necessary support for the community in the case of an emergency event occurring.	234 0 <b>234</b>
Environment	This service provides for management of our natural environment to the betterment and enjoyment of all members of our community.	719 (5) <b>714</b>
Fire Prevention	This service promotes community safety by aiming to eliminate potential fire risks within our community.	3,292 (2,648) <b>643</b>
Infrastructure Services	This service provides for the physical assets required by the community to maintain a happy, healthy and sustainable lifestyle.	4,230 (731) <b>3,499</b>
Parks, Gardens and Reserves	This service provides for the maintenance of open space for the enjoyment of all community members.	1,321 0 <b>1,321</b>
Street Lighting	This service actively promotes community safety by providing a clear and safe environment in our towns after dark.	107 0 <b>107</b>
Waste Management	This service provides for the efficient and effective control of waste products produced by our community. It includes the provision of waste collection services as well as for disposal to landfill.	3,275 (3,072) <b>203</b>

Major Initiatives	Expenditure \$'000
Sealed Road Reconstruction Programme	2,751
Unsealed Road Resheet Programme	1,400
Colac CBD and Entrances Programme	1,950
Lake Colac masterplan implementation	500
Waste Management Services contract review	60

### LGPRF Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads
Environment	Greenhouse Emission Target	Reduction in the proportion of greenhouse gas emissions for the Colac Otway Shire Council.	[Sum of emissions for council buildings, street lights and council fleet / total council greenhouse gas emissions] x100
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

*NB: Indicators shown above are based on the 2015-16 reporting period these may be subject to change.*

### 2.3 Strategic Theme 3: Our Community

We work to know our community and to understand their needs and aspirations. We plan our assets and services to meet community need and to foster a culture of good service and partnership with others.

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Arts & Culture	This service is responsible for the management and provision of arts and cultural services to the community. This service is responsible for the running of the Colac Otway Performing Arts & Cultural Centre.	1,244 (574) <b>670</b>
Recreation	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	335 0 <b>335</b>
Bluewater Leisure Centre	This service actively promotes a healthy lifestyle for our community by directly providing swimming and gymnasium facilities.	1,786 (1,266) <b>521</b>
Local Laws	This service provides for community safety and health by providing for a framework for behaviours which affect our community well-being.	910 (520) <b>390</b>
Public Health	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	441 (177) <b>263</b>
Older Persons & Disability Services	This service provides support to older and disabled members of our community in order to sustain quality of life for all our residents.	2,970 (2,251) <b>719</b>
Children and Family Services	This service provides support to our children, families and youth to encourage and nurture their growth and development.	957 (695) <b>262</b>
Library Service	The library service provides resources and oversight to the Corangamite Regional Library Corporation for the provision of information, education, recreation and enrichment for the community.	742 (26) <b>716</b>

Major Initiatives	Expenditure \$'000
New Sports Shelter and amenities at Colac Secondary College Community Sports Field	240
DHHS Budget Grant Regional Assessment Service Coordinator (Grant Funded)	174

#### LGPRF Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population

NB: Indicators shown above are based on the 2015-16 reporting period these may be subject to change.

## 2.4 Strategic Theme 4: Our Leadership & Management

We will work together with our community to create a sustainable future. We will deliver value for money for ratepayers in everything we do and we will achieve long term sustainability and transparent community leadership.

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Councillors and Chief Executive Office	This area of governance includes the Mayor, Councillors, Chief Executive Officer, Business Improvement Officer and Public Relations Team and associated support which cannot be easily attributed to the direct service provision areas.	1,724 0 <b>1,724</b>
Finance, Property and Rates	This service has the responsibility to generate revenue for Council via rate, levies and charges and to provide sustainable and accountable financial management of Council's resources.	1,998 (3,675) <b>(1,677)</b>
Customer Service	This service has the responsibility to provide the first point of contact between Council and the public through Council's Customer Service Centres. The service provides overall corporate customer service to the wider community and assists all areas of Council with the provision of corporate responsibility.	601 (1) <b>600</b>
Corporate Services Management	This service has the responsibility to maintain strong governance and administrative systems and to ensure that these systems are responsive, accountable and transparent to internal users and community needs.	437 (22) <b>414</b>
Contract Management Service	This service provides oversight and governance on contractual and procurement services undertaken by Council	121 0 <b>121</b>
Information Services	This service provides management and governance of information flows, storage and retrieval within the organisation in accordance with appropriate legislation and standards.	2,250 0 <b>2,250</b>
People, Performance & Culture	This service provides and develops a culture of high performance, productivity and accountability across the organisation.	731 0 <b>731</b>
Risk Management Services	This service has the responsibility to identify, record and manage all business risk associated with Council's activities. This service manages Council's insurance portfolio.	722 0 <b>722</b>

Major Initiatives	Expenditure \$'000
Information Technology Hardware Renewal program	186
Enhanced Financial & Statutory Reporting Capability project	140

### LGPRF Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community

*NB: Indicators shown above are based on the 2015-16 reporting period these may be subject to change.*

## 2.7 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2017/18 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

## 2.8 Reconciliation with budgeted operating result

	Net Cost		
	Total \$'000	Expenditure \$'000	(Revenue) \$'000
Our Prosperity	3,502	6,714	(3,212)
Our Places	6,722	13,178	(6,456)
Our Community	3,876	9,384	(5,508)
Our Leadership & Management	4,884	8,582	(3,698)
<b>Total services and initiatives</b>	<b>18,984</b>	<b>37,859</b>	<b>(18,874)</b>
Other non-attributable	10,027		
<b>Deficit before funding sources</b>	<b>29,011</b>		
<b>Funding sources:</b>			
Rates & charges (excluding Waste)	(26,368)		
Capital grants	(10,185)		
<b>Total funding sources</b>	<b>(36,553)</b>		
<b>Surplus for the year</b>	<b>(7,542)</b>		

### 3. Financial Statements

This section presents information in regard to the Financial Statements. The budget information for the years 2017/18 to 2020/21 has been extracted from the Strategic Resource Plan.

This section includes the following financial statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources

### 3.1 Comprehensive Income Statement

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	Projections 2019/20 \$'000	2020/21 \$'000
<b>Income</b>					
Rates and charges	28,789	<b>29,238</b>	29,823	30,419	31,028
Statutory fees and fines	672	<b>730</b>	744	759	775
User fees	4,324	<b>4,540</b>	4,631	4,724	4,818
Grants - Operating	14,223	<b>9,478</b>	9,624	11,125	8,624
Grants - Capital	12,146	<b>10,185</b>	7,449	7,523	8,672
Contributions - monetary	341	<b>485</b>	485	485	485
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	83	<b>147</b>	147	147	147
Share of net profits/(losses) of associates and joint ventures	30	<b>7</b>	7	7	7
Other income	722	<b>616</b>	626	635	645
<b>Total income</b>	<b>61,331</b>	<b>55,427</b>	<b>53,536</b>	<b>55,825</b>	<b>55,201</b>
<b>Expenses</b>					
Employee costs	18,851	<b>18,982</b>	19,165	19,740	20,332
Materials and services	16,478	<b>16,450</b>	16,762	17,098	17,440
Bad and doubtful debts	2	<b>2</b>	2	2	2
Depreciation and amortisation	9,430	<b>10,027</b>	10,343	10,663	10,986
Borrowing costs	269	<b>226</b>	181	122	74
Other expenses	2,237	<b>2,199</b>	1,970	1,789	1,858
<b>Total expenses</b>	<b>47,267</b>	<b>47,886</b>	<b>48,424</b>	<b>49,414</b>	<b>50,692</b>
<b>Surplus/(deficit) for the year</b>	<b>14,064</b>	<b>7,542</b>	<b>5,112</b>	<b>6,411</b>	<b>4,509</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus/(deficit) in future periods</b>					
Net asset revaluation increment/(decrement)	0	<b>0</b>	0	0	0
Share of other comprehensive income of associates and joint ventures	0	<b>0</b>	0	0	0
<b>Items that may be reclassified to surplus or deficit in future periods</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive result</b>	<b>14,064</b>	<b>7,542</b>	<b>5,112</b>	<b>6,411</b>	<b>4,509</b>

### 3.2 Balance Sheet

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	15,998	<b>10,857</b>	9,933	9,752	8,908
Trade and other receivables	2,075	<b>1,873</b>	1,906	1,988	1,966
Inventories	255	<b>50</b>	50	50	50
<b>Total current assets</b>	<b>18,328</b>	<b>12,781</b>	<b>11,890</b>	<b>11,790</b>	<b>10,924</b>
<b>Non-current assets</b>					
Trade and other receivables	0	<b>0</b>	0	0	0
Investments in associates and joint ventures	304	<b>311</b>	313	314	316
Property, infrastructure, plant & equipment	285,468	<b>296,735</b>	301,873	306,848	311,659
Intangible assets	46	<b>46</b>	46	46	46
<b>Total non-current assets</b>	<b>285,818</b>	<b>297,092</b>	<b>302,231</b>	<b>307,208</b>	<b>312,021</b>
<b>Total assets</b>	<b>304,146</b>	<b>309,873</b>	<b>314,121</b>	<b>318,998</b>	<b>322,945</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	2,833	<b>2,377</b>	2,388	2,407	2,460
Trust funds and deposits	681	<b>671</b>	671	671	671
Provisions	5,073	<b>4,487</b>	4,770	4,891	5,016
Interest-bearing loans and borrowings	604	<b>649</b>	1,197	286	142
<b>Total current liabilities</b>	<b>9,191</b>	<b>8,184</b>	<b>9,025</b>	<b>8,256</b>	<b>8,289</b>
<b>Non-current liabilities</b>					
Provisions	3,735	<b>3,576</b>	3,067	2,589	2,136
Interest-bearing loans and borrowings	3,370	<b>2,721</b>	1,524	1,238	1,096
<b>Total non-current liabilities</b>	<b>7,105</b>	<b>6,297</b>	<b>4,591</b>	<b>3,827</b>	<b>3,232</b>
<b>Total liabilities</b>	<b>16,296</b>	<b>14,481</b>	<b>13,617</b>	<b>12,083</b>	<b>11,521</b>
<b>Net assets</b>	<b>287,850</b>	<b>295,392</b>	<b>300,504</b>	<b>306,915</b>	<b>311,424</b>
<b>Equity</b>					
Accumulated surplus	123,041	<b>135,666</b>	143,283	151,834	158,625
Reserves	164,809	<b>159,726</b>	157,221	155,081	152,799
<b>Total equity</b>	<b>287,850</b>	<b>295,392</b>	<b>300,504</b>	<b>306,915</b>	<b>311,424</b>



### 3.3 Statement of Changes in Equity

For the four years ending 30 June 2021

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2016/17 Forecast</b>				
Balance at beginning of the financial year	273,786	114,600	148,936	10,250
Surplus/(deficit) for the year	14,064	14,064	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(17,846)	0	17,846
Transfer from other reserves	0	12,223	0	(12,223)
<b>Balance at end of the financial year</b>	<b>287,850</b>	<b>123,041</b>	<b>148,936</b>	<b>15,873</b>
<b>2017/18 Budget</b>				
Balance at beginning of the financial year	287,850	123,041	148,936	15,873
Surplus/(deficit) for the year	7,542	7,542	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(8,847)	0	8,847
Transfer from other reserves	0	13,931	0	(13,931)
<b>Balance at end of the financial year</b>	<b>295,392</b>	<b>135,666</b>	<b>148,936</b>	<b>10,790</b>
<b>2018/2019 Strategic Resource Plan</b>				
Balance at beginning of the financial year	295,392	135,666	148,936	10,790
Surplus/(deficit) for the year	5,112	5,112	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(1,618)	0	1,618
Transfer from other reserves	0	4,123	0	(4,123)
<b>Balance at end of the financial year</b>	<b>300,504</b>	<b>143,283</b>	<b>148,936</b>	<b>8,285</b>
<b>2019/2020 Strategic Resource Plan</b>				
Balance at beginning of the financial year	300,504	143,283	148,936	8,285
Surplus/(deficit) for the year	6,411	6,411	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(1,639)	0	1,639
Transfer from other reserves	0	3,780	0	(3,780)
<b>Balance at end of the financial year</b>	<b>306,915</b>	<b>151,834</b>	<b>148,936</b>	<b>6,145</b>
<b>2020/2021 Strategic Resource Plan</b>				
Balance at beginning of the financial year	306,915	151,834	148,936	6,145
Surplus/(deficit) for the year	4,509	4,509	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(1,661)	0	1,661
Transfer from other reserves	0	3,943	0	(3,943)
<b>Balance at end of the financial year</b>	<b>311,424</b>	<b>158,625</b>	<b>148,936</b>	<b>3,863</b>

### 3.4 Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	29,254	<b>29,438</b>	29,794	30,341	31,054
Statutory fees and fines	672	<b>730</b>	744	759	775
User fees	4,324	<b>4,540</b>	4,631	4,724	4,818
Grants - operating	14,223	<b>9,478</b>	7,449	7,523	8,672
Grants - capital	12,146	<b>10,185</b>	9,624	11,125	8,624
Contributions - monetary	341	<b>485</b>	485	485	485
Other receipts	722	<b>616</b>	626	635	645
Employee costs	(19,003)	<b>(19,727)</b>	(19,391)	(20,097)	(20,661)
Materials and services	(16,430)	<b>(16,701)</b>	(16,752)	(17,078)	(17,387)
Trust funds and deposits repaid	(1)	<b>(10)</b>	0	0	0
Other payments	(2,237)	<b>(2,199)</b>	(1,970)	(1,789)	(1,858)
<b>Net cash provided by/(used in) operating activities</b>	<b>24,012</b>	<b>16,836</b>	15,240	16,629	15,167
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(21,452)	<b>(21,637)</b>	(15,824)	(15,981)	(16,140)
Proceeds from sale of property, infrastructure, plant and equipment	269	<b>490</b>	490	490	490
<b>Net cash provided by/ (used in) investing activities</b>	<b>(21,183)</b>	<b>(21,147)</b>	(15,334)	(15,491)	(15,650)
<b>Cash flows from financing activities</b>					
Finance costs	(269)	<b>(226)</b>	(181)	(122)	(74)
Repayment of borrowings	(799)	<b>(604)</b>	(649)	(1,197)	(286)
<b>Net cash provided by/(used in) financing activities</b>	<b>(1,068)</b>	<b>(830)</b>	(830)	(1,319)	(360)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>1,761</b>	<b>(5,141)</b>	(924)	(181)	(844)
Cash and cash equivalents at the beginning of the financial year	14,237	<b>15,998</b>	10,857	9,933	9,752
<b>Cash and cash equivalents at the end of the financial year</b>	<b>15,998</b>	<b>10,857</b>	9,933	9,752	8,908

### 3.5 Statement of Capital Works

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
<b>Property</b>					
Land	0	500	0	0	0
Buildings	4,417	4,419	4,654	6,976	7,135
<b>Total land &amp; Buildings</b>	<b>4,417</b>	<b>4,919</b>	<b>4,654</b>	<b>6,976</b>	<b>7,135</b>
<b>Total property</b>	<b>4,417</b>	<b>4,919</b>	<b>4,654</b>	<b>6,976</b>	<b>7,135</b>
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,183	1,683	350	350	350
Fixtures, fittings and furniture	428	237	715	230	230
Computers and telecommunications	265	527	560	350	350
<b>Total plant and equipment</b>	<b>1,876</b>	<b>2,447</b>	<b>1,625</b>	<b>930</b>	<b>930</b>
<b>Infrastructure</b>					
Roads	12,201	7,311	6,908	6,100	6,100
Bridges	214	650	550	500	500
Footpaths and cycleways	1,445	525	987	425	425
Drainage	406	3,445	600	600	600
Other infrastructure	795	2,340	500	450	450
<b>Total infrastructure</b>	<b>15,061</b>	<b>14,271</b>	<b>9,545</b>	<b>8,075</b>	<b>8,075</b>
<b>Total capital works expenditure</b>	<b>21,355</b>	<b>21,637</b>	<b>15,824</b>	<b>15,981</b>	<b>16,140</b>
<b>Represented by:</b>					
New asset expenditure	1,285	7,755	0	0	0
Asset renewal expenditure	15,934	12,309	15,374	15,531	15,690
Asset upgrade expenditure	4,136	1,572	450	450	450
<b>Total capital works expenditure</b>	<b>21,355</b>	<b>21,637</b>	<b>15,824</b>	<b>15,981</b>	<b>16,140</b>

### 3.6 Statement of Human Resources

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
<b>Staff expenditure</b>					
Employee costs - operating	18,851	<b>18,982</b>	19,361	19,942	20,540
Employee costs - capital	449	<b>700</b>	887	770	770
<b>Total staff expenditure</b>	<b>19,301</b>	<b>19,682</b>	<b>20,248</b>	<b>20,712</b>	<b>21,310</b>
	EFT	EFT	EFT	EFT	EFT
<b>Staff numbers</b>					
Employees	231.6	<b>223.8</b>	219.1	219.1	219.1
<b>Total staff numbers</b>	<b>231.6</b>	<b>223.8</b>	<b>219.1</b>	<b>219.1</b>	<b>219.1</b>

There has been no increase in permanent staffing levels. Overall Council's EFT has decreased by 7.8 EFT due to the winding down of staff levels dedicated to disaster recovery works resulting from the Christmas Day 2015 bushfires in Wye River and Separation Creek and 2016 Flood event. All costs for the remaining 4.7 EFT in relation to disaster recovery works are fully recoverable by council under Natural Disaster Relief and Recovery Arrangements (NDRRA). The staffing levels in the 2018/19 to 2020/21 years reflects the base level of staff once Disaster recovery works are completed.

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Department	Budget 2017/18 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Chief Executive Office	796	724	72
Corporate Services	3,668	3,025	643
Development and Community Services	7,026	3,981	3,045
Infrastructure and Leisure Services	7,299	6,931	369
Disaster Recovery	192	102	90
<b>Total permanent staff expenditure</b>	<b>18,982</b>	<b>14,762</b>	<b>4,219</b>
Other Staff expenditure	0		
<b>Total expenditure</b>	<b>18,982</b>		
Capitalised labour costs	700		

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
Chief Executive Office	5.5	5.0	0.5
Corporate Services	36.9	30.4	6.5
Development and Community Services	77.7	44.0	33.7
Infrastructure and Leisure Services	93.5	88.8	4.7
Disaster Recovery	4.7	2.5	2.2
<b>Total</b>	<b>218.3</b>	<b>170.7</b>	<b>47.6</b>
Casuals and other	5.5		
<b>Total staff</b>	<b>223.8</b>		
Capitalised labour costs (inclusive in the above EFT numbers)	8.9		

#### 4. Financial performance indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be interpreted in the context of the organisation's objectives.

Indicator	Measure	Notes	Actual 2015/16	Forecast Actual 2016/17	Budget 2017/18	Strategic Resource Plan Projections			Trend +/-
						2018/19	2019/20	2020/21	
<b>Operating position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	1.9%	16.1%	0.3%	3.5%	1.7%	(2.7)%	-
<b>Liquidity</b>									
Working Capital	Current assets / current liabilities	2	197.5%	199.4%	156.2%	131.7%	142.8%	131.8%	-
Unrestricted cash	Unrestricted cash / current liabilities		123.9%	130.6%	91.9%	73.1%	77.7%	67.2%	-
<b>Obligations</b>									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	17.3%	13.8%	11.5%	9.1%	5.0%	4.0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.3%	3.7%	2.8%	2.8%	4.3%	1.2%	+
Indebtedness	Non-current liabilities / own source revenue		25.5%	20.5%	17.8%	12.8%	10.4%	8.6%	+
Asset renewal	Asset renewal expenditure / depreciation	4	97.6%	169.0%	122.8%	148.6%	145.7%	142.8%	+
<b>Stability</b>									
Rates concentration	Rate revenue / adjusted underlying revenue	5	60.9%	51.1%	60.9%	59.5%	60.5%	62.8%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	o
<b>Efficiency</b>									
Expenditure level	Total expenditure / no. of property assessments		\$2,983	\$3,145	\$3,165	\$3,185	\$3,233	\$3,301	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,263	\$1,245	\$1,262	\$1,280	\$1,298	\$1,316	+

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

#### Notes to indicators

**1. Adjusted underlying result** – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. The spike in 2016/17 relates to disaster recovery operational funding to be received and the prepayment of the Federal Assistance Grants, the gradual decrease over the SRP forecast period is a direct reflection of the tightening margins expected under a rate cap environment and conservative income estimates for externally sourced revenue (i.e. grants).

**2. Working Capital** - The proportion of current liabilities represented by current assets. The tightening of the cash position is reflected in the continuing decrease in working capital ratio.

**3. Debt compared to rates** - The steep decrease in this ratio reflects the effect of continuing payback and maturity of debt without any forecast new borrowings.

**4. Asset renewal** - This percentage indicates the extent of Council's renewals and upgrades against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

During 2016/17 there are additional capital works undertaken for disaster recovery which has inflated the result in this ratio, the Strategic Resource Plan period returns to more normal levels with a continued focus on Asset renewal.

**5. Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Rates remain an important source of revenue for the go forward as reflected in the results in this ratio.

## **5. Other budget information (required by the Regulations)**

This section presents other budget related information required by the Regulations.

This section includes the following statements and reports

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

### 5.1.1 Grants operating - (\$4.74 million decrease)

Operating grants include all monies received from State and Federal sources for the purpose of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to decrease by 33.4% or \$4.74 million compared to 2016/17. The majority of the movement relates to the prepayment of the Federal Assistance Grants in 2016/17. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below:

Grants - operating	Forecast	Budget	Variance
	Actual 2016/17 \$'000	2017/18 \$'000	\$'000
<i>Recurrent - Commonwealth Government</i>			
Victorian Grants Commission	9,132	2,904	(6,228)
Family day care	374	377	3
General home care	65	69	4
Diesel	40	50	10
Other	2	22	20
<i>Recurrent - State Government</i>			
Aged and disability services	1,402	1,416	14
Port management	800	805	5
Economic development and events	0	0	0
Environment and protection services	107	355	248
Arts and Leisure	108	114	5
Planning, Building & Health	0	0	0
Health & Community Services	9	9	0
Other	0	100	100
<b>Total recurrent grants</b>	<b>12,038</b>	<b>6,220</b>	<b>(5,818)</b>
<i>Non-recurrent - Commonwealth Government</i>			
Drainage maintenance	0	0	0
Environmental planning	0	0	0
<i>Non-recurrent - State Government</i>			
Community health	3	0	(3)
Economic development and events	0	800	800
Planning, Building & Health	100	90	(10)
Environment and protection services	2,082	2,368	287
<b>Total non-recurrent grants</b>	<b>2,185</b>	<b>3,258</b>	<b>1,074</b>
<b>Total operating grants</b>	<b>14,223</b>	<b>9,478</b>	<b>(4,745)</b>

### 5.1.2 Grants capital (\$1.96 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 16.1% or \$1.96 million compared to 2016/17 due mainly to the winding down of disaster recovery works. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2017/18 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Grants - capital	Forecast		
	Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	2,876	2,491	(385)
<i>Recurrent - State Government</i>			
Apollo Bay	0	276	276
Total recurrent grants	<b>2,876</b>	<b>2,767</b>	<b>(109)</b>
<i>Non-recurrent - Commonwealth Government</i>			
Buildings	0	3,140	3,140
Parks, Open Space and Streetscapes	0	100	100
Footpath and Cycleways	300	500	200
Recreational, Leisure and Community Facilities	100	0	(100)
<i>Non-recurrent - State Government</i>			
Buildings	2,282	100	(2,182)
Flood Recovery	614	2,353	1,739
Bushfire Recovery	5,974	0	(5,974)
Parks, Open Space and Streetscapes	0	250	250
Footpath and Cycleways	0	975	975
Total non-recurrent grants	<b>9,270</b>	<b>7,418</b>	<b>(1,852)</b>
Total capital grants	<b>12,146</b>	<b>10,185</b>	<b>(1,961)</b>

### 5.1.3 Statement of Borrowings

The table below shows information on borrowings specifically required by the Regulations.

	2016/17	2017/18
Total amount borrowed as at 30 June of the prior year	4,773	3,974
Total amount proposed to be borrowed	0	0
Total amount projected to be redeemed	(799)	(604)
Total amount of borrowings as at 30 June	3,974	3,370



## 6. Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2017/18 year.

The capital works projects are grouped by class and include the following:

- New works for 2017/18
- Works carried forward from the 2016/17 year.

### Capital works program

For the year ending 30 June 2018

Capital Works Area	Project cost	Asset expenditure type			Summary of funding sources			
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Borrowing
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>6.1 New Works</b>								
<b><u>Property</u></b>								
<b>Land</b>								
Lake Colac Master Plan Implementation	\$250	\$0	\$0	\$250	\$250	\$0	\$0	\$0
<b>Buildings</b>								
Apollo Bay Kindergarten relocation to P12 as per Council resolution	\$3,090	\$3,090	\$0	\$0	\$2,790	\$150	\$150	\$0
Irrewarra-Beeac Netball Facilities Upgrade	\$181	\$0	\$0	\$181	\$100	\$51	\$30	\$0
Building renewal Program	\$1,008	\$0	\$1,008	\$0	\$350	\$58	\$600	\$0
Solar Power Generation - Colac Library Solar PV System (50kW)	\$80	\$80	\$0	\$0	\$0	\$0	\$80	\$0
<b>Total property</b>	<b>\$4,609</b>	<b>\$3,170</b>	<b>\$1,008</b>	<b>\$431</b>	<b>\$3,490</b>	<b>\$259</b>	<b>\$860</b>	<b>\$0</b>
<b><u>Plant and equipment</u></b>								
<b>Plant, machinery and equipment</b>								
Bluewater Gym Equipment Renewal Plan	\$52	\$0	\$52	\$0	\$0	\$0	\$52	\$0
Light Fleet Replacement Program	\$651	\$0	\$651	\$0	\$0	\$0	\$651	\$0
Heavy Plant Replacement Program	\$880	\$0	\$880	\$0	\$0	\$0	\$880	\$0
<b>Fixtures, fittings and furniture</b>								
Office Furniture Replacement Program	\$30	\$0	\$30	\$0	\$0	\$0	\$30	\$0
<b>Computers and telecommunications</b>								
Information Technology Hardware Renewal program	\$186	\$0	\$186	\$0	\$0	\$0	\$186	\$0
Windows 10 upgrade	\$46	\$0	\$0	\$46	\$0	\$0	\$46	\$0
Network storage renewal - Disaster Recovery	\$250	\$0	\$250	\$0	\$0	\$0	\$250	\$0
Statutory Planning software	\$30	\$30	\$0	\$0	\$0	\$0	\$30	\$0
Authority 6.12 upgrade	\$15	\$0	\$0	\$15	\$0	\$0	\$15	\$0
<b>Total plant and equipment</b>	<b>\$2,140</b>	<b>\$30</b>	<b>\$2,049</b>	<b>\$61</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,140</b>	<b>\$0</b>

Capital Works Area	Project cost	Asset expenditure type			Summary of funding sources			
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Borrowing
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Infrastructure</b>								
<b>Roads</b>								
Unsealed Road Restoration	\$60	\$0	\$60	\$0	\$60	\$0	\$0	\$0
Queen Street upgrade - Pound road to Hearn Street	\$385	\$0	\$385	\$0	\$0	\$0	\$385	\$0
Asphalt Overlay Program	\$100	\$0	\$100	\$0	\$0	\$0	\$100	\$0
Unsealed Road Resheet Program	\$1,400	\$0	\$1,400	\$0	\$0	\$0	\$1,400	\$0
Kerb and Channel Replacement Program	\$75	\$0	\$75	\$0	\$0	\$0	\$75	\$0
Landslip Rehabilitation Program	\$200	\$0	\$200	\$0	\$0	\$0	\$200	\$0
Road Safety Devices	\$50	\$50	\$0	\$0	\$0	\$0	\$50	\$0
Local Roads Reseal Program	\$900	\$0	\$900	\$0	\$0	\$0	\$900	\$0
Sealed Road Reconstruction Program	\$2,491	\$0	\$2,491	\$0	\$2,491	\$0	\$0	\$0
Sealed Roads Major Patch Program	\$300	\$0	\$300	\$0	\$0	\$0	\$300	\$0
Rehabilitation of Cape Otway Road	\$25	\$0	\$25	\$0	\$0	\$0	\$25	\$0
Road Improvement Program	\$750	\$0	\$0	\$750	\$0	\$0	\$750	\$0
<b>Bridges</b>								
Bridge rehabilitation Program	\$650	\$0	\$650	\$0	\$0	\$0	\$650	\$0
<b>Footpaths and cycleways</b>								
Footpath Replacement Program	\$250	\$0	\$250	\$0	\$0	\$0	\$250	\$0
Footpath Extension Program	\$275	\$275	\$0	\$0	\$0	\$0	\$275	\$0
<b>Drainage</b>								
Landslip Restoration Works	\$1,065	\$0	\$1,065	\$0	\$2,293	\$0	(\$1,228)	\$0
Stormwater drainage system -Wye River/Separation Creek	\$2,150	\$2,150	\$0	\$0	\$0	\$0	\$2,150	\$0
Urban drainage renewal Program	\$150	\$0	\$150	\$0	\$0	\$0	\$150	\$0
Colac Drainage Implementation - Colac 2050 Project	\$80	\$0	\$0	\$80	\$0	\$0	\$80	\$0
<b>Other infrastructure</b>								
Colac CBD Revitalisation Project	\$1,475	\$1,475	\$0	\$0	\$1,475	\$0	\$0	\$0
Town Signage	\$30	\$30	\$0	\$0	\$0	\$0	\$30	\$0
Active Reserves Renewal Program	\$50	\$0	\$50	\$0	\$0	\$0	\$50	\$0
Street Furniture Renewal Program	\$100	\$0	\$100	\$0	\$0	\$0	\$100	\$0
Open Space Renewal Program	\$50	\$0	\$50	\$0	\$0	\$0	\$50	\$0
Playground Renewal Program	\$160	\$0	\$160	\$0	\$100	\$0	\$60	\$0
<b>Total infrastructure</b>	<b>\$13,222</b>	<b>\$3,980</b>	<b>\$8,412</b>	<b>\$830</b>	<b>\$6,419</b>	<b>\$0</b>	<b>\$6,802</b>	<b>\$0</b>
<b>Total capital works expenditure</b>	<b>\$19,970</b>	<b>\$7,180</b>	<b>\$11,468</b>	<b>\$1,322</b>	<b>\$9,909</b>	<b>\$259</b>	<b>\$9,802</b>	<b>\$0</b>

Capital Works Area	Project cost	Asset expenditure type			Summary of funding sources			
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Borrowing
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>6.2 Works carried forward from the 2016/17 Year</b>								
<b>Property</b>								
<b>Land</b>								
Lake Colac Master Plan Implementation	\$250	\$0	\$0	\$250	\$0	\$0	\$250	\$0
<b>Buildings</b>								
Memorial Square Shrine Refurbishment	\$60	\$0	\$60	\$0	\$0	\$0	\$60	\$0
<b>Total property</b>	<b>\$310</b>	<b>\$0</b>	<b>\$60</b>	<b>\$250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$310</b>	<b>\$0</b>
<b>Plant and equipment</b>								
<b>Plant, machinery and equipment</b>								
Bluewater Solar Project	\$100	\$100	\$0	\$0	\$0	\$0	\$100	\$0
<b>Fixtures, fittings and furniture</b>								
HACC Minor Capital Grant	\$35	\$0	\$35	\$0	\$0	\$0	\$35	\$0
Radio system upgrade	\$172	\$0	\$172	\$0	\$0	\$0	\$172	\$0
<b>Total plant and equipment</b>	<b>\$307</b>	<b>\$100</b>	<b>\$207</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$307</b>	<b>\$0</b>
<b>Infrastructure</b>								
<b>Roads</b>								
Queen Street upgrade - Pound road to Hearn Street	\$315	\$0	\$315	\$0	\$0	\$0	\$315	\$0
Sealed Road Reconstruction Program	\$259	\$0	\$259	\$0	\$0	\$0	\$259	\$0
<b>Other infrastructure</b>								
Colac CBD Revitalisation Project	\$475	\$475	\$0	\$0	\$0	\$0	\$475	\$0
<b>Total infrastructure</b>	<b>\$1,049</b>	<b>\$475</b>	<b>\$574</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,049</b>	<b>\$0</b>
<b>Total capital works expenditure</b>	<b>\$1,666</b>	<b>\$575</b>	<b>\$841</b>	<b>\$250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,666</b>	<b>\$0</b>
<b>6.3 Summary</b>								
PROPERTY	\$4,919	\$3,170	\$1,068	\$681	\$3,490	\$259	\$1,170	\$0
PLANT AND EQUIPMENT	\$2,447	\$130	\$2,256	\$61	\$0	\$0	\$2,447	\$0
INFRASTRUCTURE	\$14,271	\$4,455	\$8,986	\$830	\$6,419	\$0	\$7,852	\$0
<b>TOTAL CAPITAL WORKS EXPENDITURE</b>	<b>\$21,637</b>	<b>\$7,755</b>	<b>\$12,309</b>	<b>\$1,572</b>	<b>\$9,909</b>	<b>\$259</b>	<b>\$11,468</b>	<b>\$0</b>

## 7. Rates and charges

This section presents information about rates and charges which the Act and the Regulations require to be disclosed in the Council's annual budget.

### Rates and charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 50%-60% of the total revenue received by Council over the SRP period. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2017/18 the FGRS cap has been set at 2.0%. The cap applies to both general rates and municipal charges (doesn't apply to waste collection charges) and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Colac Otway Shire community.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate, municipal charge and kerbside collection charge will change as illustrated below in comparison to the 2016/17 forecast actual amounts.

Note, the below average rates movement of 0.63% (or 21 cents per week per assessment on average) relates to general rates and municipal charge only. When we include the 2.0% movement in waste collection charges we get an overall increase (inclusive of waste collection) in the average rate per assessment of 0.77% (or 28 cents per week per assessment on average).

#### 7.1 The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2016/17 cents/\$CIV	2017/18 cents/\$CIV	Change
Commercial/Industrial - BOS	0.006118	<b>0.006191</b>	<b>1.2%</b>
Commercial/Industrial - Colac	0.007210	<b>0.007297</b>	<b>1.2%</b>
Holiday Rental	0.004370	<b>0.004422</b>	<b>1.2%</b>
Residential - BOS	0.003714	<b>0.003759</b>	<b>1.2%</b>
Residential - Colac	0.004370	<b>0.004422</b>	<b>1.2%</b>
Rural Farm	0.003452	<b>0.003405</b>	<b>(1.4)%</b>

#### 7.2 The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2016/17 \$'000	2017/18 \$'000	Change
Commercial/Industrial - BOS	1,033,045	<b>1,054,297</b>	<b>2.1%</b>
Commercial/Industrial - Colac	1,991,777	<b>2,080,993</b>	<b>4.5%</b>
Holiday Rental	1,017,321	<b>1,069,118</b>	<b>5.1%</b>
Residential - BOS	7,238,841	<b>7,467,665</b>	<b>3.2%</b>
Residential - Colac	6,256,443	<b>6,327,592</b>	<b>1.1%</b>
Rural Farm	5,782,894	<b>5,714,531</b>	<b>(1.2)%</b>
<b>Total amount to be raised by general rates</b>	<b>23,320,321</b>	<b>23,714,195</b>	<b>1.7%</b>

*NB\* The movements above the average increase reflect growth in valuations and number of rateable properties*

**7.3 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year**

Type or class of land	2016/17 Number	2017/18 Number	Change
Commercial/Industrial - BOS	336	343	2.1%
Commercial/Industrial - Colac	627	631	0.6%
Holiday Rental	439	454	3.4%
Residential - BOS	5,263	5,369	2.0%
Residential - Colac	5,579	5,562	(0.3)%
Rural Farm	2,785	2,771	(0.5)%
<b>Total number of assessments</b>	<b>15,029</b>	<b>15,130</b>	<b>0.7%</b>

**7.4 The basis of valuation to be used is the Capital Improved Value (CIV)**

**7.5 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year**

Type or class of land	2016/17 \$'000	2017/18 \$'000	Change
Commercial/Industrial - BOS	168,475,000	170,283,608	1.1%
Commercial/Industrial - Colac	275,633,000	285,203,459	3.5%
Holiday Rental	232,275,000	241,748,359	4.1%
Residential - BOS	1,944,701,000	1,986,837,695	2.2%
Residential - Colac	1,428,472,000	1,430,792,128	0.2%
Rural Farm	1,671,476,000	1,678,288,624	0.4%
<b>Total value of land</b>	<b>5,721,032,000</b>	<b>5,793,153,873</b>	<b>1.3%</b>

**7.6 The municipal charge under section 159 of the Act compared with the previous financial year**

Type of Charge	2016/17 Per Rateable Property \$	2017/18 Per Rateable Property \$	Change
Municipal	182.45	184.64	1.2%

**7.7 The estimated total amount to be raised by municipal charges compared with the previous financial year**

Type of Charge	2016/17 \$'000	2017/18 \$'000	Change
Municipal	2,589,330	2,632,958	1.7%

*NB\* The movements above the average increase reflect growth in the number of rateable properties*

**7.8 The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year**

Type of Charge	2016/17 Per Rateable Property \$	2017/18 Per Rateable Property \$	Change
Weekly Kerbside collection	292	298	2.0%
Fortnightly Kerbside collection	194	198	2.0%

**7.9 The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year**

Type of Charge	2016/17 \$'000	2017/20'18 \$'000	Change
Kerbside collection	2,814	2,870	2.0%

**7.10 The estimated total amount to be raised by all rates and charges compared with the previous financial year**

Type of Charge	2016/17 Orig Budget \$'000	2017/18 \$'000	Change
General rates	23,320	23,714	1.7%
Municipal charge	2,589	2,633	1.7%
Kerbside collection and recycling	2,814	2,870	2.0%
Tirrengower Drainage Scheme	21	21	0.0%
<b>Rates and charges</b>	<b>28,744</b>	<b>29,238</b>	<b>1.7%</b>

*NB\* The movements above the average increase reflect growth in valuations and number of rateable properties*

### 7.11 Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations;
- The variation of returned levels of value (i.e. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.

### 7.12 Differential rates

#### Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.004422 cents in the dollar of CIV for all rateable residential properties in Colac and all rateable residential properties in Colac East, Colac West and Elliminyt;
- A general rate of 0.003759 cents in the dollar of CIV for any residential land which is not located in Colac, Colac East, Colac West or Elliminyt (balance of Shire);
- A general rate of 0.003405 cents in the dollar of CIV for all rateable farm land;
- A general rate of 0.004422 cents in the dollar of CIV for all rateable holiday rental properties;
- A general rate of 0.007297 cents in the dollar of CIV for all rateable commercial and industrial properties in Colac, Colac East, Colac West and Elliminyt; and
- A general rate of 0.006191 cents in the dollar of CIV for all other rateable commercial and industrial properties not located in Colac, Colac East, Colac West and Elliminyt (balance of Shire).

Each differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant rate in the dollar listed above.

Council believes each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

#### Residential Land – Colac

Any land, whether vacant or built upon, which is located in Colac, Colac East, Colac West and Elliminyt that is not zoned for commercial or industrial use and which does not have the characteristics of:

- a) Rural Farm Land;
- b) Holiday Rental Land; or
- c) Commercial/Industrial Land – Colac, Colac East, Colac West or Elliminyt.

#### Residential Land – Balance of Shire

Any land, whether vacant or built upon or which is not located in Colac, Colac East, Colac West or Elliminyt that does not have the characteristics of:

- a) Rural Farm Land;
- b) Holiday Rental Land;
- c) Commercial/Industrial Land – Colac, Colac East, Colac West or Elliminyt; or
- d) Commercial/Industrial Land – Balance of Shire.

#### Rural Farm Land

Any land located within the shire which is “Farm Land” within the meaning of section 2 of the *Valuation of Land Act* 1960 and is zoned to allow land to be used for rural and/or farming purposes.

Typically, these properties may contain buildings used as a residence and for farm purposes and will also contain land with no buildings located upon it.

A Rural – Farm property may also be any land located within the shire which:

- Is not greater than 5 hectares in area;
- Is zoned to allow the land to be used for rural and/or farming purposes;
- Has been deemed unviable for the purpose of carrying on a business of primary production by Council; and
- Has been deemed unsuitable to allow the construction of a dwelling.

#### **Holiday Rental Land**

Any land that contains a dwelling, cabin or house or part of a house that:

- is used for the provision of holiday accommodation for the purpose of generating income; or
- is made generally available for holiday accommodation and is a secondary or supplemental source of income for the owner.

*Note: Typically, the category will include absentee owned holiday houses, owner occupied “Bed and Breakfast” establishments, farm properties with accommodation cabins, holiday farms and the like.*

The category will not include land used to provide tourist/holiday accommodation on an overtly commercial scale and basis where the provision of accommodation is an integral part of the use of the property. The types of properties excluded from this category would include motels, resorts, hotels with accommodation, caravan parks, centrally managed and promoted multi unit developments and the like.

#### **Commercial/Industrial Land – Colac, Colac East, Colac West, Elliminyt**

Any land which is located in Colac, Colac East, Colac West or Elliminyt which does not have the characteristics of:

- a) Rural Farm Land;
- b) Residential Land – Colac, Colac East, Colac West or Elliminyt; or
- c) Holiday Rental Land; and  
is used primarily for:
  - a) the sale of goods or services;
  - b) other commercial purposes; or
  - c) industrial purposes or which is vacant but zoned for commercial or industrial use.

#### **Commercial/Industrial Land - Balance of Shire**

Any land which is not located in Colac, Colac East, Colac West or Elliminyt which does not have the characteristics of:

- a) Rural Farm Land;
- b) Residential Land – Balance of Shire; or
- c) Holiday Rental Land; and  
is used primarily for:
  - a) the sale of goods or services;
  - b) other commercial purposes; or
  - c) industrial purposes or which is vacant but zoned for commercial

## Other Charges

### Municipal Charge

A Municipal Charge be declared for the period commencing 1 July 2017 to 30 June 2018 to cover some of the administrative costs of the Council.

The municipal charge be the sum of \$184.64 per annum for each rateable property in respect of which a municipal charge can be levied.

### Annual Service (Waste Management) Charges

**An annual service (waste management) charge of \$298 per annum (weekly service provided) be declared for:**

All land used primarily for residential or commercial purposes; or

Other land in respect of which a weekly waste collection and disposal service is provided, for the period 1 July 2017 to 30 June 2018.

**An annual service (waste management) charge of \$198 per annum (fortnightly service provided) be declared for:**

All land used primarily for residential or commercial purposes; or

Other land in respect of which a fortnightly waste collection and disposal service is provided, for the period 1 July 2016 to 30 June 2017.

**Commercial properties can have a maximum of one (1) 240 litre or two (2) 120 litre bins.**

### Tirrengower Special (Drainage) Scheme

The special charge for the Tirrengower drainage works previously declared by Council has not yet been determined as it is subject to a consultation process that will occur early in the 2017/18 Financial year.

### 7.13 Fair Go Rates System Compliance

Colac Otway Shire Council is fully compliant with the State Governments Fair Go Rates System.

	<b><sup>1*</sup> Council Adopted</b>	<b><sup>1*</sup> Maximum allowed under Cap</b>
Base Average Rates (2016/17)	\$ 1,730.43	\$ 1,730.43
Rate Increase	0.63%	2.00%
Capped Average Rate (2017/18)	\$ 1,741.38	\$ 1,765.04
General Rates and Municipal Charges Revenue	\$ 26,347,153	\$ 26,705,047
<b>Amount 'under the cap' budgeted</b>	<b>\$ 357,895</b> <sup>2*</sup>	

<sup>1\*</sup> \* Amounts do not include the waste collection charges as these do not form part of the Cap calculation

<sup>2\*</sup> \* "Amount under cap" is a direct result of Council's decision not to increase by the maximum available



## Budget Analysis

The following reports provide detailed analysis to support and explain the budget reports in the previous section.

This section includes the following analysis and information.

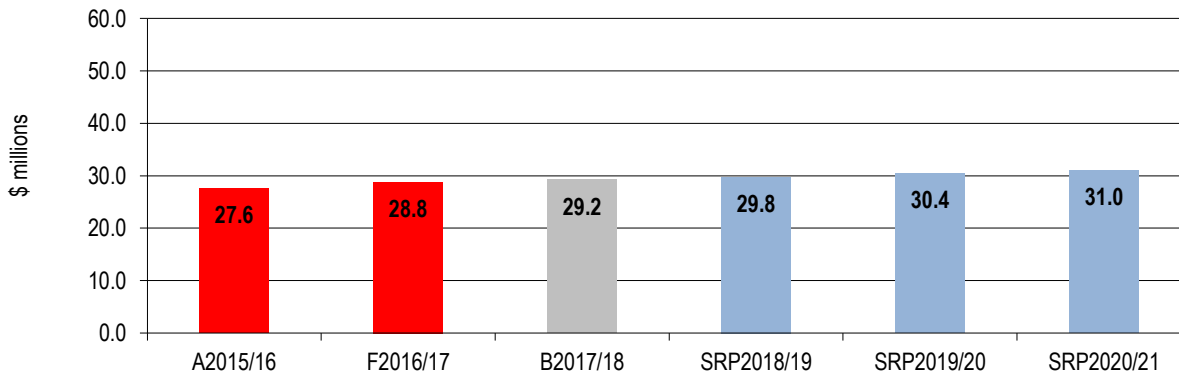
- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Summary of other strategies
- 16 Rating strategy

## 8. Summary of financial position

Council has prepared a Budget for the 2017/18 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

A= Actual F= Forecast B= Budget SRP= Strategic Resource Plan estimates

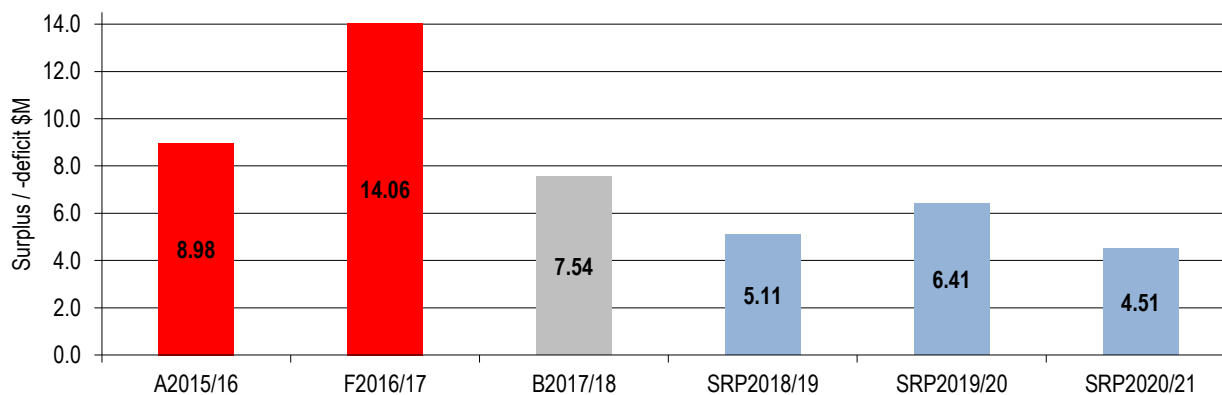
### 8.1 Rates and charges



It is proposed that the average rates increase by 0.63% for the 2017/18 year, raising total rates of 29.2 million, with the exception of farm rates which have been reduced in response to the issues experienced by our farmers. This results in a average rates increase of 0.63% across all categories which is the lowest rate rise on record.

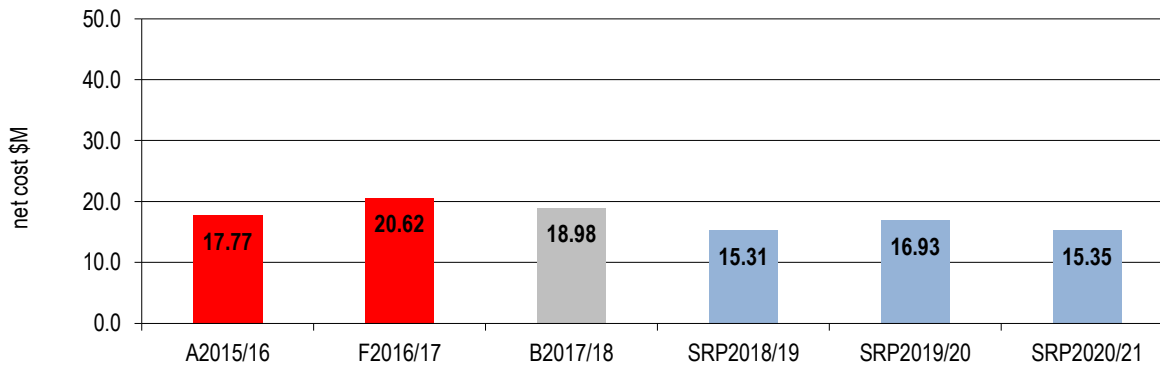
This will result in an increase in total revenue from rates and service charges of 1.7%. The 1.7% increase (including almost 1% representing the growth in the number of properties) has been set at a level that balances the infrastructure needs of the shire while minimising the rating burden for our community.

### 8.2 Operating Result



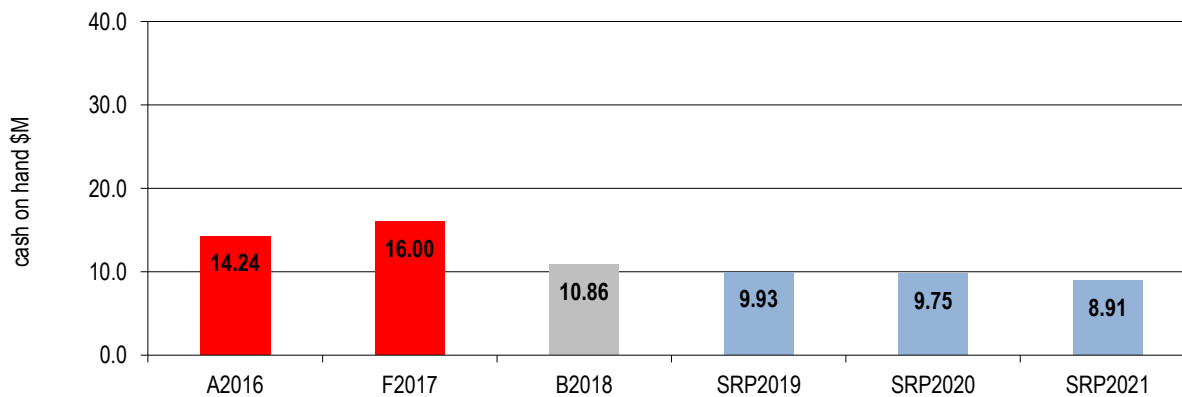
The expected operating result for the 2017/18 year is an operating surplus of \$7.54 million, which is a movement of (\$6.52) million from the 2016/17 forecast actual. The surplus result reflects the additional capital revenue generated to cover capital works relating to disaster recovery and the prepayment of the Federal Assistance Grants. The surpluses during the SRP period represent the operating surplus generated to cover the ongoing asset renewal requirements of Colac Otway Shire.

### 8.3 Services



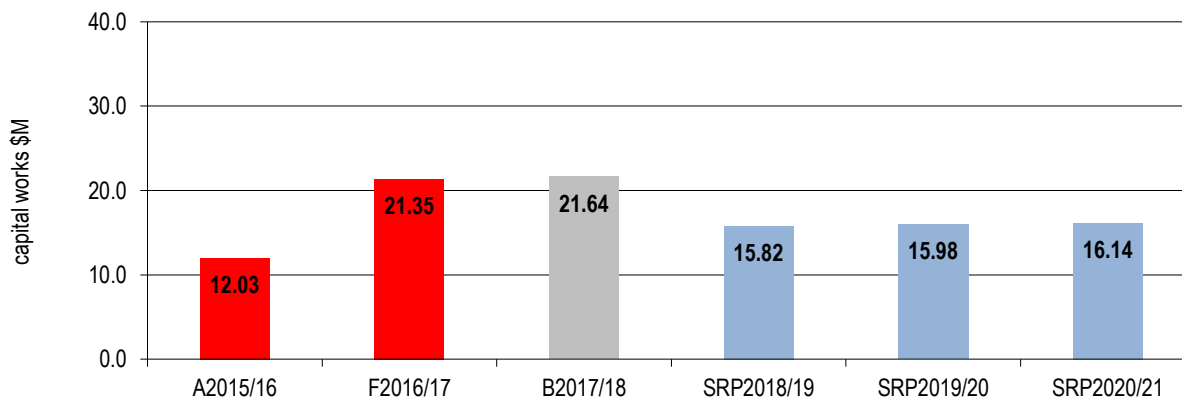
The net cost of services delivered to the community for the 2017/18 year is expected to be \$18.98 million which is a decrease of (\$1.64) million over 2016/17. A key influencing factor in the development of the 2017/18 budget has been to realise the cost benefits generated via continuous business improvement and a reduction in disaster recovery work.

### 8.4 Cash and investments



Refer also Section 4 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

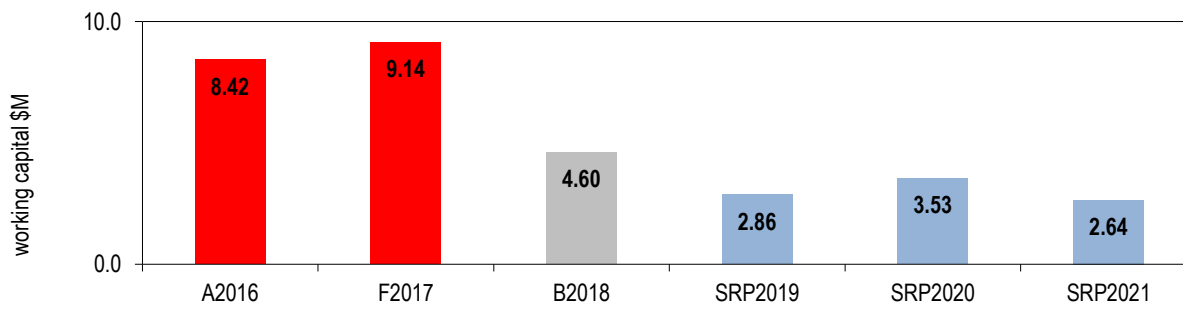
### 8.5 Capital works



The capital works program for the 2017/18 year is expected to be \$21.64 million of which \$1.67 million relates to projects which will be carried forward from the 2016/17 year. The carried forward component is fully funded from the 2016/17 budget. Of the \$21.64 million of capital funding required, \$9.91 million will come from external grants, \$0.26 million will come from community contributions with the balance of \$9.80 million from Council cash and reserves. The budgeted program continues Council's enviable position of maintaining renewal expenditure at least in line with Depreciation.

Refer also Section 4 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

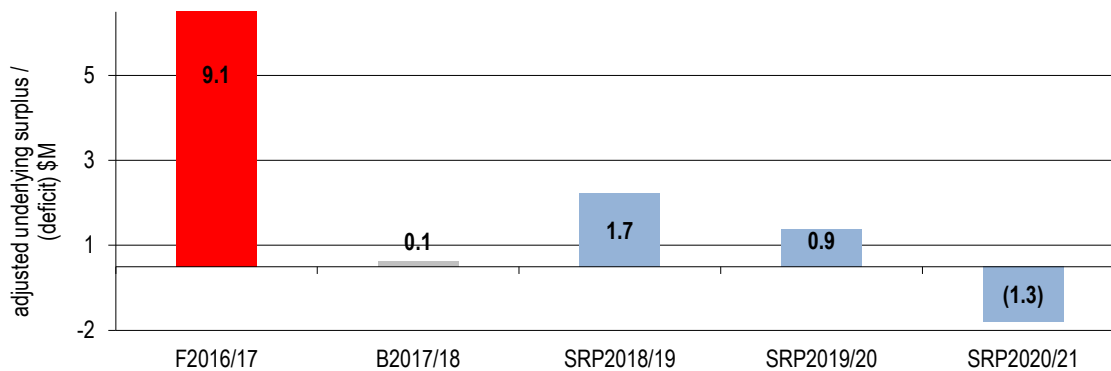
## 8.6 Financial position



The financial position (Working Capital) decreases across 2016/17 to 2017/18 as the additional cash balances forecast to be held by Council for disaster recovery works and prepaid Federal Assistance Grants are spent by the end of 2017/18. They are then expected to remain above the minimum required working capital ratio during the SRP period of 2018/19 to 2020/21.

Refer also Section 4 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

## 8.7 Financial sustainability

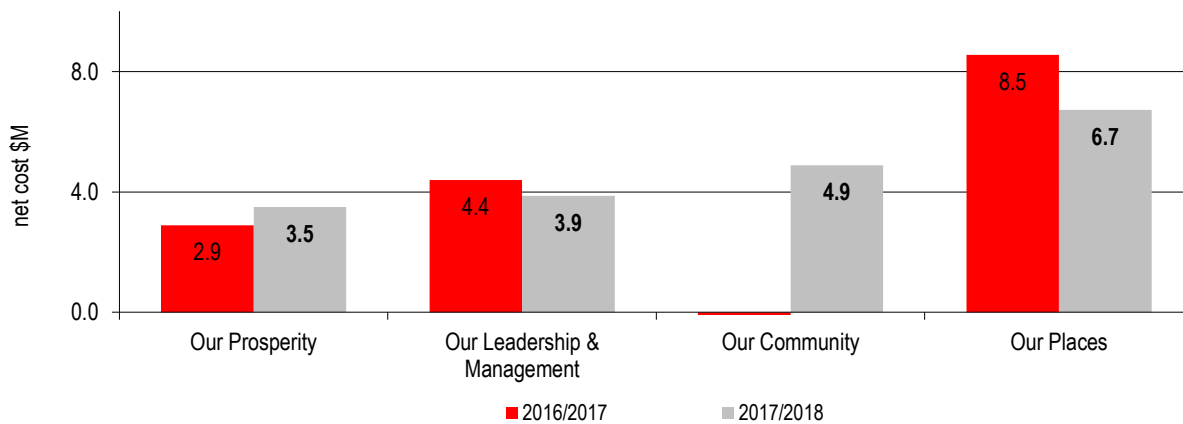


A high level Strategic Resource Plan for the years 2017/18 to 2020/2021 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows a decreasing surplus over the four year period reflecting the increasing dependency on grants as the effects of rate cap starts to impact operating results.

Note the above forecast for adjusted underlying surplus is based on conservative income estimates for externally sourced revenue (i.e. grants) and spikes in 2016/17 and drops below standard in 2017/18 due to the prepayment of the Federal Assistance Grants.

Refer Section 14 for more information on the Strategic Resource Plan.

### 8.8 Strategic objectives

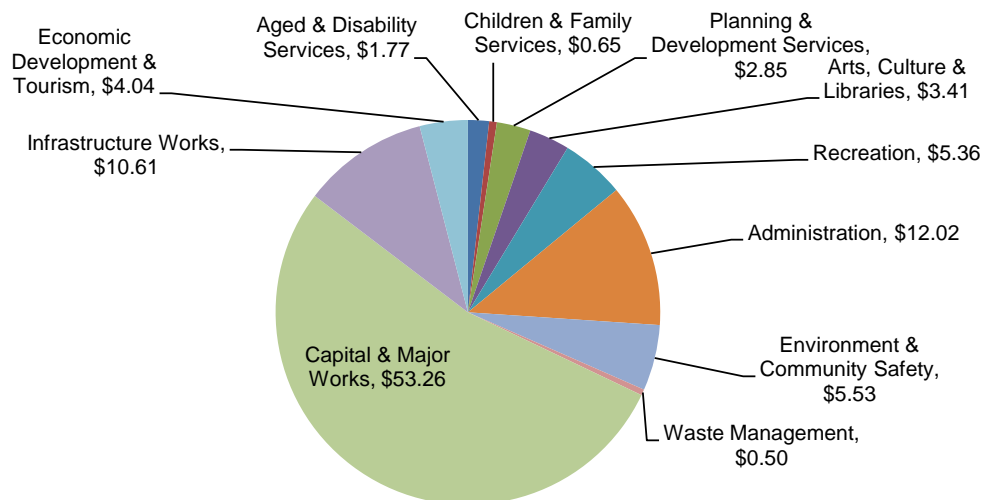


The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2017/18 year. Note the "Our community" segment is affected by the prepayment of the Federal Assistance Grants in 2016/17 understating the net spend in 2016/17 and overstating the net spend in 2017/18.

*Note: Council is expected to adopt a new Council plan at the same time as the budget, this new Council plan is expected to have different strategic themes to the previous plan therefore we have estimated the breakdown of comparatives.*

The services that contribute to these objectives are set out in Section 2

### 8.9 Council expenditure allocations



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends.

## 9. Budget influences

This section sets out the key Budget influences arising from the internal and external environment within which the Council operates.

### 9.1 Snapshot of Colac Otway Shire Council

Colac Otway Shire Council is located in the South West of Victoria, covering an area of 3,443 square kilometres, stretching from the plains of Cressy in the north to rainforest of Cape Otway in the south. The Shire consists of rich agricultural lands, timbered forests and the urban areas of Colac, Apollo Bay, Birregurra, Pirron Yallock and Cressy. The Shire's administrative centre is based in the urban hub of Colac, with an additional service centre in the coastal town of Apollo Bay.

The current Shire was created through the amalgamation between the former City of Colac, the former Shire of Colac and the former Shire of Otway.

#### Population

Our population was estimated to be 21,168 in 2016, a growth of just over 560 residents in the past decade. We are anticipating increased population growth in the medium term as the duplication of the Princess Highway from Geelong to Colac opens up access to the region.

#### Ageing population

The Shire has a relatively older population, with 59.0% of our residents being over 35 years old (average age of 40.9). Over one quarter (25.5%) are aged over 60 years old and only 7.9% of our population was born outside of Australia.

*\*Source: Census 2011*

#### Employment and occupation

Colac Otway's residents enjoy steady employment, with 96.3% of our active workforce population in some form of employment. Of this 55.3% are employed in a full-time capacity.

Our five major employment sectors by employee count excluding owner-operators are:

- Agriculture, Forestry & Fishing (24.3%)
- Construction (14.8%)
- Retail Trade (10.9%)
- Accommodation and food services (10.8%)
- Other services (5.6%)

*Source: ABS Cat. No. 8165*

Our five major employment sectors by total employee count including owner-operators are:

- Agriculture, Forestry & Fishing (33.3%)
- Construction (13.5%)
- Rental, Hiring and Real Estate Services (8.6%)
- Accommodation and food services (6.3%)
- Retail Trade (5.9%)

Source: ABS Cat. No. 8165

### **Budget implications**

As a result of the Shire's demographic profile there are a number of Budget implications in the short and long term as follows:

- Council's ageing population presents challenges in planning for infrastructure and services which provide ease of access and useability and support for the increasing aged members of our community. We may face challenges in attracting and retaining a sustainable workforce as the workforce age demographic declines.
- The location, relatively large area and very diverse topography of the Shire presents transport issues - the duplication of the Princess Highway from Geelong to Colac will alleviate a number of access issues, but may present different problems, with the potential for a significant increase in road freight and traffic travelling through the Shire.
- Complex regulatory environment - Council operates in a highly regulated environment.
- Asset Renewal - the highly diverse topography within the Shire presents unique circumstances in renewing assets due to the vastly different conditions from one end of the Shire to the other.

## **9.2 External influences**

- Consumer Price Index (CPI) increases on goods and services of 1.5% through the year to December quarter 2016 (ABS release 25 January 2017). Significantly below the Reserve Bank of Australia's target CPI of 2-3%.
- The prepayment of the Federal Assistance Grants in 2016/17.
- Estimated Bushfire expenditure relating to recovery works from the December 2015 Wye River/Separation Creek Bushfires as follows:
  - Bushfire Operating expenditure: \$0.57 million
  - Bushfire Capital expenditure: \$2.15m
- Estimated Flood expenditure relating to recovery works from the August Flood event as follows:
  - Flood Operating expenditure: \$0.25 million
  - Flood Capital expenditure: \$1.13 million
- The shifting of various costs from state/federal government to local government without a shift of the corresponding resources/income. Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervisors, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.

- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

### 9.3 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have an impact on the preparation of the 2017/18 Budget. These matters have arisen from events occurring in the 2016/17 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017/18 year. These matters and their financial impact are set out below:

- The outcomes of the renegotiation of Council's Enterprise Bargaining Agreement covering the Strategic Resource Plan period;
- Transitioning to the National Disability Insurance Scheme (NDIS) impacting the resources required in the Council's Older Persons/Health and Community Care Services;
- Reduction by the state government in the level of funding for School Crossing Guards; and
- Further resource diversion as a result of the finalisation of the disaster recovery works.

### 9.4 Budget principles

In response to these influences, guidelines were prepared and distributed to all Council officers with Budget responsibilities. The guidelines set out the key Budget principles upon which the officers were to prepare their Budgets. The principles included:

- 'Every dollar counts', recognising that every \$1,000 to \$2,000 saved is the equivalent of someone's rates;
- Considering the whole of life cost of the services and assets and generational impact;
- Identifying and implementing cost saving, innovative and/or alternative service delivery options; and
- Focusing on long term sustainability and asset management.

### 9.5 Long term strategies

The Budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2017/18 to 2020/21 (Section 14.), Rating Information (Section 7.) and Other Long Term Strategies (Section 16.) including borrowings, infrastructure and service delivery.



## 10. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2017/18 year.

### 10.1 Budgeted income statement

	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
Total income	10.2	61,331	55,427	(5,903)
Total expenses	10.3	(47,267)	(47,886)	(619)
<b>Surplus (deficit) for the year</b>		<b>14,064</b>	<b>7,542</b>	<b>(6,522)</b>
Grants – capital non-recurrent	10.2.6	(4,982)	(7,418)	(2,436)
Contributions - non-monetary assets		0	0	0
Capital contributions - other sources	10.2.4			0
<b>Adjusted underlying surplus (deficit)</b>	10.1.1	<b>9,082</b>	<b>124</b>	<b>(8,958)</b>

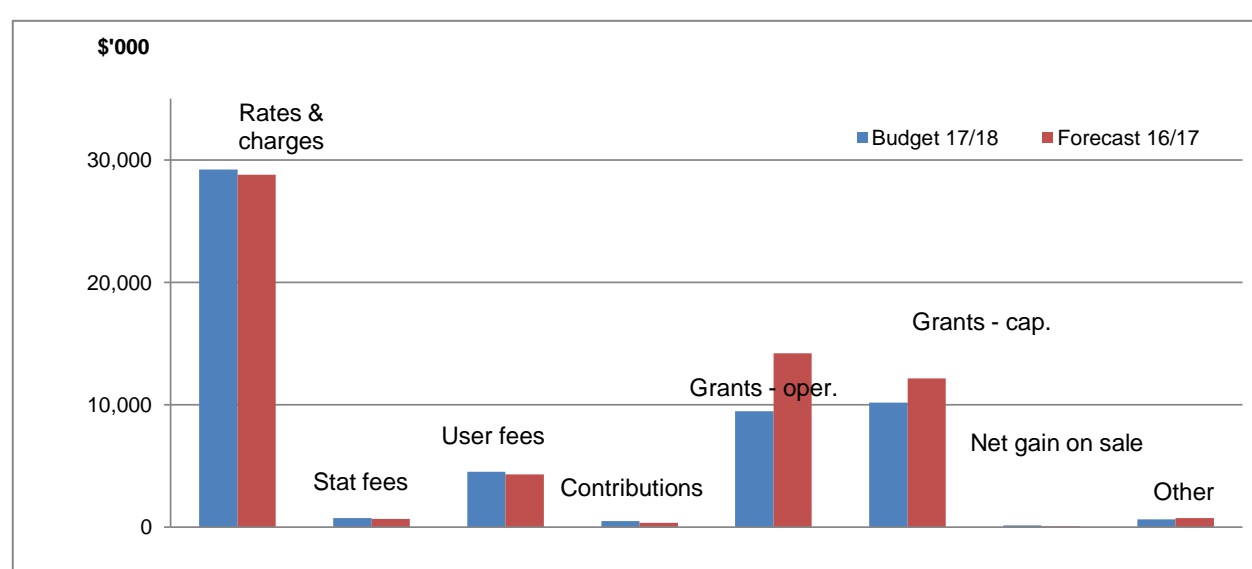
#### 10.1.1 Adjusted underlying result (\$8.96 million decrease)

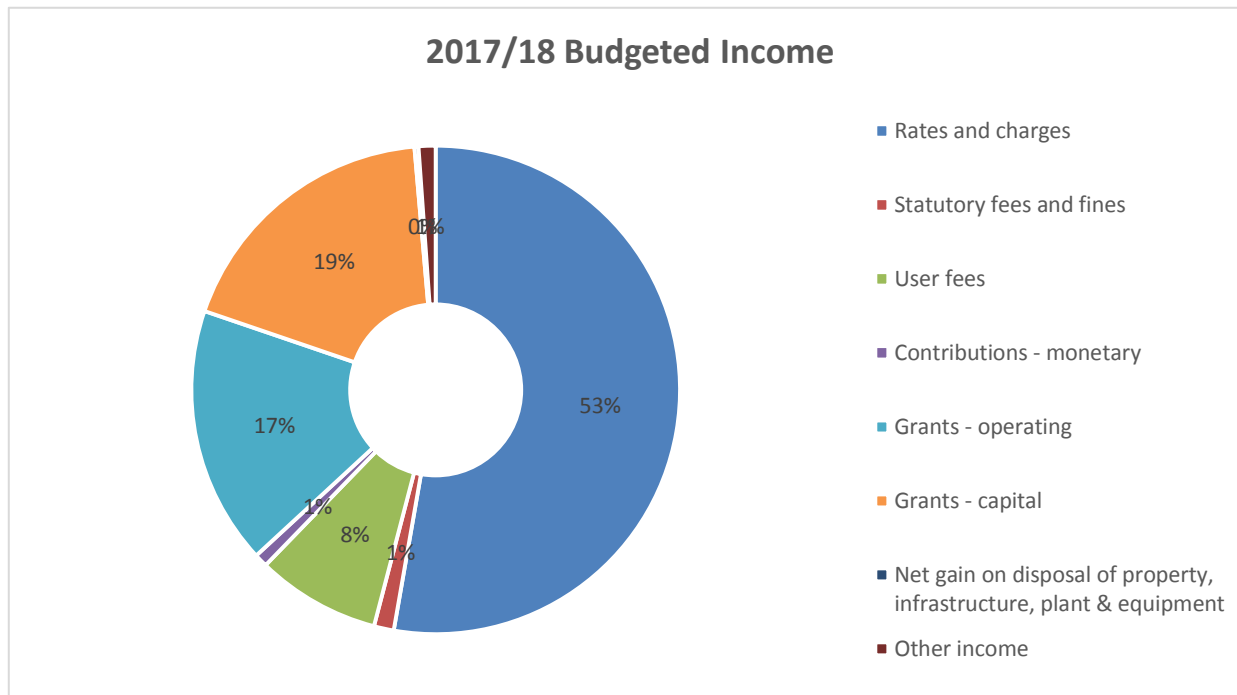
The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

The decrease in the 2017/18 year is due to the overstatement in 2016/2017 and the prepayment of the Federal Assistance Grants in 2016/17 and the decrease in operating grants in 17/18, non-recurrent operating grants fluctuate year to year.

### 10.2 Income

Income Types	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
Rates and charges	10.2.1	28,789	29,238	449
Statutory fees and fines	10.2.2	672	730	58
User fees	10.2.3	4,324	4,540	216
Contributions - monetary	10.2.4	341	485	144
Grants - operating	5.1.1	14,223	9,478	(4,745)
Grants - capital	5.1.2	12,146	10,185	(1,961)
Net gain on disposal of property, infrastructure, plant & equipment	10.2.5	83	147	64
Other income	10.2.6	752	623	(129)
<b>Total income</b>		<b>61,331</b>	<b>55,427</b>	<b>(5,903)</b>





**10.2.1 Rates and charges (\$0.45 million increase)**

Rates & Charges have been set at a level that reflects an initial 1.2% increase on each individual property. In response to the difficulties experienced by our primary producers (in particular the dairy farmers), we have reduced the farm rate cents/CIV rate by 2% (from 79% to 77% of the Colac Residential category). A more long term strategic view will be explored in the upcoming review of the Rating Strategy.

Section 7. Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2017/18 and the rates and charges specifically required by the Regulations.

**10.2.2 Statutory fees and fines (\$0.06 million increase)**

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, *Public Health and Wellbeing Act 2008* registrations and parking fines. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to increase by \$0.057 million due to a \$0.04 million increase in planning fees, \$0.01 million increase in Development Act fees and \$0.005 million increase in Subdivision fees based on price levels set by the State Government.

A detailed listing of statutory fees is included in Appendix A.

**10.2.3 User fees (0.22 million increase)**

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include separate rating schemes, use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home help services. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels.

User Fees & Charges are budgeted to increase by \$0.22 million in 2017/18. This increase is mainly as a result of additional admission fees of \$0.105 million at the Bluewater facility due to the opening of the stadium, \$0.085 million of additional Saleyards revenue as volumes recover after the downturn in 2016/17.

A detailed listing of fees and charges is included in Appendix A.

**10.2.4 Contributions - monetary (\$0.14 million increase)**

Contributions relate to monies paid by developers in regard to public recreation facilities, drainage and car parking in accordance with planning permits issued for property development.

Contributions are projected to remain relatively flat year-on-year. These remain a minor funding source for Colac Otway Shire.

**10.2.5 Net gain on disposal of Property, infrastructure, plant and equip. (\$0.06 million increase)**

Proceeds from the sale of Council assets reflect the vehicle and heavy plant replacement program forecast for 2017/18.

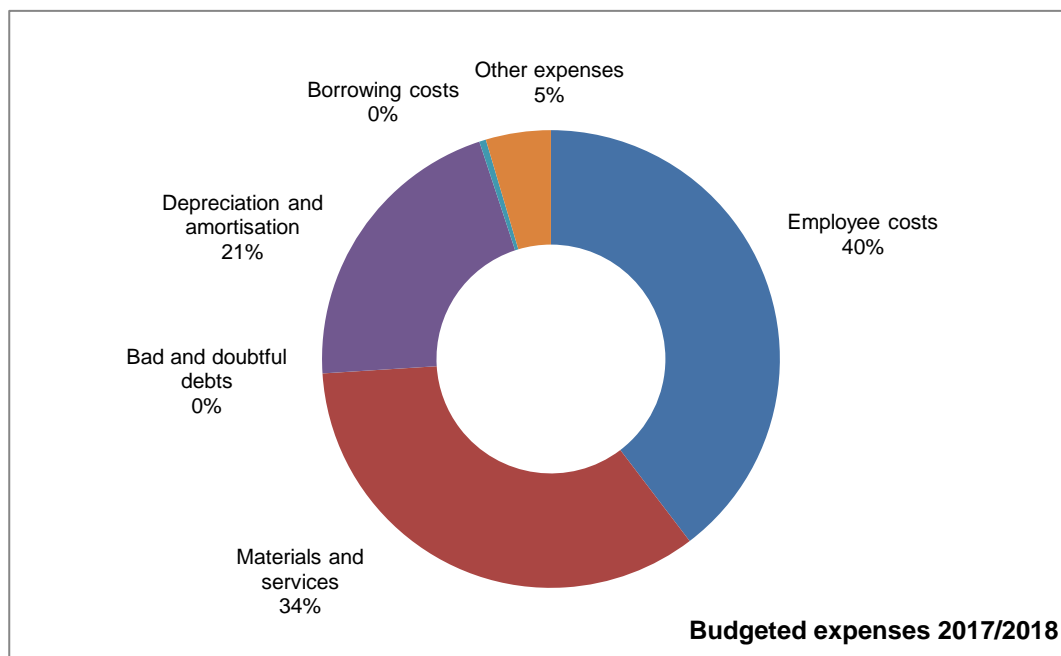
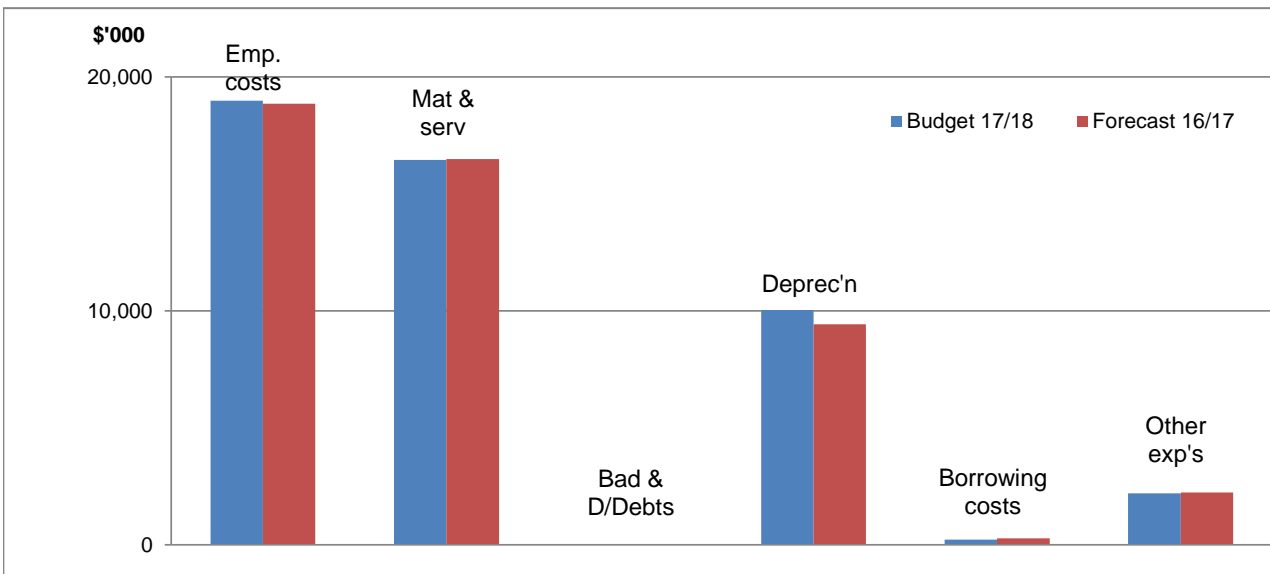
**10.2.6 Other income (\$0.13 million decrease)**

Other income relates to a range of sundry income items including reimbursements and cost recoveries, however the majority relates to interest revenue on investments and rate arrears.

Other income is forecast to decrease by \$0.13 million mainly due to sale of property database to State Revenue office income received every two years (2016/17 and 18/19) but won't be received in 2017/18 of approximately \$70,000. There is also a forecast drop-off of interest income of \$25,000 due to a lower cash rate.

**10.3 Expenses**

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
Employee costs	10.3.1	18,851	18,982	131
Materials and services	10.3.2	16,478	16,450	(28)
Bad and doubtful debts	10.3.3	2	2	0
Depreciation and amortisation	10.3.4	9,430	10,027	597
Borrowing costs	10.3.5	269	226	(43)
Other expenses	10.3.6	2,237	2,199	(38)
<b>Total expenses</b>		<b>47,267</b>	<b>47,886</b>	<b>619</b>



### 10.3.1 Employee costs (\$0.13 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc.

Employee costs are forecast to increase by 1.0% or \$0.19 million compared to 2016/17 forecast actuals. This increase relates to three key factors:

- Renegotiation of Council's Enterprise Bargaining Agreement (EBA); and
- Anticipated reduction in Disaster Recovery Employee costs as works wind down in 2017/18.

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Department	Budget 2017/18 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Chief Executive Office	796	724	72
Corporate Services	3,668	3,025	643
Development and Community Services	7,026	3,981	3,045
Infrastructure and Leisure Services	7,299	6,931	369
Disaster Recovery	192	102	90
<b>Total permanent staff expenditure</b>	<b>18,982</b>	<b>14,762</b>	<b>4,219</b>
Other Staff expenditure	0		
<b>Total expenditure</b>	<b>18,982</b>		
Capitalised labour costs (included in the above)	700		

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
Chief Executive Office	5.5	5.0	0.5
Corporate Services	36.9	30.4	6.5
Development and Community Services	77.7	44.0	33.7
Infrastructure and Leisure Services	93.5	88.8	4.7
Disaster Recovery	4.7	2.5	2.2
Total	218.3	170.7	47.6
Casuals and other	5.5		
<b>Total staff</b>	<b>223.8</b>		
Capitalised labour costs (inclusive in the above)	8.9		

### 10.3.2 Materials and services (\$0.03 million decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. These costs are typically subject to inflationary pressures but due to the impacts of our ongoing business improvement program we are forecasting materials and services to remain flat in 2017/18. The remaining 3 years of the Strategic Resource Plan have inflation factored into the estimates although opportunities for business improvement will be a key focus albeit challenging.

### 10.3.3 Bad and doubtful debts (Nil movement)

Bad and doubtful debts is projected to remain flat compared to 2016/17.

### 10.3.4 Depreciation and amortisation (\$0.60 million increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as Roads, Drains, Buildings, recreational facilities, etc. The increase for 2017/18 is due mainly to the completion of the 2017/18 capital works program and the full year effect of depreciation on the 2016/17 capital works program. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2017/18 year.

### 10.3.5 Borrowing costs (\$0.04 million decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements.

### 10.3.6 Other expenses (\$0.04 million decrease)

Other expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations and other miscellaneous expenditure items.

## 11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/18 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.
- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

### 11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>	11.1.1			
<i>Receipts</i>				
Rates and charges		29,254	29,438	184
Statutory fees and fines				
User fees and fines		4,996	5,270	274
Grants - operating		14,223	9,478	(4,745)
Grants - capital		12,146	10,185	(1,961)
Contributions - monetary				
Interest		0	0	0
Other receipts		1,064	1,102	38
		<b>61,682</b>	<b>55,473</b>	<b>(6,209)</b>
<i>Payments</i>				
Employee costs		(19,003)	(19,727)	(724)
Other payments		(18,668)	(18,910)	(242)
		<b>(37,670)</b>	<b>(38,637)</b>	<b>(966)</b>
<b>Net cash provided by operating activities</b>		<b>24,012</b>	<b>16,836</b>	<b>(7,176)</b>
<b>Cash flows from investing activities</b>	11.1.2			
Payments for property, infrastructure, plant & equip.		(21,452)	(21,637)	(184)
Proceeds from sale of property, infrastructure, plant & equipment		269	490	221
Payments for investments		0	0	0
Proceeds from investments		0	0	0
Loans and advances made		0	0	0
Repayments of loans and advances		0	0	0
<b>Net cash used in investing activities</b>		<b>(21,183)</b>	<b>(21,147)</b>	<b>37</b>
<b>Cash flows from financing activities</b>	11.1.3			
Finance costs		(269)	(226)	43
Proceeds from borrowings		0	0	0
Repayment of borrowings		(799)	(604)	195
<b>Net cash used in financing activities</b>		<b>(1,068)</b>	<b>(830)</b>	<b>238</b>
<b>Net decrease in cash and cash equivalents</b>		<b>1,761</b>	<b>(5,141)</b>	<b>(6,901)</b>
Cash and cash equivalents at the beginning of the year		14,237	15,998	1,761
<b>Cash and cash equivalents at end of the year</b>	11.1.4	<b>15,998</b>	<b>10,857</b>	<b>(5,141)</b>

### 11.1.1 Operating activities (\$7.2 million decrease)

The decrease in cash inflows from operating activities is illustrated above in the variance column.

The net cash flows from operating activities does not equal the surplus (deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<b>Surplus/(deficit) for the year</b>	<b>14,064</b>	<b>7,542</b>	<b>(6,522)</b>
<b><u>Operating Cash flows not in Operating Statement</u></b>			
Movement in Trade & Other Receivables	592	201	(391)
Movement in Trade & Other Payables	4	(456)	(460)
Movement in Provisions	(152)	(745)	(593)
Trust funds and deposits	(1)	(10)	(9)
Share of net profits/(losses) of associates and joint ventures	3	(7)	(10)
Movement in Inventories	(114)	205	319
<b><u>Non-Cash Operating Statement items</u></b>			
Contributions - non-monetary	0	0	0
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(83)	(147)	(64)
Depreciation and amortisation	9,430	10,027	597
Borrowing costs	269	226	(43)
<b>Cash flows available from operating activities</b>	<b>24,012</b>	<b>16,836</b>	<b>(7,176)</b>

### 11.1.2 Investing activities (\$0.0 million increase)

The small increase in payments for investing activities represents another year of an above average level of capital works due to disaster recovery works as disclosed in section 10 of this budget report.

### 11.1.3 Financing activities (\$0.2 million decrease)

For 2017/18 cash outflows from financing activities continue to decrease as debt continues to retire.

### 11.1.4 Cash and cash equivalents at end of the year (\$5.1 million decrease)

Overall, total cash and investments are forecast to decrease resulting from the completion of disaster recovery works where a large portion of the funding of that works is held in the opening balance of cash for 2017/18.

### 11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2018 it will have cash and investments of \$10.86 million, which has been restricted as shown in the following table.

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
<b>Total cash and investments</b>		<b>15,998</b>	<b>10,857</b>	<b>(5,141)</b>
<b>Restricted cash and investments</b>				
- Statutory reserves	11.2.1	(835)	(901)	(66)
- Conditional Grants Reserves (Carried Forward projects)	11.2.2	(921)	0	921
- Trust funds and deposits		(681)	(671)	10
<b>Unrestricted cash and investments</b>	11.2.3	<b>13,561</b>	<b>9,286</b>	<b>(4,275)</b>
- Contractual reserves	11.2.4	(1,556)	(1,763)	(207)
<b>Unrestricted cash adjusted for discretionary reserves</b>	11.2.5	<b>12,005</b>	<b>7,523</b>	<b>(4,482)</b>

#### **11.2.1 Statutory reserves (\$0.07 million increase)**

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

#### **11.2.2 Cash held to fund carry forward capital works tied to grants (\$0.92 million decrease)**

There is no amount shown as cash held to fund carry forward works at 30 June 2018, as it is expected that the capital works budget in the 2017/18 financial year will be fully completed. An amount of \$0.92 million is forecast to be held at 30 June 2017 to fund capital works tied to a grant budgeted but not completed in the 2016/17 financial year.

#### **11.2.3 Unrestricted cash and investments (\$4.27 million decrease)**

The amount shown is in accordance with the definition of unrestricted cash included in the Regulations. These funds are free of statutory reserve funds and cash to be used to fund capital works expenditure from the previous financial year.

#### **11.2.4 Contractual reserves (\$0.21 million increase)**

These funds are held to meet Council's commitment to the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) under the management agreement for the Port of Apollo Bay. Cash is held on behalf of DEDJTR and this reserve represents the amount cash held under that contract.

#### **11.2.5 Unrestricted cash adjusted for contractual reserves (\$4.48 million decrease)**

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

## 12. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2017/18 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Section 6.

### 12.1 Capital works

Capital Works Areas	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
<b>Works carried forward</b>	12.1.1			
<b>Property</b>				
Land		0	250	250
Buildings		2,858	4,359	1,501
<b>Total land &amp; Buildings</b>		<u>2,858</u>	<u>4,609</u>	<u>1,751</u>
<b>Total property</b>		<u>2,858</u>	<u>4,609</u>	<u>1,751</u>
<b>Plant and equipment</b>				
Plant, machinery and equipment		1,183	1,583	400
Fixtures, fittings and furniture		185	30	(155)
Computers and telecommunications		265	527	262
<b>Total plant and equipment</b>		<u>1,634</u>	<u>2,140</u>	<u>506</u>
<b>Infrastructure</b>				
Roads		11,793	6,736	(5,057)
Bridges		214	650	436
Footpaths and cycleways		1,045	525	(520)
Drainage		406	3,445	3,039
Other infrastructure		747	1,865	1,118
<b>Total infrastructure</b>		<u>14,205</u>	<u>13,222</u>	<u>2,955</u>
<b>Total works carried forward</b>		<u>18,697</u>	<u>19,970</u>	<u>5,212</u>
<b>New works</b>				
<b>Property</b>	12.1.2			
Land		0	250	250
Buildings		1,559	60	(1,499)
<b>Total land &amp; Buildings</b>		<u>1,559</u>	<u>310</u>	<u>(1,249)</u>
<b>Total property</b>		<u>1,559</u>	<u>310</u>	<u>(1,249)</u>
<b>Plant and equipment</b>	12.1.3			
Plant, machinery and equipment		0	100	100
Fixtures, fittings and furniture		243	207	(36)
Computers and telecommunications		0	0	0
<b>Total plant and equipment</b>		<u>243</u>	<u>307</u>	<u>64</u>
<b>Infrastructure</b>	12.1.4			
Roads		408	574	166
Bridges		0	0	0
Footpaths and cycleways		400	0	(400)
Drainage		0	0	0
Other infrastructure		48	475	427
<b>Total infrastructure</b>		<u>856</u>	<u>1,049</u>	<u>193</u>
<b>Total new works</b>		<u>2,658</u>	<u>1,666</u>	<u>(992)</u>
<b>Total capital works expenditure</b>		<u>21,355</u>	<u>21,637</u>	<u>4,220</u>
<b>Represented by:</b>				
New asset expenditure	12.1.5	1,285	7,755	6,470
Asset renewal expenditure	12.1.5	15,934	12,309	(3,624)
Asset upgrade expenditure	12.1.5	4,136	1,572	(2,564)
<b>Total capital works expenditure</b>		<u>21,355</u>	<u>21,637</u>	<u>282</u>



### Budgeted capital works 2017/2018



Source: Section 3. A more detailed listing of capital works is included in Section 6.

#### 12.1.1 Carried forward works (\$1.67 million)

At the end of each financial year there are likely to be projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016/17 year it is forecast that \$1.67 million of capital works will be incomplete and be carried forward into the 2017/18 year.

#### 12.1.2 Property (\$4.92 million)

The property class comprises buildings and building improvements including community facilities, municipal offices, sports facilities and pavilions.

For the 2017/18 year, \$4.92 million will be expended on building and building improvement projects. The more significant projects include Apollo Bay Kindergarten relocation costing \$3.09m & the Irrewarra-Beeac Netball Facilities Upgrade costing \$0.18m.

#### 12.1.3 Plant and equipment (\$2.45 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications.

For the 2017/18 year, \$2.45 million will be expended on plant, equipment and other projects. The more significant projects include the light fleet replacement program of \$0.65m and Heavy Plant Replacement program of \$0.9m.

#### 12.1.4 Infrastructure (\$14.27 million)

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other structures.

For the 2017/18 year, \$7.3 million will be expended on road projects (of which \$2.5 million is federally funded through the Roads to Recovery program). The more significant projects include sealed road reconstructions (\$2.75 million) and road resheeting (\$1.40 million).

\$3.4 million will be expended on drainage projects. The more significant of these include road drainage improvement works at Wye River/Separation Creek (\$2.2 million) funded by the State Government and \$1.1 million of flood recovery drainage works funded through NDRRA.

\$0.65 million will be expended on Bridges & \$0.53 million on footpaths and cycleways.

Other infrastructure expenditure (\$2.34 million) includes \$1.95 million on the CBD and entrances project.

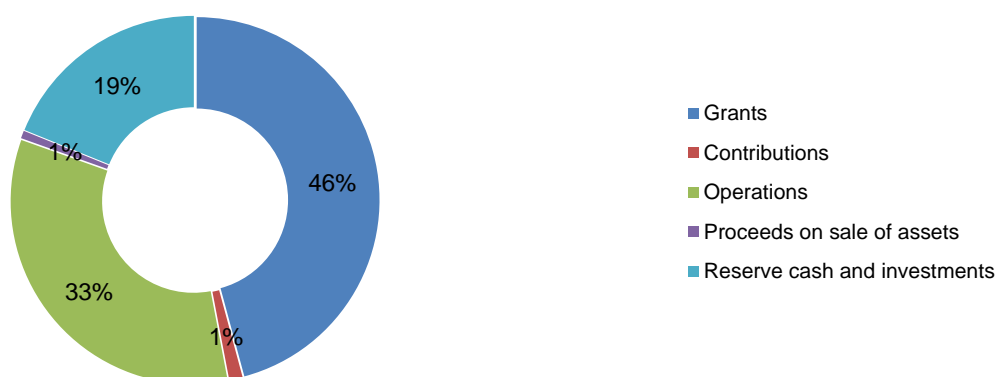
### 12.1.5 Asset renewal (\$12.31 million), New Assets (\$7.76 million) and Upgraded Assets (\$1.57 million)

A distinction is made between expenditure on new assets, asset renewal and upgrade. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

### 12.2 Funding sources

Sources of funding	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
<b>Works carried forward</b>				
<b>Current year funding</b>				
Grants		0	0	0
Contributions		0	0	0
Borrowings		0	0	0
Council cash				
- operations		0	0	0
- proceeds on sale of assets		0	0	0
- reserve cash and investments		2,658	1,666	(992)
- unrestricted cash and investments		0	0	0
<b>Total works carried forward</b>	12.2.1	<b>2,658</b>	<b>1,666</b>	<b>(992)</b>
<b>New works</b>				
<b>Current year funding</b>				
Grants	12.2.2	12,146	9,909	(2,237)
Contributions		252	259	7
Borrowings			0	0
Council cash				
- operations	12.2.3	5,107	7,239	2,131
- proceeds on sale of assets	12.2.4	269	147	(122)
- reserve cash and investments	12.2.5	923	2,416	1,493
- unrestricted cash and investments	12.2.6	0	0	0
<b>Total new works</b>		<b>18,697</b>	<b>19,970</b>	<b>1,273</b>
<b>Total funding sources</b>		<b>21,355</b>	<b>21,637</b>	<b>282</b>

### Budgeted total funding sources 2017/2018



#### 12.2.1 Carried forward works (\$1.67 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including weather delays and diversion of resources for disaster recovery works. For the 2016/17 year it is forecast that \$1.67 million of capital works will be incomplete and be carried forward into the 2017/18 year.

#### 12.2.2 Grants - Capital (\$9.91 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for Roads to Recovery (\$2.49m), \$2.79m for Apollo Bay Kindergarten and \$2.4m for Flood recovery.

#### 12.2.3 Council cash - operations (\$7.24 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$7.24 million will be generated from operations to fund the 2017/18 capital works program.

#### 12.2.4 Council cash - proceeds from sale of assets (\$0.15 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$0.15 million.

#### 12.2.5 Reserve cash - reserve cash and investments (\$4.08 million)

Council has some cash reserves, which it is currently using to fund its annual capital works program. The reserves include monies set aside for specific purposes such as Plant replacement, Saleyards funding and non-specific reserves such as the Matching grants Reserve. For 2017/18 the following are an example of what reserve amounts Council will be using to fund discretionary projects:

- \$1.66m of the carry forward projects reserve to fund Capital projects in 2017/18;
- \$0.12m of the Kerbside Bin Collection reserve to fund the first phase of the waste management contract
- \$1.38m of the Plant Replacement reserve to fund Heavy plant and light fleet replacement;
- \$0.08m of the Plant Replacement reserve to fund the installation of solar panels at the library;
- \$0.03m of the Open Space reserve to fund the upgrade of the Irrewarra-Beeac Netball facilities;
- \$0.12m of the Kerbside Bin Collection reserve to fund the first phase of the waste management contract

## 13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016/17 and 2017/18. It also considers a number of key financial performance indicators.

### 13.1 Budgeted balance sheet

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
<b>Current assets</b>	13.1.1			
Cash and cash equivalents		15,998	10,857	(5,141)
Trade and other receivables		2,075	1,873	(201)
Financial assets		0	0	0
Other assets		255	50	(205)
<b>Total current assets</b>		<b>18,328</b>	<b>12,781</b>	<b>(5,547)</b>
<b>Non-current assets</b>	13.1.1			
Trade and other receivables		0	0	0
Investments in associates and joint ventures		304	311	7
Property, infrastructure, plant and equipment		285,468	296,735	11,267
Intangible assets		46	46	0
<b>Total non-current assets</b>		<b>285,818</b>	<b>297,092</b>	<b>11,274</b>
<b>Total assets</b>		<b>304,146</b>	<b>309,873</b>	<b>5,727</b>
<b>Current liabilities</b>	13.1.2			
Trade and other payables		2,833	2,377	456
Trust funds and deposits		681	671	10
Provisions		5,073	4,487	586
Interest-bearing loans and borrowings		604	649	(45)
<b>Total current liabilities</b>		<b>9,191</b>	<b>8,184</b>	<b>1,007</b>
<b>Non-current liabilities</b>	13.1.2			
Provisions		3,735	3,576	159
Interest-bearing loans and borrowings		3,370	2,721	649
<b>Total non-current liabilities</b>		<b>7,105</b>	<b>6,297</b>	<b>808</b>
<b>Total liabilities</b>		<b>16,296</b>	<b>14,481</b>	<b>1,815</b>
<b>Net assets</b>		<b>287,850</b>	<b>295,392</b>	<b>7,542</b>
<b>Equity</b>	13.1.4			
Accumulated surplus		123,041	135,666	12,625
Reserves		164,809	159,726	(5,083)
<b>Total equity</b>		<b>287,850</b>	<b>295,392</b>	<b>7,542</b>

Source: Section 3

#### 13.1.1 Current Assets (\$5.55 million decrease) and Non-Current Assets (11.27 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease during the year mainly as a result of spending disaster recovery funding and utilisation of the prepaid Federal Assistance Grants.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget.

Other assets relates predominantly to inventories, we are projecting a minimal inventory balance at the end of 2018.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The increase in this balance is attributable to the net result of the capital works program, depreciation of assets and the sale of property, plant and equipment.

### 13.1.2 Current Liabilities (\$1.01 million decrease) and Non Current Liabilities (\$0.81 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to decrease in line with Materials and Services.

Provisions include accrued long service leave and annual leave owing to employees. These employee entitlements are only expected to remain flat due to active management of entitlements despite factoring in an increase for Collective Agreement outcomes. Provisions also include a provision for landfill rehabilitation based on a discounted cash flow model.

Interest-bearing loans and borrowings are borrowings of Council. The Council has a goal to reduce debt at every opportunity, as a consequence debt is a continually decreasing balance.

### 13.1.3 Working Capital (\$4.54 million decrease)

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	Forecast	Budget	Variance
	Actual	2018	
	2017		
	\$'000	\$'000	\$'000
<b>Current assets</b>	18,328	12,781	5,547
<b>Current liabilities</b>	9,191	8,184	1,007
<b>Working capital</b>	9,137	4,597	4,540
Restricted cash and investment current assets			
- Statutory reserves	(835)	(901)	66
- Cash used to fund carry forward capital works	(2,658)	(1,666)	(992)
<b>Unrestricted working capital</b>	<b>5,644</b>	<b>2,030</b>	<b>3,614</b>

### 13.1.4 Equity (\$7.54 million increase)

Total equity always equals net assets and is made up of the following components:

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations.
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. \$7.54 million of the \$12.63 million increase in accumulated surplus results directly from the surplus for the year. An amount of \$5.09 million (net) is budgeted to be transferred from other reserves to accumulated surplus. This reflects the usage of investment cash reserves to partly fund the capital works program. This is a transfer between equity balances only and does not impact on the total balance of equity.

### 13.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2018 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Movement in Receivables was assumed to be wholly Rates and Charges based therefore the movement in this item impacts cash flows for Rates and Charges only.
- Movement in Payables was assumed to be wholly Materials and Services based therefore the movement in this item impacts cash flows for Materials and Services only.
- Movement in Receivables is proportionate to the level of the underlying income items (Rates and Charges, Fees & Charges & Other Income).
- Movement in Payables is proportionate to the level of the underlying expense items (Materials and Services and Other Expenses).
- All Capital Works assumed to be completed on average half-way through the year and is depreciated accordingly.
- Movements in Provisions is proportionate to Employee Costs and the changes to the landfill rehabilitation provision.
- Inventories and intangible assets are expected to remain flat from 2017/18 onwards.
- Trust Funds and Deposits have been forecast utilising a historical trend analysis.

## Long Term Strategies

This section includes the following analysis and information.

- 14 Strategic resource plan
- 15 Rating information
- 16 Other long term strategies

## 14. Strategic resource plan

This section includes an extract of the adopted Strategic Resource Plan to provide information on the long term financial projections of the Council.

### 14.1 Plan development

The Act requires a Strategic Resource Plan (SRP) to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared an SRP for the four years 2017/18 to 2020/21 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the SRP, are:

- Maintain existing service levels;
- Maintain an operating surplus to fund the shire's increasing capital works requirements;
- Undertake a capital works program which maintains Council's assets;
- No new forecast borrowings; and
- Identify new funding opportunities to minimise the reliance on rates & charges.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities;
- Provide reasonable stability in the level of rate obligation;
- Consider the financial effects of Council decisions on future generations; and
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

## 14.2 Financial resources

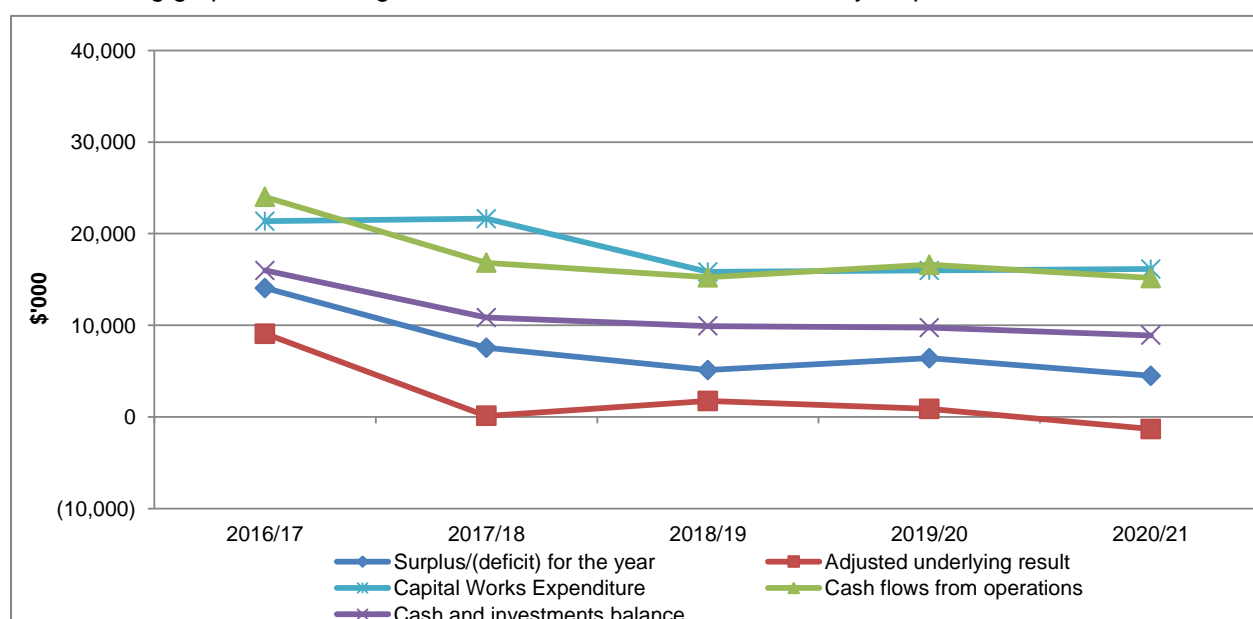
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017/18 to 2020/21. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual	2017/18	Projections			+o/-
	2016/17 \$'000	\$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	
Surplus/(deficit) for the year	14,064	7,542	5,112	6,411	4,509	-
Adjusted underlying result	9,082	124	1,740	871	(1,313)	-
Cash and investments balance	15,998	10,857	9,933	9,752	8,908	-
Cash flows from operations	24,012	16,836	15,240	16,629	15,167	-
Capital works expenditure	21,355	21,637	15,824	15,981	16,140	-

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

The following graph shows the general financial indicators over the four year period.



The key outcomes of the Plan are as follows:

- **Financial sustainability (Section 11)** - Cash and investments are forecast to decrease over the four year period from \$15.998 million to \$8.91 million, which illustrates the impacts of rate capping when assuming a conservative forecast for future grants.
- **Rating levels (Section 15)** – Modest rate increases are forecast over the four years at an average of 2.0% in line with the current cap.
- **Service delivery strategy (section 16)** – Service levels have been maintained throughout the four year period, this is a key underlying principle of the Strategic Resource Plan. As can be seen by the key items above, maintaining services in a rate capping environment with modest grant levels are expected to put a strain on Council's cash.
- **Borrowing strategy (Section 16)** – Borrowings are forecast to reduce from \$3.37 million to \$1.24 million over the four year period. This includes no new borrowings and a significant retirement of debt in the 2019/20 financial year.
- **Infrastructure strategy (Section 16)** - Capital expenditure over the four year period will total \$69.58 million at an average of \$17.4 million. This average is slightly inflated by the extra disaster recovery works in 2017/18.



## 15. Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website. Note the Council's Rating Strategy is due to expire 31 December 2017 and is currently being reviewed and this review will include an extensive community consultation.

### 15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges were identified as an important source of revenue, accounting for approximately 50% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Colac Otway community.

### 15.2 Future rates and charges

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2017, and proposed rate caps set by the State Government.

Year	General Rate Increase %	Municipal Charge Increase %	Fortnightly Kerbside Charge Increase %	Weekly Kerbside Charge Increase %	Total Rates Raised \$'000
2016/17	2.50	2.50	2.50	2.50	28,789
2017/18	1.69	1.68	2.00	2.00	29,238
2018/19	2.00	2.00	2.00	2.00	29,823
2019/20	2.00	2.00	2.00	2.00	30,419
2020/21	2.00	2.00	2.00	2.00	31,028

*NB\* The above % increases are made up of the cap increase plus the additional revenue due to an increase in rateable properties*

### 15.3 Rating structure

Council has established a rating structure which is comprised of three key elements. These are:

- Property values which form the central basis of rating under the *Local Government Act 1989*
- A user pays component to reflect usage of certain services provided by Council
- A fixed municipal charge per property to cover some of the administrative costs of the Council.

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential or commercial purposes. This distinction is based on the concept that business should pay a fair and equitable contribution to rates taking into account the benefits those commercial properties derive from the local community.

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council is in the process of reviewing its rating structure and will consider this approach for its ongoing appropriateness.

The existing rating structure comprises six differential rates (see below). These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. The differential Rates for each category are as follows:

<b><u>Differential Category</u></b>	<b><u>Differential rate</u></b>
Commercial/Industrial - BOS	140%
Commercial/Industrial - Colac	165%
Holiday Rental	100%
Residential - BOS	85%
Residential - Colac	100%
Rural Farm	77%

Council also levies a municipal charge and a kerbside collection charge as allowed under the Act.

The following table summarises the rates to be determined for the 2017/18 year. A more detailed analysis of the rates to be raised is contained in Section 7 Rates and Charges.

<b>Rate type</b>	<b>How applied</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Total Raised 2017/18</b>	<b>Change</b>
Commercial/Industrial - BOS	Cents/\$ CIV	0.006118	0.006191	1,054,297	1.2%
Commercial/Industrial - Colac	Cents/\$ CIV	0.00721	0.007297	2,080,993	1.2%
Holiday Rental	Cents/\$ CIV	0.00437	0.004422	1,069,118	1.2%
Residential - BOS	Cents/\$ CIV	0.003714	0.003759	7,467,665	1.2%
Residential - Colac	Cents/\$ CIV	0.00437	0.004422	6,327,592	1.2%
Rural Farm	Cents/\$ CIV	0.003452	0.003405	5,714,531	(1.4)%
Tirrengower Drainage Scheme	\$/ Hectare	\$2.50	\$2.50	21,063	0.0%
Municipal charge	\$/ property	\$182.45	\$184.64	2,632,958	1.2%
Weekly Kerbside collection	\$/ property	\$292	\$298	2,869,982	2.0%
Fortnightly Kerbside collection	\$/ property	\$194	\$198		2.0%

Council previously adopted a formal *Rating Strategy* that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used (currently under review).

## 16. Summary of other strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

### 16.1 Borrowings

In developing the Strategic Resource Plan SRP (see Section 14), borrowings were identified as an important funding source for capital works programs. In the past, Council has at times borrowed to finance large infrastructure projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. With continued constraints around Council's ability to raise income, it may be necessary to reconsider the issue of borrowings. As such Council will review the Debt Strategy in the coming months.

For the 2017/18 year, Council has decided not to take out any new borrowings to fund the capital works program and therefore, after making loan repayments of \$0.6 million, will reduce its total borrowings to \$3.37 million as at 30 June 2018. It is worth noting in 2019/20 over \$1m is forecast to be repaid including a one-off \$0.5m bond repayment, to fund this payment an amount of \$0.1m per year for 5 years has been set aside to ensure the appropriate cash flow exists in the 2019/20 financial year.

The table below shows information on borrowings specifically required by the Regulations.

	2016/17	2017/18
	\$'000	\$'000
Total amount borrowed as at 30 June of the prior year	4,773	3,974
Total amount proposed to be borrowed	0	0
Total amount projected to be redeemed	(799)	(604)
Total amount of borrowings as at 30 June	3,974	3,370

### 16.2 Infrastructure

The Council has developed an Asset Management Plan based on the knowledge provided by various Asset Management Plans, which sets out the capital expenditure requirements of Council for the next 10 years by class of asset, and is a key input to the SRP. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. The plan has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes;
- Identification of capital projects through the preparation of asset management plans;
- Prioritisation of capital projects within classes on the basis of evaluation criteria;
- Methodology for allocating annual funding to classes of capital projects.

A key objective of the Asset Management Plan is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified in the Asset Management Plan. While the Asset Management Plan is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs and the above graph indicates asset renewal is being addressed, the SRP illustrates the impacts on Council's cash and underlying result position in order to maintain the shires renewal requirements.

In updating the Asset Management Plan for the 2017/18 year, the following influences have had a significant impact:

- Resources committed to undertaking the remaining Disaster Recovery works.
- Future planning for disaster recovery to ensure we learn from our recent experiences.
- Availability of Federal funding for upgrade of roads.
- Availability of certain government grants programs such as the Victorian Grants Commissions grants.
- The enactment of the *Road Management Act 2004* removing the defence of non-feasance on major assets such as roads.

The following table summarises Council's forward outlook on capital expenditure including funding sources for the next four years.

Year	Summary of funding sources				
	Total Capital Program	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000
2016/17	21,354.9	12,146.0	0.3	9,208.5	0
2017/18	21,636.5	10,184.9	0.5	11,451.1	0
2018/19	15,823.9	7,448.8	0.5	8,374.6	0
2019/20	15,981.1	7,522.8	0.5	8,457.9	0
2020/21	16,140.0	8,672.5	0.5	7,467.0	0

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to open space investment and unspent Home and Community Care packages. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

### 16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14.) which directly impact the future service delivery strategy are to maintain existing service levels. The Rating Information (see Section 15.) also refers to modest rate increases into the future. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

There are a number of specific influences which relate directly to service areas or activities. The most significant changes in these areas are summarised below.

#### 16.3.1 Service Reviews

Council has identified the importance of ensuring services to the community are delivered in the most efficient and effective way possible. The key principles underpinning any review of services would be as follows:

- Is Council the most appropriate source of these services?
- What alternative providers are available in the market?
- The degree of importance of the service to the community
- If the service is a priority for Council to provide, what is the appropriate level of service?
- Is the service being delivered in the most efficient and effective manner?
- Is the service to be delivered on a cost neutral basis or subsidised by Council?

#### 16.3.2 Aged & Disability Services

As the National Disability and Insurance Scheme (NDIS) takes effect and various services transition to this program, we will see more funded services move from Council therefore decreasing both Grants and Materials & Services/Employee costs.

#### 16.3.3 Valuation Services

The Council is required to revalue all properties within the municipality every two years. The last general revaluation was carried out as at 1 January 2016 effective for the 2016/17 year and the next revaluation undertaken as at 1 January 2018 is in it's first stages with costs budgeted for in 2017/18.

#### 16.3.4 Waste Management Contract review

The Waste Management contract is set for renewal in 2019/20 financial year. Being Council's largest contract this will be an involved and detailed review and has a significant impact on one of the key services we provide our community. Accordingly funding of \$0.06m has been set aside in the 2017/18 budget for the first phase of this review.

The service delivery outcomes measured in financial terms are shown in the following table.

Year	Adjusted		
	Surplus (Deficit) for the year	Underlying Surplus (Deficit)	Net Service (Cost)
	\$'000	\$'000	\$'000
2016/17	14,064	9,082	(20,621)
2017/18	7,542	124	(18,984)
2018/19	5,112	1,740	(15,308)
2019/20	6,411	871	(16,927)
2020/21	4,509	(1,313)	(15,348)

## **Appendix A**

### **Fees and charges schedule**

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect of various goods and services provided during the 2017/18 year.

Description	Council /Statutory	GST %	2016/2017 Fee incl. Tax	2017/2018 Fee incl. Tax
<b>Corporate Services</b>				
<b>Financial Services</b>				
<b>Council Properties (per annum)</b>				
<b>Apollo Bay Newsheet</b>				
Apollo Bay News Sheet	C	10	\$850.72	\$885.00
<b>Land Information Certificate</b>				
<b>Land Information Certificate</b>				
Land Information Certificate	S	0	\$24.80	\$25.40
<b>Replacement Rate Notice</b>				
<b>Replacement Rate Notice</b>				
Replacement Rate Notice	C	0	\$25.00	\$25.00
<b>Payment Dishonour Fee (All Other)</b>				
<b>Admin Fee</b>				
Admin Fee	C	10	\$25.00	\$26.00
<b>Payment Dishonour Fee (Direct Debit)</b>				
<b>Admin Fee</b>				
Admin Fee	C	10	\$10.00	\$10.50
<b>Governance</b>				
<b>Freedom of Information (per application)</b>				
<b>Freedom of Information (per application)</b>				
Freedom of Information (per application)	S	0	\$27.90	\$27.90
<b>Printing and Photocopying</b>				
<b>A3 sheet</b>				
A3 sheet	C	10	\$0.40	\$0.40
<b>A4 sheet</b>				
A4 sheet	C	10	\$0.20	\$0.20
<b>Coloured copy – A3 sheet</b>				
Coloured copy – A3 sheet	C	10	\$2.00	\$2.00
<b>Coloured copy – A4 sheet</b>				
Coloured copy – A4 sheet	C	10	\$1.00	\$1.00
<b>Record Search Fee</b>				
<b>Discovery Fee - Per Hour</b>				
Discovery Fee - Per Hour	C	10	\$50.00	\$65.00
<b>Annual Report</b>				
<b>Hard Copy of Annual Report</b>				
Cost per copy	C	10	\$20.00	\$20.00
<b>Waste Management</b>				
<b>Waste Management Additional Service Charge/Bin</b>				
<b>240 litre garbage additional service charge/bin</b>				
240 litre garbage additional service charge/bin	C	10	\$266.00	\$271.00
<b>240 litre organic additional service charge/bin</b>				
240 litre organic additional service charge/bin	C	10	\$128.00	\$130.50
<b>240 litre recycle additional service charge/bin</b>				
240 litre recycle additional service charge/bin	C	10	\$77.00	\$78.50
<b>Set 3 new bins new property</b>				
Set 3 new bins new property	C	10	\$0.00	\$0.00
<b>Upgrade to 240litre Garbage Bin</b>				
Upgrade to 240litre Garbage Bin	C	10	\$205.00	\$209.00
Upgrade to 360ltr Recycling bin	C	10	\$0.00	\$39.25
<b>All waste receival sites</b>				
<b>Car bodies</b>				
Car bodies	C	10	\$67.00	\$68.00
<b>Chemical drums</b>				
Chemical drums (each)	C	10	\$1.10	\$1.10
<b>Commercial fully co-mingled recyclables</b>				
Commercial fully co-mingled recyclables (per m3)	C	10	\$14.25	\$14.50
Commercial fully co-mingled recyclables (per tonne)			\$60.00	\$61.00
<b>Mattresses each</b>				
Mattresses each	C	10	\$24.00	\$24.50
<b>Putrescibles (incl mixed rubbish)</b>				
Putrescibles (incl mixed rubbish) per m3	C	10	\$60.00	\$61.00
Putrescibles (incl mixed rubbish) 1st 240 ltr bin or less	C	10	\$10.00	\$10.20
Putrescibles (incl mixed rubbish) 2nd 240 litre bin	C	10	\$15.00	\$15.50
Putrescibles (incl mixed rubbish) per tonne	C	10	\$280.00	\$285.00
<b>Steel scrap</b>				
Steel scrap (per M3)	C	10	\$11.00	\$11.50
Steel scrap (per Tonne)	C	10	\$41.00	\$41.50
<b>Tree pruning's</b>				
Tree pruning's (per M3)	C	10	\$38.00	\$38.50
Tree pruning's (per Tonne)	C	10	\$132.00	\$134.50
<b>TV &amp; Monitors</b>				
TV & Monitors	C	10	\$10.00	\$10.50
<b>Tyres</b>				
Car	C	10	\$7.50	\$8.00
Car on rim	C	10	\$14.00	\$14.50
Commercial batteries each (more than 2)	C	10	\$6.10	\$6.50
Light truck	C	10	\$16.00	\$16.50
Tractor 1-2m	C	10	\$210.00	\$215.00

Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
Tractor up to 1m	C	10	\$100.00	\$102.00
Truck	C	10	\$45.00	\$46.00
<b>Waste disposal tickets</b>				
10 tickets(up to 240lt bin)	C	10	\$68.00	\$70.00
25 tickets (up to 240lt bin)	C	10	\$146.00	\$150.00
<b>Kerbside Bin Fees</b>				
<b>120 litre garbage (bin only )</b>				
120 litre garbage (bin only )	C	10	\$74.00	\$75.50
<b>120 litre organic (bin only )</b>				
120 litre organic (bin only )	C	10	\$74.00	\$75.50
<b>120 litre recycle (bin only )</b>				
120 litre recycle (bin only )	C	10	\$74.00	\$75.50
<b>240 litre garbage (bin only )</b>				
240 litre garbage (bin only)	C	10	\$79.00	\$80.00
<b>240 litre organic (bin only )</b>				
240 litre organic (bin only )	C	10	\$79.00	\$80.00
<b>240 litre recycle (bin only )</b>				
240 litre recycle (bin only )	C	10	\$79.00	\$80.00
<b>Bin change over fee (all bins)</b>				
Bin change over fee (all bins)	C	10	\$31.00	\$32.00
<b>Lost or stolen bins – 120/240 litre</b>				
Lost or stolen bins – 120/240 litre	C	10	\$54.00	\$55.00
<b>Other</b>				
Safe waste bin locks	C	10	\$0.00	\$6.50
Tourist Bags (red and yellow) per pair	C	10	\$0.00	\$10.00
<b>Infrastructure &amp; Leisure Services</b>				
<b>Aerodrome Landing Fees</b>				
<b>Apollo Bay (per landing)</b>				
Apollo Bay (per landing )	C	10	\$10.50	\$11.00
Apollo Bay (per landing per tonne )	C	10	N/A	\$0.00
Apollo Bay overnight parking fee	C	10	N/A	\$0.00
<b>Colac (per landing)</b>				
Colac (per landing)	C	10	\$10.50	\$11.00
Colac (per landing per tonne)	C	10	N/A	\$0.00
Colac overnight parking fee	C	10	N/A	\$0.00
<b>Apollo Bay Harbour</b>				
<b>Fixed mooring (annual)</b>				
Fixed mooring (annual)	C	10	\$1,860.00	\$1,916.00
<b>Itinerant Berth (daily) based on vessel length</b>				
more than 10m but less than 15m	C	10	\$26.00	\$27.00
more than 15m but less than 20m	C	10	\$31.00	\$32.00
more than 20m but less than 25m	C	10	\$38.00	\$39.00
more than 25m but less than 30m	C	10	\$62.00	\$64.00
more than 30m	C	10	\$124.00	\$128.00
<b>Marina keys (per key)</b>				
Marina keys (per key) (including replacement)	C	10	\$26.00	\$27.00
<b>Swing mooring (annual)</b>				
Swing mooring (annual)	C	10	\$123.50	\$127.00
<b>Swing mooring establishment</b>				
Swing mooring establishment	C	10	\$199.00	\$205.00
<b>Other Harbour Fees - based on Vessel Length</b>				
<b>Slipping Fee by vessel Length</b>				
10	C	10	\$184.50	\$190.00
10.2	C	10	\$191.50	\$197.00
10.4	C	10	\$199.00	\$205.00
10.6	C	10	\$207.00	\$213.00
10.8	C	10	\$214.00	\$220.00
11	C	10	\$215.00	\$221.00
11.2	C	10	\$228.50	\$235.00
11.4	C	10	\$236.00	\$243.00
11.6	C	10	\$244.00	\$251.00
11.8	C	10	\$250.00	\$258.00
12	C	10	\$259.50	\$267.00
12.2	C	10	\$266.00	\$274.00
12.4	C	10	\$274.00	\$282.00
12.6	C	10	\$280.00	\$288.00
12.8	C	10	\$288.50	\$297.00
13	C	10	\$295.50	\$304.00
13.2	C	10	\$303.00	\$312.00
13.4	C	10	\$310.00	\$319.00
13.6	C	10	\$316.00	\$325.00
13.8	C	10	\$325.50	\$335.00
14	C	10	\$331.50	\$341.00
14.2	C	10	\$342.00	\$352.00
14.4	C	10	\$353.00	\$364.00
14.6	C	10	\$363.00	\$374.00
14.8	C	10	\$373.00	\$384.00
15	C	10	\$384.00	\$396.00

Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
15.2	C	10	\$393.50	\$405.00
15.4	C	10	\$403.00	\$415.00
15.6	C	10	\$413.00	\$425.00
15.8	C	10	\$423.50	\$436.00
16	C	10	\$433.50	\$447.00
16.2	C	10	\$444.00	\$457.00
16.4	C	10	\$454.00	\$468.00
16.6	C	10	\$464.50	\$478.00
16.8	C	10	\$474.00	\$488.00
17	C	10	\$484.00	\$499.00
17.2	C	10	\$494.50	\$509.00
17.4	C	10	\$505.00	\$520.00
17.6	C	10	\$498.31	\$513.00
17.8	C	10	\$525.50	\$541.00
18	C	10	\$535.50	\$552.00
18.2	C	10	\$548.00	\$564.00
18.4	C	10	\$560.00	\$577.00
18.6	C	10	\$575.00	\$592.00
18.8	C	10	\$587.00	\$605.00
19	C	10	\$599.50	\$617.00
19.2	C	10	\$613.00	\$631.00
19.4	C	10	\$625.00	\$644.00
19.6	C	10	\$638.50	\$658.00
19.8	C	10	\$651.00	\$671.00
20	C	10	\$664.50	\$684.00
24	C	10	\$921.00	\$949.00
<b>Storage Fee (Per Day) by vessel length</b>				
10	C	10	\$46.50	\$48.00
10.2	C	10	\$50.50	\$52.00
10.4	C	10	\$53.50	\$55.00
10.6	C	10	\$58.00	\$60.00
10.8	C	10	\$62.00	\$64.00
11	C	10	\$66.00	\$68.00
11.2	C	10	\$70.00	\$72.00
11.4	C	10	\$74.00	\$76.00
11.6	C	10	\$77.00	\$79.00
11.8	C	10	\$81.50	\$84.00
12	C	10	\$84.50	\$87.00
12.2	C	10	\$90.00	\$93.00
12.4	C	10	\$93.00	\$96.00
12.6	C	10	\$96.00	\$99.00
12.8	C	10	\$102.00	\$105.00
13	C	10	\$105.00	\$108.00
13.2	C	10	\$108.00	\$111.00
13.4	C	10	\$112.50	\$116.00
13.6	C	10	\$115.50	\$119.00
13.8	C	10	\$120.50	\$124.00
14	C	10	\$123.50	\$127.00
14.2	C	10	\$126.50	\$130.00
14.4	C	10	\$132.00	\$136.00
14.6	C	10	\$136.00	\$140.00
14.8	C	10	\$140.00	\$144.00
15	C	10	\$143.00	\$147.00
15.2	C	10	\$146.00	\$150.00
15.4	C	10	\$151.50	\$156.00
15.6	C	10	\$149.35	\$154.00
15.8	C	10	\$158.50	\$163.00
16	C	10	\$163.00	\$168.00
16.2	C	10	\$167.00	\$172.00
16.4	C	10	\$171.00	\$176.00
16.6	C	10	\$175.00	\$180.00
16.8	C	10	\$178.00	\$183.00
17	C	10	\$182.50	\$188.00
17.2	C	10	\$185.50	\$191.00
17.4	C	10	\$189.50	\$195.00
17.6	C	10	\$193.50	\$199.00
17.8	C	10	\$198.00	\$204.00
18	C	10	\$202.00	\$208.00
18.2	C	10	\$205.00	\$211.00
18.4	C	10	\$209.00	\$215.00
18.6	C	10	\$213.00	\$219.00
18.8	C	10	\$216.50	\$223.00
19	C	10	\$220.50	\$227.00
19.2	C	10	\$224.50	\$231.00
19.4	C	10	\$230.00	\$237.00
19.6	C	10	\$233.00	\$240.00
19.8	C	10	\$236.00	\$243.00
20	C	10	\$240.00	\$247.00
<b>Asset Management</b>				
<b>Asset Protection Permit Fee</b>				
Asset Protection Permit Fee	C	0	\$140.00	\$145.00
<b>Checking of Engineering Plans</b>				
Checking of Engineering Plans	S	0	0.75%	0.75%
<b>Design Fee</b>				



Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
<b>In house</b>	C	0	10.00%	10.00%
<b>External design - Supervision fee</b>	C	0	20.00%	20.00%
<b>External design work</b>	C	0	At cost	At cost
<b>Fee for Legal Point of Discharge Report (as per Section 312(3) Building Regulations 2006)</b>				
Fee for Legal Point of Discharge Report (as per Section 312(3) Building Regulations 2006)	S	0	\$62.56	\$65.40
<b>Special Charge Scheme</b>				
<b>Contract administration</b>	C	0	2.50%	2.50%
<b>Scheme administration</b>	C	0	3.00%	3.00%
<b>Supervision of Sub-division Works</b>				
(% of estimated cost of constructing works proposed)	S	0	2.50%	2.50%
<b>Local Road (speed at any time is greater than 50 kph)</b>				
<b>Minor Works</b>				
Conducted on any part of the roadway, shoulder or pathway (11.5 units) - Cost per fee unit	S	0	\$160.31	\$163.53
Not conducted on any part of the roadway, shoulder or pathway (5 units) - Cost per fee unit	S	0	\$69.70	\$71.10
<b>Works on Roads (works other than minor works)</b>				
Conducted on any part of the roadway, shoulder or pathway (25 units) - Cost per fee unit	S	0	\$348.50	\$355.50
Not conducted on any part of the roadway, shoulder or pathway (25 units) - Cost per fee unit	S	0	\$348.50	\$355.50
<b>Local Road (speed at any time is not more than 50kph)</b>				
<b>Minor Works</b>				
Conducted on any part of the roadway, shoulder or pathway (11.5 units) - Cost per fee unit	S	0	\$160.31	\$163.53
Not conducted on any part of the roadway, shoulder or pathway (5 units) - Cost per fee unit	S	0	\$69.70	\$71.10
<b>Works on Roads (works other than minor works)</b>				
Conducted on any part of the roadway, shoulder or pathway (20 units) - Cost per fee unit	S	0	\$278.80	\$284.40
Not conducted on any part of the roadway, should or pathway (5 units) - Cost per fee unit	S	0	\$69.70	\$71.10
<b>Bluewater Fitness Centre</b>				
<b>Aquatic – Daily Charges</b>				
<b>Combo Swim Spa Sauna Stadium (SSSS)</b>				
<b>Adult</b>	C	10	\$10.90	\$11.50
<b>Concession</b>	C	10	\$9.00	\$9.50
<b>Pool or spa or steam room or stadium</b>				
<b>Adult</b>	C	10	\$6.20	\$6.50
<b>Child</b>	C	10	\$4.30	\$4.50
<b>Competitor Entry Adult</b>	C	10	\$1.00	\$3.00
<b>Competitor Entry Child</b>	C	10	\$1.00	\$2.00
<b>Concession</b>	C	10	\$5.10	\$5.30
<b>Family</b>	C	10	\$18.90	\$19.50
<b>Parent/Toddler</b>	C	10	\$5.10	\$5.30
<b>School Group</b>	C	10	\$4.30	\$4.50
<b>Aqua Membership (Aquatics Only)</b>				
<b>Adult</b>				
<b>12 months</b>	C	10	\$532.00	\$555.00
<b>Direct Debit</b>	C	10	\$20.50	\$21.50
<b>Child</b>				
<b>12 months</b>	C	10	\$372.00	\$390.00
<b>Direct Debit</b>	C	10	\$14.30	\$15.00
<b>Concession</b>				
<b>12 months</b>	C	10	\$439.00	\$455.00
<b>Direct Debit</b>	C	10	\$16.90	\$17.60
<b>Family</b>				
<b>12 months</b>	C	10	\$798.00	\$825.00
<b>Direct Debit</b>	C	10	\$30.70	\$32.00
<b>Crèche</b>				
<b>Member - BWFC</b>				
<b>Child 1 hr (per hour)</b>	C	10	\$5.30	\$5.50
<b>Family 1 hr (per hour)</b>	C	10	\$9.50	\$10.00
<b>10 Multi Visit Pass (Visit per Hour)</b>	C	10	\$0.00	\$50.00
<b>30 Multi Visit Pass (Visit per Hour)</b>	C	10	\$0.00	\$140.00
<b>Non-member - BWFC</b>				
<b>Child 1 hr</b>	C	10	\$8.50	\$10.00
<b>Family 1 hr</b>	C	10	\$15.20	\$18.00
<b>Health Club &amp; Group Fitness</b>				
<b>Casual</b>				
<b>Fitness Assessment (45 min)</b>	C	10	\$53.00	\$55.00
<b>Casual Entry</b>				
<b>Adult</b>	C	10	\$12.30	\$12.80
<b>Concession</b>	C	10	\$10.10	\$10.50
<b>Group entry (schools)</b>	C	10	\$6.80	\$7.00
<b>Senior Programs</b>	C	10	\$6.80	\$7.00
<b>Personal Training</b>				
<b>1 session group training</b>	C	10	\$72.00	\$75.00
<b>1 session personal training (45 min)</b>	C	10	\$53.00	\$55.00
<b>10 ticket group training</b>	C	10	\$612.00	\$635.00

Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
10 ticket personal training	C	10	\$451.00	\$470.00
5 ticket group training	C	10	\$324.00	\$340.00
5 ticket personal training	C	10	\$239.00	\$250.00
<b>Platinum Membership (Full Centre)</b>				
<b>Adult</b>				
12 months	C	10	\$794.00	\$820.00
Direct Debit	C	10	\$30.50	\$31.50
<b>Concession</b>				
12 months	C	10	\$655.00	\$680.00
Direct Debit	C	10	\$25.20	\$26.20
<b>Family</b>				
12 months	C	10	\$1,190.00	\$1,240.00
Direct Debit	C	10	\$45.80	\$48.00
<b>Gold Membership (Gym Only)</b>				
<b>Adult</b>				
12 months	C	10	\$704.00	\$730.00
Direct Debit	C	10	\$27.10	\$28.30
<b>Concession</b>				
12 months	C	10	\$580.00	\$605.00
Direct Debit	C	10	\$22.30	\$23.10
<b>Family</b>				
12 months	C	10	\$1,055.00	\$1,100.00
Direct Debit	C	10	\$40.60	\$42.50
<b>Membership Fee</b>				
<b>Direct Debit Joining Fee</b>				
<b>Adult</b>				
12 months	C	10	\$46.00	\$48.00
<b>Concession</b>				
12 months	C	10	\$38.00	\$40.00
<b>Family</b>				
12 months	C	10	\$69.00	\$72.00
<b>Swim School</b>				
12 months	C	10	\$14.00	\$15.00
<b>Multipass</b>				
<b>Adult</b>				
10 ticket platinum	C	10	\$111.00	\$115.00
10 ticket aqua	C	10	\$55.80	\$58.00
30 ticket platinum	C	10	\$314.00	\$325.00
30 ticket aqua	C	10	\$158.00	\$165.00
<b>Concession</b>				
10 ticket aqua	C	10	\$46.00	\$48.00
10 ticket platinum	C	10	\$91.00	\$95.00
30 ticket platinum	C	10	\$259.00	\$270.00
30 ticket aqua	C	10	\$130.00	\$135.00
<b>Other Charges</b>				
<b>Casual Inflatable</b>				
<b>Family Pass</b>				
12 months	C	10	\$21.00	\$22.00
<b>Single Pass</b>				
12 months	C	10	\$6.50	\$6.80
<b>Upgrade from Swim</b>				
12 months	C	10	\$3.00	\$3.10
<b>Inflatable Hire</b>				
<b>Inflatable Hire</b>				
12 months	C	10	\$90.00	\$95.00
<b>Instructor hire/hr aquatic or dry</b>				
<b>Instructor Hire</b>				
12 months	C	10	\$55.50	\$60.00
<b>Pool party per child</b>				
12 months	C	10	\$12.00	\$12.50
<b>Swim School</b>				
<b>30 min 1 on 1</b>				
12 months	C	0	\$41.00	\$43.00
<b>Swim School</b>				
<b>30 min group lesson</b>				
12 months	C	0	\$12.40	\$12.80
<b>Family Discount</b>				
Discount for 3 or more children enrolled	C	0	\$(18.00)	\$(18.00)
<b>Membership</b>				
<b>Direct Debit dishonour</b>				
12 months	C	0	\$21.50	\$21.50
<b>Schools Instructor Charge</b>				
<b>Instructor Charge</b>				
12 months	C	0	\$55.50	\$60.00
<b>Schools Swim &amp; Survive Program Entry</b>				
<b>Program Entry</b>				
12 months	C	0	\$3.30	\$3.40
<b>Venue Hire</b>				
<b>Pool Hire</b>				
<b>Lane hire/hr (during normal operating hrs)</b>				
12 months	C	10	\$22.50	\$23.50
<b>Whole pool ½ day&lt;4 hrs (during normal operating hours)</b>				
12 months	C	10	\$338.00	\$350.00
<b>Whole pool full day 4+ hrs (during normal operating hours)</b>				
12 months	C	10	\$506.00	\$525.00
<b>Program Pool Hire - half pool per hr</b>				
12 months	C	10	\$33.00	\$34.00
<b>Program Pool Hire -full pool per hr</b>				
12 months	C	10	\$55.00	\$57.00
<b>Additional Lifeguard Hire (per hour)</b>				
12 months	C	10	\$40.00	\$42.00
<b>Commercial Room Hire</b>				
<b>Program Room Single</b>				
12 months	C	10	\$36.50	\$38.00
<b>Program Room Double</b>				
12 months	C	10	\$55.00	\$57.00
<b>Meeting Room</b>				
12 months	C	10	\$36.50	\$38.00
<b>Community Room Hire</b>				
<b>Program Room Single</b>				
12 months	C	10	\$25.60	\$26.50
<b>Program Room Double</b>				
12 months	C	10	\$38.50	\$40.00
<b>Meeting Room</b>				
12 months	C	10	\$25.60	\$26.50
<b>Stadium Hire</b>				

Description	Council	GST	2016/2017	2017/2018
	/Statutory	%	Fee incl. Tax	Fee incl. Tax
All day hire	C	10	\$516.00	\$600.00
Off Peak court hire/hr	C	10	\$36.80	\$38.00
Peak court hire/hr	C	10	\$43.00	\$45.00
<b>Apollo Bay Leisure Centre Charges</b>				
<b>Pool or spa or steam room or stadium</b>				
Adult	C	10	\$6.00	\$6.00
Concession	C	10	\$5.10	\$5.10
Child	C	10	\$4.30	\$4.30
Family	C	10	\$18.90	\$18.90
Season Pass Adult	C	10	\$170.00	\$170.00
Season Pass Concession	C	10	\$128.00	\$128.00
Season Pass Family	C	10	\$275.00	\$275.00
Stadium Casual Entry	C	10	\$5.10	\$5.10
Stadium Hire	C	10	\$36.80	\$36.80
<b>COPACC</b>				
<b>Auditorium 1 - 4 Hour Minimum Hire</b>				
<b>Commercial Hire</b>				
4 Hour Hire	C	10	\$980.00	\$1,000.00
8 Hour Hire	C	10	\$1,450.00	\$1,480.00
Additional Hour	C	10	\$130.00	\$132.00
Hourly penalty	C	10	\$200.00	\$200.00
<b>Community Groups, Schools &amp; Council From Colac Otway</b>				
4 Hour Hire	C	10	\$725.00	\$740.00
8 Hour Hire	C	10	\$1,080.00	\$1,100.00
Additional Hour	C	10	\$105.00	\$107.00
Hourly penalty	C	10	\$150.00	\$150.00
<b>Catering</b>				
<b>Catering</b>				
Tablecloth Hire - COPACC Black - per cloth	C	10	\$10.00	\$11.00
Tea, Coffee & Mints - All Day - per head	C	10	\$3.25	\$3.50
Juice - Apple/Orange per Jug	C	10	\$6.00	\$6.50
<b>Civic Hall</b>				
<b>Commercial Hire</b>				
4 Hour Hire	C	10	\$470.00	\$480.00
8 Hour Hire	C	10	\$725.00	\$740.00
Additional Hour	C	10	\$85.00	\$87.00
<b>Community From Colac Otway</b>				
4 Hour Hire	C	10	\$395.00	\$405.00
8 Hour Hire	C	10	\$620.00	\$630.00
Additional Hour	C	10	\$75.00	\$77.00
<b>Equipment Hire</b>				
<b>Equipment Hire</b>				
Projector Hire - Epson 11K (per day)	C	10	\$0.00	\$200.00
Projector Hire - Epson 11K (per week)	C	10	\$0.00	\$500.00
Projector Hire - NEC 4.5K (per day)	C	10	\$82.00	\$85.00
Projector Hire - Meeting Rooms per unit (per day)	C	10	\$26.00	\$27.00
Haze Machine - Daily	C	10	\$40.00	\$40.00
Haze Machine - Weekly	C	10	\$100.00	\$100.00
Mirror Ball	C	10	\$77.00	\$80.00
PA System - Advanced	C	10	\$250.00	\$255.00
PA System - Basic	C	10	\$100.00	\$105.00
PA System - Meeting Room (Fixed)	C	10	\$25.00	\$26.00
Portable Stage - Flat Stage	C	10	\$200.00	\$210.00
Portable Stage - Large Tiered Seating	C	10	\$1,200.00	\$1,200.00
Portable Stage - Small Tiered Seating	C	10	\$800.00	\$800.00
Wireless Microphone - per additional day	C	10	\$25.00	\$26.00
Wireless Microphone - per day	C	10	\$50.00	\$51.00
<b>Green Room</b>				
<b>Commercial Hire</b>				
After Hours	C	10	\$67.00	\$68.00
Hourly Rate	C	10	\$41.00	\$42.00
<b>Community From Colac Otway</b>				
After Hours	C	10	\$59.00	\$58.00
Hourly Rate	C	10	\$28.00	\$29.00
<b>Kitchen Hourly Rate</b>				
<b>Commercial Hire</b>				
After Hours & Weekends	C	10	\$67.00	\$68.00
Between 8:30 & 5pm (Mon-Fri)	C	10	\$52.00	\$53.00
<b>Community From Colac Otway</b>				
After Hours & Weekends	C	10	\$59.00	\$60.00
Between 8:30 & 5pm (Mon-Fri)	C	10	\$28.00	\$29.00
<b>Labour Charges</b>				
<b>Hourly Rate</b>				
Event staff - First 8 Hours (per hour)	C	10	\$62.00	\$63.50
Event staff - Additional Hour (per hour)	C	10	\$83.00	\$85.00
Technical staff - First 8 Hours (per hour)	C	10	\$62.00	\$63.50
Technical staff - Additional Hour (per hour)	C	10	\$83.00	\$85.00
<b>Meeting Room/s Hourly Rate</b>				

Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
<b>Commercial Hire</b>				
Double Room (After Hours)	C	10	\$88.00	\$90.00
Double Room (Between 8:30 & 5pm)	C	10	\$67.00	\$68.00
Single Room (After Hours)	C	10	\$67.00	\$68.00
Single Room (Between 8:30 & 5pm)	C	10	\$46.00	\$47.00
<b>Community From Colac Otway</b>				
Double Room (After Hours)	C	10	\$78.00	\$80.00
Double Room (Between 8:30 & 5pm)	C	10	\$57.00	\$58.00
Single Room (After Hours)	C	10	\$57.00	\$58.00
Single Room (Between 8:30 & 5pm)	C	10	\$36.00	\$37.00
<b>Other Charges</b>				
<b>Commercial Hire</b>				
Admin Fee	C	10	\$165.00	\$180.00
Grand Piano	C	10	\$100.00	\$102.00
Major Cleaning	C	10	\$210.00	\$215.00
Minor Cleaning	C	10	\$155.00	\$160.00
Piano Tuning	C	10	\$260.00	\$260.00
Test & Tag Services - per item	C	10	\$0.00	\$10.00
<b>Community Groups, Schools &amp; Council From Colac Otway</b>				
Admin Fee	C	10	\$165.00	\$180.00
Grand Piano - Free of charge	C	10	\$0.00	\$0.00
Major Cleaning	C	10	\$210.00	\$215.00
Minor Cleaning	C	10	\$155.00	\$160.00
Piano Tuning	C	10	\$260.00	\$260.00
Test & Tag Services - per item	C	10	\$0.00	\$10.00
<b>Public Gallery Exhibition &amp; Display Hire Charges</b>				
<b>Exhibition</b>				
Exhibition - % Commission	C	10	10.0%	10.0%
<b>Public Gallery Hourly Rate For Meeting &amp; Convention</b>				
<b>Commercial Hire</b>				
After Hours	C	10	\$67.00	\$68.00
Between 8:30 & 5pm	C	10	\$46.00	\$47.00
<b>Community From Colac Otway</b>				
After Hours	C	10	\$57.00	\$58.00
Between 8:30 & 5pm	C	10	\$36.00	\$37.00
<b>Rehearsal Room Hourly Rate</b>				
<b>Commercial Hire</b>				
After Hours	C	10	\$67.00	\$68.00
Between 8.30 & 5pm	C	10	\$46.00	\$47.00
<b>Community From Colac Otway</b>				
After Hours	C	10	\$57.00	\$58.00
Between 8.30 & 5pm	C	10	\$36.00	\$37.00
<b>Roll Over (pre event set up)</b>				
<b>Commercial Hire</b>				
All Day Prior	C	10	\$165.00	\$170.00
Evening Prior	C	10	\$105.00	\$110.00
<b>Community From Colac Otway</b>				
All Day Prior	C	10	\$135.00	\$140.00
Evening Prior	C	10	\$80.00	\$85.00
<b>Development &amp; Community Services</b>				
<b>Economic Development &amp; Events</b>				
<b>Colac Livestock Selling Centre</b>				
<b>Agents (with leased office space) special sale</b>				
Agents special sale	C	10	\$200.00	\$200.00
<b>Agents (with leased office space) weekly fee</b>				
Agents weekly fee	C	10	\$200.00	\$200.00
<b>Agents (without office space) per sale fee</b>				
Agents sale fee	C	10	N/A	\$500.00
<b>All horses</b>				
All horses	C	10	\$17.60	\$17.60
<b>All other cattle</b>				
All other cattle	C	10	\$13.50	\$13.50
<b>Annual licence and rental</b>				
Annual licence and rental	C	10	\$2,377.60	\$2,377.60
<b>Bobby calves</b>				
Bobby calves	C	10	\$5.90	\$5.90
<b>Bulls flat rate</b>				
Bulls flat rate	C	10	\$18.60	\$18.60
<b>Cows and calves weigh fee</b>				
>5 animals	C	10	\$3.50	\$3.50
1 animal	C	10	\$4.80	\$4.80
2-4 animals	C	10	\$4.10	\$4.10
<b>Dairy cattle</b>				
Dairy cattle	C	10	\$13.50	\$13.50
<b>Pigs</b>				
Pigs	C	10	\$3.50	\$3.50
<b>Private weigh</b>				
Private weigh	C	10	\$5.90	\$5.90
<b>Sheep and lambs</b>				

Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
Sheep and lambs	C	10	\$1.10	\$2.20
<b>Stud cattle</b>				
Stud cattle	C	10	\$18.60	\$18.60
<b>Weighed cattle</b>				
Weighed cattle	C	10	\$13.50	\$13.50
<b>Other miscellaneous fees</b>				
Truck wash per minute	C	10	\$1.00	\$1.10
Small bale of Hay	C	10	\$8.00	\$10.00
Office rental	C	10	\$385.00	\$385.00
Adjustment for cattle per day per beast	C	10	\$3.00	\$4.00
<b>Environment &amp; Community Safety</b>				
<b>Animal Control - Effective from 10 April 2015</b>				
<b>Registration</b>				
All other (refer Sch 2 of Domestic Animal Act 1994)	C	0	\$38.00	\$40.00
Cat registration – full	C	0	\$105.00	\$110.00
Cat registration – micro chipped and de-sexed	C	0	\$18.00	\$20.00
Cat registration – micro chipped only (reduced fee for microchipping only applies to cats registered prior to 2014)	C	0	\$33.00	\$35.00
Dog registration – full	C	0	\$115.00	\$125.00
Dog registration – micro chipped and de-sexed	C	0	\$24.00	\$25.00
Dog registration – micro chipped only (reduced fee for microchipping only applies to dogs registered prior to 2014)	C	0	\$37.00	\$40.00
Pensioner discount of registration fee	C	0	50%	50%
Working farm dog	C	0	\$24.00	\$25.00
Declared Dangerous & Menacing Dogs	C	0	\$120.00	\$125.00
Pet Shop - Breeding/Boarding Facility Audit Fee	C	0	\$160.00	\$200.00
<b>Pound Release Fees</b>				
Cats - Initial impoundment plus	C	0	\$40.00	\$40.00
Cats - per head per day	C	0	\$5.00	\$5.00
Cattle/horses - Initial impoundment plus	C	0	\$80.00	\$80.00
Cattle/horses - per head per day	C	0	\$15.00	\$15.00
Dogs - Initial impoundment plus	C	0	\$60.00	\$60.00
Dogs - per head per day	C	0	\$15.00	\$15.00
Sheep/pigs - Initial impoundment plus	C	0	\$41.00	\$41.00
Sheep/pigs - per head per day	C	0	\$10.00	\$10.00
All other - Initial impoundment plus	C	0	\$30.00	\$30.00
All other - per head per day	C	0	\$10.00	\$10.00
<b>Events</b>				
<b>Charitable organisations</b>				
Charitable organisations per event	C	0	\$75.00	\$0.00
<b>Other</b>				
Wedding on Council controlled/managed land	C	0	\$75.00	\$80.00
Other activity per event	C	0	\$170.00	\$200.00
<b>Fire Prevention</b>				
<b>Administrative fee block slashing (plus cost of slashing)</b>				
Administrative fee block slashing (plus cost of slashing)	C	10	\$170.00	\$175.00
<b>Local Law Infringement fee – burning of offensive material (2 penalty units)</b>				
Infringement fee – burning of offensive material (2 penalty units)	S	0	\$200.00	\$200.00
<b>Statutory Penalty fee – Failing to comply with fire prevention notice (10 penalty units)</b>				
Infringement fee – failing to comply with fire prevention notice (10 penalty units)	S	0	\$1,517.00	\$1,585.70
<b>Standpipe water fee – per kilolitre</b>				
Standpipe water fee – per kilolitre	C	10	\$4.50	\$4.70
<b>Local Laws</b>				
<b>Local Law No 1</b>				
Alcohol permit	C	0	\$120.00	\$150.00
<b>Local Law No 2</b>				
Alcohol infringement fee (2 penalty unit)	S	0	\$200.00	\$200.00
Goods for sale per m2	C	0	\$60.00	\$65.00
- Signs (A frame) - Charitable Organisations	C	0	\$60.00	\$65.00
- Signs (A frame) - Other	C	0	\$120.00	\$125.00
Street party/festival per event	C	0	\$170.00	\$200.00
Tables and chairs	C	0	\$115.00	\$120.00
- 1st table and 4 chairs PLUS				
Tables and chairs	C	0	\$30.00	\$35.00
- then per seat thereafter				
Using Council land	C	0	\$50.00	\$60.00
- Permit /admin fee PLUS				
Using Council land	C	0	\$25.00	\$30.00
- Cost per week				
Vegetation	C	0	\$75.00	\$100.00
<b>Other</b>				
<b>Abandoned or derelict vehicles</b>				
Abandoned or derelict vehicles	C	0	\$250.00	\$250.00
- Pickup fee PLUS				
Abandoned or derelict vehicles	C	0	At cost	At cost
- transport and storage costs				
<b>All other permits</b>				
All other permits (Spruiking & Busking, Weddings, Door Knocks and Temporary Dwellings Permit)	C	0	\$85.00	\$85.00
<b>Circus</b>				
Circus	C	0	\$140.00	\$160.00
<b>Impoundment Fee</b>				

Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
Impoundment Fee	C	0	\$150.00	\$150.00
<b>Public protection (hording permit)</b>				
Public protection (hording permit) - Application fee PLUS	C	0	\$30.00	\$35.00
Public protection (hording permit) - Per m2 fee	C	0	\$10.00	\$15.00
Work Zone Parking Permit (per bay per week)	C	0	\$40.00	\$40.00
<b>Sport Event</b>				
Sport Event	C	0	\$70.00	\$70.00
<b>Parking</b>				
<b>All day parking permit (Payable in 6 monthly blocks - Johnstone's Carpark only)</b>				
All day parking permit - per week	C	0	\$20.00	\$22.00
<b>Building site on street</b>				
Parking space charge/permit - per bay per week or part there of	C	0	\$40.00	\$40.00
<b>Car parking fines</b>				
Car parking fines	C	0	\$75.00	\$78.00
<b>Statutory Car parking fines</b> These fees are set under the provisions of the Road Safety (General) Regulations 2009 - Schedule 6. The fees will be reset by the Victorian Treasurer and announced in April 2017 for the				
Car parking fines (.6 Statutory penalty Unit)	S	0	\$90.60	\$95.00
Car parking fines (1 Statutory penalty Unit)	S	0	\$151.00	\$158.57
<b>Disabled parking</b>				
Disabled Persons Permit Issue Fee	C	0	\$10.00	\$10.00
Permit replacement fee	C	0	\$5.00	\$5.00
<b>Planning &amp; Building</b>				
<b>Bonds</b>				
<b>Bond for Demolition or Removal of Building (Reg 323)</b>				
Bond for Demolition or Removal of Building (Reg 323) - per sqm of floor area OR - cost of works, whichever is the lesser	S	0	\$100.00	\$100.00
<b>Bond for Re-erection of Building (Reg 323)</b>				
Bond for Re-erection of Building (Reg 323) - Fee OR - cost of works	S	0	\$5,000.00	\$5,000.00
<b>Building Control Charges</b>				
<b>Application for Place of Public Entertainment (PoPE) Permit or Temporary Structure</b>				
Application for Place of Public Entertainment (PoPE) Permit PLUS	C	10	\$590.00	\$600.00
Application for Place of Public Entertainment (PoPE) Permit - per year for multiple year permits	C	10	\$30.00	\$40.00
Application for Temporary Structure Siting Permit PLUS	C	10	\$470.00	\$480.00
Application for Temporary Structure Siting Permit - per year for multiple year permits	C	10	\$30.00	\$35.00
Application for Place of Public Entertainment (PoPE) Permit & Temporary Structure Siting Permit PLUS	C	10	\$820.00	\$840.00
Application for Place of Public Entertainment (PoPE) Permit & Temporary Structure Siting Permit - per year for multiple year permits	C	10	\$30.00	\$40.00
Application for Place of Public Entertainment Permit or Temporary Structure Siting Permit Priority Fee (in addition to application fee)	C	10	\$235.00	\$245.00
<b>Information charges</b>				
Building plans, plan search	C	10	\$80.00	\$100.00
Building plans/plan search (archival search)	C	10	\$190.00	\$200.00
<b>Property Information Certificate</b>				
Property information Application	S	0	\$49.91	\$52.20
<b>Lodgement fees</b>				
Class 1 & 10	S	0	\$37.40	\$39.10
<b>Building Enforcement</b>				
<b>Building Enforcement</b>				
Administration of Building Notice	C	10	\$940.00	\$950.00
Administration of Building Order	C	10	\$590.00	\$600.00
<b>Building Permit Amendments</b>				
<b>Permit Amendments</b>				
Permit Amendments	C	10	\$188.00	\$195.00
Extensions of Time	C	10	\$188.00	\$195.00
<b>Building Permit Application Fee</b>				
<b>All other classes of Occupancy 2-9 inclusive (construction and/or demolition)</b>				
Does not exceed \$5,000*	C	10	\$445.00	\$450.00
Does not exceed \$10,000*	C	10	\$610.00	\$630.00
Does not exceed \$20,000*	C	10	\$940.00	\$960.00
Does not exceed \$50,000*	C	10	\$1,330.00	\$1,380.00
Does not exceed \$100,000*	C	10	\$2,105.00	\$2,150.00
Does not exceed \$200,000*	C	10	\$2,935.00	\$2,750.00
Does not exceed \$500,000*	C	10	\$4,650.00	\$3,410.00
Does not exceed \$600,000	C	10	0.62%	\$4,092.00
Does not exceed \$700,000	C	10	0.62%	\$4,774.00
Does not exceed \$800,000	C	10	0.62%	\$4,760.00
Does not exceed \$900,000	C	10	0.62%	\$6,138.00
Does not exceed \$1,000,000	C	10	0.57%	\$6,270.00
Does not exceed \$1,500,000	C	10	0.52%	\$9,350.00
Does not exceed \$2,000,000	C	10	0.52%	\$11,440.00
Does exceed \$2,000,000	C	10	0.41%	\$13,860.00

Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
<b>Domestic – class 1a Dwellings (construction and demolition), where the value of building work:</b>				
Does not exceed \$5,000	C	10	\$488.00	\$350.00
Does not exceed \$10,000	C	10	\$610.00	\$475.00
Does not exceed \$15,000	C	10	\$820.00	\$650.00
Does not exceed \$25,000	C	10	\$915.00	\$800.00
Does not exceed \$50,000	C	10	\$1,262.00	\$1,262.00
Does not exceed \$75,000	C	10	\$1,462.00	\$1,462.00
Does not exceed \$100,000	C	10	\$1,768.00	\$1,768.00
Does not exceed \$150,000	C	10	\$1,890.00	\$1,890.00
Does not exceed \$200,000	C	10	\$2,318.00	\$2,318.00
Does not exceed \$250,000	C	10	\$2,805.00	\$2,500.00
Does not exceed \$300,000	C	10	\$3,050.00	\$2,750.00
Does exceed \$300,000	C	10	\$3,900.00	\$3,250.00
<b>Minor Works - Class 10a, 10b &amp; 1ai: Garages, carports, pool/spas &amp; fence where value of work:</b>				
Less than \$5000	C	10	\$476.00	\$350.00
Between \$5,000 to \$10,000	C	10	\$590.00	\$475.00
Between \$10,001 to \$20,000	C	10	\$766.00	\$780.00
More than \$20,000	C	10	\$885.00	\$900.00
Minor works - Class 10b: Safety Barrier (without pool/spa) & Alterations to Safety Barrier.	C	10	\$176.00	\$250.00
<b>Statutory charge on building permits</b>				
Building permit levy (cost of building over \$10,000)	S	0	0.128%	0.128%
<b>Inspections</b>				
<b>Additional Inspection (charged where additional inspections are required)</b>				
Additional Inspection (Domestic) - within 20km radius of Colac	C	10	\$200.00	\$225.00
Additional Inspection (Commercial)	C	10	\$270.00	\$280.00
Additional Travel per km - (in addition to additional inspection fee) - more than 20km from Colac	C	10	\$1.00	\$1.00
<b>Essential Safety Measures Assessments</b>				
<b>Essential Safety Measures Determination</b>				
Essential Safety Measures Determination	C	10	\$590.00	\$650.00
<b>Swimming Pool/Spa Safety Barrier Audit</b>				
Safety Barrier Inspection	C	10	\$220.00	\$250.00
<b>Report and Consent Fees</b>				
<b>Demolition fee (s. 29A)</b>				
Demolition fee (s. 29A)	S	0	\$62.56	\$65.40
<b>Report &amp; Consent Application</b>				
Report & Consent Application	S	0	\$250.65	\$262.10
Report & Consent Application - Charge per notice sent to adjoining properties	C	10	\$21.00	\$25.00
<b>Planning Fees &amp; Charges – Other</b>				
<b>Advertising</b>				
Advertising notice sent to individual property owners per letter	C	10	\$6.50	\$7.00
Advertising sign erected on site	C	10	\$120.00	\$300.00
<b>Application for approval of amended plans under secondary consent</b>				
Application for approval of amended plans under secondary consent	C	10	\$170.00	\$175.00
<b>Application for Certification of subdivision under Subdivision Act</b>				
Application for Certification of subdivision under Subdivision Act PLUS	S	0	\$100.00	\$167.80
Application for Certification of subdivision under Subdivision Act - cost per lot	S	0	\$20.00	\$20.00
Required alteration of plan (NEW)	S	0	N/A	\$106.65
<b>Application for Plan of Consolidation</b>				
Application for Plan of Consolidation	S	0	\$100.00	\$167.80
<b>Application for Recertification of Plan of Subdivision</b>				
Application for Recertification of Plan of Subdivision	S	0	\$100.00	\$135.09
<b>Check Engineering Plans</b>				
Check Engineering Plans	S	0	0.75%	0.75%
<b>Engineering Plan prepared by Council</b>				
Engineering Plan prepared by Council	S	0	3.50%	3.50%
<b>Extension of time to planning permits</b>				
1st Extension of time to planning permits	C	10	\$105.00	\$100.00
2nd Extension of time to planning permits	C	10	N/A	\$150.00
Each additional extension of time to planning permits	C	10	N/A	\$200.00
<b>Property Enquiry (does not require extensive research)</b>				
Property Enquiry (does not require extensive research)	C	10	\$40.00	\$50.00
<b>Property Enquiry (extensive research)</b>				
Property Enquiry (extensive research)	C	10	\$150.00	\$160.00
<b>Satisfaction Matters</b>				
Satisfaction matters as specified by planning scheme	S	0	\$102.00	\$312.84
<b>Supervision of Works</b>				
Supervision of Works	S	0	2.50%	2.50%
<b>Section 173 Agreements</b>				
Amendment to an existing agreement	S	0	\$150.00	\$632.79
Removal of an existing agreement	S	0	\$100.00	\$632.79
Written consent to vary something registered on title.	C	10	N/A	\$620.30
<b>Certificates of compliance</b>				
Certificates of compliance	S	0	\$147.00	\$312.84
<b>Permit for use of land</b>				
Application where only the land use is changed.	S	0	\$502.00	\$1,265.58
<b>To develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of development included in the application</b>				
<b>Excluding VicSmart applications</b>				
Single dwelling (\$10,000 or less)	S	0	N/A	\$191.97

Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
Single dwelling (\$10,000-\$500,000)	S	0	N/A	\$1,237.14
Single dwelling (\$500,000-\$1,000,000)	S	0	N/A	\$1,336.68
Single dwelling (\$1,000,000-\$2,000,000)	S	0	N/A	\$1,436.22
<b>NEW FEE Vic smart applications</b>	Applications in this category are simple in nature and			
VicSmart - \$10,000 or less	S	0	N/A	\$191.97
VicSmart - more than \$10,000	S	0	N/A	\$412.38
VicSmart - subdivision or consolidation	S	0	N/A	\$191.97
<b>To develop land (other than for a single dwelling per lot) if the estimated cost of development included in the application is:</b>				
Other developments (less than \$100,000)	S	0	\$604.00	\$1,102.05
Other developments (\$100,000 - \$1,000,000)	S	0	\$707.00	\$1,485.99
Other developments (\$1,000,000 - \$5,000,000)	S	0	\$815.00	\$3,277.71
Other developments (\$5,000,000 - \$15,000,000)	S	0	\$1,153.00	\$8,354.25
Other developments (\$10,000,001-\$50 million)	S	0	\$8,064.00	\$24,636.15
Other developments (more than \$50,000,000)	S	0	\$16,130.00	\$55,372.68
To subdivide an existing building	S	0	\$386.00	\$1,265.58
To subdivide land into two lots	S	0	\$386.00	\$1,265.58
To effect a realignment of a common boundary between lots or to consolidate two or more lots	S	0	\$386.00	\$1,265.58
All other subdivisions per 100 lots created	S	0	\$781.00	\$1,265.58
An application to remove a restriction (within the meaning of the Subdivision Act 1988) in the circumstances described in Section 47(2) of the Planning and Environment Act 1987	S	0	\$249.00	\$1,265.58
An application to create, vary or remove a restriction within the meaning of the Subdivision Act 1988 or to create or remove a right-of-way.	S	0	\$541.00	\$1,265.58
To create, vary or remove an easement other than a right of way, or to vary or remove a condition in the nature of an easement other than a right of way in a Crown.	S	0	\$404.00	\$1,265.58
A permit not otherwise provided for in the Fee regulations	S	0	\$0.00	\$1,265.58
<b>(b) Amendments to Permits – Set by Statute</b>				
<b>1</b>				
Change of use only	S	0	\$502.00	\$1,265.58
<b>2</b>				
To amend a permit other than a single dwelling to change the statement of what the permit allows or to change any or all of the conditions which apply to the permit	S	0	\$502.00	\$1,265.58
<b>3</b>				
Single dwelling (\$10,000 or less) Changed from \$10,00-\$100,000)	S	0	\$239.00	\$191.97
<b>4</b>				
Single dwelling (\$10,000 - \$100,000)	S	0	\$0.00	\$604.35
Single dwelling (\$100,000 - \$500,000)	S	0	\$490.00	\$1,237.14
Single dwelling (\$500,000 - \$2,000,000)	S	0	\$0.00	\$1,336.68
<b>5</b>				
VicSmart - \$10,000 or less	S	0	N/A	\$191.97
VicSmart - development more than \$10,000	S	0	N/A	\$412.38
VicSmart - subdivision or consolidation	S	0	N/A	\$191.97
<b>6</b>				
Other developments (less than \$100,000)	S	0	\$604.00	\$1,102.05
<b>7</b>				
<b>8</b>				
Other developments (\$100,00 - \$1,000,000) previous lines included \$500,000-\$1million, as well as line above for \$250k- \$500k	S	0	\$207.00 to \$815.00	\$1,485.99
Other developments (\$1,000,000 - \$50,000,000)	S	0	\$0.00	\$3,273.10
<b>9</b>				
Amendment to a permit not otherwise provided for in the fee regulation	S	0	\$386.00	\$1,265.58
Subdivision - common boundary realignment, consolidation of two or more lots, existing buildings and two lot subdivisions (other than VicSmart)	S	0	N/A	\$1,265.58
Subdivision (other than VicSmart, two lot subdivisions and boundary realignments)	S	0	N/A	\$1,265.58
Creation, variation and removal of restrictions, easements and rights of way	S	0	N/A	\$1,265.58
<b>(c) Planning Scheme Amendment Fees – Set by Statute</b>				
<b>i.</b>				
Considering a request for an Amendment	S	0	\$798.00	\$2,929.32
<b>ii.</b>				
<b>New line</b> - For considering up to 10 submissions	S	0	\$0.00	\$14,518.62
<b>New line</b> - For considering 11-20 submissions	S	0	\$0.00	\$29,008.80
<b>New line</b> - For considering in excess of 20 submissions	S	0	\$0.00	\$38,777.94
<b>iii.</b>				
Adoption of Amendment by Responsible Authority	S	0	\$524.00	\$462.15
<b>iv.</b>				
Consideration of a request to approve an Amendment (by the Minister for Planning)	S	0	\$798.00	\$462.15
<b>Community Services - Family Day Care &amp; Maternal &amp; Child Health</b>				
<b>Family Day Care Administration Levy</b>				
<b>Carers Levy</b>				
Carers Levy per week	C	0	\$11.40	\$11.80
Per family per week				
Child's hourly rate for a family per week	C	0	\$0.45	\$0.55
<b>Family Day Care Charges</b>				
<b>8am to 6pm Monday to Friday</b>				



Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
(per hour per child)	C	0	\$7.40 to \$7.90	\$7.60 to \$8.10
Before 8 am and after 6 pm				
Mon – Fri (per hour per child)	C	0	\$8.45 to \$8.90	\$8.60 to \$9.10
Meals (per meal)				
Breakfast	C	0	\$3.60	\$3.65
Evening Meal	C	0	\$6.20	\$6.25
Lunch	C	0	\$4.65	\$4.70
Snack	C	0	\$1.60	\$1.65
Saturday, Sunday and Public Holidays (per hour per child)				
Saturday, Sunday and Public Holidays (per hour per child)	C	0	\$8.45 to \$8.90	8.60 to 9.10
Trips				
Trips	C	0	\$4.80	\$4.90
<b>Community Services - Older Persons Ability Support Service (OPASS)</b>				
OPASS				
Domestic Assistance (per hr)				
Domestic Assistance	C	0	\$4.50 to \$45.00	\$4.60 to \$46.00
Overnight Respite (per night)				
Respite Care	C	0	\$36.00	\$37.00
Personal Care (per hr)				
Personal Care	C	0	\$4.50 to \$45.00	\$4.60 to \$46.00
Property Maintenance (per hr plus cost of materials)				
Property Maintenance (per hr plus cost of materials)	C	0	\$12.10 to \$48.10	\$12.50 to \$49.00
Respite Care (per hr)				
Respite Care	C	0	\$4.50 to \$45.00	\$4.60 to \$46.00
Veterans Home Care (1st hr)				
Minimum service fee	S	0	\$5.50	\$5.50
Community Transport				
Birregurra/Forrest/Beeac/Warrion				
One way	C	0	\$8.00	\$8.20
Return	C	0	\$16.00	\$16.50
Colac				
Return	C	0	\$9.00	\$9.20
Colac Otway Shire - Apollo Bay, Lavers Hill				
Return	C	0	\$30.00	\$31.00
Colac to Geelong or Ballarat				
One way - single passenger	C	0	\$20.00	\$20.50
One way - Two or more passengers			\$15.00	\$15.50
Return	C	0	\$30.00	\$31.00
Colac to Melbourne				
Return	C	0	\$55.00	\$56.00
Colac to Warrnambool				
Return	C	0	\$35.00	\$36.00
Community Bus Transport for Group Activities				
Community Bus Transport for Group Activities	C	0	\$5.60	\$5.80
Full Cost Service				
Full Cost Service (per km)	C	10	\$1.10	\$1.20
Contracted Services				
Case Management (per hr)				
Assessments, reassessments, reviews, set up arrangements.	C	10	\$90.00	\$92.00
Contracted Services				
Rate/Kilometre	C	10	\$1.15	\$1.18
Food Services (per meal)				
Meal	C	10	\$22.50	\$16.00
Domestic Assistance (per hr)				
7:30am to 7:30pm Sat./Sun./Public Holiday	C	10	\$85.00	\$87.00
7:30am to 7:30pm Mon. to Fri.	C	10	\$46.00	\$47.00
Personal Care (per hr)				
7:30am to 7:30pm Sat./Sun./Public Holiday	C	10	\$85.00	\$87.00
7:30am to 7:30pm Mon. to Fri.	C	10	\$47.00	\$48.00
7:30pm to 7:30am Mon. to Fri.	C	10	\$85.00	\$87.00
Property Maintenance (per hr plus cost of materials)				
7:30am to 7:30pm Sat./Sun./Public Holiday	C	10	\$95.00	\$97.00
7:30am to 7:30pm Mon. to Fri.	C	10	\$52.60	\$54.00
7:30pm to 7:30am Mon. to Fri.	C	10	\$95.00	\$97.00
Respite Care (per hr)				
7:30am to 7:30pm Sat./Sun./Public Holiday	C	10	\$85.00	\$87.00
7:30am to 7:30pm Mon. to Fri.	C	10	\$47.00	\$48.00
7:30pm to 7:30am Mon. to Fri.	C	10	\$85.00	\$87.00
Meals to Agency clients				
All meals (per meal)				
All meals (per meal)	C	0	\$10.00 to \$22.00	\$10.50 to \$16.00
Delivered meals (per meal)				
Delivered meals (per meal)	C	0	\$10.00 to \$22.00	\$10.50 to \$16.00
<b>Public Health</b>				

Description	Council /Statutory	GST %	2016/2017	2017/2018
			Fee incl. Tax	Fee incl. Tax
<b>Health Protection Administration (Registration Fees)</b>				
<b>CLASS 1 Food Premises</b>				
New	C	0	\$572.35	\$580.00
Renewal	C	0	\$441.85	\$450.00
Transfer of Registration	C	0	\$220.93	\$225.00
Large / Complex Site New	C	0	N/A	\$870.00
Large / Complex Site Renewal	C	0	N/A	\$675.00
Large / Complex Site Transfer	C	0	N/A	\$435.00
<b>CLASS 2 Major Food Premises</b>				
New	C	0	\$477.80	\$480.00
Renewal	C	0	\$328.80	\$330.00
Transfer of Registration	C	0	\$164.40	\$165.00
Large / Complex Site New	C	0	N/A	\$720.00
Large / Complex Site Renewal	C	0	N/A	\$495.00
Large / Complex Site Transfer	C	0	N/A	\$360.00
<b>CLASS 2 Minor Food Premises</b>				
New	C	0	\$282.60	\$285.00
Renewal	C	0	\$195.25	\$200.00
Transfer of Registration	C	0	\$97.63	\$100.00
<b>CLASS 3 Major Food Premises</b>				
New	C	0	\$282.60	\$285.00
Renewal	C	0	\$161.35	\$165.00
Large / Complex Site New	C	0	N/A	\$430.00
Large / Complex Site Renewal	C	0	N/A	\$250.00
Large / Complex Site Transfer	C	0	N/A	\$215.00
Transfer of Registration	C	0	\$80.68	\$82.50
<b>CLASS 3 Minor Food Premises</b>				
New	C	0	\$205.50	\$210.00
Renewal	C	0	\$107.90	\$110.00
Transfer of Registration	C	0	\$53.95	\$55.00
<b>Additional Temporary/Mobile Food Registration</b>				
Class 2	C	0	\$120.00	\$120.00
Class 3	C	0	\$65.00	\$65.00
<b>Community Group Support</b>				
Class 2	C	0	\$100.00	\$70.00
Class 3	C	0	\$55.00	\$40.00
<b>Personal Appearance Services</b>				
<b>Beauty Therapies</b>				
New premises registration fee + pro-rata annual registration fee	C	0	\$133.60	\$150.00
Pro-rata new premises registration fee - per month	C	0	\$11.13	\$12.50
Registration/renewal	C	0	\$149.00	\$150.00
Transfer of registration	C	0	\$74.50	\$75.00
<b>Hairdressers</b>				
New premises registration fee	C	0	\$180.00	\$200.00
Transfer of registration	C	0	\$90.00	\$100.00
<b>Skin Penetration (acupuncture, ear piercing)</b>				
New premises registration fee + pro-rata annual registration fee	C	0	\$133.60	\$150.00
Pro-rata new premises registration fee - per month	C	0	\$11.13	\$11.70
Registration/renewal	C	0	\$137.17	\$140.00
Transfer of registration	C	0	\$68.59	\$70.00
<b>Skin Penetration (Tattooists, body piercing)</b>				
New premises registration fee + pro-rata annual registration fee	C	0	\$133.60	\$150.00
Pro-rata new premises registration fee - per month	C	0	\$11.13	\$16.70
Registration/renewal	C	0	\$190.00	\$200.00
Transfer of registration	C	0	\$95.00	\$100.00
<b>Miscellaneous</b>				
<b>Conveyance Enquiries for regulated businesses</b>				
Conveyance Enquiries	C	0	\$133.60	\$220.00
<b>Street Traders (Food, Ice-cream and Coffee Vans) Under the Victorian Food Act term "Streatrader"</b>				
Administration Assistance	C	0	\$40.00	\$40.00
<b>Water Sampling</b>				
Water samples Professional service fee	C	0	\$140.00	\$140.00
Water samples Actual testing fee			Actual cost	Actual cost
<b>Immunisation</b>				
Immunisation	C	10	\$22.10	\$23.00
<b>Late Renewal Penalty Fee per Month</b>				
Late Renewal Penalty Fee per Month	C	0	\$133.60	\$140.00
<b>Replacement Certificate</b>				
Replacement Certificate	C	0	\$47.80	\$40.00
<b>Transfer of Registration</b>				
<b>Express Service</b>				
Express Service (within 5 days)	C	0	\$140.00	\$200.00
<b>Professional Service</b>				
Professional Service	C	0	\$133.60	\$140.00
Additional hour	C	0	\$40.00	\$50.00
<b>Prescribed Accommodation</b>				
<b>up to 6 persons</b>				
New premises design fee	C	0	\$133.60	\$150.00
New premises pro rata registration	C	0	\$11.13	\$12.50
Registration/renewal	C	0	\$160.00	\$160.00
Transfer of Registration	C	0	\$80.00	\$80.00
<b>6 to 10 persons</b>				
New premises design fee	C	0	\$133.60	\$150.00
New premises pro rata registration	C	0	\$11.13	\$12.50
Registration/renewal	C	0	\$191.12	\$200.00
Transfer of Registration	C	0	\$95.56	\$100.00

Description	Council	GST	2016/2017	2017/2018
	/Statutory	%	Fee incl. Tax	Fee incl. Tax
<b>11 to 20 persons</b>				
New premises design fee	C	0	\$133.60	\$150.00
New premises pro rata registration	C	0	\$11.13	\$12.50
Registration/renewal	C	0	\$232.22	\$240.00
Transfer of Registration	C	0	\$116.11	\$120.00
<b>20+ persons</b>				
New premises design fee	C	0	\$133.60	\$150.00
New premises pro rata registration	C	0	\$11.13	\$12.50
Registration/renewal	C	0	\$285.65	\$290.00
Transfer of Registration	C	0	\$142.82	\$145.00
<b>Caravan Parks per site</b>				
Caravan Parks per site	S	0	\$2.50	\$14.22
<b>Public Health - Septic Tanks</b>				
<b>Additional inspections</b>				
Additional inspections	C	0	\$133.60	\$140.00
<b>Septic tank alterations</b>				
Septic tank alterations	C	0	\$256.88	\$300.00
<b>Septic tanks system</b>				
Septic tank systems	C	0	\$513.75	\$750.00

## Budget processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the Local Government Act 1989 (the Act) and Local Government (Planning and Reporting) Regulations 2014 (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2017/18 budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2018 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

A 'proposed' budget is prepared in accordance with the Act and submitted to Council in April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give at least 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

With the introduction of the State Governments Rate Capping legislation in 2015 Councils are now unable to determine the level of rate increase and instead must use a maximum rate increase determined by the Minister for Local Government which is announced in December for application in the following financial year.

If a Council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will determine whether the rate increase variation submission has been successful by 31 May. In many cases this will require Councils to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. the Ministers maximum rate increase and the Council's required rate increase.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

Budget process	Timing
1. Minister of Local Government announces maximum rate increase	Dec
2. Officers update Council's long term financial projections	Dec/Jan
3. Council to advise ESC if it intends to make a rate variation submission	Jan/Feb
4. Council submits formal rate variation submission to ESC	Mar
5. Officers prepare operating and capital budgets	Jan/Feb
6. Councillors consider draft budgets at informal briefings	Mar/Apr
7. Proposed budget submitted to Council for approval to advertise	May
8. Public notice advising intention to adopt budget	May
9. Budget available for public inspection and comment	May
10. Public submission process undertaken	May/Jun
11. Submissions period closes (35 days)	Jun
12. Submissions considered by Council/Committee	Jun
13. Budget and submissions presented to Council for adoption	Jun-Aug
14. Copy of adopted budget submitted to the Minister	Jul
15. Revised budget where a material change has arisen	