



MEETING OF SPECIAL COUNCIL

AGENDA

WEDNESDAY 2 MAY 2018

AT 4PM

COPACC



COLAC OTWAY SHIRE COUNCIL SPECIAL MEETING

2 MAY 2018

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COLAC OTWAY SHIRE COUNCIL SPECIAL MEETING

NOTICE is hereby given that the next **SPECIAL MEETING OF THE COLAC OTWAY SHIRE COUNCIL** will be held at COPACC on 2 May 2018 at 4pm.

AGENDA

1. I DECLARE THIS MEETING OPEN

OPENING PRAYER

*Almighty God, we seek your
blessing and guidance in our
deliberations on behalf of the
people of the Colac Otway Shire.
Enable this Council's decisions to be
those that contribute to the true
welfare and betterment of our community.*

AMEN

2. PRESENT

Cr Kate Hanson
Cr Stephen Hart
Cr Joe McCracken (Mayor)
Cr Chris Potter
Cr Jason Schram
Cr Chris Smith
Cr Terry Woodcroft

Robert Dobrzynski, Acting Chief Executive Officer
Errol Lawrence, General Manager, Corporate Services
Tony McGann, General Manager, Infrastructure & Leisure Services
Doug McNeill, Acting General Manager, Development & Community Services
Sarah McKew, Manager, Governance & Customer Service
Lyndal McLean, Acting Governance Officer

3. APOLOGIES

4. WELCOME AND ACKNOWLEDGEMENT OF COUNTRY

Colac Otway Shire acknowledges the original custodians and law makers of this land, their elders past and present and welcomes any descendants here today.

I ask that we all show respect to each other and respect for the office of an elected representative.

All Council and Committee meetings are audio recorded, with the exception of matters identified as confidential items in the Agenda. This includes the public participation sections of the meetings.

Audio recordings of meetings are taken to facilitate the preparation of the minutes of open Council and Committee meetings and to ensure their accuracy.

In some circumstances a recording will be disclosed to a third party. Those circumstances include, but are not limited to, circumstances, such as where Council is compelled to disclose an audio recording because it is required by law, such as the Freedom of Information Act 1982, or by court order, warrant, or subpoena or to assist in an investigation undertaken by the Ombudsman or the Independent Broad-based Anti-corruption Commission.

Council will not use or disclose the recordings for any other purpose. It is an offence to make an unauthorised recording of the meeting.

The sole purpose of the Special Council Meeting is to consider:

- A tender for the construction of landslip stabilisation works, drainage and associated roadworks along Stanway Drive, Separation Creek.
- A decision to make a submission to the Australian Electoral Commission regarding the Report of the Victorian Redistribution Committee regarding the 2018 proposed redistribution of Victoria into electoral divisions.
- The Third Quarterly Performance Report 2017/2018 including the outcome of the mid-year review.
- A decision to release for public exhibition, seeking community feedback, the Draft 2018-2020 Rating Strategy.
- A decision to release for public exhibition, seeking community feedback, the Draft 2018-2019 Colac Otway Shire Annual Budget.

5. QUESTION TIME

At every Special Meeting, a public question time not exceeding 30 minutes will be held to enable any member of the public to question Council but only on items included in the Agenda of that Special Meeting.

Please remember, you must ask a question. If you do not ask a question you will be asked to sit down and the next person will be invited to ask a question.

1. Questions received in writing prior to the meeting (subject to attendance and time).
2. Questions from the floor.

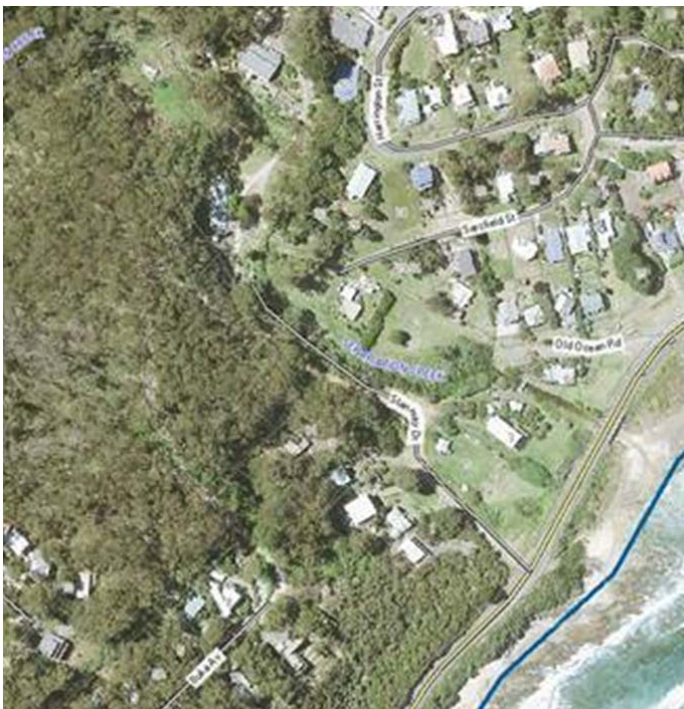
6. DECLARATIONS OF INTEREST

SPECIAL COUNCIL MEETING

**CONSIDERATION OF CONTRACT - CONTRACT 1805 - CONSTRUCTION
OF LANDSLIP STABILISATION WORKS, DRAINAGE AND ASSOCIATED
ROADWORKS, STANWAY DRIVE, SEPARATION CREEK
SC180205-1**

LOCATION / ADDRESS	Stanway Drive, Separation Creek	GENERAL MANAGER	Errol Lawrence
OFFICER	Andrew Kavanagh	DIVISION	Corporate Services
TRIM FILE	F18/1233	CONFIDENTIAL	No
ATTACHMENTS	1. CMW Geosciences Summary Report		
PURPOSE	Council approval is required to award Contract 1805 - Construction of Landslip Stabilisation Works, Drainage and Associated Roadworks, Stanway Drive, Separation Creek.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

Tenders have been received for construction of landslip stabilisation works, drainage and associated roadworks along Stanway Drive, Separation Creek. It is recommended that Council award the contract to Geotech Pty Ltd.

This matter was considered by Council at the March 2018 Ordinary Council meeting. At that time, Council determined that:

- 1. It needed to be answered that relevant approval or consent had been obtained from Department Environment, Water, Land & Planning (DELWP) & Corangamite Catchment Management Authority (CCMA) and;*
- 2. Local residents had been consulted about the works.*

These matters were addressed and detailed in the report considered by Council at the April Ordinary Council meeting. At that time Council determined that:

- 1. Defers this item until the May 2018 Ordinary Council meeting to allow further discussions on alternative treatments in Stanway Drive, Separation Creek.*
- 2. Officers work with the immediately affected landholders to present their alternatives to Council to address concerns.*

Council officers had previously been provided with alternative treatment suggestions by property owners in the vicinity of the works. These alternatives were:

- 1. A benching treatment to the upper bank and rock and vegetation placed on the lower slope.*
- 2. Drainage works.*
- 3. Do nothing.*

These alternatives have been assessed by Council's consultants.

Option 1 is evaluated in the attached CMW Geosciences report and found not to be suitable.

Option 2 (drainage) will not alone treat the bank stability and is included in the proposed works.

Option 3 will not treat the bank stability issues.

These works are considered urgent as the geotechnical advice is that further land slips are likely when the dried ground is subject to the first large rain event (usually April/May) or when significant rain events occur, usually in September/October. Further land slips are likely to impact Stanway Drive access and property. Given the advice received from Council's geotechnical engineers that future landslips could be expected if these works are not carried out there is a risk to life and property which must be addressed.

3. RECOMMENDATION

That Council:

- 1. Awards Contract 1805 for Construction of Landslip Stabilisation Works, Drainage and Associated Roadworks, Stanway Drive, Separation Creek to Geotech Pty Ltd at the lump sum price of \$1,452,086 (excluding GST).*
- 2. Authorises the Acting Chief Executive Officer to sign the contract documents following award of Contract 1805.*

4. BACKGROUND / KEY INFORMATION

BACKGROUND

Council initially considered this contract award report at its meeting on 28 March 2018 and resolved:

- 1. That Council defers this item to allow a full discussion with affected community members in Stanway Drive and to understand the alternatives that are being proposed. Also that we seek from CCMA and DELWP written confirmation that no report or permits are required.*
- 2. This is done so that we can have a report back to Council at the April 2018 Ordinary Council meeting.*

These matters were addressed in the report considered by Council at its meeting on 18 April, 2018. Council resolved to:

- 1. Defer this item until the May 2018 Ordinary Council meeting to allow further discussion on alternative treatments in Stanway Drive, Separation Creek.*
- 2. Officers work with the immediately affected landholders to present their alternatives to Council to address concerns.*

The townships of Wye River and Separation Creek were severely impacted by bushfire on Christmas Day 2015 and a severe rain event in September 2016. The severe rain event resulted in flooding and ongoing land slips along Stanway Drive in Separation Creek. Further land slips have subsequently occurred.

Stanway Drive, with Iluka Extension, forms the alternate emergency access link between Separation Creek and Wye River.

Geotechnical investigation and design has resulted in a design to re-establish and stabilise the embankments and prevent further land slips. Council's geotechnical consultant has provided the following advice:

Vegetation is yet to fully establish along Stanway Drive after the bushfires which increases susceptibility to landslide for possibly another few years and further prolonged rainfall through autumn and winter in combination with another triggering event like the September

2016 intense rainfall event could be expected to result in similar landslide activity both in the cuttings above the road and the fill embankment below the road.

It has been a relatively dry summer and soils are probably dry and desiccated plus the regional groundwater system is relatively low hence there may be a feeling that not much has been happening (which is correct) nor will happen. However it is worth pointing out that the two most prevalent times for landslide activity in the Otways historically are in April after a drying summer when heavy rain can quickly infiltrate the desiccated landscape and in September/October when we have had groundwater fully recover thru prolonged winter rainfall and we get heavy and/or intense spring rainfall which serves as the trigger for movement (exactly as happened in 2016).

Design Reviews

Following the April Council meeting a design review meeting has been held with Council's specialist geotechnical consultants to review the design proposed, design options considered during the evaluation and design phases and to reconsider the "do nothing" option and the solution proposed by the property owner.

The consultants reinforced that the design proposed is based on a long term solution to the land stability problem that exists. They assessed other solutions considered and the solution proposed by the property owner was assessed to provide only short term erosion control measure that would not ensure the ongoing stability of Stanway Drive.

The consultants have confirmed the proposed design solution as the most appropriate to address the land stability, environmental and aesthetic outcomes required.

Other solutions considered by the designers were:

- Battering of Slopes
- Gabion walls
- Retaining walls
- Soil nails & mesh
- Planting and rock spoils (as suggested by property owner)
- Do nothing

These are addressed in the attached CMW Geosciences summary report.

As previously advised, Stanway Drive and Iluka Extension provide the alternate emergency access route (to the Great Ocean Road) for Separation Creek and Wye River residents.

The work to be performed under the contract is landslip stabilisation utilising rock beaching, soil nailing, netting and erosion control matting and planting, underground drainage pipes and pits, roadworks including kerb and channel and road pavement construction.

Planting of over 6000 indigenous plants in the rock gaps and soil nailed areas is to be undertaken separately to this contract.

The works will be undertaken from the Stanway Drive road and construction equipment will not be within the creek bed. The CCMA supports the project, the work adjacent to the creek and has provided a written works permit for the work and provided a number of conditions to be met.

The DELWP has also provided the necessary approvals and conditions in writing.

The contractor is required to undertake the works in accordance with the Wye River Separation Creek Traffic and Environmental Management Plan and also provide a specific Construction Environmental Management Plan (CEMP) for approval prior to commencing works. This CEMP will be developed in conjunction with Council officers and include the above CCMA & DELWP agreement conditions to ensure proper environmental management during the works.

The Request for Tender (RFT) for the proposed contract was advertised in the Colac Herald on Friday 2 February 2018, in the Geelong Advertiser on 3 February 2018, and in the Herald Sun on 7 February 2018. The RFT was also advertised on Council's website and via eProcure. Tenders closed on Wednesday 7 March 2018.

Tenders were received from the following two (2) contractors:

Geotech Pty Ltd
Woodward Industries Pty Ltd

Tenders were assessed, taking into account the following selection criteria:

Price	45%
Experience and Track Record	25%
Resources and Capacity	25%
Economic Contribution to Colac Otway Region	5%

The tender evaluation panel nominated Geotech Pty Ltd as the preferred tenderer.

If successful in being awarded the contract Geotech Pty Ltd proposes to commence works mid May 2018, with a proposed completion date of 31 July 2018.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

During the design phase the community was given opportunity to comment on the proposed treatment of the Stanway Drive land slips. Communication included a mail out to owners of properties in the immediate vicinity of the works and advice on both the WyeSep Connect web page and the Bushfire Recovery Facebook page.

One property owner expressed concern about the design solution and individual meetings have been held with the owner to understand and consider his concerns.

Following the Council meeting on 28 March 2018 owners of 11 properties along and near Stanway Drive have again been contacted by direct telephone call and if requested a follow up email explaining the works proposed. A phone message was left for one property owner who had no email address, but no call back was received.

All property owners contacted, except one, supported the works. The major concern at that time was the need for improved drainage from above and along Stanway Drive. This is addressed through the drainage works to be undertaken as part of this contract and also in Iluka Extension. Residents were also concerned about Iluka Extension becoming a through road and some requested sealing of Stanway Drive to overcome the dust issue. Not all supported sealing of the remainder of Stanway Drive.

One property owner has raised concerns regarding the works and has proposed an alternative design that involves benching slopes, loose rock beaching and planting. The resident considers that this option would be better aesthetically and less cost to construct.

This alternative has been reviewed by two geotechnical consultants. Their advice is that the alternate treatment would not be effective in preventing further landslips. It will not address the issue of soil moving down the slope. It would only temporarily address localised erosion.

Subsequent to the above property owner contact written comments on the proposed works were provided by residents to Councillors prior to Council's April meeting. Owners/residents of 3 properties in the vicinity of the works do not support the proposed works. One property owner advised of his support.

Details of issues raised with Councillors are provided below with officer comments.

Issue	Comment
Proposed works are out of proportion to the site and to the problem.	The engineered design has been scoped to address the identified land stability issue and to minimise impact on the aesthetics and environment.
Proposal results in intrusive landscaping, terracing and permanent modifications to the creek.	The proposed landscaping has been designed to complement existing indigenous vegetation and utilises over 6000 new indigenous plants.
Changes the character of a small bush track.	The stabilisation works have been designed to ensure that the alternate emergency access track (Iluka Avenue to Stanway Drive to Great Ocean Road) is sustained for Wye River & Separation Creek properties.

Issue	Comment
No less intrusive options have been considered.	A number of design options have been considered during the design process. Refer earlier in report.
Existing above ground temporary plastic drains could be relocated and buried.	Permanent drainage in the bushfire area needs to be concrete to reduce likelihood of fire damage in the future.
A natural bush setting is transformed into a managed landscape environment.	The proposed design and landscaping are considered the best option to address this concern. It is acknowledged that the outcome will be a change.
Why will part of Stanway Drive be asphalted?	Part of Stanway Drive is being asphalted to manage water infiltration into the area being stabilised. Further discussion will be held with property owners regarding the resident requests to seal the remainder of Stanway Drive to the Great Ocean Road. Some residents are not in favour of this.
How can machines work on the creek bank without destroying the creek bed?	All work along the creek bank will be managed under an approved Construction Environment Management Plan that will include all works permit conditions provided by the Catchment Management Authority & DELWP.
Has the landslip been measured?	The landslip and further slips have been inspected by the geotechnical consultants on a number of occasions. Refer geotechnical consultant advice earlier in this report.
Disruption of works and effect on access.	Access to properties and disruption to residents is required to be managed by the contractor.
Drainage uphill of Stanway Drive needs to be resolved.	In addition to the drainage included in this project further drainage works are proposed for Iluka extension and in Wye River as part of a separate contract

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

Procuring services through a tender process aligns with Council's goal of providing value for money services for our community.

ENVIRONMENTAL IMPLICATIONS

The Contractor is required under the contract to provide a suitable, approved environmental plan which will actively manage environmental risks.

As stated previously the CCMA has provided a written works permit for the work near the creek.

The Flora and Fauna Assessment undertaken for Council during the design phase stated that some protected flora may exist within the work area. A specific number for each species was not able to be provided. Given the small area of the works site (estimated to be less than 800m²) and the fact

the area has been disturbed by fire, the number of individual plants to be removed would be very small.

Written approval has been received from DELWP for the works.

SOCIAL & CULTURAL IMPLICATIONS

Council's Cultural Heritage consultant has assessed the proposed works and concluded the works as described do not require a mandatory Cultural Heritage Management Plan (CHMP). The works are in an area of Aboriginal heritage sensitivity but do not constitute a 'high impact' activity.

ECONOMIC IMPLICATIONS

Not applicable.

LEGAL & RISK IMPLICATIONS

A Planning Permit is not required for the works.

The preferred tenderer, Geotech Pty Ltd has demonstrated a record of management of risks and completion of contracts to specification and on time. Council can be confident that contracting with Geotech Pty Ltd will manage exposure to any occupational health and safety issues and any non-compliance issues with the contract.

Geotech Pty Ltd has provided details to confirm that it has an effective, suitable occupational health and safety and management systems.

Geotech Pty Ltd has third party accreditation under ISO14001 Environmental Management Systems, OHSAS 18001 OHS Management Systems, AS/NZS 4801 OHS Management Systems and ISO9001 Quality Management Systems.

Given the advice received by our Geotechnical Engineers that future landslips could be expected if these works are not carried out there is a risk to life and property which must be addressed.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

This project is funded under the Commonwealth Government NDRRA Program. The budget allocation for the construction portion of the project is \$1.6 million. At this stage the drainage component of the project has not been approved by the Commonwealth. The price for this work is \$84,160.

Based on independent geotechnical advice the drainage component of the landslip remediation is considered an essential element of the overall solution. As such if NDRRA funding is not approved the drainage works will be funded under Council's Urban Drainage Renewal Programme.

7. IMPLEMENTATION STRATEGY

DETAILS

Upon Council's approval the Contract will be awarded and works will be programmed to commence. Geotech Pty Ltd proposes to commence works mid May 2018, with a proposed completion date of 31 July 2018.

COMMUNICATION

Letters of acceptance and contracts will be issued to Geotech Pty Ltd. The contracts shall be signed by both the contractor and Council (Acting CEO) prior to the commencement of works.

TIMELINE

Works are expected to be completed by July 2018.

8. OFFICER DIRECT OR INDIRECT INTEREST

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

STANWAY DRIVE, WYE RIVER

To:	Colac Otway Shire Council	From:	Allan Garrard
Attention:	Neill Hocking/Kerim Sijercic	Reviewed:	Richard McKenna
Email:	neill.hocking@colacotway.vic.gov.au	Date:	24 April 2018
Cc:	Tony Miner	Reference:	MEL2017-0270AB, RevA
Subject:	Stanway Drive Stabilisation - Design Advice Note 1		

1 INTRODUCTION

This design advice note presents a summary of the main considerations and assumptions adopted for the design of the Stanway Drive Stabilisation Works, Wye River, given the technical issues and site constraints. The note is to form part of a response to issues raised by Colac Otway Shire Council in their assessment of the proposed work, in the light of community feedback.

The purpose and requirements for this note were discussed at a meeting in Geelong on 23 April 2018 between: Kerim Sijercic & Neill Hocking (COS), Tony Miner (AS Miner Geotechnical) and Allan Garrard (CMW Geosciences).

2 DESIGN CRITERIA / PHILOSOPHY

The design was conducted in consideration of the need for an engineered long term solution to the stability issues experienced at Stanway Drive following bush fire and periods of heavy rain. A long term solution is required to create and protect a reliable alternate emergency access route (Stanway/Illuka Extension) around Wye River in the event of future temporary closure of the Great Ocean Rd. The solution will also maintain access to a number of properties.

A solution was needed which stabilised the slopes above and below Stanway Drive to protect the road from the effects of slope failure. The solution also needed to provide erosion control measures for the slope surfaces and improved drainage of storm water in the area. In addition, the Separation Creek flood flow path needed to be maintained.

Early in the design process, a site visit revealed that the four distinct areas originally considered for the stabilisation works were no longer relevant as the instability had progressed, with further soil slippage. COS advised that the entire upper and lower slopes should be stabilised with a consistent solution. Also early in the design process, we were advised that the main community concern was in not impacting the mature trees in the area.

The design was conducted using normal geotechnical engineering principals as a long term solution with a factor of safety of at least 1.4. CMW undertook detailed stability analysis as part of the design process to understand the stability of the slopes without treatment and the increased stability following the stabilisation works.

3 DESIGN OPTIONS CONSIDERED

A number of options were considered and discussed with COS with the main types of stabilisation measures being:

- Gabion or concrete retaining walls
- Slope battering (upper slope only)
- Soil nailing & erosion control mesh
- Reinforced soil wall

All options included improved drainage and revegetation to assist in stabilisation.

Slope battering of the lower slope was not viable due to lack of space in the valley. Slope battering of the upper slope was deemed not preferred due to the need to remove mature trees and the need to keep the earthworks within land owned by COS.

A reinforced soil wall solution was not preferred due to the large volume of soil which would need to be removed then replaced with crushed rock.

A Gabion wall or concrete wall solution was considered by CMW to be the best technical solution. A sketch of Gabion wall solution was presented to COS but was rejected on the basis of aesthetics.

COS preference was for a consistent looking solution incorporating large stone beaching and CMW were instructed to prepare a design on this basis. Natural rock beaching was considered by COS to be a more aesthetically pleasing solution than walls and it was to be combined with soil nailing and mesh which allows re-vegetation of the slopes as well as planting between the beaching rocks. The Catchment Management Authority considered the beaching solution to be an acceptable outcome with regards to the flood hydrodynamics of the creek.

The final solution incorporates a number of different types of treatment including beaching, soil nailing & erosion control mesh, reinforced soil and drainage which is designed to suit the site conditions, constraints and geological setting. Note that the geological conditions change along the length of the site, with shallow rock at the north end and thick colluvium soils at the southern end. The tender documents for the works were prepared in such a way as to allow for flexibility in the construction to cater for the geotechnical conditions encountered at the site during construction.

A "do nothing" option was not considered as doing nothing will not resolve the significant instability issues at the site and the slopes would likely continue to fail. A "drainage only" option was considered but drainage only would also not resolve the significant instability issues at the site as the slopes have already failed, meaning that soil strengths have reduced and tension cracks would lead ground water into failed areas, exacerbating the problems.

4 ASSESSMENT OF ALTERNATE DESIGN PROVIDED BY RESIDENTS

CMW received a sketch of an alternative design by Email from COS on 9 April 2018.

At the time we commented that we could not fully assess this design without sections being prepared.

However, we understand that the alternative involves re-grading of the upper slope to reduce the slope angles and provide berms and providing surface rip rap and vegetation on the lower slope.

Our initial assessment is that surface measures on the lower slope may provide some erosion protection but will not stabilise the slopes and they are likely to continue to fail. Re-grading of the upper slope would increase it's stability but would involve excavation and removal of a large volume of soil to beyond the project land boundaries and would also involve the removal of many mature trees.

For and on behalf of
CMW Geosciences (East Coast)

Prepared by:



Allan Garrard

Senior Principal

Reviewed by:



Richard McKenna

Director

Distribution: 1 copy to COS (electronic)
 1 copy to Tony Miner (electronic)
 Original held by CMW Geosciences (East Coast)

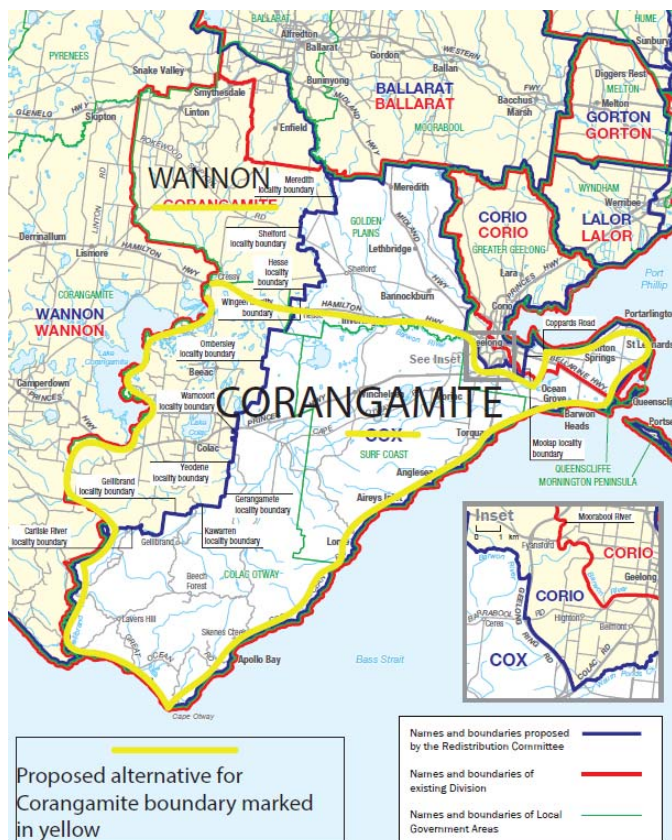
SPECIAL COUNCIL MEETING

PROPOSED REDISTRIBUTION OF FEDERAL ELECTORAL DIVISIONS IN VICTORIA

SC180205-2

LOCATION / ADDRESS	Whole of Shire		
ACTING CHIEF EXECUTIVE OFFICER	Robert Dobrzynski	DIVISION	Executive
TRIM FILE	F18/3757	CONFIDENTIAL	No
ATTACHMENTS	1. Public Meeting presentation - 19 April 2018		
PURPOSE	Inform Council Submission		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

Increased population within Victoria has resulted in a determination by the Electoral Commissioner that Victoria's entitlement increased from 37 to 38 members of the House of Representatives.

A redistribution is required when a state's entitlement to members of the House of Representatives changes, the Electoral Commission has directed that a redistribution of Victoria commence.

The Redistribution Committee has now provided its report proposing the re-naming of 4 electoral divisions and changing the boundaries of all of Victoria's existing electoral divisions.

The Redistribution Committee proposes changing the boundaries of the existing Division of Corangamite the effect of which would be to transfer Colac and Colac district to the Division of Wannon, transferring electors in Moolap and all localities east on the Bellarine Peninsula to Corangamite (proposed Cox) and transferring electors in Batesford, Belmont, Fyansford, Highton and Wandana Heights to the Division of Corio.

The Redistribution Committee further proposes renaming the changed Division of Corangamite Cox.

This report concludes that the Council should make a submission to the Australian Electoral Commission objecting to the proposals for the Division of Corangamite provided in the report ***Proposed Redistribution of Federal Electoral Divisions in Victoria*** and indicating:

- An alternative proposal changing the boundaries proposed by the Redistribution Committee for the existing Division of Corangamite.
- The retention of the Division name Corangamite as a Federation Division of substantial history and significance.

3. RECOMMENDATION

That the Council makes a submission in response to the Redistribution Committee's report Proposed Redistribution Of Federal Electoral Divisions In Victoria indicating:

- 1. The Council's strong objection to the transfer of 12,041 electors in Colac and Colac Region from the existing Division of Corangamite to the Division of Wannon.***
- 2. An alternative proposal for consideration by the augmented Electoral Commission indicating the boundaries of the Division of Corangamite which retains Colac and Colac Region and meets the number of electors requirements of the projected enrolment quota within the deviations provided for in the Commonwealth Electoral Act 1918.***
- 3. The Council objects to the name change of the Federation Electoral Division of Corangamite proposed to be re-named Cox and seeks the retention of the Division name of Corangamite as a Federation Division of history and significance.***
- 4. The strong community support as evidenced by media and the Public Meeting held which supported the alternative proposal and retention of the Division name referred to above.***

4. BACKGROUND / KEY INFORMATION

BACKGROUND

As a result of population growth in Victoria, the State entitlement to members of the House of Representatives at the next Federal Election has increased from 37 to 38 members.

As a redistribution is required when a state's entitlement to members of the House of Representatives changes, in accordance with the *Commonwealth Electoral Act 1918* (the Electoral Act), the Electoral Commission directed that a redistribution of Victoria commence.

The Redistribution Committee of Victoria (the Redistribution Committee) has made a proposed redistribution of federal electoral divisions in Victoria. The Redistribution Committee's report, including maps, is available electronically on the AEC website (www.aec.gov.au/vic-redistribution).

Any interested person or organisation may make an objection to the proposed electoral boundaries or names of electoral divisions contained in the proposed redistribution until 6pm on Friday 4 May 2018.

This report will consider the proposals within the Redistribution Committee's report insofar as they affect the Division of Corangamite and propose alternative boundaries and also proposes the retention of the name Corangamite for the Division.

The report indicates that the alternative boundaries and retention of the name Corangamite for the Division should form the basis of the Council's submission objecting to the proposals within the Redistribution Committee's report.

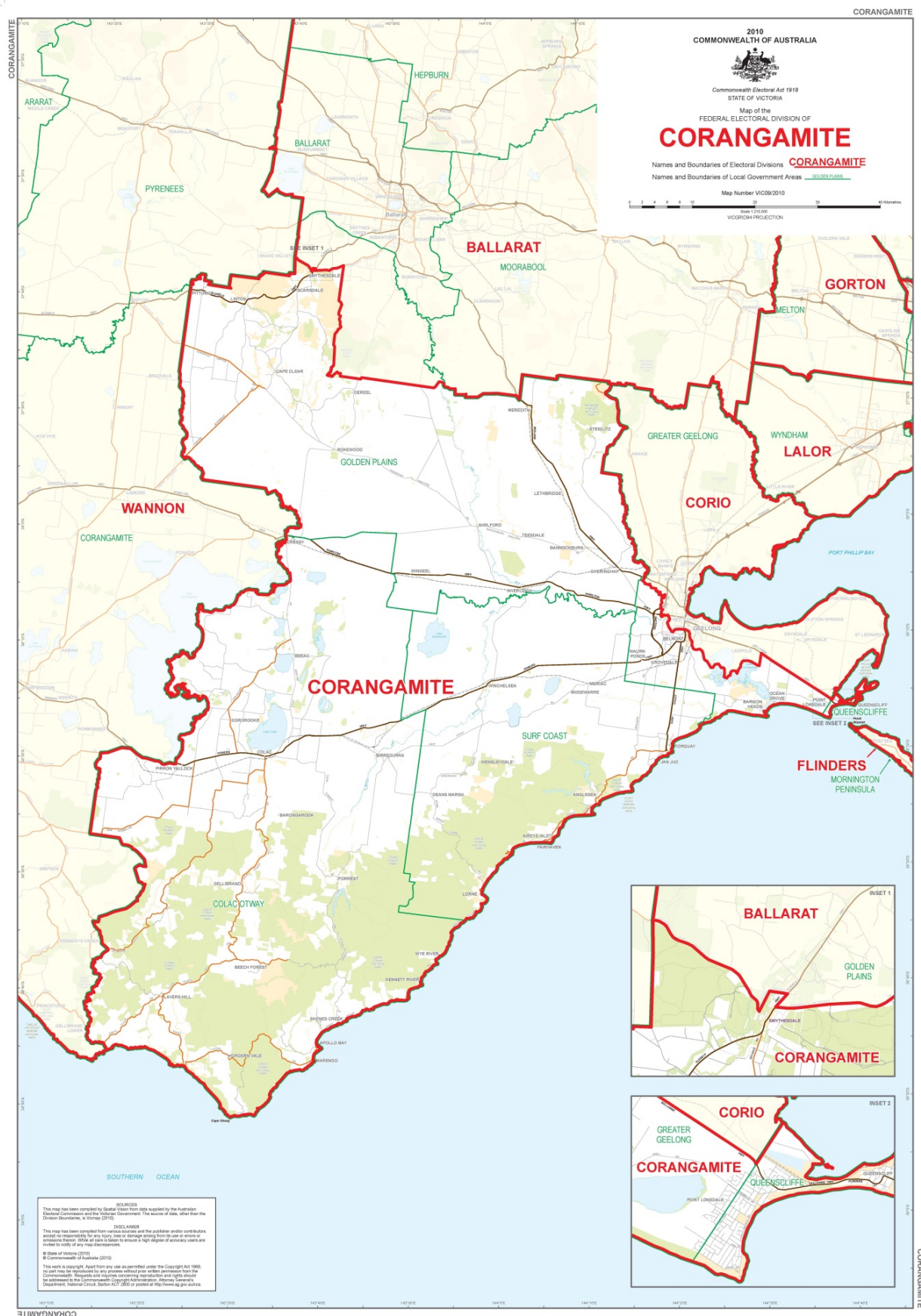
KEY INFORMATION

As soon as practicable after the redistribution commences, the quota of electors for a State or the Australian Capital Territory shall be determined by the Electoral Commissioner by dividing the number of electors enrolled in the State or Territory by the number of members of the House of Representatives to be chosen in the State or Territory at a general election to gain the quota of electors.

In making the proposed redistribution, the Redistribution Committee:

1. Shall, as far as practicable, endeavour to ensure that, if the State or Territory were redistributed in accordance with the proposed redistribution, the number of electors enrolled in each Electoral Division in the State or Territory would not, at the projection time, be less than 96.5% or more than 103.5% of the quota enrolment.
2. Subject to (1) above, shall give due consideration, in relation to each proposed Electoral Division, to:
 - community of interests within the proposed Electoral Division, including economic, social and regional interests;
 - means of communication and travel within the proposed Electoral Division;
 - the physical features and area of the proposed Electoral Division; and
 - the boundaries of the existing Divisions in the State or Territory.

The current map of the Electoral Division of Corangamite is shown hereunder:

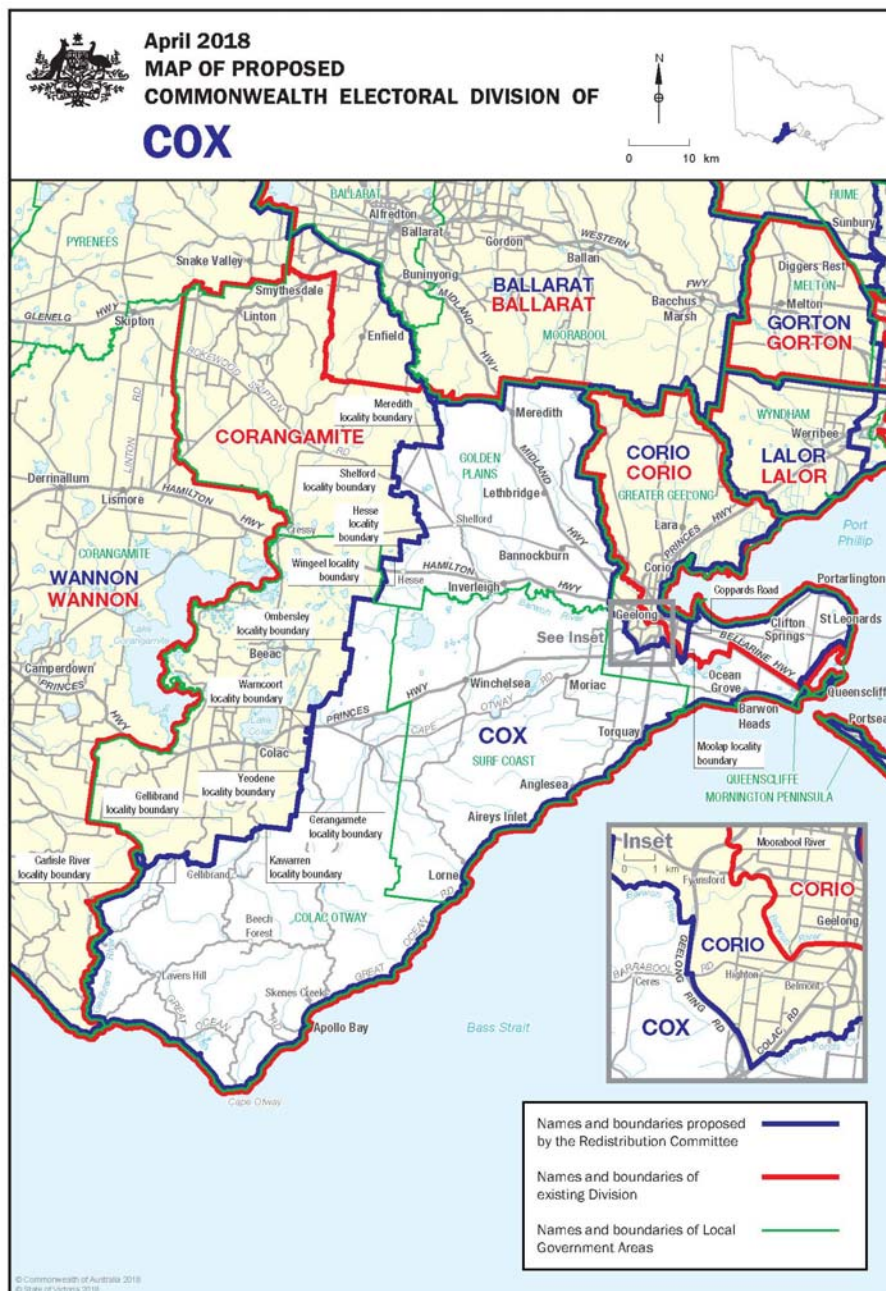


Redistribution Committee Proposal:

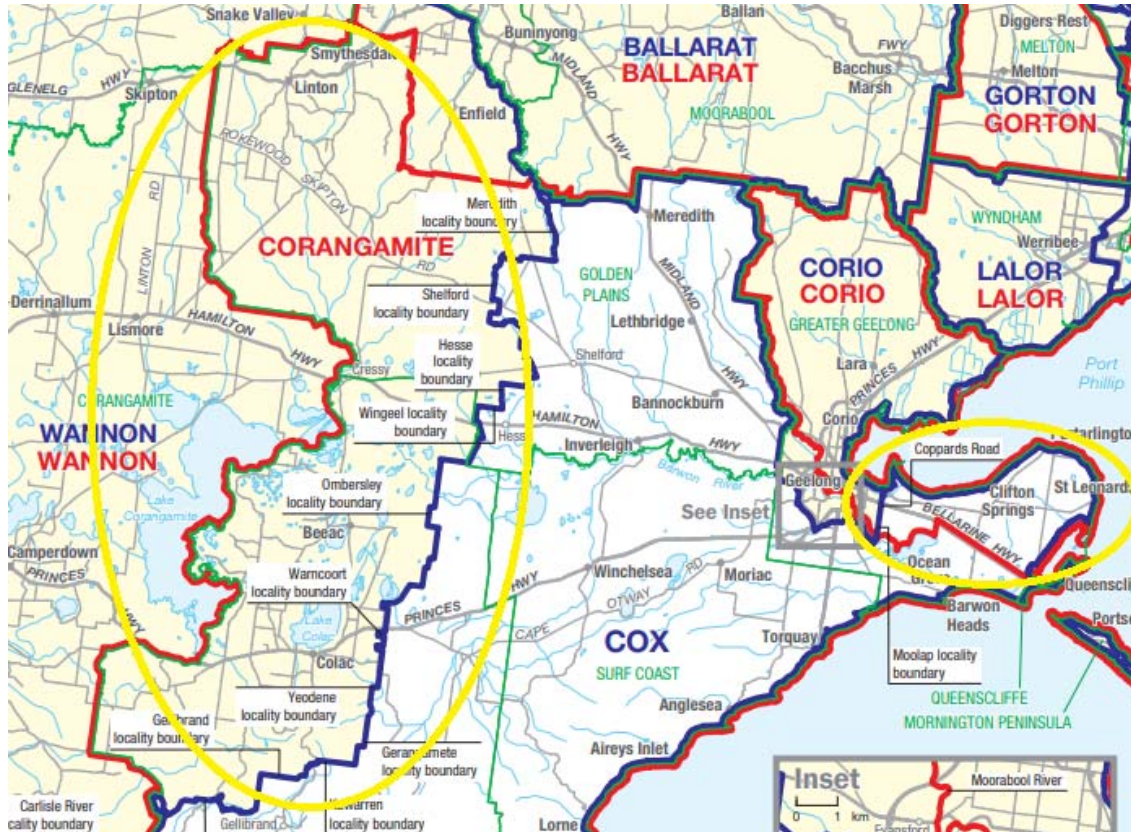
The electoral boundaries in the renamed Electoral Division of Cox proposed by the Redistribution Committee include the following changes to existing arrangements in the Electoral Division of Corangamite:

- (i) Transfer from Corangamite of 14,918 electors from the western part of Golden Plains Shire and northern parts of Colac Otway Shire to the Electoral Division of Wannon.
- (ii) Transfer of 29,848 electors in Moolap and all localities east on the Bellarine Peninsula from the Electoral Division of Corio to Corangamite.
- (iii) To balance (ii), transfer of 25,553 electors in the localities of Batesford, Belmont, Fyansford, Highton and Wandana Heights from Corangamite to the Electoral Division of Corio.

The changes proposed by the Redistribution Committee to the electoral boundaries of the Electoral Division of Corangamite are represented on the map below:



Where is the change?



Alternative Proposal:

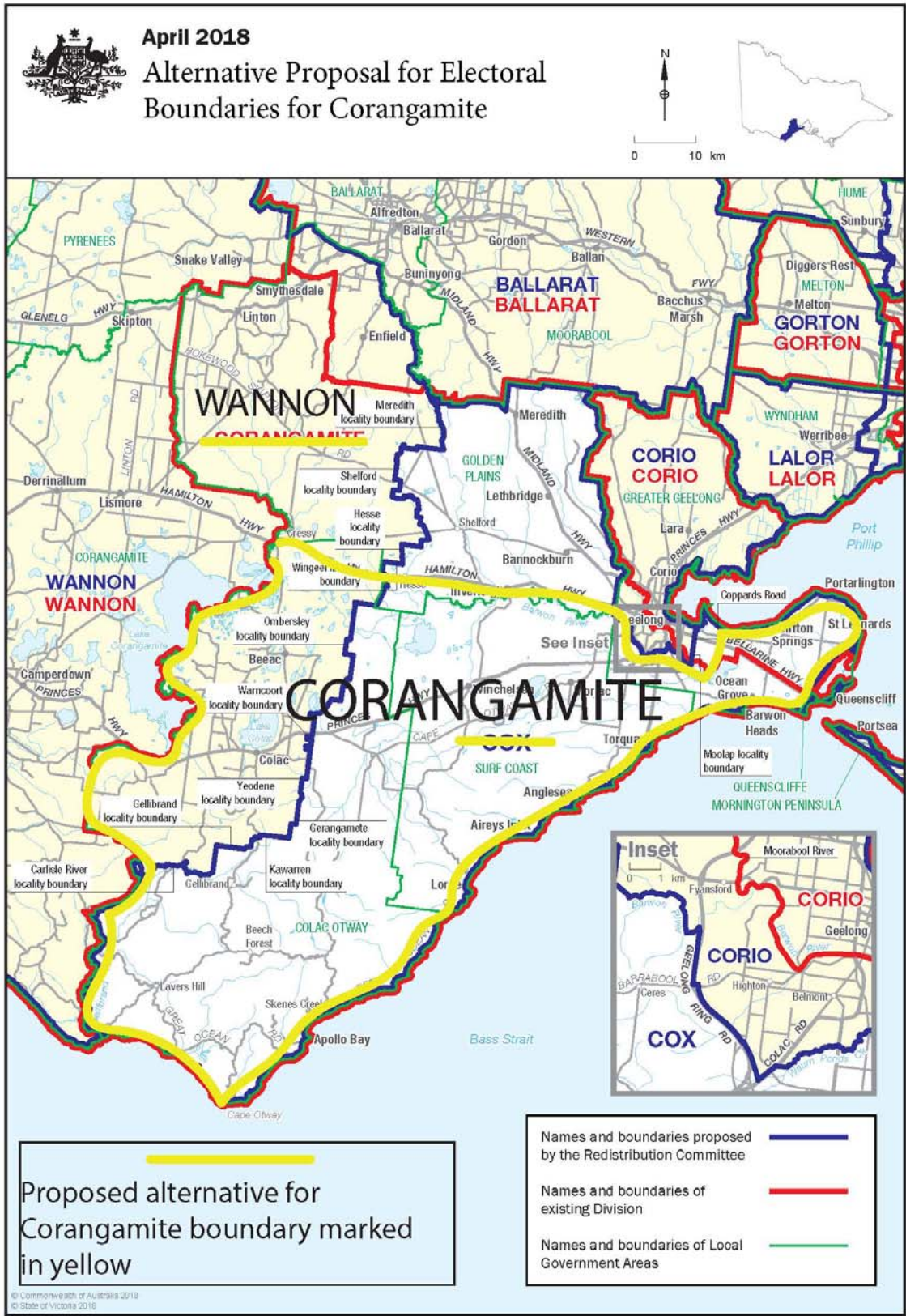
At the Public Meeting held on the evening of Thursday 19 April 2018, an alternative proposal to that proposed by the Redistribution Committee was presented incorporating the following changes to the renamed Electoral Division of Cox proposal put forward by the Redistribution Committee:

- (i) Reinstate Colac and Colac region within the Electoral Division retained name of Corangamite, retaining the entire Colac Otway Shire within the Electoral Division. Adds 12,041 electors to Corangamite.
- (ii) Retain the localities of Newcomb and Moolap proposed to be transferred to Corangamite within Corio. Reduces electors within Corangamite by 1,234 electors.
- (iii) Transfer from Corangamite to the Electoral Division of Wannon the localities of Bannockburn and Golden Plains –south, so that the northern boundary of Corangamite is the Hamilton Highway. Reduces electors within Corangamite by 9,045 electors.

Summarising the outcomes arrives at the following:

- 1. Taking into consideration the tolerances of elector numbers available to the Redistribution Committee in applying the quota of electors across Electoral Divisions, the maximum electors figure is 114,235 electors and the minimum electors figure is 106,509 electors.
- 2. The alternative proposal for the Electoral Division of Corangamite (proposed Cox) results in a projected enrolment for the electoral division of 110,967 electors.
- 3. The alternative proposal for the Electoral Division of Wannon results in a projected enrolment for the electoral division of 109,761 electors.
- 4. The alternative proposal for the Electoral Division of Corio results in a projected enrolment for the electoral division of 110,737 electors.

Colac Otway Shire Council’s alternative proposal for Electoral Boundaries for Corangamite are represented on the map below:



At the Public Meeting convened by the Mayor on Thursday 19 April 2018, the meeting determined the following position:

- 1. *We the members present at this Public Meeting strongly oppose the proposed electoral boundary changes as put forward by the Australian Electoral Commission (AEC) on the following grounds:***
 - i. The proposed changes do not meet the AEC's own criteria with regard to the 'community interest' in that we have little or no affinity with the communities to our west as we currently do to our east, in particular Geelong.*
 - ii. All our government services, including important areas such as health and education, are linked to Geelong with which we will soon have a completed duplicated highway from Colac which will enable a vastly improved commuting between the two towns.*
 - iii. We are currently well served by our hard-working Member of Parliament who has recently opened a second electoral office in Colac. We will not have ready access to our Federal Member if we are isolated in the far south-east corner of the approximately 36,000 square kilometre electorate of Wannon.*
 - iv. The proposal will split the Colac Otway Shire in to two different electorates creating the need to negotiate such things as funding for the Shire's needs with two different Federal Members of Parliament. This situation will create a 'them and us' situation which is not at all desirable.*

I therefore request the Colac Otway Shire Councillors to convey these concerns and our total objection to these unacceptable boundary changes to the Australian Electoral Commission.
- 2. *We further request that the Colac Otway Shire Council seeks the retention of the name Corangamite for the Division as a Federation Seat which reflects a greater affinity to the nature of the Electoral Division than the name of Cox.***
- 3. *That this meeting determines its strong endorsement of the Alternative Proposal for Electoral Boundaries for Corangamite presented to the meeting by Colac Otway Shire Council.***

Commonwealth Electoral Act 1918 Provisions:

Having satisfied the numerical imperatives set out in section 66 (3) (a) of the Electoral Act (the Act), the Augmented Electoral Commission which is established by section 70 of the Act to consider objections to the Redistribution Committee's proposals must pursuant to the requirements of (3) (b) of section 66 take into due consideration community of interest, means of communication and travel, physical features and boundaries.

Colac and district has a well-established and deepening community of interest with the Geelong region. The inextricable linkages span economic, commercial, cultural, educational, sporting, advocacy and regional development areas.

Colac Otway Shire is an active member of the G21 Strategic Alliance of Councils which has been enormously successful in advocating priority projects and issues for the broader region. The Council also participates in the Barwon Regional Partnership which has strong linkages into the State Government in establishing priority areas of activity where government support is sought to promote the prosperity, sustainability and quality of life, in addition to addressing specific social issues.

The current upgrades of the Princes Highway to National Highway standard will draw the two centres of Colac and Geelong closer. This is in stark contrast to the C class road connections between Colac and Hamilton and the lack of any discernible affinity between the communities of Colac and Wannon.

Whilst the numerical considerations of average elector numbers enrolled at the projected date are a significant consideration, the Redistribution Committee would be in error not to take into serious consideration the

undeniable strong relationship between the Colac area and Geelong and the almost total absence of any tangible relationship with the Electoral Division of Wannon.

In light of the Alternative Proposal delivering the elector numbers at virtually the median between maximum and minimum requirements, it is considered reasonable and indeed compelling that the Augmented Electoral Commission endorse the Council's objections to the Redistribution Committee's proposal for Corangamite and endorse the Alternative Proposal the Council puts forward.

Name Change Division of Corangamite:

The Redistribution Committee proposes changing the name of the Electoral Division of Corangamite to Cox in honour of May Cox (1883-1953), for her lasting legacy in teaching swimming and lifesaving to Victorians.

The contribution of May Cox to Victoria and Victorians is not in dispute. However, the Redistribution Committee does in its own words indicate within its report the significance of Corangamite as a Federation Division name and that strong consideration would need to exist to substantiate a change from a Federation Division name. The Redistribution Committee report, with respect does not prosecute a case that would substantiate a change of such historical consequence.

The Council should support the motion passed at the Public Meeting and strongly object to the Redistribution Committee's proposal to change the name of the Division of Corangamite to Cox.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

The proposals contained within the Redistribution Committee's report *Proposed Redistribution of Federal Electoral Divisions in Victoria* has received significant attention in the media, resulting in a number of letters to the editor and culminating in the Mayor convening a Public Meeting on Thursday 19 April 2018, where the Meeting attendees determined their position on electoral boundaries and Division naming relating to the existing Electoral Division of Corangamite.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The recommended response to the Redistribution Committee's aligns closely with the all themes of the Council Plan in particular:

Theme 1	Our Prosperity
Goal 1 & 3	Economic Growth & Partnership
Theme 3	Our Community
Goal 1, 5 & 6	Socially Connected, Inclusive Community & Plan for Community

ENVIRONMENTAL IMPLICATIONS

Not directly relevant to this matter

SOCIAL & CULTURAL IMPLICATIONS

Significant social and policy can accrue from the splitting of Colac Otway Shire across two diverse and contrasting Electoral Divisions such as Wannon and Corangamite. Coordination of advocacy for priorities within the split areas will involve added degrees of complexity and coordination.

The proposal from the Redistribution Committee to change the name of the Electoral Division from Corangamite to Cox is both historically and culturally significant. The change does not appear justifiable upon scrutiny. Corangamite is a Federation Electoral Division. The retention of Colac and Colac District within Corangamite substantiates the retention of the current name.

ECONOMIC IMPLICATIONS

All evidence suggests that strong economic relationships exist between Colac and Geelong. Little evidence appears that economic linkages are towards Wannon Division.

LEGAL AND RISK IMPLICATIONS

Significant risk exists that the Council will be disadvantaged in attracting Federal funding should the changes proposed by the Redistribution Committee proceed due to the diverse nature of the Division of Wannon and the lack of commonality with Colac Otway Shire Council area.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

Significant resources would be required to facilitate advocacy across two Electoral Divisions to ensure that the Council is competitive in lobbying for its priority projects.

7. IMPLEMENTATION STRATEGY

It is proposed that the Council will provide a submission to the Australian Electoral Commission formally objecting to the proposals put forward by the Redistribution Committee in its report ***Proposed Redistribution of Federal Electoral Divisions in Victoria***.

The Council convened a Public Meeting chaired by the Mayor on Thursday 19 April 2018 to seek community views on the Redistribution Committee's proposals. A motion was passed at the Public Meeting which forms part of this report.

Council has been active in the media to support the case for retaining Colac and Colac District within the retained Electoral Commission name of Corangamite, encouraging the public to forward their objections to the changes to the Australian Electoral Commission.

COMMUNICATION

The Council's submission objecting to the Redistribution Committee's proposals for the Division of Corangamite will be made publicly available.

TIMELINE

Objections to the Redistribution Committee's proposals are required to be submitted to the Australian Electoral Commission by 6pm on Friday 4 May 2018.

8. OFFICER DIRECT OR INDIRECT INTEREST

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

The author of this report has no declarable conflict of interest in the matter.



Community meeting

Federal Boundary Redistribution





Welcome



Agenda

- Overview of the proposed boundary changes
- A possible solution?
- Questions/comments from the floor



Crunching the numbers

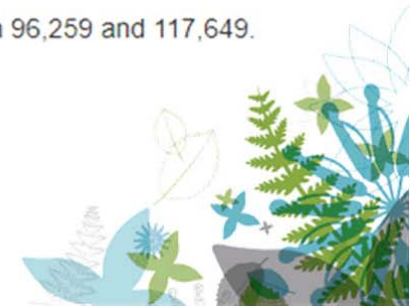
- When considering each federal electorate
- Each electorate must have

as far as practicable, the number of electors enrolled in each electoral division in Victoria at the projection time would not be more than plus 3.5 per cent, or less than minus 3.5 per cent, of the [projected enrolment quota](#) (paragraph 73(4)(a) of the Electoral Act)

- As far as practicable, the number of electors enrolled in each electoral division in Victoria at the projection time of Sunday 25 August 2019 must be between 106,509 and 114,235.

the number of electors enrolled in each electoral division in Victoria would not be more than plus 10 per cent, or less than minus 10 per cent, of the [current enrolment quota](#) (sub-section 73(4) of the Electoral Act)

- The number of electors enrolled in each electoral division in Victoria must be between 96,259 and 117,649.



Boundary changes

- What criteria can the Australian Electoral Commission consider?

A Redistribution Committee must develop a set of proposals for dividing each state or territory into a number of electoral divisions equal to its entitlement in the House of Representatives. In developing its proposals, the Redistribution Committee must remain within the numerical quotas for the current and projected enrolment. The Redistribution Committee shall also give due consideration to:

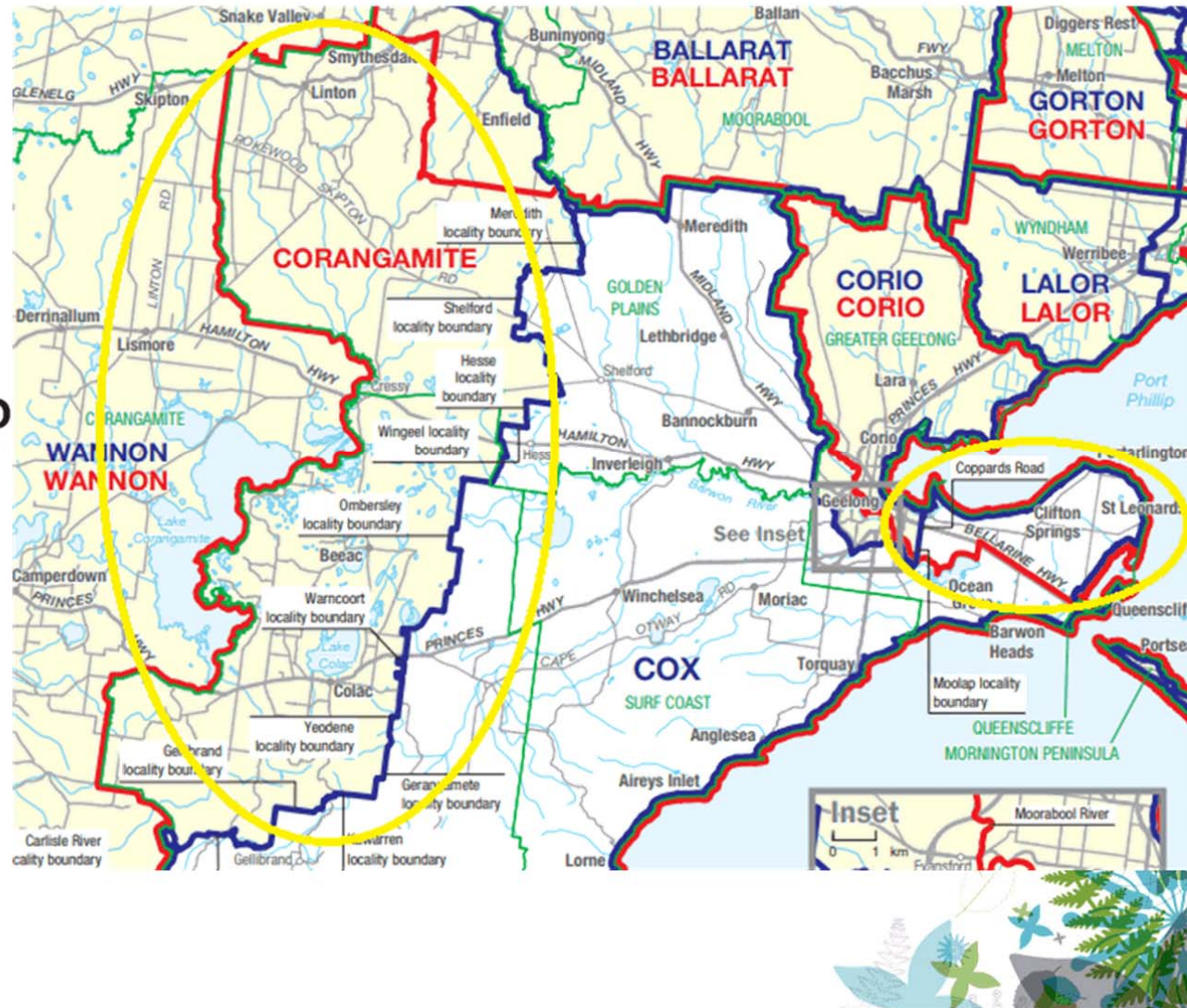
- community interests within the proposed electoral division, including economic, social and regional interests
- means of communication and travel within the proposed electoral division
- physical features and area of the proposed electoral division, and
- existing boundaries of divisions in the state or territory.



Current map of the seat Corangamite



Where
is the
change?





A possible solution?



Setting the Voter Number for each Electoral Division

Enrolment quota at the projection time set by the Electoral Commission as of 25 August 2019:

- Maximum number of electors 114,235
- Minimum number of electors 106,509



Challenges for AEC

- i. Victoria's population increase indicates an increase in House of Representative seats from 37 to 38 requiring a redistribution.
- ii. Number of electors in Division of Cox (existing Corangamite) are above the maximum number of projected electors permitted, requiring a reduction of at least 5,593 electors, or up to 13,319 electors.
- iii. Number of electors in Division of Wannon below minimum
 - Gain required of at least 6,447 electors, up to 14,173 electors.
- iv. Number of electors in Division of Mallee below minimum
 - Gain required of at least 6,635 electors, up to 14,361 electors.



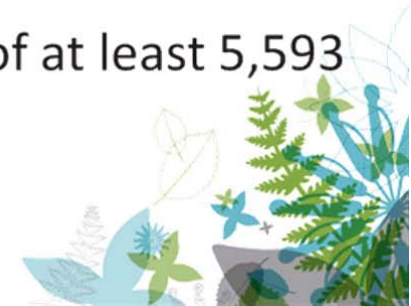
Proposed AEC changes to Division of Cox

- i. Transfer 14,918 electors from the western part of Golden Plains and northern part of Colac Otway Shire to Wannon.
- ii. Transfer from Corio 29,848 electors in Moolap and all localities east on the Bellarine Peninsula to Cox.
- iii. To balance ii., transfer from existing Division of Corangamite 25,553 electors in the localities of Batesford, Belmont, Fyansford, Highton and Wandana Heights to Corio.



Alternative Proposal for Division of Cox

- i. Include Colac and Colac region within the proposed Division of Cox, retaining all of Colac Otway Shire in the Division.
+ 12,041 electors
- ii. Retain the localities of Newcomb-Moolap proposed to be transferred to the Division of Cox within Corio.
- 1,234 electors
- iii. Transfer to the Division of Wannon the localities of Bannockburn and Golden Plains – south from Cox. Proposed northern boundary of Cox to be the Hamilton Highway.
- 9,045 electors
- iv. A net reduction of electors is required in Cox of at least 5,593 electors or up to 13,319 electors.



Summary of Outcomes

- i.
 - Maximum number of electors 114,235
 - Minimum number of electors 106,509
- ii. Alternative Proposal for Division of Cox 110,967 electors
- iii. Alternative Proposal for Division of Wannon 109,761 electors
- iv. Alternative Proposal for Division of Corio 110,737 electors



Proposal for the new seat of 'Cox'





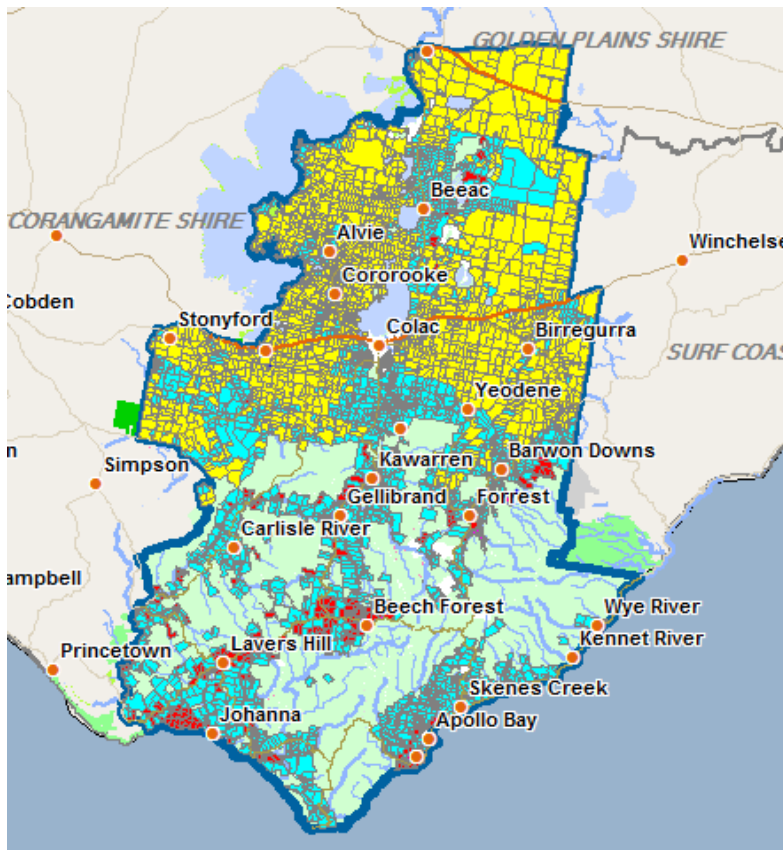
Questions/Comments



SPECIAL COUNCIL MEETING
QUARTERLY PERFORMANCE REPORT
2017-2018
SC180205-3

LOCATION / ADDRESS	Whole of Municipality	GENERAL MANAGER	Errol Lawrence
OFFICER	Margaret Giudice	DIVISION	Corporate Services
TRIM FILE	F17/12085	CONFIDENTIAL	No
ATTACHMENTS	1. Quarterly Performance Report 2017-2018 - 20180502		
PURPOSE	To endorse the Quarterly Performance Report 2017-2018 for the period 1 January to 31 March 2018.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

This report provides information to Council and the community, combining progress on Council Plan actions, Planning activities, Capital Works and Major Projects and the status of Council's finances for the third quarter of the financial year ending 31 March 2018. The financial report also includes the mid-year review report. As at 31 March 2018, the organisation is on track to achieve the successful delivery of Council services for this financial year.

3. RECOMMENDATION

That Council endorse the Quarterly Performance Report 2017/2018 for the period 1 January to 31 March 2018.

4. BACKGROUND / KEY INFORMATION

BACKGROUND

The Council Plan for 2017-2021 was created subsequent to Council elections on 22 October 2016. The current format of the report, combining progress on Council Plan actions, along with Planning activities, Capital Works and Major Projects and the status of Council's finances, has been in effect since September 2017.

KEY INFORMATION

The Quarterly Performance Report 2017-2018 (attached) provides Council with a progress report as at 31 March 2018 and is structured in several sections as follows:

- Introduction, Council's strategic direction, Council Plan 2017-2021 themes, source and application of Council funds.
- Overview for the quarter by each Division: Corporate Services, Infrastructure and Leisure Services and Development and Community Services.
- Planning Performance Report
- Capital Works Performance Report
- Major Projects Performance Report
- Council Plan Performance Report
- Financial Performance Report, includes the mid-year review report

As at 31 March 2018, the organisation is on track to achieve the successful delivery of Council services for this financial year.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

Comprehensive community consultation and engagement was undertaken during the development of the Council Plan 2017-2021 and the 2017-2018 Budget.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The Quarterly Performance Report 2017-2018 combines progress on Council Plan 2017-2021 actions, Planning activities, Capital Works and Major Projects and the status of Council's finances.

ENVIRONMENTAL IMPLICATIONS

Applied in preparation of the Council Plan and adoption of the Budget.

SOCIAL & CULTURAL IMPLICATIONS

Considered in the preparation of the Council Plan and adoption of the Budget.

ECONOMIC IMPLICATIONS

Considered in the preparation of the Council Plan and adoption of the Budget.

LEGAL AND RISK IMPLICATIONS

S138 of the *Local Government Act 1989* requires financial reporting to be provided to Council on a quarterly basis. The *Local Government (Planning and Reporting) Regulations 2014* requires a report reviewing performance against Council Plan actions to be provided to Council on at least a six monthly basis.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

There are no financial or resource implications as a result of this report.

7. IMPLEMENTATION STRATEGY

DETAILS

Not applicable

COMMUNICATION

The community engagement strategy follows the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected would be to inform. This is achieved by including documentation and notification to the public at the Ordinary Council meeting.

TIMELINE

Not applicable

8. OFFICER DIRECT OR INDIRECT INTEREST

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

QUARTERLY PERFORMANCE REPORT 2017-2018

THIRD QUARTER: 1 JANUARY - 31 MARCH 2018

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Introduction

How to read this report

This Council Plan Quarterly Performance Report assesses our progress against the *Council Plan 2017-2021*. The activities and initiatives in the Council Plan are Council's strategies for achieving our community outcomes (Themes) and goals as we work toward our strategic vision.

Measuring Our Progress

The *Council Plan 2017-2021* comprises four key areas of focus: Our Prosperity, Our Place, Our Community and Our Leadership & Management. Each area of focus has desired goals, actions and measures that guide what we want to achieve for Colac Otway Shire, all of which require assessment and reporting of progress.

Strategic Vision



'Towards a prosperous future'

The Councillors of Colac Otway Shire commit to plan for growth in business and employment for our towns 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 the Shire.

Council Direction set in the Council Plan 2017-2021

The Council Plan is Council's overarching strategic document responding to the issues faced by our community. It sets out our goals, key actions and performance measures for the next four years.

The key issues faced by our community have informed the choice of major projects/activities that Council has identified as its highest priority. Council has committed to complete these projects over the life of this plan, supporting the achievement of our stated goals. The Council Plan does not contain the detail of day-to-day operational activities, short term projects or recurrent work programs.

Community Engagement in the Development of the Council Plan

Our Council Plan was directly informed by a significant community engagement program, which sought input from the community about their aspirations for the Shire. This was the most comprehensive consultation program ever conducted in Colac Otway Shire and received a very positive response.

Consultation included letters to more than 900 community groups, businesses and progress associations, an online and paper-based survey, feedback from Community Conversation sessions held around the Shire and pop-up listening posts that were held in Colac and Apollo Bay. These sessions were well attended and we received invaluable feedback on the draft Council Plan and various other matters of interest to the community.

During the development of the new Council Plan, social and cultural implications were carefully considered along with attention to the funding available to carry out the many projects contained in the plan. The Council Plan was adopted on 28 June 2017.

Council Plan Strategic Themes

The Council Plan 2017-2021 includes strategic themes (otherwise known as 'long term community outcomes'), Goals and actions for achieving these for the four year period. The Council Plan also contains strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan. The following are the four outcomes detailed in the Council Plan.

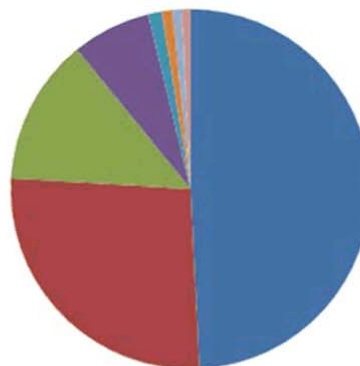
<i>Our Prosperity</i>	<p>Colac Otway Shire has a diverse economy, much of it built on the natural environmental values of the area. The area has enjoyed successful dairy and food processing industries for many decades; supports the timber industry; has a growing tourism industry built on both a striking coastline and the forests of the Otway's; small, specialist food producers, many forming the Colac Otway food trail; plus, a host of local retail businesses, arts and crafts enterprises; and health and education services.</p> <p>The Shire has two larger towns of Colac and Apollo Bay, and a number of smaller towns. Each of these has unique attractions and supports local cultures and communities. The Shire is strategically placed halfway between Geelong and Warrnambool which provides opportunities for economic development and a growing population supported by access to work.</p>
<i>Our Places</i>	<p>Infrastructure assets such as roads, drainage and footpaths are important because they help deliver services to the community. Roads and footpaths provide the ability for people to access work, education and recreation. Drainage provides protection to properties and allows for safe transport. It is important for us to manage assets in a rational way so that we can ensure they are sustainable over the long term so that those services are provided to future generations.</p>
<i>Our Community</i>	<p>Colac Otway Shire sustains a mixed population of tourists, businesses, farmers, retirees and families, some of whom settled in the Shire recently and some who can trace their families' history back to the original settlers. We also have a small population of aboriginal people. The land of the Shire sustains different ways of living, from affordable housing options in the towns, to spectacular properties with views of the forest and the sea. Potential for population growth in the Shire will increase due to highway improvements and proximity to the larger centres of Geelong and Warrnambool. The Shire enjoys good services and infrastructure, supporting families to connect and live well at all life stages. While the Shire is well resourced compared with many other semi-rural shires, with the potential of continued growth there needs to be good planning to have the right infrastructure and services in place.</p>
<i>Our Leadership & Management</i>	<p>There are many demands on the resources of Colac Otway Shire. The major source of income, ratepayer funds, has been constrained through the introduction of rate capping by the State government and an increasing challenge for the community to continue to afford rate increases.</p> <p>The environment of the shire is attractive and well-recognised. Its' diversity also results in involvement by many authorities and stakeholders, creating the need for partnerships and clarity about the role of the shire. Recently experienced incidents such as bushfire and floods impact on the community and draw a significant amount of organisational resources, both in emergency response but also in longer term planning and support to the community. It is expected that such events will be more common as climate change accelerates.</p>

Source and Application of Council Funds

Where does the money come from?

Colac Otway Shire is heavily dependent upon rate revenue for its income. Rate revenue during the 2016/2017 financial year made up 49 per cent of total income. Council's revenue sources highlights that 88 per cent of our income is derived from three income categories:

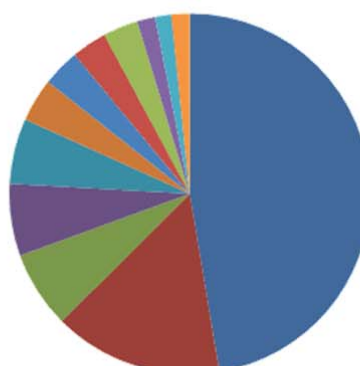
Rates and charges	49%
Grants - Operating	26%
Grants - Capital	13%
User fees	7%
Statutory fees and fines	1%
Other income	1%
Finance income	1%
Reimbursements	1%



Where does the money go?

Council funds more than 90 community services and programs. The following breakdown of costs per service is generated from all funding sources to Council, not just Rates and charges:

Capital works, maintenance of community facilities and assets including parks, gardens and reserves	\$47.38
Governance and administration	\$15.13
Waste management	\$6.94
Aged, disability & community services	\$6.45
Environment & emergency management	\$5.87
Economic development and tourism	\$3.89
Recreation, arts & culture, including COPACC	\$3.35
Planning and building services	\$3.16
Bluewater fitness and aquatic services	\$3.13
Family and children services	\$1.63
Library services	\$1.45
Local laws	\$1.63



Overview by Division

Welcome to the Quarterly Performance Report. This report provides progress on the key actions in the Council Plan for the period 1 January to 31 March 2018, along with a financial report for the quarter against the 2017/18 Budget. The report also includes an overview from each Division for the quarter, Planning activity statistics and an overview of progress on major projects.

The Council Plan 2017-2021, developed with significant community engagement, is the overarching strategic roadmap of the aspirations of Council and the community and how we are going to get there. In order to prioritise the actions that will be funded from Council's limited resources the Council Plan, supported by the organisation's Corporate Plan and Budget, guides all work the Council undertakes. The Council Plan outlines the community's vision is for the Shire, while the Corporate Plan details how that vision will be achieved.

Corporate Services

Finance

The quarter leading up to March 31st has been exceptionally busy again for the Finance Team, amplified with the following team absences:

- Daniel Fogarty (Manager Finance) went on 6 weeks sick leave from early Feb through to late March.
- Melissa Garner (Senior Financial Accountant) moved across to a new role, replacement yet to be sourced.
- David Testa (Financial Operations Coordinator) resigned his position after 8½ years finishing in January 2018. Contractor replacement has been sourced but only begun mid-way through the quarter.

Apart from the very busy business as usual work, the major functions carried out by the team were:

- The continuation of the new 2018/19 budget process including:
 - Finalisation of the operating budget
 - Finalising business cases for capital works & major operational works for 2018/19
 - Finalised Fees and Charges
 - Finalised rates and Charges
 - Commenced work on the model Budget Document
- Continued work on the general ledger rebuild.
- Finalisation of the draft Council Rating Strategy.
- Begun development of a month end close process.
- Commenced review of the impact of new Revenue recognition and lease accounting standards.

Governance & Customer Service

Governance

The Governance team has been attending, whenever possible, workshops and briefings pertaining to the Local Government Bill Exposure Draft in preparation for Parliament's consideration of the legislation. Local Government Victoria had hoped for the ascension of the Bill by July 2017, as phased implementation was forecast to commence at this time. However, a lengthening of the public submission timeframe may result in delays. No communication from the Department has been forthcoming about this matter.

A comprehensive review of Section 86 Committees has been undertaken involving extensive consultation with volunteers from the numerous halls, reserves and the like across the municipality.

At the April Ordinary Council meeting, Councillors will consider a recommendation for Council to assist most Section 86 Committees to become incorporated associations, which officers believe will create better outcomes for Committees and Council.

The Audit Committee held its quarterly meeting on 21 March 2018, at which the minutes from its December 2017 meeting were passed. These will be put to the Council at its April Ordinary Council meeting for noting.

Customer Service

The Customer Service team has experienced increased volumes of work as a result of Council business and natural disasters in the shire and the region. In particular, the Corangamite bushfires in March caused high volumes of calls and inquiries to Council.

Procurement & Tenders

The Business Unit that has been known as Contract Governance is now known as Procurement & Tenders and is headed up by the newly-created position of Procurement & Tenders Coordinator. The Coordinator will oversee these functions within Council to enhance the robustness of related strategies, policies, processes and training. A Procurement Strategy is currently in development and will be considered by Council later in the year.

Waste Management

As in all Councils across Victoria, the Waste Management Unit has had a very challenging period as a result of global instability in the recycling industry. Threats of the industry's collapse have been averted thus far and Councils have been supported in recent months by the Municipal Association of Victoria, the Department of Land, Water, Environment & Planning, and regional waste groups, with Colac Otway Shire's being the Barwon South West Waste and Resource Recovery Group.

Negotiations with Council's recycler, SKM Industries, continue and Council is hopeful of an outcome in the near future. Meanwhile, the timing of this instability has affected Council's ability to budget effectively for waste services in the 2018/19 financial year. While projection work has been done in recent weeks as developments have been communicated, the capturing of this in the budget has been difficult. Some adjustment through the waste levy or similar may be required in the 2018/19 financial year.

Landfill rehabilitation planning and works continue in Colac Otway Shire, with the main focus continuing to be the Alvie Transfer Station.

People, Performance and Culture

- The 2017-2021 Corporate Plan has now been finalised and has 3 major components:
 - Selected Council Plan actions, major initiatives and plans
 - The Capital Works Programme
 - A list of all Strategies and PlansDiscussions have now commenced on reviewing the Plan for the work that will take place in 2018/19.
- Implementation of the recently approved 2018-2020 OHS Strategic Plan has now commenced with OHS internal Assist Audits well underway which will identify any potential OHS gaps that may require broader responses. In line with the recently formed Mental Health Network, in excess of 20 Mental Health First Aid Officers have now been trained with the Mental Health Network meeting for their first time in April, 2018.
- A review of the Council's Business Continuity Plans has been undertaken in line with audit recommendations. All key staff have been trained and desktop exercises were undertaken.
- The 2018-2021 People and Culture Strategy (draft) is nearing completion and is expected to be completed by 30 April 2018. From there, further consultation will occur with the

Executive, Leadership Group and staff regarding the 3 year Action Plan. It is proposed that the Strategy will have 5 main themes;

- Supporting a values based culture
- The Employee Experience.
- Leading and Developing our People
- Valuing our People
- Collaboration, change and innovation.
- A review of internal performance/corporate reporting systems and software has been undertaken and managers are now drafting their 2018/19 business plans which will then be loaded into reinvigorated reporting framework.
- The 2018 Staff Alignment and Engagement Survey has been undertaken and closed on 6 April. Survey results are expected by late May 2018.
- The recruitment of a new CEO is continuing with applications closed on 3 April, 2018.

Information Services

Information Communication Technology

- The development of the draft four-year ICT Strategy is approaching finalisation. Resultant programmes of work are currently identified to be:
 - Disaster Recovery and Business Continuity
 - Digital Enablement of a Mobile Workforce
 - Intranet & Extranet
 - Information Management – EDRMS
 - Desktop Computer Virtualisation
 - Multi-Site Network Connectivity
 - Unified Communications
 - Municipal Management Software Suite – Remediation
 - Civica Authority Major Upgrade – V7.X+
 - Accounts Receivable Workflow Digitisation
 - Geospatial Information System – Restructure
 - Customer Request Management System
 - Leisure Centre Management System
 - Statutory Planning and Building Workflow Digitisation
 - Works Management System Implementation
 - Benefit Through Collaborative Partnerships
 - Migration of ICT Systems to the Cloud
 - SOE Upgrade & Data Center Consolidation.
- Critical evaluation of both MAV and State telecommunications contracts is underway, with essential business requirement analysis being conducted. Significant cost savings will be realised once finalised.
- A significant number of small to medium projects are being finalised for the 2018-2019 financial year, in addition to operational business as usual obligations such as a notable ICT helpdesk workload.

Information Management Service

A comprehensive departmental service review is underway, putting our operational processes and records management strategies under the microscope. We have re-engaged with the MAV Records Management Step Programme which provides a framework for attaining a greater level of legislative

compliance and digital maturity in operation. The incumbent software package, TRIM, will undergo a major upgrade over the coming twelve months.

Geographic Information System

A programme of work is being developed to significant develop our GIS capabilities, working closely with associated business units such as Assets and Planning/Building representatives as key stakeholders in the system.

A comprehensive data restructure is underway to unify information management in the areas of centralised storage and retrieval to better inform business decision making.

Infrastructure and Leisure Services

Arts and Leisure

Colac hosted an AFL JLT Community Series match on 11 March 2018 at Central Reserve between Geelong and Essendon. The town was abuzz in the lead-up to, and on the day of the match. The event was a massive success with a crowd of 9,115 in attendance, the highest recorded crowd for any 2018 JLT Community Series match. Feedback from the AFL, participating clubs and attendees was extremely positive, whilst the local business community also confirmed strong economic benefits from the event.

During February, Colac also hosted the Geelong Football Club's annual Community Camp. The 2018 camp included an open training session at the Colac Central Reserve, junior football clinics and school visits. The Geelong players sang the praises of the Central Reserve's playing surface stating it was of AFL standard.

The Draft Creative Colac Otway – Arts and Culture Strategy 2018-2022 was endorsed by Council at its January 2018 Ordinary meeting to be placed on public exhibition in accordance with Council's Community Engagement Policy 2013. Six submissions were received and have been considered. The final strategy will be presented to a future Council meeting for adoption.

The Bluewater Leisure Centre Service Review has been completed which provides a clear work plan to guide the future operations of the centre. A number of actions are already being implemented. Facility use continues to improve with increased membership and swim school numbers experienced during the quarter.

The Bluewater Leisure Centre hosted two regional junior tournaments during February and March 2018. In total, over 100 teams from across the state participated in the tournaments, attracting more than 4,000 people to Colac. The tournaments provided a great economic boost to the region across the two weekends.

COPACC held its 2018 Season launch on 3 February 2018 with approximately 200 people in attendance. The launch provided a snapshot of the exciting and varied season program on offer in 2018.

COPACC again hosted another wonderfully successful Red Door production; with this time "Rock of Ages" wowing patrons during February. Red Door presented eight performances in the COPACC Auditorium with the majority of shows sold out.

Services and Operations

The team did a fantastic job of preparing Central Reserve, particularly the oval for the AFL match in March. The condition of the oval on match day is a testament to the dedication and skill of our team working together to achieve a terrific result.

Road reconstruction works are underway on Carpendeit-Bungador Road, with construction already completed on Lorne-Colac Road, Denherts Track and Pound Road. The gravel resheet program is progressing well with the remaining roads planned for May and June. The Australian Road Research Board has been appointed to undertake a Service Review on the management and maintenance of the unsealed road network. The recommendations should assist Council in providing an efficient service which improves customer satisfaction of the drive experience on gravel roads.

The traders in Apollo Bay are appreciative of the footpath pressure washing along the main street. The cleaning has rejuvenated the almost 20 year old footpath. The landscaping has been trimmed with additional planting planned for spring.

Engagement continues with the Apollo Bay Harbour User Group to resolve sand management and other safety concerns in and around the harbour. An interagency working group has developed a risk assessment to guide management of the noxious seaweed *Undaria*.

Disaster Recovery

We have a team of project managers funded by State and Federal Governments working on a number of projects designed to help communities recover from the Wye River and Separation Creek bushfire, as well as the flood event of 2016. Our part is to rebuild infrastructure that was destroyed, or build new infrastructure to reduce future risks.

A number of projects have commenced or are poised for construction in 2017/18 including retaining walls and stormwater construction in Wye River and Separation Creek as well as a number of major landslip repairs around the Shire.

Works have commenced on six outstanding retaining walls, including the stabilisation of the Iluka extension slip. The table drain and culverts under driveway contract, a component of the stormwater reticulation project in Wye River and Separation Creek, began in March and is progressing well.

A contractor has been nominated for the Stanway Drive stabilisation project and is currently awaiting Council endorsement.

Works packages for the stabilisation of land slips as a result of the September 2016 floods at Lardner's Track, Blue Johanna and Old Bay Roads have gone to tender and submissions will be received on 11 April.

Capital Works

The team has continued to make good headway in delivering the 2017/18 Capital Works Programme.

A full summary of performance for the program is contained later in this report but the key results are:

1. Queen Street footpath construction is progressing well. The associated underground drainage works are nearing completion. Road widening and footpath works will commence once the drainage is in place.
2. Works under the Sealed Road Pavement Program (Roads to Recovery Funding) are proceeding. Planned rehabilitations to Colac – Lorne Road, Pound Road, Dehnerts Track and Nalangil Road have been successfully completed on time and to budget. Works are currently underway on Carpendeit – Bungador Road, Weering School Road, Costins Access and Conns Lane. The one omission from the planned program is Murray St, Apollo Bay which is contracted but deferred until 2018/19 due to the availability of the contractor.
3. The Tourism Traffic and Parking Strategy has been awarded to the successful consultant and is underway. This is an exciting and much needed strategy development that will guide us through infrastructure improvements to provide for the ever increasing tourist numbers visiting our coastal towns.

Asset Management

The Asset Management Plan Review Project is underway. We have attracted a State Government grant to assist with the engagement of a consultant to help guide our staff in this much needed project.

We have transitioned our road inspection programme to the recently revised Council Road Management Plan to accommodate significant opportunities for performance improvements in the way we carry out maintenance.

A review of the Asset Management Policy and the Asset Management Strategy is scheduled to be presented to Council in May. Asset Management Plans for our major asset groups, roads and buildings are on track to be completed in June.

Development and Community Services

Environment & Community Services

Emergency Management

The team has worked closely with the community in preventing and managing the impacts of fire. The Fire Prevention Program has been undertaken rigorously to ensure maintenance of properties to the prescribed standards. The vast majority of the community have done a terrific job, but where people have failed to do the work necessary, compliance action has been taken.

Unfortunately a fire impacted the Dreeite community in January. Council activated an Emergency Relief Centre and worked closely with the relevant agencies to support the impacted community.

The fires on St Patrick's Day did not impact directly on the Colac Otway Shire region, but Council once again activated an Emergency Relief Centre and provided support to Corangamite Shire to assist them help their community to recover.

Animal Registration

Reminder letters have been sent to all dog and cat owners living in the Shire to remind them to pay their registration fees by 10 April 2018. Animal registration is an important function performed by Council to ensure both the safety of the community and animals.

Economic Development & Tourism

A comprehensive review was undertaken of Council's Grants Program. The review considered elements such as amount of grants, program objectives, consistency with the Council Plan, application method and guidelines. The review also looked at the process and management of Council's applications for external grants to undertake projects. The review key findings recommended changes to the grants program and Council supported a new program at its March Ordinary Council meeting.

The Economic Development & Tourism Department's Events Officer has assisted in the delivery of 20 regional events in the Shire for the quarter. Feedback from event organisers indicated that approximately 24,610 people attended the events. These events provide a significant economic boost to the region and attract many visitors to the area.

The Council's Events Policy has been reviewed to align the Events Policy with Council's Emergency Management Guidelines. Changes made related to conducting events on Code Red declared days. The Emergency Management Guidelines state that events scheduled to be held on Code Red days are to be cancelled or rescheduled. The revised Events Policy was endorsed by Council at its March Ordinary Council meeting.

Community Services

Community Engagement

3 half-day workshops have been held in March 2018 with many older people, and some not so old, in the communities of Apollo Bay, Birregurra and Colac to discuss current and future needs for our ageing community and issues around access, equity and inclusion. This is to be used for the review and implementation of the updated 50+ Plan and the Access, Equity and Inclusion Plan and to align them with the Council and Health and Wellbeing Plans.

Positive Ageing Ambassadors

Following an invitation and induction process of a number of older people throughout the shire we now have nine Positive Ageing Ambassadors. Their role is, as older people and local leaders in their communities, to maximize the involvement of older people in advocating for their needs to be

integral in current and future planning for the Colac Otway Shire.

Regional Assessment Services (RAS) Coordinator – Community Home Support Programmes

Council has been refunded by the State Government to continue the role of RAS Coordinator who is responsible for implementing consistent practices and processes in line with the My Aged Care national model and in the context of retaining the benefits for the Victorian HACC system. This is to support all registered service providers in the Barwon and South West Regions. This position is fully funded by the State Government.

Planning, Building & Health

Colac 2050 Citizen's Jury

The Colac 2050 Citizen's Jury met for the fourth and final day in February to consider how and where Colac should grow to achieve a population of 20,000. The jury concluded with a briefing of Councillors on the outcomes. The Jury report was considered and received by Council at the February Council meeting, and is being used to inform the draft Growth Plan which is expected to be completed for Council consideration in May.

Apollo Bay Harbour Precinct

Work has progressed to advance planning for redevelopment of the Apollo Bay Harbour Precinct. Council endorsed at its December meeting a series of steps for commencement of an Expression of Interest (EOI) and tender process to further explore the potential for private sector investment at the harbour. Officers have worked with State Government representatives on this process, and have commenced engagement of consultants to oversee the EOI and tender process.

Significant work has also occurred to clarify the future infrastructure investment needs for the port operations, and separately, proposed improvements to compliment any private investment, such as relocation of the depot buildings and construction of a boardwalk along the water's edge. Advocacy documents have been developed for this infrastructure to assist Council in attracting funding commitments in advance of upcoming Federal and State elections.

Forrest Wastewater

Barwon Water, in partnership with Council and the Forrest community has continued to progress the Forrest Wastewater Investigation Project to look at options for future wastewater management in the town. A visioning exercise was held with the community in December 2017 as part of the project community engagement program, which is being followed by a wastewater management options information session on 29 April 2018 (it was deferred from March due to the active fires in the region west of Colac).

Apollo Bay Tourism Resort

The proposed residential hotel and associated villas at Barham River Road, Apollo Bay is being considered by an independent planning panel appointed by the Planning Minister, after the Minister called-in the application. Council considered a report on the information provided with the application at a Special Meeting in February, and this was followed by a Directions Hearing of the Panel in March. The applicant has confirmed that the proposal is being limited to Stage 1, and not including Stage 2. The Panel has directed that the applicant provide additional information for notice to submitters for a 21 period before a date for the hearing will be scheduled.

Amendment C90 to Planning Scheme

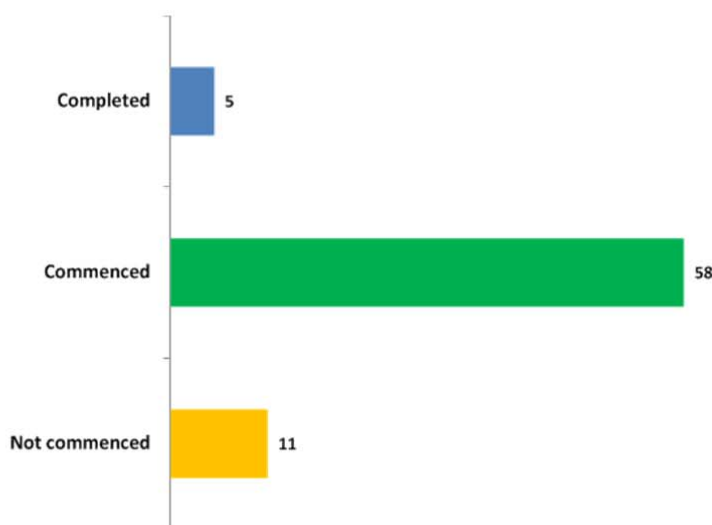
Amendment C90 seeks to amend the flood based overlays in the Planning Scheme as they apply to Colac, to implement the Deans Creek and Barongarook Flood Study. About 23 submissions were received, and these will be considered by Council at the May Council meeting, to consider referring them to an independent panel.

Council Plan Performance Report

The implementation plan for the Council Plan was finalised as part of the Corporate Plan, the organisational work plan. The review of the annual work plan for 2018/19 has commenced and will be finalised by 30 June.

As can be seen in the graph below, the majority of actions are underway at the end of the third quarter of the 2017/18 financial year and are expected to be completed by 30 June. Of the 11 actions not commenced, eight are not due to commence this financial year and three are awaiting additional information or resources before they can commence. It is anticipated that the latter three actions will be carried forward into the 2018/19 financial year. Five actions have been completed.


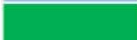



Performance against the actions in the Council Plan commences on the following page. A new feature of this quarter's report is the introduction of a progress column containing comments where relevant to provide greater clarity on individual actions.





Status	Our Prosperity	Our Places	Our Community	Our Leadership & Management	Total
Completed	0	1	2	2	5
Commenced	16	24	9	9	58
Not commenced	5	3	2	1	11
Total	21	28	13	12	74




Progress against Council Plan actions as at 31 March 2018




Legend

	Completed	Action is fully completed.
	Commenced	Progressing on schedule.
	Not commenced	Activity has not started for this initiative. It is scheduled to commence later in the year or is not due to commence this financial year.
	On Track	Programmed work for 2017/18 is on track to be completed by 30 June 2018.
	Off Track	Work programmed for 2017/18 is delayed and is anticipated to be carried forward to 2018/19.





Action	Sub Actions	Department	Status	Progress
Council Plan Theme:	1 Our Prosperity			
Council Plan Goal:	1.1 Plan Infrastructure, assets and land use with a long-term vision for economic growth.			
1.1.1 Provide direction on how growth across the Shire should proceed and ensure adequate land is provided for industrial and residential use.	<u>Residential</u> <ul style="list-style-type: none"> Colac 2050 Growth Plan will inform the residential demand and identify appropriate locations for future residential supply. <u>Industrial</u> <ul style="list-style-type: none"> Colac Economic Development, Commercial and Industrial Land Use Strategy, 2017 provides direction for commercial and industrial growth. Amendment C86 – rezones land as identified by the Strategy (completed). 	Planning, Building and Health	Commenced	 <p>Amendment C86 is completed and forms part of Planning Scheme.</p> <p>The Citizens Jury report for Colac 2050 was considered by Council at the February meeting.</p> <p>A draft Growth Plan and planning scheme Amendment are being produced for the May Council meeting.</p>



Action	Sub Actions	Department	Status	Progress
1.1.2 Develop and implement a Colac Otway Economic Development Strategy.	<ul style="list-style-type: none"> Colac Otway Economic Development Strategy completed. Colac Economic Development, Commercial and Industrial Land Use Strategy, 2017 provides direction for commercial and industrial growth. 	Economic Development and Tourism Planning, Building and Health	Commenced	 <p>Colac Otway Economic Development Strategy process has commenced.</p> <p>Colac Economic Development, Commercial and Industrial Land Use Strategy completed & planning scheme amendment completed.</p>
1.1.3 Conduct a review of the housing stock in Colac and establish a Residential Housing Strategy to ensure current and future stock is suitable to attract new residents.	<ul style="list-style-type: none"> A residential demand and supply analysis was undertaken to inform the Colac 2050 Growth Plan (completed). Housing strategy will identify future housing need types based on the population trends and community patterns in their choice of housing (not commenced). 	Planning, Building and Health	Not Commenced	This assessment is proposed for 2019.
1.1.4 Identify and improve tourism assets across the Shire.	<ul style="list-style-type: none"> Audit of existing public and private tourism infrastructure. Linked to 1.2.11 Develop a plan to prioritise improvements and development of public assets and private opportunities. 	Economic Development and Tourism	Not commenced	Not due to commence until 2019/20.
1.1.5 Prepare an Infrastructure Master Plan for Apollo Bay and Coastal Townships, covering categories including roads, car parking, bus parking, footpaths and storm water drainage.	<ul style="list-style-type: none"> Links to 1.1.4 above To be informed by the Great Ocean Road Tourism Traffic and Parking Strategy. 	Planning, Building and Health	Not Commenced	Due to commence in 2018/19 subject to Council funding.




Action	Sub Actions	Department	Status	Progress
1.1.6 Attract investment to implement key master plans that will drive economic growth such as the Lake Colac Foreshore Master Plan.	<ul style="list-style-type: none"> Develop economic impact assessments for key masterplans (Lake Colac completed). Develop clear prospectus' and advocacy strategies. Apply for investment to implement. 	Economic Development and Tourism	Commenced	 <p>Economic assessments commenced for Forrest Mountain Bike Park Strategy and Apollo Bay Harbour Precinct priority projects. Prospectus for all priority projects have commenced.</p>
1.1.7 Remove unnecessary planning triggers to streamline planning processes.	<ul style="list-style-type: none"> Undertake the Colac Otway Planning Scheme Review and Cutting Red Tape Project. Stage 2 of this project will revise the current controls (as appropriate) to streamline planning requirements and referral process (not commenced). 	Planning, Building and Health	Commenced	 <p>Council adopted the Planning Scheme Review at the March meeting, and the consultant has commenced drafting the planning scheme amendment to implement it, with exhibition likely in 2018/19.</p>
1.1.8 Strengthen partnerships with employers in the Shire.	<ul style="list-style-type: none"> Development of a partnership plan identifying key stakeholders and the commitment Council makes to regular engagement and partnership projects i.e.: Chambers of Commerce, GORRT, G21, WestVic Diary, Colac Otway Health and other key employers. 	CEO's Office	Commenced	 <p>Liaison with Chambers of Commerce, GORRT, G21, Victorian Farmers Federation, Regional Development Victoria, Department of Environment, Land, Water and Planning, and Parks Victoria undertaken by the Acting CEO. Partnership plan to be developed on the advent of the appointed CEO.</p>





Action	Sub Actions	Department	Status	Progress
Council Plan Goal:	1.2 Support a thriving economy and industries.			
1.2.9 Identify and promote Tourism pathways between attractions across the whole Shire.	<ul style="list-style-type: none"> Develop the Economic Development and Tourism Strategy. Implementation of destination marketing plans. Review and revamp Otway Tourism Advisory Committee (not commenced). 	Economic Development and Tourism	Commenced	 Economic Development & Tourism Strategy scheduled for completion by 31 July 2018. New Apollo Bay Destination Marketing Plan schedule for release by the Chamber of Commerce.
1.2.10 Identify and support employment in tourism.	<ul style="list-style-type: none"> Refer to items 1.1.2, 1.1.5, 1.1.8 and 1.2.9 above. 	Economic Development and Tourism	Commenced	
1.2.11 Explore options to facilitate new tourism accommodation.	<ul style="list-style-type: none"> Facilitating the planning permit application for Apollo Bay Tourism Resort. Facilitate investigations into opportunity for four star accommodation in Colac. Investigate opportunities for tourist accommodation along the coastal hinterland followed by amendments to Planning Scheme to rezone land to facilitate tourism based accommodation (not commenced). Linked to 1.1.4 	Planning, Building and Health Economic Development and Tourism Planning, Building and Health	Commenced	 The Minister has called in the decision on the Apollo Bay Tourism resort. An independent planning panel has been established to hear submissions. A hearing is expected before 30 June 2018. A business case has been prepared for consideration in the 2018/19 budget re opportunities for tourism in the Otways.
1.2.12 Review Planning controls for the coastal hinterland and support establishment of tourist accommodation.	<ul style="list-style-type: none"> Upon completion of the Investigation in 1.2.11 undertake necessary planning scheme amendments to facilitate tourism based accommodation in the coastal hinterland. Linked to 1.1.4 	Planning, Building and Health	Not commenced	Will occur after the Strategy above is completed; anticipated to commence in 2018/19.

Action	Sub Actions	Department	Status	Progress
1.2.13 Review the Shire Events Strategy and partner with event organisers to assist them preserve the amenity of residents while running successful events.	<ul style="list-style-type: none"> The Events Strategy is to be incorporated into the Economic Development and Tourism Strategy. Linked to 1.1.2 	Economic Development and Tourism	Commenced	✓
1.2.14 Facilitate the attraction of investment in the development of high standard accommodation in Colac and Apollo Bay, complemented by high yielding nature based experiences.	<ul style="list-style-type: none"> Refer to 1.2.11, 1.2.12 and 1.1.4 	Economic Development and Tourism	Commenced	✓ Actions 1.2.12 and 1.2.4 are not due to commence until 2018/19 and 2019/20 respectively.
1.2.15 Encourage and support existing owners of accommodation to upgrade, refurbish and develop new infrastructure to meet visitor demand.	<ul style="list-style-type: none"> Refer to 1.1.4, 1.1.8 and 1.1.10 	Economic Development and Tourism	Not commenced	To commence in 2019/20.
1.2.16 Review the Great Ocean Road Closure Policy.	<ul style="list-style-type: none"> In partnership with the Interagency Great Ocean Road Closure Events Committee review policy guidelines. 	Economic Development and Tourism	Commenced	✓
Council Plan Goal:	1.3 Strengthen partnerships with key stakeholders to benefit the whole community.			
1.3.17 Seek regional funds from State and Federal Governments.	<ul style="list-style-type: none"> Council to endorse priority projects and develop and implement an advocacy strategy in preparation for State and Federal elections. Undertake a service review of Council's grant programs and systems to ensure strategic and coordinated approach providing affective outcomes. 	GM's Office Corporate Services GM's Office Development & Community Services	Commenced	✓ Council endorsed priority projects. Prospectus/facts sheets to be completed in April. Advocacy strategy to be completed in April for targeted priorities.






Action	Sub Actions	Department	Status	Progress
1.3.18 Develop and maintain regional partnerships and joint advocacy.	<ul style="list-style-type: none"> Active participation in identified key regional organisations such as G21, Barwon Regional Partnerships, etc. Linked to 1.1.8 	CEO's Office	Commenced	 Active participation through regular engagement and representation of Council priority matters.
1.3.19 Seek to influence education providers to match local job opportunities with available skills training.	<ul style="list-style-type: none"> Active participation in GROW, Beyond the Bell and Turning Point. Linked to 1.1.8 	Economic Development and Tourism	Commenced	
1.3.20 Support programs to reduce youth unemployment and promote employment for disadvantaged groups in partnership with employers, G21 and the GROW initiative.	<ul style="list-style-type: none"> Linked to 1.3.19 - include the GROW activity in the Economic Development Tourism Strategy 	Economic Development and Tourism	Commenced	
Council Plan Goal: 1.4 Improve strategic planning and coordination of the Great Ocean Road.				
1.4.21 Advocate for the establishment of a Great Ocean Road Authority.	<ul style="list-style-type: none"> Active participation in the Victorian Government Great Ocean Road Taskforce. 	CEO's Office	Commenced	 Active participation and contribution reflecting the Council's priorities.
Council Plan Theme: 2 Our Places				
Council Plan Goal: 2.1 Assets and infrastructure meet community needs.				
2.1.1 Develop and implement a Property Strategy.	<ul style="list-style-type: none"> Strategic Plan to manage Councils properties covering issues such as valuation, service provision, future investment and disposal of assets. 	Assets and Project Delivery	Not commenced	Due to commence in 2018/19.






Action	Sub Actions	Department	Status	Progress
2.1.2 Develop and maintain constructive partnerships to access appropriate levels of funding, coordination, infrastructure and services.	<ul style="list-style-type: none"> Maintain relationships with G21, Regional Development Victoria, VicRoads, State and Federal Government Departments. 	CEO's Office	Commenced	 <p>Strong relationships established with G21, Regional Development Victoria. VicRoads, Southern Rural Water, GORRT, Great Ocean Taskforce, Wye River, Skenes Creek, Kennet River Community Resilience Committee, Parks Victoria, State Government Member of Parliament and Federal Government Member of Parliament.</p>
2.1.3 Conduct an ongoing program of service reviews to guide planning for infrastructure.	<ul style="list-style-type: none"> Port of Apollo Bay service review. 	GM's Office Development & Community Services	Commenced	 <p>A review of all three directorates has commenced.</p> <p>Detailed reviews for targeted services also commenced such as the Port of Apollo Bay.</p>
2.1.4 Council to work with key stakeholders such as the Otway Coast Committee, the Apollo Bay Chamber of Commerce and Council with the aim of aligning strategic planning and advocacy efforts for Apollo Bay and district.'	<ul style="list-style-type: none"> As per action. 	CEO's Office	Commenced	 <p>Regular engagement undertaken to develop support for a single Master Plan approach to urban planning in Apollo Bay reflecting a unity of purpose on priority areas. Progress is being achieved.</p>




Action	Sub Actions	Department	Status	Progress
Council Plan Goal:	2.2 Our places are managed for long term sustainability.			
2.2.5 Update the Planning Scheme to reflect changing community needs and priorities.	<ul style="list-style-type: none"> Undertake the Colac Otway Planning Scheme Review and Cutting Red Tape Project. Stage 3 of the project to rewrite the Municipal Strategic Statement (the MSS) and amend respective Framework Plan. New policy directions in the MSS will reflect the changing community needs and other social, economic and environmental aspects influence land use planning at local level. Linked to 1.1.7 	Planning, Building and Health	Commenced	 <p>Council adopted the Planning Scheme Review at the March meeting, and the consultant has commenced drafting the planning scheme amendment to implement it, with exhibition likely in 2018/19.</p>
2.2.6 Ensure best practice guides planning and management of the natural environment and associated assets.	<ul style="list-style-type: none"> Implement the Councils Environment Strategy (2010-18) Review and develop Councils new Environment Strategy 2018-26 (not commenced). Implement the Councils Environment Strategy (2018-28) (not commenced). 	Environment and Community Safety	Commenced	 <p>Implementation of the current plan is progressing effectively. The review of the Environment Strategy will commence in the next quarter, but it will not be completed until later this year. As a result implementation will commence in 2018/19.</p>
Council Plan Goal:	2.3 Towns and places are welcoming and attractive.			
2.3.7 Enhance the attractiveness of towns in the Shire for both residents and tourists/visitors.	<ul style="list-style-type: none"> Implement the Colac Entrances and CBD Plan Linked to 1.1.4, 1.1.5, 1.1.6 and 2.3.9 	Assets and Project Delivery	Completed	CBD & Entrances Stages 1 & 2
2.3.8 Advocate for improvements to public open space where the State Government is the land owner/manager.	<ul style="list-style-type: none"> Build and improve relationships with State and Federal Government agencies. Develop Priority Project Register and advocate for funding. 	Arts and Leisure	Commenced	

Action	Sub Actions	Department	Status	Progress
2.3.9 Develop and implement a prioritised program to review and implement master plans, community infrastructure plans and structure plans for small towns across the Shire.	<ul style="list-style-type: none"> As per action. 	Planning, Building and Health	Commenced	 <p>Work has commenced on consolidating a list of all relevant Master Plans for small towns. This will be refined over the course of 2017/18.</p>
2.3.10 Incorporate treatments into infrastructure standards that enhance community perceptions of safety.	<ul style="list-style-type: none"> Apply for funding for enhanced street lighting and public security measures. Ensure that design of public spaces takes account of good design practice in relation to safety. 	Assets and Project Delivery	Commenced	 <p>All current designs, both internal and external, incorporate Infrastructure Design Manual Standards. Further enhancements to follow in 2018/19.</p>
2.3.11 Maintain Parks and gardens, sports reserves and streetscapes.	<ul style="list-style-type: none"> Prepare operational plan for Colac CBD maintenance and cleaning. Prepare operational plan for maintenance and cleaning of Apollo Bay CBD. 	Services and Operations	Commenced	 <p>Apollo Bay streetscape pressure washed in February. Colac CBD serviced as required.</p>
2.3.12 Support enjoyment of outdoor experiences through the provision of a network of quality open spaces, including paths and trails.	<ul style="list-style-type: none"> Linked to 1.1.6 and 2.3.7 Review, update and implement the Integrated Water Management Plan. 	Arts and Leisure Environment and Community Safety	Commenced	 <p>The Integrated Water Management Plan has been reviewed and the priorities updated. Implementation of the revised plan has yet to commence.</p>





Action	Sub Actions	Department	Status	Progress
2.3.13 Evaluate the feasibility of a regional wet waste facility to manage waste from road and drainage maintenance.	<ul style="list-style-type: none"> Prepare a feasibility study for a regional wet waste facility. 	Governance and Customer Service	Not commenced	Clarification obtained from Council about the desired function of the wet waste facility. Discussions have commenced with the Services and Operations Department, who require the facility.
2.3.14 Continue to support the Apollo Bay community's advocacy for the development of a public indoor heated swimming pool in Apollo Bay.	<ul style="list-style-type: none"> Assist the Apollo Bay Indoor Pool Group to refine proposal for the provision of an indoor pool. 	Arts and Leisure	Commenced	✓
Council Plan Goal: 2.4 Leadership in natural environment through good management practices.				
2.4.15 Ensure best practice guides planning and management of the natural environment and associated assets, and Council's response to climate change.	<ul style="list-style-type: none"> Deliver the Climate Resilient Communities Project for the Barwon South West Region. Seek funding for the ongoing support of regional collaboration on climate change (not commenced). Linked to 2.2.6 	Environment and Community Safety	Commenced	✓ The Climate Resilient Communities project will be completed by June 2018. Funding has been sought for further support of regional collaboration but no funds have been secured to date.
2.4.16 Minimise coastal erosion in partnership with other stakeholders and implement measures to assist climate adaptation.	<ul style="list-style-type: none"> Deliver the Local Coastal Hazard Assessment Project. Seek funding for treatment of high risk areas (not commenced). 	Environment and Community Safety	Commenced	✓ The Local Hazard Assessment Project is on track to be completed by June 2018.




Action	Sub Actions	Department	Status	Progress
2.4.17 Improve the health and sustainability of the natural environment through structured planning with our partners.	<ul style="list-style-type: none"> Active participation in regional and local environment forums e.g. G21 Environment Pillar, Lake Colac Committee and Colac Shire Weeds Committee. 	Environment and Community Safety	Commenced	 Council continues to actively participate in the listed local and regional forums.
2.4.18 Deliver localised planning to communities to reduce fire risk.	<ul style="list-style-type: none"> Annually review and deliver Council's Fire Prevention and Awareness Raising Program. 	Environment and Community Safety	Commenced	 Council's Fire Prevention and Awareness Raising Program has been delivered effectively.
2.4.19 Implement emission reduction programs for Council operations.	<ul style="list-style-type: none"> Implement Council's Carbon Neutral Plan. Seek further funding for emission reduction project. 	Environment and Community Safety	Commenced	 Action continue to progress toward completion (e.g. Blue Water Solar Array) to be delivered by June 30 2018. Funding has been secured to do audits of Council Facilities to identify further energy saving opportunities.
2.4.20 Enhance the level of resource recycling and reuse across the Shire.	<ul style="list-style-type: none"> Education campaign occurring in primary schools and via the Community Matters newsletter and Council's Facebook page. 	Governance and Customer Service	Commenced	
2.4.21 Enhance and protect biodiversity through weed control and revegetation.	<ul style="list-style-type: none"> Annually review and deliver weed control and revegetation program. Seek external funding for weed control and revegetation projects. 	Environment and Community Safety	Commenced	 The majority of the Weed Control Program has been delivered and funding was obtained from the State for roadside weed control.





Action	Sub Actions	Department	Status	Progress
2.4.22 Implement Council's Climate Adaptation Strategy.	<ul style="list-style-type: none"> As per action. 	Environment and Community Safety	Commenced	 <p>Implementation of the plans actions has commenced with organising training for key Council staff to be undertaken in May 2018.</p>
Council Plan Goal: 2.5 Delivery of our capital works program.				
2.5.23 Develop a system of capital allocations based on Asset Management Plans.	<ul style="list-style-type: none"> Not due to commence until 2018/19. 	Assets and Project Delivery	Not commenced	Not due to commence until 2018/19.
2.5.24 Develop a project management framework, covering proposals, planning and delivery.	<ul style="list-style-type: none"> Project Proposals to measure strategic alignment, asset renewal, service need, number of years to deliver and funds required. Planning to examine environmental impacts, availability of grant funding, required consultation and planning permit requirements. 	Assets and Project Delivery	Commenced	 <p>Project Management Framework in development based on Prince 2 methodology.</p>
2.5.25 Develop a capital works reporting framework.	<ul style="list-style-type: none"> System to be developed which reports to Council Executive Management team as well as Council on a periodic basis. System is to track progress and forecast end of year results as well as highlight significant variations from the Capital Works Program. 	Assets and Project Delivery	Commenced	 <p>Framework for reporting on Capital Works is created. Further refinement ongoing.</p>
2.5.26 Deliver the annual capital works program.	<ul style="list-style-type: none"> 80% of the program is to be delivered, when measured by either number of projects or expenditure. 	Assets and Project Delivery	Commenced	
Council Plan Goal: 2.6 Emergency management is coordinated locally and on a regional basis.				
2.6.27 Community based planning to build local understanding and preparedness for emergency events.	<ul style="list-style-type: none"> Deliver community based fire and emergency management planning in high risk townships. 	Environment and Community Safety	Commenced	 <p>Council has led the community based bushfire planning in Forrest and also supported work being led by the State Government in Wye River, Separation Creek and Kennet River.</p>

Action	Sub Actions	Department	Status	Progress
2.6.28 Education, joint planning and preparations undertaken to prepare for climate related threats and emergencies.	<ul style="list-style-type: none"> Maintain collaboration with neighboring Councils and key emergency management organisations on joint planning and preparation for emergency management. Linked to 2.4.15 and 2.4.16 	Environment and Community Safety	Commenced	 <p>Council continues to work with our neighbouring Councils through the Cross-Council Relief and Recovery Meeting to organise joint training initiatives.</p>
Council Plan Theme: 3 Our Community				
Council Plan Goal: 3.1 Increase social connection opportunities and community safety.				
3.1.1 Support community organisations through the community grants program.	<ul style="list-style-type: none"> Conduct a service review and implement findings of Council's community grant programs to ensure align to Council Plan goals. 	GM's Office Development & Community Services	Completed	A comprehensive community grants review has been completed, resulting in a new program being designed. The new program was endorsed by Council in March.
3.1.2 Support community clubs, groups and associations to provide welcoming and inclusive environments for all members of our community within council facilities.	<ul style="list-style-type: none"> Review and implement the Access Equity and Inclusion Plan, 50+ Plan and Municipal Early Years Plan. 	Community Services	Commenced	 <p>Meetings within a number of communities have been held to discuss our ageing population and Access, Equity and Inclusion.</p>
Council Plan Goal: 3.2 Connect people through events and activities.				
3.2.3 Provide grant programs to involve local people in activities that facilitate their health, wellbeing and enjoyment.	<ul style="list-style-type: none"> Consider opportunities to enhance grant programs as part of Council's service review of its grant programs. Linked 3.1.1 	GM's Office Development & Community Services	Completed	Council has endorsed a new Grants Program which was informed by a comprehensive review.
3.2.4 Supports community activities through information dissemination and planning information.	<ul style="list-style-type: none"> Provide relevant information to community groups on a regular basis. 	Arts and Leisure	Commenced	

Action	Sub Actions	Department	Status	Progress
Council Plan Goal:	3.3 Opportunities for the community to participate in lifelong learning.			
3.3.5 Provide opportunities for lifelong learning and community connections through library programs.	<ul style="list-style-type: none"> Review the provision of library services. 	Arts and Leisure	Commenced	✓
3.3.6 Support for community groups.	<ul style="list-style-type: none"> Continue to resource community services and culture and leisure to support community groups. Linked to 3.1.2 and 3.2.4 	Arts and Leisure Community Services	Commenced	✓ Requirements for community grants will include reference to gender equity initiatives.
Council Plan Goal:	3.4 Provision of resources to support physical activity by the community.			
3.4.7 Deliver programs through the Bluewater Centre that promote physical activity in the Shire.	<ul style="list-style-type: none"> Enhance to Learn to Swim program. Enhance the offer of programs such as exercise classes. Improve the operation of retail and café services. Investigate the feasibility of extending the hours of operation of the gymnasium. Deliver actions that result from the current Service Review. 	Arts and Leisure	Commenced	✓
3.4.8 Build capacity of local sports groups in promoting healthy eating and physical activity.	<ul style="list-style-type: none"> Actively participate in the development and implementation of the G21 Healthy Eating and Active Living Strategy. 	Arts and Leisure	Commenced	✓
3.4.9 Encourage more people to participate and be inclusive of others.	<ul style="list-style-type: none"> Review and implement the Access Equity and Inclusion Plan, 50+ Plan and Municipal Early Years Plan. 	Arts and Leisure	Commenced	✓
3.4.10 Participate in the G21 Healthy Eating and Active Living regional priority project.	<ul style="list-style-type: none"> As per action. 	Community Services	Commenced	✓
3.4.11 Consider health of the community when formulating policy for Council's Property Strategy.	<ul style="list-style-type: none"> As per action. 	Assets and Project Delivery	Not commenced	Strategy review forecast in 2018/19.

Action	Sub Actions	Department	Status	Progress
Council Plan Goal:	3.5 Foster an inclusive community.			
3.5.12 Increase advocacy in partnership with our community to enhance cultural awareness, inclusiveness, safety and health, community, family and education.	<ul style="list-style-type: none"> Review and implement the Access Equity and Inclusion Plan, 50+ Plan and Municipal Early Years Plan. Linked to 3.4.9 	Community Services	Commenced	
Council Plan Goal:	3.6 Community planning informs provision of Council services and social infrastructure.			
3.5.13 Update social infrastructure planning on a continuing basis to guide asset planning.	<ul style="list-style-type: none"> Develop and implement a Social Infrastructure Plan. 	Arts and Leisure Community Services	Not Commenced	 Development of the Social Infrastructure Plan has not commenced due to lack of resources at this time.
Council Plan Theme:	4 Our Leadership and Management			
Council Plan Goal:	4.1 Effectively manage financial resources.			
4.1.1 Manage the short and long-term financial sustainability of the shire through prudent financial management.	<ul style="list-style-type: none"> Detailed review the General Ledger. Review the Rating Strategy. Establish more timely financial reporting processes. 	Financial Services	Commenced	 Despite delays caused by lost consultancy time due to illness and personal reasons, the project is back on track and will be completed, barring further unforeseen events occurring.
4.1.2 Maintain the 10 year long term financial plan.	<ul style="list-style-type: none"> Review the Long Term Financial Plan to establish a more robust document. 	GM's Office Corporate Services	Commenced	 Software and development program purchased. Project underway.

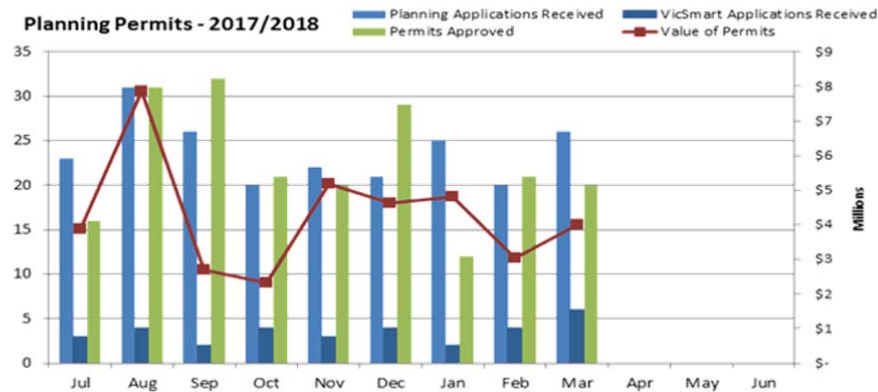
Action	Sub Actions	Department	Status	Progress
4.1.3 Identify new income opportunities.	<ul style="list-style-type: none"> Explore opportunities to maximise Capital and Recurrent funding. 	CEO's Office	Commenced	 <p>Priority Projects Framework established as the basis of ongoing advocacy to State and Federal Governments for funding. Further funding for Bushfire Recovery pursued. Funding achieved for Apollo Bay Harbour.</p>
4.1.4 Maintain low risk audit rating for financial sustainability.	<ul style="list-style-type: none"> As a result of the Annual Audit process address risks as appropriate. 	Financial Services	Completed	
Council Plan Goal: 4.2 Openness and accountability in decision making.				
4.2.5 Ensure where ever possible decisions are debated and made in open Council meetings.	<ul style="list-style-type: none"> Governance continues to monitor and provide improvements toward open and democratic decision-making. The introduction of overhead projectors for Agendas and Minutes at Council Meetings is an example. 	Governance and Customer Service	Commenced	
4.2.6 Develop and implement a program of regular reporting on key activities to ensure they are focused on implementing priorities.	<ul style="list-style-type: none"> Implement new reporting framework. 	People, Performance and Culture	Completed	New quarterly reporting framework implemented in September 2017.
Council Plan Goal: 4.3 Organisational development and legislative compliance.				
4.3.7 Support organisational development to ensure key organisational capability areas support the organisation to deliver on Council priorities.	<ul style="list-style-type: none"> Organisational Development/People Strategic Plan 2018-2021. 	People, Performance and Culture	Commenced	 <p>Draft Strategy nearing completion. Staff consultation will occur in May.</p>

Action	Sub Actions	Department	Status	Progress
4.4.8 Manage our risk exposure, including providing a safe working environment where "Work Health and Safety is everyone's business".	<ul style="list-style-type: none"> Occupational Health & Safety Work Plan 2018. 	People, Performance and Culture	Commenced	 50% of OHS internal audits completed. Mental Health Network established.
Council Plan Goal: 4.4 Provide value for money services for our community.				
4.4.9 Implement a program of ongoing service reviews to ensure our services are efficient and effective and are valued by the community.	<ul style="list-style-type: none"> Develop a service review program to implement a rolling program of reviews. Review will be completed and prioritised as part of the budget process (not commenced). 	CEO's Office	Commenced	 Implemented comprehensive service reviews, with Searchlight engaging Council operations in a continuous improvement process. State Government funding obtained for detailed Asset Management planning. General Ledger rewrite in progress. Long Term Financial Plan development underway.
4.4.10 Enhance opportunities for increased local spending of Council expenditure.	<ul style="list-style-type: none"> The reviewed purchasing and procurement policy, which included improved local purchasing requirements, was adopted by Council on 27 September 2017. 	Governance and Customer Service	Commenced	
4.4.11 Develop partnerships to procure services and materials on a regional basis.	<ul style="list-style-type: none"> Roll out adopted procurement policy. 	Governance and Customer Service	Commenced	 Aspects to be covered in tender process training scheduled for this financial year; annual review planned to commence July 2018.

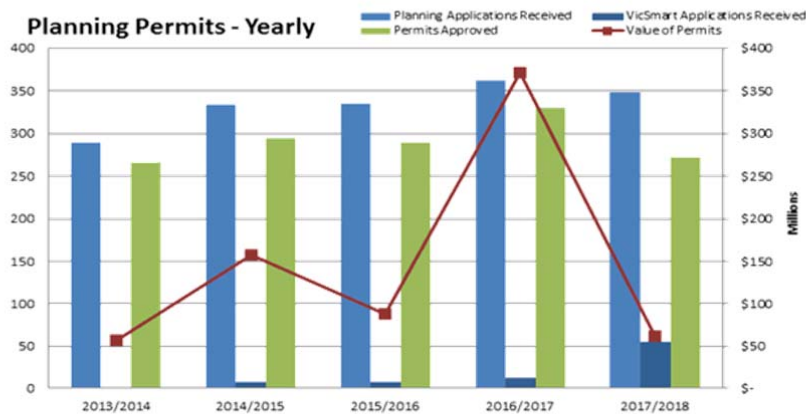
Action	Sub Actions	Department	Status	Progress
Council Plan Goal:	4.5 Communicate regularly with our community and involve them in decision-making.			
4.5.12 Review the Community Engagement Policy to guide council decision making.	<ul style="list-style-type: none"> Review current procedures and develop a new Community Engagement Policy. 	CEO's Office	Not commenced	Awaiting adoption of the new Local Government Act, expected during 2018/19, which will have implications for the content of the Engagement Policy and subsequent procedures.

Planning Performance Report

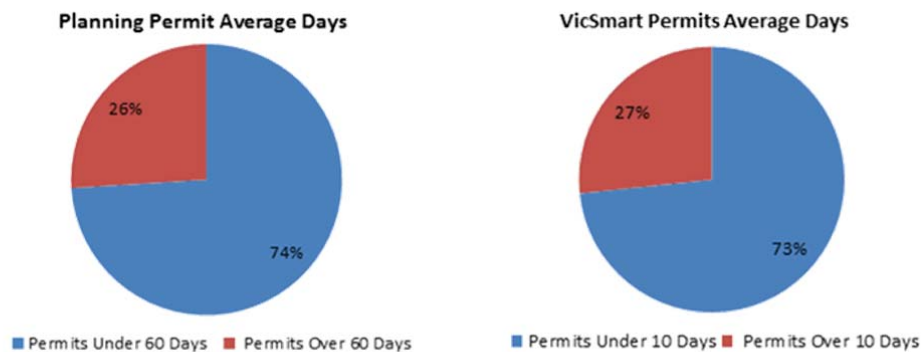
The bar graph below represents the numbers of planning permit applications lodged with Council (all applications – blue; VicSmart rated applications – dark blue), and the number of permits issued (green) by month. The economic value of lodged planning permit applications is shown in red.



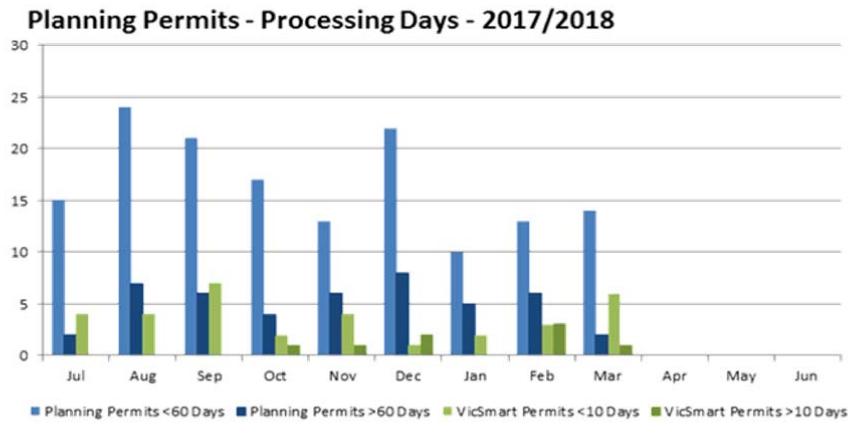
The graph below shows the same information, comparing the number of received planning permit applications and permits issued, across different financial years, as well as value of permits. This indicates a consistent upward trend in building activity year on year.



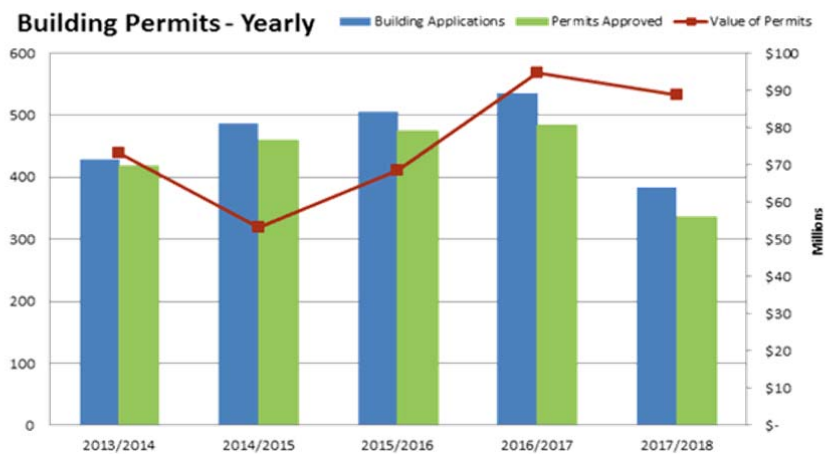
The following graphs indicate the average days taken to determine planning permit applications in the reported quarter, with permits issued under the statutory timeframe in blue and permits issued over the statutory timeframe in red.



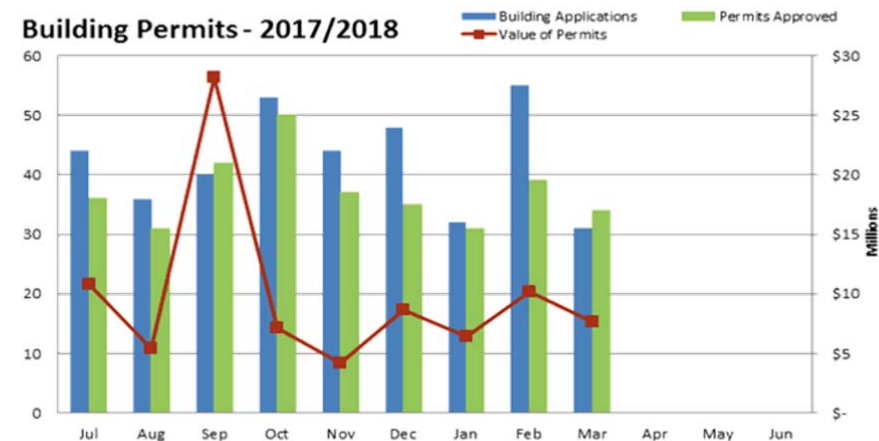
The following graph indicates the average days taken to determine planning permit applications in 2017/18, by month:



The following graph shows the number of building permit applications received (blue) and permits issued (green) by year, as well as the economic value of applications received (red line).



The following graph shows the number of building permit applications received (blue) and permits issued (green) by month, as well as the economic value of applications received (red line).



Planning Permits of Interest

A proposal was received for a multi-lot subdivision of land at 45 Marriners Lookout Road, within the Neighbourhood Residential Zone to the west of Seaview Drive (approx. 160 lots). This proposal is the final stage of the subdivision of land on the south side of Marriners Lookout Road, which commenced in the mid-1990s.

Permits were issued for seven dwellings in the fire affected parts of Wye River - four in Karingal Drive, two in Durimbil Avenue and one in Koonya Avenue. Seven other permits were issued for single dwellings elsewhere in the municipality. In addition, a few subdivision and multi-unit developments were permitted within Colac.

A permit was issued for a 65m high telecommunications mast at 30 McNamas Road in Barwon Downs. It is proposed to locate an NBN antennae at the top of the tower and Telstra panel antennae at a 50m height, with coverage extending over the Barwon Downs area. The application was submitted by Telstra under the Mobile Black Spot Program and therefore was exempt from public notice. However, Telstra advised in the planning application that it was going to give notice of the application via a sign on site and public notice in a local paper (or a newsletter) to ensure the Barwon Downs community was aware of the proposal.

A Men's Shed was permitted at 19-21 Moore Street, Apollo Bay. The sole objection received to this application was withdrawn following Council negotiation with the applicant to ensure that noise mitigation measures would be undertaken.

A further permit was issued for the extraction of clay associated with the highway duplication and the subsequent creation of a dam. An application to delay the construction of Mooleric Road, which was a requirement of the permit for the quarry at 320 Mooleric Road, was withdrawn.

The Planning Committee approved a permit for a function room at the Wye River Hotel and a shop and restaurant in Main Street, Beeac.

One application was refused during the quarter which was for the installation of a 20.8m high wind turbine associated with a dwelling at 155 Evans Track. The refusal was due to the potential for the proposed facility to have a detrimental impact on this sensitive landscape.

Building Permits of Interest

The following is a list of non-residential related building permits issued that are of community interest, are of high value (>\$1,000,000), or have been refused:

Address	Description of Works	Permit Approved	Comment
37-39 Hesse Street Colac	Construction of Church (Stage 2 - To Completion)	15/01/2018	Baptist Church
32-40 Gravesend Street Colac	Installation of Scoreboard/Signage	09/02/2018	Upgraded for AFL match

Building Enforcement of Interest

The following is a summary of building enforcement undertaken by the Shire's Municipal Building Surveyor over the quarter:

- 4 Building Notices
- 1 Building Order
- 1 Emergency Building Orders
- 1 Minor Works Orders

The owner of a fire damaged house in Wilson Street was issued an Emergency Building Order under the Building Act early in 2017 to demolish the building to achieve public safety, however the owner has not complied with this direction. Whilst temporary fencing has surrounded the site to prevent public access, the building needs to be demolished due to safety concerns. The owner has been advised that prosecution could result from continued non-compliance with the order.

Planning Enforcement of Interest

The following is a list of Planning enforcement issues or current actions that are of community interest:

The hearing of an Enforcement Order application to the Victorian Civil and Administrative Tribunal (VCAT) seeking the removal of the unauthorized 'blue buildings' at Lavers Hill was recently adjourned at the request of the respondent, with the matter now proceeding to VCAT for a hearing on 24 May 2018. This application to VCAT was made in 2017, however it has taken some time for a hearing to be scheduled.

Officers are pursuing compliance with directions to a land owner to remove a dwelling that has been constructed without a planning or building permit in Yeodene. The owners had previously sought planning approval for the dwelling, but it was refused on the grounds that the effluent disposal area for wastewater was too close to a waterway – the site is within a declared water catchment, and the application had been recommended for refusal by the water authorities. The owner has lodged a fresh permit application, however it does not respond to the need for the wastewater system to be located elsewhere on the site. The owner has been advised that further delay in complying could result in prosecution (joint compliance action between the Planning and Building departments).

Several inspections/audits have taken place to ensure compliance and adherence to issued permits throughout the Shire where it is believed that conditions are not being complied with.

Colac Otway Shire Major Projects Program as at 31 March 2018

1. Executive Summary

1.1 Summary

YTD March expenditure of \$1.59M compares with the Planned expenditure of \$2.25M, or 71% of the YTD forecast.

The report includes a number of Disaster Recovery projects that have been collated as a program where expenditure is fully reimbursed.

This report now better reflects the correct owners and corrected information at the program level.

1.2 Planned Expenditure Monthly Forecast

Current Major Projects Program Percentage Summary as at 31 March 2018

Planned Expenditure for Month \$	465,717	Planned YTD	2,251,096
Actual Expenditure for Month \$	171,114	YTD Actual	1,591,680
Expenditure for Month Performance %	37%	YTD Expenditure	71%

Performance Status:

Projects on Schedule Defined by Works Started (More than 90% of the Planned Number)

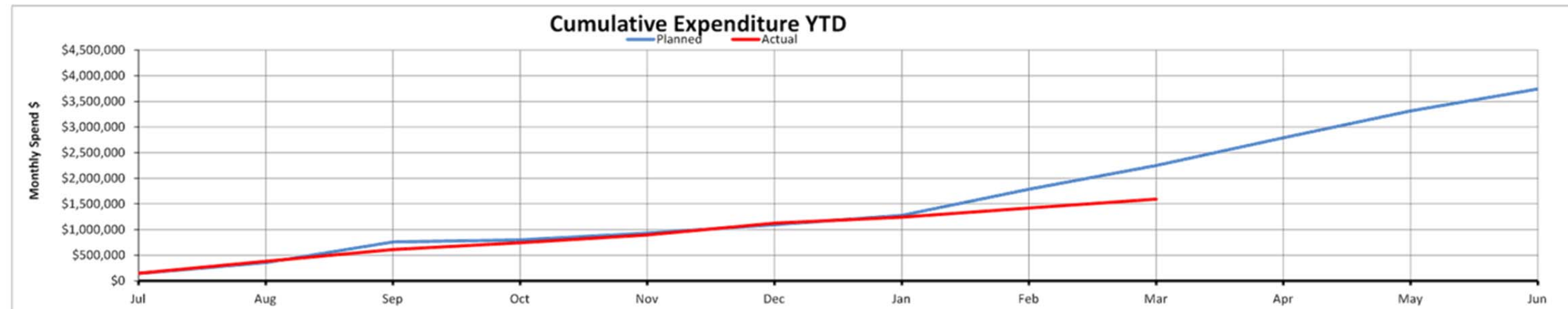
Projects Behind Schedule (Works Started) by >80% and <90% of the Planned Number

Projects Behind Schedule Defined by Works Started (Less than 80% of the Planned

>90%

>80% and <90%

<80%



1.3 Detailed Commentary

The report also shows that there area number of projects in the Major Projects program with inadequate budget, and excess expenditure of \$0.62M will be reviewed by the Steering Committee to ensure expenditure is capped to the available budget. Recommendations will be provided to Council describing details of projects to be either descope or deferred.

This report covers the Major Projects Program, which includes the published 2017-18 Budget Allocation and funds carried forward from 2016-17 and included in the Revised Capital Budget Allocation.

1.4 Highlights - Projects of Interest

Major Projects Program (Highlighted Projects) as at 31 March 2018	Current Phase	Proposed Expenditure Before Adjustments \$	Planned Expenditure After Adjustments \$	YTD Planned Expenditure \$	YTD Actual Expenditure \$	YTD Actual Expenditure %	Completion Expenditure %
1. 00021706 - Advancing Country Towns (ACT) - Green Industry Feasibility Planning	Works commenced	25,284	0	0	0		
3. 00024124 - 2016-17 Major Project - IT Planning System Online Service	Works commenced	44,741	44,741	460	460	100%	1%
4. 00024147 - 2016-17 Major Project - Sustainable Street Lighting	Works commenced	71,000	71,000	28,177	16,452	58%	23%
5. 00023448 - Major Projects 2014-15 Service Reviews	Works commenced	346,000	346,000	170,000	70,500	41%	20%
Totals		487,025	461,741	198,637	87,412	44%	19%

1.5 Projects on Hold, Cancelled, or New Additions.

The Steering Committee will consider recommendations by Project Leads in response to issues raised in Section 2.1.

1.6 Consideration for Recommendations

(Budgets variations if requested)

2. Financial Overview

2.1 Financial Summary by Program

Throughout the financial year, occasional approved changes to the Capital Works Budget are made, moving funds between projects or adding funds from various funding sources.

Approved 2017-18 Major Projects Program (CWP) Budget	Budget \$
The adopted 2017-18 Major Projects Budget Allocation Authority	3,855,548
- Add additional carry overs not included in the Original Major Projects Budget	1,173,622
2017/18 Major Projects Program Reported in Authority	5,029,170
Reconciles with Major Projects Budget from Works Program	5,029,170

Summary of Major Projects by Program by Category (Budget Adjustments) as at 31 March 2018	Proposed Expenditure Before Adjustments \$	Proposed Expense Adjustment \$	Planned Expenditure After Adjustments \$	Current Budget \$	Grants Available / (Not Available) \$	Current Budget After Grant Adjustments \$	Savings / (Over Exp) \$	Notes
Recreation & Open Space	84,486		84,486	103,199		103,199	18,713	
Furniture and Equipment Assets Renewal	16,500		16,500	63,500		63,500	47,000	
Major Projects	2,853,542	(1,107)	2,852,435	3,796,852	(1,061,250)	2,735,602	(116,833)	1, 2, 5
Disaster Recovery Works	811,798		811,798	1,065,619	(253,880)	811,739	(59)	3, 4
Council 2017-18 Major Projects Program	3,766,326	(1,107)	3,765,219	5,029,170	(1,315,130)	3,714,040	(51,179)	
The Net Impact on Council Funds Surplus/(Deficit)							(51,179)	

Notes:

- Forrest Mountain Bike Trail Implementation grant not received, project cancelled, restricted funds, effective budget reduction of \$1,061,250
- 00024428 - Open Air Cinema Event - Film Victoria (covered by grant of \$13,500 received). Project completed previous budget - small amount of funds not spent. Budget increase adjustment of \$13,500 removed.
- 00024512 - Major Project - Emergency Wye River Bushfire Recovery- Revegetation Funding is not proceeding. Budget adjustment in BIS -\$250,000. There are a number of projects where expenditure is fully reimbursed, amounting to approximately \$236,000.
- 00024512 - Major Project - Emergency Wye River Bushfire Recovery- Revegetation Funding. Possible double counting as this Budget adjustment of -\$250,000 results in an adjusted budget of \$801,584 which agrees with the proposed expenditure of \$801,643
- 00024122 - 2016-17 Major Project - Strategic Waste Plan, Incorrect cost allocation, journal required.

2.2 Mid-Year Review

The surplus indicated in Section 2.1 can be applied to other projects as determined by Council. Additional savings are expected as estimated costs are updated with tender prices.

Additional Projects for Consideration	Est Cost \$	Recommended
Nil Projects for consideration in the Mid-Year Review		
Totals		

2.3 Proposed Carry Forward to 2018/19

Projects that have been delayed and are impacting on anticipated expenditure, or that have received greater than expected external funding will request funds to be carried forward for use in the next financial year. Early identification of carry forward funds ensures the optimum utilisation of cash resources. Funds from 'Current Year' programs are generally not permitted to be carried forward .

Program Carry Forwards - Budgets to be carried forward to 2018/19	Notes	Requested Previously \$	Requested This Month \$	Total \$
Nil Projects				
Major Projects Proposed Carry Forwards		0	0	0

2.4 Planned Major Projects Expenditure

At the start of the financial year, the Works Program (WP) Expenditure Target is set. The Expenditure Target represents the Planned expenditure for the adopted works program programmed to be delivered this financial year.

Major Projects Program Including Proposed Carry Forwards in Section 2.2	YTD Actual Expenditure \$	Planned Expenditure \$
Planned Capital Works Program Expenditure After Adjustments in Section 2.1	1,591,680	3,765,219
YTD Actual Expenditure as Percentage of Planned	42.3%	
Estimated Capital Works to be spent by end of financial year compared to Adjusted Budget as Percentage		101.4%
Estimated Carry Forward Percentage compared to Adjusted Budget as Percentage		0.0%
Estimated Surplus Carried Forward compared to Adjusted Budget as Percentage		-1.4%

2.5 Financial Overview and Expenditure Status Report by Program

This section gives a financial snapshot of each program in the Major Projects program. It compares the Year To Date (YTD) Target Expenditure against the YTD Actual Expenditure .

Major Projects Program as at 31 March 2018	Notes	Proposed Expenditure Before Adjustments \$	Planned Expenditure After Adjustments \$	YTD Planned Expenditure \$	YTD Actual Expenditure \$	YTD Actual Expenditure %	Completion Expenditure %
Recreation & Open Space		84,486	84,486	56,486	46,534	82%	55%
Furniture and Equipment Assets Renewal		16,500	16,500	16,500	15,000	91%	91%
Major Projects		2,853,542	2,853,542	1,459,260	1,011,877	69%	35%
Disaster Recovery Works		811,798	811,798	718,850	518,268	72%	64%
Major Projects Expenditure Status		3,766,326	3,766,326	2,251,096	1,591,680	71%	42%

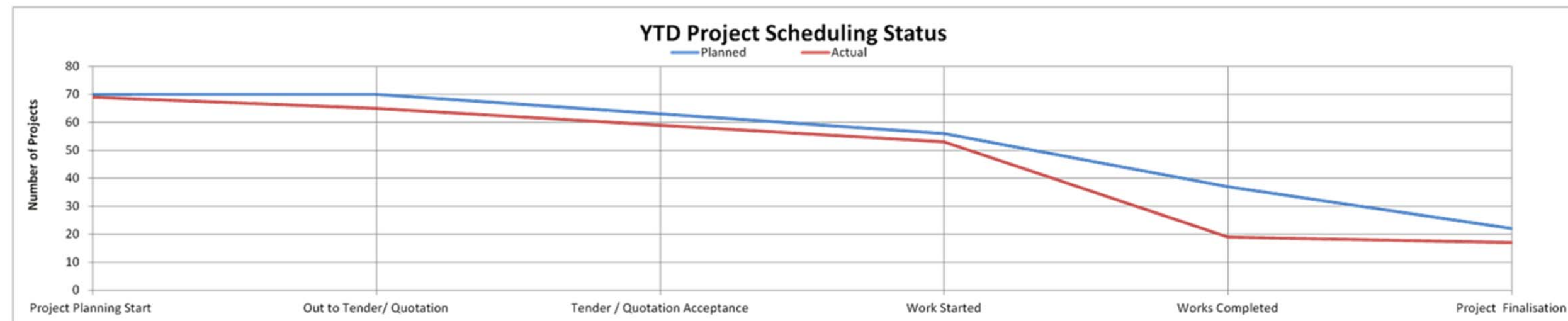
Notes

3. Program Status Overview

3.1 Program Status Summary

The following table shows the progression of projects through the various project phases. Projects progress through some or all of these phases. The dates on which each project is expected to achieve each phase are set prior to the start of the financial year, and are represented by the Planned graph.

Program status summary as at 31 March 2018	Project Planning Start	Out to Tender/ Quotation	Tender / Quotation Acceptance	Work Started	Works Completed	Project PC Finalisation
Planned Number	70	70	63	56	37	22
Actual Number	69	65	59	53	19	17
Performance	99%	93%	94%	95%	51%	77%



3.2 Program Scheduling Status Report by Program

The following table shows the progression of projects through the various project phases. Projects progress through some or all of these phases. The dates on which each project is expected to achieve each phase are set prior to the start of the financial year, represented by the Planned phase. This compared with Actuals to show the relative performance below.

Summary of Major Projects Program by Category (Actual Number of Projects / Planned Number of Projects) % as at 31 March 2018	Project Planning Start	Out to Tender/ Quotation	Tender / Quotation Acceptance	Work Started	Works Completed	Project Finalisation (After Defects Period)
Small Town Improvement Works	100%	80%	80%	80%	40%	67%
Furniture and Equipment Assets Renewal	100%	100%	100%	100%	100%	100%
Major Projects	98%	93%	94%	95%	44%	69%
Disaster Recovery Works	100%	100%	100%	100%	83%	100%

Notes

Colac Otway Shire Capital Works Program as at 31 March 2018

1. Executive Summary

1.1 Summary

The capital works program Year To Date (YTD) March expenditure of \$12,496,705M is 117% of the \$10,708,123 target.

The total estimated carry forwards is \$3.95M, largely made up of the Apollo Bay Murray and Pascoe Street road and paving, and disaster recover work; detail below.

Work has commenced on the \$1.4M Colac Queen Street drainage, footpath and road project. This project is expected to be completed prior to 30/6/18 dependant on the weather.

Progress was made on the Lake Colac Master program with the completion of the paving of the car park near the Colac rowing club.

Of the 275 capital works projects 3 projects will not commence, 8 projects will be commenced yet not completed and 5 projects have been cancelled.

Please note the budget totals represented in the report include the Apollo Bay Kindergarten and Winifred Nance Kindergarten projects; these projects combined are \$3.49M. These projects will not be delivered this year.

1.2 Planned Expenditure Forecast

Current Capital Works Program Percentage Summary as at 31 March 2018

Planned Expenditure for Month \$	2,083,752	Planned YTD Expenditure at end of the month \$	10,708,123
BIS - Actual Expenditure & Commitments for Month \$	1,163,931	YTD Actual Expenditure & Commitments as at end of the month \$	12,496,705
Expenditure for Month Performance %	56%	YTD Expenditure for Month Performance %	117%

Performance Status:

Projects on Schedule Defined by Works Started (More than 90% of the Planned Number)

Projects Behind Schedule Defined by Works Started (More than 80% and less than 90% of the Planned Number)

Projects Behind Schedule Defined by Works Started (Less than 80% of the Planned Number)

>90%

>80% and <90%

<80%

Notes

1. The definition of expenditure has been changed in this report to include both actual expense plus commitments, as a measure of the total committed expenditure to date, that will be expended.



1.3 Detailed Commentary

This report covers the Capital Works Program, which includes the published 2017-18 Capital Budget Allocation and funds carried forward from 2016-17 included in the Revised Capital Budget Allocation. As per State Government reporting guidelines, the published 2017-18 Capital Budget Allocation excludes the non-capital components of projects, such as funding for maintenance works carried out during the delivery of a Capital Works project, and includes only those funds carried forward from 2016-17 that were forecast at the time the budget was set.

1.4 Highlights - Projects of Interest

Project	Current Phase	Proposed Expenditure Before Adjustments \$	Planned Expenditure After Adjustments \$	YTD Forecast \$	YTD Actual Expenditure \$	YTD Actual Expenditure %	Completion Expenditure %
00024514 - 2016-17 Half Year Adjustment - Road Improvement Programme - Queen Street, Colac (Pound rd to Hearn St, as per Council resolution 22/2/17) Combined with W/O 23517 (Stage 1 Cost \$354,089) PM Costs \$128,778	Work started	792,000	792,000	137,545	137,452	100%	17%
Disaster Recovery Works	Work started	8,142,742	5,225,742	1,708,358	2,060,091	121%	39%
00024027 - 2016-17 Capital Works - Stormwater Asset Upgrade Programme, Thomson St duplication Apollo Bay Includes PM Costs	Tenders closed	279,539	279,539	279,539	4,518	2%	2%
Totals		9,214,281	6,297,281	2,125,442	2,202,060	104%	35%
Notes							

1.5 Projects on Hold, Cancelled, or New Additions.

The Executive will consider recommendations by Project Leads in response to issues raised in this Section.

2. Financial Overview

2.1 Financial Summary by Program

Throughout the financial year, occasional approved changes to the Capital Works Budget are made, moving funds between projects or adding funds from various funding sources.

Approved 2017-18 Capital Works Program (CWP) Budget								Budget \$
The published / adopted 2017-18 Capital Budget Allocation (p27, Colac Otway Shire Budget Report 2017/18) and in BIS								21,636,528
- Add additional carry overs not included in the published Budget								3,232,585
2017/18 Council Works Program Reported in BIS								24,869,113
Reconciles with Capital Works Budget from Works Program								24,869,113
Summary of Capital Works by Program by Category (Expenditure & Budget Adjustments)	Notes	Proposed Expenditure Before Adjustments \$	Proposed Expense Adjustment \$	Planned Expenditure After Adjustments \$	Current Budget \$	Grants Available / (Not Available) \$	Current Budget After Adjustments \$	Savings / (Over Exp) \$
1. Bridges Program		623,171		623,171	690,000		690,000	66,829
2. Slips Program	1	378,371	(90,945)	287,426	393,210		393,210	105,784
3. Footpath Replacement Program		271,965		271,965	316,000		316,000	44,035
4. Footpath Extension Program	2, 3	487,039	(63,000)	424,039	391,000	100,000	491,000	66,961
5. Kerb and Channel Replacement Program		107,904		107,904	135,000		135,000	27,096
6. Transport Infrastructure Renewal Sealed Road Pavement Programme (R2R)	4, 5	4,115,386	(879,633)	3,235,753	3,730,239	(494,486)	3,235,753	0
7. Transport Infrastructure Renewal Street Furniture Programme		221,856		221,856	230,000		230,000	8,144
8. Road Safety Device Programme		127,942		127,942	99,637		99,637	(28,305)
9. Local Roads Reseal & Major Patch Programs		1,228,589		1,228,589	1,200,000		1,200,000	(28,589)
10. Asphalt Overlay Program		83,781		83,781	100,000		100,000	16,219
11. Capital Works Transport Infrastructure Upgrade Strategic Improvements	6	1,756,399		1,756,399	1,672,000	75,000	1,747,000	(9,399)
12. Unsealed Road Resheet Program		1,399,012		1,399,012	1,400,000		1,400,000	988
13. Heavy Plant Replacement Program	7	1,455,023		1,455,023	1,027,236	427,787	1,455,023	0
14. Light Fleet Acquisitions and Sales		860,000		860,000	860,000		860,000	0
15. Urban Drainage Renewal Program		96,570		96,570	150,000		150,000	53,430
16. Stormwater Assets Upgrade Strategic Drainage Improvement Programme		373,307		373,307	359,539		359,539	(13,768)
17. Open Space Renewal Program		184,554		184,554	180,285		180,285	(4,269)
18. Active Reserves Renewal Program	8	550,000		550,000	550,000		550,000	0
19. Small Town Improvement Works		0		0	7,975		7,975	7,975
20. Open Space Assets Renewal Playground Programme	9	203,817		203,817	250,000	(90,000)	160,000	(43,817)
21. CBD		2,075,532		2,075,532	2,102,490		2,102,490	26,958
22. Building Assets Renewal Programme		1,042,825		1,042,825	1,203,811		1,203,811	160,986
23. Furniture and Equipment Assets Renewal	15	839,740		839,740	764,296		764,296	(75,444)
24. Major Projects	10	899,918		899,918	3,781,125	(3,090,000)	691,125	(208,793)
25. Flood Recovery Works	11, 12	2,828,815	(650,000)	2,178,815	1,125,270	1,053,545	2,178,815	0
26. Fire Recovery - Stormwater Drainage System - Wye River/Separation Creek	13, 14	5,313,927	(2,267,000)	3,046,927	2,150,000	896,927	3,046,927	0
Council 2017-18 Capital Works Program		27,525,443	(3,950,578)	23,574,865	24,869,113	(1,121,227)	23,747,886	173,021
The Net Impact on Council Funds Surplus/(Deficit)								173,021

Notes:

1. 00024731 - 2016-17 Capital Works - Flooding Event - Road Slip Programme - Barham River Road, Apollo Bay. Works were initially given to Services and Operations. This work has now go to tendered. Completion date unlikely before the end of the financial year.
2. A \$100,000 grant has been received for 00024418 - Capital Works 2016-17 - Footpath Improvement Programme - Skenes Creek Pedestrian Safety Improvement (GOR - Muller Rd to Skenes Creek Rd).
3. Footpath extension works in Murray and Pascoe Streets Apollo Bay has been awarded however will not be completed until December 2018 which is outside this financial year.
4. The reconstruction works in Murray and Pascoe Streets Apollo Bay, have been delayed by the non-availability of contractors to complete the works this year. These works are funded by Roads to Recovery, and expenditure is reimbursed from Council's R2R package allocation. The budget for these works has been reduced to reflect estimated claims from R2R this year. This program is affected by carry forwards for works that will continue in 2018/19. Refer Section 2.3 for details of Carry Forwards.
5. The R2R Program includes a new project for Costins Access realignment to bypass a slip. The estimated cost including land acquisition, fencing, legal fees, design and construction is \$230,000. The existing roadway has been adversely affected by continuing hillside slips, and is no longer feasible to keep this accessible. A more effective solution is to realign the road to avoid slip.
6. 2015-16 Capital Works - Road Improvement Programme - Apollo Bay Parking Improvements - Planning Strategy study, Est Cost \$150,000). Confirmation of additional grant funds of \$75,000 has been received, and budget allocation can be increased by \$75,000.
7. Plant purchases are funded from reserve. Budget has been increased by additional funds from reserve.
8. Council has received a grant of \$250,000 for the Lake Colac Master Plan Implementation in January and has been included in BIS. This makes a total of \$500K.
9. The BIS Budget of \$90,000 for Work Order 24706 is part grant received in advance; the total grant is \$100,000. This grant is also included in Work Order 21863, based on Council funds of \$60,000 giving a total project budget of \$160,000. A minus grant variation of \$90,000 is therefore included above.
10. Apollo Bay Kindergarten relocation to P12 was included in the Budget, but a grant of \$3,090,000 has not been obtained. The project has been deferred pending available funding.
11. Flood Recovery Works are fully reimbursed by the Federal Government. The budget has therefore been increased to recognise estimated reimbursement of expenditure.
12. Some Flood Recovery Works were affected by the lack of available contractors to undertake all of the works this year. Carry forward funding for completion of works is required for the following project: Road Slip Programme - Stanway Drive, Wye River
13. Fire Recovery Works are fully reimbursed by the Federal Government. The budget has therefore been increased to recognise estimated reimbursement of expenditure.
14. Fire Recovery Works were affected by the lack of available contractors to undertake all of the works this year. Carry forward funding for completion of works is required for the following projects:
 - Wye River and Separation Creek Township - Reticulated Stormwater Drainage - Pits and pipes
 - Cross overs and in situ concrete
 - Reinstatement and legal point of discharge
 Refer Section 2.3 for details of Carry Forwards.
15. Includes new project 00022709 - Capital Works 2015-16 - Website CMS purchase subscription method. YTD Costs \$70,740. There is no budget in BIS for this item.

2.2 Mid-Year Review

The surplus indicated in Section 2.1 can be applied to other projects as determined by Council. Additional savings are expected as estimated costs are updated with tender prices.

Additional Projects for Consideration	Notes	Recommended Priority	Est Cost \$
Nil Projects for consideration in the Mid-Year Review			
Totals			0

2.3 Proposed Carry Forward Commitments to 2018/19

Some projects will extend into the next financial year, and carry over of funding will be requested. Early identification of carry forward funds ensures the optimum utilisation of cash resources.

Program Carry Forwards - Budgets to be carried forward to 2018/19	Notes	Requested Previously \$	Requested This Month \$	Total \$
00024695 - 2016-17 Capital Works - Flooding Event - Road Slip Programme - Stanway Drive, Wye River	1	650,000		650,000
00024699 - 2016-17 Capital Works - Bushfire Recovery - Wye River and Separation Creek Township - Reticulated Stormwater Drainage - Pits and pipes (Updated 31 Oct 2017)	2	1,000,000		1,000,000
00025058 - 2016-17 Capital Works - Bushfire Recovery - Wye River and Separation Creek Township - Reticulated Stormwater Drainage- Table drains and	3	869,000		869,000
00024816 - 2017-18 Capital Works -Sealed Road Reconstruction Program -Murray Street, Apollo Bay PM Costs \$6,531	4	594,680		594,680
00024815 - 2017-18 Capital Works -Sealed Road Reconstruction Program - Pascoe Street, Apollo Bay (Cost \$299,000, allocation for design, project ongoing R2R funding 2018/19	5	284,953		284,953
2016-17 Capital Works - Bushfire Recovery - Wye River and Separation Creek Township - Reticulated Stormwater Drainage – revegetation and LPOD \$200,000	6	200,000		200,000
Murray Street, Apollo Bay (Footpath Extension Program)	7	38,000		38,000
Pascoe Street, Apollo Bay (Footpath Extension Program)	7	25,000		25,000
00024731 - 2016-17 Capital Works - Flooding Event - Road Slip Programme - Barham River Road, Apollo Bay	8	90,945		90,945
00025059 - 2016-17 Capital Works - Bushfire Recovery - Wye River and Separation Creek Township - Reticulated Stormwater Drainage- Pits & Pipes	9	198,000		198,000
Capital Works & Major Projects Expenditure Status		3,950,578	0	3,950,578

Notes:

2.4 Planned Capital Works Program (Expenditure)

At the start of the financial year, the Works Program (WP) Expenditure Target is set. The Expenditure Target represents the Planned target for the adopted Capital Works Program Budget and the works programmed to be delivered this financial year.

Capital Works Program Including From Section 2.3 & Proposed Carry Forwards	Notes	YTD Actual Expenditure \$	Planned Expenditure \$
Planned Capital Works Program Expenditure After Adjustments in Section 2.1		12,496,705	23,574,865
YTD Actual Expenditure as Percentage of Planned		53.0%	
Estimated Capital Works to be spent by end of financial year compared to Adjusted Budget as Percentage			99.3%
Estimated Carry Forward Percentage compared to Adjusted Budget as Percentage			16.6%
Estimated Surplus Carried Forward compared to Adjusted Budget as Percentage			0.7%

Notes:

2.5 Financial Overview and Expenditure Status Report by Program

This section gives a financial snapshot of each program in the WP. It compares the Year To Date (YTD) Target Expenditure against the YTD Actual Expenditure, and project completion.

Program As At 31 March 2018	Notes	Proposed Expenditure Before Adjustments \$	Planned Expenditure After Adjustments \$	YTD Planned Expend \$	YTD Actual Expenditure \$	YTD Actual Expenditure %	Completion Expenditure %
Bridges & Slips		1,001,542	910,597	437,134	803,102	184%	88%
Roads & Footpaths		8,400,861	7,458,228	3,288,604	4,222,958	128%	57%
Roads, Footpaths & Plant (Operations & Services)		3,714,035	3,714,035	1,676,588	1,244,636	74%	34%
Drainage		469,877	469,877	92,142	139,814	152%	30%
Recreation & Open Space		938,371	938,371	412,368	333,679	81%	36%
CBD		2,075,532	2,075,532	2,075,532	2,095,773	101%	101%
Building Assets Renewal Programme		1,042,825	1,042,825	404,877	530,560	131%	51%
Furniture and Equipment Assets Renewal		839,740	839,740	282,513	540,239	191%	64%
Major Projects		899,918	899,918	330,006	525,854	159%	58%
Disaster Recovery Works		8,142,742	5,225,742	1,708,358	2,060,091	121%	39%
Capital Works Expenditure Status		27,525,443	23,574,865	10,708,123	12,496,705	117%	53%

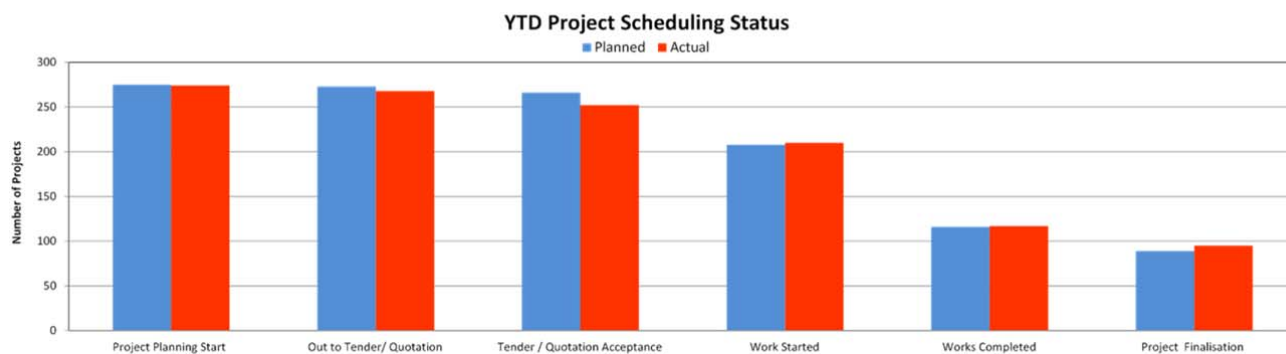
Notes:

3. Program Status Overview

3.1 Program Status Summary

The following table shows the progression of projects through the various project phases. Projects progress through some or all of these phases. The dates on which each project is expected to achieve each phase are set prior to the start of the financial year, and are represented by the Planned section below.

Program status summary as at 31 March 2018	Project Planning Start	Out to Tender/ Quotation	Tender / Quotation	Work Started	Works Completed	Project PC Finalisation
2017/18 Capital Works Planned Projects	275	273	266	208	116	89
2017/18 Capital Works Projects Actual	274	268	252	210	117	95
Performance	100%	98%	95%	101%	101%	107%



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3.2 Program Scheduling Status Report

Successful delivery of a project to schedule involves meeting milestone dates set prior to the commencement of the financial year. Project milestones dates represent six projects phases , as applicable: Project planning and design, tender, tender award/acceptance, construction start, construction completion, and project finalisation. Project complexity is taken into consideration when establishing milestone dates. A project which falls behind in an earlier milestone may still meet a later milestone date and then be on schedule again.

Program status summary as at 31 March 2018	Notes	Project Planning Start	Out to Tender/ Quotation	Tender / Quotation Acceptance	Work Started	Works Completed	Project PC Finalisation
Bridges & Slips		100%	100%	110%	100%	225%	150%
Roads & Footpaths		100%	100%	98%	91%	127%	123%
Roads & Footpaths (Operations & Services)	1	100%	99%	88%	126%	109%	120%
Drainage		100%	100%	100%	114%	100%	100%
Recreation & Open Space		100%	100%	100%	88%	86%	80%
CBD		100%	100%	100%	100%	100%	100%
Buildings		100%	89%	89%	133%	64%	83%
Furniture and Equipment Assets Renewal		90%	78%	150%	150%	0%	0%
Major Projects		100%	100%	100%	83%	67%	50%
Disaster Recovery Works		100%	100%	86%	86%	36%	57%

Notes (Work Started Red Highlights):

1. The Services and Operations works started of 72% may not be a cause for concern given that tender/quotation acceptance was 103%. Expenditure has been committed and it is more a question of timing by contractors when works commence. Total commitments across Services and Operations programs as approx. \$139,000.

Financial Performance Report

Overview

The year to date (YTD) actual result within the operating statement indicates a surplus of \$2.49 million compared to a budgeted surplus (YTD) of \$15.991 million.

Operating Statement

The information in the table below shows income and operating expenditure for the period ending 31 March 2018. The five (5) columns of data provide information on the following:

- YTD actual results to 31 March 2018
- YTD budget to 31 March 2018 (i.e. estimated timing of income and expenditure)
- Original budget as adopted by Council
- \$ value variance YTD actuals compared to YTD budget
- % value YTD variance to YTD budget.

**Comprehensive Income Statement
For Period Ended 31 March 2018**

	March YTD Actual 2017-2018	March YTD Budget 2017-2018	Current Annual Budget 2017-2018	YTD Variance (\$) **	YTD Variance (%) **	
Income						
Rates and charges	29,225,305	29,248,826	29,238,198	(23,521)	(0.1%)	
Statutory fees and fines	647,413	611,446	729,883	35,967	5.9%	1
User fees	3,596,112	3,474,987	4,540,249	121,125	3.5%	
Grants - operating	4,117,980	5,087,502	6,770,124	(969,522)	(19.1%)	2
Grants - operating - Bushfire	1,004,250	1,580,562	2,109,892	(576,312)	(36.5%)	3
Grants - operating - Flood	-	381,249	508,333	(381,249)	(100.0%)	4
Grants - capital	3,487,149	9,418,848	11,377,263	(5,931,699)	(63.0%)	5
Grants - capital - Flood	-	1,749,127	2,352,874	(1,749,127)	(100.0%)	6
Contributions - monetary	99,784	464,776	643,395	(364,992)	(78.5%)	7
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	279,371	122,705	159,455	156,666	127.7%	8
Share of net loss/(gain) of associates and joint ventures	-	5,265	7,022	(5,265)	(100.0%)	9
Other income	758,710	400,254	616,356	358,456	89.6%	10
Total income	43,216,073	52,545,547	59,053,044	(9,329,474)	(17.8%)	
Expenses						
Employee costs	14,676,834	14,054,280	18,841,911	(622,554)	(4.4%)	11
Employee costs - Bushfire	89,110	114,174	152,237	25,064	22.0%	12
Materials and services	16,683,356	12,244,508	16,644,895	(4,438,848)	(36.3%)	13
Materials and services - Flood	445,816	1,009,421	1,335,270	563,605	55.8%	14
Materials and services - Bushfire	322,099	533,149	708,339	211,050	39.6%	15
Bad and doubtful debts	4,517	1,488	2,000	(3,029)	(203.5%)	16
Depreciation and amortisation	7,436,269	7,520,094	10,026,854	83,825	1.1%	
Borrowing costs	142,477	162,943	226,017	20,466	12.6%	17
Other expenses	919,309	913,834	1,178,208	(5,475)	(0.6%)	
Total expenses	40,719,787	36,553,891	49,115,731	(4,165,896)	(11.4%)	
Surplus/(deficit) for the year	2,496,286	15,991,656	9,937,313	(13,495,370)	(84.4%)	

* Please note: The identified lines have been reallocated to reflect the reporting in the Annual Statements.

** Guide to variances - Favourable / (Unfavourable)

The report provides year to date (YTD) summary of Council's financial position and is a guide on the timing of receipts and payments. Timing differences can occur during the financial year and where variances occur on a YTD basis this does not imply that the annual budget will be affected.

A summary analysis of variances greater than 5% on a YTD basis have been prepared below.

Operating Revenue – Variance Analysis to YTD Budget > 5%

1. **Statutory fees and fines:** Over budget performance due to \$25k of fire prevention infringements not budgeted, an additional \$15k of premise registration revenue (public health), an additional \$28k of planning and development fees, offset by \$21k of lower local laws and parking revenue and \$17K of animal infringements revenue.

2. **Grants - operating:** Major variances include; \$604k Port of Apollo Bay operational funding from Transport For Victoria not yet paid and \$379k due to unsuccessful Forrest Mountain Bike Trail funding.
3. **Grants operating - Bushfire:** This variance relates to timing differences and the payment of the grants is expected to be received by the end of the financial year.
4. **Grants operating - Flood:** This variance relates to timing differences and the payment of the grants is expected to be received in due course.
5. **Grants capital:** Major variances include; \$2.9m due to unsuccessful funding for Apollo Bay Kindergarten Relocation and Construction project; \$1.4m timing issue on funding for Colac CBD and Entrances project (paperwork for the release of this funding is currently being finalised (Federal and State) and the amount is expected to be received by 30 June; and \$1.78m timing issue on funding for Roads To Recovery. Of this \$1.78m, \$1.3m has been received after 31 March with a further \$500k of work to be carried forward to 2018/2019 due to contractor availability.
6. **Grants capital - Flood:** This variance relates to timing differences and the payment of the grants is expected to be received in due course.
7. **Contributions – monetary:** This variance relates mainly to the Capital works area and funding is generally received at the completion of projects. The current shortfall specifically relates to Birregurra Tennis/Netball Court Redevelopment \$158k, Apollo Bay Kindergarten \$113k, Colac Sports Oval \$60k, and the Irrewarra Netball Facilities Upgrade \$38k.
8. **Net gain/loss on disposal of assets:** Proceeds from fleet sales have been received, however profit/(loss) on sales are expected to be realised by the end of the financial year.
9. **Share in joint ventures:** Actuals are expected to be recognised at year end, phasing doesn't reflect this, annual budget is anticipated to be met at year end.
10. **Other Income:** This line item represents ancillary receipts which occur at varying times throughout the year. Items that are currently contributing to the variance include:
 - \$152k higher than anticipated cash balances resulting in increased interest income.
 - \$57k in WorkCover refund not budgeted for (this is to be reallocated against total labour costs which will reduce the current unfavourable labour variance)
 - \$20k higher than anticipated reimbursement from insurers
 - \$20k saleyards pen advertising sign fees not budgeted for.
 - \$19k in higher merchandise revenue for Bluewater Fitness Centre
 - \$18k election penalties received not budgeted for.
 - \$10k higher reimbursement for private works
 - \$62k other – including higher interest charges on overdue rates and charges (\$18k), higher COPACC revenue for events and merchandise (\$12k).

Where appropriate any recommended changes will be reported as part of the half year budget review.

Operating Expenses – Variance Analysis to YTD Budget >5%

11. **Employee costs:** This variance predominantly relates to the \$420k capitalisation of employee costs that have been incurred on projects that remain incomplete. The unfavourable variance will be further reduced with the reallocation of the \$57k WorkCover refund referred to in Note 10 above. The remaining unfavourable variance relates to a timing issue with higher leave payments YTD. This variance is expected to be eliminated when all leave provisions are fully reconciled at year end. For future reference, the introduction of a monthly close off and reconciliation process will ensure these types of timing issues do not continue.
12. **Employee costs - Bushfire:** This variance relates to timing differences and the payment of the employee costs is expected to occur by the end of the financial year.
13. **Materials and Services:** This variance predominantly relates to the capitalisation of materials and services costs that have been incurred on projects that remain incomplete. We have \$4.8m of material and services costs to capitalise. This will result in a small favourable variance YTD.
14. **Materials and Services - Flood:** This variation is due to works not being completed as expected predominately due to weather delays in construction. It is expected that these works will be completed in due course.
15. **Materials and Services - Bushfire:** This variation is due to works not being completed as expected predominately due to weather delays in construction. It is expected that over the financial year these costs will be in line with Council's budget.
16. **Bad and doubtful debts:** This variance relates to the write off of Port of Apollo Bay fees unable to be collected over the past 4 years.
17. **Borrowing costs:** The variation relates to a timing difference for a loan repayment and the end of year interest accrual, borrowing costs are expected to be in line with Council's budget at year end.

Borrowings Analysis

The following is the current schedule of Debt held by Council at 31 March 2018:

Loan Description	Current Year Loan Liability	Non-Current Loan Liability	Meeting Schedule
9203 - Loan 7 - Roads, car parking etc (\$1.65m)	\$33,937	\$295,637	Y
9206 - Loan 10 - AB tfr statn, libra (\$2m)(NAB)	\$60,902	\$531,266	Y
9207 - Loan 11 - Lakeside, AB tfr s(\$1.1m)(NAB)	\$31,020	\$421,789	Y
9208 - Loan 12 - Saleyards roof (\$1.178m)(CBA)	\$21,999	\$892,047	Y
9209 - Loan 13 - Street light PV panels (\$416k)	\$12,807	\$229,034	Y
9210 - Loan 14 - Bluewater redevelop(\$1m)(Bond)	\$0	\$1,000,000	Y
TOTAL	\$160,665	\$3,369,773	

Based on Current Levels of Borrowings the following are our current performance against key ratios:

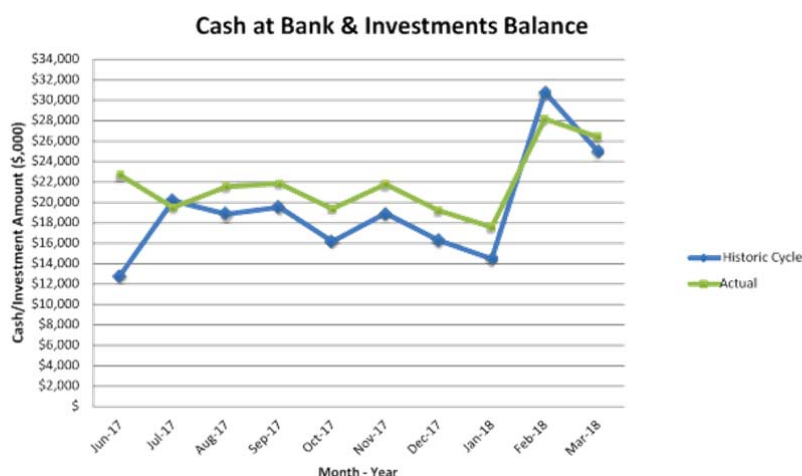
Measure	Calculation	Explanation	30-Jun-17	31-Mar-18	Current Risk Rating
Indebtedness (%)	Non-current liabilities / own-sourced revenue	Comparison of non-current liabilities (mainly comprising borrowings) to own-sourced revenue. The higher the percentage, the less the entity is able to cover non-current liabilities from the revenues the Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.	30%	32%	Low
Borrowings % of rate Revenue (%)	Interest bearing loans and borrowings / rate revenue	Measurement of the proportion of borrowings against rate revenue raised. The higher the % the higher the proportion of available annual rate revenue is being used to back borrowings.	13%	12%	Low

Cash Balance

The chart below shows projections of how Council's cash balance is expected to perform over the course of the 2017-18 financial year. The chart portrays:

- The Estimate – which is an estimation of what the cash balance is expected to be at the end of each month based upon historical averages. The estimate will reflect recent years which include one off major projects.
- The Actual – this is the actual balance at the end of each month of the year up to and including March 2018.
 - Restricted Cash – Local Government Victoria (LGV) have changed their interpretation of restricted cash in the model accounts for 2017/2018. The Finance department are still analysing this change to ensure our calculation is correct in the Annual Report. The implications of this change will be disclosed in the Annual Report and updated in the report for the quarter ended 30 September 2018. Consequently, restricted cash has been removed from the below graph.

The graph below shows Council's cash balance is within expectations and every opportunity is taken to invest surplus cash to maximise investment returns. At the date of preparing this report (10 April 2018), Council holds cash and investments of \$26.7m compared to \$26.4m as shown in the graph below.



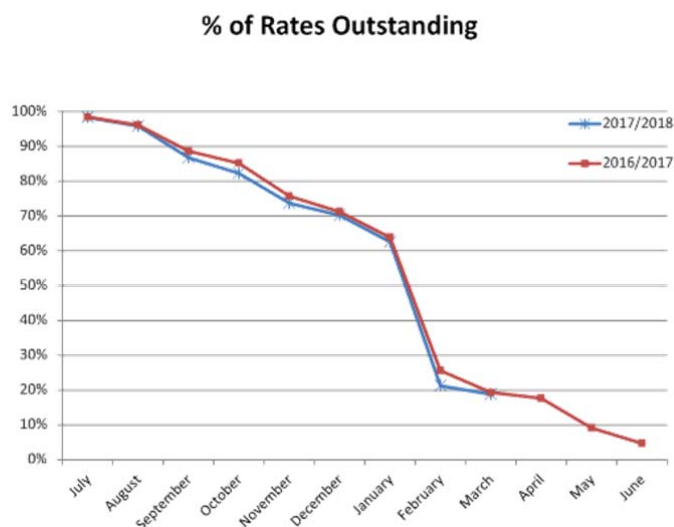
Rate Debtors

In the first half of the year, \$29.2 million was raised in rates and charges including batches of supplementary valuations generated by changes to council's property base. At 31 March 2018, 81.2% of the rates raised have been collected compared to the same period of the 2016-17 financial year of 80.2%.

The due date for ratepayers opting to pay in full is 15 February 2018. For ratepayers opting to pay via instalments the first instalment was due 30 September 2017. The next instalments are due 28 February 2018 and 31 May 2018. Any ratepayer who has not opted for instalment payments must make the full payment on 15 February 2018.

The take up of instalments so far in the 2017-18 year indicate that approximately 41% of ratepayers choose the pay by instalments. This remains in line with the previous year.

The following graph shows that current collection trends are closely following the 2016-17 collection trends:



Defined Benefits Call Expense

Council has a potential financial exposure to the Vision Super Defined Benefits superannuation plan. Under the Australian Prudential Regulation Standards (SPS160) defined benefits funds must meet strict funding requirements. This funding requirement is measured by the Vested Benefits Index (VBI), which shows as a percentage the ratio of investments held by the fund compared to the estimated benefits payable by the fund at the same time. The latest available quarterly Vested Benefits Index for the Vision Super Defined Benefits fund is listed in the table below:

Date	Vested Benefits Index
June 2015	105.8%
June 2016	102.0%
June 2017	103.1%
September 2017	103.8% (Estimated)
December 2017	106.4% (Estimated)

If the VBI falls below the nominated amount in any quarter then the Australian Prudential Regulation Authority may require that the fund make a funding call on its members. Any funding call made must return the fund to a VBI position of over the nominated figure within 3 years.

As at 31 December 2017, the estimated VBI for the sub-plan was 106.4%. This represents an increase compared to that of 30 June 2017. This is mainly due to:

- good investment returns in the period to 31 December 2017 which has increased the asset pool supporting the defined benefit liabilities of the sub-plan, offset by
- active member salary increases advised to Vision Super and pension increases in line with CPI, which has increased the defined benefit liabilities of the sub-plan.

2017/18 Mid-Year Review

The 2017/18 review has been conducted in a slightly different format to recent years. This year we directed managers to review projects and major operational items focusing only on materiality.

The Guidelines that have been set for this year are to forecast income and expenditure that have a variance of +/- \$5,000 for both operating and capital works projects. This change in methodology has streamlined the process for the most part and allowed us to focus on the items that impact Colac Otway Shire's financial position.

For surplus funds, there are these options available:

- Reserving the excess for future use
- Redirecting to new initiatives
- Funding further capital works if capacity is available

The timelines for the process were as follows:

Issue 31/12 financial data to Managers:	Mid-January 2018
Manager meetings:	Mid to end of January 2018
Collation of review outcomes:	February 2018
Finance review outcomes:	End of February 2018
Review Outcomes with EMT:	Early March 2018
Report to Council via Quarterly Finance report:	April Council meeting

NB The Collation phase took longer than expected therefore the Executive Management Team review occurred in Mid-Late March 2018. In addition, due to the timing of ANZAC day, the Quarterly Finance report is scheduled for the Special Council meeting on 2 May 2018.*

Review Outcomes

As a result of the review we have identified that the following amounts are available for redistribution from the following areas:

Source Item	Excess/ (Shortfall)	Explanation
Standard Operations Movement	(\$74,341)	There are a number of items across the business that contribute to this shortfall including but not limited to: - Fleet Services - Planning - Community Services (Ex OPASS)
Additional Funding Sources		
Surplus Employee Costs	\$124,846	Identified as excess to council requirements
Surplus Materials and Services	\$209,308	Identified as excess to council requirements
Service Review funding	\$252,000	Remaining amount after the Service Reviews that have been conducted by SearchLight
Unused Project funding	\$160,000	Combination of a number of operating projects that are no longer required. ie Community Grants Programme Review as this was conducted internally
Unsuccessful Grant Application for Projects	\$400,000	Surplus council cash as a result of failed funding requests.
Reallocation of Funds		
Funding to be Carried Forward to the 2018-19 Financial Year	(\$500,000)	Identified to assist with the funding of future project works in the 2018-19 Year
Reallocated Works based on Priority		
Contracts and Long Term Planning Coordinator	(\$100,000)	This has been reallocated from the Business Improvement Area to address councils need for structured future planning
Long Term Financial Planning Project	(\$88,000)	This covers the additional software and consultancy required to implement this project.
Authority System Analysis and Remediation	(\$50,000)	This project addresses a number of system limitations and enhancements to be able to provide more useful information to the organisation in relation to the Assets side of the business.
AFL Game	(\$50,000)	Costs directly related to the running of the AFL match.
Cororooke Open Space Audit	(\$30,000)	To investigate the open space infrastructure of the Cororooke area
24/7 Operation of Bluewater Gym	(\$36,000)	To make Bluewater's Gym accessible 24 hours a day
Response to the Audit of Forrest	(\$30,000)	To implement the findings from the audit of the Forrest area
Remediation of Forrest Caravan Park	(\$20,000)	To remediate issues with the Forrest Caravan Park's infrastructure
Wye River Separation Creek Geotechnical Study	(\$30,000)	Geotechnical Study of the area after the Bushfires
Analysis of Current Census Data	(\$9,000)	To create valued information for council from the last Census.
Economic Impact Study of Priority Projects	(\$30,000)	To create a plan around councils priority projects
Unallocated Surplus	\$98,813	

Explanation of Review Outcomes

After analysing the information that has been presented over the past month we are able to establish that there are a number of areas that have had movements in the forecast verses the original budget. There are a number of factors that contribute to these changes, these include:

- Unforeseen legal costs in the Planning area;
- A reduction of throughput for the Livestock Selling Centre; and
- A large change in the amount of service we are providing in the Home Care services.

Although there is an increase in surplus overall there are a number of items where surplus is quarantined. For example the surplus generated from the Home Care area is unable to be used for other activities and will need to be transferred to a liability account at the end of the year.

After some analysis of the information provided within the Capital Works area we can determine that there is only one project that has been removed due to the inability to attract grant funding:

- The Relocation of the Apollo Bay Kindergarten which has a cash contribution of \$150,000.

Overall in the Capital Works space based on the projections that are being used currently we look in a good position to complete the programme (see Capital Works Performance Report).

At the time of the review, the Capital Works area has no available funds for reallocation other than the item above.

In the Major Projects (Operating Projects) area, there is an available amount from the Forrest Mountain Bike Trail for \$150,000 due to the inability to secure the relevant grant that was expected. There are several operational projects that are no longer a priority, these include:

- Council Grant Programme Review \$15k – this has been undertaken internally.
- Remainder of the Service Reviews Funding \$252K – this is considered superfluous to Council's needs to deliver this programme.
- A number of smaller projects are unable to be delivered either due to lack of resources or change of strategic direction. The total of these projects is \$145k.

Reallocation of Surplus Funds

As a result of the identification of surplus funds there has been a conscious decision to allocate some of these funds to new projects and to carry forward for future use. The decision to carry forward \$500k to the 2018-19 Budget for use has been made with council through the business case process to aid the funding of the programmes.

The other reallocation of funds relates to being adaptable to changes in the organisation's needs. This is highlighted by the new strategic direction relating to long term planning and sustainability. There are two key items that related to this. These are:

- Contracts and Long Term Planning Coordinator
- Long Term Financial Planning Project.

There has also been a conscious decision to make use of these operational funds to complete and implement a number of key strategies which have enormous community benefit. These are also shown in the table above.

Please note that all of these additional projects are anticipated to be completed by 30 June 2018.

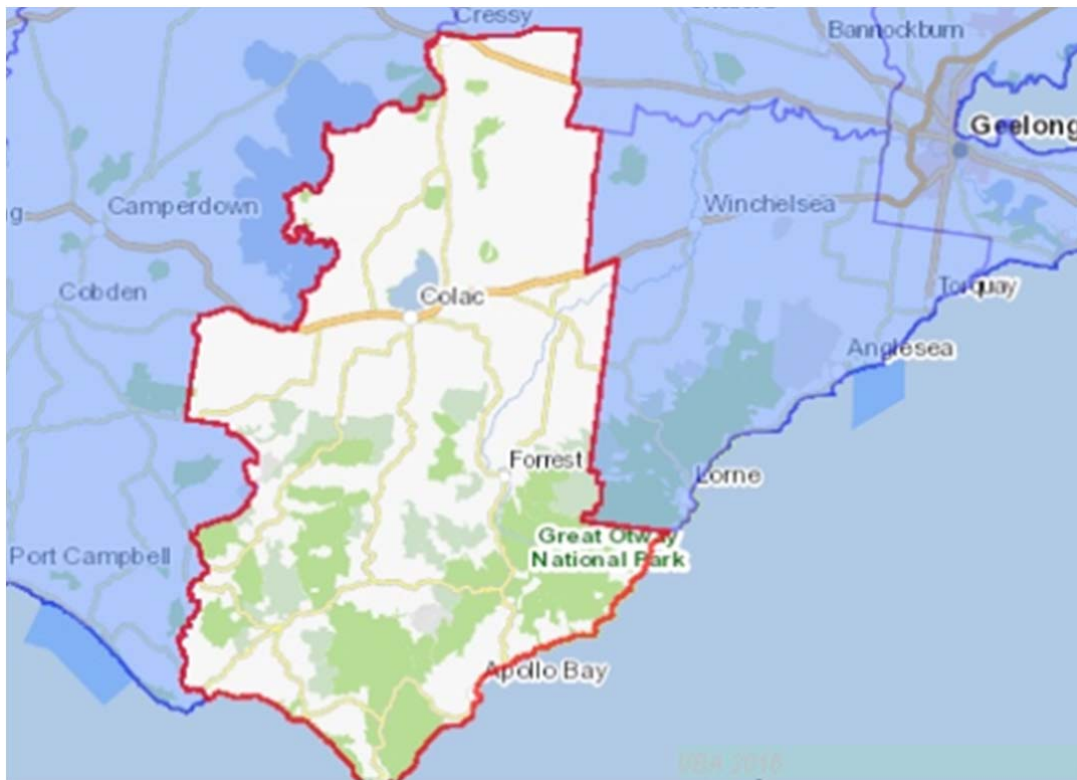
SPECIAL COUNCIL MEETING

RATING STRATEGY 2018 - 2020

SC180205-4

LOCATION / ADDRESS	Entire Council	GENERAL MANAGER	Errol Lawrence
OFFICER	Errol Lawrence	DIVISION	Corporate Services
TRIM FILE	F17/11815	CONFIDENTIAL	No
ATTACHMENTS	<ol style="list-style-type: none"> 1. Rating Strategy 2018-2020 2. "From Coastal Communities to Tourist Towns" 3. Rates Modelling Options 		
PURPOSE	To present the Draft Rating Strategy 2018-2020 for the consideration of Council for public consultation.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

A draft Rating Strategy 2018-2020 is submitted for consideration by Councillors to be release for public consultation for 4 weeks from 4 May 2018 to 1 June 2018.

There has been quite a detailed consultation process seeking information and feedback from a whole range of stakeholders. There have been a number of opportunities for stakeholders to have input into this process.

3. RECOMMENDATION

That Council:

- 1. Endorses the Draft Rating Strategy 2018-2020 (Attachment 1).***
- 2. Authorises the Chief Executive Officer to give public notice, in accordance with section 223 of the Local Government Act 1989, that Council has prepared a Draft Rating Strategy 2018-2020.***
- 3. Appoints a Committee comprising of all Councillors and chaired by the Mayor in accordance with section 223(1)(b)(i) of the Act, to meet on Wednesday 13 June, 2018 at 5pm, and hear any persons who in their written submissions under section 223 of the Act have requested that they be heard in support of their submission.***
- 4. Authorises the Chief Executive Officer to undertake any and all administrative procedures necessary to enable Council to carry out its functions under section 223 of the Act.***
- 5. Notes that written submissions will be accepted for a 4 week period closing 5:00pm Friday 1 June 2018.***
- 6. Considers for adoption the Draft Rating Strategy 2018-2020 at the Council Meeting on Wednesday, 27 June 2018 at 4.00pm at COPACC, after consideration of any submissions received by Council at its Special Committee Meeting on Wednesday, 13 June 2018.***

4. BACKGROUND / KEY INFORMATION

BACKGROUND

Council is required to prepare a Rating Strategy that sets out the rating structure and how the rates burden will be shared across the entire community. The current rating strategy expired on 30 June 2017. The proposed strategy will apply for the 2018-19 and 2019-20 financial years.

KEY INFORMATION

Commencing in October 2016, the rating strategy process has been the subject of an online survey, a number of Councillor Briefings, consultation with community groups and organisations, production of a Green Paper released for public consultation and finally the release of the Draft Rating Strategy (White Paper) for public consultation.

Following is a chronological summary of the consultative process.

Rating Strategy 23018-2020 Consultative Process

#	Date	Action	Who Consulted	Summary / Comment
	October 2016	On line survey as part of Council Plan preparation.	Community	Specific rates related question were included in survey. 57 respondents that identified a number of themes Council should consider.
	10/05/17	Council Briefing session	Council	Referred to Macroplan Dimasi economic data and possible scenarios.
	26/07/17	Council Briefing session agreed to incorporate Rating Strategy with 2018-19 budget process	Council	Rating strategy was previously to be done in 2017-18. Also listed suggestions from Cr McCracken.
	16/08/17	Council Briefing session agree to community consultation plan.	Council	Agree to hold 2 community workshops.
	September 2017	Targeted consultation with groups/organisation representing the broad community	Community	37 groups/organisations requested to identify issues that believed rating strategy should address. 6 responded.
	18/10/17	Rating Strategy Community Workshop #2	Council	Consider submissions from VFF, CORRA & Colac Business Inc. (there was a long delay due consideration of CEO appointment that resulted in CORRA and Colac Business Inc. being unable to present)
	27/10/17	Article in Colac Herald	Community	Article entitled "Council snub insults groups" appeared in Colac Herald.
	8/11/17	2018 Rating Strategy Discussion (Green) paper approved by Council	Council	Considered themes identified by the community & identified "In scope" & "out of scope" issues.
	10/11/17	Green paper placed on public exhibition	Community	Green paper emailed to 765 groups/organisation in the shire Article in Colac Herald (10/11/17) and advertising on local radio. Submissions allowed to be submitted until 1/12/17 (i.e. 6 weeks).
	10/11/17	Article in Colac Herald	Community	Article entitled "Ratepayers can comment" appeared in Colac Herald
	13/12/17	Consider submissions to Green paper.	Council	Briefing Session of Council considered the 7 submissions received as result of Green paper.
	7/02/18	Council Briefing session considered modelled options	Council	Scenario raised questions from Councillors re:- <ul style="list-style-type: none"> - appropriateness of CIV \$1M as basis of 'major Commercial' rating category - type of properties included in "Major Commercial" rating category - highest amount of rates payable for a property in "Major Commercial" rating category
	8/02/18	Aust Tax Office announcement re Airbnb properties		ATO announced it would require Airbnb to submit its client list to the ATO for tax assessment purposes.

#	Date	Action	Who Consulted	Summary / Comment
	22/02/18	Email from GM Corporate Services to Councillors	Council	<p>Responded to questions raised at Briefing sessions on 7/02/18 & recommended we should:</p> <ul style="list-style-type: none"> - retain the existing rating categories and differentials and - prepare a rates model on that basis. <p>The reasons for this were:-</p> <ul style="list-style-type: none"> - it was not possible to identify a common factor to identify properties to be included in a proposed "Major Commercial" rating category - the Australian Taxation office's announcement on 8th February of its intention to identify holiday rental properties for taxation purposes, which would provide us with a more accurate and defensible basis for including properties in our Holiday Rental rating category than was proposed in the rates model. <p>No further concerns/issues raised by Councillors.</p>
	15/03/18	Email from GM Corporate Services to Councillors	Council	<p>Submitted 4 options and the positive and negative outcomes likely to accrue from each option.</p> <p>Email recommended Option 1 (i.e. No change to current categories & differentials) as preferred option.</p> <p>No concerns/issues raised by Councillors.</p>
	18/04/18	Council Briefing session considered proposed Rating Strategy document	Council	<p>Document presented.</p> <p>Some Councillor concerns were raised regarding Councillor engagement process.</p>

As identified above, to assist in informing the Rating Strategy, Council undertook three significant community consultation exercises (in October 2016, September 2017 and November 2017) to ascertain community expectations. The responses were aggregated into themes which were then taken into consideration as much as possible.

In addition Council obtained demographic data from Macroplan Dimasi, (specialist economist consultants) which was used to supplement the information obtained from community consultation and support the development of rates models.

Ultimately it is believed the current rating structure (i.e. the rating categories) is appropriate and the current differentials between the categories allows for the fair and equitable sharing of the rates burden across the community.

It is considered this Rating Strategy sought extensive feedback from the community and has sought to incorporate these views into the rating strategy as much as is feasible and legislatively possible. It has also complied with the State Government's guidelines for preparing a rating strategy as much as is possible.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

Please refer to the detail in Key Information.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The report aligns to Theme 4 of the Council Plan.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL & CULTURAL IMPLICATIONS

No social & cultural implications were identified.

ECONOMIC IMPLICATIONS

No economic implications were identified.

LEGAL AND RISK IMPLICATIONS

No legal and risk implications were identified.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

Should the Draft Rating Strategy not be approved for public consultation the current rating strategy will continue to operate until such time as a new strategy is adopted.

7. IMPLEMENTATION STRATEGY

DETAILS

If the Draft Rating Strategy is approved for public consultation it will be out for the consultation for 4 weeks from 4 May 2018 to 1 June 2018. After that time any submissions will be compiled and a Council briefing report will be produced for discussion with Councillors.

Proposed Changes will be made to the Strategy with the view to adopting it on 27 June 2018.

COMMUNICATION

See Details above.

TIMELINE

See Details above.

8. OFFICER DIRECT OR INDIRECT INTEREST

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.



Colac Otway Shire

Rating Strategy

2018 - 2020

April 2018

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Synopsis

Council is required to prepare a Rating Strategy that sets out the rating structure and how the rates burden will be shared across the entire community. The current rating strategy expired on 30 June 2017.

This strategy will apply for the 2018-19 and 2019-20 financial years.

To help inform the Rating Strategy, Council undertook three significant community consultations exercises (in October 2016, September 2017 and November 2017) to ascertain community expectations. The responses were aggregated into themes which were then taken into consideration as much as possible.

In addition Council obtained demographic data from Macroplan Dimasi, (specialist economist consultants) which was used to supplement the information obtained from community consultation and support the development of rates models.

Ultimately it is believed the current rating structure (ie: the rating categories) are appropriate and the current differentials between the categories allows for the fair and equitable sharing of the rates burden across the community.

It is considered this Rating Strategy has sought extensive feedback from the community and has sought to incorporate these views into the rating strategy as much as is feasible. It has also complied with the State Government's guidelines for preparing a rating strategy as much as is possible.

1. Introduction

Council is required to periodically prepare a Rating Strategy. The purpose of the Rating Strategy is to set the rating structure and how the rates responsibility will be apportioned across the community. The current rating strategy expired on 30 June 2017.

The new rating strategy considered the following:

- *Rating structure* – is differential rating appropriate and are the current rating categories relevant?
- *Differentials* – if differential rating is to be retained, are the differentials between the categories fair and equitable?
- *Other charges* - should a Municipal Charge or other specific charges be utilised to raise revenue and if so, to what extent?
- *Fairness & equity* – what constitutes a fair and equitable sharing of the rates burden?
- *Capacity to pay* – should this be considered and if so how is it determined?
- *Rate capping* – what are the implications and what is community reaction/expectations to State Government imposed rate capping?
- *Alternative rating options* – are there alternatives?
- *Hardship assistance* – what assistance is available and is it at an appropriate level?
- *Penalty Interest* – when is it charged and is this appropriate?

In the past two years, a number of events have occurred that have significantly impacted sections of the community. In addition to general economic conditions affecting most people within the shire, the shire was severely affected by the 2015 Christmas day bushfire in Wye River – Separation Creek and the dairy industry crisis.

There also appears to be an emerging community expectation that “capacity to pay” be taken into consideration when rates are being determined.

As a result officers were keen to ensure the new rating strategy considered the concept of capacity to pay as part of the deliberation in to how the rates burden should be apportioned across the community. Having said that, it must be remembered that municipal rates are a tax based on land value, not income. As such, determining capacity to pay on an individual's income is not feasible as Council does not have personal income data, nor is it legal in the context of rating powers.

2. Legislative Authority

The *Local Government Act 1989* stipulates that the primary objective of a Council is to endeavour to achieve the best outcomes for the local community while considering the long-term and cumulative effects of decisions. In seeking to achieve its primary objective, a Council must have regard to a number of facilitating objectives, including:

- promoting the social, economic and environmental viability and sustainability of the municipal district;
- ensuring that resources are used efficiently and effectively and services are provided in accordance with best value principles to best meet the needs of the local community;
- improving the overall quality of life of people in the local community;
- promoting appropriate business and employment opportunities to ensure that services and facilities provided by the Council are accessible and equitable;
- ensuring the equitable imposition of rates and charges; and
- ensuring transparency and accountability in Council decision-making.

(2.1) Equity

Section 3C (2) (f) of the *Local Government Act 1989* requires Council to ensure rates are levied fairly and equitably.

The *Local Government Act* does not define what is "equitable", however as the rates are a tax based on valuation of the property it is generally accepted that equity does not relate to the amount of rates to be paid.

Overall, in considering what rating is "equitable" Council must consider all facets of the rating structure, property valuation, budgetary requirements and differentials between rating categories in order to meet the needs of the community.

(2.2) Basis of Rating

Section 158A requires Council to separately levy a rate or charge on each portion of land for which it has a separate valuation.

Section 157 provides for Council to use the site value, nett annual value or capital improved value as the means of valuing properties for rating purposes.

As such, the link between the valuation of a property and the amount of rates levied is legally established. Rates paid are therefore not a reflection of services provided or used.

(2.3) State Government Guidelines

In addition to the legislative authority, the State Government provided a Revenue and Rating Strategy Guide in 2014. The guide suggests a key step in developing a rating strategy is the consideration of the following principles:

#	Principle	Explanation
1	Wealth tax	Rates are a tax based upon the value of the property being rated and has no correlation to the ratepayers access to or consumption of services.
2	Equity	That consideration be given to "horizontal equity" (i.e. that ratepayers with similar valued properties should pay similar amounts) and "vertical equity" (i.e. that ratepayers with higher valued properties should pay more than those with lesser valued properties).
3	Efficiency	That consideration be given to the extent to which production and consumption decisions by people are affected by rates.
4	Simplicity	The system should be easily understood by ratepayers and be practical to administer.
5	Benefit	That consideration be given to the nexus between consumption/benefit and the rates burden.
6	Capacity to pay	What factors are relevant to particular property classes in order to make informed observations about their capacity to pay rates.
7	Diversity	Which groups in the municipality may warrant special consideration in regards to their capacity to pay.

3. Current Rating Situation

Clearly, a key aspect of the rating strategy is to review the existing rating structure.

Like most municipalities in Victoria, this shire has a differential rating structure, which applies a different rate in the dollar to different types (categories) of properties. The rating category is a generic indication of how the property is being used (eg: for a residential, commercial, holiday accommodation or farm use).

Also like most Victorian Councils, the Capital Improved Valuation of a property is used as the basis of rating.

Revenue derived from the below rating categories comprises the general rates component of an overall rates bill.

The current rating structure, rates in the dollar and differential are:

Rating Category	Rate in \$	Differential (from base rate)
<i>Residential - Colac/Elliminyt</i> (Residential properties in the Colac, Colac East & West & Elliminyt township.	0.004422	100% (base rate)
<i>Residential - Balance Shire</i> (Residential properties located in the municipality excluding Colac & Elliminyt)	0.003759	85%

<i>Holiday Rental</i> (Houses/cabins that are made available for short term holiday accommodation for a fee/tariff)	0.004422	100%
<i>Rural – Farm</i>	0.003405	77%
<i>Commercial / Industrial – Colac/Elliminyt/Colac West</i> (Commercial properties in the Colac, Elliminyt & Colac West Township)	0.007297	165%
<i>Commercial / Industrial - Balance Shire</i> (Commercial properties not located in the townships of Colac, Apollo Bay, Elliminyt or Princes Highway Colac West)	0.006191	140%

Most Council's in Victoria have similar differential rating categories to ours. The exception is the Holiday Rental category, which very few if any have. Overall, all properties within the shire generally fit into one of the above rating categories.

In addition to the general rates derived from the above rating categories, Council also levies the following charges:

(3.1) Municipal Charge

This is a flat charge levied on all properties pursuant to section 159 of the *Local Government Act* (as amended).

The Municipal Charge raises revenue to pay for a proportion of the administrative costs of Council.

The total amount of revenue able to be raised from the Municipal Charge is 20% of the sum total of revenue raised from the charge and general rates in that financial year. In 2017-18 the revenue from the Municipal Charge amounted to 10% of the total revenue from the charge and general rates.

The only exemption from the Municipal Charge is for Single Farm Enterprises which have two or more assessments in the same ownership that are used for farming purposes.

In these cases, at least one Municipal Charge is required to be paid.

The Municipal Charge for 2017-18 was \$184.64.

As part of its budget deliberations Council reviews the amount of the Municipal Charge.

(3.2) Waste Management Charge

This is a flat charge levied on all properties on the waste collection routes or those that have requested to use the service pursuant to section 162 of the *Local Government Act* 1989.

The charge is levied to defray the costs of Council providing a kerbside domestic waste collection service. As such it is a user pays charge levied on properties that derive benefit from the service. The service is provided on a weekly basis for most properties with a fortnightly service in Wye River.

The Waste Management Charge for 2017-18 was \$298.00 per annum for the weekly service and \$198.00 per annum for the fortnightly service.

As part of its budget deliberations Council reviews the amount of the Waste Management Charge.

4. Valuations

A key determinant of the amount of general rates a property will pay is the valuation of the property. The valuation used for rating purposes is the Capital Improved Valuation (or "CIV"). The CIV is an estimate of the market value of the property (being land and any capital improvements such as buildings, fences etc.) as at the valuation date.

The valuation date is a set date at which all properties in the Shire are valued at. This ensures all properties are valued relative to each other at the same point in the market cycle.

Valuations are reviewed every two years in accordance with the Valuation Best Practice Guidelines prescribed by the Victorian Valuer General. The last valuation returned was the 2016 revaluation which was used for rating purposes in the 2016-17 and 2017-18 financial years. The valuation date for this valuation was 1 January 2016.

As from 1 July 2018, the Valuer General will become the valuation authority for all Councils and valuations will be renewed annually.

Property owners are advised of their valuations on their annual rates notice issued in August and there is a two month period in which objections to the valuation may be lodged. This results in the valuation being reviewed by our contract valuer.

5. Rate Capping

Since 2016-17, Victorian Councils have been subjected to a municipal rate cap imposed by the State Government. The cap provides for the amount of general rates and charges to be capped at a percentage above the amount of rates and charges levied for the previous year.

The cap for 2016-17 was 2% and for 2017-18 was 1.75%. It has been set at 2.25% for 2018-19.

6. Payment Options

Council provides the following three payment options:

Option	When due
Quarterly Instalment	1 st Instalment due 30 September 2 nd Instalment due 30 November 3 rd Instalment due 28 February 4 th Instalment due 31 May
Payment by Arrangement	Frequency of part payments by arrangement with full amount due by 31 May
Lump Sum payment	Full payment by 15 February

7. Payment Methods

Rates and charges are able to be paid by the following methods:

- online (via BPay, Post BillPay and Formsport or via Council's website)
- by direct debit
- by cheque
- in person by cash or credit card at Council's customer service centres at Colac and Apollo Bay and at any post office.

8. Penalty Interest

Penalty interest is charged on rates not paid by due dates in accordance with section 172 of the *Local Government Act 1989*. The penalty rate of interest is prescribed by the State Government.

Exceptions to this are:

- Late payments of instalment 2 and 3 for accounts where the quarterly instalment option has been activated by the ratepayer. Our practice has been to allow missed payments of these two instalments to *not* be charged interest as they will appear as being due on the next Instalment notice issued.
- Rates being paid by arrangement where a part payment is missed.

In both these cases, rates are required to be paid in full by 31 May. Interest is charged on any balance outstanding after this date in accordance with the requirements of section 172 of the Act.

The penalty interest regime used by Council minimises interest to the ratepayer as much as possible and is considered appropriate.

9. Hardship Assistance

Council has a Rates Assistance to Rates Debtors in Hardship policy which seeks to provide assistance to rates debtors who can show they have legitimate financial hardship.

The policy expects the rates debtor to be making an effort to be paying rates and provides for:

- ✓ all accrued interest to be waived, and
- ✓ no further interest to be levied for a specific period of time.

The intention is that rate payments made will be reducing principal instead of being applied to paying interest.

10. Action Taken Leading to This Strategy

A review of the 2014-17 Rating Strategy commenced in July 2016. To enable informed proposals to be developed, Council sought the assistance of Macroplan Dimasi to compile socio-economic demographic data relevant to the shire.

Macroplan Dimasi are specialist economist consultants who have vast experience in compiling, analysing and interpreting demographic data for the government and local government sector.

This data was obtained from a variety of sources and was as current as possible at the time of collection. It did not however include data from the 2016 national census undertaken in August 2016 as that data was not available when Macroplan Dimasi compiled the data in November 2016. Macroplan Dimasi's final report, entitled "From Coastal Communities to Tourist Towns" was provided to officers in February 2017. A further copy is attached to this report.

(10.1) Demographic Snapshot

The data compiled by Macroplan Dimasi indicated the Shire had the following demographic characteristics:

Data	Findings
Population growth – historical & future	<ul style="list-style-type: none"> Shire's population growth rate has gradually decreased since 2008 to be -1.2% (compared to Victorian growth rate of 0.5%). Estimated population in 2015 was 20,255. Duplication of the Princes Highway may lead to an increase in the future.
Age profile	<ul style="list-style-type: none"> Shire population is on average older than regional Victoria. Share of people aged 65 and over increased from 16.6% to 21.4% in available data period. Future growth is expected in next 15 years due to factors such as Princes Highway duplication extending to Colac and the Outer Metropolitan Ring Road construction. There appears to be a possibility of housing affordability initiatives/policies by State/Federal governments that may lead to a population shift to rural areas.
Dwelling structure & tenure type	<ul style="list-style-type: none"> High proportion of detached dwellings Higher rate of unoccupied dwellings than regional average (believed to be caused by the incidence of holiday houses).
Income	<ul style="list-style-type: none"> The Shire has significantly lower median weekly income than the Victorian figure. The average annual wage is approx. \$42,000. Council data suggests approximately 15% of the population are pensioners.
Occupation	There were around 8,258 employment positions in the shire (as at the 2011 census).

	<p>The breakdown of these is as follows:</p> <ul style="list-style-type: none"> - Managers 20.1% - Labourers 16.8 % - Professionals 14.1% - Technicians/trades workers 12.8% - Community/personal care workers 11.1% - Clerical/administrative workers 9.5% - Sales workers 9.4% - Machinery operators/drivers 6.2% <p>The Shire's unemployment rate in late 2016 was 4.5% - slightly less than the Victorian rate.</p>
Business by industry	<p>As at June 2015, there were 2,259 businesses across 20 industry types.</p> <p>The top five employing industries in terms of number of employing businesses & turnover were:</p> <ul style="list-style-type: none"> - Agriculture/forestry/fishing - Construction - Retail trade - Accommodation/food services - Transport/postal/warehousing <p>The agriculture/forestry/fishing sector was dominated by enterprises that are owner/family operated.</p> <ul style="list-style-type: none"> • Accommodation/food services sector is dominated by domestic tourism with 385,000 overnight visitors injecting \$151 million into local economy. • A further 409,000 day visitors spend another \$40 million. • About 88,000 international visitors spend a further \$26 million locally. • Most of this has occurred along the coast.
Dwelling approvals	<ul style="list-style-type: none"> • Approvals for new dwellings in the Shire have remained relatively stable over the past ten years.
Sales & prices	<ul style="list-style-type: none"> • Median sale price of houses has increased from \$102,000 in 2001 to \$300,000 in 2016. • The number of sales has decreased from 500-700 p.a. in 2001-07 to 300-500 p.a. since.

In summary, the Shire:

- has a static, ageing population base;
- approximately 15% of the population are pensioners;
- residents tend to own their home;
- less than half of the Shire population are employed;
- a significant number are self/family employed (particularly in the agriculture/forestry/fishing sector);
- there is a lower than average income (at \$42,000 p.a.);
- the number of new dwellings constructed has remained stable;
- house sale prices continue to rise - but less houses are being sold.

(10.2) Community Consultation

In addition to obtaining demographic and economic data, since October 2016 there have been three significant consultative exercises undertaken to investigate community views and expectations in relation to municipal rates. These were:

When	Type of Consultation Undertaken	Respondents	Responses
Oct 2016	On line survey as part of Council Plan preparation	Fifty seven respondents	<ul style="list-style-type: none"> Affordability is important Consider new levies e.g. to support the environment Support the farming sector Farming sector rates are tax deductible and they should contribute more due to their size. Residential ratepayers need support. Spend more on maintenance of assets. Look at new businesses like Airbnb and ensure they are paying their fair share. Investing in smaller towns outside Colac is important.
Sept 2017	Thirty seven groups/organisations representing commercial, farming & residential sectors requested to provide comment re issues to be considered in 2018 Rating Strategy	Six respondents	<ul style="list-style-type: none"> Retain differential rating structure. Review differentials for farm, Holiday Rental rating categories & create new Coastal category. Farm differential to be 55% of base rate rates payable for farms to be equal to comparable commercial business single assessment for farms Review retaining Municipal Charge. Consider ability to pay/ apply "User pays"/rates levied should be commensurate with services provided.
Nov 2017	2018 Rating Strategy Discussion (Green) Paper placed on public exhibition (10 Nov – 1Dec 2017) Emailed to 755 businesses & community groups	Three respondents (5 submissions)	<ul style="list-style-type: none"> Rates relief for property owners that undertake weed control. People shouldn't pay for services they don't use (i.e. more user pays) Rates levied should be commensurate with services provided. Access to services should determine rates payable.

Whilst these consultative exercises indicated there are opposing views on the some specific issues, the feedback was aggregated into the following themes:

#	Theme
1	Retain differential rating.
2	Review differentials between rating categories (eg: Farm, Commercial, Holiday rental, new Coastal).
3	Municipal Charge – whether to retain it or abolish it.
4	Fairness & equity – consider capacity to pay / apply "user pays" model / value for money / rates to reflect services used or accessible.
5	Rates relief for owners that undertake environmental land management.

(10.3) Guiding Principles

These themes were considered by Council at a briefing session on 13 December 2017, resulting in the following principles being agreed on to guide the preparation of the Rating Strategy:

#	Theme	Principle
1	Retain differential rating structure	That a differential rating structure be retained.
2	Review differentials between rating categories	That the differentials between rating categories be modelled and reviewed.
3	Investigate retaining Municipal Charge	<ul style="list-style-type: none">• That the Municipal Charge be retained and• Council seek to reduce the amount of the charge.
4	Fairness & equity	That Council reaffirms: <ul style="list-style-type: none">• rates are a tax to raise revenue to provide services across the entire Shire and• it is not feasible to apply a full "user pays" model to Council services or levy rates according to usage or accessibility.
5	Rates relief for owners that undertake environmental land management.	That Council: <ul style="list-style-type: none">• investigate an appropriate criteria for providing rates relief for properties covered by a Trust For Nature covenant• that such support be a rebate at a rate per hectare.

11. Capacity to Pay – What is it and Who has it?

A common theme raised in community consultation over the years is that municipal rates should be based upon a person's capacity to pay. This is also a "principle" the "Revenue and Rating Strategy Guidelines 2014:" suggests should be considered by Council when developing a rating strategy.

(11.1) What Is It?

The reality is however, whilst this seems a reasonable aspiration, people's financial circumstances inevitably vary and are known only to the person concerned. Thus implementing this aim presents significant practical difficulties.

As it is presumed "capacity to pay" is evidenced by income, the question then is whether "gross income" or "nett income" should be the determinant of rates payable. This then has implications in regards to equity of rating as some sections of the community (e.g. the commercial, small business and primary sectors) have the capacity to minimise their income for taxation purposes whilst other sectors (e.g. PAYE taxpayers) cannot minimise their taxable income to the same extent.

As Council does not have access to income data, it is not feasible to use income (gross or nett) as a basis for municipal rating.

Overall, municipal rates comprise approximately 3.5% of all tax income in Australia, with a rates bill generally amounting to approximately 3% of a ratepayer's gross income.

Notwithstanding this, Council was keen to take capacity to pay into consideration when apportioning the rates burden. As this can't be done on an individual basis, it was considered the focus should be on the general capacity to pay of the rating category. This will be influenced by a range of broad economic factors.

As the rating categories may contain a range of property types in a range of sectors, the overall economic effect on some properties will vary. As an example, whilst the Commercial rating categories will contain both retail and industrial properties, general economic conditions may have a different effect on both types of property. This will affect capacity to pay.

(11.2) Who has "capacity to pay"?

Based upon the Macroplan Dimasi data from 2016, the following is a broad view of factors affecting our rating categories:

Rating Category	Factors to Consider
Residential - Colac/Elliminyt	<ul style="list-style-type: none"> • High proportion of owner/occupied dwellings. • Many occupants on lower than average PAYE wage or are retiree and/or pensioners. • Many owners are PAYE wage earners who are experiencing sustained low wage growth and rising utility, insurance and health costs etc. • Record low mortgage rates – but these will rise • Rates are generally paid after tax and are not tax deductible.
Residential – Balance of Shire	<ul style="list-style-type: none"> • Low valued properties in townships such as Cressy, Beeac and Pirron Yallock, with owners usually in lower income group. • Many owners are PAYE wage earners who are experiencing sustained low wage growth and rising utility, insurance and health costs etc. • High valued properties are located along coastal regions (Apollo Bay, Marengo, Skenes Creek etc.). • High incidence of investment properties/holiday houses. • Better financial returns from letting houses as holiday accommodation resulting in scarcity of residential lease properties. • Residential lease rents expensive affecting quality of community. • Wye River - Separation Creek affected by 2015 bushfire. • Rates are generally paid after tax and are not tax deductible.
Holiday Rental	<ul style="list-style-type: none"> • Category contains approx. 430 properties that are known to be made available for holiday accommodation for a fee. • Many other properties escape detection and are therefore under rated. Introduction of Airbnb type model has made it increasingly difficult to capture properties used for holiday accommodation. • Varying degrees of commerciality but can gross a minimum of \$10-12,000 p.a. • Usually set up as business for tax purposes – rates are a tax

	<p>deductible business expense.</p> <ul style="list-style-type: none"> • Profit margins can be tight but profit not always primary issue – usually not the owner's primary income. • Record low mortgage rates – but these will rise. • Directly benefit from the 385,000 overnight visitors spending \$151 million into local economy. • Holiday accommodation industry has peak seasons but has good off peak trade. <ul style="list-style-type: none"> • Wye River - Separation Creek affected by 2015 bushfire but properties not affected by the fire are still being made available for accommodation at tariff range of \$2,500- \$7,500 per week in peak season. Some high end Wye River properties are available for up to \$12,000 per week in peak season.
Rural - Farm	<ul style="list-style-type: none"> • Range of property types – mostly dairy, beef, potatoes, cropping & sheep. • Dairy affected by dairy crisis (reduced income & "claw back" payments)- though farm gate prices have since increased and processors waived claw back payments in return for continuity of milk supply. • Rising production costs – this is particularly an issue for small farms. • Commodity prices rise & fall due to external influences. • Volume of rural land sales increased sharply from 2009 but declined in 2014 and 2016 (with a spike in 2015) - suggesting farmers reacting to low profitability from 2009. • Sector is not a large employer of non-family labour but does contribute to other businesses, thereby indirectly creating employment. • All/part of rates/utilities are a tax deductible expense.
Commercial / Industrial – Colac/Elliminyt/Colac West	<ul style="list-style-type: none"> • There are a range of property types and sectors in this category e.g. from small retail shops to AKD, Calco, Bulla etc. • Different factors affecting different properties. • Category contains businesses that are a considerable source of employment (e.g. Bulla, AKD etc.). • Retail sector facing online & Geelong competition (affecting profitability) – professional services sector less affected. • Rates are a tax deductible business expense. • Population base (i.e. market) not growing – may improve after duplication of Princes Highway completed. • Need to retain competitiveness – to create / keep jobs.
Commercial / Industrial - Balance Shire	<ul style="list-style-type: none"> • Mainly contained to coast (Apollo Bay) and some in small towns (Birregurra, Forrest, Gellibrand, Beeac, Pirron Yallock, Cororooke etc.) • Mainly food services, retail and large scale (i.e. motel/resort) accommodation. • Directly benefit from the 409,000 domestic day visitors and 88,000 international visitors spending \$66 million locally. Large passing trade opportunities. • Duplication of Princes Highway should have positive affect. • Rates are a tax deductible business expense. • Provides employment in towns.

From the above it appears

Rating Category	Factors to Consider
Residential - Colac/Elliminyt	This rating category contains properties owned mostly by PAYE wage earners and pensioners, who are experiencing sustained low wage increases and rising domestic costs. Fortunately mortgage rates have been at sustained record low levels, but this will not last indefinitely.
Residential – Balance of Shire	<p>This rating category is similar to the above but includes dwellings not occupied by owners that are not used for commercial or semi commercial holiday accommodation purposes.</p> <p>The category also includes Wye River – Separation Creek, which was ravaged by the 2015 Christmas day bushfire. There are however very few permanent residents in this township.</p>
Holiday Rental	<p>This rating category contains dwellings that are made available for holiday accommodation on a commercial or semi commercial basis. The vast majority of these properties are located in the coastal region. They are usually set up as a business for taxation purposes and in peak seasons generally command tariffs of \$2,500-\$4,000 per week (depending on quality of house etc.). Based on the data, the holiday rental sector is prospering (or has the capacity to prosper).</p> <p>The category also includes Wye River – Separation Creek, which was ravaged by the 2015 Christmas day bushfire. This affected holiday rental earnings for those properties not damaged by the fire throughout 2016.</p> <p>A challenge in relation to this rating category is it has become increasingly difficult to identify all properties used for holiday accommodation purposes to ensure they are correctly rated.</p>
Rural - Farm	<p>Dairy farmers have experienced a prolonged period of lower profit margins, made worse by the decisions by processors to cut the farm gate milk price and seek claw back payments. However, prices have increased since and processors waived/refunded claw back payments. Overall, there is no increase in sale of farms –suggesting that despite the dairy crisis and reduced profit margins, there is no significant exodus from the industry.</p> <p>Dairy industry figures for 2016-17 show the average dairy farm in south west Victoria milks approximately 368 cows and produces approximately 525 kg of milk solids/cow/year.</p> <p>In the same period, beef and sheep have performed very well. Whilst cropping had a bumper harvest in 2016-17, frost in November 2017 may affect the 2017-18 yield, but the effects on price is unknown at this stage.</p>
Commercial / Industrial – Colac/Elliminyt/Colac West	<ul style="list-style-type: none"> • The commercial/retail sector in Colac is not experiencing the same level of prosperity as the coast. • Small retail shops in particular are susceptible to competition from online providers, • Professional services, banks, supermarkets and larger businesses are less susceptible.
Commercial / Industrial – Balance of Shire	<p>The commercial / retail sector along the coast (basically Apollo Bay) is prospering due to visitor numbers /passing trade.</p> <p>Small townships away from the coast are not experiencing the same level of prosperity</p>

From a capacity to pay perspective, the following table provides a summary of the rating categories capacity to pay or absorb rates:

Rating Category	Why it has/hasn't capacity to pay
Residential - Colac/Elliminyt	<ul style="list-style-type: none"> Includes many residents on PAYE wages and pensioners Average wage in shire is \$42,000 Wages growth has stagnated for approximately 10 years Employment more uncertain Rates paid after tax
Residential – Balance of Shire	<ul style="list-style-type: none"> Includes many residents on PAYE wages and pensioners Average wage in shire is \$42,000 Wages growth has stagnated for approximately 10 years Employment more uncertain Rates paid after tax
Holiday Rental	<ul style="list-style-type: none"> Predominantly located in the coastal region High level of tourist stayovers (worth approximately \$151 million per annum). Rates & utilities are a tax deductible business expense.
Rural - Farm	<ul style="list-style-type: none"> All mainstream agricultural activities have performed well in 2016-17 and 2017-18 after a period of lower returns caused by drought and the dairy crisis, due to the fickle nature of the performance of this industry sector and the seemingly disproportionate land values compared to industry revenues, it is difficult to make a substantive case that this differential has the capacity to pay more. This is recognised by the Shire with the current discount on the rate in the dollar to 77%.
Commercial / Industrial – Colac/Elliminyt/Colac West	<ul style="list-style-type: none"> Small retail businesses in Colac/Elliminyt (mostly in Murray St) are suffering from on line competition. Larger businesses not as susceptible to this.
Commercial / Industrial – Balance of Shire	<ul style="list-style-type: none"> Coastal commercial/industrial properties have the benefit of high levels of passing trade/opportunities (worth approximately \$66 million per annum). Rates & utilities are a tax deductible business expense. Commercial/industrial properties in rest of Balance of Shire not experiencing same economic activity.

12. Rates Modelling

Rates modelling undertaken looked at:

- the appropriateness of the current rating categories
- the effect of changing rating differentials between rating categories
- the extent of changes to the amount of rates that would be payable as a result of changes to the differentials.

The valuation data used for rates modelling was data that was proposed, at that point in time, to be the 2018 revaluation data. As the 2018 revaluation was being prepared at the same time as the Rating Strategy, it was understood there may be some difference between the proposed data and the final revaluation data that was due to be returned in April 2018. It was anticipated the variance would not affect the Rating Strategy outcomes.

The modelling looked at apportioning the rates burden to the rating categories that appeared from the economic data to have the capacity to pay. This aim was consistent with views expressed by the community in consultative exercises undertaken.

This scenario required some re-categorising of properties and looked at:

- Creating a specific (new) "Commercial/Industrial - Apollo Bay / Marengo / Skenes Creek" category,
 - Creating a new "Commercial/Industrial – Major" category, and
 - Increasing the "Holiday Rental" rating category by including absentee owned dwellings located in the southern end of the shire into the category.
- The basis for this was an acknowledgement that a large number of properties used for holiday accommodation were not included in the Holiday Rental category as they were let out through various on line applications (eg: Air BnB etc) and were difficult to identify for rating purposes.

Incorporating these changes proved problematic for a range reasons with the outcome being many properties in a variety of rating categories would experience significant rates increases. This was particularly so for absentee owned dwellings that would be included in the "Holiday Rental" rating category.

Coincidentally, in early February 2018 (just after this modelling was done), the Australian Taxation Office (ATO) announced they were requesting Airbnb provide them with a list of their clients for taxation purposes. This appeared to create an opportunity for Council as it was felt obtaining addresses of properties used to provide holiday accommodation from the ATO would be a fairer and more definitive means of identifying properties to be included in the "Holiday Rental" category. It would also lead to less complaints and administrative work as it would ensure absentee owners that don't let the dwelling out for holiday accommodation were not included in the "Holiday rental" category.

It is anticipated the ATO won't have this data until after tax returns for the 2017-18 financial year are lodged. We will however pursue this matter with the ATO.

Modelling was also undertaken for the following scenarios using the current rating categories. The modelled scenarios were:

#	Description of scenario
1	No change to current categories & differentials
2	Reduce Colac Commercial by 10 % points / Increase Farm by 3% points
3	Reduce Colac Commercial by 10 % points / Increase Commercial - BOS by 10% points & Holiday Rental by 10 % points/ No change to Farm or Residential - BOS
4	Reduce Colac Commercial by 10 % points & Farm by 7% points / Increase Commercial - BOS by 10 % points & Holiday rental by 5 % points

13. Proposed Rating Structure

Based on the above scenarios, it was ultimately decided Option 1 (i.e. retaining the current rating structure and differentials) was the most appropriate as:

- the current rating categories provided accurate generic descriptions of land use that could be applied to all properties in the shire (e.g. all properties were either residential, commercial/industrial, holiday rental or farm properties).
- the current differentials allowed for rates increases resulting from valuation increases to be mitigated (i.e. evened out).

Thus it is proposed the following rating structure and differentials be adopted for the term of the rating strategy.

Rating Category	Differential (from base rate)
<i>Residential – Colac/ Elliminyt</i> (Residential properties in the Colac, Colac East & West & Elliminyt).	100% (base rate)
<i>Residential - Balance of Shire</i> (Residential properties located in the municipality excluding those in the "Residential -Colac / Elliminyt" rating category)	85%
<i>Holiday Rental</i> (Houses/cabins that are made available for short term holiday accommodation for a fee/tariff)	100%
<i>Rural – Farm</i> (Properties used for farm purposes as defined by the Valuation of Land Act 1960).	77%
<i>Commercial / Industrial – Colac/Elliminyt</i> (Commercial properties in the Colac, Colac East & West and Elliminyt)	165%
<i>Commercial / Industrial - Balance Shire</i> (Commercial / industrial properties in the municipality excluding those in the "Commercial / Industrial –Colac/Elliminyt" rating category).	140%

Other Charges

In addition to general rates being levied on the basis of the above structure, it is proposed Council retain the Municipal Charge and Waste Management Charge.

(13.1) Municipal Charge

As this is a set charge, it ensures low valued properties (that pay a low amount of rates) contribute a meaningful amount towards the running costs of the shire.

(13.2) Waste Management Charge

As this charge seeks to recoup the contract cost of the kerbside waste collection service from properties on the collection routes that benefit from the service, it is a "user pays" charge. As such, it meets the community expectation that people who use/benefit from a service should pay for it.

14. Compliance with State Government's Guidelines

As mentioned above, in 2014 the State Government provided guidelines for the preparation of a rating strategy. In preparing this strategy, an attempt has been made to comply with the principles outlined in the guidelines as follows:

#	Principle	Explanation
1	Wealth tax	<p>Rates are a tax based upon the value of the property being rated and have no correlation to the ratepayers access to or consumption of services.</p> <p>Compliance: <i>The strategy has been prepared on this basis.</i></p>
2	Equity	<p>That consideration be given to "horizontal equity" (i.e. that ratepayers with similar valued properties should pay similar amounts) and "vertical equity" (i.e. that ratepayers with higher valued properties should pay more than those with lesser valued properties).</p> <p>Compliance: <i>"Horizontal equity" is achieved as properties in the same category and valuation pay the same amount of rates. The strategy attempts to provide "vertical equity" by using differentials to equalise the amount of rates paid by similar types of properties that are in different localities and/or have different valuations.</i></p>
3	Efficiency	<p>That consideration is given to the extent to which production and consumption decisions by people are affected by rates.</p> <p>Compliance: <i>How these decisions are affected by the amount of rates payable is unknown and varies from person to person. The strategy attempts to equitably apportion the rates burden across the shire and actively sought to avoid significant increases to specific rating categories.</i></p>
4	Simplicity	<p>The system should be easily understood by ratepayers and be practical to administer.</p> <p>Compliance: <i>The rating structure (being based on generic land use descriptions) is believed to be simple for the community to understand.</i></p>
5	Benefit	<p>That consideration is given to the nexus between consumption/benefit and the rates burden.</p> <p>Compliance: <i>This principle seems contradictory to principle 1 above. However, the use of differential rates attempts to recognise that some areas (eg: Colac/Elliminyt) have greater access to services than other areas and therefore pay rates at a higher rate in the dollar.</i></p>

6	<i>Capacity to pay</i>	What factors are relevant to particular property classes in order to make informed observations about their capacity to pay rates? Compliance: <i>Council obtained economic data to assist in determining capacity to pay. Ultimately a balance between this principle and principles 2, 3 and 5 had to be found.</i>
7	<i>Diversity</i>	Which groups in the municipality may warrant special consideration in regards to their capacity to pay? Compliance: <i>See comment for principle 6.</i>

15. Meeting Community Expectations

This Rating Strategy has attempted to meet community expectations expressed through the community consultation exercises conducted over the past 18 months.

It is acknowledged that many people will judge the Rating Strategy by whether they pay less rates or more. This is understandable because whatever the outcome it is almost certain not everybody will be satisfied with the result.

The main themes that emerged from the community consultation and our response is detailed below:

#	Theme
1	Retain differential rating. Response: <i>The Rating Strategy has met this community expectation by retaining the differential rating structure.</i>
2	Review differentials between rating categories (e.g. Farm, Commercial, Holiday Rental, and new Coastal). Response: <i>The Rating Strategy has reviewed the differentials between rating categories and determined they are appropriate. It is acknowledged some sections of the community will feel their concerns have not been met by this action.</i>
3	Municipal Charge – whether to retain it or abolish it. Response: <i>Whilst there are differing community views on whether or not to retain the Municipal Charge, Council's view is it should be retained. Whether or not the Rating Strategy has met this community expectation is a subjective opinion.</i>

4	<p>Fairness & equity – consider capacity to pay / apply “user pays” model / value for money / rates to reflect services used or accessible.</p> <p>Response: <i>This is a complex issue. The “capacity to pay” issue is referred to above. Unfortunately a true “user pays” model would result in the many services becoming out of the financial reach of those the service is designed to assist. Whether or not the Rating Strategy has met this community expectation is a subjective opinion.</i></p>
5	<p>Rates relief for owners that undertake environmental land management.</p> <p>Response: <i>This is considered to be outside the scope of the Rating Strategy. However, a preliminary proposal to provide a rate rebate for land covered by Trust for Nature covenants is being prepared.</i></p>

References:

- “From Coastal Communities to Tourist Towns” - Colac Otway Rating Strategy study in 2016 by Macroplan Dimasi Pty Ltd - February 2017
- “2016-17 Dairy Farm Monitor Annual Report- Victoria” by Agriculture Victoria and Dairy Australia
- “Revenue & Rating Strategy Guidelines”- DELWP 2014

FROM COASTAL COMMUNITIES TO TOURIST TOWNS

Colac Otway Shire Rating Strategy

FINAL REPORT

Prepared by MacroPlan Dimasi
20 March 2017



_Study Context

The following report was prepared by MacroPlan Dimasi for Colac Otway Shire Council (Council).

This report draws together the findings of Stage 1 research undertaken by MacroPlan Dimasi, which reviewed Council's existing rating strategy and explored the application of differential rating methods across a number of benchmark municipalities.

Stage 1 research examined local and regional economic and demographic indicators and identified a number of alternative rating scenarios for Council consideration in response to significant forecast growth in tourism across the Shire during the coming decade.

This report presents a high level case for reshaping Colac Otway's municipal rating strategy to respond to increasing infrastructure and community service demands – particularly in and around Colac and key tourism towns with high tourism visitation – whilst ensuring regional competitive advantage and sustainable outcomes for rural land users.

Council has conducted its own community consultation to identify issues the community may wish Council to consider in formulating a new rating strategy. The findings of the consultation process will be incorporated into Stage 1 research and used to further refine options as part of a future rating strategy.

_Contents

- 1_Current state – what do we know today?
- 2_Future state – what will happen in the future?
- 3_Current rating system – how does it work?
- 4_Benchmarks – comparisons with other municipalities
- 5_Opportunities – alternative rating scenarios and options

References

Annexure

1_Current State

What we know today...

Population

1. The population of Colac Otway Shire increased only slightly during the past decade – from approx. 20,600 residents in 2006 to reach an estimated 21,168 people in 2016 – an increase of 568 residents (Chart 1. Population growth across the Shire has increased on average by 0.27% p.a. **well below** the Victorian average of 1.8% p.a. during the past decade.
2. Colac Otway Shire has grown much slower than Geelong, Surf Coast and Colac Otway Shires during the past 5 years, with the vast majority (88%) of total population growth occurring in the areas of Elliminyt and Colac West.
3. Annual average population growth rates in Elliminyt (1.2% p.a.) and Colac West (1.1% p.a.) matched areas such as Lorne-Aireys Inlet, Newcomb-Moolap and the northern rural parts of Golden Plains Shire during the past 5 years.

Dwellings

5. The total number of dwellings in Colac Otway Shire increased – from approx. 10,790 dwellings in 2006 to reach an estimated 11,790 dwellings in 2016 – an increase of 1,000 dwellings. This is broadly consistent with the total number of dwelling approvals reported during this time.
6. The net increase in dwellings **was almost twice** the net increase in the number of residents during the past decade.
 - The mismatch between the number of permanent residents and the total number of dwellings in Colac Otway is an indicator the Shire is home to a growing number of holiday rental homes, particularly in coastal areas along the Great Ocean Road such as Apollo Bay, Kennett River, Wye River and Separation Creek.
 - In FY15-16 there were 428 holiday rentals reported by Council for rating purposes. The true number of holiday rentals may be higher, reflecting growing trends in room-sharing (e.g. AirBnB) and similar online short-stay accommodation rental services.
 - Dwelling occupancy rates of between 70%-75% are broadly in line with Mornington Peninsula and well below Geelong, Golden Plains, Moorabool and Ballarat.
7. The median sales price for residential dwellings in Colac Otway Shire **increased by almost 60%** during the past 10 years, with considerable fluctuations during the past 5 years, reflecting increased property transactions and relatively subdued dwelling approvals during this time (Charts 2 and 3). This is below median residential sales price rises in Geelong (68%), Moorabool (70%) and well below Surf Coast (94%) and Golden Plains (97%) during the same time (See Annexure).

1_Current State

Chart 1: Estimated Resident Population

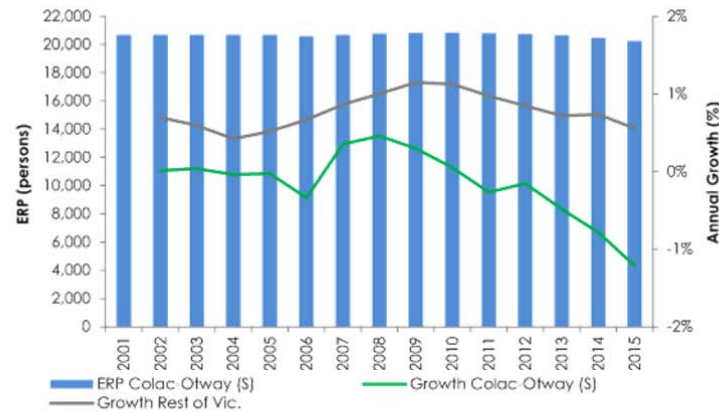


Chart 2: Dwelling Approvals, Colac Otway

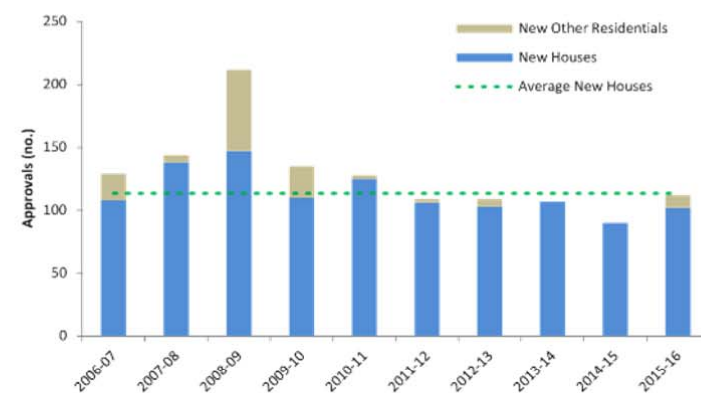
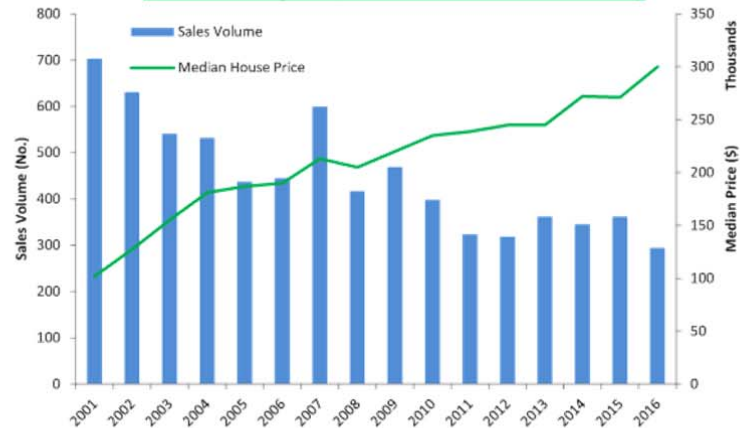


Table 1: Household Income & Wealth

	Colac Otway (\$)			Rest of Vic.		
	2001	2006	2011	2001	2006	2011
Income & Wealth						
Median Household Income (\$/week)	328	408	501	650	807	945
Avg. Annual Growth Rate		4.5%	4.2%		4.4%	3.2%

Chart 3: Dwelling Sales, Median House Price, Colac Otway



Colac Otway Shire Council
Rating Strategy 20 March 2017

Source: Australian Bureau of Statistics; RP Data Page_5

1_Current State

What we know today...

Tourism / Peak Population

8. Colac Otway Shire is located within an internationally significant tourism region, with the Great Ocean Road, Otway Ranges and surrounding rural hinterland featuring as key regional tourist attractions.
9. Colac Otway Shire experiences **major population peaks** throughout the year, particularly during warmer months when there are more events and festivals coinciding with school holiday periods.
10. This causes peaks in demand for restaurants, cafes, bars, retail shops, entertainment venues and a wide range of community services. It also places strains on health services, highways and local roads and infrastructure.
11. There were approx. 310 tourism enterprises operating in Colac Otway in 2015, with the majority being small businesses with few or no staff – see Table 1. Colac Otway has approx. 16% of all tourism enterprises operating in the Western Victoria tourism region and accounts for approx. 18% of total tourism expenditure in this region, compared with Surf Coast at 31% of total expenditure.
 - In 2015 there were 409,000 domestic day visitors to Colac Otway resulting in expenditure of \$40 million in the region. This compares with Surf Coast which reported 930,000 domestic day visitors resulting in \$81 million expenditure in the region – Tables 3 and 4.
 - There were 385,000 domestic overnight visitors to Colac Otway in 2015 resulting in 1,032,000 visitor nights and \$151 million expenditure in the region. This compares with Surf Coast which reported 736,000 domestic overnight visitors resulting in 2,319,000 visitor nights and \$279 million expenditure in the region – Tables 3 and 4.
 - There were 88,000 international visitors to Colac Otway resulting in 255,000 visitor nights and \$26 million expenditure in the region. This compares with Surf Coast which reported 32,000 international visitors resulting in 155,000 visitor nights and \$15 million expenditure in the region – Tables 3 and 4.
12. Domestic visitors represent the **largest share** of total visitors to Colac Otway, with most domestic visitors staying an average of 3 nights in the region and spending an average of \$420 per trip.
13. Whilst there are relatively fewer international visitors to the Colac Otway region, they spend more than \$510 per trip and Colac Otway attracts **almost twice** the number of international visitors as the Surf Coast region.
14. Many local businesses and holiday home owners have the potential to benefit directly and indirectly from peak population flows, particularly those located in tourism hot-spots with significant tourism expenditure spill-over benefits.

Colac Otway Shire Council
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1_Current State

Figure 1: Colac Otway Tourism Region



Table 2: Tourism Businesses Colac Otway (2015)

	TOTAL
Non-employing	122
1 to 4 employees	96
5 to 19 employees	74
20 or more employees	18
Total	310

Table 3: Key Tourism Metrics – Colac Otway Tourism Region

	INTERNATIONAL	DOMESTIC OVERNIGHT	DOMESTIC DAY	TOTAL
Visitors ('000)	88	385	409	882
Nights ('000)	255	1,032	-	1,287
Average stay (nights)	3	3	-	3
Spend (\$m)	26	151	40	217
Average spend per trip (\$)	296	392	99	246
Average spend per night (\$)	102	146	-	137
Average spend (commercial accommodation) per night (\$)	113	191	-	172

Table 4: Visitors – Colac Otway Tourism Region

Visitors to Colac Otway	INTERNATIONAL	DOMESTIC OVERNIGHT	DOMESTIC DAY	TOTAL
Reason (visitors '000)				
Holiday	85	286	251	622
Visiting friends or relatives	2	66	100	168
Business	np	np	np	np
Other	np	np	np	np
Travel party type (visitors '000)				
Unaccompanied	33	53	-	87
Couple	31	129	-	160
Family group	10	98	-	108
Friends/relatives travelling together	12	92	-	104
Accommodation (nights '000)				
Hotel or similar	75	139	-	214
Home of friend or relative	22	251	-	273
Commercial camping/caravan park	59	223	-	282
Backpacker	32	np	-	np
Other	68	408	-	476

1_Current State

What we know today...

Rural Land Prices

15. During the past decade, median sale prices for all rural land types rose 24% across Colac Otway Shire (Chart 4), well below Geelong (54%), Surf Coast (70%), Ballarat (80%) and Golden Plains (99%) during the same period (see Annexure).
16. The median sale price for vacant rural land fell slightly during the past 5 years (Chart 5), which was partly offset by rising demand for vacant rural lifestyle/rural living zoned land (Chart 6). The downward trend in vacant rural land prices may partly reflect recent challenges facing primary producers in Colac Otway Shire and surrounding areas.
 - Colac Otway Shire is located within the South-West Victorian dairy region, which produces approximately 2.1 billion litres of milk per year from approximately 1,500 farms and 440,000 cows, accounting for 22% of Australia's milk.
 - In recent years the dairy sector has experienced a number of pressures nationally and locally, which have coincided with a sustained downward trend in farm-gate milk prices. Rising production costs, water shortages, changes in wholesale pricing arrangements and international regulation of powdered milk products have significantly impacted primary producers, particularly dairy farmers.
 - Most recently Murray Goulburn and Fonterra have announced step-up payments to dairy farmers to ease financial pressures and solidify loyalty among suppliers, with dairy producers indicating a broad willingness to waive claw-back debt in return for continuity of milk supply. This may serve to offset a longer term downtrend in rural land prices.
17. In FY15-16, there were approx. 2,780 rural farm assessments identified by Council for rating purposes. Around 50% of these were for livestock production, with the majority relating to beef and dairy cattle production.
18. There were 516 dairy cattle farms representing 19% of total rural farms and 23% of rates revenue from rural farms. There were 758 beef cattle farms representing 27% of total rural farms and rates revenue from rural farms respectively.
19. The average size of beef and dairy cattle farm properties is similar, while the average land value and CIV (\$/hectare) for dairy cattle properties is approx. 15% higher than beef cattle properties.
 - The largest dairy cattle farm is 363 hectares and the smallest 10 hectares. The average size of a dairy farm in Colac Otway is 78 hectares. The average land value for dairy cattle properties is \$8,000/hectare and \$10,000/hectare (CIV).
 - The largest beef cattle farm is 852 hectares and the smallest 20 hectares. The average size of a beef cattle farm in Colac Otway is 71 hectares. The average land value for dairy cattle properties is \$7,000/hectare and \$8,500/hectare (CIV).

1_Current State

What we know today...

Rural Land Prices (cont.)

20. In FY15-16 there were 155 rural assessments with land areas greater than 200 hectares and almost 330 rural assessments with land areas totalling between 100-200 hectares. There were around 1,940 rural assessments with a land area less than 100 hectares.
- Larger properties typically have lower average property values (i.e. site value and CIV on \$/ha basis) across all rural land use types.
 - During the past 5 years, the median sales value of rural lifestyle / vacant rural residential land increased significantly, whilst the median sales value of rural farm land used for primary production has remained relatively stable.
 - When compared with Golden Plains Shire (for example), the trend in land values is the same for larger properties and there are some broad similarities between farming use types and sizes when it comes to land values (\$/ha).
21. There is little evidence based on a preliminary benchmarking analysis that larger farms in Colac Otway have higher average relative property values or CIV when compared with neighbouring municipalities.
22. This means there is unlikely to be a case for reducing the current discounted differential rate applicable to larger properties.
- Reducing the differential rate discount applicable to smaller rural properties with higher marginal land values may serve as a disincentive to some farmers.
 - Further, given the importance of household expenditure and private fixed capital investment as a share of total regional expenditure, there may be constrained capacity to pay higher rates among some rate payers, particularly farmers with lower average incomes.

1_Current State

Chart 4: Sales Volume, Median Rural Price (All Rural)

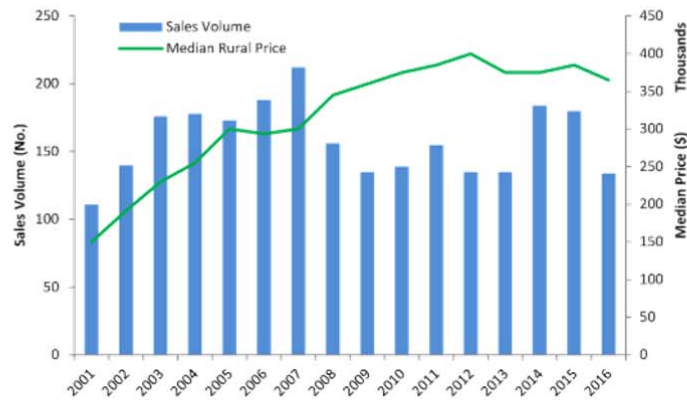
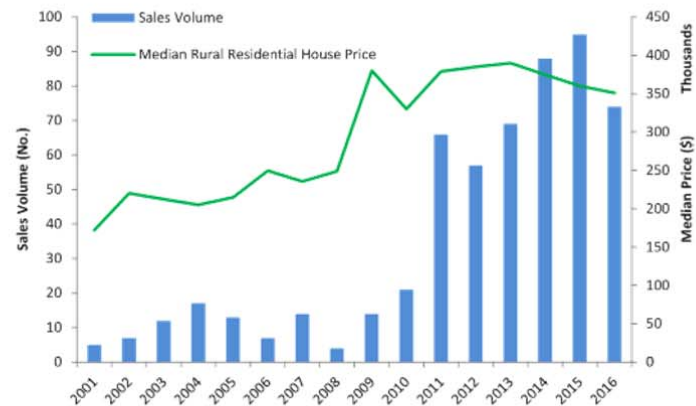


Chart 5: Sales Volume, Median Rural Price (Vacant Rural Land)



Chart 6: Sales Volume, Median Rural Price (Rural Living)



1_Current State

What we know today...

Agriculture, Forestry & Fishing

23. In terms of total economic output, agriculture, forestry and fishing accounted for \$248.9 million or around 10% of total regional economic output in Colac Otway. This was almost twice the output of retail trade at \$100 million (Chart 7).
24. In terms of gross value add, agriculture, forestry and fishing accounted for \$101.14 million, almost twice that of retail trade at around \$61.7 million (see Annexure).
25. The number of people employed in agriculture, forestry and fishing (995 or around 12% of total employed persons) was broadly the same as retail trade (918 employed persons) – see Chart 8.
26. Wages and salaries paid in agriculture, forestry and fishing were \$20.8m or around 4% of total wages and salaries paid. This compares with retail trade at \$39.43 million during the same time, almost twice that of agriculture, forestry and fishing (Chart 9).
27. Average wages and salaries per worker in agriculture, forestry and fishing were estimated at \$20,900 per person, less than half average wages and salaries per worker in retail, estimated at \$42,962 per person.
28. Around 45 per cent of all employed persons in agriculture, forestry and fishing earn less than \$600 (gross) per week (see Annexure).

Chart 7: Output by Industry, Colac Otway



Colac Otway Shire Council
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Chart 8: Employment by Industry, Colac Otway

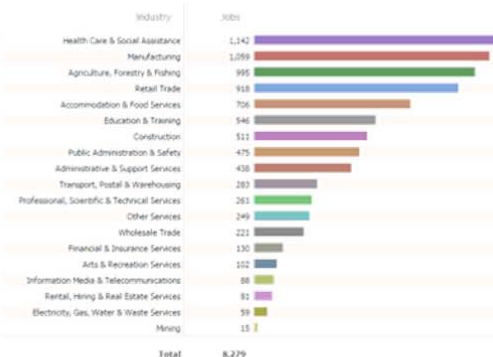


Chart 9: Wages & Salaries by Industry, Colac Otway



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2_Future State

In the future...

29. The population of Colac Otway Shire is projected to **increase by 12%** during the next two decades – increasing from around 21,168 people in 2016 to reach 23,725 by 2036 – an increase of around 2,560 residents.
30. The long term average rate of population growth across the Shire is expected to be similar to Mornington Peninsula Shire or Yarra Ranges Shire.
31. The forecast rate of annual population growth in Elliminyt (1.5% p.a.) and Colac West (1.0% p.a.) is broadly comparable with forecast growth in Waurn Ponds (1.2%), Jan Juc - Bellbrae - Bells Beach (1.4%) and Dromana - Safety Beach (1.4%) and Portarlington (1.5%) – see Figure 5.
32. The number of dwellings in Colac Otway Shire is forecast to **increase by 17%** to reach 13,790 dwellings in 2036 – an increase of around 2,000 dwellings. Based on historic dwelling approvals this number may reach as high as 2,300 dwellings.
33. This is equivalent to the total number of new dwellings expected to be added to the township of Bannockburn in Golden Plains Shire by 2036.
34. Whilst growth in the local residential population is not expected to be significant in future, it is likely that tourism visitation to the region will continue to grow in the future. The total number of visitors to Victoria's Great Ocean Road tourism region has been growing by an average of 4.2% per annum during the past 5 years.
35. Recent major infrastructure projects such as the Geelong Ring Road, duplication of the Princes Highway between Geelong and Winchelsea and freeway duplication to Colac due for completion in 2019 will continue to facilitate greater connectivity between Melbourne, Geelong and the Colac Otway region.
36. Major State Government infrastructure investments such as the Outer Metropolitan Ring Road (see Figure 4) which may commence during the next 10 years will **bring more tourists and investment** into Victoria's south-west region and stimulate increased requirements for infrastructure and a range of services across a number of tourist hot-spots and regional areas, especially Colac and Apollo Bay which form an important part of the Great Ocean Road tourist trail.
37. The *Infrastructure Victoria 30-year Plan* makes a number of recommendations to make roads supporting major industries and tourism more sustainable, which may include the Great Ocean Road.
38. The most transformative of these involves taking a more strategic approach to maintaining roads overall, which would include consideration of which roads need to be maintained and to what standard and the most appropriate allocation of responsibility for roads between state and local government, including the potential for infrastructure charging mechanisms (noting the implications of cost shifting).

2_Future State

In the future...

Victoria in future 2016 population projections show population growth in Victoria over the next 30 years is not projected to be evenly distributed across the state.

Victoria's shift in economic activity from distributed manufacturing to more centralised service and knowledge-based industries, will put increasing pressure on demand for travel to and from central Melbourne for work, leisure and specialist services, particularly during peak periods.

Better access will be required from all parts of Melbourne and across regional Victoria, particularly Geelong, Ballarat, Bendigo and Latrobe City.

Regional areas such as Geelong and peri-urban areas such as Moorabool and Golden Plains are expected to grow significantly. This will have implications for tourism regions such as Colac Otway and Surf Coast Shire.

Geelong

Geelong is the state's second biggest city and the largest and fastest growing region outside Melbourne. Geelong is home to major gateways including Avalon Airport and the Port of Geelong.

Geelong has a significant Melbourne commuter population and an economy that is in transition, with a changing manufacturing sector and growing services industry supported by larger urban workforce catchments.

Great Ocean Road Tourism Region

The Great Ocean Road Tourism Region comprises two sub-regions, with the Geelong Tourism Region and the Western Tourism Region. The Great Ocean Road TR benefits significantly from world-class nature and scenery including the Twelve Apostles and Great Ocean Road.

The Great Ocean Road Tourism Region recorded 3,259,000 visitors in 2014/15.

Colac Otway Shire Council
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Figure 2: Projected Population Change by LGA, 2016-2046

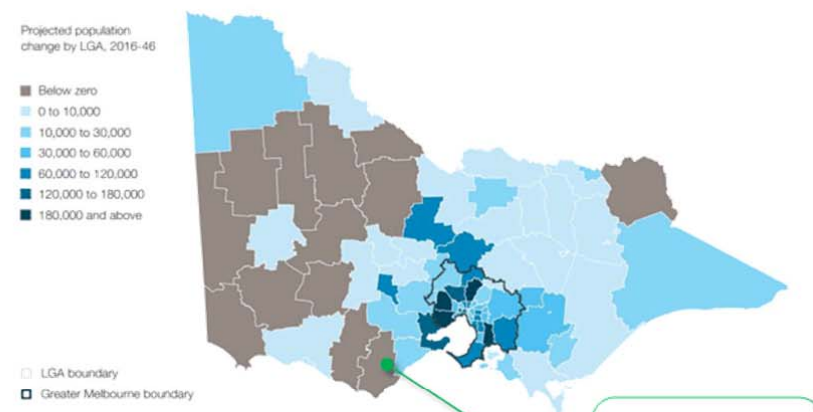
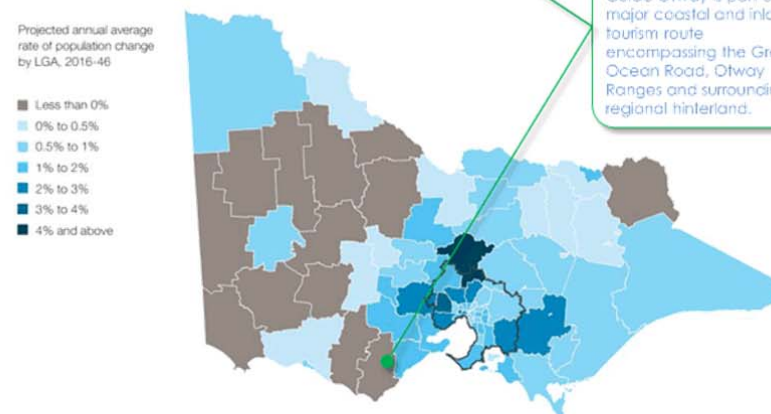


Figure 3: Projected Average Annual Rate of Population Change by LGA, 2016-2046



Source: Infrastructure Victoria
30 Year Strategy

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2_Future State

In the future...

Infrastructure Victoria 30-Year Strategy has made a range of recommendations for new and upgraded transport links, which are needed at different times and have different levels of certainty, but together provide a transport network to meet long-term growth.

Significant investment in the Geelong / Wyndham / Melbourne rail corridor and major new employment nodes such as East Werribee and the Western Intermodal Freight Terminal will significantly enhance the attractiveness of locations south and west of Geelong.

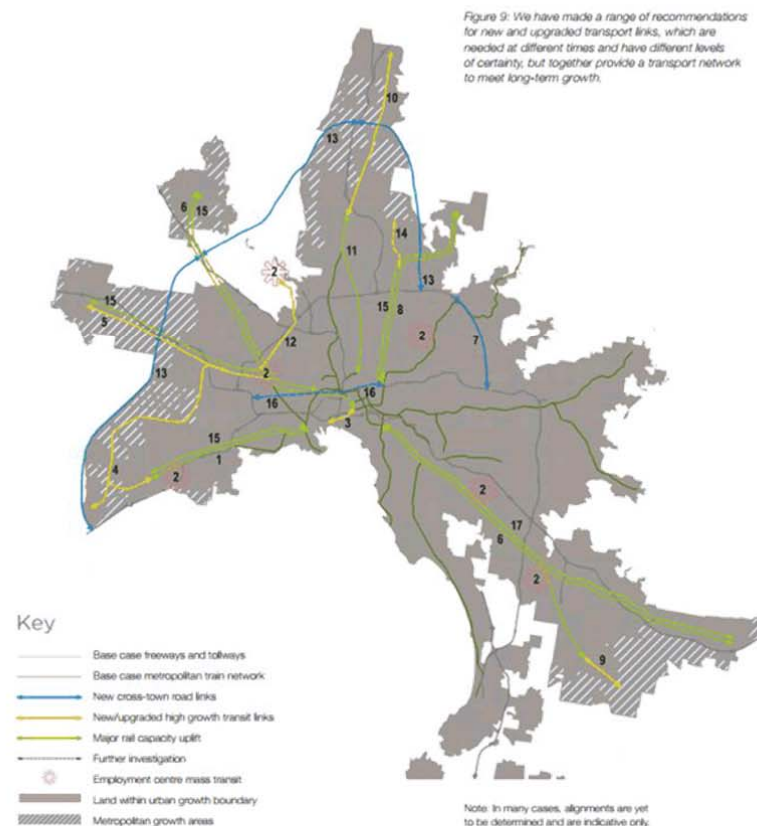
Table 5: Key Transport Projects Summary

Number (not in priority order)	New and upgraded transport links	Recommendation number(s)
Short to medium term (complete within 15 years)		
1	Train timetabling	10.4.2
2	Employment centre mass transit*	11.5.4
3	Fishermans Bend tram link	1.2.1, 10.8.1
4	Geelong/Werribee/Wyndham rail	1.3.4, 10.8.2, 12.3.1
5	Melton rail electrification	1.3.6, 10.8.3
6	10-car metropolitan trains	10.5.2
7	North East Link	11.5.6, 13.5.2
8	High-capacity signalling (priority line, eg Clifton Hill)	10.4.7
9	Cycle rail extension	1.3.7, 10.8.4
Longer term (complete within 15-30 years)		
10	Walter rail electrification	1.3.8, 10.8.5
11	City Loop reconfiguration	10.10.1
12	Melbourne Airport rail link	10.9.2, 11.4.2
13	Outer Metropolitan Ring Road	11.5.7, 13.5.3
Longer term (further investigation)		
14	Waller transport links	1.3.9, 10.8.6
15	Melbourne Metro - future stages	10.10.2
16	Eastern Freeway-CityLink-Western Ring Road	11.5.8, 13.5.4
17	Regional rail eastern corridor	12.3.3, 13.5.5

*The middle and outer employment centres covered by Recommendation 11.5.4 include East Werribee, Sunshine, Melbourne Airport, Latrobe, Monash and Dandenong South.

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Figure 4: New and Upgraded Transport Links in Melbourne

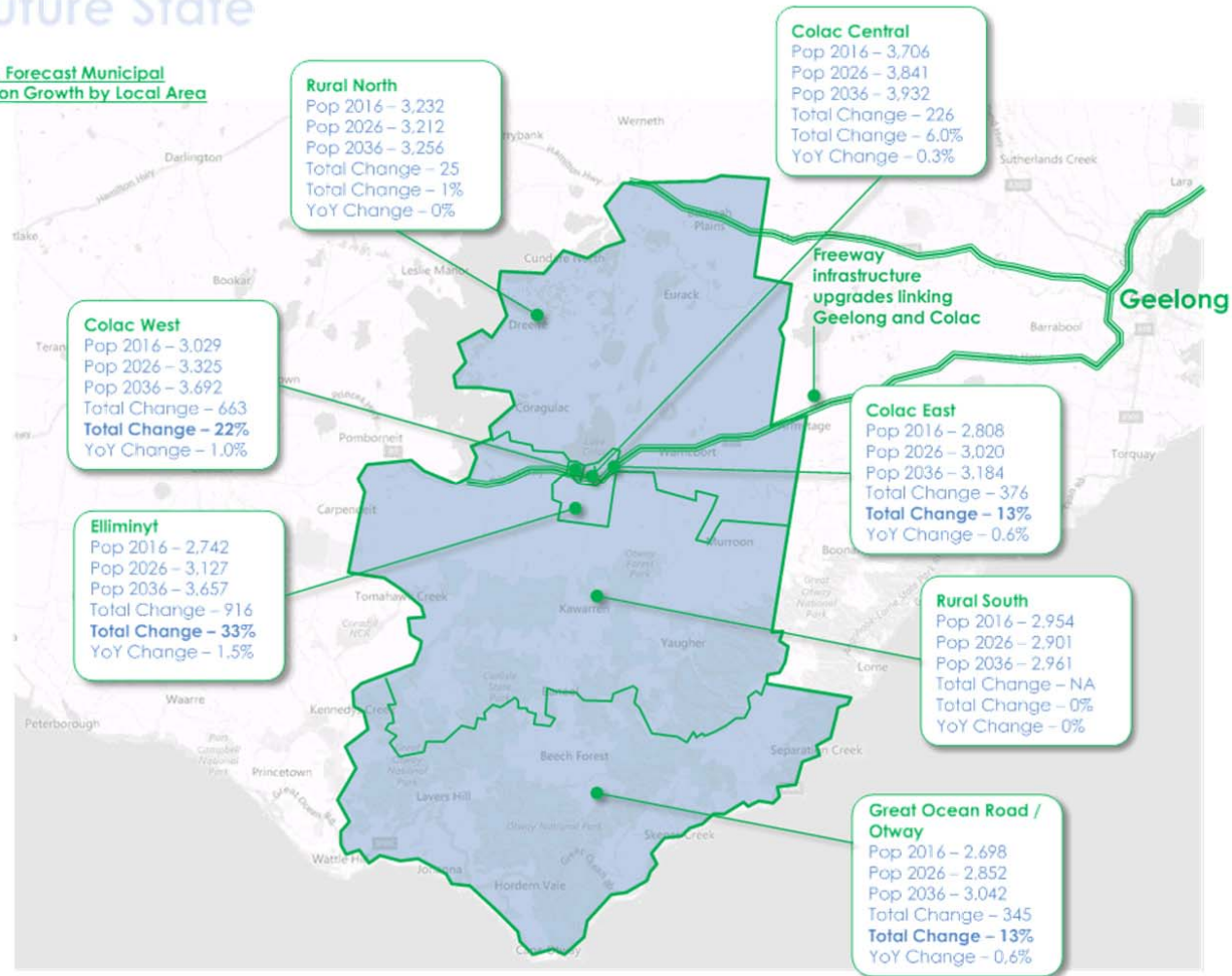


Source: Infrastructure Victoria
30 Year Strategy

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2_Future State

Figure 5: Forecast Municipal Population Growth by Local Area



Colac Otway Shire Council
 Rating Strategy 20 March 2017

Source: MacroPlan Dimasi 2017
 Forecast id. 2015

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3_Current rating system

Council's current municipal rating framework

39. Total Council income from rates and charges was **\$27.613m** in FY15-16 or approx. **60% of total income**.
40. Total income from rates and charges in FY15-16 comprised:
 - General residential rates - \$13.695m (49.6%).
 - General farm rates - \$5.587m (20.2%)
 - General commercial / industrial - \$3.095m (11.2%)
 - Municipal Charge - \$2.488m (9.0%).
 - Garbage Charge - \$2.726m (9.8%).
 - Special rates and charges - \$22,000.
41. Municipal rates and charges are currently estimated using the method outlined in Table 6, with differential rates applicable to residential improved (growth areas), business/industrial and commercial (growth areas), non-farm vacant land, vacant non-developable land (growth areas) and farm land including farm land in growth areas.

Table 6: Colac Otway Municipal Rates Summary (FY15/16)

Rate Type	Rate in the \$ (2015-16)	No. of Assessments (2015-16)	CIV (2015-16)	Rate Differentials
Colac Residential	0.004513	5,520	1,302,856,000	100%
Balance of Shire Residential	0.003836	5,245	1,847,193,000	85%
Rural Farm	0.003565	2,782	1,566,108,000	79%
Holiday Rental	0.004513	415	227,587,000	100%
Colac Commercial/Industrial	0.007446	623	275,806,000	165%
Balance of Shire Commercial/Industrial	0.006318	338	169,606,000	140%
Municipal Charge	\$178			

Source: Colac Otway Shire Council 2017

4_Benchmarks

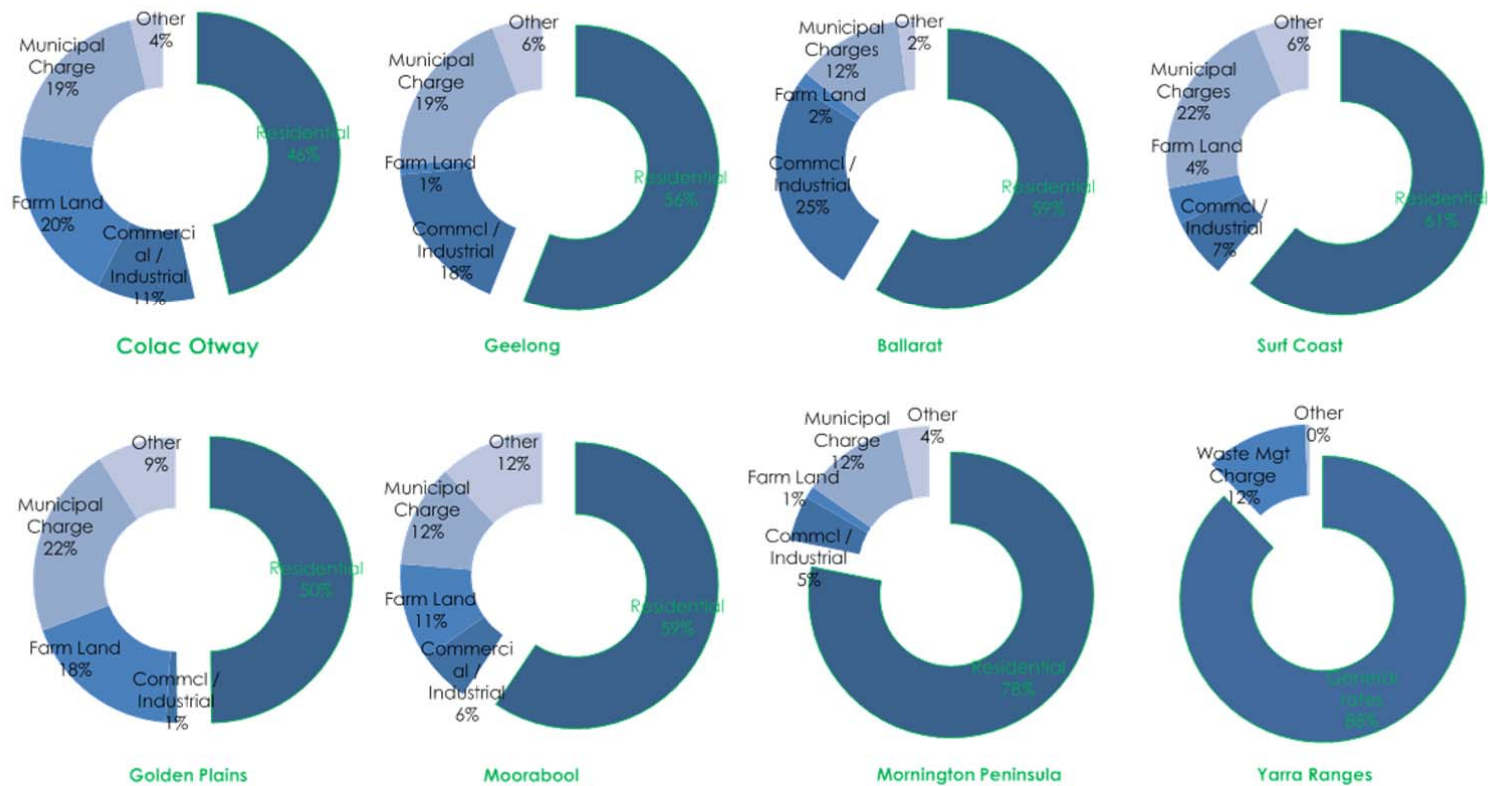
Municipal comparisons

42. A comparison of Colac Otway Shire rates and charges income during FY15-16 with other municipalities demonstrates the following, noting variations in underlying property and land values and the rate-in-the-dollar applied (see Figure 6):
- General residential rates represent approx. 46% of total rates and charges income, well below surrounding municipalities of Geelong (56%), Ballarat (59%), Moorabool (59%) and Surf Coast (61%).
 - Municipal charges including garbage charge and special rates represent around 19% of total rates and charges income, in line with Geelong (19%) but well above Ballarat (12%), Moorabool (12%).
 - Commercial and industrial rates represent approx. 11% of total rates and charges income, well above Moorabool (6%), Surf Coast (7%), and below Geelong (18%) and Ballarat (25%).
 - Rates applicable to farm land represents around 20% of total rates and charges income, well above Geelong (1%), Ballarat (2%), Surf Coast (4%) and Moorabool (11%) and broadly in line with Golden Plains (18%).
43. This comparison demonstrates those municipalities with relatively large urban populations tend to generate more revenue from rates applicable to residential and commercial properties with a relatively lower portion of revenue derived from municipal charges and rates applicable to farm land.
44. This partly reflects more intensive residential and commercial developments within these areas relative to rural land. However, Ballarat, Moorabool and Surf Coast represent municipalities with relatively large rural areas, which also derive a higher overall share of rates revenue from residential, commercial and industrial sources.
45. Mornington Peninsula Council has a large number of regionally dispersed townships as well as emerging urban fringe hot-spots such as Dromana, Hastings and Crib Point. These areas continue to attract new residents and tourism visitation, benefiting local commercial businesses in these areas and increasing demand for community services and infrastructure. Mornington derives 78% rates revenue from residential and 5% from commercial/industrial activities.
46. Likewise Yarra Ranges Shire Council remains a large rural municipality with a growing urban fringe in areas such as Lilydale, Chirnside Park, Mooroolbark, Yarra Glen, Healesville and surrounds. Many of these areas, particularly tourism areas such as Healesville continue to attract residents and visitors, placing increased demands on local community infrastructure and services. Yarra Ranges Council derives 88% rates revenue from general rates.
47. Tourism will continue to be a major driver for commercial business activities in key coastal locations within the Colac Otway Shire, which will support increased commercial business investment and infrastructure in these locations.

4_Benchmarks

Municipal comparisons...

Figure 6: Municipal Rates by Source Comparison FY15/16



Colac Otway Shire Council
Rating Strategy 20 March 2017

Source: Various

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4_Benchmarks

Municipal comparisons...

Rate Capping

All of Victoria's 79 councils will be operating under rate caps from 1 July 2016.

The capped increases apply to the general rates and municipal charges only.

The rate cap may be applied differently depending on whether property is classed residential, commercial or rural. These type of rates are classified as differential rates.

Six councils have been given Essential Services Commission (ESC) approval to adopt rate caps higher than 2.5%.

According to Table 7, Colac Otway Shire ranked 46th most affordable Council on a per assessment basis in FY15-16 – when comparing average rates and charges and waste management fees relative to other Victorian municipalities.

Table 7: Average rates, municipal charges FY15/16 (all Councils)

Council	Average rates, municipal charges and waste management charges 2015-16 per assessment	Rate cap applying for 2016/2017	Council	Average rates, municipal charges and waste management charges 2015-16 per assessment	Rate cap applying for 2016/2017
1 Loddon Shire Council	\$1,259	2.50%	41 Melton City Council	\$1,832	2.50%
2 Monash City Council	\$1,418	2.50%	42 Moonee Valley City Council	\$1,845	2.50%
3 Pyrenees Shire Council	\$1,427	3.80%	43 Wangaratta Rural City Council	\$1,852	2.50%
4 West Wimmera Shire Council	\$1,432	2.50%	44 Mount Alexander Shire Council	\$1,865	2.50%
5 Mornington Peninsula Shire Council	\$1,460	2.50%	45 Campaspe Shire Council	\$1,877	2.50%
6 Whitehorse City Council	\$1,483	2.50%	46 Colac Otway Shire Council	\$1,877	2.50%
7 Hindmarsh Shire Council	\$1,526	2.50%	47 Alpine Shire Council	\$1,879	2.50%
8 Glen Eira City Council	\$1,542	2.50%	48 Greater Dandenong City Council	\$1,888	2.50%
9 Wellington Shire Council	\$1,544	2.50%	49 Moorabool Shire Council	\$1,890	3.50%
10 Mayne Shire Council	\$1,569	2.50%	50 Bayside City Council	\$1,906	2.50%
11 Central Goldfields Shire Council	\$1,573	2.50%	51 Yarra City Council	\$1,910	2.50%
12 Maroondah City Council	\$1,586	2.50%	52 Murrumbidgee Shire Council	\$1,915	4.30%
13 Mansfield Shire Council	\$1,610	2.50%	53 Yarra Ranges Shire Council	\$1,917	2.50%
14 Whittlesea City Council	\$1,619	2.50%	54 Macedon Ranges Shire Council	\$1,936	2.50%
15 Port Phillip City Council	\$1,635	2.50%	55 Manningham City Council	\$1,939	2.50%
16 Hepburn Shire Council	\$1,652	2.50%	56 Cardinia Shire Council	\$1,940	2.50%
17 Yarra-Traralgon Shire Council	\$1,654	2.50%	57 Buloke Shire Council	\$1,953	3.05%
18 East Gippsland Shire Council	\$1,657	2.50%	58 Bow Bow Shire Council	\$1,954	2.50%
19 Stonnington City Council	\$1,658	2.50%	59 Hotham Rural City Council	\$1,954	3.50%
20 Latrobe City Council	\$1,663	2.50%	60 Bendalla Rural City Council	\$1,957	2.50%
21 Southern Grampians Shire Council	\$1,664	2.50%	61 Mitchell Shire Council	\$1,958	2.50%
22 Knox City Council	\$1,666	2.50%	62 South Gippsland Shire Council	\$1,978	2.50%
23 Greater Geelong City Council	\$1,685	2.50%	63 Warrambol City Council	\$1,984	2.50%
24 Tawonga Shire Council	\$1,687	3.50%	64 Wyndham City Council	\$1,984	2.50%
25 Bass Coast Shire Council	\$1,693	2.50%	65 Ballarat City Council	\$2,016	2.50%
26 Frankston City Council	\$1,700	2.50%	66 Coorong Shire Council	\$2,037	2.50%
27 Darebin City Council	\$1,704	2.50%	67 Swan Hill Rural City Council	\$2,078	2.50%
28 Banyule City Council	\$1,706	2.50%	68 Queenscliffe	\$2,139	2.50%
29 Northern Grampians Shire Council	\$1,709	2.50%	69 Ararat Rural City Council	\$2,156	2.50%
30 Gannawarra Shire Council	\$1,711	2.50%	70 Broomeville City Council	\$2,175	2.50%
31 Mairi Shire Council	\$1,718	2.50%	71 Mildura Rural City Council	\$2,201	2.50%
32 Moreland City Council	\$1,725	2.50%	72 Greater Shepparton City Council	\$2,236	2.50%
33 Kingston City Council	\$1,745	2.50%	73 Surf Coast Shire Council	\$2,253	2.50%
34 Indigo Shire Council	\$1,755	2.50%	74 Maitland City Council	\$2,257	2.50%
35 Casey City Council	\$1,768	2.50%	75 Wodonga City Council	\$2,258	2.50%
36 Greater Bendigo City Council	\$1,769	2.50%	76 Shire of Shire Council	\$2,362	2.50%
37 Glenelg Shire Council	\$1,819	2.50%	77 Hobsons Bay City Council	\$2,386	2.50%
38 Benbark City Council	\$1,828	2.50%	78 Melbourne	\$2,393	2.50%
39 Golden Plains Shire Council	\$1,828	2.50%	79 Nillumbik Shire Council	\$2,610	2.50%
40 Hume City Council	\$1,831	2.50%			

Source: Municipal Association of Victoria
Victorian Local Government Rates Survey – 2015-16

4_Benchmarks

Municipal comparisons

Differential Rates

Table 8 (below) compares differential rates currently applying in Colac Otway Shire and benchmark municipalities.

The differential rate applicable to business / commercial / industrial uses in Colac Otway Shire of 165% is broadly in line with Moorabool (160%) but not as high as Surf Coast (195%), Geelong (209%, 278%) and Ballarat (247%, 257%).

The differential rate applicable to farm land in Colac Otway Shire (79%) is not as low as Ballarat (70%) Moorabool (78%) or Hepburn (65%).

Table 8: Municipal Differential Rates Benchmark Comparison, Selected Municipalities

	Colac Otway		Ballarat	Geelong	Golden Plains	Moorabool	Surf Coast	Mornington Peninsula
Rate (Cents in \$ CIV)	Cents/ \$	Diff	Diff	Diff	Diff	Diff	Diff	Diff
Residential Improved	0.4513	100%	100%	100%	100%	100%	100%	100%
Commercial	0.7446	165%	247%	209%	100%	160%	75%	100%
Industrial	0.7446	165%	257%	278%	100%	160%	190%	100%
Farm Land	0.3565	79%	70%	100%	90%	78%		100%
Non-Farm Vacant Land				145%	200%	260%	200%	140%
Vacant Land Non-Developable				153%	100%			120%
Residential (Balance of Shire)	0.3836	85%			106%			
Business, Industrial & Commercial (Balance of Shire)	0.6318	140%	100%		106%			
Farm Land (Growth Area)					96%			
Non-Farm Vacant land (Growth Area)					206%	250%		
Holiday Rental	0.4513	100%						

Source: Various

5_Opportunities

Implications for Colac Otway Shire Council municipal rating strategy

48. The majority of the Shire's population growth is expected to take place in Elliminyt, Colac East/West and Colac Central regions, partly reflecting the impacts of the Freeway duplication and enhanced regional connectivity between Geelong and Colac.
49. At least 13% of projected population growth is expected to occur in Otway Great Ocean Road, which is also likely to experience increased demand for retail and commercial premises and a variety of infrastructure and services to support forecast growth in tourism visitation.
50. Principles underlying a reshaped municipal rating strategy to be explored further, may include:
 - An equitable and efficient municipal rating framework capable of providing the funding capacity to deliver the scale of services and infrastructure required to address peak population demands and encourage sustainable communities across the shire.
 - Expenditure on infrastructure and community services to potentially increase above the ESC 'rate cap' – in line with higher than average population growth across the municipality and surrounding regional areas.
 - Emerging 'tourist towns / growth area' locations to be self-funding in terms of any requirement for new community infrastructure and/or services but ensuring long term residents and older residents / pensioners are not paying for urban fringe infrastructure.
 - Funding for rural infrastructure projects and small townships to be maintained in the future.
 - Agricultural land should remain competitive for agricultural purposes.
51. Setting a municipal rating strategy that will encourage sustainable communities across the shire and address population peaks requires a simplified, staged approach including:
 - Increasing the general residential rate into a short-term (next 12-24 months) to provide funding capacity whilst exploring the potential for a three-tier residential differential rate
 - Carefully examining evidence of the economic benefits derived by holiday rental owners, commercial, industrial and rural rate payers by monitoring peak population flows, traffic counts, car parking and incomes during this time.
 - Implementing a new more sophisticated and evidence-based differential rating system in the next 2-3 years.

5_Opportunities

Scenarios...

52. Colac Otway Shire should to explore the following scenarios, depending on timing and staging considerations:

Next 12-24 months

- Increase the general residential rate for 12-24 months to provide additional short-term funding capacity and resources to examine evidence for a new evidence-based differential rating system.
- Examining evidence of the economic benefits derived by holiday rental owners, commercial, industrial and rural rate payers by implementing monitoring systems to measure peak population flows, traffic counts, overnight/short-stay visitors, waste collections, business turnover, incomes and employment counts (where this information is available) during this time.
- Develop an evidence-based municipal rating strategy that is equitable and efficient, addressing peak tourism population demands whilst delivering services and infrastructure supporting sustainable community outcomes across the shire.

In 2-3 years

- Seek a variation to the ESC rate cap to allow Council to continue to generate additional funding for urban infrastructure and services to complement funding derived under the new ICP framework.
- Based on the above framework, introduce a four tier residential differential rating framework addressing the following groups:
 - a. Primary residential – properties occupied by permanent residents living in the municipality.
 - b. Secondary residential – investment properties occupied by non-resident rate-payers primarily as a second dwelling or holiday home.
 - c. Tertiary residential – holiday rental properties occupied primarily by short-stay vacationers.
 - d. Vacant residential land.
- Introduce revised differential rates (using the evidence collected above) applicable to commercial, industrial and rural land / vacant rural-residential land across the shire.
- Introduce paid car / bus parking in coastal townships in the first instance (such as Apollo Bay) during peak periods e.g. start December to end April.

5_Opportunities

Sign-Posts/Triggers

53. Other potential sign-posts or triggers for consideration, similar to other municipalities may include:

Sign-Posts/Triggers

- Applying a general residential rate to rural farm houses (curtilage) as in Mornington Peninsula.
- Monitor farm incomes / turnover over a period of years to identify and report on areas of stress and/or growth.
- Monitor peak population, traffic flows using traffic counters and business turnover for a period of years and report.
- Considering the revenue requirements required to build a strong foundation to fund major infrastructure and services as communities evolve to become major tourism towns.
- Explore parameters that would underpin a self-funding model for coastal tourist towns supporting increased requirement for new community infrastructure and/or services in these locations, whilst minimising costs / impacts for smaller townships, older residents and rural land users.
- Identify minimum service standards for smaller townships and/or 'low growth' areas to ensure infrastructure and services are maintained in these areas.
- Maintain rate affordability for pensioners and ensure the competitiveness of farm land.

References

The following information and data sources were referred to during the preparation of this report.

ABS Census 2006,2011
ABS Dwelling Approvals, ABS Cat. No. 8731.0
ABS Regional Population Growth: cat. No. 3218.0 (2016)
Ballarat City Council Annual Report 2015-16
Colac Otway Shire Council Annual Report 2015-16
Colac Otway Shire Rating Strategy 2013, MacroPlan Dimasi
Colac Otway Shire Council Municipal Strategic Statement
Colac Otway Shire Planning Scheme
Cordell Database
G21 Regional Growth Plan
Geelong City Council Annual Report 2015-16
Golden Plains Shire Council Annual Report 2015-16
Infrastructure Victoria 30-Year Strategy
Moorabool Shire Council Annual Report 2015-16
Mornington Peninsula Shire Council Annual Report 2015-16
Mornington Peninsula Shire Council Rating Strategy
Municipal Association of Victoria
RP Data
Surf Coast Shire Council Annual Report 2015-16
Tourism Research Australia
Tourism Victoria
Victoria in Future 2016
Yarra Ranges Shire Council Annual Report 2015-16

Annexure

The following information and data was used as supporting evidence in preparing this report and may be read in conjunction with this report.

Annexure

Colac Otway's Gross Regional Product is estimated at \$1.161 billion. Colac Otway represents 17.02 % of Great South Coast's GRP of \$6.820 billion, 0.31 % of Victoria's Gross State Product (GSP) of \$374.435 billion and 0.07 % of Australia's GRP of \$1.655 trillion.

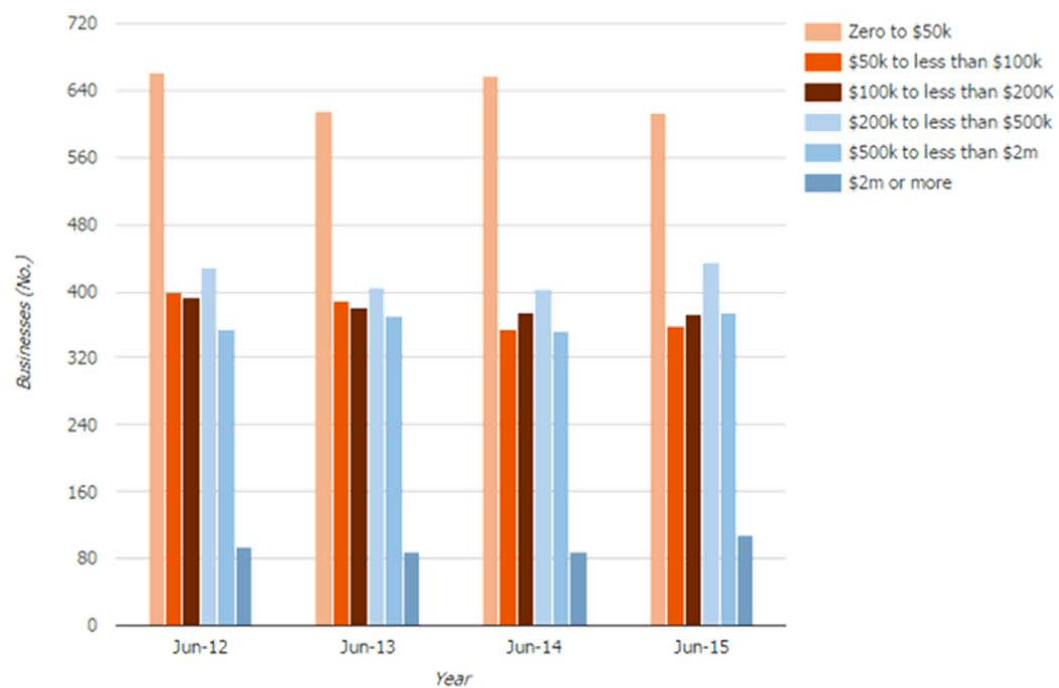
A1: Colac Otway Municipal Rates Summary (FY15/16)

GRP Expenditure Method	Colac Otway
Household Consumption	\$968,647 M
Government Consumption	\$294,996 M
Private Gross Fixed Capital Expenditure	\$371,985 M
Public Gross Fixed Capital Expenditure	\$78,117 M
Gross Regional Expenses	\$1,713,745 M
plus Regional Exports	\$853,369 M
minus Domestic Imports	-\$1,265,788 M
minus Overseas Imports	-\$140,728 M
GRP	\$1,160,598 M
Population	20,347
Per Capita GRP	\$57,040
Per Worker GRP	\$140,186

Source: Latest [REMPLAN](#) data incorporating Australian Bureau of Statistics' (ABS) June 2016 Gross State Product, 2013 / 2014 National Input Output Tables and 2011 Census Place of Work Employment Data.

Annexure

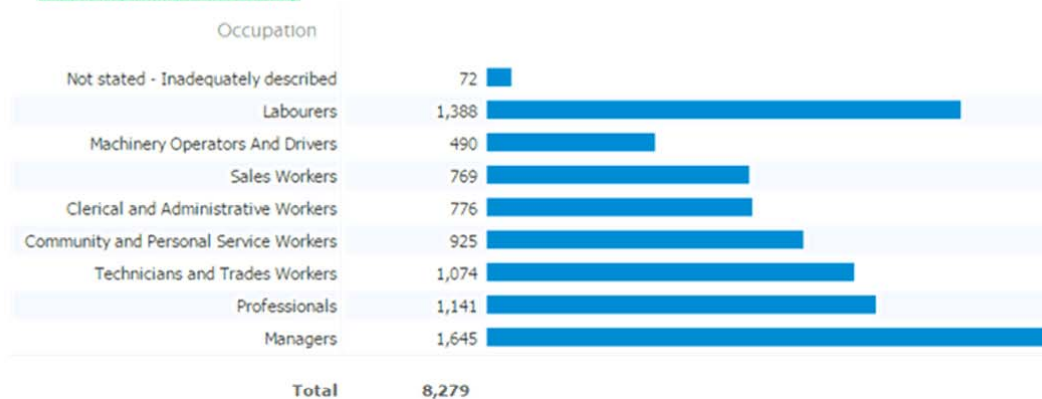
A2: Business Count by Turnover, Colac Otway



Source: Business Counts are based on snapshots of actively trading businesses as at June 2012, 2013, 2014 and 2015 from the Australian Bureau of Statistics Business Register (ABSR).

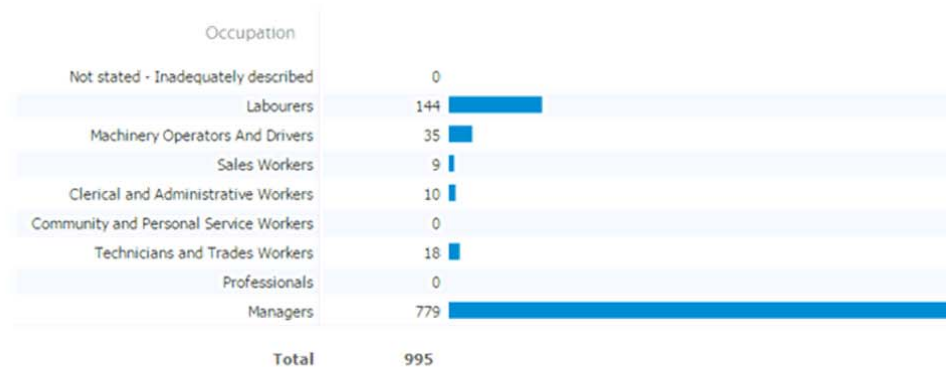
Annexure

A3: Occupation, Colac Otway



Source: Latest REMPLAN data incorporating Australian Bureau of Statistics' (ABS) 2011 Census Place of Work Employment Data.

A4: Occupation by Industry, Colac Otway (Agriculture, Forestry, Fishing)



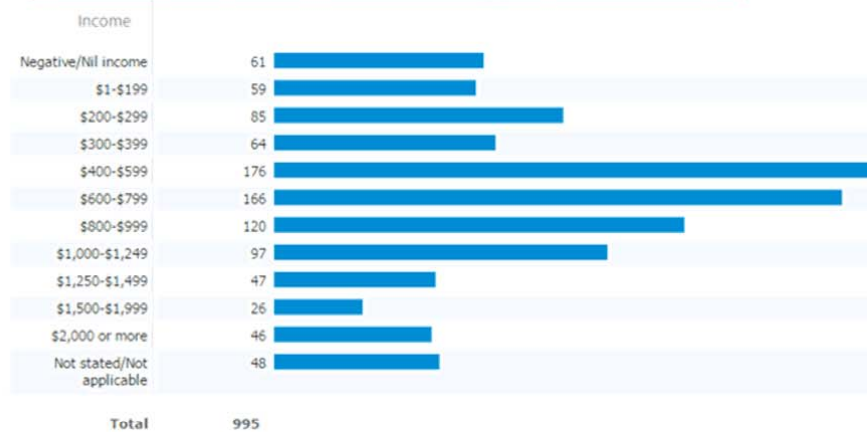
Source: Latest REMPLAN data incorporating Australian Bureau of Statistics' (ABS) 2011 Census Place of Work Employment Data.

Colac Otway Shire Council
Ratrig Strategy 20 March 2017

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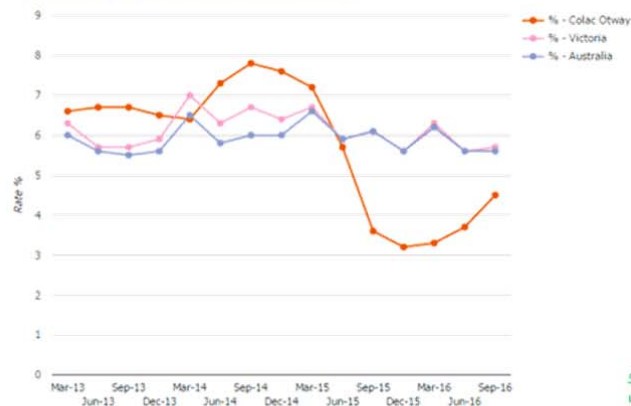
Annexure

A5: Gross Weekly Income by Industry, Colac Otway (Agriculture, Forestry, Fisheries)



Source: Latest REMPLAN data incorporating Australian Bureau of Statistics' (ABS) 2011 Census Place of Work Employment Data

A6: Unemployment Rate, Colac Otway



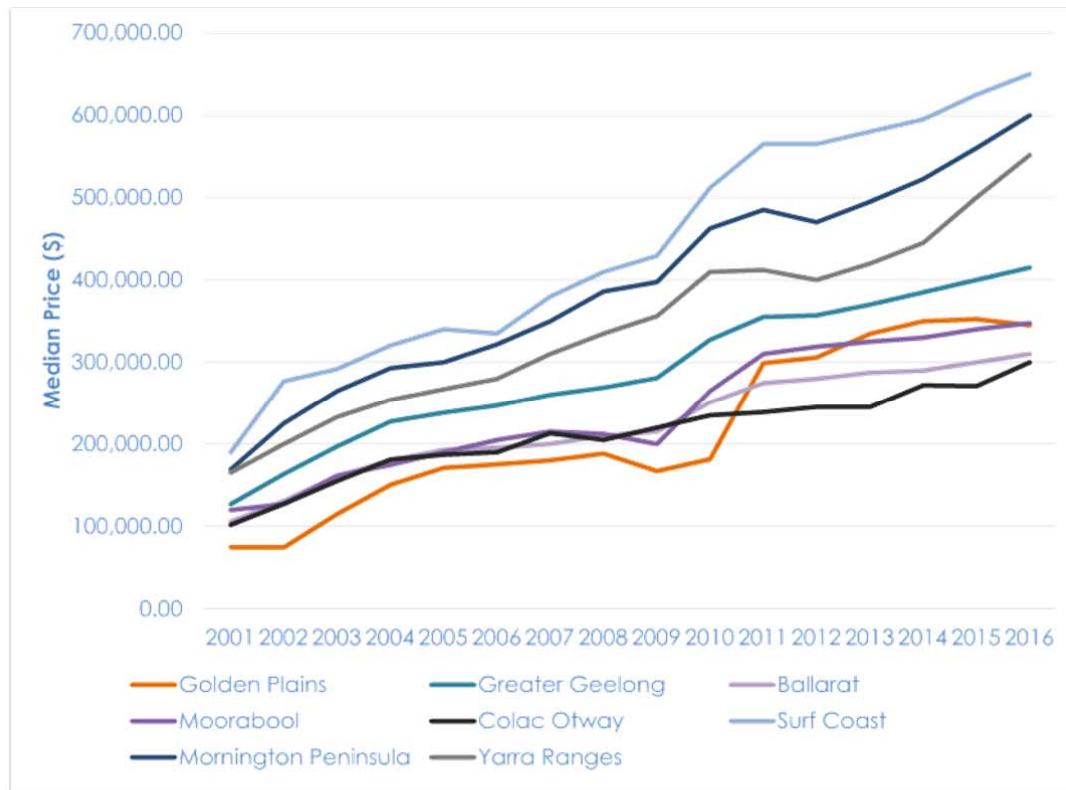
Source: Department of Employment Small Area Labour Markets (SALM). (September Quarter 2016 was released in December 2016. December Quarter 2016 data will be available in March 2017.)

Colac Otway Shire Council
Rating Strategy 20 March 2017

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Annexure

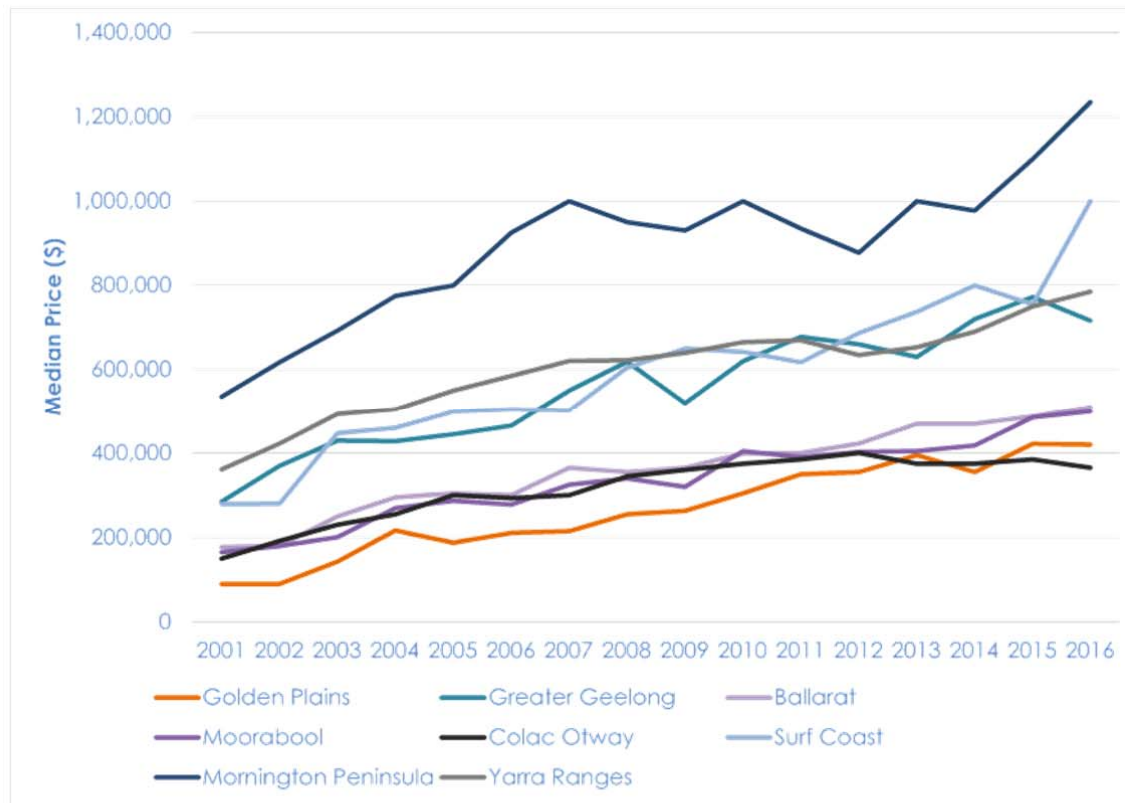
A7: Median House Prices (Transacted Properties), Selected Municipalities



Source: RP Data

Annexure

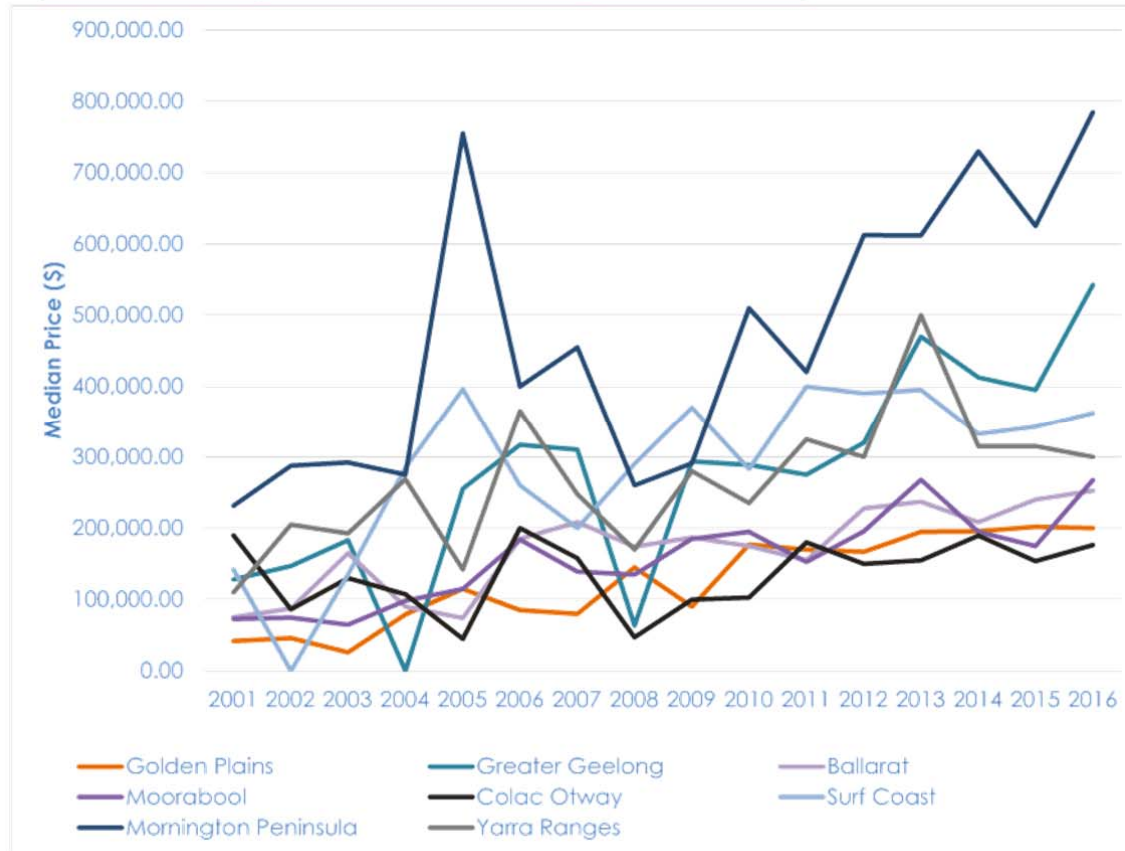
A8: Median Sales Prices (All Rural Land Transactions), Selected Municipalities



Source: RP Data

Annexure

A9: Median Sales Prices (All Rural-Residential Land Transactions), Selected Municipalities



Source: RP Data

Colac Otway Shire Council
Rating Strategy 20 March 2017

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Annexure

A10: Socio-Demographic Profile

	Colac Otway Shire	Regional Victoria avg.
Census 2011		
Per capita income	\$26,724	\$28,382
Var. from Non-metro Vic benchmark	-5.8%	
Median household income	\$47,528	\$49,140
Var. from Non-metro Vic benchmark	-3.3%	
Avg. household size	2.4	2.4
Age distribution (% of population)		
Aged 0-19	25.4%	25.9%
Aged 20-34	15.6%	16.8%
Aged 35-54	26.6%	26.7%
Aged 55-64	14.0%	13.3%
Aged 65-74	9.6%	9.3%
Aged 75-84	6.2%	5.7%
Aged 85+	2.6%	2.3%
Average age	40.9	40.1
Housing status (% of households)		
Owner (total)	76.1%	74.0%
• Owner (outright)	43.4%	39.6%
• Owner (with mortgage)	32.7%	34.3%
Renter	23.0%	25.2%
Other	0.9%	0.8%
Birthplace (% of population)		
Australian born	92.1%	89.0%
Overseas born	7.9%	11.0%
• Asia	1.0%	1.8%
• Europe	5.1%	7.1%
• Other	1.8%	2.1%
Family type (% of households)		
Couple with dep't children	41.9%	41.9%
Couple with non-dep't child.	6.2%	6.5%
Couple without children	26.0%	25.6%
One parent with dep't child.	8.4%	9.8%
One parent w non-dep't child.	3.2%	3.1%
Other family	0.8%	0.8%
Lone person	13.4%	12.3%

Source: ABS Census 2011

Colac Otway Shire Council
Ratrig Strategy 20 March 2017

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Contact

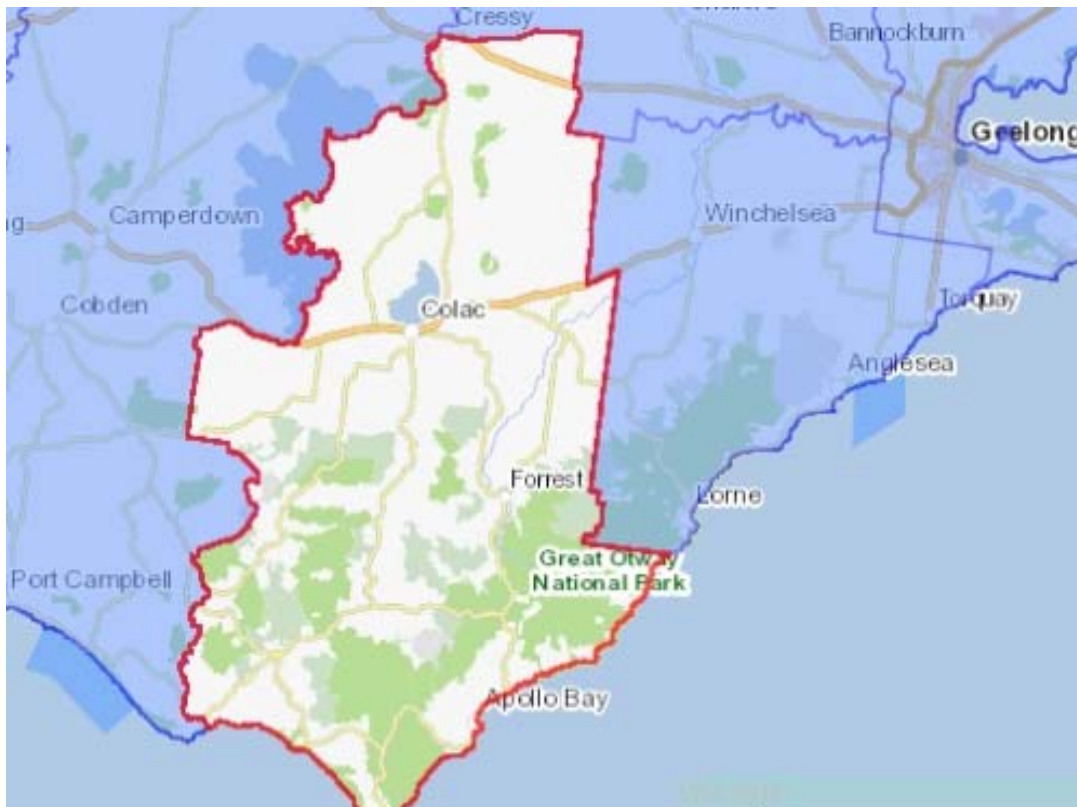
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SPECIAL COUNCIL MEETING
**2018/19 DRAFT BUDGET FOR PUBLIC
SUBMISSIONS**
SC180205-5

LOCATION / ADDRESS	2-6 Rae Street Colac VIC 3250	GENERAL MANAGER	Errol Lawrence
OFFICER	Daniel Fogarty	DIVISION	Corporate Services
TRIM FILE	F17/6554	CONFIDENTIAL	No
ATTACHMENTS	1. Draft Budget for Public Submission		
PURPOSE	To consider endorsement of the Draft Budget 2018/19 and release for public exhibition to seek community feedback.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

This report outlines the draft budget for release for community comment and public submissions.

The draft budget has been prepared in accordance with the requirements of the Act and the Regulations and has been prepared using the Victorian Councils model budget template.

The outcomes from the draft 2018/19 budget are:

- Increase in the base average rate of 1.50% (excluding waste collection charges) equating to 78 cents per property per week.
- No changes to current service levels with funding for Service reviews.
- Delivery of a reduced capital works program to facilitate the lower than cap rate rise, lower level of Capital Grants and reflecting no disaster recovery works in 2018/19.
- Reduced operating costs including:
 - Effective decrease in employee costs after removing mandatory Enterprise bargaining agreement increases and additional fully funded roles;
 - Less than CPI increase in Materials and Services
- Maintenance of our long term financial sustainability.
- Flat overall increase in User Fees and Charges (after removing funding increase in OPASS services)
- No additional borrowings.

3. RECOMMENDATION

That Council:

- 1. Endorses the draft budget 2018/19 for the financial year (Attachment 1) for the purposes of Section 127 of the Local Government Act 1989.**
- 2. Authorises the Chief Executive Officer to give public notice, in accordance with section 223 of the Local Government Act 1989, that Council has prepared a Draft Budget for the 2018/19 year.**
- 3. Appoints a Committee comprising of all Councillors and chaired by the Mayor in accordance with section 223(1)(b)(i) of the Act, to meet on Wednesday 13 June, 2018 at 5pm, and hear any persons who in their written submissions under section 223 of the Act have requested that they be heard in support of their submission.**
- 4. Authorises the Chief Executive Officer to undertake any and all administrative procedures necessary to enable Council to carry out its functions under section 223 of the Act.**
- 5. Notes that written submissions will be accepted for a 4 week period closing 5:00pm Friday 1 June 2018.**
- 6. Considers for adoption the draft budget 2018/19 at the Council Meeting on Wednesday, 27 June 2018 at 4.00pm at COPACC, after consideration of any submissions received by Council at its Special Committee Meeting on Wednesday, 13 June 2018.**

4. BACKGROUND / KEY INFORMATION

BACKGROUND

The Annual Budget is an essential planning and resource tool produced each year. The development of a considered budget is vital to the ongoing operational and financial viability of Council. The budget sets out the expected income and expenditure of both operational and capital activities for the coming year and also incorporates Council's rating strategies. As the rating strategy is being considered concurrently with the 2018/19 budget, the budget document reflects the proposed rating strategy 2018-2020 only.

The budget is a transparent account of Council's operations in line with good governance. The budget documentation forms part of a comprehensive public accountability process and reporting that includes:

- The Council Plan
- The Strategic Resource Plan
- The Annual Budget
- Internal and External Audit
- Annual Report

Process of preparation of the draft budget 2018/19

The draft budget for 2018/19 has been developed in collaboration with Councillors over many months. The preparation has been thorough and comprehensive and has been focussed on delivering the services our community needs whilst also being mindful of costs. The process has identified savings and opportunities to maximise our ability to maintain our essential assets.

This year, the process for the preparation of the draft annual budget has included:

- For the first time, an upfront community consultation process to capture the communities project priorities and expectations, allowing us to put these priorities and expectations at the forefront of our business case deliberations;
- Analysis of funding options including external grant funds;
- A comprehensive review of the fees and charges;
- A comprehensive review of income and expenditure;
- A comprehensive review of all proposed capital and project works including the development of a priority projects list as determined by our Councillors;
- The 2018/19 draft budget has been prepared taking into consideration the work undertaken in creating the rating strategy for 2018-2020.

The 2018/19 draft budget has been prepared in line with the priorities outlined in key strategic documents including the 2017-2021 Council Plan and the Strategic Resource Plan.

The draft 2018/19 budget has been prepared in accordance with the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

KEY INFORMATION

Strategic Resource Plan/ Financial Strategy

The draft budget 2018/19 incorporates the updated 2017-2021 Strategic Resource Plan. The Strategic Resource Plan (SRP) is a four year plan of the financial and human resources Council requires to implement the actions and deliver the objectives set out in the Council Plan 2017 – 2021.

In pursuit of its objectives, the Strategic Resource Plan embodies the following objectives for Council over the next four years including:

- Ensuring that Council's financial resources are directed to achieving the desired outcomes, strategies and initiatives articulated in the Council Plan.
- Ensuring that Council's expenditure on services and capital works is balanced with the revenue it receives.
- Maintaining a viable and sustainable cash position, ensuring Council liquidity position.
- Maintain debt levels below prudential guidelines.
- Continuing to pursue ongoing grant funding for strategic capital funds from the State and Federal governments.
- Ensuring critical renewal is funded annually over the timeframe of the SRP.
- Ensuring a careful use of reserves to fund projects and programs that are consistent with the purpose envisaged when the reserve appropriation was originally made.
- The following are some of the key variables used in forecasting the SRP period:
 - Forecast rates increases of 2%
 - Increases in recurrent grants in line with CPI
 - Increases in Materials and Services in line with CPI
 - Capital works driven by CPI increase from the previous year^{*1}
 - Everything in line with basic economic forecasts (i.e. CPI)

1* We have used this basic forecast for capital works pending the completion of the revised long-term asset management and long term financial plans.

Draft Budget 2018/19 - Summary

Key highlights of the draft budget include:

- Increase in the average rate of 1.50% (excluding waste collection charges) equating to 78 cents per property per week.
- No changes to current service levels with funding for Service reviews.
- Delivery of a reduced capital works program to facilitate the lower than cap rate rise and reflecting no disaster recovery works in 2018/19.
- Reduced operating costs including effective decrease in employee costs after removing mandatory Enterprise bargaining agreement increases and additional fully funded roles.
- Maintenance of our long term financial sustainability.
- Flat overall increase in User Fees and Charges
- No additional borrowings.

Operational Budget

The following are some key highlights to the operational budget:

- User Fees and Charges has increased by 1.8% as a result of the following key movements:
 - \$0.25 million increase in OPASS funding (represented by 4 new resources under employee costs, see below)
 - \$0.05 million decrease in forecast revenue from Bluewater compared to 2017/18
 - \$0.04 million decrease in forecast revenue from the Saleyards due to reduced stock throughput
 - \$0.05 million decrease in forecast revenue from Asset related permits (i.e. asset protection permits)
- Increase in Operating grants as a result of the lower base figure in 2017/18 as a result of the prepayment of the Victorian Grants Commission grants in 2016/17
- Major decrease in Capital grants largely due to the one-off items in 2017/18 (i.e. Disaster Recovery, CBD and entrances project, Apollo Bay Kindergarten, etc.)
- Effective flat movement in terms of employee numbers as follows:

FTE Numbers Comparatives		
	2017-18	2018-19
Budgeted FTE	223.80	223.10
Less		
<i>Disaster Recovery</i>	(4.7)	0.0
<i>Community Care</i>	0.0	(4.0)
Baseline Comparative	219.1	219.1

- Effective Decrease in Employee Expenses as follows:

Salary Comparatives			
	2017-18	2018-19	Movement
Budgeted Salaries	18,981,715	19,216,910	235,195
Less			
<i>Disaster Recovery</i>	(192,237)		192,237
<i>Community Care</i>	0	(210,000)	(210,000)
<i>Less EBA Increase (avg 1.75%)</i>	0	(328,816)	(328,816)
Baseline Comparative	18,789,478	18,678,094	(111,384)

- Below CPI increase in Material's and Services

Materials and Services			
	2017-18	2018-19	Movement
Total	16,449,893	15,596,411	(853,482)
Less	0	0	0
<i>Disaster Recovery</i>	(903,382)	0	903,382
Baseline Comparative	15,546,511	15,596,411	49,900

- Decrease in Other expenses largely due to the Decrease in valuation costs (see corresponding decrease in User Fees and Charges Income) relating to the centralising of valuations to the State Government

Infrastructure Renewal

Asset renewal gap continues to be a topical issue at Colac Otway Shire given the large amount of Infrastructure Colac Otway is responsible for and the limited revenue generation capability. This year's budget highlights some of those challenges given the program no longer includes fully funded disaster recovery works. Accordingly the program is now sitting well below the asset renewal gap ratio targets of 150% (see below).

In light of this, Council is currently undertaking long term financial planning and asset management projects to better inform our long term planning and future budgeting to ensure our financial sustainability.

Services and facilities

The following are some highlights of service delivery in the proposed 2018/19 Budget:

- Brief description of key services being maintained
 - COPACC
 - Reference to Council plan action item achievement
 - Increased maintenance of drainage network Shire wide in response to recent flooding events
 - Deliberate strategy to bring our IT environment up-to-date
 - Investment in a safer community and safer work practices
 - Establishment of 2 neighbourhood "safer places" at Barwon Downs and Beech Forest
 - Security upgrades in the Colac CBD
 - Implementation of the EziTracker software to help keep track of Council officers working in remote locations
 - Investment in upgrades to waste transfer stations
 - Support for the development of Apollo Bay pool and ongoing budget commitment to the operating costs of the enhanced facilities
 - Ongoing commitment to emergency management
 - Increased service delivery of aged care services (with 4 new headcounts fully funded & budgeted for)
 - Renewed funding for Regional Assessment Coordinator
- Undertaking a program of service reviews over the next few years utilising external experts to run the program
- Through the development of a LTFP we will be better informed for the long term to use this long term view to drive what services we are delivering

Capital Works and other Projects

The 2018/19 draft budget includes a number of projects, including but not limited to:

- | | |
|---|-------------|
| • Sealed Road Reconstruction program | \$1,476,000 |
| • Unsealed Road Re-sheet program | \$1,400,000 |
| • Local roads reseal program | \$1,200,000 |
| • Building Renewal Program | \$ 660,000 |
| • Bridge Rehabilitation program | \$ 650,000 |
| • Road improvement program | \$ 555,000 |
| • Lake Colac Masterplan Implementation Stage 1 (Priority Project) | \$ 500,000 |
| • Strategic Local Roads Renewal (Priority Project - \$675,000 over 3 years) | \$ 275,000 |

The total projected Capital Works in the draft budget amounts to \$11.1 million. With Council's budgeted depreciation being \$10.35 million this does not cover the ratio of 150% as per the resolution from 26 February 2014 Council Meeting;

"Capital replacement expenditure to be not less than 150% of depreciation where capital replacement expenditure areas comprise components as listed in the 2012-2013 Colac Otway Shire annual report and additional areas as may be added from time to time."

It is worth noting that this is a rule of thumb measure only and at the conclusion of the Asset management Planning and long term financial planning processes we will have a more accurate view of asset renewal requirements.

Reserve Transfers

Long Service Leave Reserve

During 2012-2013 Council received a call from the industry superannuation fund to maintain the liquidity of the Defined Benefits Superannuation scheme. This call of approximately \$3.18 million was paid during the 2012/13 period. To pay that largely unexpected call, Council reduced the works programme for 2012/13 and utilised funds set aside for employee Long Service Leave.

Council has committed to repay the employee Long Service Leave reserve within eight (8) years and the draft budget includes an amount of \$201,424.50 to continue this.

Landfill Rehabilitation Reserve

In keeping with our approach towards prudent financial management, Council continues to set aside funds for future commitments towards landfill rehabilitation in order to save ratepayers significant amounts in the coming years.

Loan Borrowings

The budget for 2018/19 allows for no new borrowings to be made.

Council is budgeting to repay \$0.65 million in loan principal during 2018/19 and will once again put away another \$100,000 of funds to meet the scheduled repayment of \$500,000 to \$1,000,000 (depending on Council's decision whether to rollover \$500,000) on the Bluewater Bond in the 2019/20 financial year.

Rating

Council's total rates and charges will increase to \$29.9 million to enable the delivery of services and infrastructure to the community. The budget proposal is for an increase in the average rates and charges of 1.50% (general rate and municipal charge) for the 2018/19 financial year, significantly below the announced rate cap of 2.25%.

We have also undertaken an exhaustive and detailed review over the past 18 months of Council's rating strategy in order to prepare the new document for the 2018-2020 period. In this process we have engaged in an extensive community consultation process and Council officers and Councillors have worked together to translate this into the new rating strategy. The 2018/19 draft budget currently reflects the proposed rating strategy; ***please refer to the separate agenda item covering this proposed strategy document.***

When taking into account the rates and charges figures (& property numbers) listed in the budget document, the average assessment (excluding Kerbside bin collection charges but including Municipal Charge) is \$1,765.91 reflecting the 1.5% increase per the rate capping calculation.

Waste Charge

The kerbside collection charge has been reviewed in light of service costs. It is proposed to increase the kerbside collection charge to be increased as follows:

- Weekly charge has increased from \$298 to \$304.50 or 13 cents per week.
- Fortnightly charge has increased from \$198 to \$204.50 or 13 cents per week.

In light of the waste recycling crisis, Council has taken the proactive step to undertake a full review and analysis of its garbage and waste charges. At this point in time the proposed increases do not represent a full cost recovery. The outcomes of this review will influence any future decisions in this area.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

The draft 2018/19 budget has been subject to extensive community consultation with the introduction of an upfront consultative process surrounding potential community projects. A period of approximately 5 weeks was set aside to undertake a series of drop in sessions and an online survey via Council's website to capture the community's expectations and priorities. This information was used to inform decision making around Council's capital, operating and priority projects.

This upfront community consultation approach is reflective of Council's desire to put the community at the heart of all decision making.

In addition we will be running the legislated 28 day process between 4 May 2018 and 1 June 2018 where the community will be invited to make written submissions on the draft budget document.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

Aligns with Theme 4 of the Council Plan.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL & CULTURAL IMPLICATIONS

All budget decisions take full consideration of any social or cultural implications

ECONOMIC IMPLICATIONS

The long term financial sustainability of Council drives all financial decisions made during this budget process.

A detailed understanding of both the micro and macro-economic environment in which our community currently experiences was essential in deciding key outcomes of the budget process.

LEGAL AND RISK IMPLICATIONS

Any contractual obligations are met by the draft budget.

Local Government Act 1989: (Act)

- Section 127 - "Council must prepare a budget"
- Section 129 - "Public notice"
- Section 130 - "Adoption of budget or revised budget"
- Section 223 - "Right to make submission"

RESOURCE IMPLICATIONS (FINANCIAL ETC)

Refer to the draft budget document.

7. IMPLEMENTATION STRATEGY

DETAILS

The exhibition of the draft budget will be publicised and feedback sought through the following mechanisms:

- Published on the website and ability to provide written feedback via the website;
- Budget documents will be available from customer service locations in Colac and Apollo Bay for viewing and written submissions will be accepted at these locations.

COMMUNICATION

The release of the draft budget and processes for providing feedback will be widely publicised in the local media and on the website.

TIMELINE

The exhibition period runs from 4 May 2018 to 1 June 2018.

1 June – Exhibition ends

13 June – Council consider submissions

27 June – Council consider endorsement of the Budget 2018/19 at its Ordinary Meeting

Submissions must be made in writing by Friday 1 June 2018 and Council will consider any submissions (accompanied by a request to speak to these submissions) received at a Special Committee Meeting on Wednesday 13 June 2018 at 5pm prior to the final Budget being considered for adoption on Wednesday 27 June 2018.

Anyone wishing to be heard in support of their submission must advise Council of their intention to do so in the written submission provided by Friday 1 June 2018.

8. OFFICER DIRECT OR INDIRECT INTEREST

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.



Colac Otway

SHIRE

COLAC OTWAY SHIRE DRAFT BUDGET 2018/19

This Budget Report has been prepared with reference to Chartered Accountants ANZ "Victorian City Council Model Budget 2018/19" a best practice guide for reporting local government budgets in Victoria.



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Disclaimer

The information contained in this document is for general guidance only. It is not professional advice and should not be used, relied upon or treated as a substitute for specific professional advice. Given the changing nature of laws, rules and regulations, and the inherent hazards of electronic communication, there may be delays, omissions or inaccuracies in information contained in this document.

The model budget, including financial statements, has been prepared in accordance with the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*. While we have made every effort to ensure that the information contained in this document has been accurate and complies with relevant Victorian legislation, each Council remains responsible to ensure that the budget they prepare is compliant with all statutory requirements.

Mayor's Summary

As a Council, we are charged with balancing the needs and expectations of our communities with our projected revenue – derived both within the Council and from other levels of Government.

I am very pleased that we have been able to prepare a draft budget that once again proposes a rate rise well under the State Government's rate cap.

In 2018-19, property owners in Colac Otway Shire will, on average, see a rate rise of 1.5 per cent - which is a third less than the cap and therefore below the vast majority of Shires.

Our officers have worked hard to keep the rate rise to a minimum, while still preparing a draft budget that reflects being financially responsible remaining mindful of the impact rates are on ratepayers. With far less necessity to focus on capital works associated with bush fire and flood recovery, the capital works budget has almost halved to \$11 million. Council has taken the decision to focus these works on renewal of assets as opposed to building new assets. This decision will still see more than \$6 million spent on roads, bridges and drainage.

This budget means we can maintain a low-risk position, while still progressing with over \$1.1 million of priority projects that you, the community, want.

Key budget highlights include:

- \$275,000 to address the infrastructure gap through our Strategic Local Roads Renewal;
- \$257,000 for Council's joint Energy Efficient Lighting project with G21;
- \$250,000 for Stage 1 of the Lake Colac Foreshore Master Plan;
- \$200,000 for Stage 1 of the Apollo Bay Harbour Precinct Development;
- \$100,000 for toilet design as part of the implementation of the Memorial Square Masterplan; and
- \$100,000 for Stage 1 design of the Forrest Mountain Bike Strategy.

As we continue to move forward with this budget and subsequent budgets, our focus will continue to maintain services, facilities and important community infrastructure so that our Shire continues to be a wonderful place to call home, to conduct business and to visit.

We started the draft 2018-19 budget process earlier than in previous years to provide more opportunity for community input. Our focus remains on the community and the ratepayers who continue to make a significant contribution. We will work diligently to ensure that rate revenue is spent wisely on your behalf.

Cr Joe McCracken
Mayor

Executive Summary

Colac Otway Shires Budget for 2018/19 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 \$0.69m for 2018/19, however after allocating to the relevant reserves (See section 4.3.1) and providing for principal repayment of borrowings and the capital works program it is a balanced budget.

Note the Operating Surplus reflects a financial year without disaster recovery funding as at the time of this budget preparation there was no further disaster recovery works forecast.

1. Key things we are funding

- a. Ongoing delivery of services to the Colac Otway Shire community funded by a budget of \$47.4m. These services are summarised in Section 2;
- b. Continued investment in capital assets (\$11.10m) primarily for renewal works (8.5m) & Upgrade works (\$1.8m). The Statement of Capital Works can be found in Section 3.5 and further details on the capital works budget can be found in Section 4.5;
- c. The 2018/19 Budget also allocates funding to major projects and initiatives as set out in Section 4.5. However this year Council undertook to create a priority projects list established by Councillors to reflect those projects of highest priority to the community, that list is made up of:
 - i. Strategic Local Roads Renewal
 - ii. Lake Colac Foreshore Master plan implementation – Stage 1
 - iii. Memorial Square Masterplan Implementation – Stage 1
 - iv. Apollo Bay Harbour Precinct Development Plan – Stage 1
 - v. Memorial Square Toilets Design
 - vi. Forrest Mountain Bike Strategy Implementation – Stage 1 design
 - vii. Stronger Communities Program (# of smaller projects)
 - viii. Relocation of Apollo Bay Kindergarten to the P12 College site
 - ix. G.R.O.W.
 - x. Colac Integration Water Cycle Management Plan

2. The Rate Rise

- a. The average rate will rise by 1.50% which is 0.75% below the maximum level set by the Minister for Local Government 19 December 2017 under the Fair Go Rates System of 2.25%;
- b. Key Drivers
 - 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;
 - v. To operate within the boundaries set under the Fair Go rates System (Rate Capping).
- c. This is a revaluation year, the majority of the movement in property values relates to revaluations (no impact on revenue) as opposed to growth in properties in the shire (increases rate revenue);
- d. The Fortnightly kerbside bin charge increases to \$204.50 and the weekly kerbside bin charge increases to \$304.50. A review is currently underway to determine cost recovery however this increase in charge still does not result in cost recovery.
- e. Refer to Section 4 for further information on rates.

3. Key Statistics

- Total Revenue: \$48.06M (2017/18 - \$55.43M)
- Total Expenditure: \$47.36M (2017/18 - \$47.89M)
- Accounting Result: \$0.69M Surplus (2017/18 - \$7.54M Surplus) (Refer Income Statement in Section 3.1)
- Total Capital Works Program of \$11.10M (2017/18 - \$21.64M)
 - \$6.92M from Council Cash
 - \$0.00M from borrowings
 - \$0.00M from asset sales
 - \$1.84M from external grants
 - \$2.34M from reserves

4. Budget Influences

External Influences

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

- The Victorian State Government introduced a cap on rate increases from 2016/17. The cap for 2018/19 has been set at 2.25% (2017/18 - 2.0%);
- Consumer Price Index (CPI) increases on goods and services of 1.9% through the year to December quarter 2017 (ABS release 31 January 2018). Still below the Reserve Bank of Australia's target CPI of 2-3%;
- Changes to the cost of disposing of recycling. Note at the time of preparation of the budget no impacts have been included as additional costs are not yet known;
- 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 2% to 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; and
- Transitioning to the National Disability Insurance Scheme (NDIS) impacting the resources required in the Council's Older Persons/Health and Community Care Services.

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 2018/19 Budget. These matters and their financial impact are set out below:

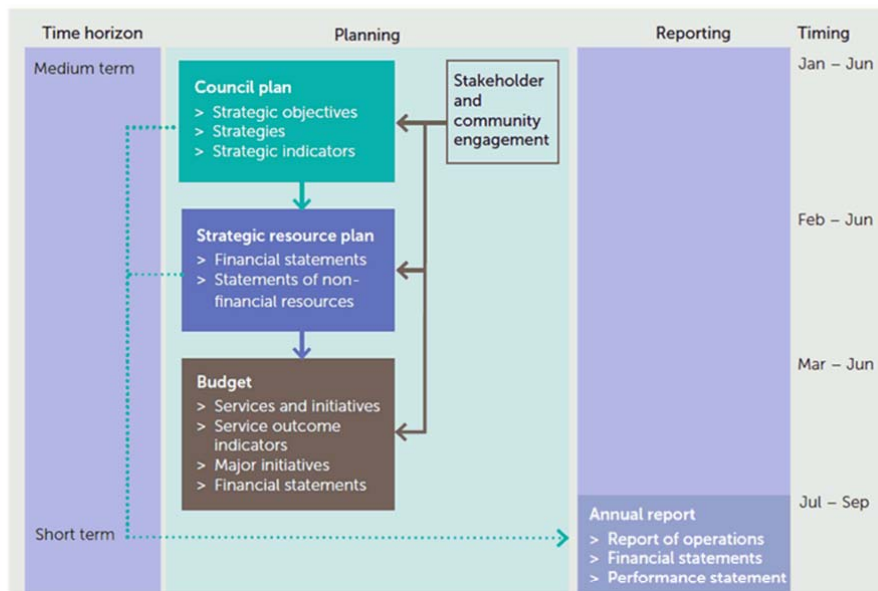
- The outcomes of the renegotiation of Council's Enterprise Bargaining Agreement covering the Strategic Resource Plan period;
- Outcomes of Service reviews;
- The cyclical nature of plant renewal and varying financial resources for maintaining the currency of Council's plant;
- The impact of core knowledge lost due to high turnover over the previous 3 years;
- Outdated IT systems and environment

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 to account (Annual Report).

1.1 Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, 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, considering 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

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes.

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 the 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.

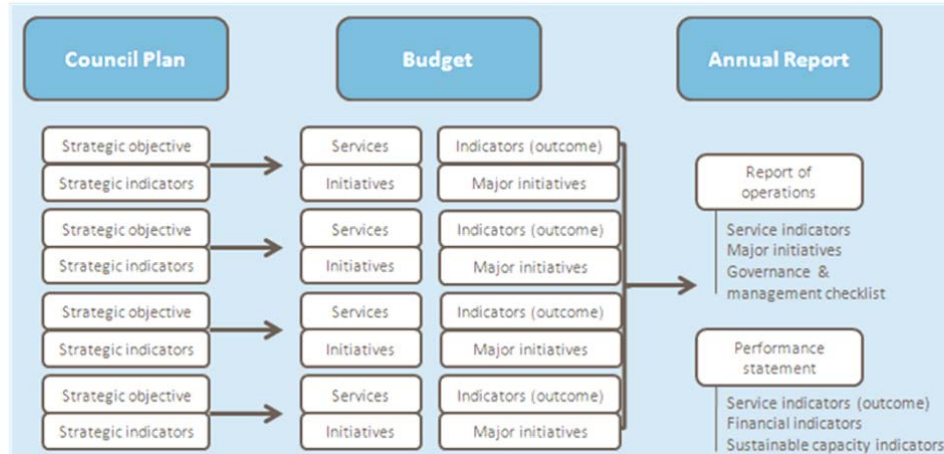
1.3 Strategic objectives

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 Theme	Description
1. <i>Our Prosperity</i>	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. <i>Our Places</i>	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. <i>Our Community</i>	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. <i>Our Leadership & Management</i>	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 initiatives and service performance outcome indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2018/19 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, 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

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.	334 (145) 189
Events	This service provides for active community involvement in the provisioning of management and support for community entertainment and events, including funding for Festival and Events grants.	237 (3) 234
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. The service also facilitates Councils community grant program.	658 (3) 655
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.	954 (369) 585
Apollo Bay Harbour	This service manages and maintains the Apollo Bay Harbour for the enjoyment of the community.	1,485 (1,001) 485
Colac Livestock Selling Centre	This service provides a vital link in our rural infrastructure by providing a marketplace for buying and selling livestock.	394 (566) (172)
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.	1,063 (309) 754
Strategic Planning	This service ensures that land use planning is undertaken to meet the sustainable long term needs of current and future generations.	665 (103) 562

Major Initiatives

Major Initiatives	Expenditure \$'000
Forrest Mountain Bike Strategy Implementation - Stage 1 Design	100
Colac 2050 Growth Plan - Planning Scheme Amendment	75
Implementing the Planning Scheme Review to cut red tape	105
Commencement of the Apollo Bay Harbour Precinct Development Plan	200

Service Performance Outcome Indicators

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 2016-17 reporting period these may be subject to change.

*refer to table at end of section 2.2 for information on the calculation of Service Performance Outcome Indicators.

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)
Sustainable Asset Management	This service provides for sustainable planning, development and use of Council's assets with the aim to maximise community utility in the present and for future generations.	0 0
Emergency Management	This service provides for Council's preparedness to support agencies and the community in the event of an emergency.	220 0 220
Environment	This service provides for management of our natural environment to the betterment and enjoyment of all members of our community.	917 (111) 806
Fire Prevention	This service promotes community safety by aiming to eliminate potential fire risks within our community.	17 (18) (2)
Infrastructure Services	This service provides for the physical assets required by the community to maintain a happy, healthy and sustainable lifestyle.	6,500 (479) 6,020
Parks, Gardens and Reserves	This service provides for the maintenance of open space for the enjoyment of all community members.	1,491 0 1,491
Street Lighting	This service actively promotes community safety by providing a clear and safe environment in our towns after dark.	111 0 111
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.	3,428 (3,199) 229

Major Initiatives

Major Initiatives	\$'000
Sealed Road Reconstruction Programme	1,476
Unsealed Road Resheet Programme	1,476
Development of Neighbourhood Safer Places at Barwon Downs and Beech Forest	83

Service Performance Outcome Indicators

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

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.

Services

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.	1,176 (577) 599
Recreation	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	351 0 351
Bluewater Leisure Centre	This service actively promotes a healthy lifestyle for our community by directly providing swimming and gymnasium facilities.	1,844 (1,243) 601
Local Laws	This service provides for community safety and health by providing for a framework for behaviours which affect our community well-being.	861 (518) 344
Public Health	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	453 (185) 268
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.	3,324 (2,724) 599
Children and Family Services	This service provides support to our children, families and youth to encourage and nurture their growth and development.	941 (715) 226
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.	799 (54) 745

Major Initiatives

Major Initiatives	Expenditure \$'000
Regional Assessment Service Coordinator	174
Memorial Square Masterplan Implementation	130
Concept design and quantity surveying for relocating Apollo Bay Kindergarten to the P12 School	100
Enhanced capacity to undertake essential safety measures under the Building Act	80
Enhanced capacity to implement Domestic Wastewater Management Plan	80

Service Performance Outcome Indicators

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]
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

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.

Services

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.	1,321 0 1,321
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.	2,125 (6,933) (4,807)
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.	828 (1) 827
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.	409 (22) 387
Contract Management Service	This service provides oversight and governance on contractual and procurement services undertaken by Council	132 0 132
Information Services	This service provides management and governance of information flows, storage and retrieval within the organisation in accordance with appropriate legislation and standards.	2,789 (2) 2,788
People, Performance & Culture	This service provides and develops a culture of high performance, productivity and accountability across the organisation.	744 0 744
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.	442 (0) 442

Major Initiatives

Major Initiatives	Expenditure \$'000
Information Technology Infrastructure Upgrades	365
Enhanced Financial & Statutory Reporting Capability project	127

Service Performance Outcome Indicators

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

2.5 Reconciliation with budgeted operating result

	Net Cost		
	Total	Expenditure	(Revenue)
	\$'000	\$'000	\$'000
Our Prosperity	3,293	5,791	(2,498)
Our Places	8,875	12,683	(3,807)
Our Community	3,733	9,749	(6,016)
Our Leadership & Management	1,834	8,791	(6,957)
Total services and initiatives	17,734	37,013	(19,279)
Depreciation & Finance Costs	10,350		
Deficit before funding sources	28,084		
Funding sources:			
Rates & charges (excluding Waste)	(26,943)		
Capital grants	(1,835)		
Total funding sources	(28,778)		
(Surplus)/Deficit for the year	(694)		
Less			
Capital Grants	1,835		
Capital Contribution	0		
Underlying (Surplus)/Deficit	1,141		
Less			
Additional rates funded CAPEX beyond Depreciation	(1,084)		
Transfers to Reserves from Operating Budget	10,033		
Transfers from Reserves to Operating Budget	(10,774)		
Loan Principal Repayments	649		
Increase/(Decrease) in Investment in Associate	35		
(Surplus)/Deficit Funds	0		

3. Financial statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2018/19 has been supplemented with projections to 2021/22 extracted from the Strategic Resource Plan.

This section includes the following financial statements prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

Comprehensive Income Statement
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Statement of Capital Works
Statement of Human Resources

3.1 Comprehensive Income Statement

For the four years ending 30 June 2022

	Notes	Budget	Budget	Strategic Resource Plan Projections		
		2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Income						
Rates and charges	4.1.1	29,238	29,924	30,523	31,134	31,757
Statutory fees and charges	4.1.2	730	796	817	838	860
User fees and charges	4.1.3	4,540	4,622	4,742	4,866	4,992
Grants - Operating	4.1.4	9,478	10,048	10,773	11,564	12,426
Grants - Capital	4.1.4	10,185	1,835	1,872	1,910	1,949
Contributions - monetary	4.1.5	485	57	57	57	57
Contributions - non-monetary	4.1.5	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		147	147	147	147	147
Fair value adjustments for investment property		-	-	-	-	-
Share of net profits/(losses) of associates and joint ventures		7	35	35	35	35
Other income	4.1.6	616	593	594	596	597
Total income		55,427	48,057	49,560	51,146	52,820
Expenses						
Employee costs	4.1.7	18,982	19,217	19,695	20,187	20,692
Materials and services	4.1.8	16,450	15,596	15,986	16,386	16,796
Bad and doubtful debts		2	2	2	2	2
Depreciation and amortisation	4.1.9	10,027	10,350	10,764	11,195	11,642
Borrowing costs		226	181	112	53	39
Other expenses	4.1.10	2,199	2,017	2,067	2,118	2,170
Total expenses		47,886	47,363	48,626	49,940	51,341
Surplus/(deficit) for the year		7,542	694	934	1,206	1,479
Other comprehensive income						
Items that will not be reclassified to surplus/(deficit) in future periods						
Net asset revaluation increment/(decrement)		-	-	-	-	-
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods						
Total comprehensive result		7,542	694	934	1,206	1,479

3.2 Balance Sheet

For the four years ending 30 June 2022

	Notes	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Strategic Resource Plan Projections		
				2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Assets						
Current assets						
Cash and cash equivalents		10,857	14,627	13,338	13,883	15,009
Trade and other receivables		1,873	4,111	4,193	4,277	4,363
Inventories		50	169	169	169	169
Total current assets		12,781	18,907	#VALUE!	#VALUE!	#VALUE!
Non-current assets						
Trade and other receivables		-	-	#VALUE!	#VALUE!	#VALUE!
Investments in associates and joint ventures		311	346	380	415	450
Property, infrastructure, plant & equipment		296,735	296,437	297,199	297,815	298,275
Intangible assets		46	-	#VALUE!	#VALUE!	#VALUE!
Total non-current assets		297,092	296,783	#VALUE!	#VALUE!	#VALUE!
Total assets		309,873	315,690	#VALUE!	#VALUE!	#VALUE!
Liabilities	4.2.1					
Current liabilities						
Trade and other payables		2,377	2,245	2,301	2,359	2,418
Trust funds and deposits		671	468	468	468	468
Provisions		4,487	4,310	4,417	4,527	4,639
Interest-bearing loans and borrowings		649	1,697	286	142	596
Total current liabilities		8,184	8,720	7,473	7,496	8,121
Non-current liabilities						
Provisions		3,576	7,542	7,731	7,924	8,122
Interest-bearing loans and borrowings		2,721	1,024	738	596	-
Total non-current liabilities		6,297	8,566	8,469	8,520	8,122
Total liabilities		14,481	17,286	15,941	16,015	16,243
Net assets		295,392	298,404	#VALUE!	#VALUE!	#VALUE!
Equity						
Accumulated surplus		135,666	135,566	135,686	136,057	136,681
Reserves		159,726	162,838	163,652	164,486	165,342
Total equity		295,392	298,404	299,338	300,544	302,023

3.3 Statement of Changes in equity

For the four years ending 30 June 2022

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017/18 Budget				
Balance at beginning of the financial year	287,850	123,041	148,936	15,873
Surplus/(deficit) for the year	7,542	7,542	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	(8,847)	-	8,847
Transfer from other reserves	-	13,931	-	(13,931)
Balance at end of the financial year	295,392	135,666	148,936	10,790
2018/19 Budget				
Balance at beginning of the financial year	295,392	135,666	148,936	10,790
Surplus/(deficit) for the year	694	694	-	-
Net asset revaluation increment/(decrement)	2,318	-	2,318	-
Transfer to other reserves	-	(11,568)	-	11,568
Transfer from other reserves	-	10,774	-	(10,774)
Balance at end of the financial year	298,404	135,566	151,254	11,584
2019/20 Strategic Resource Plan				
Balance at beginning of the financial year	298,404	135,566	151,254	11,584
Surplus/(deficit) for the year	934	934	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	(11,857)	-	11,857
Transfer from other reserves	-	11,043	-	(11,043)
Balance at end of the financial year	299,338	135,686	151,254	12,399
2020/21 Strategic Resource Plan				
Balance at beginning of the financial year	299,338	135,686	151,254	12,399
Surplus/(deficit) for the year	1,206	1,206	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	(12,153)	-	12,153
Transfer from other reserves	-	11,319	-	(11,319)
Balance at end of the financial year	300,544	136,057	151,254	13,233
2021/22 Strategic Resource Plan				
Balance at beginning of the financial year	300,544	136,057	151,254	13,233
Surplus/(deficit) for the year	1,479	1,479	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	(12,457)	-	12,457
Transfer from other reserves	-	11,602	-	(11,602)
Balance at end of the financial year	302,023	136,681	151,254	14,088

3.4 Statement of Cash Flows

For the four years ending 30 June 2022

	Notes	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Strategic Resource Plan Projections		
				2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		29,245	29,628	30,515	31,126	31,749
Statutory fees and fines		730	796	817	838	860
User fees		4,540	4,622	4,742	4,866	4,992
Grants - capital		9,668	828	1,835	1,872	1,910
Grants - operating		8,961	9,041	10,736	11,526	12,388
Contributions - monetary		485	57	57	57	57
Other receipts		616	593	594	596	597
Employee costs		(19,128)	(15,428)	(19,400)	(19,884)	(20,381)
Materials and services		(18,308)	(18,072)	(15,932)	(16,330)	(16,739)
Trust funds and deposits repaid		-	(203)	-	-	-
Other payments		(2,199)	(2,017)	(2,067)	(2,118)	(2,170)
Net cash provided by/(used in) operating activities	4.4.1	14,818	9,845	11,898	12,548	13,263
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(26,296)	(5,736)	(11,869)	(12,154)	(12,445)
Proceeds from sale of property, infrastructure, plant and equipment		490	490	490	490	490
Net cash provided by/ (used in) investing activities	4.4.2	(25,806)	(5,246)	(11,379)	(11,664)	(11,955)
Cash flows from financing activities						
Finance costs		(226)	(181)	(112)	(53)	(39)
Repayment of borrowings		(604)	(649)	(1,697)	(286)	(142)
Net cash provided by/(used in) financing activities	4.4.3	(830)	(830)	(1,809)	(339)	(182)
Net increase/(decrease) in cash & cash equivalents		(11,817)	3,770	(1,290)	545	1,126
Cash and cash equivalents at the beginning of the financial year		22,675	10,857	14,627	13,338	13,883
Cash and cash equivalents at the end of the financial year		10,857	14,627	13,338	13,883	15,009

3.5 Statement of Capital Works

For the four years ending 30 June 2022

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Strategic Resource Plan Projections		
			2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Property					
Land	500	-	-	-	-
Buildings	4,419	765	1,475	1,511	1,549
Total land & Buildings	4,919	765	1,475	1,511	1,549
Total property	4,919	765	1,475	1,511	1,549
Plant and equipment					
Plant, machinery and equipment	1,683	1,865	1,399	1,434	1,470
Fixtures, fittings and furniture	237	160	534	547	561
Computers and telecommunications	527	585	216	221	227
Total plant and equipment	2,447	2,610	2,148	2,202	2,257
Infrastructure					
Roads	7,311	5,556	5,939	6,087	6,239
Bridges	650	650	501	514	527
Footpaths and cycleways	525	375	471	483	495
Drainage	3,445	400	451	462	473
Other infrastructure	2,340	746	394	404	414
Total infrastructure	14,271	7,727	7,756	7,950	8,149
Total capital works expenditure	21,637	11,102	11,379	11,664	11,955
Represented by:					
New asset expenditure	7,755	767	786	805	826
Asset renewal expenditure	12,309	8,530	8,743	8,962	9,186
Asset upgrade expenditure	1,572	1,805	1,850	1,896	1,944
Total capital works expenditure	21,637	11,102	11,379	11,664	11,955
Funding Sources represented by:					
Grants	9,909	1,835	1,872	1,909	1,948
Contributions	259	-	-	-	-
Council Cash	11,468	9,266	9,507	9,754	10,008
Borrowings	-	-	-	-	-
Total capital works expenditure	21,637	11,102	11,379	11,664	11,955

3.6 Statement of Human Resources

For the four years ending 30 June 2022

	Budget	Budget	Strategic Resource Plan Projections		
	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Staff expenditure					
Employee costs - operating	18,982	19,217	19,695	20,187	20,692
Employee costs - capital	700	700	700	700	700
Total staff expenditure	19,682	19,917	20,395	20,887	21,392
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Employees	223.8	223.1	223.1	223.1	223.1
Total staff numbers	223.8	223.1	223.1	223.1	223.1

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

Department	Budget	Permanent		Casual	Temporary
	2018/19 \$'000	Full Time \$'000	Part Time \$'000	\$'000	\$'000
Chief Executive Office	696	637	44	15	-
Corporate Services	4,032	3,125	789	118	-
Development and Community Services	7,233	3,942	3,188	88	15
Infrastructure and Leisure Services	7,255	5,924	760	572	-
Disaster Recovery	-	-	-	-	-
Total staff expenditure	19,217	13,628	4,781	793	15
Casuals and other expenditure	793				
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	Permanent		Casual	Temporary
	FTE	Full Time	Part Time		
Chief Executive Office	5.5	5.0	0.3	0.2	-
Corporate Services	40.4	32.0	7.8	0.7	-
Development and Community Services	80.1	44.6	34.9	0.5	0.2
Infrastructure and Leisure Services	97.0	81.2	9.5	6.3	-
Disaster Recovery	-	-	-	-	-
Total	223.1	162.8	52.5	7.6	0.2
Casuals and other (inclusive in the above EFT numbers)	7.6				
Capitalised labour costs	8.9				
Total staff	223.1				

Note the additional FTE in 2018/19 relates to fully funded Home care resources.

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's annual budget.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2018/19 the FGRS cap has been set at 2.25%. The cap applies to both general rates and municipal 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 community.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 1.50% which is within the rate cap.

This will raise total rates and charges for 2018/19 as shown below.

4.1.1(a) 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	2017/18 Budget cents/\$CIV	2018/19 Budget cents/\$CIV	Change %
Commercial/Industrial - BOS	0.006191	0.005915	(4.5%)
Commercial/Industrial - Colac	0.007297	0.006971	(4.5%)
Holiday Rental	0.004422	0.004225	(4.5%)
Residential - BOS	0.003759	0.003591	(4.5%)
Residential - Colac	0.004422	0.004225	(4.5%)
Rural Farm	0.003405	0.003253	(4.5%)

NB* The above decrease is a direct result of this being a revaluation year

4.1.1(b) 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	2017/18 Budget \$'000	2018/19 Budget \$'000	Change %
Commercial/Industrial - BOS	1,054	1,066	1.1%
Commercial/Industrial - Colac	2,081	2,067	(0.7%)
Holiday Rental	1,069	1,068	(0.1%)
Residential - BOS	7,468	7,669	2.7%
Residential - Colac	6,328	6,683	5.6%
Rural Farm	5,715	5,714	(0.0%)
Total amount to be raised by general rates	23,714	24,267	2.3%

4.1.1(c) 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	2017/18 Budget Number	2018/19 Budget Number	Change %
Commercial/Industrial - BOS	343	340	(0.9%)
Commercial/Industrial - Colac	631	649	2.9%
Holiday Rental	454	426	(6.2%)
Residential - BOS	5,369	5,378	0.2%
Residential - Colac	5,562	5,667	1.9%
Rural Farm	2,771	2,809	1.4%
Total number of assessments	15,130	15,269	0.9%

4.1.1(d) The basis of valuation to be used is the Capital Improved Value (CIV)

4.1.1(e) 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	2017/18 Budget \$'000	2018/19 Budget \$'000	Change %
Commercial/Industrial - BOS	170,283	175,117	2.8%
Commercial/Industrial - Colac	285,203	307,143	7.7%
Holiday Rental	241,748	237,266	(1.9%)
Residential - BOS	1,986,838	2,128,657	7.1%
Residential - Colac	1,430,792	1,602,346	12.0%
Rural Farm	1,678,289	1,744,422	3.9%
Total value of land	5,793,154	6,194,951	6.9%

NB* The above increase is a direct result of this being a revaluation year in addition to property growth per section 4.1.1(c)

4.1.1(f) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property Budget 2017/18 \$	Per Rateable Property Budget 2018/19 \$	Change %
Municipal	184.64	187.43	1.5%

4.1.1(g) The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2017/18 Budget \$'000	2018/19 Budget \$'000	Change %
Municipal	2,633	2,696	2.4%

4.1.1(h) 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	Per Rateable Property Budget 2017/18 \$	Per Rateable Property Budget 2018/19 \$	Change %
Weekly Kerbside collection	298	305	2.3%
Fortnightly Kerbside collection	198	205	3.5%

4.1.1(i) 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	2017/18 Budget \$'000	2018/19 Budget \$'000	Change %
Kerbside collection	2,870	2,994	4.3%

4.1.1(j) The estimated total amount to be raised by all rates and charges compared with the previous financial year

Type of Charge	2017/18 Budget \$'000	2018/19 Budget \$'000	Change %
General rates	23,714	24,267	2.3%
Municipal charge	2,633	2,696	2.4%
Kerbside collection and recycling	2,870	2,994	4.3%
Tirrengower Drainage Scheme	21	21	-
Rates and charges	29,238	29,979	2.5%

NB The above increase is a direct result of this (a) being a revaluation year, (b) growth in properties per section 4.1.1(b) and the 1.5% average rate increase per the rate capping calculation.*

4.1.1(k) Fair go rates Compliance.

Colac Otway Shire is fully compliant with the State Government's Fair Go Rates System.

Type of Charge	2017/18 Budget \$'000	2018/19 Budget \$'000
Total Rates (including supplementary assessments forecast)	\$26,347	\$26,964
Number of rateable properties (including supplementary assessments forecast)	15,130	15,269
Base average rate	\$1,741	\$1,766
Maximum rate increase (set by the State Government)	2.00%	2.25%
Capped Average Rate	\$1,741	\$1,766
Maximum General Rates and Municipal Charges Revenue	\$26,705	\$27,163
Budgeted General Rates and Municipal Charges Revenue	\$26,347	\$26,964

4.1.1(l) 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.

4.1.1(m) Differential rates

The rate and amount of rates payable in relation to land in each category of differential are listed above in item 4.1.1(a).

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.

General Rates Charges

Please note, the following categories and differentials are subject to finalisation of the Rating Strategy 2018 to 2021.

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; or
- 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:

- a) Is greater than 5 hectares in area;
- b) Is zoned to allow the land to be used for rural and/or farming purposes;
- c) Has been deemed unviable for the purposes of carrying on a business of primary production by Council; and
- d) 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:

- a) Is used for the provision of holiday accommodation for the purpose of generating income; or
- b) 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;

- d) 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;

- d) 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.

Other Charges

Municipal Charge

A Municipal Charge be declared for the budgeted period pertaining to this budget document to cover some of the administrative costs of the Council.

The Municipal Charge to be as stated in item 4.1.1(f) 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 per 4.1.1(h) for the weekly service provided be declared for:

- a) All land used primarily for residential or commercial purposes; or
- b) Other land in respect of which a weekly waste collection and disposal service is provided, for the budgeted period pertaining to this budget document.

An annual service (waste management) charge per 4.1.1(h) for the fortnightly service provided be declared for:

- a) All land used primarily for residential or commercial purposes; or
- b) Other land in respect of which a weekly waste collection and disposal service is provided, for the budgeted period pertaining to this budget document.

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

4.1.2 Statutory fees and fines

	2017/18 Budget \$'000	2018/19 Budget \$'000	Change	
			\$'000	%
Infringements & Costs	187	216	29	15.5%
Town Planning Fees	279	307	28	10.2%
Health Regulations	160	170	11	6.8%
Building Permits	101	103	2	2.0%
Engineering Fees	4	-	(4)	(100.0%)
Total Statutory fees and fines	730	796	66	9.0%

There are a number of increases in the infringement and town planning fees which are out of councils control as they are set by other agencies.

4.1.3 User fees

	2017/18 Budget \$'000	2018/19 Budget \$'000	Change	
			\$'000	%
Aged services fees	1,037	1,293	255	24.6%
Leisure centre fees	1,189	1,142	(46)	(3.9%)
Colac livestock selling centre fees	600	566	(34)	(5.7%)
Colac Otway Performing Arts & Cultural Centre fees	437	446	9	2.2%
Visitor information centre fees	368	369	1	0.2%
Parking, animal control & local laws fees	258	243	(16)	(6.0%)
Waste disposal fees	173	185	12	6.9%
Other fees and charges	74	23	(51)	(69.0%)
Apollo Bay harbour fees	113	88	(25)	(21.9%)
Council properties fees and rental	199	142	(57)	(28.8%)
Town planning and building services fees	41	44	4	9.4%
Child care children's programs	53	82	29	55.5%
Total User fees	4,540	4,622	82	1.8%

In the Aged services area there is an increase of fees due to increased numbers using the Home Care Services that council provides to the community. There is also a forecasted decrease in the income for the Livestock Selling Centre as throughput is expected to be down.

4.1.4 Grants

Grants are required by the Act and the Regulations to be disclosed in Council's annual budget.

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Variance \$'000
a) Operating Grants			
Recurrent - Commonwealth Government			
Victorian Grants Commission	2,904	6,341	3,437
Family day care	377	371	(6)
General home care	69	40	(29)
Diesel Fuel Rebate	50	50	-
Health & Community Services	2	2	-
Other	20	-	(20)
Recurrent - State Government			
Aged and disability services	1,062	1,079	18
Port management	805	913	108
Environment and protection services	355	127	(228)
Arts and Leisure	114	115	1
Planning, Building & Health	9	105	96
Health & Community Services	355	583	228
Other	100	264	(345)
Total recurrent grants	6,220	9,988	3,260
Non-recurrent - State Government			
Environment and protection services	-	60	60
Economic development and events	800	-	(800)
Planning, Building & Health	90	-	(90)
Environment and protection services	2,368	-	(1,860)
Total non-recurrent grants	3,258	60	(2,690)
Total operating grants	9,478	10,048	570
b) Capital Grants			
Recurrent - Commonwealth Government			
Roads to Recovery	2,491	1,476	(1,015)
Recurrent - State Government			
Apollo Bay	276	-	(276)
Total recurrent grants	2,767	1,476	(1,291)
Non-recurrent - Commonwealth Government			
Recreational, Leisure and Community Facilities	1,225	250	(975)
Non-recurrent - State Government			
Buildings	3,840	109	(3,731)
Disaster Recovery	2,353	-	(2,353)
Total non-recurrent grants	7,418	359	(7,059)
Total capital grants	10,185	1,835	(8,350)

There is an increase in the operating grants for the Victorian Grants Commission as the grant for the 2017-18 year was partially received in the 2016-17 year. The reduction in the Environment and protection services area is related to the Disaster Recovery operating grant that has been completed.

The Capital grants have had a significant reduction this budget due to the expected completion of the works that relate to the Wye River Separation Creek Fires. There was also an allocation of the Roads to Recovery Grant that had a year of double funds which is not in this year's budget.

4.1.5 Contributions

	2017/18 Budget \$'000	2018/19 Budget \$'000	Change	
			\$'000	%
Monetary	485	57	(428)	(88.3%)
Total Contributions	485	57	(428)	(88.3%)

The monetary contributions are down as in the previous year there was a large number of contributions that were related to community projects like the Birregurra Netball Court Upgrades.

4.1.6 Other income

	2017/18 Budget \$'000	2018/19 Budget \$'000	Change	
			\$'000	%
Interest	236	201	(35)	(14.8%)
Reimbursements	151	133	(18)	(11.7%)
Other Income	90	119	29	32.2%
Interest on Rates	139	139	0	-
Total Other Income	616	593	(24)	(3.8%)

The reduction in Other Income is related to the interest the council receives from investments. This reduction is due to council not holding as much cash as in previous years.

4.1.7 Employee costs

	2017/18 Budget \$'000	2018/19 Budget \$'000	Change	
			\$'000	%
Wages & Salaries	13,778	14,347	570	4.1%
Wages & Salaries - Bushfire	152	-	(152)	(100.0%)
Wages & Salaries - Flood	40	-	(40)	(100.0%)
Employee Leave	1,676	1,542	(134)	(8.0%)
Superannuation	1,563	1,568	4	0.3%
Casual Staff	697	794	97	13.9%
Sick Leave	443	386	(57)	(12.9%)
Other Employee Benefits	237	222	(15)	(6.4%)
Fringe Benefits Tax	210	203	(7)	(3.5%)
WorkCover	185	155	(30)	(16.1%)
Total Employee Costs	18,982	19,217	235	1.2%

There has been an increase in staff related to the Community Services area which is fully funded. There has also been a Council decision to employ an additional Governance Officer to assist with Councils compliance with the Local Government Act. Overall Employee Costs is significantly less than the current Enterprise Bargaining Agreement mandatory increases.

4.1.8 Materials and services

	2017/18 Budget \$'000	2018/19 Budget \$'000	Change	
			\$'000	%
Materials	2,148	2,002	(147)	(6.8%)
Materials - Bushfire	25	-	(25)	(100.0%)
Contract Payments	6,787	7,654	866	12.8%
Contract Payments - Bushfire	668	-	(668)	(100.0%)
Contract Payments - Flood	210	-	(210)	(100.0%)
Services	1,413	946	(467)	(33.1%)
Consultants	1,259	905	(354)	(28.1%)
Subscriptions & Memberships	1,051	1,157	106	10.0%
Utilities	1,106	1,151	44	4.0%
Plant and Equipment maintenance	1,308	1,089	(218)	(16.7%)
Agency Staff	60	193	133	222.3%
Training Costs	330	364	34	10.3%
Legal Costs	54	106	53	98.1%
Hire Costs	25	25	0	0.8%
Permits	4	4	(0)	(6.5%)
Total Materials and Services	16,450	15,596	(853)	(5.2%)

This overall has a small increase of around CPI once all non-core business has been removed. The non-core items include disaster recovery works in 2017/2018 and one-off operational projects not undertaken in 2018/19.

4.1.9 Depreciation and amortisation

	2017/18 Budget \$'000	2018/19 Budget \$'000	Change	
			\$'000	%
Buildings	1,288	1,296	8	0.7%
Plant and Equipment	2,060	2,197	137	6.7%
Infrastructure	6,680	6,857	177	2.7%
Total Depreciation and Amortisation	10,027	10,350	323	3.2%

4.1.10 Other Expenses

	2017/18 Budget \$'000	2018/19 Budget \$'000	Change	
			\$'000	%
Auditors Remuneration	76	157	82	108.0%
Community grants and donations	494	535	41	8.3%
Councillor's allowance	271	262	(9)	(3.4%)
Waste Management charge	155	160	5	3.2%
Fire services levy	64	67	3	4.7%
Animal registration levy	20	25	5	25.0%
Royalties and commissions	7	6	(1)	(7.7%)
Other	1,113	805	(308)	(27.7%)
Total Other Expenses	2,199	2,017	(182)	(8.3%)

This movement predominantly relates to savings in Public Liability Insurance.

4.2 Balance Sheet

4.2.1 Liabilities

There has been a large increase in the Non-current landfill provision. This is due to a change in methodology used to calculate this during the last year end process. The format provided has been given to council by the EPA. There is also an increase in the Current Interest Bearing Loans reflecting the large repayment falling due 2019/20 financial year.

4.2.2 Borrowings

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

	2017/18	2018/19	Change	
	Budget \$'000	Budget \$'000	\$'000	%
Outstanding borrowings at year end	3,974	3,370	(604)	(15.2%)
Redeemed Borrowings	(604)	(649)	(45)	7.4%
Closing Borrowings	3,370	2,721	(649)	(19.2%)

4.3 Statement of changes in Equity

4.3.1 Reserves

Reserve Name	Contractual/ Discretionary/ Statutory	Reserve Description	2017/18 Budget \$'000	2018/19 Budget \$'000
Asset Revaluation Reserve	Discretionary	Shown as the current and probable value of assets that have been revalued	148,936	151,254
Landfill Rehabilitation (Alvie)	Discretionary	Funds allocated by Council for future rehabilitation of Alvie Landfill site	866	923
Plant Renewal	Discretionary	Funds allocated from sale of plant and from operational usage of plant for plant renewal	1,561	522
Home Care Packages Reserve	Discretionary	Retained funds for future uses for home care clients	162	-
Colac Livestock Selling Centre	Discretionary	Funds set aside from the saleyards net surplus for future reinvestment into the Saleyards	254	206
Open Space Reserve	Statutory	Funds collected via developer contributions set aside by region for open space development	739	638
Port of Apollo Bay	Contractual	Unspent port funding required to be set aside under the management agreement with the State Government	1,763	1,611
Land Rehabilitation Reserve	Discretionary	Funds allocated by Council for future rehabilitation of Landfill sites (excluding Alvie)	646	789
Kerbside Bin Replacement	Discretionary	Surplus funds collected from waste charges and transfer station fees to cover future waste management requirements	1,636	1,710
Tirrengower Drainage Scheme	Contractual	Excess funds collected under the Tirrengower drainage scheme to be spent on Tirrengower drainage works in the future	23	33
Bond Repayment Reserve	Discretionary	Funds set aside for annual surplus to cover future bond repayments (Balloon payments)	404	1,104
Long Service Leave	Discretionary	Setting aside of funds to cover future Long Service Leave provision	2,013	2,874
Matching Grants Reserve	Discretionary	Funds set aside to match any unforeseen grant opportunities that arise post the setting of the budget	274	-
Contingent Liability Reserve	Discretionary	Funds set aside by Council to cover future liabilities contingent upon a future event/decision	250	500
Asset Renewal Reserve	Discretionary	Funds set aside for Council projects as prioritised by Council	200	674
Total Equity Reserves			159,726	162,838

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/(used in) operating activities

There is a decrease in cash provided mainly due to the finalisation of the Disaster Recovery works which have been taking place over the past 2 years. These levels are more indicative of business as usual.

4.4.2 Net cash flows provided by/(used in) investing activities

A smaller capital programme has been produced for the current year; this is highlighted by the decrease in payments for Property, Plant and Infrastructure.

4.4.3 Net cash flows provided by/(used in) financing activities

This area has remained relatively consistent over the past two budgets.

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2018/19 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

4.5.1 Summary

Capital Works Area	2017/18 Budget	2018/19 Budget	Change					
	\$'000	\$'000	\$'000	%				
4.5.1a Summary								
PROPERTY	4,919	765	(4,154)	(84.448%)				
PLANT AND EQUIPMENT	2,447	2,610	163	6.641%				
INFRASTRUCTURE	14,271	7,727	(6,544)	(45.855%)				
TOTAL CAPITAL WORKS EXPENDITURE	21,637	11,102	(10,535)	(48.692%)				
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
4.5.1b Summary								
PROPERTY	765	83	682	-	-	-	765	-
PLANT AND EQUIPMENT	2,610	55	1,110	1,445	-	-	2,610	-
INFRASTRUCTURE	7,727	629	6,738	360	1,835	-	5,892	-
TOTAL CAPITAL WORKS EXPENDITURE	11,102	767	8,530	1,805	1,835	-	9,266	-

The reduction in spend in the property area is due to the failure to secure funding for the Apollo Bay Kindergarten relocation project of \$3.09M other than that expense the programme is back to normal levels. Plant and equipment has remained at a constant level for the past two years which is consistent with previous trends. The infrastructure area is down predominantly due to the expected finalisation of the Wye River Separation Creek Reticulated Drainage System. The programme has moved back to more normal and achievable levels for the 2018-19 year.

4.5.2 Current Budget

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
4.5.2 Current Budget								
Property								
Land								
Buildings								
Auditorium Stage Replacement	22	-	22	-	-	-	22	-
Building Renewal Programme	660	-	660	-	-	-	660	-
Barwon Downs Neighbourhood Safer Place	45	45	-	-	-	-	45	-
Beech Forest Neighbourhood Safer Place	38	38	-	-	-	-	38	-
Total property	765	83	682	-	-	-	765	-
Plant and equipment								
Plant, machinery and equipment								
Heavy Plant Replacement Programme	1,335	-	-	1,335	-	-	1,335	-
Light Fleet Vehicles Replacement Programme	530	-	530	-	-	-	530	-
Fixtures, fittings and furniture								
Gym Equipment Renewal Programme	60	-	60	-	-	-	60	-
Colac Regional Saleyards weighing equipment	30	-	-	30	-	-	30	-
Operations Staff Mobile Amenity Trailer	55	55	-	-	-	-	55	-
Township Christmas Decorations	15	-	-	15	-	-	15	-
Computers and telecommunications								
Civica Suite - Major Upgrade	250	-	250	-	-	-	250	-
GIS Aerial Imagery renewal	50	-	50	-	-	-	50	-
Wide Area Network (WAN) Upgrade and Expansion	220	-	220	-	-	-	220	-
ICT Disaster Recovery capability improvements	65	-	-	65	-	-	65	-
Total plant and equipment	2,610	55	1,110	1,445	-	-	2,610	-

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
4.5.2 Current Budget (cont.)								
Infrastructure								
Roads								
Landslip Programme	360	-	-	360	-	-	360	-
Road Crack Sealing Programme	25	-	25	-	-	-	25	-
Kerb & Channel Renewal Programme	75	-	75	-	-	-	75	-
Local Roads Reseal & Major Patch Programme	1,200	-	1,200	-	-	-	1,200	-
Road Furniture Programme	190	-	190	-	-	-	190	-
Sealed Road Reconstruction Programme	1,476	-	1,476	-	1,476	-	-	-
Unsealed Road Re-Sheet Programme	1,400	-	1,400	-	-	-	1,400	-
Road Improvement Programme	555	-	555	-	-	-	555	-
Strategic Local Roads Renewal Programme	275	-	275	-	-	-	275	-
Bridges								
Bridge Rehabilitation Programme	650	-	650	-	-	-	650	-
Footpaths and cycleways								
Footpath Renewal Programme	375	-	375	-	-	-	375	-
Drainage								
Urban Drainage Renewal Programme	300	-	300	-	-	-	300	-
Forrest Caravan Park Waste Water Upgrade	100	-	100	-	-	-	100	-
Other infrastructure								
Active Reserves Renewal Programme	67	-	67	-	-	-	67	-
Open Space Renewal Programme	50	-	50	-	-	-	50	-
Lake Colac Foreshore Master Plan Implementation - Stage 1	500	500	-	-	250	-	250	-
Memorial Square Masterplan Implementation - Stage 1	129	129	-	-	109	-	20	-
Total infrastructure	7,727	629	6,738	360	1,835	-	5,892	-
Total capital works expenditure	11,102	767	8,530	1,805	1,835	-	9,266	-

5. 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 2016/17	Budget 2017/18	Budget 2018/19	Strategic Resource Plan Projections			Trend
						2019/20	2020/21	2021/22	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	1.9%	0.3%	0.7%	1.1%	1.5%	2.0%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	197.5%	156.2%	216.8%	236.9%	244.5%	240.6%	+
Unrestricted cash	Unrestricted cash / current liabilities		123.9%	91.9%	136.6%	178.5%	185.2%	184.8%	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	17.3%	11.5%	9.1%	3.4%	2.4%	1.9%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.3%	2.8%	2.8%	5.9%	1.1%	0.6%	+
Indebtedness	Non-current liabilities / own source revenue		25.5%	17.8%	23.7%	23.0%	22.6%	21.2%	+
Asset renewal	Asset renewal expenditure / depreciation	4	97.6%	122.8%	82.4%	81.2%	80.1%	78.9%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	60.9%	60.9%	62.7%	62.1%	61.4%	60.6%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$2,983	\$3,165	\$3,102	\$3,185	\$3,233	\$3,301	-
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,263	\$1,262	\$1,299	\$1,338	\$1,378	\$1,419	+

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**

This indicator shows a minor increase over the SRP forecast period. There is a drop during 2017/2018 financial year however post that it remains on an upward trajectory.

2. **Working Capital**

This indicator increases over the SRP period due to the forecasted reduction in borrowings.

3. **Unrestricted Cash**

This shows an increase in the available unrestricted cash for the council. This is due to the reduction in the borrowings over the period.

4. **Asset renewal**

This shows a decrease in the amount of funds that are being spent on asset renewal in comparison to Depreciation. The consumption of council's assets (as measured by Depreciation) is higher than the renewal dollars spent for the SRP period.

5. **Rates concentration**

This period shows a relatively consistent trend for the SRP period reflecting Colac Otway Shire's high dependency on Rates. This number will fluctuate depending on the level of Non-recurrent grant funding obtained.

6. Fees & Charges Schedule

See separate schedule attached.

DRAFT

Fees & Charges

Colac Otway Shire Council

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up to 6 persons	40
6 to 10 persons	40
11 to 20 persons	40
20+ persons	40
Caravan Parks per site	40
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Additional inspections	40
Septic tank alterations	40
Septic tanks system	40

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Colac Otway Shire

Corporate Services

Financial Services

Council Properties (per annum)

Apollo Bay Newssheet

Fee	C	\$885.00	\$910.00	2.82%
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Land Information Certificate

Fee	S	\$25.40	\$25.40	0.00%
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Replacement Rate Notice

Fee	C	\$25.00	\$25.00	0.00%
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Payment Dishonour Fee (All Other)

Admin Fee	C	\$26.00	\$26.00	0.00%
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Payment Dishonour Fee (Direct Debit)

Admin Fee	C	\$10.49	\$10.60	1.05%
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Governance

Freedom of Information

Per application	S	\$27.90	\$28.40	1.79%
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Printing and Photocopying

A3 sheet	C	\$0.40	\$0.40	0.00%
A4 sheet	C	\$0.20	\$0.20	0.00%
Coloured copy – A3 sheet	C	\$2.00	\$2.00	0.00%
Coloured copy – A4 sheet	C	\$1.00	\$1.00	0.00%

Record Search Fee

Discovery Fee – Per Hour	C	\$65.00	\$65.00	0.00%
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Annual Report

Cost per copy	C	\$20.00	\$20.00	0.00%
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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Waste Management

Waste Management Additional Service Charge/Bin

240 litre garbage additional service charge/bin	C	\$271.00	\$271.00	0.00%
240 litre organic additional service charge/bin	C	\$130.50	\$130.50	0.00%
240 litre recycle additional service charge/bin	C	\$78.50	\$78.50	0.00%
Upgrade to 240 litre Garbage Bin	C	\$209.00	\$209.00	0.00%
Upgrade to 360 litre Recycling bin	C	\$39.25	\$39.25	0.00%

All waste receival sites

Car bodies	C	\$68.00	\$68.00	0.00%
Chemical drums (each)	C	\$1.10	\$1.10	0.00%
Commercial fully co-mingled recyclables (per m3)	C	\$14.50	\$15.00	3.45%
Commercial fully co-mingled recyclables (per tonne)	C	\$61.00	\$61.00	0.00%
Mattresses each	C	\$24.50	\$25.00	2.04%
Putrescibles (incl mixed rubbish) per m3	C	\$61.00	\$62.00	1.64%
Putrescibles (incl mixed rubbish) 1st 240 litre bin or less	C	\$10.20	\$11.00	7.84%
Putrescibles (incl mixed rubbish) 2nd 240 litre bin	C	\$15.50	\$16.00	3.23%
Putrescibles (incl mixed rubbish) per tonne	C	\$285.00	\$285.00	0.00%
Steel scrap (per m3)	C	\$11.50	\$12.00	4.35%
Steel scrap (per tonne)	C	\$41.50	\$42.00	1.20%
Tree pruning's (per m3)	C	\$38.50	\$40.00	3.90%
Tree pruning's (per tonne)	C	\$134.50	\$135.00	0.37%
TV & Monitors	C	\$10.49	\$11.00	4.86%
Car	C	\$8.00	\$9.00	12.50%
Car on rim	C	\$14.50	\$15.00	3.45%
Commercial batteries each (more than 2)	C	\$6.50	\$7.00	7.69%
Light truck	C	\$16.50	\$17.00	3.03%
Tractor 1 – 2m	C	\$215.00	\$215.00	0.00%
Tractor up to 1m	C	\$102.00	\$102.00	0.00%
Truck	C	\$46.00	\$46.00	0.00%
10 tickets (up to 240 litre bin)	C	\$70.00	\$70.00	0.00%
25 tickets (up to 240 litre bin)	C	\$150.00	\$150.00	0.00%

Kerbside Bin Fees

120 litre garbage (bin only)	C	\$75.50	\$75.50	0.00%
120 litre organic (bin only)	C	\$75.50	\$75.50	0.00%
120 litre recycle (bin only)	C	\$75.50	\$75.50	0.00%
240 litre garbage (bin only)	C	\$80.00	\$80.00	0.00%
240 litre organic (bin only)	C	\$80.00	\$80.00	0.00%
240 litre recycle (bin only)	C	\$80.00	\$80.00	0.00%
Bin change over fee (all bins)	C	\$32.00	\$32.00	0.00%
Lost or stolen bins – 120/240 litre	C	\$55.00	\$55.00	0.00%

Name	Council / Statutory	Year 17/18	Year 18/19	
		Fee (incl. GST)	Fee (incl. GST)	Increase %

Other

Safe waste bin locks	C	\$6.50	\$6.50	0.00%
Tourist Bags (red and yellow) per pair	C	\$10.00	\$10.00	0.00%

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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Infrastructure & Leisure Services

Aerodrome Landing Fees

Apollo Bay

Per landing	C	\$11.00	\$11.00	0.00%
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Colac

Per landing	C	\$11.00	\$11.00	0.00%
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Apollo Bay Harbour

Marina Fees

Dinghy Mooring Permit	C	\$0.00	\$75.00	-
Waiting List Application Fee	C	\$0.00	\$250.00	-
Marina Berth – Annual	C	\$1,916.00	\$2,555.00	33.35%
Short Term Berth (Per Day) – <15	C	\$27.00	\$35.00	29.63%
Short Term Berth (Per Day) – 15 to 20m	C	\$32.00	\$41.00	28.13%
Short Term Berth (Per Day) – 20 to 25m	C	\$39.00	\$48.50	24.36%
Short Term Berth (Per Day) – 25 to 30m	C	\$64.00	\$75.00	17.19%
Short Term Berth (Per Day) – >30m	C	\$128.00	\$143.00	11.72%
Marina Key Replacement	C	\$27.00	\$51.00	88.89%
Swing Mooring – Annual Fee	C	\$127.00	\$505.00	297.64%
Swing Mooring – Establishment	C	\$205.00	\$351.00	71.22%

Slipway Fees

Slipping Fees

Slipping Fee – 15.1 to 20m	C	\$0.00	\$585.00	-
Slipping Fee <10m	C	\$0.00	\$200.00	-
Slipping Fee >20m	C	\$0.00	\$1,000.00	-
Slipping Fee 10.1 to 15m	C	\$0.00	\$285.00	-
Slipping Fee 15.1 to 20m	C	\$0.00	\$585.00	-

Slip Yard Occupancy (Per Day)

Slip Yard Occupancy (Per Day) – <10m		\$0.00	\$50.00	-
Slip Yard Occupancy (Per Day) – 10.1 to 15m	C	\$0.00	\$95.00	-
Slip Yard Occupancy (Per Day) – 15.1 to 20m	C	\$0.00	\$220.00	-
Slipyard Occupancy (Day Rate) >20m	C	\$0.00	\$265.00	-

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Ancillary Services

Business Hours

Crane Truck with Operator and Dogman per hour	C	\$0.00	\$200.00	-
Crew (Additional, Attend V/L or Mooring) per hour		\$0.00	\$60.00	-
Hire "Barrum" Inc Coxswain per hour		\$0.00	\$200.00	-
Hire "Urchin" Inc. Master and Deckhand per hour	C	\$0.00	\$499.00	-
Pressure Cleaner Hire per hour		\$0.00	\$35.00	-

After Hours (3hr Min)

Crane Truck with Operator and Dogman per hour	C	\$0.00	\$450.00	-
Crew (Additional, Attend V/L or Mooring) per hour	C	\$0.00	\$120.00	-
Hire "Barrum" Inc Coxswain per hour	C	\$0.00	\$450.00	-
Hire "Urchin" Inc Master and Deckhand per hour	C	\$0.00	\$750.00	-

Permits

Equipment Storage Licence – Annual per Bay	C	\$0.00	\$500.00	-
Wharf Parking Permit – Annual	C	\$0.00	\$500.00	-

Asset Management

Asset Protection Permit Fee

Permit Fee	C	\$145.00	\$150.00	3.45%
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Checking of Engineering Plans

Fee	S			0.75%
				Fee 0.75%

Design Fee

In house	C			10.00%
				Fee 10.00%
External design – Supervision fee	C			20.00%
				Fee 20.00%
External design work	C			At Cost
				Fee At Cost

Fee for Legal Point of Discharge Report

As per Section 312(3) Building Regulations 2006

Fee	S	\$65.40	\$65.40	0.00%
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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Special Charge Scheme

Contract administration	C		2.50%	
			Fee 2.50%	
Scheme administration	C		3.00%	
			Fee 3.00%	

Supervision of Sub-division Works

% of estimated cost of constructing works proposed	S		2.50%	
			Fee 2.50%	

Local Road (speed at any time is greater than 50 kph)

Minor Works

Cost per fee unit

Conducted on any part of the roadway, shoulder or pathway (11.5 units)	S	\$163.53	\$163.53	0.00%
Not conducted on any part of the roadway, shoulder or pathway (5 units)	S	\$71.10	\$71.10	0.00%

Works on Roads (works other than minor works)

Cost per fee unit

Conducted on any part of the roadway, shoulder or pathway (25 units)	S	\$355.50	\$355.50	0.00%
Not conducted on any part of the roadway, shoulder or pathway (25 units)	S	\$355.50	\$355.50	0.00%

Local Road (speed at any time is not more than 50kph)

Minor Works

Cost per fee unit

Conducted on any part of the roadway, shoulder or pathway (11.5 units)	S	\$163.53	\$163.53	0.00%
Not conducted on any part of the roadway, shoulder or pathway (5 units)	S	\$71.10	\$71.10	0.00%

Works on Roads (works other than minor works)

Cost per fee unit

Conducted on any part of the roadway, shoulder or pathway (20 units)	S	\$284.40	\$284.40	0.00%
Not conducted on any part of the roadway, should or pathway (5 units)	S	\$71.10	\$71.10	0.00%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Bluewater Fitness Centre

Aquatic – Daily Charges

Combo Swim Spa Sauna Stadium (SSSS)

Adult	C	\$11.50	\$12.10	5.22%
Concession	C	\$9.50	\$10.00	5.26%

Pool or spa or steam room or stadium

Adult	C	\$6.50	\$6.80	4.62%
Child	C	\$4.50	\$4.65	3.33%
Competitor Entry Adult	C	\$3.00	\$3.15	5.00%
Competitor Entry Child	C	\$2.00	\$2.10	5.00%
Concession	C	\$5.30	\$5.50	3.77%
Family	C	\$19.50	\$20.50	5.13%
Parent/Toddler	C	\$5.30	\$5.50	3.77%
School Group	C	\$4.50	\$4.65	3.33%

Aqua Membership (Aquatics Only)

Adult

12 months	C	\$555.00	\$575.00	3.60%
Direct Debit	C	\$21.50	\$22.50	4.65%

Child

12 months	C	\$390.00	\$404.00	3.59%
Direct Debit	C	\$15.00	\$15.60	4.00%

Concession

12 months	C	\$455.00	\$471.00	3.52%
Direct Debit	C	\$17.60	\$18.30	3.98%

Family

12 months	C	\$825.00	\$855.00	3.64%
Direct Debit	C	\$32.00	\$33.50	4.69%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Crèche

Member – BWFC

10 Multi Visit Pass (Visit per Hour)	C	\$0.00	\$51.50	-
30 Multi Visit Pass (Visit per Hour)	C	\$0.00	\$145.00	-
Creche Direct Debit	C	\$30.91	\$31.00	0.29%
Child 1 hr (per hour)	C	\$5.50	\$5.70	3.64%
Family 1 hr (per hour)	C	\$10.00	\$10.40	4.00%
10 Multi Visit Pass (Visit per Hour)	C	\$50.00	\$55.00	10.00%
30 Multi Visit Pass (Visit per Hour)	C	\$140.00	\$154.00	10.00%

Non-member – BWFC

Child 1 hr	C	\$10.00	\$11.00	10.00%
Family 1 hr	C	\$18.00	\$19.80	10.00%

Health Club & Group Fitness

Casual

Fitness Assessment (45 min)	C	\$55.00	\$57.00	3.64%
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Casual Entry

Adult	C	\$12.80	\$14.80	15.63%
Concession	C	\$10.49	\$12.20	16.30%
Group entry (schools)	C	\$7.00	\$7.40	5.71%
Senior Programs	C	\$7.00	\$7.30	4.29%

Personal Training

1 session group training	C	\$75.00	\$75.00	0.00%
1 session personal training (45 min)	C	\$55.00	\$55.00	0.00%
10 ticket group training	C	\$635.00	\$635.00	0.00%
10 ticket personal training	C	\$470.00	\$470.00	0.00%
5 ticket group training	C	\$340.00	\$340.00	0.00%
5 ticket personal training	C	\$250.00	\$250.00	0.00%

Platinum Membership (Full Centre)

Youth and Student Membership (14-21 or Student card holder)

12 months	C	\$515.00	\$515.00	0.00%
Direct Debit (Fortnightly)		\$19.90	\$19.90	0.00%

Off-Peak Full Facility Access

12 months		\$515.00	\$515.00	0.00%
Direct Debit		\$19.90	\$19.90	0.00%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Adult

12 months	C	\$820.00	\$865.00	5.49%
Direct Debit	C	\$31.50	\$33.00	4.76%

Concession

12 months	C	\$680.00	\$715.00	5.15%
Direct Debit	C	\$26.20	\$27.50	4.96%

Family

12 months	C	\$1,240.00	\$1,300.00	4.84%
Direct Debit	C	\$48.00	\$50.00	4.17%

Gold Membership (Gym Only)

Adult

12 months	C	\$730.00	\$770.00	5.48%
Direct Debit	C	\$28.30	\$30.00	6.01%

Concession

12 months	C	\$605.00	\$640.00	5.79%
Direct Debit	C	\$23.10	\$24.50	6.06%

Family

12 months	C	\$1,100.00	\$1,155.00	5.00%
Direct Debit	C	\$42.50	\$44.50	4.71%

Membership Fee

Direct Debit Joining Fee

Adult	C	\$48.00	\$49.50	3.13%
Concession	C	\$40.00	\$41.50	3.75%
Family	C	\$72.00	\$75.00	4.17%
Swim School	C	\$15.00	\$20.00	33.33%

Multipass

Adult

10 ticket platinum	C	\$115.00	\$141.00	22.61%
10 ticket aqua	C	\$58.00	\$65.00	12.07%
30 ticket platinum	C	\$325.00	\$399.00	22.77%
30 ticket aqua	C	\$165.00	\$183.00	10.91%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Concession

10 ticket aqua	C	\$48.00	\$53.00	10.42%
10 ticket platinum	C	\$95.00	\$116.00	22.11%
30 ticket platinum	C	\$270.00	\$328.00	21.48%
30 ticket aqua	C	\$135.00	\$149.00	10.37%

Other Charges

Casual Inflatable

Family Pass	C	\$22.00	\$23.50	6.82%
Single Pass	C	\$6.80	\$7.10	4.41%
Upgrade from Swim	C	\$3.10	\$2.35	-24.19%

Inflatable Hire

Hire Fee	C	\$95.00	\$100.00	5.26%
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Instructor hire/hr aquatic or dry

Instructor Hire	C	\$60.00	\$63.00	5.00%
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Pool party

Per Child	C	\$12.50	\$13.00	4.00%
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Swim School

30 min 1 on 1

Swim School	C	\$43.00	\$47.50	10.47%
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30 min group lesson

Swim School – Concession		\$12.00	\$12.00	0.00%
Swim School – Concession Express Program	C	\$24.00	\$24.00	0.00%
Swim School – Express Program	C	\$28.50	\$28.50	0.00%
Swim School	C	\$12.80	\$14.80	15.63%

Family Discount

Discount for 3 or more children enrolled	C	\$18.00	\$36.00	100.00%
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Membership

Direct Debit dishonour	C	\$21.50	\$21.50	0.00%
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Schools Instructor Charge

Instructor Charge	C	\$60.00	\$66.00	10.00%
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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Schools Swim & Survive Program Entry

Program Entry	C	\$3.40	\$4.00	17.65%
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Venue Hire

Pool Hire

Lane hire/hr (during normal operating hrs)	C	\$23.50	\$24.50	4.26%
Whole pool ½ day < 4 hrs (during normal operating hours)	C	\$350.00	\$363.00	3.71%
Whole pool full day 4+ hrs (during normal operating hours)	C	\$525.00	\$545.00	3.81%
Program Pool Hire – half pool per hr	C	\$34.00	\$35.50	4.41%
Program Pool Hire – full pool per hr	C	\$57.00	\$59.00	3.51%
Additional Lifeguard Hire (per hour)	C	\$42.00	\$46.50	10.71%

Commercial Room Hire

Program Room Single	C	\$38.00	\$38.50	1.32%
Program Room Double	C	\$57.00	\$57.00	0.00%
Meeting Room	C	\$38.00	\$38.50	1.32%

Community Room Hire

Program Room Single	C	\$26.50	\$26.50	0.00%
Program Room Double	C	\$40.00	\$40.00	0.00%
Meeting Room	C	\$26.50	\$26.50	0.00%

Stadium Hire

All day hire	C	\$600.00	\$660.00	10.00%
Off Peak court hire/hr	C	\$38.00	\$39.50	3.95%
Peak court hire/hr	C	\$45.00	\$47.00	4.44%

Apollo Bay Leisure Centre Charges

Pool or spa or steam room or stadium

Adult	C	\$6.00	\$6.20	3.33%
Concession	C	\$5.10	\$5.30	3.92%
Child	C	\$4.30	\$4.50	4.65%
Family	C	\$18.90	\$19.40	2.65%
Season Pass Adult	C	\$169.99	\$176.00	3.54%
Season Pass Concession	C	\$128.00	\$133.00	3.91%
Season Pass Family	C	\$275.00	\$285.00	3.64%
Stadium Casual Entry	C	\$5.10	\$5.30	3.92%
Stadium Hire	C	\$36.80	\$38.50	4.62%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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COPACC

Marketing

A1 Poster print & display	C	\$0.00	\$30.00	-
A4 Poster Distribution around town/surrounding towns	C	\$0.00	\$30.00	-
DL Flyer Distribution to Database as part of Newsletter		\$0.00	\$100.00	-
Facebook Banner for 10 days prior to show/event		\$0.00	\$30.00	-
Facebook Post (with boost)	C		\$5 plus boosted amount	
			Fee	-
Facebook Post (without boost)	C	\$0.00	\$10.00	-
Listing on Arts Atlas Geelong & Southwest	C		\$15 each or both for \$25	
			Fee	-
Metal Sign	C	\$0.00	\$100.00	-
Newspaper ad	C	\$0.00	\$160.00	-
Standalone EDM	C	\$0.00	\$50.00	-

Auditorium 1 – 4 Hour Minimum Hire

Commercial Hire

4 Hour Hire	C	\$1,000.00	\$1,020.00	2.00%
8 Hour Hire	C	\$1,480.00	\$1,510.00	2.03%
Additional Hour	C	\$132.00	\$135.00	2.27%
Hourly penalty	C	\$200.00	\$205.00	2.50%

Community From Colac Otway

4 Hour Hire	C	\$740.00	\$755.00	2.03%
8 Hour Hire	C	\$1,100.00	\$1,125.00	2.27%
Additional Hour	C	\$107.00	\$110.00	2.80%
Hourly penalty	C	\$150.00	\$153.00	2.00%

Catering

Tablecloth Hire – COPACC Black – per cloth	C	\$11.00	\$11.30	2.73%
Tea, Coffee & Mints – All Day – per head	C	\$3.50	\$3.60	2.86%
Juice – Apple/Orange per Jug	C	\$6.50	\$6.70	3.08%

Civic Hall

Commercial Hire

4 Hour Hire	C	\$480.00	\$490.00	2.08%
8 Hour Hire	C	\$740.00	\$755.00	2.03%
Additional Hour	C	\$87.00	\$89.00	2.30%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Community From Colac Otway

4 Hour Hire	C	\$405.00	\$414.00	2.22%
8 Hour Hire	C	\$630.00	\$645.00	2.38%
Additional Hour	C	\$77.00	\$79.00	2.60%

Equipment Hire

Projector Hire Epson 7.5K – per week	C	\$0.00	\$250.00	-
Projector Hire Epson 7.5K– per day	C	\$0.00	\$110.00	-
Projector Hire – Epson 11K (per day)	C	\$200.00	\$205.00	2.50%
Projector Hire – Epson 11K (per week)	C	\$500.00	\$510.00	2.00%
Projector Hire – NEC 4.5K (per day)	C	\$85.00	\$87.00	2.35%
Projector Hire – Meeting Rooms per unit (per day)	C	\$27.00	\$28.00	3.70%
Haze Machine – Daily	C	\$40.00	\$41.00	2.50%
Haze Machine – Weekly	C	\$100.00	\$102.00	2.00%
Mirror Ball	C	\$80.00	\$82.00	2.50%
PA System – Advanced	C	\$255.00	\$261.00	2.35%
PA System – Basic	C	\$105.00	\$108.00	2.86%
PA System – Meeting Room (Fixed)	C	\$26.00	\$27.00	3.85%
Portable Stage – Flat Stage	C	\$210.00	\$215.00	2.38%
Portable Stage – Large Tiered Seating	C	\$1,200.00	\$1,225.00	2.08%
Portable Stage – Small Tiered Seating	C	\$800.00	\$820.00	2.50%
Wireless Microphone – per additional day	C	\$26.00	\$27.00	3.85%
Wireless Microphone – per day	C	\$51.00	\$53.00	3.92%

Green Room

Commercial Hire

After Hours	C	\$68.00	\$70.00	2.94%
Hourly Rate	C	\$42.00	\$43.00	2.38%

Community From Colac Otway

After Hours	C	\$58.00	\$60.00	3.45%
Hourly Rate	C	\$29.00	\$30.00	3.45%

Kitchen Hourly Rate

Commercial Hire

After Hours & Weekends	C	\$68.00	\$70.00	2.94%
Between 8:30 & 5pm (Mon-Fri)	C	\$53.00	\$55.00	3.77%

Community From Colac Otway

After Hours & Weekends	C	\$60.00	\$62.00	3.33%
Between 8:30 & 5pm (Mon-Fri)	C	\$29.00	\$30.00	3.45%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Labour Charges

Hourly Rate

Public Holiday Surcharge (Staffing)	C	Additional 25% on standard rates		
			Fee	
			—	
Event staff – First 8 Hours (per hour)	C	\$63.50	\$65.00	2.36%
Event staff – Additional Hour (per hour)	C	\$85.00	\$87.00	2.35%
Technical staff – First 8 Hours (per hour)	C	\$63.50	\$65.00	2.36%
Technical staff – Additional Hour (per hour)	C	\$85.00	\$87.00	2.35%

Meeting Room/s Hourly Rate

Commercial Hire

Double Room (After Hours)	C	\$90.00	\$92.00	2.22%
Double Room (Between 8:30 & 5pm)	C	\$68.00	\$70.00	2.94%
Single Room (After Hours)	C	\$68.00	\$70.00	2.94%
Single Room (Between 8:30 & 5pm)	C	\$47.00	\$48.00	2.13%

Community From Colac Otway

Double Room (After Hours)	C	\$80.00	\$82.00	2.50%
Double Room (Between 8:30 & 5pm)	C	\$58.00	\$60.00	3.45%
Single Room (After Hours)	C	\$58.00	\$60.00	3.45%
Single Room (Between 8:30 & 5pm)	C	\$37.00	\$38.00	2.70%

Other Charges

Commercial Hire

Admin Fee	C	\$180.00	\$184.00	2.22%
Grand Piano	C	\$102.00	\$105.00	2.94%
Major Cleaning	C	\$215.00	\$220.00	2.33%
Minor Cleaning	C	\$160.00	\$164.00	2.50%
Piano Tuning	C	\$260.00	\$266.00	2.31%
Test & Tag Services – per item	C	\$10.00	\$10.20	2.00%

Community From Colac Otway

Admin Fee	C	\$180.00	\$184.00	2.22%
Major Cleaning	C	\$215.00	\$220.00	2.33%
Minor Cleaning	C	\$160.00	\$164.00	2.50%
Piano Tuning	C	\$260.00	\$266.00	2.31%
Test & Tag Services – per item	C	\$10.00	\$10.20	2.00%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Public Gallery Exhibition & Display Hire Charges

Exhibition

Exhibition – % Commission	C			10.00%
				Fee 10.00%

Public Gallery Hourly Rate For Meeting & Convention

Commercial Hire

After Hours	C	\$68.00	\$70.00	2.94%
Between 8:30 & 5pm	C	\$47.00	\$48.00	2.13%

Community From Colac Otway

After Hours	C	\$58.00	\$60.00	3.45%
Between 8:30 & 5pm	C	\$37.00	\$38.00	2.70%

Rehearsal Room Hourly Rate

Commercial Hire

After Hours	C	\$68.00	\$70.00	2.94%
Between 8:30 & 5pm	C	\$47.00	\$48.00	2.13%

Community From Colac Otway

After Hours	C	\$58.00	\$60.00	3.45%
Between 8:30 & 5pm	C	\$37.00	\$38.00	2.70%

Roll Over (pre event set up)

Commercial Hire

All Day Prior	C	\$169.99	\$174.00	2.36%
Evening Prior	C	\$110.00	\$113.00	2.73%

Community From Colac Otway

All Day Prior	C	\$140.00	\$143.00	2.14%
Evening Prior	C	\$85.00	\$87.00	2.35%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Development & Community Services

Economic Development & Events

Colac Livestock Selling Centre

Agents (with leased office space) special sale

Fee	C	\$200.00	\$200.00	0.00%
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Agents (with leased office space) weekly fee

Fee	C	\$200.00	\$200.00	0.00%
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Agents (without office space) per sale fee

Fee	C	\$500.00	\$500.00	0.00%
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All horses

Fee	C	\$17.60	\$17.60	0.00%
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All other cattle

Fee	C	\$13.50	\$13.50	0.00%
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Annual licence and rental

Fee	C	\$2,377.60	\$2,377.60	0.00%
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Bobby calves

Fee	C	\$5.90	\$5.90	0.00%
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Bulls flat rate

Fee	C	\$18.60	\$18.60	0.00%
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Cows and calves weigh fee

More than 5 animals	C	\$3.50	\$3.50	0.00%
1 animal	C	\$4.80	\$4.80	0.00%
2 – 4 animals	C	\$4.10	\$4.10	0.00%

Dairy cattle

Fee	C	\$13.50	\$13.50	0.00%
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Pigs

Fee	C	\$3.50	\$3.50	0.00%
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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Private weigh

Fee	C	\$5.90	\$5.90	0.00%
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Sheep and lambs

Fee	C	\$2.20	\$2.20	0.00%
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Stud cattle

Fee	C	\$18.60	\$18.60	0.00%
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Weighed cattle

Fee	C	\$13.50	\$13.50	0.00%
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Other miscellaneous fees

Truck wash per minute	C	\$1.10	\$1.10	0.00%
Small bale of Hay	C	\$10.00	\$10.00	0.00%
Office rental	C	\$385.00	\$385.00	0.00%
Adjustment for cattle per day per beast	C	\$4.00	\$4.00	0.00%

Environment & Community Safety

Animal Control – Effective from 10 April 2015

Registration

All other (refer Sch 2 of Domestic Animal Act 1994)	C	\$40.00	\$42.00	5.00%
Cat registration – full	C	\$110.00	\$115.00	4.55%
Cat registration – micro chipped and de-sexed	C	\$20.00	\$20.00	0.00%
Cat registration – micro chipped only	C	\$35.00	\$36.00	2.86%
Reduced fee for microchipping only applies to cats registered prior to 2014				
Dog registration – full	C	\$125.00	\$130.00	4.00%
Dog registration – micro chipped and de-sexed	C	\$25.00	\$25.00	0.00%
Dog registration – micro chipped only	C	\$40.00	\$41.00	2.50%
Reduced fee for microchipping only applies to dogs registered prior to 2014				
Pensioner discount of registration fee	C			50.00%
				Fee 50.00%
Working farm dog	C	\$25.00	\$25.00	0.00%
Declared Dangerous & Menacing Dogs	C	\$125.00	\$130.00	4.00%
Pet Shop – Breeding/Boarding Facility Audit Fee	C	\$200.00	\$220.00	10.00%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Pound Release Fees

Cats – Initial impoundment plus	C	\$40.00	\$42.00	5.00%
Cats – per head per day	C	\$5.00	\$7.00	40.00%
Cattle/horses – Initial impoundment plus	C	\$80.00	\$85.00	6.25%
Cattle/horses – per head per day	C	\$15.00	\$15.00	0.00%
Dogs – Initial impoundment plus	C	\$60.00	\$65.00	8.33%
Dogs – per head per day	C	\$15.00	\$17.00	13.33%
Sheep/pigs – Initial impoundment plus	C	\$41.00	\$43.00	4.88%
Sheep/pigs – per head per day	C	\$10.00	\$10.00	0.00%
All other – Initial impoundment plus	C	\$30.00	\$30.00	0.00%
All other – per head per day	C	\$10.00	\$10.00	0.00%

Events

Other

Wedding on Council controlled/managed land	C	\$80.00	\$85.00	6.25%
Other activity per event	C	\$200.00	\$200.00	0.00%

Fire Prevention

Administrative fee block slashing

Fee (plus cost of slashing)	C	\$175.00	\$175.00	0.00%
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Local Law Infringement fee – burning of offensive material (2 penalty units)

Infringement fee – burning of offensive material (2 penalty units)	S	\$200.00	\$200.00	0.00%
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Statutory Penalty fee – Failing to comply with fire prevention notice (10 penalty units)

Infringement fee – failing to comply with fire prevention notice (10 penalty units)	S	\$1,585.70	\$1,585.70	0.00%
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Standpipe water fee

Per kilolitre	C	\$4.70	\$5.50	17.02%
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Local Laws

Local Law No 1

Alcohol permit	C	\$150.00	\$160.00	6.67%
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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Local Law No 2

Alcohol infringement fee (2 penalty unit)	S	\$200.00	\$200.00	0.00%
Goods for sale per m2	C	\$65.00	\$67.00	3.08%
Signs (A frame) – Charitable Organisations	C	\$65.00	\$65.00	0.00%
Signs (A frame) – Other	C	\$125.00	\$128.00	2.40%
Street party/festival per event	C	\$200.00	\$210.00	5.00%
Tables and chairs – 1st table and 4 chairs	C	\$120.00	\$125.00	4.17%
Tables and chairs – then per seat thereafter	C	\$35.00	\$37.00	5.71%
Using Council land – Permit /admin fee	C	\$60.00	\$62.00	3.33%
Plus Cost Per Week				
Using Council land – Cost per week	C	\$30.00	\$32.00	6.67%
Vegetation	C	\$100.00	\$105.00	5.00%

Other

Abandoned or derelict vehicles

Pickup fee	C	\$250.00	\$275.00	10.00%
Plus Transport and Storage Costs				
Transport and storage costs	C		At Cost	
			Fee	
			At Cost	

All other permits

Spruiking & Busking, Weddings, Door Knocks and Temporary Dwellings Permit	C	\$85.00	\$90.00	5.88%
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Circus

Fee	C	\$160.00	\$165.00	3.13%
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Impoundment Fee

Fee	C	\$150.00	\$160.00	6.67%
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Public protection (hording permit)

Application fee	C	\$35.00	\$35.00	0.00%
Plus Per m2 fee				
Per m2 fee	C	\$15.00	\$16.00	6.67%
Work Zone Parking Permit (per bay per week)	C	\$40.00	\$43.00	7.50%

Sport Event

Fee	C	\$70.00	\$75.00	7.14%
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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Parking

All day parking permit (Payable in 6 monthly blocks – Johnstone's Carpark only)

Per week	C	\$22.00	\$24.00	9.09%
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Building site on street

Parking space charge/permit – per bay per week or part there of	C	\$40.00	\$43.00	7.50%
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Car parking fines

Fine	C	\$78.00	\$78.00	0.00%
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Statutory Car parking fines

Car parking fines (.6 Statutory penalty Unit)	S	\$95.00	\$96.00	1.05%
Car parking fines (1 Statutory penalty Unit)	S	\$158.57	\$160.00	0.90%

Disabled parking

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 2017-2018 financial year.

Disabled Persons Permit Issue Fee	C	\$10.00	\$12.00	20.00%
Permit replacement fee	C	\$5.00	\$7.00	40.00%

Planning & Building

Bonds

Bond for Demolition or Removal of Building (Reg 323)

Bond for Demolition or Removal of Building (Reg 323) – per sqm of floor area; OR – cost of works, whichever is the lesser	S	\$100.00	\$100.00	0.00%
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Bond for Re-erection of Building (Reg 323)

Bond for Re-erection of Building (Reg 323) – Fee; OR – cost of works	S	\$5,000.00	\$5,000.00	0.00%
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Building Control Charges

Application for Place of Public Entertainment (PoPE) Permit or Temporary Structure

Application for Place of Public Entertainment (PoPE) Permit; plus	C	\$600.00	\$855.00	42.50%
Application for Place of Public Entertainment (PoPE) Permit – per year for multiple year permits	C	\$40.00	\$250.00	525.00%
Application for Temporary Structure Siting Permit; plus	C	\$480.00	\$500.00	4.17%
Application for Temporary Structure Siting Permit – per year for multiple year permits	C	\$35.00	\$251.00	617.14%
Application for Place of Public Entertainment (PoPE) Permit & Temporary Structure Siting Permit; plus	C	\$840.00	\$865.00	2.98%
Application for Place of Public Entertainment (PoPE) Permit & Temporary Structure Siting Permit – per year for multiple year permits	C	\$40.00	\$249.00	522.50%
Application for Place of Public Entertainment Permit or Temporary Structure Siting Permit Priority Fee (in addition to application fee)	C	\$245.00	\$500.00	104.08%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Information charges

Building plans, plan search	C	\$100.00	\$110.00	10.00%
Building plans/plan search (archival search)	C	\$200.00	\$220.00	10.00%

Property Information Certificate

Property information Application	S	\$52.20	\$52.20	0.00%
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Lodgement fees

Class 1 & 10	S	\$39.10	\$39.10	0.00%
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Building Enforcement

Administration of Building Notice	C	\$950.00	\$969.00	2.00%
Administration of Building Order	C	\$600.00	\$612.00	2.00%

Building Permit Amendments

Permit Amendments	C	\$195.00	\$199.00	2.05%
Extensions of Time	C	\$195.00	\$199.00	2.05%

Building Permit Application Fee

All other classes of Occupancy 2-9 inclusive (construction and/or demolition)

Does not exceed \$5,000	C	\$450.00	\$459.00	2.00%
Does not exceed \$10,000	C	\$630.00	\$645.00	2.38%
Does not exceed \$20,000	C	\$960.00	\$980.00	2.08%
Does not exceed \$50,000	C	\$1,380.00	\$1,410.00	2.17%
Does not exceed \$100,000	C	\$2,149.99	\$2,195.00	2.09%
Does not exceed \$200,000	C	\$2,750.00	\$2,805.00	2.00%
Does not exceed \$500,000	C	\$3,410.00	\$3,480.00	2.05%
Does not exceed \$600,000	C	\$4,092.00	\$4,175.00	2.03%
2016/17: 0.62%				
Does not exceed \$700,000	C	\$4,774.00	\$4,870.00	2.01%
2016/17: 0.62%				
Does not exceed \$800,000	C	\$4,760.00	\$4,860.00	2.10%
2016/17: 0.62%				
Does not exceed \$900,000	C	\$6,138.00	\$6,270.00	2.15%
2016/17: 0.62%				
Does not exceed \$1,000,000	C	\$6,270.00	\$6,400.00	2.07%
2016/17: 0.57%				
Does not exceed \$1,500,000	C	\$9,350.00	\$9,540.00	2.03%
2016/17: 0.52%				

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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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All other classes of Occupancy 2-9 inclusive (construction and/or demolition) [continued]

Does not exceed \$2,000,000 2016/17: 0.52%	C	\$11,440.00	\$11,670.00	2.01%
Does exceed \$2,000,000 2016/17: 0.41%	C	\$13,860.00	\$14,140.00	2.02%

Domestic – class 1a Dwellings (construction and demolition), where the value of building work:

Does not exceed \$5,000	C	\$350.00	\$357.00	2.00%
Does not exceed \$10,000	C	\$475.00	\$485.00	2.11%
Does not exceed \$15,000	C	\$650.00	\$665.00	2.31%
Does not exceed \$25,000	C	\$800.00	\$820.00	2.50%
Does not exceed \$50,000	C	\$1,262.00	\$1,290.00	2.22%
Does not exceed \$75,000	C	\$1,462.00	\$1,495.00	2.26%
Does not exceed \$100,000	C	\$1,768.00	\$1,805.00	2.09%
Does not exceed \$150,000	C	\$1,890.00	\$1,930.00	2.12%
Does not exceed \$200,000	C	\$2,318.00	\$2,365.00	2.03%
Does not exceed \$250,000	C	\$2,500.00	\$2,550.00	2.00%
Does not exceed \$300,000	C	\$2,750.00	\$2,805.00	2.00%
Does exceed \$300,000	C	\$3,249.99	\$3,315.00	2.00%

Minor Works – Class 10a, 10b & 1aj: Garages, carports, pool/spas & fence where value of work:

Less than \$5000	C	\$350.00	\$357.00	2.00%
Between \$5,000 to \$10,000	C	\$475.00	\$485.00	2.11%
Between \$10,001 to \$20,000	C	\$780.00	\$800.00	2.56%
More than \$20,000	C	\$900.00	\$920.00	2.22%
Minor works – Class 10b: Safety Barrier (without pool/spa) & Alterations to Safety Barrier.	C	\$250.00	\$255.00	2.00%

Statutory charge on building permits

Building permit levy (cost of building over \$10,000)	S		0.128%
			Fee 0.128%

Inspections

Additional Inspection (charged where additional inspections are required)

Additional Inspection (Domestic) – within 20km radius of Colac	C	\$224.99	\$230.00	2.23%
Additional Inspection (Commercial)	C	\$280.00	\$286.00	2.14%
Additional Travel per km (in addition to additional inspection fee) – more than 20km from Colac	C	\$1.00	\$1.10	10.00%

Essential Safety Measures Assessments

Essential Safety Measures Determination

Fee	C	\$650.00	\$663.00	2.00%
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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Report and Consent Fees

Demolition fee (s. 29A)

Fee	S	\$65.40	\$65.40	0.00%
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Report & Consent Application

Report & Consent Application	S	\$262.10	\$262.10	0.00%
Report & Consent Application – Charge per notice sent to adjoining properties	C	\$25.00	\$25.00	0.00%

Planning Fees & Charges – Other

Advertising

Advertising notice sent to individual property owners per letter	C	\$7.00	\$7.50	7.14%
Advertising sign erected on site	C	\$300.00	\$330.00	10.00%

Application for approval of amended plans under secondary consent

Fee	C	\$175.00	\$179.00	2.29%
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Application for Certification of subdivision under Subdivision Act

Application for Certification of subdivision under Subdivision Act, plus	S	\$167.80	\$167.80	0.00%
Application for Certification of subdivision under Subdivision Act – cost per lot	S	\$20.00	\$20.00	0.00%
Required alteration of plan	S	\$106.65	\$106.65	0.00%

Application for Plan of Consolidation

Fee	S	\$167.80	\$167.80	0.00%
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Application for Recertification of Plan of Subdivision

Fee	S	\$135.09	\$135.09	0.00%
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Check Engineering Plans

Fee	S		0.75%
			Fee 0.75%

Engineering Plan prepared by Council

Fee	S		3.50%
			Fee 3.50%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Extension of time to planning permits

1st Extension of time to planning permits	C	\$100.00	\$102.00	2.00%
2nd Extension of time to planning permits	C	\$150.00	\$153.00	2.00%
Each additional extension of time to planning permits	C	\$200.00	\$204.00	2.00%

Property Enquiry

Does not require extensive research	C	\$50.00	\$110.00	120.00%
Extensive research	C	\$160.00	\$220.00	37.50%

Satisfaction Matters

Satisfaction matters as specified by planning scheme	S	\$312.84	\$312.84	0.00%
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Supervision of Works

Fee	S			2.50%
				Fee 2.50%

Section 173 Agreements

Amendment to an existing agreement	S	\$632.79	\$632.79	0.00%
Removal of an existing agreement	S	\$632.79	\$632.79	0.00%
Written consent to vary something registered on title.	C	\$620.30	\$620.30	0.00%

Certificates of compliance

Fee	S	\$312.84	\$312.84	0.00%
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Permit for use of land

Application where only the land use is changed.	S	\$1,265.58	\$1,265.58	0.00%
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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 is:

Excluding VicSmart applications

\$100,000 to \$500,000	S	\$0.00	\$1,237.10	-
\$10,000 or less	S	\$191.97	\$191.97	0.00%
\$10,000 – \$100,000	S	\$1,237.14	\$604.40	-51.15%
\$500,000 – \$1,000,000	S	\$1,336.68	\$1,336.68	0.00%
\$1,000,000 – \$2,000,000	S	\$1,436.22	\$1,436.22	0.00%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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NEW FEE Vic smart applications

Single dwelling

\$10,000 or less	S	\$191.97	\$191.97	0.00%
More than \$10,000	S	\$412.38	\$412.38	0.00%
Subdivision or consolidation	S	\$191.97	\$191.97	0.00%

To develop land (other than for a single dwelling per lot) if the estimated cost of development included in the application is:

Less than \$100,000	S	\$1,102.05	\$1,102.05	0.00%
\$100,000 – \$1,000,000	S	\$1,485.99	\$1,485.99	0.00%
\$1,000,000 – \$5,000,000	S	\$3,277.71	\$3,277.71	0.00%
\$5,000,000 – \$15,000,000	S	\$8,354.25	\$8,354.25	0.00%
\$10,000,001 – \$50,000,000	S	\$24,636.15	\$24,636.15	0.00%
More than \$50,000,000	S	\$55,372.68	\$55,372.68	0.00%
To subdivide an existing building	S	\$1,265.58	\$1,265.58	0.00%
To subdivide land into two lots	S	\$1,265.58	\$1,265.58	0.00%
To effect a realignment of a common boundary between lots or to consolidate two or more lots	S	\$1,265.58	\$1,265.58	0.00%
All other subdivisions per 100 lots created	S	\$1,265.58	\$1,265.58	0.00%
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	\$1,265.58	\$1,265.58	0.00%
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	\$1,265.58	\$1,265.58	0.00%
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	\$1,265.58	\$1,265.58	0.00%
A permit not otherwise provided for in the Fee regulations	S	\$1,265.58	\$1,265.58	0.00%

(b) Amendments to Permits – Set by Statute

1

Change of use only	S	\$1,265.58	\$1,265.58	0.00%
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2

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	\$1,265.58	\$1,265.58	0.00%
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3

Single dwelling (\$10,000 or less) Changed from \$10,00-\$100,000)	S	\$191.97	\$191.97	0.00%
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4

Single dwelling (\$10,000 – \$100,000)	S	\$604.35	\$604.35	0.00%
Single dwelling (\$100,000 – \$500,000)	S	\$1,237.14	\$1,237.14	0.00%
Single dwelling (\$500,000 – \$2,000,000)	S	\$1,336.68	\$1,336.68	0.00%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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5

VicSmart – \$10,000 or less	S	\$191.97	\$191.97	0.00%
VicSmart – development more than \$10,000	S	\$412.38	\$412.38	0.00%
VicSmart – subdivision or consolidation	S	\$191.97	\$191.97	0.00%

6

Other developments (less than \$100,000)	S	\$1,102.05	\$1,102.05	0.00%
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8

Other developments (\$100,00 – \$1,000,000)	S		\$1,485.99	
			Fee	
			\$1,485.99	
Other developments (\$1,000,000 – \$50,000,000)	S	\$3,273.10	\$3,273.10	0.00%

9

Amendment to a permit not otherwise provided for in the fee regulation	S	\$1,265.58	\$1,265.58	0.00%
Subdivision – common boundary realignment, consolidation of two or more lots, existing buildings and two lot subdivisions (other than VicSmart)	S	\$1,265.58	\$1,265.58	0.00%
Subdivision (other than VicSmart, two lot subdivisions and boundary realignments)	S	\$1,265.58	\$1,265.58	0.00%
Creation, variation and removal of restrictions, easements and rights of way	S	\$1,265.58	\$1,265.58	0.00%

(c) Planning Scheme Amendment Fees – Set by Statute

i.

Considering a request for an Amendment	S	\$2,929.32	\$2,929.32	0.00%
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ii.

For considering up to 10 submissions	S	\$14,518.62	\$14,518.62	0.00%
For considering 11-20 submissions	S	\$29,008.80	\$29,008.80	0.00%
For considering in excess of 20 submissions	S	\$38,777.94	\$38,777.94	0.00%

iii.

Adoption of Amendment by Responsible Authority	S	\$462.15	\$462.15	0.00%
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iv.

Consideration of a request to approve an Amendment (by the Minister for Planning)	S	\$462.15	\$462.15	0.00%
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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Community Services – Family Day Care & Maternal & Child Health

Family Day Care Administration Levy

Carers Levy

Carers Levy per week	C	\$11.80	\$12.00	1.69%
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Per family per week

Child's hourly rate for a family per week	C	\$0.55	\$1.10	100.00%
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Family Day Care Charges

8am to 6pm Monday to Friday

Per hour per child	C	\$8.10 to \$8.60	Fee \$7.60 to \$8.10	
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Before 8 am and after 6 pm

Mon – Fri (per hour per child)	C	\$9.10 to \$9.60	Fee \$8.60 to \$9.10	
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Meals (per meal)

Breakfast	C	\$3.65	\$3.80	4.11%
Evening Meal	C	\$6.25	\$6.40	2.40%
Lunch	C	\$4.70	\$4.85	3.19%
Snack	C	\$1.65	\$1.70	3.03%

Saturday, Sunday and Public Holidays

Per hour per child	C	\$9.10 to \$9.60	Fee \$8.60 to \$9.10	
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Trips

Fee	C	\$4.90	\$5.05	3.06%
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Community Services – Older Persons Ability Support Service (OPASS)

OPASS

Domestic Assistance

Per Hour	C	\$4.70 to \$48.00	Fee \$4.60 to \$46.00	
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Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
Overnight Respite (per night)				
Respite Care	C	\$37.00	\$40.00	8.11%
Personal Care				
Per Hour	C		\$4.70 to \$48.00 Fee \$4.60 to \$46.00	
Property Maintenance				
Per hr plus cost of materials	C		\$15.00 to \$60.00 Min. Fee: \$15.00 Fee \$12.50 to \$49.00	
Respite Care				
Per Hour	C		\$4.70 to \$48.00 Fee \$4.60 to \$46.00	
Veterans Home Care (1st hr)				
Minimum service fee	S	\$5.50	\$5.50	0.00%
Community Transport				
Birregurra/Forrest/Beeac/Warrion				
One way	C	\$8.20	\$8.20	0.00%
Return	C	\$16.50	\$16.60	0.61%
Colac				
Return	C	\$9.20	\$9.30	1.09%
Colac Otway Shire – Apollo Bay, Lavers Hill				
Return	C	\$31.00	\$32.00	3.23%
Colac to Geelong or Ballarat				
One way – single passenger	C	\$20.50	\$21.50	4.88%
One way – two or more passengers	C	\$15.50	\$16.50	6.45%
Return	C	\$31.00	\$32.00	3.23%
Colac to Melbourne				
Return	C	\$56.00	\$57.00	1.79%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Colac to Warrnambool

Return	C	\$36.00	\$37.00	2.78%
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Community Bus Transport for Group Activities

Community Bus Transport for Group Activities	C	\$5.80	\$6.00	3.45%
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Full Cost Service

Per km	C	\$1.20	\$1.30	8.33%
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Contracted Services

Case Management

Assessments, reassessments, reviews, set up arrangements.	C	\$92.00	\$92.00	0.00%
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Contracted Services

Rate	C	\$1.18	\$1.20	1.69%
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Food Services

Per hour

Meal	C	\$15.99	\$23.00	43.84%
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Domestic Assistance

Per kilometre

7:30am to 7:30pm – Sat./Sun./Public Holiday	C	\$87.00	\$90.00	3.45%
7:30am to 7:30pm Mon. to Fri.	C	\$47.00	\$49.50	5.32%

Personal Care

Per meal

7:30am to 7:30pm – Sat./Sun./Public Holiday	C	\$87.00	\$90.00	3.45%
7:30am to 7:30pm Mon. to Fri.	C	\$48.00	\$51.00	6.25%
7:30pm to 7:30am Mon. to Fri.	C	\$87.00	\$90.00	3.45%

Property Maintenance

Per hour

7:30am to 7:30pm Sat./Sun./Public Holiday	C	\$97.00	\$108.00	11.34%
7:30am to 7:30pm Mon. to Fri.	C	\$54.00	\$61.00	12.96%
7:30pm to 7:30am Mon. to Fri.	C	\$97.00	\$108.00	11.34%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Respite Care

Per hour

7:30am to 7:30pm Sat./Sun./Public Holiday	C	\$87.00	\$90.00	3.45%
7:30am to 7:30pm Mon. to Fri.	C	\$48.00	\$51.00	6.25%
7:30pm to 7:30am Mon. to Fri.	C	\$87.00	\$90.00	3.45%

Meals to Agency clients

Per hour plus cost of materials

All meals

Per meal	C	\$10.60 to \$22.00
		Fee \$10.50 to \$16.00

Delivered meals

Per meal	C	\$10.60 to \$22.00
		Fee \$10.50 to \$16.00

Public Health

Health Protection Administration (Registration Fees)

CLASS 1 Food Premises

New	C	\$580.00	\$595.00	2.59%
Renewal	C	\$450.00	\$462.00	2.67%
Transfer of Registration	C	\$225.00	\$231.00	2.67%
Large / Complex Site New	C	\$870.00	\$895.00	2.87%
Large / Complex Site Renewal	C	\$675.00	\$695.00	2.96%
Large / Complex Site Transfer	C	\$435.00	\$446.00	2.53%

CLASS 2 Major Food Premises

New	C	\$480.00	\$492.00	2.50%
Renewal	C	\$330.00	\$339.00	2.73%
Transfer of Registration	C	\$165.00	\$170.00	3.03%
Large / Complex Site New	C	\$720.00	\$740.00	2.78%
Large / Complex Site Renewal	C	\$495.00	\$510.00	3.03%
Large / Complex Site Transfer	C	\$360.00	\$369.00	2.50%

CLASS 2 Minor Food Premises

New	C	\$285.00	\$293.00	2.81%
Renewal	C	\$200.00	\$205.00	2.50%
Transfer of Registration	C	\$100.00	\$103.00	3.00%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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CLASS 3 Major Food Premises

New	C	\$285.00	\$293.00	2.81%
Renewal	C	\$165.00	\$170.00	3.03%
Large / Complex Site New	C	\$430.00	\$441.00	2.56%
Large / Complex Site Renewal	C	\$250.00	\$257.00	2.80%
Large / Complex Site Transfer	C	\$215.00	\$221.00	2.79%
Transfer of Registration	C	\$82.50	\$85.00	3.03%

CLASS 3 Minor Food Premises

New	C	\$210.00	\$216.00	2.86%
Renewal	C	\$110.00	\$113.00	2.73%
Transfer of Registration	C	\$55.00	\$57.00	3.64%

Additional Temporary/Mobile Food Registration

Class 2	C	\$120.00	\$123.00	2.50%
Class 3	C	\$65.00	\$67.00	3.08%

Community Group Support

Class 2	C	\$70.00	\$72.00	2.86%
Class 3	C	\$40.00	\$41.00	2.50%

Personal Appearance Services

Beauty Therapies

New premises registration fee + pro-rata annual registration fee	C	\$150.00	\$154.00	2.67%
Pro-rata new premises registration fee – per month	C	\$12.50	\$12.90	3.20%
Registration/renewal	C	\$150.00	\$154.00	2.67%
Transfer of registration	C	\$75.00	\$77.00	2.67%

Hairdressers

New premises registration fee	C	\$200.00	\$205.00	2.50%
Transfer of registration	C	\$100.00	\$103.00	3.00%

Skin Penetration (acupuncture, ear piercing)

New premises registration fee + pro-rata annual registration fee	C	\$150.00	\$154.00	2.67%
Pro-rata new premises registration fee – per month	C	\$11.70	\$12.00	2.56%
Registration/renewal	C	\$140.00	\$144.00	2.86%
Transfer of registration	C	\$70.00	\$72.00	2.86%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Skin Penetration (Tattooists, body piercing)

New premises registration fee + pro-rata annual registration fee	C	\$150.00	\$154.00	2.67%
Pro-rata new premises registration fee – per month	C	\$16.70	\$17.20	2.99%
Registration/renewal	C	\$200.00	\$205.00	2.50%
Transfer of registration	C	\$100.00	\$103.00	3.00%

Miscellaneous

Conveyance Enquiries for regulated businesses

Enquiry Fee	C	\$220.00	\$226.00	2.73%
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Street Traders (Food, Ice-cream and Coffee Vans) Under the Victorian Food Act term "Streatrader"

Administration Assistance	C	\$40.00	\$41.00	2.50%
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Water Sampling

Professional service fee	C	\$140.00	\$144.00	2.86%
Actual testing fee	C			Actual cost
				Fee
				Actual cost

Immunisation

Fee	C	\$23.00	\$24.00	4.35%
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Late Renewal Penalty Fee per Month

Fee	C	\$140.00	\$144.00	2.86%
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Replacement Certificate

Fee	C	\$40.00	\$41.00	2.50%
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Express Service

Within 5 days	C	\$200.00	\$205.00	2.50%
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Professional Service

Additional compliance inspection	C	\$0.00	\$144.00	-
Food Safety Program Template	C	\$0.00	\$80.00	-
Historic document Search fee	C	\$0.00	\$220.00	-
Historic Document Search Fee (Basic)	C	\$140.00	\$110.00	-21.43%
Additional hour	C	\$50.00	\$52.00	4.00%

Name	Council / Statutory	Year 17/18 Fee (incl. GST)	Year 18/19 Fee (incl. GST)	Increase %
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Prescribed Accommodation

up to 6 persons

New premises design fee	C	\$150.00	\$154.00	2.67%
New premises pro rata registration	C	\$12.50	\$12.90	3.20%
Registration/renewal	C	\$160.00	\$164.00	2.50%
Transfer of Registration	C	\$80.00	\$82.00	2.50%

6 to 10 persons

New premises design fee	C	\$150.00	\$154.00	2.67%
New premises pro rata registration	C	\$12.50	\$12.90	3.20%
Registration/renewal	C	\$200.00	\$205.00	2.50%
Transfer of Registration	C	\$100.00	\$103.00	3.00%

11 to 20 persons

New premises design fee	C	\$150.00	\$154.00	2.67%
New premises pro rata registration	C	\$12.50	\$12.90	3.20%
Registration/renewal	C	\$240.00	\$246.00	2.50%
Transfer of Registration	C	\$120.00	\$123.00	2.50%

20+ persons

New premises design fee	C	\$150.00	\$154.00	2.67%
New premises pro rata registration	C	\$12.50	\$12.90	3.20%
Registration/renewal	C	\$290.00	\$298.00	2.76%
Transfer of Registration	C	\$145.00	\$149.00	2.76%

Caravan Parks per site

Fee	S	\$14.22	\$14.22	0.00%
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Public Health – Septic Tanks

Additional inspections

Fee	C	\$140.00	\$144.00	2.86%
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Septic tank alterations

Fee	C	\$300.00	\$308.00	2.67%
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Septic tanks system

Fee	C	\$750.00	\$770.00	2.67%
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