



Colac Otway  
SHIRE

**AGENDA**

MEETING OF SPECIAL COUNCIL  
OF THE  
COLAC-OTWAY SHIRE  
COUNCIL

18 APRIL 2012

at 4:00 PM

COPACC Meeting Rooms

An audio recording of this meeting is being made for the purpose of verifying the accuracy of the minutes of the meeting. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, subpoena or by any other law, such as the Freedom of Information Act 1982.

COLAC-OTWAY SHIRE SPECIAL COUNCIL MEETING

18 APRIL 2012

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NOTICE is hereby given that the next MEETING OF SPECIAL COUNCIL MEETING OF THE COLAC-OTWAY SHIRE COUNCIL will be held in COPACC Meeting Rooms on 18 April 2012 at 4.00 pm.

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## **AGENDA**

### **1. 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**

### **3. APOLOGIES**

### **4. MAYORAL STATEMENT**

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

Colac Otway Shire encourages community input and participation in Council decisions. Council meetings provide an opportunity for the community to ask Council questions, either verbally at the meeting or in writing.

Questions asked today must relate to the Special Council Meeting Agenda.

Please note that Council may not be able to answer some questions at the meeting. These will be answered later.

Council meetings enable Councillors to debate matters prior to decisions being made. I ask that we all behave in a courteous manner.

An audio recording of this meeting is being made for the purpose of ensuring the minutes of the meeting are accurate. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, subpoena or by any other law, such as the Freedom of Information Act 1982. It is an offence to make an unauthorised recording of the meeting.

Thank you. Now 30 minutes is allowed for question time. 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. This is not a forum for public debate or statements.

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

**5. QUESTION TIME**

**6. DECLARATION OF INTEREST**

**OFFICERS' REPORTS**

**Corporate and Community Services**

SC121804-1 DRAFT BUDGET 2012-2013  
SC121804-2 COUNCIL PLAN (INCLUDING THE STRATEGIC RESOURCE PLAN)  
SC121804-3 REVIEW OF LONG TERM FINANCIAL PLAN

**Rob Small**  
**Chief Executive Officer**

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## SC121804-1

## DRAFT BUDGET 2012-2013

AUTHOR:	Brett Exelby	ENDORSED:	Colin Hayman
DEPARTMENT:	Corporate & Community Services	FILE REF:	CLF11/42

**Purpose**

In accordance with Section 127 of the Local Government Act 1989 (the Act) and Regulation 8 of the Local Government (Finance and Reporting) Regulations 2004 (the Regulations), Council is required to conduct a statutory process prior to adopting the Proposed Annual Budget for 2012-2013.

The proposed budget has been prepared in accordance with the requirements of the Act and the Best Practice Guidelines, which is a best practice guide for reporting local government budgets in Victoria. It is aimed at providing local government with definitive guidance on best practice budget reports and is based on real examples relevant to local government in Victoria.

This report recommends that Council resolve to prepare the proposed Budget for 2012-2013 in accordance with Section 127 of the Act and give the required public notice pursuant to Section 129 of the Act.

**Declaration of Interests**

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

**Background**

The proposed Budget is an essential planning and resource tool produced by Council each year and is vital to the ongoing operational and financial viability of Council. It sets out the expected income and expenditure of both operational and capital activities for the coming year and also incorporates Council's rating strategies.

The budget is a significant tool in ensuring the accountability of Council's operations and in line with good governance forms part of the public accountability process and reporting that includes:

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

The budget for 2012-2013 has been developed over many months of thorough and comprehensive review. The Councillors, together with staff, have analysed both financial and non-financial information to ensure that the budget delivers on Council's objectives and meets, where fiscally responsible, the services that our community deserves and requires.

The annual budget process has involved:

- Development of budget requests ;
- Analysis of funding options;
- Review of the fees and charges;
- Review of the various business plans;
- Review of the Council's services; and
- Review of the capital and project works.

The many financial challenges facing Council and the community are included in the draft Strategic Resource Plan for the period 2012-2016. These include challenges such as:

- Ageing assets and the considerable backlog of asset renewal;
- Extensive local roads network;
- Funding of capital expenditure investment;
- Environmental obligations, including climate change;
- Maintaining operating surpluses;
- Demands on existing liquidity levels;
- Managing financial risks prudently in regard to debts, assets and liabilities;
- Development of rating policies that provide reasonable stability and equity in the level of the rate distribution; and
- Financial capacity to fund major infrastructure projects.

Council has further set goals of:

- Ensuring the asset renewal capital commitments are met in real terms for each year;
- Achieving consistent and sustainable operating surpluses;
- Achieving consistent and sustainable underlying surpluses;
- Achieving strong, prudent capital and liquidity positions;
- Ensuring cash balances exceed identified cash reserve levels;
- Ensuring funding is available to meet the Council's current and future environmental obligations;
- Ensuring funding is available to meet Council's current and future accommodation obligations; and
- Reviewing Council's fees and charges on an annual basis for equity and fairness.

These goals will:

- Meet the strategic objectives proposed by the Council Plan;
- Continue to address the infrastructure funding gap issues of Council;
- Provide a reasonable degree of consistency and stability in the level of rates burden; and
- Enhance the longer-term financial viability and sustainability of Council.

The budget document appended to this report provides detailed information with regard to major impacts for 2012-2013. It also provides details with regard to Council's financial management principles to ensure a financially sustainable future.



The budget proposal is for an increase in the average rates and charges, per assessment, of 6.33%. This increase enables Council to continue to deliver existing services and deliver a number of key initiatives and projects. The proposed budget is also designed to deliver an operating surplus which partially funds the capital work activities of Council.

The basis of sound financial management includes the principles for achieving operating surpluses, ensuring adequate liquidity and maintaining long term solvency. All of which are considered along with increasing demands placed upon local authorities, such as Colac Otway Shire, by the State Government and the needs of local communities. Council continues to actively lobby state and federal governments, along with other industry bodies, for increasing recognition of the burdens placed upon ratepayers. The financial stress is most evident on rural municipalities that are struggling to meet existing demands on services and maintaining infrastructure renewal without additional burdens being foisted upon already stressed communities. Councillors and officers will continue to actively seek tangible recognition, in the form of additional financial support.

### **Council Plan / Other Strategies / Policy Leadership and Governance**

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

The 2012-2013 Budget has been prepared in line with the Council Plan and is guided by priorities outlined in key strategic documents - the Council Plan and Strategic Resource Plan.

The 2012-2013 Budget reflects Council's commitment to achieving progress against Council's Key Result Areas:

- Leadership and Governance
- Physical Infrastructure and Assets
- Land Use and Development
- Environmental Management
- Economic Development
- Community Health and Wellbeing

The 2012-2013 Draft Budget was prepared in accordance with the requirements of the *Local Government Act 1989*.

The Budget is a critical planning and resource tool of Council and is vital to the ongoing operational and financial viability of Council. It sets out the expected income and expenditure both operational and capital for the coming year and also incorporates Council's rating strategy.

### **Issues / Options**

There are a number of key activities and changes included within the 2012-2013 Budget which have had significant impact on the level of funds required by Council.

- a) There has been operational and service growth within the organisation in an effort to keep pace with the increasing demands placed upon Council by the various levels of government and our community.
- b) The budget maintains the focus on the elimination of the Infrastructure Renewal Gap. The Infrastructure Renewal Gap is the difference between what we should spend on

renewal of roads and other assets as they reach the end of their useful lives and what we do spend. In 2004/05 the infrastructure renewal gap for the year was almost \$5 million. Through Council's financial discipline and responsible decision making, Council will continue to allocate 100% of the funds needed to meet our infrastructure renewal target, providing a more sustainable base for Council's long term operations.

- c) The dramatic growth in services and facilities over the past decade is positive for the growth and development of Colac Otway Shire. Council has prepared a Budget for the 2012-2013 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Any increases have been carefully considered against the Council's obligations to deliver existing services and to meet Council's statutory and regulatory obligations. The budget document provides information about rates, cash and investments, the operating result, borrowing levels, financial position, capital works and the financial sustainability of Council.

### **Loan Borrowings**

The budget for 2012-2013 includes loan borrowings of \$1.5 million over a 15 year period for works at the Colac Livestock Selling Centre. The final amount to be borrowed will be determined by the tender process/s. The term of the loan will also be dependent on the tender process and other influencing factors such as interest rates, the balance of reserves and Council's adopted loan strategy.

### **Rating and Valuations**

Council's total rates and charges will increase to \$23.3 million (including supplementary rates) to enable the delivery of services and infrastructure to the community.

The budget proposal is for an increase in the average rates and charges (excluding supplementary rates) of 6.33% for the 2012-2013 financial year.

The combined 2011-2012 Rates and Charges bill per assessment was \$1,492. The average for 2012-2013 is forecast to be \$1,586, being a \$94 or \$1.80 per week increase on 2011-2012.

### **Proposal**

That Council give public notice of the proposed 2012-2013 draft budget and put out for public submissions.

### **Financial and Other Resource Implications**

Refer to the draft budget document.

### **Risk Management & Compliance Issues**

Local Government Act 1989:

- 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"

Local Government (Finance and Reporting) Regulations 2004:

- Regulation 8
- Regulation 9

**Environmental and Climate Change Considerations**

Not applicable.

**Community Engagement**

In releasing the budget for public consideration, Council encourages comments and submissions on the financial strategies contained within the Budget document.

Section 223 of *the Act* requires that the Budget be available for comment for a period of at least four (4) weeks. A consultation period of six (6) weeks is proposed to enable the community the opportunity to comment on the Budget proposal.

It is important that the budget is adopted as near as practicable to the commencement of the financial year. Ideally the budget should be adopted prior to the commencement of the year to which it relates. This ensures that Council is authorised to function adequately and within defined budgetary constraints from the commencement of the financial year.

The timelines proposed for approval 'in principle' of the 2012-2013 Annual Budget, public consultation, consideration of submissions and adoption of the 2012-2013 Annual Budget at the Council meeting on 27 June 2012 will be consistent with most councils.

Advertisements will be placed in the local papers advising the community that documents are available for viewing on Council's website, and will also be available from Council's Service Centres on Friday 20 April 2012.

Submissions can be made in writing by Friday 1 June 2012 and Council will consider any submissions received at a Special Council Meeting Wednesday 13 June 2012 prior to the final Budget being adopted on Wednesday 27 June 2012.

Anyone wishing to be heard in support of their submission needs to advise Council of their intention to do so in the written submission provided by Friday 1 June 2012.

**Implementation**

Advertisements will be placed in the local papers advising that documents are available for viewing.

**Conclusion**

The draft budget has been prepared over a considerable period of time, with significant commitment from Councillors and staff. This draft budget is a pragmatic approach to the delivery of a wide range of services to the Colac Otway community with an increase in the average rates and charges per assessment of 6.33%.

The outcomes from the proposed 2012-2013 Budget are:

- Achieving the objectives of the Council Plan;
- Maintenance of a modest financial position, partially backing our reserves, with a budgeted working capital ratio of 134% at 30 June 2013;
- Operating expenditure to the value of \$37.1 million;
- Operating revenue to the value of \$36.6 million;
- Maintenance of the range and level of services in the operating budget;
- Proposed delivery of a capital works programme in the order of \$15.96 million, including \$9.0 million focussed on the renewal of assets;
- Estimated rates and charges of \$23.3 million, including an average increase in rates and charges per assessment of 6.33%;
- Proposed borrowings at \$1.5 million; and

- Debt will increase to a total of \$5.26 million at 30 June 2013.

### Attachments

1. Draft Budget 2012-2013

### Recommendation(s)

#### **That Council:**

1. **Recognise that the 2012-2013 Draft Budget annexed to this resolution be the Budget prepared by the Council pursuant to Section 127 of the Local Government Act 1989.**
2. **Authorise the Chief Executive Officer to:**
  - a. **Give public notice of the proposed Budget in accordance with Section 129 (1) of the Local Government Act 1989: and**
  - b. **Make available for public inspection a copy of the proposed budget in accordance with Section 129 (3) of the Local Government Act 1989.**
3. **Calls for written submissions in accordance with Section 223 of the Local Government Act 1989 on the proposals contained in the 2012-2013 budget. Written submissions will be accepted for a 6 week period until 5:00pm Friday 1 June 2012.**
4. **Hears any person who wishes to be heard (either personally or by a person acting on their behalf) in support of a submission received in relation to the proposed budget at a Special Council Meeting on Wednesday 13 June 2012 at 1:00 pm.**
5. **Proposes that the rates in the dollar for each type of rate to be levied (expressed in "cents in the dollar" for the period commencing 1 July 2012 and concluding on 30 June 2013 are:**

<b>Residential- Colac, Colac East, Colac West, Elliminyt</b>	<b>\$0.3759</b>
<b>Residential- Balance of Shire</b>	<b>\$0.3195</b>
<b>Rural- Farm</b>	<b>\$0.2970</b>
<b>Holiday Rental</b>	<b>\$0.3759</b>
<b>Commercial/Industrial - Colac, Colac East, Colac West, Elliminyt</b>	<b>\$0.6203</b>
<b>Commercial/Industrial- Balance of Shire</b>	<b>\$0.5263</b>
<b>Other Charges:</b>	
<b>Aire River Drainage Scheme</b>	<b>\$0.20 per hectare</b>
<b>Tirrengower Drainage Scheme</b>	<b>\$2.50 per hectare</b>

6. ***Proposes that a Municipal Charge set at 10% of the total rates and municipal charges, which equates to \$149 per each rateable property in respect to which a municipal charge can be levied for the period commencing 1 July 2012 and concluding on 30 June 2013.***
7. ***Proposes that a Waste Management Charge of \$277 be levied for the period commencing 1 July 2012 and concluding on 30 June 2013 for properties in areas receiving a weekly garbage collection service.***
8. ***Proposes that a Waste Management Charge of \$186 be levied for the period commencing 1 July 2012 and concluding on 30 June 2013 for properties in areas receiving a fortnightly or monthly garbage collection service respectively.***
9. ***Proposes to utilise \$200,000 from the Plant Replacement Reserve for the purpose of providing matching funding for the redevelopment of the Central Reserve Oval.***
10. ***Proposes to repay the \$200,000 to the Plant Replacement Reserve over a maximum term of three years.***
11. ***Proposes to borrow up to \$1,500,000 strictly for the purpose of proposed works at the Colac Livestock Selling Centre. The final amount to be borrowed and the term of the loan will be dependent on the tender process/s and the repayment schedule at the time the funds are required.***

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## SC121804-2 COUNCIL PLAN (INCLUDING THE STRATEGIC RESOURCE PLAN)

|             |                                |           |              |
|-------------|--------------------------------|-----------|--------------|
| AUTHOR:     | Margaret Giudice               | ENDORSED: | Colin Hayman |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | 11/95772     |

### Purpose

The purpose of this report is to consider a revised draft Council Plan for 2009-2013 and a revised Strategic Resource Plan (SRP) for 2012-2013 to 2015-2016.

The revised Council Plan and Strategic Resource Plan are now submitted to Council for consideration prior to being put out for public comment.

### Declaration of Interests

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

### Background

Under section 125(7) of the *Local Government Act 1989* (LGA) Council must consider whether the current Council Plan requires any adjustment for the remaining period of the Plan.

If adjustments are made Council is required to undertake a submission process under section 223 of the Act.

Under section 126(3) of the Act, Council must review the Strategic Resource Plan (SRP) during the preparation of the Council Plan and adopt the SRP not later than 30 June each year.

The SRP provides a framework and model for Council to consider its future financial direction and to confirm that operating trends are affordable.

Following an internal review a number of alterations have been proposed to the Council Plan.

The Council Plan (including the SRP), the 2012-13 Draft Budget and the Long Term Financial Plan are all being considered at the same time.

### Council Plan / Other Strategies / Policy Leadership and Governance

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

The Council Plan is a strategic document outlining the objectives and strategies of Council.

The Plan includes:

- Our Vision;
- Our Mission;

- Our Values;
- Key Result Areas;
- Objectives;
- Strategies; and
- Key Actions.

### **Issues / Options**

#### Changes made to the Council Plan

The revised Council Plan includes a number of adjustments to the actions contained therein and to revise timelines. Other minor changes including the updating of information have also been made.

Changes have also been made to the Strategic Indicators and Targets to increase measurability, in line with the project being conducted by the Victorian Auditor General's office.

The changes have been tracked in the attached document.

Action changes include:

#### **Under Leadership and Governance:**

Strategy 1, (Deleted)

- *Participate in the Municipal Association of Victoria's STEP planning process improvement program – deleted as this is a repeat of an action under the Physical Infrastructure and Assets section, Strategy 2, Action 1.*

Strategy 3, Action 1: (Changed)

- *Review the ten year financial plan on an annual basis and ensure that it is integrated with Council's Asset Management Strategy.*

#### **Under Physical Infrastructure and Assets**

Strategy 1, Action 2: (Changed)

- *Review and implement Asset Management Plans to ensure that the level of funding for asset renewal, maintenance and upgrade meets the community's expectations.*

Strategy 5, Action 3: (Added)

- *Implement measures to manage and monitor Council's closed landfills to EPA standards.*

#### **Under Land Use and Development:**

Strategy 1, Action 5 (Changed)

- *Finalise a Structure Plan for Birregurra.*

Action 6 (Changed)

- *Finalise the Forrest Structure Plan.*

Action 7 (Changed)

- *Commence a review of the Colac Structure Plan, including the identification of long term residential and commercial/industrial growth options.*

#### **Under Environmental Management:**

Strategy 1, Action 3, (Changed)

- *Development of 2 Year Action Plans for the Environment Program.*

Strategy 2, Action 1: (Changed)



- *Develop and implement action plans to manage the threats to environmental assets on Council managed land in accordance with the Environment Strategy and the 2 Year Action Plans.*

Strategy 4, Action 1, (Changed)

- *Continue program of works and practices in accordance with the Environment Strategy and 2 Year Action Plans.*

Action 2 (Changed)

- *Continue to implement agreed, viable water saving measures in accordance with the Environment Strategy and the 2 Year Action Plans.*

Strategy 7, Action 4: (Added)

- *Investigate waste-to-energy for green waste.*

Under **Community Health and Wellbeing:**

Strategy 1, (Deleted)

- *Develop a 10 year capital upgrade works facility improvement program for all recreation facilities and investigate external funding options to assist with these works, with priority to Council owned facilities.*

deleted as unable to be achieved in the remaining year of this Council Plan.

Action 5 (Added)

- *Implement the extension of the Apollo Bay Library and additional program spaces.*

Action 10 (Changed)

- *Develop an Active Transport Strategy.*

Changes made to the Strategic Indicators

Under **Leadership and Governance:**

(Deleted)

- Community satisfaction ratings for: (1) Overall Performance of Council, (2) Council's Advocacy role, (3) Council's Community Engagement and (4) Council's Customer Contact.
- Risk Liability Assessment

(Added)

- Outstanding rates, charges and fees as a proportion of rates, charges and fees, Target - <4%.
- Average rate revenue per assessment, Target - \$1.269.

Under **Environmental Management:**

(Deleted)

- Eco Buy Accreditation.

(Added)

- Develop environmental plans for high value Council land, Target - 12 plans developed.
- Commence implementation of environmental management plans for high value Council land, Target – Implementation of 12 plans commenced.

Under **Economic Development:**

(Deleted)

- Completion of Master Plan priorities for all small towns.

(Added)

- Delivery of Business Development Events, Target – 16 events held during the year.

**Under Community Health and Wellbeing:**

(Deleted)

- Community Satisfaction with (1) Health and Human Services and (2) Recreational Facilities.

(Added)

- Exhibition of community and professional artists at the Colac Otway Performing Arts and Cultural Centre (COPACC), Target - >100 artists.
- Maintain a membership base at Bluewater Fitness Centre, Target - >1,000 members.
- Capacity usage of Council's Learn to swim program, Target - >90%.

**Changes made to the Strategic Resource Plan (SRP)**

The SRP continues to focus on longer term issues that affect Council's ability to deliver services to its community.

The SRP includes information on the following:

- Link between Strategic Resource Plan and Council Plan
- Financial Sustainability
- Long-Term Borrowing Strategies
- Statutory and other Reserves
- Rating and other Revenue Strategies
- Asset Management
- Capital Works Programme
- Service Provision and Planning
- Strategic Financial Plan

The SRP includes Council's key strategic directions on each of these items.

**Purpose of the SRP**

Council is required to prepare a SRP under section 126 of the *Local Government Act (1989)*.

The purpose of the SRP is to:

- Establish a financial framework over the next 4 years to ensure Council's strategic objectives, as expressed in its Council Plan, are achieved;
- Provide an assessment of the resources (financial and non-financial) required to accomplish the objectives and strategies included in the Council Plan (non-financial resources are assumed to include human resources and Council's asset base, which are all referred to in various parts of the SRP);
- Establish a basis to measure Council's adherence to its policies and strategies; and
- Assist Council to comply with sound financial management principles, in accordance with the Local Government Act (1989) and to plan for the long-term financial sustainability of the municipality.

**SRP Objectives**

The 2012-2013 to 2015-2016 SRP is intended to achieve the following objectives in the 4-year time frame:

- Maintain the existing range and level of service provision and develop the capacity to grow and add new services;
- Maintain a strong cash position, ensuring Council remains financially sustainable in the long-term;

- Achieve underlying surpluses from operations;
- Maintain debt levels below prudential guidelines;
- Continue to pursue ongoing grant funding for strategic capital funds from the state and federal governments;
- Provide for rate increases that establish a funding level for a sustainability index of 100 percent, including increasing funding for capital works (asset renewal, expansion, upgrade) and asset maintenance; and
- Ensure critical renewal is funded annually over the timeframe of the SRP.

#### Timing

As indicated in the background of this report it is intended to consider all of the following documents at the same time:

- Draft Budget
- Revised Council Plan
- Strategic Resource Plan
- Long Term Financial Plan

This will ensure consistency in the figures that are included in the various documents.

The SRP financial statements have been prepared using the latest Draft Budget 2012-2013 budget information.

#### **Proposal**

That Council endorse the revised 2009-2013 Council Plan and the 2012-2013 to 2015-2016 Strategic Resource Plan and release for public comment for a 6 week period.

#### **Financial and Other Resource Implications**

The Strategic Resource Plan has been adjusted in line with projections for the four year period.

The financial details included in the SRP for 2012-2013 are consistent with the Draft Budget document for 2012-2013.

As noted above the SRP includes information on the following:

- Financial Sustainability
- Long-Term Borrowing Strategies
- Statutory and other Reserves
- Rating and other Revenue Strategies
- Asset Management
- Capital Works Program
- Service Provision and Planning
- Strategic Financial Plan

#### **Risk Management & Compliance Issues**

Local Government Act 1989:

- Section 125 - "Council Plan"
- Section 126 - "Strategic Resource Plan"
- Section 223 - "Right to make submission"

Local Government (Finance and Reporting) Regulations 2004:

- Section 5 – “The standard statements”

### **Environmental and Climate Change Considerations**

The Council Plan under Environmental Management includes Strategies and Key actions that address Environmental and Climate Change.

### **Community Engagement**

The community engagement strategy will follow 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 to date has been of inform and consult.

There have been a number of sessions with Councillors and officers in reviewing the Council Plan and the Strategic Resource Plan. The review has resulted in a number of proposed changes.

The next stage of the process is consult.

As per the Council's Community Engagement Policy and section 223 of the *Local Government Act 1989* the Council Plan (including the SRP) is required to go on public display. Section 223 of the Act stipulates at least a 28 day submission process. Under section 223 of the *Local Government Act 1989*, Council must consider any written submissions which are received by the Council within 28 days after the publication of a public notice.

The Council policy stipulates a 6 week public display timeline. *Shorter time or longer frames may be appropriate depending on statutory requirements or other circumstances related to external deadlines.*

Advertisements will be placed in the local papers advising the community that documents are available for viewing on Council's website, and will also be available from Council's Service Centres on Friday 20 April 2012.

Submissions can be made in writing by Friday 1 June 2012 and Council will consider any submissions received at a Special Council Meeting on Wednesday 13 June 2012 prior to the final Council Plan and SRP being adopted on Wednesday 27 June 2012.

Anyone wishing to be heard in support of their submission needs to advise Council of their intention to do so in the written submission provided by Friday 1 June 2012.

### **Implementation**

The timelines allow for the revised 2009-2013 Council Plan and 2012-2013 to 2015-2016 Strategic Resource Plan to be presented to Council for endorsement at the 27 June 2012 Council meeting. Any person wishing to be heard on their submission will be given the opportunity at a Special Council meeting at 1.00 pm on Wednesday 13 June 2012.

The revised documents will be then forwarded to the Minister for Local Government by 30 June 2012.

### **Conclusion**

The Council Plan has been reviewed following discussions with Councillors and officers and a number of changes/additions have been made.

The SRP will be reviewed on an annual basis in line with the review of the Council Plan. The SRP and the Draft Budget for 2012-13 are before Council at the same time to ensure consistency between these key documents.

**Attachments**

1. Council Plan 2009-2013 Review 20120412

**Recommendation(s)*****That Council:***

1. ***Endorse the revised 2009-2013 Council Plan and the 2012-2013 to 2015-2016 Strategic Resource Plan and put out for public submissions for a six week period.***
2. ***Consider any submissions on the Council Plan and the Strategic Resource Plan at a Special Council Meeting on Wednesday 13 June 2012 at 1.00 pm at COPACC.***

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|-------------|--------------------------------|-----------|--------------|
| AUTHOR:     | Brett Exelby                   | ENDORSED: | Colin Hayman |
| DEPARTMENT: | Corporate & Community Services | FILE REF: | F11/4543     |

### **Purpose**

The purpose of this report is to consider a Long Term Financial Plan (LTFP) for the period 2012-13 to 2021-22.

### **Declaration of Interests**

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

### **Background**

Council adopted its first Long Term Financial Plan (LTFP) in June 2011.

The plan was based on Council's participation in the LG Sustainability Programme and has been developed following the work undertaken on the new Strategic Resource Plan.

As indicated at the initial adoption of the LTFP, an annual review of the LTFP has been undertaken for the 2012-2013 financial year to ensure that the data contained continues to be relevant and is aligned with the Strategic Resource Plan and Council's Annual Budget for 2012-2013.

There is no legislative requirement for Council to have a LTFP, but it is seen as important that a longer term plan is developed in setting a foundation for the current and future councils.

Discussions have been held with Councillors and officers on the LTFP.

### **Council Plan / Other Strategies / Policy Leadership and Governance**

Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.

The LTFP establishes a financial framework over the next 10 years to ensure Council's strategic objectives are achieved.

### **Issues / Options**

#### Contents of the LTFP

The LTFP includes sections on:

- Link between Long Term Financial Plan and Council Plan
- Financial Sustainability
- Long-term Borrowing Strategies
- Statutory and other Reserves
- Asset Management
- Service Provision and Planning
- Long Term Financial Plan

### Challenges

The LTFP lists a number of challenges that are facing council(s):

- Infrastructure backlog
- Cost shifting
- Revenue and cost pressures
- Increasing community expectations
- Rural issues
- Internal constraints
- Renewed research
- Reforms
- Strategic Management

### Purpose of the LTFP

The purpose of the Long Term Financial Plan (LTFP) is to:

- Establish a financial framework over the next ten (10) years to ensure Council's strategic objectives are achieved;
- Provide an assessment of the resources (financial and non-financial) required to accomplish these objectives and strategies;
- Provide a basis for consecutive councils to establish and monitor longer term visions;
- Establish a basis to measure Council's adherence to its policies and strategies; and
- Assist Council to comply with sound financial management principles, in accordance with the *Local Government Act (1989)* and to plan for the long-term financial sustainability of the municipality.

While compliance with the legislation can be achieved with the development of medium-term (four-year) financial statements, the 10-year approach proposed by Council in the future will be more comprehensive.

A 10-year time frame more fully supports strategic asset management as many of Council's assets have long lives.

### LTFP Objectives

The 2012-2013 iteration of the LTFP is intended to achieve the following objectives in the 10-year time frame. It should be noted that these objectives are consistent with those in the Strategic Resource Plan:

- Maintain the existing range and level of service provision and develop the capacity to grow and add new services;
- Maintain a strong cash position, ensuring Council remains financially sustainable in the long-term;
- Achieve operating statement surpluses with the exclusion of all non-operational items such as granted assets and capital income;
- Maintain debt levels below prudential guidelines;
- Continue to pursue recurrent grant funding for strategic capital funds from the state and federal government;
- Provide for rate increases that establish a funding level for a sustainability and investment gap elimination, including increasing funding for capital works (asset renewal, expansion, upgrade) and asset maintenance; and
- Ensure critical renewal is funded annually over the timeframe of the LTFP.



### Annual Review of LTFP

A number of known strategic challenges remain ahead including renewing existing assets, continuing to provide an appropriate range and level of services to a growing community, maintaining a sound financial position and addressing the need for capital investment. In addition there are many currently unknown challenges that should be considered when developing long term plans so as to limit their potential impact. These challenges include (but are not limited to):

- Carbon pricing
- Future LASF Defined Benefits shortfalls
- Redevelopment of the Colac High School
- Landfill rehabilitation works
- Land acquisition opportunities
- Increased cost shifting from other tiers of government
- Other unforeseen legislative changes
- Central business district redevelopment
- Heavy vehicle route impacts
- Administration Office development
- Redevelopment of Central Reserve
- Future council amalgamations
- Catastrophic events (both natural and financial)
- Global warming impacts

Given the many and varied possible changes that may impact on Council's position over the next ten years it is vital that this plan be reviewed annually to ensure events such as those mentioned above can be considered so that the community and Council are kept informed.

The challenge for Council, in the short-term, is to fund the appropriate level of investment in the community's assets and simultaneously accommodate the pressures of growth, including new capital investment and expanded service provision.

The other related issues are the risks and liabilities that Council and the community face if Council does not invest in asset renewal at an adequate rate.

The LTFP establishes the strategic financial direction for Council to meet the funding and investment challenges that lie ahead in the next 10-years. The LTFP is prepared in conjunction with the SRP and Council Plan to ensure the affordability of activities included in the Council Plan.

### **Proposal**

That Council endorse the review of the Long Term Financial Plan 2012-2013 to 2021-2022.

### **Financial and Other Resource Implications**

The financial details included within the Long Term Financial Plan for 2012-2013 are consistent with the Draft Budget document for 2012-2013.

### **Risk Management & Compliance Issues**

The LTFP notes that there are risks and liabilities that Council and the community face if Council does not invest in asset renewal at an adequate rate.

### **Environmental and Climate Change Considerations**

As indicated above, Council will need to review the impacts that a number of challenges may have on Council's position. These include:

- Carbon pricing
- Global warming impacts

### **Community Engagement**

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 to date has been of inform.

There have sessions with Councillors and officers in reviewing the Long Term Financial Plan.

Council will consider the adoption of the reviewed LTFP on Wednesday 18 April 2012.

### **Implementation**

The LTFP will be reviewed on an annual basis.

### **Conclusion**

The LTFP provides the current and future councils with an opportunity to develop long-term plans that focus on the long-term prospects and ambitions of the Colac Otway Shire and its community.

Long term strategic planning is not a budgeting process but rather a continuous planning journey aimed at focussing attention on the Shire's future financial needs. Its purpose is to build an improved understanding of the timing of financial needs over the life of the plan.

The aim of the LTFP is to provide the community with information on the long term intent and vision of the current council. It also provides future councils with a foundation stone from which to build future visions of our community.

The role of the LTFP is to provide information from a financially sustainable perspective and is not intended to provide details on the vision for the community but rather how Council envisages the long term vision can be delivered in a sustainable manner.

### **Attachments**

1. Long Term Financial Plan 2012-2022

### **Recommendation(s)**

#### ***That Council:***

- 1. Adopts the Long Term Financial Plan 2012-13 to 2021-22***

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# MEETING OF SPECIAL COUNCIL

WEDNESDAY, 18 APRIL 2012

## ATTACHMENTS

PAGE NO.

### CORPORATE AND COMMUNITY SERVICES

#### SC121804-1 Draft Budget 2012-2013

- Attachment 1: Draft Budget 2012-2013      **2SC121804-2 Council Plan (including the Strategic Resource Plan)**
- Attachment 1: Council Plan 2009-2013 Review 20120412  
                                         **155SC121804-3 Review of Long Term Financial Plan**
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**Colac Otway**  
SHIRE

**COLAC OTWAY SHIRE  
ANNUAL BUDGET  
2012-2013  
FOR THE YEAR ENDED  
30 JUNE 2013**

Colac Otway Shire Budget 2012-2013

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Colac Otway Shire Budget 2012-2013

# 1 OVERVIEW

## 1.1 Executive Summary

The 2012-2013 Budget will enable Council to deliver on key community priorities. These include the redevelopment of the Blue Water Fitness Centre Stadium, duplication of a stormwater outlet for Thomson Street at Apollo Bay, construction of a new play space at Elliminyt, redevelopment of the Central Reserve Oval, continued rehabilitation of landfills to EPA standards, and a commitment to high quality service delivery in all service areas.

Council continues to strive for balance in addressing the many competing priorities. These priorities include: whether to replace our aging assets; how to deal with increasing demand on services; balancing opportunities that occur, for example being in a position to contribute matching funding to government grants (whether large or small); and the struggle for municipalities like the Colac Otway Shire to generate sufficient income to meet these same competing needs.

Our pragmatic approach does maintain the focus on the elimination of the Infrastructure Renewal Gap. The Infrastructure Renewal Gap is the difference between what we should spend on renewal of roads and other assets as they reach the end of their useful lives and what we did spend. Through Council's financial discipline and responsible decision making, Council will continue to increase funds allocated to meet our infrastructure renewal target, providing a more sustainable base for Council long-term operations.

The 2012-2013 budget has been significantly bolstered by additional federal and state government funding provided for infrastructure projects. This includes funding for the redevelopment of the Bluewater Fitness Centre and a further \$1.37 million in roads and bridges related activities as a result of the Country Roads and Bridges Initiative and Local Government Infrastructure Program. These funds have been allocated to the projects such as:

- Barham River Road Bridge, Apollo Bay
- Carlisle Valley Road Bridge, Carlisle River
- Upper Gellibrand Road Bridge, Barramunga
- Gane's Access Bridge, Carlisle River

The dramatic growth in services and facilities over the past decade is positive for the growth and development of Colac Otway Shire. Council has prepared a Budget for the 2012-2013 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, cash and investments, operating result, borrowing level, financial position, capital works and financial sustainability of the Council.

The key features of the 2012-2013 Budget are:

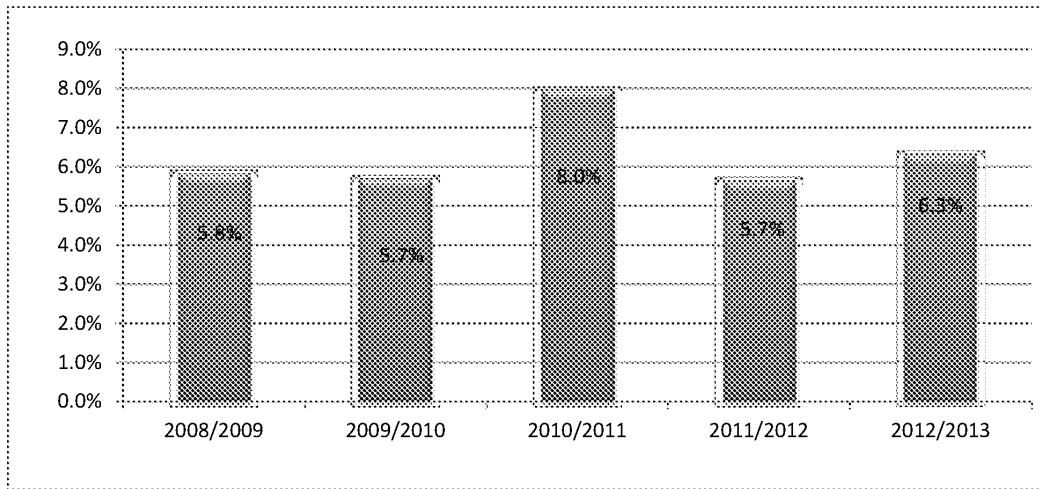
- An operating surplus achieved for the fifth consecutive year;
- Council continues to meet the Infrastructure Renewal Gap;
- The delivery of affordable rates – with an average rate and charges increase of 6.33%;
- Numerous projects designed to enhance the community;
- Delivery of a strong capital works programme; and

This has been achieved within the parameters of:

- Increased cost shifting from all levels of government;
- Careful monitoring of operating costs of service delivery; and
- Increased demands and expectations by the community and other levels of government.

Colac Otway Shire Budget 2012-2013

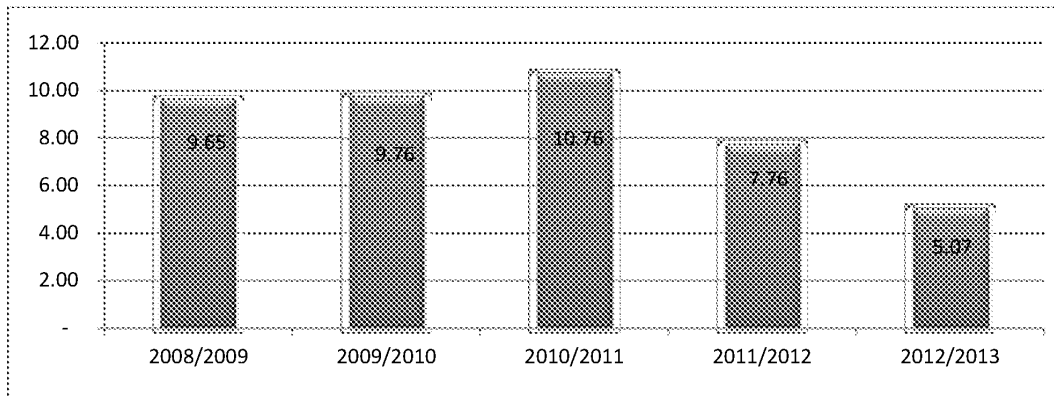
1.1.1 Rates



It is proposed that general rates and charges increase by an average of 6.33% for the 2012-2013 year. This equates to about \$23.2 million in both rates and charges, such as the waste management charge, and is in line with Council's rating strategy. Council's rates and charges are directed towards the maintenance of existing services and infrastructure and are the largest component of Council's revenue.

The impact on the average assessment for 2012-2013 is expected to be an increase of \$94 or \$1.80 per week, bringing the total average rates and charges per assessment to \$1,586.

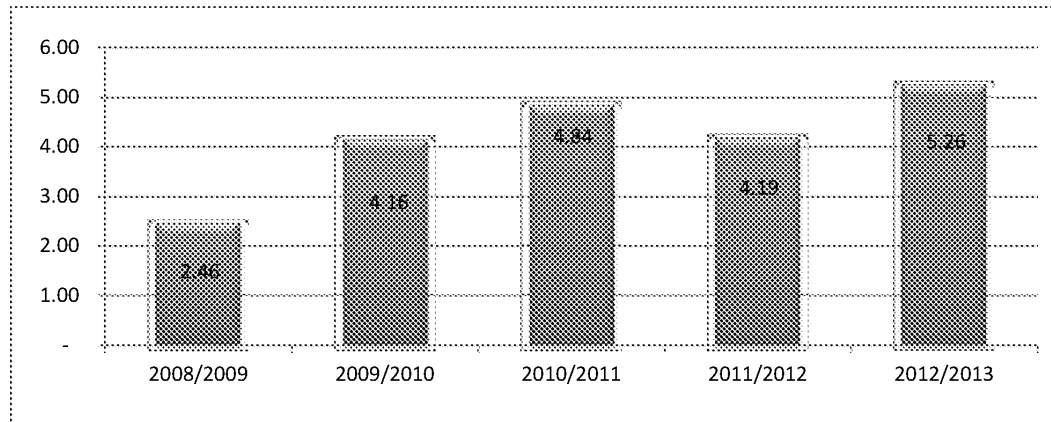
1.1.2 Cash and investments



As Council moves forward and completes outstanding capital works from the previous year and carries out the capital works programme planned for the 2012-2013 year, cash and investments are expected to significantly decrease by \$2.69 million during the year to \$5.07 million. This result is both positive with the expectation that the prior year and current year projects will be finalised in the 2011-2012 year and cause for concern with reduced cash levels.

Colac Otway Shire Budget 2012-2013

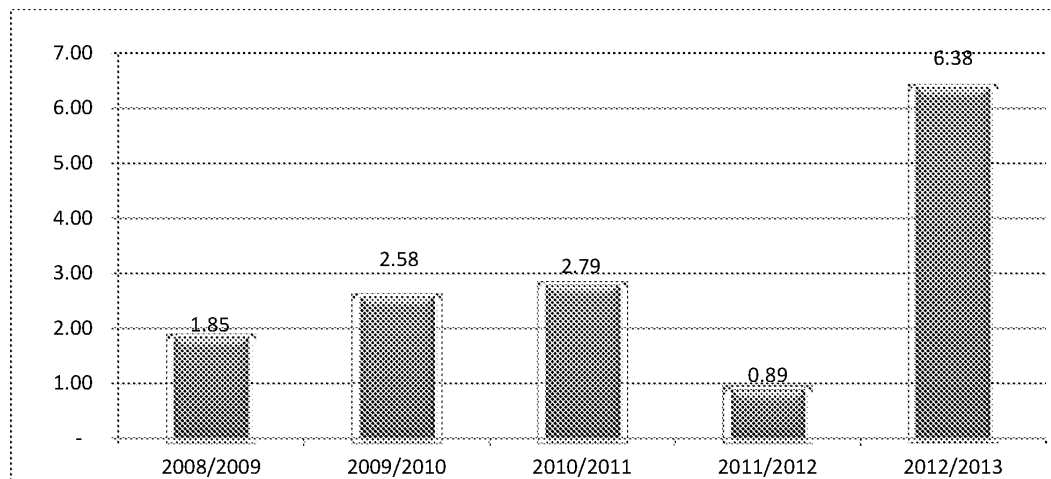
1.1.3 Borrowing Level



Council's current debt levels fall comfortably within the State Government's prudential ratio limits and are considered at a low level in comparison to similar large rural shires.

The 2012-2013 Budget does include additional borrowings of \$1.5 million to fund the works at the Colac Livestock Selling Centre during the year. Council's level of debt will increase to a figure of \$5.26 million. This level still allows Council considerable capacity for additional borrowings, should the need arise.

1.1.4 Operating result



The expected operating result for the 2012-2013 year is a surplus of \$6.38 million, which is significantly higher than prior years. This surplus is a reflection of a significant injection by both state and federal governments in major infrastructure works for this community.

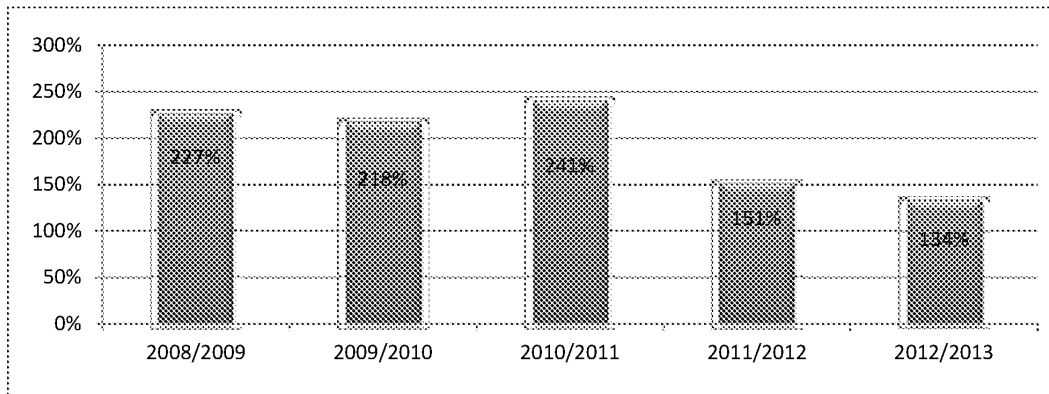
Council has in recent times made a concerted effort to improve the long term viability of Colac Otway Shire and to achieve an operating surplus. The focus has been to rely more heavily upon "own source revenue", which means revenue that Council can obtain from rates, fees, charges, income from Council facilities and business units. In the current environment, Council



Colac Otway Shire Budget 2012-2013

can ill afford to rely on both State and Federal government capital grants to fund Council's operations. This budget maintains the drive to reduce that reliance and to move forward towards a truly sustainable future for Council operations. Council will continue to vigorously seek grant opportunities however these opportunities should not fund core operating costs.

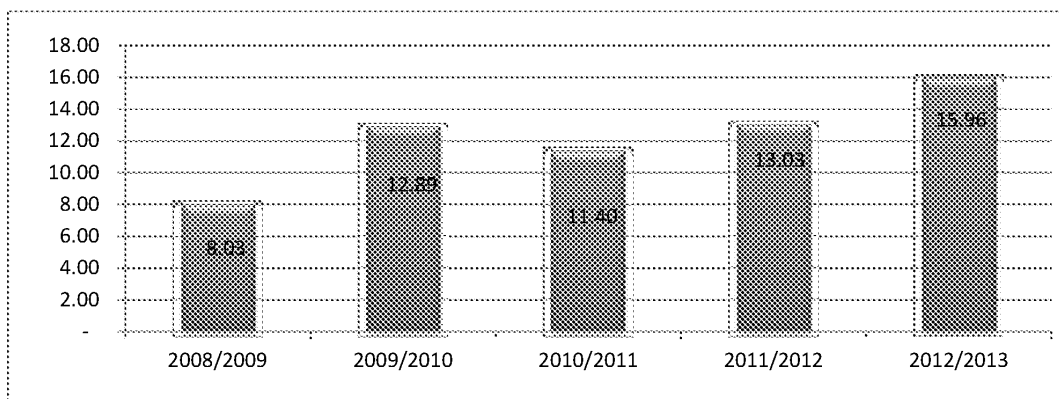
1.1.5 Financial position



The financial position is measured by Council's working capital ratio (i.e. Current Assets over Current Liabilities) and refers to Council's ability to cover its immediate liabilities as they fall due. The Victorian Auditor General uses this ratio as one of the indicators of financial strength and uses a threshold of 150% and above as an indicator of very low risk. The Municipal Association of Victoria (MAV) recommends that Councils maintain a threshold of 200% in order to remain sustainable. Council has maintained a consistently high ratio over the years and it is expected that this will continue into the future however, the current trend indicates that Council is not increasing its cash balances whilst also seeing a steady increase in current liabilities. This ratio is affected by increases and decreases in both current assets, such as cash and investments and current liabilities, such as interest bearing liabilities (loans).

Council's working capital ratio is expected to move from 151% to 134%.

1.1.6 Capital works



The capital works programme is driven by the condition of Council's various assets, such as roads and streets, bridges, drainage, parks and gardens, buildings, footpaths and machinery

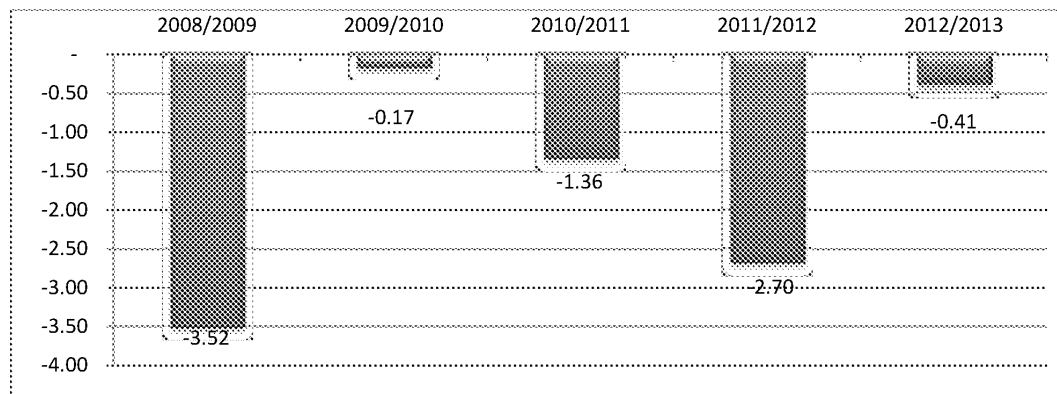
Colac Otway Shire Budget 2012-2013

and plant. The condition of these assets varies, in that some age faster than others or are subject to more extreme weather conditions. The capital works programme needs to be responsive to our assets condition. This may mean that in some years, the capital works programme expands and in others it may contract, always keeping in mind Council's commitment to the elimination of the infrastructure renewal gap.

The capital expenditure programme in 2012-2013 has been set and prioritised based on a rigorous process of consultation and condition assessments that has enabled Council to assess needs and develop sound business cases for each project. This year's programme includes a number of major projects including the redevelopment of Blue Water Fitness Stadium, local road renewal works, upgrade of Central Reserve Oval, roofing of the Colac Livestock Selling Centre and significant bridge renewal works.

The capital works programme for the 2012-2013 year is expected to be \$15.96 million.

1.1.7 Financial sustainability



Council's underlying result illustrates our long term reliance on capital related grant revenue; however a high level Strategic Resource Plan for the years 2012-2013 to 2015-2016 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. While the Plan projects that Council's operating result will continue to be in surplus by the 2015-2016 year, the underlying result is a decreasing deficit over the four year period.

The underlying result mentioned is really about whether Council's "own source revenue" matches or exceeds Council's operational expenditure. In other words, can we fund all of what we do, with the revenue we make from rates, fees, charges and other ongoing income streams? This underlying result excludes any capital grants or contributions or expenditure and only deals with the day-to-day services we deliver to the community and the maintenance of our assets. The result for 2012-2013 is seen as a positive step towards the longer-term goal of achieving a consistent underlying surplus.

In line with the Strategic Resource Plan, the 2012-2013 Budget sees a relatively status-quo of the Victorian Auditor General financial viability indices as a result of a continued operating surplus, prudent debt levels and the level of capital works. The table below gives an indication of how the 2012-2013 results may compare against the financial viability indicators of the Victorian Auditor General.

Colac Otway Shire Budget 2012-2013

| Victorian Auditor General – Indicators of financial viability |            |
|---------------------------------------------------------------|------------|
| Indicator                                                     | Risk Level |
| Underlying Result                                             | Medium     |
| Liquidity ratio                                               | Medium     |
| Self-financing Ratio                                          | Low        |
| Indebtedness Ratio                                            | Low        |
| Capital Replacement Ratio                                     | Low        |
| Renewal Gap                                                   | Low        |
| Overall financial sustainability risk                         | Low        |

If these indicators were the long term average then Council would be considered to be in a sound financial position.

### 1.2 Budget Processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the Act and Regulations.

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

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

| Process Stages                                             | Date          |
|------------------------------------------------------------|---------------|
| 1. Budget Submitted to Council for approval "in principle" | 18 April 2012 |
| 2. Public notice advising intention to adopt budget        | 20 April 2012 |
| 3. Budget available for public inspection and comment      | 20 April 2012 |
| 4. Public submissions period closes                        | 1 June 2012   |
| 5. Submissions considered by Council                       | 13 June 2012  |
| 6. Budget presented to Council for adoption                | 27 June 2012  |
| 7. Copy of adopted budget submitted to the Minister        | 9 July 2012   |

## 2 Rating Strategy

This section considers the Council's rating strategy including strategy development and assumptions underlying the current year rate increase and rating structure.

### 2.1 Current Rate Structure

Council has established a structure for property rating that comprises three key elements.

These are:

- Property values, which are considered to reflect capacity to pay; (State Government legislation);
- Municipal charges being a flat charge applied equally to all properties; and
- User pays component to reflect usage of services provided by Council.

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

Having reviewed the various valuation bases for determining the property value component of rates, Council made a decision some years ago to apply a Capital Improved Value (CIV) basis of rating on the grounds that it provides the most equitable distribution of rates across the municipality. There are no plans to change that basis.

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

The existing rating structure comprises differential rates for residential, farming and commercial/industrial properties. These rates are structured in accordance with the requirements of Section 161 "Differential Rates" of the Local Government Act.

### 2.2 Current Year Rate Increase

The budget document details the 2012-2013 operating position. It has been impacted by wages growth and reductions in government funding.

In the determination of the annual rate increase, Colac Otway's Rating Strategy recognises:

- Council's obligations under the Act to prudently manage financial risks and to provide reasonable stability in the level of rate burden;
- Responsible financial management objectives which include the achievement of operating surpluses, a balanced cash budget and a sound liquidity position;
- The importance Council places on responsibly maintaining, developing and enhancing its assets through a significant annual Capital Works Programme; and
- Community demand and Council commitment to maintaining Council's services and facilities.

## Colac Otway Shire Budget 2012-2013

To achieve the management and delivery of these objectives in 2012-2013 the budget recommends an increase of 6.33% in the average rates and charges per assessment. It is forecast that a total of \$23.2 million in rates and charges will be raised including \$100,000 from supplementary rates.

The average rates and charges per assessment for 2012-2013 are forecast to be \$1,586. This is a \$94 or \$1.80 per week increase on the average rates and charges per assessment from 2011-2012 of \$1,492.

The following table summarises the rates and charges to be made for 2012-2013 year.

A more detailed analysis of the rates and charges to be raised is contained in Appendix B "Statutory Disclosures".

| Rate or Charge Type                          | How Applied       | 2011-2012 | 2012-2013 |
|----------------------------------------------|-------------------|-----------|-----------|
| Residential – Colac (Base Rate)              | Cents in \$of CIV | 0.3603    | 0.3759    |
| Residential – Balance of Shire               | Cents in \$of CIV | 0.3063    | 0.3195    |
| Rural - Farm                                 | Cents in \$of CIV | 0.2847    | 0.2970    |
| Holiday Rental                               | Cents in \$of CIV | 0.3603    | 0.3759    |
| Commercial/Industrial - Colac                | Cents in \$of CIV | 0.5945    | 0.6203    |
| Commercial/Industrial - Other                | Cents in \$of CIV | 0.5045    | 0.5263    |
| Municipal Charge                             | \$ per property   | \$147     | \$149     |
| Waste Management Charge - Weekly             | \$ per property   | \$274     | \$277     |
| Waste Management Charge - Fortnightly        | \$ per property   | \$186     | \$186     |
| Aire River (Special Charge) Drainage Scheme  | \$ per hectare    | \$0.20    | \$0.20    |
| Tirrengower (Special Charge) Drainage Scheme | \$ per hectare    | \$2.50    | \$2.50    |

The existing rating relativities between property types are as follows:

| Rate Category                  | Relativity                |
|--------------------------------|---------------------------|
| Residential – Colac            | Base rate                 |
| Residential – Balance of Shire | 85% of Colac Residential  |
| Rural - Farm                   | 79% of Colac Residential  |
| Holiday Rental                 | 100% of Colac Residential |
| Commercial/Industrial - Colac  | 165% of Colac Residential |
| Commercial/Industrial - Other  | 140% of Colac Residential |

Colac Otway Shire Budget 2012-2013

### 2.3 Rating Strategy

Council determined that the rating strategy applied for the 2012-2013 Budget, Strategic Resource Plan and the Long term Financial Plan includes the following points:

1. The existing rating categories will be maintained, as indicated below:
  - a. Residential – Colac
  - b. Residential – Balance of shire
  - c. Rural Farm
  - d. Holiday Rental
  - e. Commercial/Industrial – Colac
  - f. Commercial/Industrial – Balance of shire
2. The current rating differentials will be maintained, as indicated below:

| Rating Category                          | Differential |
|------------------------------------------|--------------|
| Residential – Colac                      | 100%         |
| Residential – Balance of shire           | 85%          |
| Rural Farm                               | 79%          |
| Holiday rental                           | 100%         |
| Commercial/Industrial – Colac            | 165%         |
| Commercial/Industrial – Balance of shire | 140%         |

3. That the Municipal Charge value is to be calculated as 10 percent of the overall rates and charges to collected.



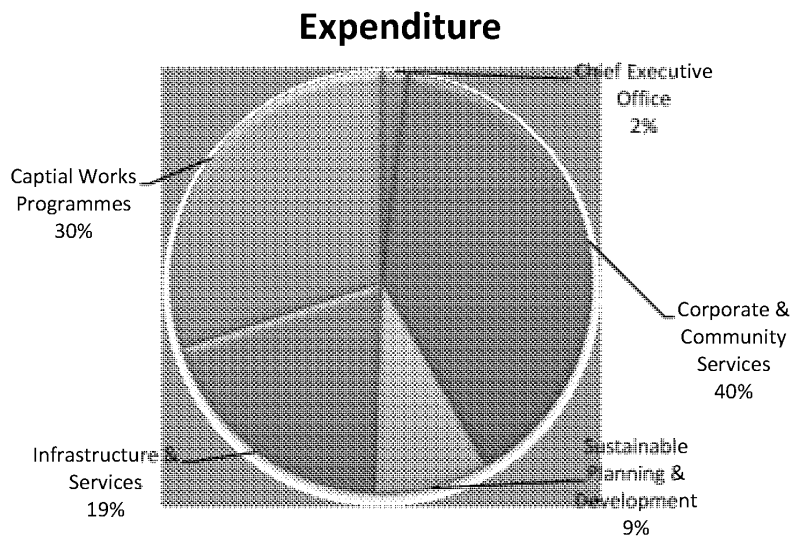
Colac Otway Shire Budget 2012-2013

### 3 Service Delivery

#### 3.1 Service Delivery Summary

The following provides a departmental summary of the services and activities to be funded in the Budget for 2012-2013 year.

The chart illustrates how the Council utilises the income it receives. The chart includes both operating and capital funding.



The information contained in the pages following provides details on the delivery of services and maintenance of community infrastructure, whilst being mindful of doing so within a fiscally responsible and sustainable framework. There has been rigorous and lengthy development and discussion in the building of the 2012-2013 Budget between all levels of Council and the positive steps taken move us forward towards a more sustainable future.

Colac Otway Shire Budget 2012-2013

**3.2 Chief Executive Office**

**3.2.1 CHIEF EXECUTIVE OFFICE**

**Mission**

The mission of the Chief Executive Office is:

Colac Otway operates according to good governance principles and emphasises the importance of service, people and business in:

- Providing community development and support
- Managing Council's infrastructure and the natural environment
- Facilitating strategic economic development

The purpose of providing these services and activities is to enhance the quality of life of our residents and visitors, now and into the future.

**Activities**

The Chief Executive Office has three main functions:

- Leading the Council organisation
- Providing support and information to Council and Councillors
- Coordinating communications including media, website and general community information/updates

In each of these roles, the Unit aims to set a high quality standard as a role model for the organisation in being responsive, organised, respectful, operating good governance principles and delivering high quality services and products that are valued by Council, the community and staff.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 450,927           | 464,833           |
| Operating (Surplus)/Deficit | 450,927           | 464,833           |

**Financial Impact**

The net cost for the Chief Executive Office has remained at similar levels to last year's budget.

The budget includes G21 Annual Contribution, Great South Coast Municipalities Group and other subscriptions.

**Key Deliverables**

- Pursue the development of a collaboratively developed Sustainable Population Strategy that takes into account the demographic, social, environment, economic, land use and leadership factors that make a great municipality. Participate in the G21 Regional Land Use Plan.
- Continue with the Councillor development program.



## Colac Otway Shire Budget 2012-2013

- Development of a new Council Plan.
- Undertake a Mayoral election annually, by 31 December, as per the Local Government Act.
- Conduct community forums throughout the Shire.
- Advocate for increased State Government recognition and funding as compensation for the Shire's larger than average area of non-rateable land.
- Advocate for appropriate State and Federal Government funding for community priorities.
- Participate in G21 and Great South Coast resource sharing forums and negotiations on regional strategic objectives.
- Maintain active involvement in key industry associations and forums: G21, Great South Coast, MAV, Super 11 and LGPro.
- Review Council Offices and Staff Accommodation to ensure appropriate space is provided to accommodate staff.
- Review and update procedures manual for EA to CEO and Councillors Team as necessary.
- Seek opportunities for sharing of resources and expertise across the region.
- Advocate for further improvements to the Princes Highway from Colac to the South Australian border.
- Advocate for upgrades to the Colac Skenes Creek Road and the Great Ocean Road.
- Develop a Civic and Cultural Precinct Plan for Colac.

## New Initiatives

- Nil

## Fees and Charges Impact

No fees and charges are applicable.

## Strategic Plan Impact

The Chief Executive Office directly links to the Council Plan as follows:

| Key Result Area           | Outcomes                                                                                                                                                                                                                                                          |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |

| Strategy        | Details                                                                                                                                |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.1 | Lead the community in responding to the current and long term sustainability challenges facing the municipality.                       |
| Strategy: 1.1.2 | Improve community engagement to ensure open, accessible, transparent planning and decision making.                                     |
| Strategy: 1.1.5 | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government. |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk.                                                                 |
| Strategy: 2.1.4 | Improve local and regional transport networks to ensure safety and accessibility.                                                      |
| Strategy: 6.1.1 | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                  |

Colac Otway Shire Budget 2012-2013

**3.2.2 PUBLIC RELATIONS and MARKETING**

**Mission**

The mission of the Public Relations and Marketing Unit is to provide services and activities to enhance the quality of life of our residents and visitors, now and into the future.

**Activities**

The Communications Unit supports the Mayor, Staff and Organisation by providing advice relating to internal and community communication and consultation; marketing and promoting Council services and events; promoting a positive image of Colac Otway Shire; and overseeing the maintenance of Council's website and intranet information.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 143,928           | 139,760           |
| Operating (Surplus)/Deficit | 143,928           | 139,760           |

**Financial Impact**

The net cost for the Public Relations Office has remained at similar levels to last year's budget.

**Key Deliverables**

- Continuing to promote a positive image of Colac Otway Shire through the promotion of COS achievement stories
- Continue to develop our relationship with media representatives
- Participate in the preparation and publication of the next Council Plan
- Develop sponsorship policy
- Development of Communication Strategies for key projects
- Building relationships with the media via regular catchups with CEO, Mayor and PR Coordinator, personal introductions to new key staff, and timely responses to inquiries where possible
- Ongoing website development
- Develop Communications Strategies for key projects, in consultation with project managers.
- Continuously improve and implement Council's Community Engagement Policy, Procedure and Toolkit.
- Develop systems to enable staff to keep their sections of the intranet and website current.
- Ensure Colac Otway Shire's website is accessible, easy to navigate, utilises appropriate web technologies and contains relevant and up-to-date information.

**New Initiatives**

- Nil

**Fees and Charges Impact**

No fees and charges are applicable.

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Strategic Plan Impact

The provision of Public Relations and Marketing services directly links to the Council Plan as follows:

| Core Business Area           | Objective                                                                                                                                                                                                                                                              |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance    | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |
| Strategy                     | Objective                                                                                                                                                                                                                                                              |
| Strategy: 1.1.9              | Communicate regularly, effectively and honestly with the community.                                                                                                                                                                                                    |
| Strategy: 6.1.2              | Promote and facilitate cultural and community events throughout the municipality.                                                                                                                                                                                      |

Colac Otway Shire Budget 2012-2013

**3.2.3 COUNCIL**

**Mission**

The mission of the Colac Otway Shire is:

Council will work in partnership with our community and other organisations to provide:

- Effective leadership, governance and financial accountability.
- Affordable and effective services.
- An advocacy and engagement approach to sustainability grow our community.

**Activities**

Nil

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | (13,000)          |
| Expenses                    | 346,060           | 480,527           |
| Operating (Surplus)/Deficit | 346,060           | 467,527           |

**Financial Impact**

The net cost for Councillors and the support of Councillors has remained at similar levels to last year's budget, however there are additional funds allocated to conduct the Council Elections in late 2012.

**Key Deliverables**

- Nil

**New Initiatives**

- Nil

**Fees and Charges Impact**

No fees and charges are applicable.

**Strategic Plan Impact**

The provision of Council services directly links to the Council Plan as follows:

| Core Business Area        | Objective                                                                                                                                                                                                                                                         |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |

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**3.3 Corporate and Community Services**

**3.3.1 CORPORATE and COMMUNITY SERVICES MANAGEMENT**

**Mission**

The mission of Corporate and Community Services Management is:

- To lead the Corporate and Community Services Business Units.
- To provide effective leadership to Division staff and promote the corporate values, standards and ethos including client responsiveness, collaboration and high quality services.
- Ensure that Council's administration systems of operation are responsive, accountable and transparent to internal users and to community needs.
- Develop and maintain good governance and administrative systems and practices through a strong commitment and adherence to democratic processes, legislative compliance and Council's values.
- To oversee Organisation Improvement activities in the Corporate & Community Services Department.
- To maintain high standards of financial stewardship and internal control in the delivery of internal services.

**Activities**

Corporate and Community Services Management provides executive support for the following units:

- Finance and Customer Services
- Health and Community Services
- Information Services
- Organisational Support and Development
- Recreation, Arts and Culture

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (126,067)         | (24,500)          |
| Expenses                    | 547,858           | 357,915           |
| Operating (Surplus)/Deficit | 421,791           | 333,415           |

**Financial Impact**

The reduction in net cost is due to the one off initial impact of Council's contribution to the Apollo Bay Library project.

**Key Deliverables**

- The Unit undertakes a range of diverse tasks aimed at satisfying the identified objectives in the Council Plan and also compliance with the requirements of the Local Government Act 1989 in relation to elections, statutory registers, local laws and financial obligations.
- The Unit supports other units by reviewing Council and Operational policies, Instruments of Delegation and other Governance and administrative requirements.
- Provide advice to staff on Governance and Administrative functions including: Privacy; Freedom of Information; Council Committees; and Legislative Compliance.

Colac Otway Shire Budget 2012-2013

- Review of Council's Policies.
- Review the Procurement Policy & Other Procurement documentation.
- Coordinate the Procurement Excellence Roadmap Program including the arranging of meetings and involvement in the Regional Working Group.
- Prepare reports to the Internal Audit Committee as required.
- Develop a ten year financial plan that is integrated with Council's Asset Management Strategy.
- Annually Prepare Benchmarking Data on Rates & Charges across the Large Rural Councils.
- Coordinate the Portsea Children's Camp on an annual basis.
- Coordinate the Home and Garden and Young Ambassador Awards on an annual basis.
- Coordinate & organise Citizenship Ceremonies in conjunction with the Mayor.
- Servicing the Corporate and Community Services Department.

New initiatives

- Additional Neighbourhood House Support/Donation

Fees and Charges Impact

The only direct fees levied are Freedom of Information and miscellaneous fees. Freedom of Information fees are set by statute. The application fees for a request for access to documents under the FOI Act are two fee units. As at 1 July 2010 the FOI fee is \$23.90. The fee will increase as from 1 July 2011 (yet to be set).

Strategic Plan Impact

The provision of Corporate and Community Services Management services directly links to the Council Plan as follows:

| Key Result Area              | Objective                                                                                                                                                                                                                                                              |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance    | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy        | Details                                                                                                          |
|-----------------|------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.1 | Lead the community in responding to the current and long term sustainability challenges facing the municipality. |
| Strategy: 1.1.3 | Provide responsible financial management.                                                                        |
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                  |
| Strategy: 6.1.1 | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.            |
| Strategy: 6.1.2 | Promote and facilitate cultural and community events throughout the municipality.                                |

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**3.3.2 LIBRARIES**

**Mission**

The mission of the Corangamite Regional Library Corporation (CRLC) is:

- To provide resources for information, education, recreation and enrichment to all people in our community through library networks and other links.
- To offer services which are equitable, timely, responsive and efficient.
- To deliver service using staff expertise, teamwork and well designed effective technology and systems.

**Activities**

Colac Otway Shire contributes to the running costs of:

- The Branch Libraries at Apollo Bay and Colac and the Colac Annexe/sub-branch.,
- Outreach Library Service which visits a number of townships throughout the municipality and a home based service.
- CRLC administration and operations.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (7,000)           | (15,500)          |
| Expenses                    | 650,348           | 668,012           |
| Operating (Surplus)/Deficit | 643,348           | 652,512           |

**Financial Impact**

The net cost for Libraries is \$652,512 and has increased by \$9,164 to last year’s budget.

The 2012-2013 budget includes an increase in Council’s contribution to the Corangamite Regional Library service as a result of:

- A full years costs of servicing of the Colac Library annexe; and
- Additional CRLC costs.

The Library budget also allows for an increase in operating costs at the new Colac Community Library and Learning Centre.

**Key Deliverables**

- The CRLC is committed to meeting the challenge of the contemporary information environment by providing quality library and information services through accessible branch and outreach facilities.
- Colac Otway contributes to the costs of the operations at the Apollo Bay and Colac Community Library and Learning Centre and operation and maintenance costs at the Colac Library Annexe Libraries.
- Implement the extension of the Apollo Bay Library and additional program spaces..

**New Initiatives**

- The extension of the Apollo Bay Library and additional program spaces.

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- An increase in the annual book replacement program.
- The introduction of a second delivery each week to Colac Community library and Learning Centre.

**Fees and Charges Impact**

No fees and charges are applicable.

**Strategic Plan Impact**

The provision of Library Services directly links to the Council Plan as follows:

| Community Area               | Outcomes                                                                                                                                                                                                                                                               |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |
| Strategy                     | Details                                                                                                                                                                                                                                                                |
| Strategy: 6.1.1              | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                                                                                                                                                  |
| Strategy: 6.1.5              | Review and reconsider the recommendations from the "Apollo Bay Library and Facility Development Project".                                                                                                                                                              |
| Strategy: 6.1.6              | Implement the recommendations of Council for the Colac Library Annexe/Sub-Branch.                                                                                                                                                                                      |



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**3.3.3 FINANCIAL SERVICES****Mission**

The mission of Financial Services is to ensure the financial sustainability of the Council through the following activities:

- Strategic financial planning
- Financial Management and reporting
- Budget preparation and monitoring
- Revenue Management
- Compliance with relevant legislation statutory requirements

**Activities**

Financial Services deals with the delivery of the following activities:

- General financial planning, management and reporting
- Budget preparation and monitoring
- Treasury
- Payables
- Systems management and development
- Inventory
- Payroll
- Superannuation
- Issue, maintenance and collection of rates
- Management and delivery of Council's revenue, receipting and accounts receivable activities
- Financial Management and reporting
- Taxation
- Procurement
- Asset accounting and asset record management
- Management reporting and advice
- Plant
- Personnel records
- Management of Cemeteries
- Property data base management
- Council property sale, acquisition and management

Also includes four (4) key areas of responsibility:

- Advisory services to Council
- Governance for the business unit and corporate activities
- Cadet Programme
- Strategic financial planning

**Budget**

|                     | Budget 2011/12      | Budget 2012/13      |
|---------------------|---------------------|---------------------|
| Income              |                     |                     |
| Finance             | (6,434,978)         | (6,562,205)         |
| Vic Roads           | (600)               | (3,052)             |
| Rates               | (19,456,893)        | (20,953,679)        |
| Cemeteries          | (2,880)             | (2,450)             |
| On-cost Recovery    | (30,000)            | (30,000)            |
| Corporate Overheads | (38,000)            | 0                   |
| <b>Total Income</b> | <b>(25,963,351)</b> | <b>(27,551,386)</b> |

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|                             | Budget 2011/12    | Budget 2012/13    |
|-----------------------------|-------------------|-------------------|
| Expenses                    |                   |                   |
| Finance                     | 1,030,668         | 976,499           |
| Rates                       | 599,585           | 471,088           |
| Cemeteries                  | 13,850            | 13,900            |
| Corporate Overheads         | 175,200           | 252,600           |
| Office Accommodation        | 111,200           | 122,000           |
| On-Cost Recovery            | 96,690            | 30,000            |
| Loan Interest               | 345,976           | 331,869           |
| Depreciation                | 8,809,000         | 8,081,000         |
| <b>Total Expense</b>        | <b>11,182,169</b> | <b>10,278,956</b> |
| Operating (Surplus)/Deficit | (14,781,182)      | (17,272,430)      |

#### Financial Impact

The net surplus for Financial Services of \$17,272,430 is as a result of the inclusion of Grants Commission funding, property rates and charges and depreciation charges. The operating surplus has increased by \$2,491,248 largely as a result of an increase in the rates and charges charged, being partially offset by a reduction in the depreciation charge and a reduction in the on-cost recovery activities. This activity relates to the allocation of various employee leave types, superannuation and other related costs. This is also affected by the increase in costs relating to the usual Award and EBA impacts.

#### Key Deliverables

- Development of accounting strategy and procedures for Volunteer and in-kind contributions.
- Development of modules in financial systems.
- Implement and monitor the Fraud Control Programme.
- Support the Audit Committee and maintain an internal audit program ensuring an Audit Plan is developed and implemented annually based on the outcomes of the Risk Profiling project.
- Develop comprehensive procurement and purchasing related procedures and business rules to supplement the procurement policy.
- Review and refine the 10 year Long Term Financial Plan in conjunction with the review of the Strategic Resource Plan.
- Review budget documentation.
- Update payroll procedures and system documentation.
- Comply with deadlines for the issue of rates and installment notices.
- Involvement in the preparation for the 2012 Council elections.
- Review existing financial, rating and revenue policies.
- Investigate ways to ensure effective communication between Building, Town Planning, Rates and Health Department.
- Review, enhance and manage Council's cemetery management obligations.
- Review, enhance and manage Council's property acquisition and disposal processes and procedures.

#### New Initiatives

- Financial Management Practices Manual development;
- Implementation of purchasing requisitions; and
- Implementation of procurement and contracts management systems

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**Fees and Charges Impact**

There is no impact.

**Strategic Plan Impact**

The provision of Financial Operation services directly links to the Council Plan as follows:

| Key Result Area           | Outcomes                                                                                                                                                                                                                                                          |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Strategy                  | Details                                                                                                                                                                                                                                                           |
| Strategy: 1.1.3           | Provide responsible financial management.                                                                                                                                                                                                                         |
| Strategy: 1.1.4           | Continuously improve the services directly provided by Council.                                                                                                                                                                                                   |

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**3.3.4 CUSTOMER AND SUPPORT SERVICES****Mission**

The mission of Customer and Support Services Unit is to provide quality services to the Customers of the Colac Otway Shire.

**Activities**

Customer and Support Services coordinates and provides the first point of contact between the public and Council through the Customer Service Centres located in both Colac and Apollo Bay.

Customer and Support Services is also responsible for provision of:-

- Provision and quality of customer services at all council facilities
- Administration support to the unit
- Telephony service
- Cashiering

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (1,200)           | (1,500)           |
| Expenses                    | 363,007           | 429,892           |
| Operating (Surplus)/Deficit | 361,807           | 428,392           |

**Financial Impact**

The net cost for Customer and Support Services is \$428,392 and has increased by \$65,585 to last year's budget. This is due to an additional Customer Service Officer being engaged to support Council services. There are also costs associated with the usual Award and EBA impacts.

**Key Deliverables**

- Continually review the delivery of Customer Service to ensure community needs are met.
- Improve Council's Customer Service capability to increase customer satisfaction.
- Actively promote the delivery of responsive customer service across the organisation.
- Review the structure and resourcing in Customer Services as part of the Office Accommodation review.
- Review the Customer Service Performance Standards.
- Carry out an annual internal Customer Services survey.
- Develop a Customer Services Procedure Manual and resource folder including an up to date listing of each department/staff member's function/role for Customer Services staff.
- Development of procedures for receipting, cash balancing and banking.

**New Initiatives**

- Nil

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**Fees and Charges Impact**

Photocopying fees are included under Customer Services.

**Strategic Plan Impact**

The provision of Customer Services directly links to the Council Plan as follows:

| Key Result Area           | Objective                                                                                                                                                                                                                                                         |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Strategy                  | Result                                                                                                                                                                                                                                                            |
| Strategy: 1.1.4           | Continuously improve the services directly provided by Council.                                                                                                                                                                                                   |

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**3.3.5 HEALTH and COMMUNITY SERVICES MANAGEMENT****Mission**

The mission of the Health and Community Services Unit is to work in partnership with allied organisations and engage with our communities to enhance individual and collective health and wellbeing through the planning and delivery of sustainable, accessible and effective services.

**Activities**

Council's Health and Community Services Unit is to provide planning and implementation of services and activities to achieve the Council Mission of working in partnership with our community to provide effective leadership and affordable & effective services.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 226,333           | 252,047           |
| Operating (Surplus)/Deficit | 226,333           | 252,047           |

**Financial Impact**

The net cost for Health and Community Services Management is \$252,047 and has increased by \$25,714 compared to last year's budget.

**Key Deliverables**

- Implement the recommendations of the H&CS unit review to ensure that it can research and respond to new requirements and needs from community and government.
- Further develop Colac Otway Shire's emergency recovery capacity by preparing Relief and Recovery Sub Plans, partnering neighbouring LGA's and working with DHS in planning, training staff and conducting drills & exercises.
- Implement the recommendations of the Heatwave Strategy.
- Implement strategies in the Drug Action Plan.
- Implement the Access, Equity and Inclusion Plan.
- Support neighbourhood houses through regional and local networks.
- Implement and promote the Public Health and Wellbeing Plan.
- Implement the Early Years Plan.
- Implement the Positive Ageing Strategy.

**New Initiatives**

- Expansion of Early Years Needs (Capacity Development)
- Implementation of the Improving Liveability for Older People (ILOP) Project.

**Fees and Charges Impact**

No fees and charges are applicable.

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**Strategic Plan Impact**

The provision of Health and Community Services directly links to the Council Plan as follows:

| Strategic Plan               | Impact                                                                                                                                                                                                                                                                 |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance    | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy         | Details                                                                                                                                |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4  | Continuously improve the services directly provided by Council.                                                                        |
| Strategy: 1.1.5  | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government. |
| Strategy: 1.1.10 | Meet our statutory obligations for community safety, security and responses to emergency situations.                                   |
| Strategy: 6.1.1  | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                  |
| Strategy: 6.1.3  | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community.                         |
| Strategy: 6.1.4  | Support local communities to develop, grow and be great places to live.                                                                |

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**3.3.6 OLDER PERSON & ABILITY SUPPORT SERVICES****Mission**

The mission of the Health and Community Services Unit is to work in partnership with allied organisations and engage with our communities to enhance individual and collective health and wellbeing through the planning and delivery of sustainable, accessible and effective services.

**Activities**

Older Persons & Ability Support Services (OPASS) provide a wide range of support services for the aged, people of all abilities and their carers that maintain independence "In the Home" and the Community.

The OPASS Unit provides the Home and Community Care (HACC) Program, which aims to enable older people and people with a range of abilities to remain living independently as long as possible in their own home/s and communities.

Services provided by Council include:

- Information, Assessment and Referral
- General Home Care
- Personal Care
- Respite Care
- Delivered and Centre Based meals
- Property Maintenance
- Community transport service for eligible HACC recipients
- Senior Citizen Centres
- Community Respite
- Community Aged Care Packages (CAPS)
- Help for the visually impaired
- Gentle Exercise and Wellbeing Program

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (1,911,631)       | (2,025,842)       |
| Expenses                    | 1,866,946         | 1,998,830         |
| Operating (Surplus)/Deficit | (44,685)          | (27,012)          |

**Financial Impact**

The net surplus for OPASS is \$27,012 and has decreased by \$17,673 to last year's budget.

**Key Deliverables**

- Continue to develop Community Respite for people of all abilities.
- Implement strategies in the Positive Ageing Strategy that are applicable to OPASS.
- Prepare a 3 year Diversity Plan.
- Review and update policies, procedures and work practices for 2012-2013.
- Introduce the Active Service Model into the care plan for HACC clients.
- Continue to plan with, develop and educate our vulnerable service users for Heatwave and Fire.



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New Initiatives

- Identify partners within the disability field.
- Implement strategies for maintaining and varying service delivery options for our Community Care Workers.
- Work with other Council projects including Improving Liveability for Older People (ILOP), Transport Connections, Advancing Country Towns and TLC3.

Fees and Charges Impact

New fees have been included for some of our initiatives.

The fees for each client are reviewed on a regular basis.

Strategic Plan Impact

The provision of Aged and Disability Services directly links to the Council Plan as follows:

| Key Priority Area            | Objective                                                                                                                                                                                                                                                              |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance    | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy        | Benefits                                                                                                                               |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                                        |
| Strategy: 1.1.5 | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government. |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk.                                                                 |
| Strategy: 6.1.1 | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                  |
| Strategy: 6.1.3 | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community.                         |
| Strategy: 6.1.4 | Support local communities to develop, grow and be great places to live.                                                                |

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**3.3.7 FAMILY DAY CARE****Mission**

The mission of the Health and Community Services Unit is to work in partnership with allied organisations and engage with our communities to enhance individual and collective health and wellbeing through the planning and delivery of sustainable, accessible and effective services.

**Activities**

The Family Day Care Unit provides an efficient and responsive home-based child care service for children aged one month to 12 years in accordance with standards and policies of the Commonwealth Government, Australian Children's Education and Care Quality Authority, Family Day Care Victoria and Council.

The registered Educators offer care in their own homes and are resourced and supported by Family Day Care staff.

Family Day Care is sponsored by the Colac Otway Shire and receives funding from the Commonwealth Government.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (500,000)         | (288,000)         |
| Expenses                    | 554,267           | 380,945           |
| Operating (Surplus)/Deficit | 54,267            | 92,945            |

**Financial Impact**

The net cost for Family Day Care is \$92,945 and has seen an increase when compared to last year's budget. The service is mainly funded by Government contributions and levies.

**Key Deliverables**

- Ensure that Council remains licensed as a children's service.
- Participate in the implementation of the Early Years Plan.
- Maintain compliance with National Quality Standards through implementing processes, programs and training that will provide a quality service that will satisfy future spot checks.

**New Initiatives**

- Broaden this Unit's role in Family & Children's Services.
- Work with other local children's services such as the Blue Water Fitness Centre Crèche.

**Fees and Charges Impact**

Fees and charges have been reviewed and subsequently restructured to equitably distribute costs to families and educators.

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**Strategic Plan Impact**

The provision of Family Day Care directly links to the Council Plan as follows:

| Objective                    | Purpose                                                                                                                                                                                                                                                                |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance    | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy        | Purpose                                                                                                        |
|-----------------|----------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                |
| Strategy: 6.1.1 | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.          |
| Strategy: 6.1.3 | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community. |
| Strategy: 6.1.4 | Support local communities to develop, grow and be great places to live.                                        |

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**3.3.8 MATERNAL and CHILD HEALTH**

**Mission**

The mission of the Health and Community Services Unit is to work in partnership with allied organisations and engage with our communities to enhance individual and collective health and wellbeing through the planning and delivery of sustainable, accessible and effective services.

**Activities**

The Maternal and Child Health Unit provides responsive Maternal and Child Health Services for children from birth to 6 years in accordance with Department of Education and Early Childhood Development Human Services Maternal and Child Health Service Program Standards, funding agreements and Council's policies.

Maternal and Child Health Services are provided at 9 locations throughout the Shire.

Services include contacting the families of all new babies in the Shire within seven days of birth, regular child health monitoring, ongoing parenting education, hearing screening for babies aged 7-9 months and vision tests for children aged over 3 1/2 years.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (180,000)         | (189,000)         |
| Expenses                    | 301,149           | 312,490           |
| Operating (Surplus)/Deficit | 121,149           | 123,490           |

**Financial Impact**

The net cost for Maternal and Child Health is \$123,490 and has increased by \$2,341 from last year's budget. The budget includes an increased State Government grant which is based on the number of births in the previous financial year.

**Key Deliverables**

- Implement actions to increase the attendance in the Colac and Southern Otways Early Years Networks and link to the G21 Early Years Network.
- Increase capacity to better support the vulnerable, disadvantaged and new migrants through Enhanced Services.
- Work with Colac Area Health to improve meetings with Midwives and communication with Child First.
- Assist with the development of an Early Years Plan.

**New Initiatives**

- Implement changes as outlined in the Audit Report for Maternal and Child Health services.

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**Fees and Charges Impact**

No fees and charges are applicable.

**Strategic Plan Impact**

The provision of Maternal and Child Health directly links to the Council Plan as follows:

| Core Business Area           | Outcomes                                                                                                                                                                                                                                                               |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance    | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy        | Details                                                                                                                                |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                                        |
| Strategy: 1.1.5 | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government. |
| Strategy: 6.1.1 | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                  |
| Strategy: 6.1.3 | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community.                         |
| Strategy: 6.1.4 | Support local communities to develop, grow and be great places to live.                                                                |

Colac Otway Shire Budget 2012-2013

**3.3.9 PUBLIC HEALTH****Mission**

The mission of the Health and Community Services Unit is to work in partnership with allied organisations and engage with our communities to enhance individual and collective health and wellbeing through the planning and delivery of sustainable, accessible and effective services.

**Activities**

The Public Health Services Unit provides accessible responsive and dependable environmental health services which complement Council's commitment to the community and its visitors.

The Unit provides a variety of public health services including the enforcement of State legislation.

The Unit also works to enhance community health by developing health promotion and education programs.

Any concerns, requests or consumer complaints about food poisoning, food adulteration or poor food handling, establishing a food business, hairdressers, beauty establishments, tattooists, swimming pools and spas, noise issues, immunisation sessions, pollution complaints comes under the jurisdiction of this unit.

Council's Health Unit provides two free immunisation sessions for infants, children and adults each month at the Colac Otway Performing Arts and Cultural Centre (COPACC) located at 99 Gellibrand Street, Colac (Corner Gellibrand and Rae Streets). We also provide a school immunisation program for Year 7 (Hepatitis B, Varicella, Human Papillomavirus) and Year 10 (Diphtheria, Tetanus & Pertussis) as well as Influenza and Hepatitis B for staff from various agencies.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (130,100)         | (124,600)         |
| Expenses                    | 288,742           | 301,465           |
| Operating (Surplus)/Deficit | 158,642           | 176,865           |

**Financial Impact**

The net cost for Public Health is \$176,865 and has increased by \$18,223 to last year's budget.

**Key Deliverables**

- Undertake food samples of locally produced food products.
- Undertake a regular water sampling program in streams, estuaries and other waters for Blue Green Algae and faecal contaminants.
- Maintain preparedness and response capacity as outlined in the Pandemic Flu Plan.
- Work with Municipal Recovery Manager to develop processes and procedures for Recovery and Public Health Emergency Management response.
- Continue developing response and recovery processes for Heatwaves.

Colac Otway Shire Budget 2012-2013

**New Initiatives**

- Finalise the Domestic Waste Water Monitoring Scheme for septic systems desludging/services.

**Fees and Charges Impact**

The level of fees and charges this year are due to CPI increase.

**Strategic Plan Impact**

The provision of Public Health Services directly links to the Council Plan as follows:

| Operational Area             | Strategy                                                                                                                                                                                                                                                               |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance    | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy         | Details                                                                                                                                |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4  | Continuously improve the services directly provided by Council.                                                                        |
| Strategy: 1.1.5  | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government. |
| Strategy: 1.1.10 | Meet our statutory obligations for community safety, security and responses to emergency situations.                                   |
| Strategy: 6.1.3  | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community.                         |

Colac Otway Shire Budget 2012-2013

**3.3.10 TRANSPORT CONNECTIONS****Mission**

The mission of the Health and Community Services Unit is to work in partnership with allied organisations and engage with our communities to enhance individual and collective health and wellbeing through the planning and delivery of sustainable, accessible and effective services.

**Activities**

Completion of a three year partnership with Surf Coast Shire which has been funded by DPCD to develop transport opportunities following asset mapping and needs analysis of Colac Otway Shire communities.

Preparation of an Implementation Plan for Phase 3 - Transport Connections, which is to commence in January 2011 and continue until June 2013.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (59,554)          | (71,413)          |
| Expenses                    | 59,554            | 71,413            |
| Operating (Surplus)/Deficit | 0                 | 0                 |

**Financial Impact**

The Transport Connections programme is operated at no net cost to Council. Other costs with respect to overheads e.g. Information Technology costs are costed in other areas.

We are nearly half way through the three year programme of the Transport Connections Phase 3 Project. The service is funded by the State Government.

**Key Deliverables**

- Work through the concept of Access, Connect, Belong.
- Implement the Transport Connections project in accordance with the Department of Planning and Community Development funding requirements.
- Seek out and secure additional government funding for public and community transport through Innovation Grants.
- Investigate and implement new information and promotion of Transport Connections, including through interactive Internet systems with GSC, the G21 Website, Otway Tourism and local media outlets.

**New Initiatives**

- As outlined in the Action Plan

**Fees and Charges Impact**

No fees and charges are applicable.



Colac Otway Shire Budget 2012-2013

**Strategic Plan Impact**

The provision of the Transport Connections service directly links to the Council Plan as follows:

| Objective                    | Priority                                                                                                                                                                                                                                                               |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance    | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy        | Basis                                                                                                                                  |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                                        |
| Strategy: 1.1.5 | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government. |
| Strategy: 6.1.3 | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community.                         |
| Strategy: 6.1.4 | Support local communities to develop, grow and be great places to live.                                                                |

Colac Otway Shire Budget 2012-2013

**3.3.11 RURAL ACCESS****Mission**

The mission of the Health and Community Services Unit is to work in partnership with allied organisations and engage with our communities to enhance individual and collective health and wellbeing through the planning and delivery of sustainable, accessible and effective services.

**Activities**

Rural Access works in partnership with the community and service providers to enhance the effective participation of people with a disability in their community.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (65,259)          | (66,059)          |
| Expenses                    | 65,259            | 66,059            |
| Operating (Surplus)/Deficit | 0                 | 0                 |

**Financial Impact**

The Rural Access Service operates at no net cost to Council. The service is mainly funded by State Government grants.

**Key Deliverables**

- Fulfill reporting requirements for Department of Human Services (DHS) as required in the Community Building Programme in our *Directions Report 2012*.
- Document the achievements from our *Directions Report 2012* in our *Outcomes Report 2012*, which is to be provided to DHS.
- Develop skills for implementing the Community Building Programme.
- Develop leadership skills and pathways for people with a disability.
- Ensure that Council has effective processes in place to engage with people of all abilities.
- Develop mechanisms which encourage participation by all residents in community activities.

**New Initiatives**

- Undertake Community Mapping of Infrastructure and services, Training in IT for people with a disability, Training for Staff in Hearing Disabilities, assist with the Accessible Playground,

**Fees and Charges Impact**

No fees and charges are applicable.

Colac Otway Shire Budget 2012-2013

Strategic Plan Impact

The provision of the Rural Access Service directly links to the Council Plan as follows:

| Strategic Plan               | Details                                                                                                                                                                                                                                                                |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance    | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy               | Details                                                                                                        |
|------------------------|----------------------------------------------------------------------------------------------------------------|
| <i>Strategy: 1.1.8</i> | Continuously improve operational systems, processes and minimise risk.                                         |
| Strategy: 6.1.1        | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.          |
| Strategy: 6.1.3        | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community. |
| Strategy: 6.1.4        | Support local communities to develop, grow and be great places to live.                                        |

Colac Otway Shire Budget 2012-2013

**3.3.12 INFORMATION SERVICES****Mission**

The Information Services Unit's role in achieving the Council Mission is to provide reliable, efficient and effective Information Management and Information Communication and Technology services to internal and external customers. The services are provided for the benefit of all customers and are underpinned by the following principles:

- Optimising new and proven technology
- Continually improving business processes
- Demonstrating achievement of best value in all their work

**Activities**

The Information Services Unit provides a solid and reliable service to their customers. Their work is spread across a wide range of technologies and areas of responsibility.

Services include:

**Information Communication and Technology (ICT)**

The ICT section is responsible for more than 100 software applications and maintains a wide area network incorporating 14 remote sites. The technical infrastructure is state of the art and provides a level of reliability that meets the expectations of the customer base. The ICT section continues to provide a best practice technical infrastructure, which is managed in accordance with the Council ICT Strategic Plan. The Council technical infrastructure has solid disaster recovery capabilities which are exercised and proven.

The ICT section customer base is primarily internal Council staff, which are supported through the provision of direct first and second line support services. In addition to the primary customer base the ICT staff support Councillors and community individuals and groups.

**Information Management (IM)**

The IM section is responsible for the provision, maintenance and management of all Council information. The IM section includes responsibility for hard copy documentation, electronic files and geographical information system data.

The IM section customer base is primarily internal Council staff, which are supported through the provision of direct support services, training and advice. In addition to the primary customer base the ICT staff support Councillors and community individuals and groups.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (7,500)           | (3,000)           |
| Expenses                    | 1,332,401         | 1,482,976         |
| Operating (Surplus)/Deficit | 1,324,901         | 1,479,976         |

Colac Otway Shire Budget 2012-2013

**Financial Impact**

The net cost for Information Services is \$1,479,976 and has increased by \$155,075 to last year's budget. The increased costs relate to:

- Usual Award and EBA impacts,
- Additional software licence support and maintenance fees,
- General CPI increases, and
- Increasing numbers of staff requiring information service capabilities and equipment.

The budget for 2012-2013 includes \$582,500 of Software Licence Maintenance and Support fees.

**Key Deliverables**

- Undertake the ICT Desktop Equipment Renewal program.
- Undertake the ICT Server Infrastructure Renewal program.
- Exercise the Council's Information Services disaster recovery plan.
- Manage the Council's ICT infrastructure and software application suite.
- Review and update the Council's Information Communication Technology (ICT) and Geographical Information Systems (GIS) strategic plans.
- Implement the ICT Strategic Plan initiatives.
- Implement the GIS Strategic Plan initiatives.
- Implement appropriate ICT capabilities for any new/modified accommodation facilities.
- Implement actions defined in the electronic content management Step Program.

**New Initiatives**

- Expand the Council's microwave communication systems.
- Replace the Council's Storage Area Network.
- Further develop the Council's disaster recovery capabilities.
- Upgrade a range of core software applications to the latest generation.
- Implement a technical archive solution to capture and retain Council e-mails.

**Fees and Charges Impact**

No fees and charges are applicable.

**Strategic Plan Impact**

The provision of Information Services directly links to the Council Plan as follows:

| Core Business Area        | Strategy                                                                                                                                                                                                                                                          |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Strategy: 1.1.8           | Continuously improve operational systems, processes and minimise risk.                                                                                                                                                                                            |

Colac Otway Shire Budget 2012-2013

**3.3.13 ORGANISATIONAL SUPPORT and DEVELOPMENT**

**Mission**

To facilitate support and development opportunities for the Colac Otway Shire organisation through the provision of Human Resource, Risk Management and Corporate Planning services to achieve Council Plan strategies and operational objectives.

**Activities**

The Organisational Support and Development Unit administers the organisational development policies, procedures and programs whilst providing advice, coordination and support to management and staff on a wide range of issues including:

- Industrial Relations, Enterprise Bargaining, personnel practices, administration and management.
- Recruitment, selection and induction of staff.
- WorkCover administration, return to work and claims management.
- Employee relations including policy development, employee assistance, health and wellbeing, equal opportunity and reward & recognition programs.
- Organisational and Personnel Performance Management.
- Organisational Training & Development.
- Occupational Health & Safety compliance, audit and reporting.
- Risk Management compliance, audit and reporting.
- Public Liability, Professional Indemnity & General Insurance administration and claims management.
- Corporate & annual business planning and reporting.
- Legislative Compliance and annual reporting.
- Best Value and Continuous Improvement programs and reporting.
- Coordination of Business Continuity Program.

The Organisational Support & Development (Corporate Planning) Unit provides advice and assistance to Council, the Executive, internal Business Units and staff in:

- Development of Council, Annual and Business Unit Plans
- Research activities to identify changing trends and needs of the community and satisfaction levels of service provision.
- Facilitation of the continuous service improvement programs
- Preparation of key reports against Council organisational targets

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 332,289           | 321,519           |
| Operating (Surplus)/Deficit | 332,289           | 321,519           |

**Financial Impact**

The net cost for Organisation, Support and Development is \$321,519

The increase in costs includes the usual Award and EBA impacts.

Colac Otway Shire Budget 2012-2013

**Key Deliverables**

- In consultation with management, support and assist with the annual review of the 2009 - 2013 Council Plan, with the review completed in accordance with the legislative timeframes.
- Carry out continuous improvement reviews on Council operations and implement the prescribed actions.
- Manage the ongoing development, review and delivery of Interplan, Council Plan and Business Plan reporting processes.
- Manage the quarterly Council Plan Progress report.
- Oversee the development of the Annual Report in accordance with Council's legislative timeframe.

**New Initiatives**

- Nil

**Fees and Charges Impact**

No fees and charges are applicable.

**Strategic Plan Impact**

The provision of Organisation, Support and Development Services directly links to the Council Plan as follows:

| Key Result Area           | Objective                                                                                                                                                                                                                                                         |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |

| Strategy        | Details                                                                |
|-----------------|------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.        |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk. |
| Strategy: 1.1.9 | Communicate regularly, effectively and honestly with the community.    |

Colac Otway Shire Budget 2012-2013

**3.3.14 HUMAN RESOURCES****Mission**

To facilitate support and development opportunities for the Colac Otway Shire organisation through provision of best practice Human Resource services to achieve Council Plan strategies and operational objectives.

**Activities**

The Organisational Support & Development (Human Resources) Unit manages recruitment, selection & induction, employee assistance, health and wellbeing, industrial relations training and development, reward and recognition, performance management, review and development of human resource policies and provides advice and assistance to Executive, internal Business Units and staff.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 429,180           | 425,218           |
| Operating (Surplus)/Deficit | 429,180           | 425,218           |

**Financial Impact**

The net cost for Human Resources is \$425,218

**Key Deliverables**

- Coordinate the development and implementation of an organisational training program (inclusive of training refreshers/updates).
- Work in partnership with local and industry groups on employment branding initiatives that enhance the profile and appeal of local government as an "employer of choice".
- Continue to enhance Work Experience opportunities within the organisation.
- Develop and implement the Health & Wellbeing Program.
- Review and implement Human Resource policies.
- Continue to investigate the use of an external Employee Assistance Program provider.

**New Initiatives**

- Nil

**Fees and Charges Impact**

No fees and charges are applicable.



Colac Otway Shire Budget 2012-2013

Strategic Plan Impact

The provision of Human Resource Services directly links to the Council Plan as follows:

| Component                 | Priority                                                                                                                                                                                                                                                          |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |

| Strategy        | Goal                                               |
|-----------------|----------------------------------------------------|
| Strategy: 1.1.6 | Attract and retain quality staff.                  |
| Strategy: 1.1.7 | Provide a fair, safe and healthy work environment. |

Colac Otway Shire Budget 2012-2013

**3.3.15 RISK MANAGEMENT**

**Mission**

To facilitate support and development opportunities for the Colac Otway Shire organisation through provision of best practice Risk Management services to achieve Council Plan strategies and operational objectives.

**Activities**

The Organisational Support & Development (Risk Management) Unit manages Council's insurance program, coordinates management of workers compensation and return to work plans, reports on risk performance and trends, develops and maintains policies, programs and provides training to support Council's Risk Management and Occupational Health & Safety objectives.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (30,000)          | (30,000)          |
| Expenses                    | 523,305           | 531,387           |
| Operating (Surplus)/Deficit | 493,305           | 501,387           |

**Financial Impact**

The net cost for Risk Management Services is \$501,387 and has increased by \$8,082 to last year's budget.

The increase in costs includes the usual Award and EBA impacts and other operating costs.

**Key Deliverables**

- In consultation with the Occupational Health & Safety Committee review, implement and report on the Annual OHS Action Plan.
- Work towards a Contractor Occupational Health & Safety Induction/Risk Assessment Information Kit.
- Enhance and implement the corporate occupational health and safety systems (SafetyMap) and ensure ongoing compliance with all relevant regulations.
- Work towards implementing an internal risk audit program to ensure that risk assessments are being completed.
- Coordinate and respond to Council's external risk audit programs (MAV Insurance Liability Mutual, JMAPP & SafetyMap).
- Review and update Council's Risk Management Policy and Procedures Manual including compliance audits.
- Implement the Systems and Processes Review project to ensure that systems and processes are operating effectively and providing support to eliminate risk.

**New Initiatives**

- Nil

Colac Otway Shire Budget 2012-2013

Fees and Charges Impact

No fees and charges are applicable.

Strategic Plan Impact

The provision of Risk Management services directly links to the Council Plan as follows:

| Key Result Area           | Objective                                                                                                                                                                                                                                                         |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |

| Strategy        | Detail                                             |
|-----------------|----------------------------------------------------|
| Strategy: 1.1.6 | Attract and retain quality staff.                  |
| Strategy: 1.1.7 | Provide a fair, safe and healthy work environment. |

Colac Otway Shire Budget 2012-2013

**3.3.16 RECREATION, ARTS and CULTURE MANAGEMENT****Mission**

The Recreation, Arts and Culture Unit works with partners and the community to provide innovation and progress in the areas of recreation, arts, culture and events.

**Activities****Recreation**

The Recreation Unit facilitates the planning, development and management of numerous playgrounds, sporting and recreation fields, community facilities, hard courts, skate parks and other open space. A range of programs and services are provided by the Unit to support volunteers and community organisations in their delivery of various sport, recreation, arts and events activities.

The three year Business Plan for the Recreation, Arts and Culture Unit reflects Council's priorities and supports the vision of the team in fulfilling the cultural, environmental, economic and social prosperity of the community. Underpinning the plan is an ongoing process of project and program facilitation and development.

**Youth**

Facilitate Youth Council and FReeZA to provide youth development opportunities in partnership with Council and other key stakeholders.

**Arts and Culture**

Arts and Culture supports the community to progress in a creative, innovative and inclusive way which enhances and protects our natural and built environment and advances our cultural, social, economic and environmental prosperity.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (25,150)          | (30,575)          |
| Expenses                    |                   |                   |
| Unit Management             | 261,058           | 279,645           |
| Recreation Services         | 396,766           | 413,558           |
| Youth Services              | 31,450            | 30,875            |
| Arts & Culture Services     | 10,000            | 8,000             |
| Total Expense               | 699,274           | 732,078           |
| Operating (Surplus)/Deficit | 674,124           | 705,503           |

Colac Otway Shire Budget 2012-2013

**Financial Impact**

The net cost for Recreation, Arts and Culture is \$705,503.

The increase in costs includes the usual Award and EBA impacts and other operating costs.

**Key Deliverables**

- Continue in partnership with the Colac Community and project stakeholders to plan and develop the Beechy Precinct in accordance with Council approvals and review Council's continued involvement in the Beechy Precinct in respect of all elements that still require Council approvals.
- Project manage the Old Beechy Rail Trail including resourcing the Committee of Management as Executive Officer, liaising with the Capital Works Manager for preparation of annual estimates and assisting the Committee of Management to review and update marketing options.
- Develop and implement the annual Playground Improvement and Maintenance Works Program.
- Develop a Recreation Reserves Fees and Charges Policy for Council consideration.
- Update and maintain Lease Agreements for Recreation, Arts and Culture Unit.
- Project planning, development, management and implementation for recreation projects in partnership and with external funding contributions where possible.
- Implement and review the Council Community Grants Program aiming to ensure program compliance and efficiencies.
- Develop a 10 year capital upgrade works facility improvement program for all recreation facilities and investigate external funding options to assist with these works, with priority to Council owned facilities.
- Implement Council's Recreation Strategy.
- Implement the Arts and Cultural Strategy.

**New Initiatives**

- Central Reserve Oval Redevelopment.
- Implement the Public Open Space Strategy.
- Develop a Playspace Strategy and Action Plan.

**Fees and Charges Impact**

No fees and charges are applicable.

**Strategic Plan Impact**

The provision of Recreation, Arts and Culture services directly links to the Council Plan as follows:

| Key Result Area              | Details                                                                                                                                                                                                                                                                |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |
| Strategy                     | Details                                                                                                                                                                                                                                                                |
| Strategy: 6.1.1              | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                                                                                                                                                  |
| Strategy: 6.1.2              | Promote and facilitate cultural and community events throughout the municipality.                                                                                                                                                                                      |
| Strategy: 6.1.3              | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community.                                                                                                                                                         |

Colac Otway Shire Budget 2012-2013

**3.3.17 EVENTS****Mission**

The Recreation, Arts and Culture Unit works with partners and the community to provide innovation and progress in the areas of recreation, arts, culture, and events.

**Activities**

The Events Unit supports the community to progress in a creative, innovative and inclusive way which enhances and protects our natural and built environment and advances our cultural, social, economic and environmental prosperity.

To work in partnership with the local and broader community to provide innovation and progress in the areas of activities, events and festivals.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (1,700)           | (4,000)           |
| Expenses                    | 173,435           | 196,539           |
| Operating (Surplus)/Deficit | 171,735           | 192,539           |

**Financial Impact**

The net cost for Events is \$192,539 and has increased by \$20,804 to last year's budget for the most part as a result of increases in Award and EBA costs.

**Key Deliverables**

- Events Professional Development – Develop training opportunities focusing on continuous improvement for Event organisers.
- Implement the Festival and Events Strategy.
- Grants/Acquittals and Sponsorship – Implement Festival and Events Support Scheme for Council supported events.
- Events Tools – Encourage Event Planning through participation in the 'E Team' events approval process.
- Events Research and Evaluation – Work with Event organisers to research program events supported by Council.
- Events Communication/Marketing – Develop the Calendar of Events twice annually.
- Work with event organisers and community groups to develop a broad range of community festivals and events.
- Conduct the Australia Day celebration.

**New Initiatives**

- Nil

**Fees and Charges Impact**

No fees and charges are applicable.

Colac Otway Shire Budget 2012-2013

**Strategic Plan Impact**

The provision of Events directly links to the Council Plan as follows:

| Community Health & Wellbeing | Strategy                                                                                                                                                                                                                                                               |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |
| Strategy                     | Description                                                                                                                                                                                                                                                            |
| Strategy: 6.1.1              | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                                                                                                                                                  |
| Strategy: 6.1.2              | Promote and facilitate cultural and community events throughout the municipality.                                                                                                                                                                                      |
| Strategy: 6.1.3              | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community.                                                                                                                                                         |

Colac Otway Shire Budget 2012-2013

**3.3.18 BLUEWATER FITNESS CENTRE**

**Mission**

The Recreation, Arts and Culture Unit works with partners and the community to provide innovation and progress in the areas of recreation, arts, culture, and events.

**Activities**

The Bluewater Fitness Centre aims to be a leading provider of fitness and recreational opportunities for all, whilst maintaining the highest standard of safety and quality, in a cost efficient manner working towards a more sustainable financial outcome.

The Bluewater Fitness Centre comprises a modern indoor pool hall with 25m heated pool, toddler pool, spa and steam room. Our spacious gymnasium is fully equipped and staffed by qualified fitness leaders offering gym floor support and professional training services. A recreation centre offers 2 basketball courts, 2 squash courts and a multi-purpose exercise room.

Other services include:

- Personal Training
- Group fitness classes
- Crèche for those attending programs at the Centre
- Learn to Swim Lessons
- Adult Swimming Squads
- Seniors Gym Programs

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (727,000)         | (743,500)         |
| Expenses                    | 1,229,932         | 1,246,003         |
| Operating (Surplus)/Deficit | 502,932           | 502,503           |

**Financial Impact**

The net cost for the Bluewater Fitness Centre for 2012/13 is \$502,503 and has remained at similar levels to last year's budget.

**Key Deliverables**

- Review Bluewater Fitness Centre programs.
- Review the Bluewater Fitness Centre operations on a monthly basis with the aim to reduce Council's subsidy.
- Review the structure of the Bluewater Fitness Centre Business Unit to ensure operational efficiencies.
- Develop a 10 year capital upgrade works program for Bluewater Fitness Centre.
- Review and develop a range of sustainable programs and activities facilitated by Bluewater Fitness Centre both at the Centre and off site in partnership with community health providers.



Colac Otway Shire Budget 2012-2013

**New Initiatives**

- Bluewater Fitness Centre Stadium Redevelopment

**Fees and Charges Impact**

There are many fees and charges for all types of services that are delivered at the Centre.

The fees and charges are set out in the budget document at Appendix E.

**Strategic Plan Impact**

The provision of services at the Bluewater Fitness Centre directly links to the Council Plan as follows:

| Community                    | Impact                                                                                                                                                                                                                                                                 |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy        | Impact                                                                                                         |
|-----------------|----------------------------------------------------------------------------------------------------------------|
| Strategy: 6.1.1 | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.          |
| Strategy: 6.1.2 | Promote and facilitate cultural and community events throughout the municipality.                              |
| Strategy: 6.1.3 | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community. |

Colac Otway Shire Budget 2012-2013

**3.3.19 OTHER LEISURE and FITNESS CENTRES****Mission**

The Recreation, Arts and Culture Unit works with partners and the community to provide innovation and progress in the areas of recreation, arts, culture, and events.

**Activities**

Bluewater Fitness Centre assists other centres at Apollo Bay P12 School and Lavers Hill P12 School in providing fitness and recreational opportunities for all, whilst maintaining the highest standard of safety and quality, in a cost efficient manner working towards a more sustainable financial outcome.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (13,000)          | (11,909)          |
| Expenses                    | 55,500            | 56,200            |
| Operating (Surplus)/Deficit | 42,500            | 45,110            |

**Financial Impact**

The net cost for Other Leisure and Fitness Centres is \$45,110 and has remained at similar levels to last year's budget.

**Key Deliverables**

- In accordance with the Apollo Bay Leisure Centre and Lavers Hill Centre Joint Use Agreements deliver the necessary planning, maintenance and development in partnership with the associated committees.

**New Initiatives**

- Nil

**Fees and Charges Impact**

Fees and charges are charged for the use of the Apollo Bay Pool.

Colac Otway Shire Budget 2012-2013

**Strategic Plan Impact**

The provision of services at other Leisure and Fitness Centre directly links to the Council Plan as follows:

| Community Health & Wellbeing | Strategy                                                                                                                                                                                                                                                               |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |
| Strategy                     | Description                                                                                                                                                                                                                                                            |
| Strategy: 6.1.1              | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                                                                                                                                                  |
| Strategy: 6.1.2              | Promote and facilitate cultural and community events throughout the municipality.                                                                                                                                                                                      |
| Strategy: 6.1.3              | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community.                                                                                                                                                         |

Colac Otway Shire Budget 2012-2013

**3.3.20 COPACC**

**Mission**

The Recreation, Arts and Culture Unit works with partners and the community to provide innovation and progress in the areas of recreation, arts, culture, and events.

**Activities**

COPACC includes a 344 seat auditorium/cinema, 120 seat cinema, four meeting rooms, Civic Hall, commercial kitchen, kiosk (which doubles as the cinema box office), three office spaces currently occupied under agreement with Colac Historical Society and the Colac Family History Group, Colac Otway Shire staff and the Colac Cinemas.

COPACC Unit works in partnership with the community to provide innovation and progress in the performing arts and provide a range of cultural, social and economic development opportunities while aiming to achieve financial sustainability.

There are three streams to the COPACC business, the performing arts programmes, business events/venue hire and tenancies. The major tenant is Colac Cinemas. The two Colac history groups pay a peppercorn rent.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (532,703)         | (597,465)         |
| Expenses                    | 886,336           | 950,726           |
| Operating (Surplus)/Deficit | 353,633           | 353,261           |

**Financial Impact**

The net cost for COPACC is \$353,261 and has remained at similar levels to last year's budget.

**Key Deliverables**

- Conduct a quality performing arts season.
- Manage and implement Local Partnerships Program and special initiatives.
- Develop and implement the endorsed COPACC Business Plan.
- Review the operations of COPACC on a monthly basis with the aim to reduce Council's subsidy.
- Develop a 10 year upgrade works program for Colac Otway Performing Arts and Cultural Centre.
- Develop and implement a sponsorship strategy for all live theatre streams for COPACC.

**New Initiatives**

- Develop and implement a marketing strategy for the business events component of COPACC operations.
- Continue to develop the 'Saturdays at COPACC' workshops.

Colac Otway Shire Budget 2012-2013

Fees and Charges Impact

The level of fees and charges for COPACC has increased in some categories by CPI. There are a large number of fees and charges for the various areas within COPACC. The schedule of the fees and charges is included in the budget document at appendix E.

Strategic Plan Impact

The provision of services at COPACC directly links to the Council Plan as follows:

| Community Area               | Options                                                                                                                                                                                                                                                                |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Health & Wellbeing | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |
| Strategy                     | Priority                                                                                                                                                                                                                                                               |
| Strategy: 6.1.1              | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                                                                                                                                                  |
| Strategy: 6.1.2              | Promote and facilitate cultural and community events throughout the municipality.                                                                                                                                                                                      |
| Strategy: 6.1.3              | Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community.                                                                                                                                                         |

Colac Otway Shire Budget 2012-2013

**3.4 Infrastructure and Services**

**3.4.1 INFRASTRUCTURE and SERVICES MANAGEMENT**

**Mission**

To effectively plan, deliver and maintain infrastructure networks which service our community's present and future needs and to promote a safe efficient infrastructure network.

**Activities**

The Infrastructure and Services area is responsible for the construction and maintenance of Councils Physical Services including the Roads, Drains, Parks and Gardens and general physical infrastructure belonging to Council.

To undertake these activities, there is a need to develop sound business planning and reporting principles so that Council knows what it is achieving, what it should be achieving and what management practices need to be implemented to ensure that the organisation meets the community expectations that have been included in the Council Plan and Budget documents.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 274,871           | 287,477           |
| Operating (Surplus)/Deficit | 274,871           | 287,477           |

**Financial Impact**

The net cost for Infrastructure and Services Management is \$287,477.

**Key Deliverables**

- Manage the Colac Otway Long Term Sustainability Program in conjunction with Asset Management and Finance.
- Undertake Staff Training in Quotation and Tendering Policy and Procedures.
- Advocate and influence the development of water authorities' water supply demand policies and strategies.
- Undertake a review of the Capital Works Prioritisation System with executive and senior managers prior to the development of the next Capital Works Program.
- In line with the Road Management Act 2004 requirements, review and update Colac Otway Shire's Road Management Plan.
- Develop a Land Rationalisation Program.
- Develop a Building Rationalisation Program.
- Advocate for strategic transport initiatives.
- In partnership with VicRoads identify options and plan for alternative road access through or around Colac, particularly relating to freight movement.
- Advocate for improved commuter Rail Services and safe Railway Crossings. Implement the parts of the G21 Transport Plan relevant to Colac Otway Shire.
- Implement sound procedures to ensure that environmental constraints are adequately considered in the planning and implementation of Council's infrastructure maintenance activities.
- Develop a proposed long term management response to sea level rise for Council assets.

Colac Otway Shire Budget 2012-2013

**New Initiatives**

- Seek government support to undertake an investigation into the development of a waste to energy facility for the municipality and the Barwon South West Region, Facility to be inclusive of the conversion of green waste and mixed waste to energy for reselling back to the power grid.

**Fees and Charges Impact**

No fees and charges are applicable.

**Strategic Plan Impact**

The provision of Infrastructure and Services Management directly links to the Council Plan as follows:

| Strategic Area                     | Details                                                                                                                                                                                                                                                           |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance          | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                              |

| Strategy        | Details                                                                                                                                |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.1 | Lead the community in responding to the current and long term sustainability challenges facing the municipality.                       |
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                                        |
| Strategy: 1.1.5 | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government. |
| Strategy: 1.1.7 | Provide a fair, safe and healthy work environment.                                                                                     |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk.                                                                 |
| Strategy: 2.1.2 | Implement and manage Colac Otway Shire's Road Management Plan.                                                                         |
| Strategy: 2.1.3 | Manage Council's buildings and facilities in a responsible, safe and sustainable manner.                                               |
| Strategy: 2.1.4 | Improve local and regional transport networks to ensure safety and accessibility.<br>Finish Budget Type                                |
| Strategy: 2.1.5 | Ensure environmental risks are adequately addressed for Council infrastructure works, including impacts of climate change.             |

Colac Otway Shire Budget 2012-2013

**3.4.2 CAPITAL WORKS MANAGEMENT**

**Mission**

To effectively manage and continually improve the development of community assets required to support Council's service provision.

**Activities**

Provision of project planning, project management & civil design for capital works and engineering services, and providing engineering advice to internal and external stakeholders.

Preparation and management of Council's Capital Works Program including the development of the 10 year Capital Works & Major Projects Programs.

To provide Council's contribution to street lighting and improvements where identified.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (10,500)          | (51,500)          |
| Expenses                    | 722,119           | 815,413           |
| Operating (Surplus)/Deficit | 711,619           | 763,913           |

**Financial Impact**

The net cost for Capital Works Management is \$763,913.

**Key Deliverables**

- Develop development guidelines which incorporate requirements for subdivision for new development within the shire.
- Document Capital Works Processes and Procedures.
- Governance - Ensure that applications and reports for funding be submitted as required. e.g. (R2R, Auslink, Better Roads etc).
- Manage annual capital works program to achieve at least 85% completion reporting on a monthly basis to executive.
- Develop a 10 year capital works and major projects program according to adopted priorities.
- Review the 10 year capital works and major projects program annually.
- Establish a 3 year Design Program based on the 10 year Capital Works & Major Projects Program
- Develop a Capital Works monitoring and reporting process for reporting of capital works progress on a monthly basis.
- Facilitate sound Project Management processes in the delivery of the Capital Works and Major Projects Program across the organisation.
- Manage preparation of 2013/2014 capital works program including designs and specifications for projects.
- Review and implement the Strategic Footpath Plan for Apollo Bay
- Facilitate the implementation of Council's Road Safety Plan.
- Manage maintenance of Gross Pollutant Traps and provide advice to the sustainable asset unit on new installations.
- Implement the Cressy Shelford Road rehabilitation plan.



Colac Otway Shire Budget 2012-2013

**New Initiatives**

- Strategic Road Network Costing & Review
- Review of Council's Road Safety Plan

**Fees and Charges Impact**

The budget includes \$10,000 associated with Works on Roads fees and Legal Points of Discharge.

**Strategic Plan Impact**

The provision of Capital Works Management services directly links to the Council Plan as follows:

| Key Performance Area               | Objective                                                                                                                                                                                                                                                         |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance          | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                              |
| Strategy                           | Detail                                                                                                                                                                                                                                                            |
|                                    |                                                                                                                                                                                                                                                                   |
|                                    |                                                                                                                                                                                                                                                                   |
|                                    |                                                                                                                                                                                                                                                                   |
| <i>Strategy: 1.1.8</i>             | Continuously improve operational systems, processes and minimise risk.                                                                                                                                                                                            |
| <i>Strategy: 2.1.2</i>             | Implement and manage Colac Otway Shire's Road Management Plan.                                                                                                                                                                                                    |
| <i>Strategy: 2.1.4</i>             | Improve local and regional transport networks to ensure safety and accessibility.<br>Finish Budget Type                                                                                                                                                           |
| <i>Strategy: 2.1.5</i>             | Ensure environmental risks are adequately addressed for Council infrastructure works, including impacts of climate change.                                                                                                                                        |

Colac Otway Shire Budget 2012-2013

**3.4.3 COSWORKS MANAGEMENT****Mission**

The COSWORKS Unit undertakes maintenance and capital works activities for the Colac Otway Shire's infrastructure assets and recreation areas including:

- Local Roads and Bridges
- Drains
- Roadside Vegetation
- Parks and Gardens
- Major Plant

**Activities**

Cosworks is responsible for the maintenance and construction on sealed and unsealed roads, footpaths, Kerb and Channels, drainage, road furniture, bridges, roadside vegetation, sporting grounds and parks and gardens.

Cosworks is also responsible for managing and maintaining Councils heavy plant fleet.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 732,642           | 917,928           |
| Operating (Surplus)/Deficit | 732,642           | 917,928           |

**Financial Impact**

The net cost for Cos Works Management is \$917,928

The increase in costs includes the usual Award and EBA impacts and other operating costs.

**Key Deliverables**

- Develop an Annual Road Re-sheeting Program
- Achieve compliance with Road Management Intervention Levels.

**New Initiatives**

- Nil

**Fees and Charges Impact**

No fees and charges are applicable.

Colac Otway Shire Budget 2012-2013

**Strategic Plan Impact**

The provision of COSWorks Management services directly links to the Council Plan as follows:

| Component                          | Priority                                                                                                                                                                                                                                                          |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance          | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                              |

| Strategy        | Benefit                                                                                                        |
|-----------------|----------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                |
| Strategy: 1.1.9 | Communicate regularly, effectively and honestly with the community.                                            |
| Strategy: 2.1.1 | Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs. |
| Strategy: 2.1.2 | Implement and manage Colac Otway Shire's Road Management Plan.                                                 |

Colac Otway Shire Budget 2012-2013

**3.4.4 ROAD MAINTENANCE****Mission**

The COSWORKS Unit undertakes maintenance and capital works activities for the Colac Otway Shire's infrastructure assets and recreation areas including:

- Local Roads and Bridges
- Drains
- Roadside Vegetation
- Parks and Gardens
- Major Plant

**Activities**

This Unit maintains the Roads and bridges as per the Road Management Plan.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 2,018,697         | 1,888,041         |
| Operating (Surplus)/Deficit | 2,018,697         | 1,888,041         |

**Financial Impact**

The net cost for Road Maintenance services is \$1,888,041 and has decreased by \$130,656 to last year's budget.

**Key Deliverables**

- Achieve compliance with Road Management Intervention levels.

**New Initiatives**

- Increase in roadside vegetation management activities

**Fees and Charges Impact**

No fees and charges are applicable.

Colac Otway Shire Budget 2012-2013

**Strategic Plan Impact**

The provision of Road Maintenance services directly links to the Council Plan as follows:

| Component                          | Purpose                                                                                                                                                                                                                                                           |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance          | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                              |

| Strategy        | Impact                                                                                                         |
|-----------------|----------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk.                                         |
| Strategy: 1.1.9 | Communicate regularly, effectively and honestly with the community.                                            |
| Strategy: 2.1.1 | Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs. |
| Strategy: 2.1.2 | Implement and manage Colac Otway Shire's Road Management Plan.                                                 |

Colac Otway Shire Budget 2012-2013

**3.4.5 DRAINAGE MAINTENANCE**

**Mission**

The COSWORKS Unit undertakes maintenance and capital works activities for the Colac Otway Shire's infrastructure assets and recreation areas including:

- Local Roads and Bridges
- Drains
- Roadside Vegetation
- Parks and Gardens
- Major Plant

**Activities**

This Unit maintains the drainage as per the Road Management Plan.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 463,072           | 481,594           |
| Operating (Surplus)/Deficit | 463,072           | 481,594           |

**Financial Impact**

The net cost for Drainage Maintenance services is \$481,594 and has increased by \$18,522 to last year's budget.

Expenses include the usual Award and EBA impacts and other operating costs.

**Key Deliverables**

- Achieve compliance with Road Management Intervention levels.

**New Initiatives**

- Additional resource for Apollo Bay Coastal Towns; and
- Additional resource for Otway Ranges.

**Fees and Charges Impact**

No fees and charges are applicable.

Colac Otway Shire Budget 2012-2013

Strategic Plan Impact

The provision of Drainage Maintenance services directly links to the Council Plan as follows:

| Component                          | Details                                                                                                              |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future. |

| Strategy        | Details                                                                                                        |
|-----------------|----------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk.                                         |
| Strategy: 2.1.1 | Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs. |
| Strategy: 2.1.2 | Implement and manage Colac Otway Shire's Road Management Plan.                                                 |

Colac Otway Shire Budget 2012-2013

**3.4.6 PARKS and RESERVES MAINTENANCE****Mission**

The COSWORKS Unit undertakes maintenance and capital works activities for the Colac Otway Shire's infrastructure assets and recreation areas including:

- Local Roads and Bridges
- Drains
- Roadside Vegetation
- Parks and Gardens
- Major Plant

**Activities**

This Unit has the responsibility to maintain Council's own land which includes, public parks, roundabouts, Botanic gardens, Memorial Square and Reserves

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (11,500)          | 0                 |
| Expenses                    | 946,011           | 1,350,042         |
| Operating (Surplus)/Deficit | 934,511           | 1,350,042         |

**Financial Impact**

The net cost for Parks and Reserves Maintenance services is \$1,350,042 and has increased by \$415,531 to last year's budget.

**Key Deliverables**

- Develop a Service Level Agreement for Parks and Gardens as a result of the outcomes of the Best Value Review.

**New Initiatives**

- Upgrade Parks mower in Colac area to improve efficiency.

**Fees and Charges Impact**

No fees and charges are applicable.



Colac Otway Shire Budget 2012-2013

**Strategic Plan Impact**

The provision of Parks and Reserves Maintenance services directly links to the Council Plan as follows:

| STRATEGY AREA                      | IMPACT                                                                                                                                                                                                                                                                 |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                                   |
| Community Health & Wellbeing       | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| STRATEGY        | IMPACT                                                                                                                     |
|-----------------|----------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                            |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk.                                                     |
| Strategy: 2.1.1 | Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs.             |
| Strategy: 2.1.2 | Implement and manage Colac Otway Shire's Road Management Plan.                                                             |
| Strategy: 2.1.3 | Manage Council's buildings and facilities in a responsible, safe and sustainable manner.                                   |
| Strategy: 2.1.5 | Ensure environmental risks are adequately addressed for Council infrastructure works, including impacts of climate change. |

Colac Otway Shire Budget 2012-2013

**3.4.7 HEAVY PLANT OPERATIONS****Mission**

The COSWORKS Unit undertakes maintenance and capital works activities for the Colac Otway Shire's infrastructure assets and recreation areas including:

- Local Roads and Bridges
- Drains
- Roadside Vegetation
- Parks and Gardens
- Major Plant

**Activities**

Manage efficiently and effectively councils large Plant fleet.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (54,000)          | (54,000)          |
| Expenses                    | (781,155)         | (819,500)         |
| Operating (Surplus)/Deficit | (835,155)         | (873,500)         |

**Financial Impact**

The net surplus cost for Heavy Plant Operations is \$873,500. This surplus is then used to fund the capital acquisitions of heavy plant, for example to purchase graders, tipper trucks etc.

**Key Deliverables**

- Review the Heavy Plant Replacement program to maximise plant utilisation and timely changeovers and report to Executive prior to the next budget process.

**New Initiatives**

- Upgrade tractor and slasher units to improve productivity of grass mowing in rural areas.
- Upgrade backhoe unit to Small excavator, trailer and 5m<sup>3</sup> truck to improve response times and easier access to drainage issues during winter times.

**Fees and Charges Impact**

There are internal plant hire charges that are reviewed on a regular basis.

Colac Otway Shire Budget 2012-2013

Strategic Plan Impact

The provision of Heavy Plant Operations directly links to the Council Plan as follows:

| Component                          | Priority                                                                                                             |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future. |

| Strategy        | Priority                                                               |
|-----------------|------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.        |
| Strategy: 1.1.7 | Provide a fair, safe and healthy work environment.                     |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk. |

Colac Otway Shire Budget 2012-2013

**3.4.8 PRIVATE WORKS**

**Mission**

The COSWORKS Unit undertakes maintenance and capital works activities for the Colac Otway Shire's infrastructure assets and recreation areas including:

- Local Roads and Bridges
- Drains
- Roadside Vegetation
- Parks and Gardens
- Major Plant

**Activities**

COSWorks undertakes Private Works on a limited basis.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (20,000)          | (22,000)          |
| Expenses                    | 15,000            | 18,000            |
| Operating (Surplus)/Deficit | (5,000)           | (4,000)           |

**Financial Impact**

The net surplus for Private Works is \$4,000. Very limited private works are undertaken.

**Key Deliverables**

- Nil

**New Initiatives**

- Nil

**Fees and Charges Impact**

For any private works the appropriate fees are charged.

**Strategic Plan Impact**

The provision of Private Works directly links to the Council Plan as follows:

| Objective                          | Strategy                                                                                                             |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future. |

| Objective | Strategy                                                               |
|-----------|------------------------------------------------------------------------|
|           | Continuously improve the services directly provided by Council.        |
|           | Continuously improve operational systems, processes and minimise risk. |

Colac Otway Shire Budget 2012-2013

**3.4.9 COLAC LIVESTOCK SELLING CENTRE****Mission**

The mission of the Colac Livestock Selling Centre is to pursue continuous improvement in service delivery through innovation, flexibility, technology and participation with other stakeholders to promote the importance of the Selling Centre to the wider community.

Through a scheduled maintenance program for the facility and progressive upgrades for the more demanding requirements of quality service to the users, the Centre aims to improve on its market share in future years.

**Activities**

The Colac Livestock Selling Centre provides for weekly sales of cattle and other livestock in the region.

Through a scheduled maintenance program for this facility and progressive upgrades to cater for more demanding requirements of quality service to the users, the centre aims to improve on its market share.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (694,000)         | (740,000)         |
| Expenses                    | 511,630           | 480,651           |
| Operating (Surplus)/Deficit | (182,370)         | (259,349)         |

**Financial Impact**

The net surplus for the Colac Livestock Selling Centre is \$259,349. This has increased by \$76,979 to last year's budget. Any surplus that is made after taking into account depreciation and other administrative costs is transferred to the Colac Livestock Selling Centre Reserve.

**Key Deliverables**

- Finalise a review of the Colac Livestock Selling Centre Business Plan regarding longer term Capital Works requirements and Upgrades to ensure the long term viability of the centre.
- Manage the Saleyards Operations in accordance with Council Plan and Business Plan.

**New Initiatives**

- Nil

**Fees and Charges Impact**

The fees and charges for the Colac Livestock Selling Centre have increased for 2011/12 based on a recommendation from the Advisory Committee.

Colac Otway Shire Budget 2012-2013

Strategic Plan Impact

The provision of the Colac Livestock Selling Centre directly links to the Council Plan as follows:

| Component                          | Impact                                                                                                               |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future. |

| Strategy        | Impact                                                                                                           |
|-----------------|------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.1 | Lead the community in responding to the current and long term sustainability challenges facing the municipality. |
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                  |
| Strategy: 1.1.7 | Provide a fair, safe and healthy work environment.                                                               |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk.                                           |
| Strategy: 2.1.3 | Manage Council's buildings and facilities in a responsible, safe and sustainable manner.                         |

Colac Otway Shire Budget 2012-2013

**3.4.10 MAJOR CONTRACTS**

**Mission**

**PORT OF APOLLO BAY**

Work collaboratively with Government Departments to develop, operate and manage the Port of Apollo Bay facilities in an efficient and effective manner as well as allow opportunities for commercial development.

**CONTRACT MANAGEMENT**

To manage Council's major contracts in a fair, consistent and transparent manner in order to achieve value for money service delivery.

**Activities**

**PORT OF APOLLO BAY**

Delivery of service to a working port integrating with public/ private partnership development potential for a future port.

The Apollo Bay Harbour unit is responsible for the maintenance and minor upgrades within the Harbour and its surrounds to provide a safe facility for the various commercial and recreational users. Through the management agreement between Colac Otway Shire and the Department of Transport (DoT), long-term development and improvement opportunities will enhance the Harbour's unique position.

**CONTRACTS MANAGEMENT**

Management of Council contracts in a fair and consistent manner in conjunction with Council's Business Units.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (42,000)          | (25,000)          |
| Expenses                    | 259,009           | 271,263           |
| Operating (Surplus)/Deficit | 217,009           | 246,262           |

**Financial Impact**

The net cost for Major Contracts is \$246,262 and has seen an increase of \$29,253 as compared to last year's budget.

Costs for the Port of Apollo Bay are separately costed.

The increase in costs includes the usual Award and EBA impacts and other operating costs.

Colac Otway Shire Budget 2012-2013

**Key Deliverables**

**Port of Apollo Bay**

- Review the existing Capital Works program for the Port of Apollo Bay and propose a prioritised 10 Year Program for DSE consideration.
- Ongoing implementation of Apollo Bay Harbour Safety and Environment Management Plan (SEMP).
- Review dredging techniques including sand bypass option arising from the Harbour Capacity Study in consultation with Department of Sustainability and Environment (DSE) and report to Exec and Council.
- Gradual Implementation of Marine Act 2010 in consultation with Department of Transport (DoT).
- Pursue with DoT the replacement of dredging vessel and workboat as a high priority item.

**Major Contracts**

- Deliver training for staff on Council's revised Procurement Policy.
- Work with other Councils of the region for achieving cost savings through coordinated purchasing at regional level wherever practicable.
- Continue to support Council's business units with contracting and tendering process in accordance to Council's Procurement Policy.

**New Initiatives**

- Nil

**Fees and Charges Impact**

Fees and charges include income generated from Berthing and Mooring and slipway fees.

**Strategic Plan Impact**

The provision of Major Contracts services directly links to the Council Plan as follows:

| Key Result Area                    | Outcomes                                                                                                                                                                                                                                                          |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance          | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                              |
| Environmental Management           | Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts                                                                                                              |

| Strategy        | Details                                                                                                                                                         |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.3 | Provide responsible financial management.                                                                                                                       |
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                                                                 |
| Strategy: 1.1.5 | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government.                          |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk.                                                                                          |
| Strategy: 4.1.4 | Minimise environmental impacts and the use of natural resources associated with Council operations in accordance with Council's Environment Strategy 2010-2018. |



Colac Otway Shire Budget 2012-2013

**3.4.11 WASTE MANAGEMENT**

**Mission**

To effectively manage and continually improve the integrated waste management service to provide best value for the Colac Otway Shire community.

**Activities**

Context is based around Waste Management Best Value review recommendations, whilst making provision for the integration of future services. Work within the framework of State Government Legislation and targets for waste minimisation, balancing against the service expectations of the community.

To provide a range of waste and recycling services to our community for sustainable waste management:

- Kerbside collection
- Litter collection
- Management of Transfer Stations
- Management of 'Drop Off' facilities
- Landfill rehabilitation and Management
- Community Education

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (2,834,918)       | (2,935,652)       |
| Expenses                    | 3,425,165         | 3,722,714         |
| Operating (Surplus)/Deficit | 590,247           | 787,062           |

**Financial Impact**

The net cost for Waste Management services is \$787,062 and has decreased by \$196,815 to last year's budget, as a result of changes to waste disposal practices.

**Key Deliverables**

- Ongoing implementation of Waste Management best value review recommendations, in conjunction with the Barwon Region Waste Management Plan.
- Continue with community Education Plan for the whole of the waste management system to achieve increased recycling and reduced level of contamination in waste streams.
- Monitoring new contractual arrangements for efficient service delivery to ratepayers.
- Timely completion of Annual and Audit Committee waste management reports.
- Review the long term landfill rehabilitation program for closed landfills in consultation with EPA.
- Implement the Landfill Rehabilitation Plan.

**New Initiatives**

- Undertake rehabilitation of Marengo Landfill site.
- Work with BRWVG on innovative options for treatment of organic waste, hard waste collection and ongoing collection of hazardous and e-waste.

Colac Otway Shire Budget 2012-2013

**Fees and Charges Impact**

Fees and Charges changes occurred to ensure continuation of cost recovery activities.

The details of the fees and charges are set out in Appendix E of the Budget document.

**Strategic Plan Impact**

The provision of Waste Management services directly links to the Council Plan as follows:

| Key Result Area                    | Objective                                                                                                                                                                                                                                                         |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance          | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                              |
| Environmental Management           | Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts                                                                                                              |

| Strategy        | Detail                                                                                                                                                                                                 |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.                                                                                                                                        |
| Strategy: 4.1.5 | Promote environmental values in the broader community and work with other stakeholders on managing large scale issues in accordance with the process identified in the Environment Strategy 2010-2018. |
| Strategy: 4.1.6 | Minimise, recycle and manage residential waste.                                                                                                                                                        |

Colac Otway Shire Budget 2012-2013

**3.4.12 AERODROMES**

**Mission**

To assist the Aerodrome Committee of Management with the management of the Colac Aerodrome and manage the Apollo Bay Aerodrome in a fair, consistent and transparent manner in order to achieve value for money service delivery.

**Activities**

To operate the Apollo Bay and Colac Aerodromes.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (2,600)           | (2,650)           |
| Expenses                    | 21,550            | 21,560            |
| Operating (Surplus)/Deficit | 18,950            | 18,910            |

**Financial Impact**

The net cost for Aerodromes is \$18,910 and is very similar to the result from the previous year and includes maintenance works to be undertaken at the two aerodromes.

**Key Deliverables**

- Work with Committee of Management on timely routine maintenance
- Focus on increasing aerodrome income through introduction of landing fee
- Explore funding opportunity for significant capital works such as runway extension, long term business planning, stormwater drainage works, upgrade of access road etc.

**New Initiatives**

- Nil

**Fees and Charges Impact**

Minimal fees are received for the aerodromes.

**Strategic Plan Impact**

The provision of Aerodrome services directly links to the Council Plan as follows:

| Strategic Plan                     | Impact                                                                                                                                 |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                   |
| Strategy: 1.1.4                    | Continuously improve the services directly provided by Council.                                                                        |
| Strategy: 1.1.5                    | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government. |
| Strategy: 2.1.3                    | Manage Council's buildings and facilities in a responsible, safe and sustainable manner.                                               |

Colac Otway Shire Budget 2012-2013

**3.4.13 LIGHT FLEET OPERATIONS**

**Mission**

To manage Council's light fleet in a fair, consistent and transparent manner in order to achieve value for money service delivery.

**Activities**

Management of Council's light fleet.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | (484,020)         | (305,860)         |
| Operating (Surplus)/Deficit | (484,020)         | (305,860)         |

**Financial Impact**

The net Surplus for Light Fleet Operations is \$305,860. The surplus offsets the costs of replacing vehicles in the Light Fleet.

**Key Deliverables**

- Review the Light Fleet purchasing programme and report to Executive on vehicle costs, changeover costs and lifecycle costs.
- Undertake an annual review of Council's Fleet Management Policy and report outcomes to Executive Management.

**New Initiatives**

- Further concentrated study of Council whole-of-life costs, including fuel efficiency, environmental considerations
- Review of Council vehicles available for purchase by Council.

**Fees and Charges Impact**

No fees and charges are applicable.

**Strategic Plan Impact**

The provision of Light Fleet Operations directly links to the Council Plan as follows:

| Objective                      | Objective                                                                                                            |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Physical Infrastructure Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future. |

| Strategy        | Details                                                                |
|-----------------|------------------------------------------------------------------------|
| Strategy: 1.1.4 | Continuously improve the services directly provided by Council.        |
| Strategy: 1.1.7 | Provide a fair, safe and healthy work environment.                     |
| Strategy: 1.1.8 | Continuously improve operational systems, processes and minimise risk. |

Colac Otway Shire Budget 2012-2013

**3.4.14 SUSTAINABLE ASSETS**

**Mission**

The Sustainable Assets unit's mission is to effectively maintain and improve Council's infrastructure to meet affordable community expectations.

**Activities - Sustainable Assets**

The Sustainable Assets Unit provides the following range of services:

- Asset management data collection, storage and analysis;
- Coordination and delivery of various types of asset inspections;
- Development of Council's asset management framework, including preparation of Asset Management Plans, implementation of the Asset Management Strategy, and administration of the Asset Management Policy; and
- General Engineering services and Customer Service

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 600,787           | 684,693           |
| Operating (Surplus)/Deficit | 600,787           | 684,693           |

**Financial Impact**

The net cost for Sustainable Assets is \$684,693 and has increased when compared to the prior year. The unit has a number of new activities, as detailed in the new initiatives area.

**Key Deliverables**

- Monitor the performance and condition of Council's various asset types through programmed inspections and data collection.
- Maintain the currency and accuracy of Council's infrastructure asset registers.
- Review and implement Asset Management Plans to ensure that the level of funding for asset development, maintenance and upgrade meets the community's expectations.
- Review renewal funding needs and incorporate outcomes into long term financial and capital works plans.
- Implement the Asset Management Strategy in accordance with the 5-Year improvement program identified in the Asset Management Action Plan.
- Complete road and footpath network inspections to meet frequencies prescribed by Council's Road Management Plan.
- Monthly monitoring and reporting on maintenance items identified through routine road and footpath inspections to ensure completion times comply with the standards of the Road Management Plan.
- Complete specific inspections to identify and address safety/risk issues associated with elements of Council's road and footpath networks; including rail crossings and in response to reported incidents.

Colac Otway Shire Budget 2012-2013

New Initiatives

- Landslide Monitoring Programme
- Undertake a review of Council's Road Management Plan
- Additional resource for asset management activities

Fees and Charges Impact

No fees and charges are applicable.

Strategic Plan Impact

The provision of Sustainable Assets services directly links to the Council Plan as follows:

| Strategic Area                     | Strategic Plan                                                                                                                                                                                                                                                    |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance          | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                              |
| Strategy                           | Detail                                                                                                                                                                                                                                                            |
| Strategy: 1.1.3                    | Provide responsible financial management.                                                                                                                                                                                                                         |
| Strategy: 1.1.8                    | Continuously improve operational systems, processes and minimise risk.                                                                                                                                                                                            |
| Strategy: 2.1.2                    | Implement and manage Colac Otway Shire's Road Management Plan.                                                                                                                                                                                                    |
| Strategy: 2.1.3                    | Manage Council's buildings and facilities in a responsible, safe and sustainable manner.                                                                                                                                                                          |

Colac Otway Shire Budget 2012-2013

**3.4.15 COUNCIL FACILITIES**

**Mission**

To effectively maintain and improve Council's infrastructure to meet affordable community expectations.

**Activities**

Council facilities management includes the following activities:

- Provision for implementing maintenance of Council buildings (programmed and reactive);
- Administration of Council's building security system;
- Coordination of contractors to deliver building maintenance and other operational services; and
- Scheduling and management of various condition and statutory based building inspections; and
- Specific building capital works delivery and supervision

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 470,081           | 474,200           |
| Operating (Surplus)/Deficit | 470,081           | 474,200           |

**Financial Impact**

The net cost for Council Facilities is \$474,200 and has increased by \$4,119 to last year's budget.

**Key Deliverables**

- Management of programmed building maintenance activities in accordance with the 10-year program.
- Response to reactive building maintenance needs.
- Coordinate and provide monthly reports on the progress of implementing Council's building maintenance program.
- Ensure compliance of essential safety measures in selected Council buildings as required by relevant building legislation.
- Implement Council's Annual building asset renewal program to meet time, cost, and quality outcomes.

**New Initiatives**

- Implementation of Essential Safety Measures Compliance across a number of Council facilities
- Continue work to complete a condition audit of Council buildings to update programmed maintenance and renewal programmes;

**Fees and Charges Impact**

No fees and charges are applicable.

Colac Otway Shire Budget 2012-2013

**Strategic Plan Impact**

The provision of Council Facilities services directly links to the Council Plan as follows:

| Component                          | Priority                                                                                                                                                                                                                                                          |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance          | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                              |
| Strategy                           | Detail                                                                                                                                                                                                                                                            |
| Strategy: 1.1.8                    | Continuously improve operational systems, processes and minimise risk.                                                                                                                                                                                            |
| Strategy: 2.1.3                    | Manage Council's buildings and facilities in a responsible, safe and sustainable manner.                                                                                                                                                                          |



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**3.5 Sustainable Planning and Development**

**3.5.1 SUSTAINABLE PLANNING and DEVELOPMENT MANAGEMENT**

**Mission**

The role of Sustainable Planning and Development is:

- Planning for our sustainable future;
- Regulating, enforcing and protecting what we value;
- Encouraging sustainable development, community participation and the value of regional partnerships; and
- Proactive environmental management and community safety.

**Activities**

The role of the Sustainable Planning and Development Unit is:

- Planning for our future (strategic planning: long term, big picture, whole of community visions);
- Regulating, enforcing and protecting what we value (through local laws, environmental enforcement, emergency management including: fire prevention, statutory planning and building regulation enforcement); and
- Encouraging sustainable development and coordinating/facilitating local business and development projects (through proactive advice to potential developers, identification of opportunities; linking local ideas to local planning and development and to regional planning (Inc G21 and Great South Coast); and seeing through local plans and development projects.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 268,619           | 290,786           |
| Operating (Surplus)/Deficit | 268,619           | 290,786           |

**Financial Impact**

The net cost for Sustainable Planning and Development Management is \$290,786.

**Key Deliverables**

- Advocate for appropriate fire prevention activities in the Great Otway National park and other public land.
- Undertake an annual review of the Municipal Emergency Management Plan (MEMP) from a Shire perspective and implement awareness training and readiness programs for community and staff.
- Work with State Government to develop appropriate planning controls that respond to predicted sea level rise.
- Advocate where appropriate community views on environmental issues outside the direct responsibility of Council.
- Develop a Master Plan to support the redevelopment of the Colac Central Business District streetscape including traffic management, parking and the Memorial Square.

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**New Initiatives**

- Nil

**Fees and Charges Impact**

There are no fees and charges applicable to Sustainable Planning and Development Management.

**Strategic Plan Impact**

The provision of Sustainable Planning and Development Management services directly links to the Council Plan as follows:

| Strategic Area            | Statement                                                                                                                                                                                                                                                         |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Land Use and Development  | Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations.              |
| Environmental Management  | Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.                                                                                                             |
| Economic Development      | Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy and partnership.                                                                                                                                      |

| Strategy         | Detail                                                                                                                                                                                                 |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.5  | Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government.                                                                 |
| Strategy: 1.1.10 | Meet our statutory obligations for community safety, security and responses to emergency situations.                                                                                                   |
| Strategy: 3.1.2  | Ensure that responsible planning mechanisms are used to control development in areas potentially affected by climate change.                                                                           |
| Strategy: 4.1.5  | Promote environmental values in the broader community and work with other stakeholders on managing large scale issues in accordance with the process identified in the Environment Strategy 2010-2018. |
| Strategy: 5.1.3  | Support local business to develop and succeed.                                                                                                                                                         |

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**3.5.2 ECONOMIC DEVELOPMENT – BUSINESS SECTION****Mission**

Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership. The Economic Development Unit works with government, business and community partners to achieve this by focussing on 7 key themes:

1. Workforce Development
2. Climate Change
3. Business Development
4. Regional Development Planning
5. Marketing and Promotion
6. Infrastructure
7. Economic Development Leadership

**Activities****Business Development**

The Shire's current model of economic development recognises the importance of consultation and engagement with local business. In this regard the Shire is actively developing a model designed to:

- Foster innovation;
- Encourage the diversification and clustering of local business;
- Create jobs; and
- Increase community and local business access to business development resources.

**Climate Change**

Australia's transition to a low carbon economy has commenced and the Colac Otway Shire in conjunction with regional planning bodies including G21, has a key role to play in facilitating this transition at a local level through regulatory and policy frameworks that:

- Work with business to recognise growth potential from climate change initiatives
- Promote and provide incentives for environmental performance –'local green economy awards' Provide opportunities for investment or partnerships in 'green collar economy' workforce skill development and training.
- Promote and celebrate 'green economy' innovation and employment opportunities
- Consolidate and build upon Commonwealth and State Government initiatives designed to assist industry and business to mediate the impact of climate change or 'offset' carbon emission footprint.
- Economic Development leadership

**Economic Development Leadership**

Colac Otway Shire will continue to provide leadership to ensure ongoing economic growth. Involving business, industry groups, government officials and agencies working together towards a common vision is essential to promote a whole of Council approach to economic development initiatives and projects.

**Infrastructure**

One of Council's roles in economic development is the development of infrastructure for business investment, growth and local liveability. All forms of infrastructure contribute to economic development from industrial parks to halls or playgrounds.

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Investment in infrastructure is economically sound as the long term benefits and return on investment is always far in excess of the original allocation.

### Regional Development Planning

The Shire is committed to facilitating the development and growth of its rural towns, the hinterland districts of Apollo Bay and Colac in addition to actively participating for example in G21, Great South Coast, Geelong Otway Tourism and Corangamite Catchment Management Authority activities.

Active participation in these regional planning initiatives among others provides a number of opportunities for the Colac Otway Shire to leverage the further development for its municipality.

### Workforce Development

Workforce development promotes individual, business, industry and regional economic growth. It is driven by industry and workers needing to be responsive to external forces which include:

- Globalisation – markets, competition and standards
- Technology – manufacturing, increased productivity, communications increasing opportunities for adult learning in rural communities
- Demands of the new economy – open economies and low skilled workers
- Political change – legislation and national training frameworks
- Demographic shifts – labour force age profile, supply of housing, social and services

### Budget

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (1,500)           | (2,000)           |
| Expenses                    | 313,417           | 477,463           |
| Operating (Surplus)/Deficit | 311,917           | 475,463           |

### Financial Impact

The net cost for Economic Development - Business Section is \$475,463 and has increased by \$163,546 to last year's budget as a result of the completion of a number of projects.

### Key Deliverables

- Secure multiple grants for major projects, where possible, to reduce Council's matching contribution from other than rate revenue.
- Facilitate a strategic and integrated approach for grants applications which ensures alignment with the Council Plan and Budget.
- Plan and implement infrastructure projects that transform townships and promote economic development and community strengthening.
- Implement the Affordable Housing Strategy.
- Work with industry sectors on strategic workforce planning initiatives, including training and education.
- Encourage and promote renewable and alternative energy opportunities for the Colac Otway Shire.
- Implement new business support and facilitation services that make it easy to do business in the Shire.
- Implement Business Development training programs, networking events and Business Awards.
- Review Business Attraction and Retention Policy and replace with COS Marketing Brochure.

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- Implement a review of Land Use Planning services for business enquiries and applications that facilitates new business establishment and existing business growth and development.
- Enhance Colac's regional service centre status through the development of a Marketing strategy.
- Internal review of the Lake Colac Management Master Plan with a view to gain funding for external review.
- Promote and encourage the development of infrastructure to support Lake Colac tourism and community use.
- Implementation of the Lake Colac Management Plan and Foreshore Master Plan.
- Promote the Shire's strengths and competitive advantages to attract new investment.
- Identify the capacity, demand and rating of accommodation in Colac including the attraction of a high end quality star hotel.
- Implement the Apollo Bay Harbour Precinct Master Plan.
- Coordinate the Small Towns Improvement Program.
- Undertake streetscape planning for Colac CBD including Memorial Square and Colac's Eastern and Western entrances.
- Investigate Social Networking options for COS.
- Liaise with local Real Estate Industry to monitor the local market and encourage diversity in housing choice.

New Initiatives

- Former Colac High School Master Plan Project; and
- Colac Marketing Strategy Implementation Plan.

Fees and Charges Impact

No fees and charges are applicable.

Strategic Plan Impact

The provision of Economic Services – Business Section services directly links to the Council Plan as follows:

| Strategic Area                     | Strategic                                                                                                                                                                                                                                                              |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance          | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.      |
| Physical Infrastructure and Assets | Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.                                                                                                                                                   |
| Economic Development               | Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy and partnership.                                                                                                                                           |
| Community Health & Wellbeing       | Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities. |

| Strategy        | Strategic                                                                                                                                             |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 2.1.1 | Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs.                                        |
| Strategy: 5.1.1 | Support the development of a diverse, skilled and capable workforce.                                                                                  |
| Strategy: 5.1.2 | Work with business to recognise growth potential from climate change and renewable energy initiatives.                                                |
| Strategy: 5.1.3 | Support local business to develop and succeed.                                                                                                        |
| Strategy: 5.1.4 | Lead, support and/or participate in regional and local development networks and partnerships.                                                         |
| Strategy: 5.1.5 | Participate in regional and Shire based marketing and promotion initiatives designed to promote 'brand awareness' of the Colac Otways and Great Ocean |

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| Strategy        | Plan                                                                                                        |
|-----------------|-------------------------------------------------------------------------------------------------------------|
|                 | Road region.                                                                                                |
| Strategy: 5.1.6 | Facilitate the development of infrastructure for business investment, growth and liveability.               |
| Strategy: 5.1.7 | Work in partnership with business, industry groups, government and agencies on sustainable economic growth. |
| Strategy: 6.1.4 | Support local communities to develop, grow and be great places to live.                                     |

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**3.5.3 ECONOMIC DEVELOPMENT -- TOURISM SECTION****Mission**

Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership. The Economic Development Unit works with government, business and community partners to achieve this by focussing on 7 key themes:

1. Workforce Development
2. Climate Change
3. Business Development
4. Regional Development Planning
5. Marketing and Promotion
6. Infrastructure
7. Economic Development Leadership

**Activities**

The Colac Otway Shire's Economic Develop Unit (EDU) actively participates in regional marketing and Shire based marketing and promotion initiatives designed to promote 'brand awareness' of Colac, the Otways and Great Ocean Road region as an accessible nature based tourist destination or an accessible to Melbourne and Geelong work-life balance lifestyle 'sea change' or 'tree change' destination.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (305,500)         | (293,500)         |
| Expenses                    | 921,786           | 917,369           |
| Operating (Surplus)/Deficit | 616,286           | 623,869           |

**Financial Impact**

The net cost for Economic Development - Tourism Section is \$623,869 and has remained at similar levels to last year's budget.

**Key Deliverables**

- Continue to provide strategic support to tourism including operation of the Colac and Apollo Bay Visitor Information Centres and provision of funding to Otways Tourism.

**New Initiatives**

- Since the demise of Otways Tourism, take responsibility for the direct delivery of tourism marketing and industry development within the shire.
- Employ a Tourism Development Officer to work from the Great Ocean Road Visitor Information Centre in Apollo Bay and to work with Shire Tourism operators to strengthen the industry in the shire.

**Fees and Charges Impact**

There are minimal fees and charges.

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The major component of the income is sales on products sold at the Visitor Information Centres.

**Strategic Plan Impact**

The provision of Economic Development – Tourism Section services directly links to the Council Plan as follows:

| Responsibility Area  | Strategy                                                                                                                                                           |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic Development | Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy and partnership.                                       |
| Strategy             | Detail                                                                                                                                                             |
| Strategy: 5.1.5      | Participate in regional and Shire based marketing and promotion initiatives designed to promote 'brand awareness' of the Colac Otways and Great Ocean Road region. |



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**3.5.4 ENVIRONMENT**

**Mission**

The Environment and Community Safety Business Unit strives to improve environmental management in accordance with the Environment Strategy to help make the Colac Otway region a better place to live, work and play.

**Activities**

**Environmental Community Engagement Program**

Council will increase community involvement in environmental projects and raise awareness of environmental issues. The focus will be around the protection of significant environmental assets.

**Environmental Planning Program**

Council is the authority responsible for managing strategic and statutory planning processes to ensure sustainable development. This may require working with third parties to decide the appropriate response. Where breaches occur it may be necessary to enforce compliance orders. This program also monitors private forestry compliance with the Forestry Code of Practice.

**Environmental Protection Program**

Council aims to carry out strategic on-ground works that will help protect environmental values. The focus of the program is to protect valuable environmental assets from significant environmental threats.

**Environmental Sustainability Program**

Council has endorsed an Environment Strategy that aims to ensure that all Council activities are carried out in an environmentally sustainable fashion.

The demonstration of environmental best management practices will be used to encourage sustainability improvements for the wider community.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | 0                 | 0                 |
| Expenses                    | 515,497           | 534,359           |
| Operating (Surplus)/Deficit | 515,497           | 534,359           |

**Financial Impact**

The net cost for Environment Services Management is \$534,359 and has increased marginally by \$18,862 to last year's budget. The increase in costs includes the usual Award and EBA impacts and other operating costs.

**Key Deliverables**

- Implementation of the Environment Strategy.
- Development of two year Action Plans for the Environment Program.

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- Provide advice to infrastructure and Cosworks to ensure that environmental issues associated with road works are managed in accordance with the plan.
- Develop and implement action plans to manage the threats to environmental assets on Council managed land in accordance with the Environment Strategy 2010-2018.
- Continue to implement the Lake Colac Management Plan and the Re-vegetation and Weed Control Master Plan.
- Continue to carry out audits of forestry operations on private land.
- Provide environmental advice on planning applications and strategic planning projects.
- Provide advice and support to the Planning Department for planning scheme amendments.
- Coordinate the Sustainability Working Group.
- Continue a program of works and practices to reduce Council's carbon footprint.
- Continue to implement agreed, viable water saving measures.
- Implement the Environmental Sustainability Policy.
- Coordinate a range of environmental events across the region.
- Encourage energy efficiency including the use of renewable and alternative energy sources.
- Carry out Social Justice Services for non-profit organisations

**New Initiatives**

- Develop a Carbon Neutral Plan for Council.
- Develop Management Plans for high conservation areas of Council Managed Land
- Finalise Council's Roadside Environment Management Plan.
- Initiate a regional project to increase community resilience to climate change in the Barwon South West Region.

**Fees and Charges Impact**

No fees and charges are applicable.

**Strategic Plan Impact**

The provision of Environment services directly links to the Council Plan as follows:

| Key Result Area           | Objective                                                                                                                                                                                                                                                         |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental Management  | Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts                                                                                                              |
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |

| Strategy        | Detail                                                                                                                                                                                                 |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 4.1.1 | Develop a coordinated approach to managing environmental issues across all Council activities.                                                                                                         |
| Strategy: 4.1.2 | Ensure the protection and enhancement of environmental values on Council owned and managed land.                                                                                                       |
| Strategy: 4.1.3 | Facilitate the protection and enhancement of environmental values on private land.                                                                                                                     |
| Strategy: 4.1.4 | Minimise environmental impacts and the use of natural resources associated with Council operations in accordance with Council's Environment Strategy 2010-2018.                                        |
| Strategy: 4.1.5 | Promote environmental values in the broader community and work with other stakeholders on managing large scale issues in accordance with the process identified in the Environment Strategy 2010-2018. |
| Strategy: 6.1.1 | Provide, facilitate or advocate for a range of health, recreation, community services and facilities.                                                                                                  |

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**3.5.5 LOCAL LAWS****Mission**

The Environment and Community Safety Business Unit strives to improve environmental management and community safety to help make the Colac Otway region a better place to live, work and play.

**Activities**

Council's Local Laws Unit is concerned with delivering local law services which improve the overall safety and well-being of residents and domestic animals and livestock through effective enforcement and proactive regulatory services involving education, information provision and increasing community awareness of civic responsibilities.

The Local Laws Unit provides the following services to the community:

- Enforcement of Local Laws, Statutory Regulations and Relevant Acts
- Registration and impoundment of Domestic animals
- Impoundment of livestock
- Parking enforcement and signage
- Provision of school crossing monitoring services
- Impoundment of abandoned vehicles and disposal
- Assessment of applications and issue of relevant permits (i.e. A-frames and Disabled Parking).
- Fire prevention and litter/waste dumping duties.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (285,700)         | (316,500)         |
| Expenses                    | 601,247           | 622,531           |
| Operating (Surplus)/Deficit | 315,547           | 306,031           |

**Financial Impact**

The net cost for Local Laws is \$306,031 and has decreased marginally by \$9,516 to last year's budget.

**Key Deliverables**

- Ensure training and development of staff is undertaken to deliver best practice service and knowledge of relevant legislation.
- Implement procedure to ensure parking control is enforced in a professional manner throughout the process from Infringement issue to finalisation of offence and undertake a review of the infringement procedure.
- Ensure the School Crossings are adequately serviced and managed with Supervisors receiving training as required.
- Ensure all categories of Permits issued, including, Hoarding, Street Furniture, Display Goods, Disabled Parking, Work Zone, Event, Stock Crossing/Grazing, Street Stalls and others are processed in an efficient and timely manner and compliance with conditions is maintained.
- Undertake review of Local Laws.
- Investigate a Cat De-sexing Voucher Scheme.
- Investigate costs and benefits of electronic parking systems.
- Implement and review the Domestic Animal Management Plan.

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- Develop an Animal Emergency Management Plan.

New Initiatives

- Complete a review of the Local Laws in preparation for amendments.
- Finalise the Emergency Animal Management Plan.

Fees and Charges Impact

There are a variety of fees and charges which are included in the Budget Document at Appendix E.

Strategic Plan Impact

The provision of Local Laws services directly links to the Council Plan as follows:

| Service                   | Impact                                                                                                                                                                                                                                                            |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |
| Strategy                  | Impact                                                                                                                                                                                                                                                            |
| Strategy: 1.1.4           | Continuously improve the services directly provided by Council.                                                                                                                                                                                                   |
| Strategy: 1.1.10          | Meet our statutory obligations for community safety, security and responses to emergency situations.                                                                                                                                                              |

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**3.5.6 EMERGENCY MANAGEMENT**

**Mission**

The Environment and Community Safety Business Unit strives to improve environmental management and community safety to help make the Colac Otway region a better place to live, work and play.

**Activities**

**Fire Prevention Inspections and Standpipe Management**

Council is the authority responsible for carrying out fire prevention inspections during the fire danger period and managing access to standpipes and maintaining infrastructure for standpipe use. This requires Council to work closely with CFA and Barwon Water to ensure appropriate practices are being carried out by the broader community.

**Municipal Emergency Management**

Council aims to implement and review the various Municipal Plans related to emergency management and coordinate and support the various Committees required to oversee these plans.

**Municipal Fire Prevention**

Council aims to implement and review the Municipal Fire Prevention Plan and develop the Municipal Fire Management Plan and coordinate and support the Municipal Fire Prevention Committee and the Municipal Fire Management Planning Committee.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (61,684)          | (69,000)          |
| Expenses                    | 347,025           | 340,088           |
| Operating (Surplus)/Deficit | 285,341           | 271,088           |

**Financial Impact**

The net cost for Emergency Management is \$271,088 and has decreased by \$14,253 to last year's budget.

**Key Deliverables**

- Manage access and maintenance for standpipes in the region.
- Manage Fire Access Road subsidy scheme.
- Coordinate and support the Municipal Fire Management Planning Committee.
- Monitor, review and where responsible implement the Municipal Fire Prevention Plan and the Municipal Fire Management Plan.
- Implementation of the statutory fire inspection process.
- Establish integrated fire management practices and endorse Township Protection Plans and Neighbourhood Safer Places where appropriate.
- Implementation of the Neighbourhood Safer Places Plan.
- Coordinate Emergency Management procedures across the organisation.
- Coordinate the Municipal Emergency Management Planning Committee.

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- Coordinate Relief and Recovery planning.

New Initiatives

- Development/Implementation of the Municipal Fire Management Plan.
- Implementation of the Municipal Recovery and Relief Centre Plans.
- Continue to identify potential Neighbourhood Safer Places and where appropriate designate and maintain them.

Fees and Charges Impact

There are fees and charges applicable for water from standpipes and for fire hazard removal.

Strategic Plan Impact

The provision of Emergency Management services directly links to the Council Plan as follows:

| Core Business Area        | Strategy                                                                                                                                                                                                                                                          |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance | Council will fulfill its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations. |

| Strategy         | Detail                                                                                               |
|------------------|------------------------------------------------------------------------------------------------------|
| Strategy: 1.1.10 | Meet our statutory obligations for community safety, security and responses to emergency situations. |

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**3.5.7 STRATEGIC PLANNING**

**Mission**

The Strategic Planning Unit provides an integrated and customer driven service in accordance with the relevant legislation, undertaking strategic planning that guides the sustainable long term needs of the Colac Otway community.

**Activities**

**Planning Scheme Amendments**

Council is the Planning Authority responsible for administering the Colac Otway Planning Scheme, and for maintaining and improving the operation of the Scheme. It is responsible for amending the Scheme from time to time, subject to the processes established by the Planning and Environment Act 1987.

The Strategic Planning Unit is responsible for preparing and exhibiting amendments to the Planning Scheme that modifies local provisions consistent with State planning policy. Amendments are undertaken to implement the outcomes of strategic planning undertaken for the municipality. The process requires consideration of submissions and representation of Council at independent Panel hearings. Amendments adopted by Council are forwarded to the Planning Minister for approval.

Amendments are also exhibited in response to requests by land owners for rezoning of land or changes to controls affecting their land. Combined planning scheme amendment and planning permit applications are sometimes used to concurrently rezone land to authorise a specific development proposal.

**Strategic projects**

Council's strategic planning function is to provide a robust policy base to guide statutory decision making within the Shire. A range of strategic planning projects are undertaken which result in amendments to the Planning Scheme, and which provide guidance to decision making in Planning as well as other departments of Council. The Council is required under the Planning and Environment Act 1987 to review the operation of the Planning Scheme every four years, which assists in identifying policy gaps and in shaping the future strategic planning program (and Council Plan).

Planners work in partnership with other council departments, local communities and relevant government agencies and organisations, and are often involved collaboratively on projects such as Future Coasts, implementation of the Apollo Bay Master Plan or the G21 Regional Growth Plan. Advice is also provided to Council on various planning matters, and input/advice is given to State Government planning initiatives.

In undertaking strategic planning officers are actively engaged in robust community consultation at key stages of planning processes which is an important element in the successful delivery of projects.

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (1,000)           | 0                 |
| Expenses                    | 268,171           | 277,953           |
| Operating (Surplus)/Deficit | 267,171           | 277,953           |

Colac Otway Shire Budget 2012-2013

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**Financial Impact**

The net cost for Strategic Planning is \$277,953 and has increased by \$9,782 to last year's budget.

The increase in costs includes the usual Award and EBA impacts and other operating costs.

**Key Deliverables**

- Exhibit a Planning Scheme amendment for the Apollo Bay Harbour Master Plan utilising State Government funds.
- Finalise Planning Scheme Amendment C69 to implement the Rural Living Strategy.
- Prepare and exhibit a planning scheme amendment to implement the Colac and Apollo Bay Car Parking Strategy.
- Finalise the Birregurra Neighbourhood Character Study and Birregurra Structure Plan.
- Participate in the finalisation and implementation of the G21 Regional Growth Plan.
- Contribute to finalisation of the Shire's Heavy Vehicle and Road Hierarchy Study.
- Advocate for State Government funding to complete more localised coastal hazard vulnerability assessments in coastal parts of the Shire.
- Commence a review of the Colac Structure Plan.
- Finalise Planning Scheme Amendment C68 which updates the mapping and Schedule to the Erosion Management Overlay.
- Introduce a Salinity Management Overlay to affected areas.
- Undertake a planning scheme amendment to revise the mapping of land in the Vegetation Protection and Environmental Significance Overlays based on updated DSE mapping.
- Finalise Planning Scheme Amendment C65 (follow-up planning scheme amendment to Amendment C55).
- Develop local planning policy/provisions relating to bushfire risk utilising State Government funds.
- Assist with implementation of the Colac CBD and Entrances Project, including exhibition of a planning scheme amendment.

**New Initiatives**

- Development of local policy relating to bushfire risk; and
- Review of the Colac Structure Plan.

**Fees and Charges Impact**

There are minimal fees and charges applicable to Strategic Planning. Fees are payable from land owners for requests for Council to amend the Planning Scheme (e.g. rezone land), but these requests are infrequent and generate low revenue.



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**Strategic Plan Impact**

The provision of Strategic Planning services directly links to the Council Plan as follows:

| Objective                | Strategy                                                                                                                                                                                                                                             |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land Use and Development | Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations. |
| Strategy                 | Detail                                                                                                                                                                                                                                               |
| Strategy: 3.1.1          | Ensure a partnership approach to land use planning that reflects the needs, values and aspirations of the community.                                                                                                                                 |
| Strategy: 3.1.2          | Ensure that responsible planning mechanisms are used to control development in areas potentially affected by climate change.                                                                                                                         |
| Strategy: 3.1.3          | Ensure all Council land use plans and strategies are current and responsive.                                                                                                                                                                         |
| Strategy: 3.1.6          | Ensure that environmental risks are adequately addressed for new development and land use.                                                                                                                                                           |
| Strategy: 4.1.3          | Facilitate the protection and enhancement of environmental values on private land.                                                                                                                                                                   |
| Strategy: 5.1.6          | Facilitate the development of infrastructure for business investment, growth and liveability.                                                                                                                                                        |

Colac Otway Shire Budget 2012-2013

### 3.5.8 STATUTORY PLANNING

#### Mission

The Statutory Planning Unit provides an integrated and customer driven service in accordance with its legislative responsibilities, delivering consistent and quality outcomes that meet the needs of the Colac Otway community. The Department preserves the amenity and safety of the Shire's natural and built environment through consistent and proactive enforcement of legislative requirements.

#### Activities

##### Planning Permit Applications

Council is the responsible authority under the Planning and Environment Act 1987, and has a statutory role in the assessment and determination of planning permit applications, including preliminary assessment, requests for further information, site inspections, public notice, referrals to other agencies, mediation of objections and reporting. Officers represent Council at the Victorian Civil and Administrative Tribunal (VCAT) where appeals are sometimes lodged against Council's decisions. Whilst most decisions are made under delegation, a small number of applications are determined by the Shire's Planning Committee. Where objections are received to applications, efforts are made to meet and resolve concerns prior to a decision.

Other activities associated with the issue of planning permits include consideration of requests for:

- Approval of amended plans under secondary consent
- Approval of plans submitted to comply with permit conditions
- Extension of the time limit of permits
- Amendments to planning permits including permit conditions.

##### Subdivisions

Council is responsible for administering the Subdivision Act 1988, including certification of plans of subdivision or consolidation, and issuing Statements of Compliance once all outstanding issues have been resolved and planning permit conditions met. It requires considerable liaison with Council's Infrastructure Unit and external servicing authorities.

##### Planning Enforcement-Statutory Planning Enforcement

Council has a statutory responsibility for enforcement of the Colac Otway Planning Scheme, including compliance with planning permit conditions and other provisions of the Scheme itself including Section 173 agreement requirements. This activity entails detailed investigation, and in some cases issuing of Infringement Notices, applications for Enforcement Orders through VCAT or prosecution through the Magistrates Court, and incorporates proactive monitoring of issued permits for compliance with conditions. There is significant integration with enforcement of building legislation.

##### General

In addition to processing planning permit applications, the Statutory Planning Unit is responsible for:

- Providing advice to internal staff and external customers on planning scheme provisions.
- Attending pre-application meetings
- Providing property information.
- Reporting planning permit activity to the State Government.
- Administering Section 173 agreements.
- Responding to internal referrals from other Departments.

Colac Otway Shire Budget 2012-2013

**Budget**

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (196,300)         | (210,300)         |
| Expenses                    | 885,255           | 962,071           |
| Operating (Surplus)/Deficit | 688,955           | 751,771           |

**Financial Impact**

The net cost for Statutory Planning is \$751,771 and has increased by \$62,816 to last year's budget as a result of an expected increase in fees and charges.

The increase in costs includes the usual Award and EBA impacts and other operating costs.

**Key Deliverables**

- Maintain a high level of compliance with statutory time frames for processing of planning permit applications.
- Ensure that where coastal development is in low lying areas, the potential effects of climate change, particularly sea level rise and storm surge is considered, and appropriate measures taken to incorporate conditions in approvals that minimise the risk of future flooding.
- Finalise a policy for Planning Enforcement that indicates how planning enforcement will be prioritised.
- Continue to implement mechanisms to improve knowledge of building and planning requirements/ responsibilities, including improved access to information on Council's website.
- Document and continuously improve processes and procedures for assessment and determination of building and planning permit applications, including participation in the MAV STEP Planning Process Improvement Program and implementation of recommendations from the Audit of Planning Processes undertaken in 2011.

**New Initiatives**

Actively encourage participation of local permit applicants in the use of the SPEAR program for electronic lodgement of planning permit and subdivision applications

**Fees and Charges Impact**

Most of the fees and charges for Statutory Planning are set by Statute. The level of fees and charges depends primarily on the expected development within the Shire. The fees and charges are detailed in the Budget Document at appendix E.

Colac Otway Shire Budget 2012-2013

**Strategic Plan Impact**

The provision of Statutory Planning services directly links to the Council Plan as follows:

| Objective                | Strategy                                                                                                                                                                                                                                             |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land Use and Development | Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations. |

| Strategy        | Detail                                                                                                                       |
|-----------------|------------------------------------------------------------------------------------------------------------------------------|
| Strategy: 3.1.2 | Ensure that responsible planning mechanisms are used to control development in areas potentially affected by climate change. |
| Strategy: 3.1.4 | Enforce planning and building regulations to meet legislative requirements.                                                  |
| Strategy: 3.1.5 | Ensure consistent and timely decision making for building and planning applications that meet Council's policy framework.    |
| Strategy: 6.1.4 | Support local communities to develop, grow and be great places to live.                                                      |

Colac Otway Shire Budget 2012-2013

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### 3.5.9 BUILDING SERVICES

#### Mission

The Building Services Unit provides an integrated and customer driven service in accordance with the relevant building related legislation, and preserves the amenity and safety of the Shire's natural and built environment through consistent and proactive enforcement of public safety requirements. The focus of the unit has shifted in recent years from building permit processing to ensuring that legislative responsibilities relating to public safety are met.

#### Activities

##### Permit Issuance

Council is responsible under the Building Act for providing a service of processing building permit applications for development within the municipality. This requires assessment of applications against building standards established in legislation by the State Government. It is also responsible for carrying out inspections and issuing occupancy certificates at completion of development for permits issued by Council. Inspections are undertaken at different stages of the building process. Under the Act, private building surveyors can also issue building permits within the municipality, thereby competing with the Council for market share. Colac Otway Shire has achieved approximately a 10-20% market share in recent years, which has reduced due to increased local competition and a focus of Council on meetings its public safety responsibilities.

##### Statutory Control

Council has a statutory responsibility for maintaining public safety and a safe built environment by enforcing compliance by land owners within the municipality with building legislation and safety standards. It is also responsible for meeting the building regulatory information needs of the community.

Responsibilities include:

- Issuing property information data to solicitors & private building surveyors.
- Administering building permits issued by private surveyors.
- Providing general and technical advice in relation to building regulatory requirements.
- Resolving building related complaints.
- Carrying out enforcement as necessary, including Building Notices and Orders, and subsequent court hearings.
- Processing requests for copies of building plans.
- Undertaking a program of Essential Safety Measures inspections.
- Monitoring compliance with child proof swimming pool fencing requirements.
- Monthly reporting to the Building Commission of permit activity.
- Issuing Temporary Places of Public Entertainment permits for structures associated with events.
- Responding to applications for demolition of buildings under Section 29A of the Building Act.
- Responding to referrals from other Departments.
- Considering and determining "Report and Consent" applications (i.e. applications to vary the site requirements of the Building Act).

Colac Otway Shire Budget 2012-2013

Budget

|                             | Budget<br>2011/12 | Budget<br>2012/13 |
|-----------------------------|-------------------|-------------------|
| Income                      | (145,800)         | (141,800)         |
| Expenses                    | 292,558           | 235,759           |
| Operating (Surplus)/Deficit | 146,758           | 93,959            |

Financial Impact

The net cost for Building Services is \$93,959 and has decreased by \$52,799 to last year's budget.

Key Deliverables

- Increase the degree of audits for compliance of privately owned commercial premises with the Essential Safety legislative requirements.
- Maintain a high level of compliance with legislative requirements for swimming pool fencing.
- Respond as appropriate to complaints concerning illegal building works.

New Initiatives

- Nil

Fees and Charges Impact

There are various fees and charges depending on the value of the development. Details of fees and charges are included in the Budget Document at Appendix E.

Strategic Plan Impact

The provision of Building services directly links to the Council Plan as follows:

| Strategic Area           | Details                                                                                                                                                                                                                                              |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land Use and Development | Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations. |
| Strategy: 3.1.4          | Enforce planning and building regulations to meet legislative requirements.                                                                                                                                                                          |

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**3.6 Resources**

The following provides details of the numbers of Full Time Equivalent (FTE) staff and Employee costs for each unit as expected for 30 June 2013.

|                                          | Full Time<br>Equivalent | Employee Costs<br>(\$'000) |
|------------------------------------------|-------------------------|----------------------------|
| Chief Executive Office                   | 3.8                     | 459                        |
| Corporate & Community Services           |                         |                            |
| Management                               | 1.95                    | 259                        |
| Finance & Customer Services              | 18.04                   | 1,427                      |
| Health & Community Services              | 36.27                   | 2,512                      |
| Information Services                     | 8.22                    | 650                        |
| Organisation Support & Development       | 5.40                    | 489                        |
| Recreation, Arts & Culture               | 21.79                   | 1,686                      |
| Total Corporate & Community Services     | 91.67                   | 7,023                      |
| Infrastructure & Services                |                         |                            |
| Management                               | 2.06                    | 270                        |
| Capital Works                            | 6.00                    | 508                        |
| COS Works                                | 56.42                   | 2,506                      |
| Major Contracts                          | 3.78                    | 346                        |
| Sustainable Assets                       | 6.00                    | 506                        |
| Total Infrastructure & Services          | 74.26                   | 4,136                      |
| Sustainable Planning & Development       |                         |                            |
| Management                               | 2.00                    | 278                        |
| Economic Development                     | 10.28                   | 748                        |
| Environment & Community Safety           | 14.31                   | 1,040                      |
| Planning & Building                      | 13.00                   | 1,133                      |
| Total Sustainable Planning & Development | 39.59                   | 3,199                      |
| <b>TOTALS</b>                            | <b>209.32</b>           | <b>14,817</b>              |

## 4 APPENDICES

### 4.1 Overview to Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in this report.

The information contained in the appendices has not been included in the main body of the report due to the interests of clarity and conciseness. However, Council has decided that whilst the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

#### Appendix A – Budgeted Standard Statements

This appendix presents information in regard to the Budgeted Standard Statements. The appendix includes the following budgeted information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement
- Budgeted Statement of Investment Reserves

#### Appendix B – Statutory Disclosures in the Annual Budget

This appendix presents information required pursuant to the Act and the Regulations to be disclosed in the Council's annual budget.

The appendix includes the Council's 2012-2013 Rates and Charges.

#### Appendix C – Capital Works Programme

This appendix presents a listing of the capital works projects that will be undertaken for the 2012-2013 year. The capital works projects are grouped by class and include new works for 2011/12.

#### Appendix D – Key Strategic Activities

Pursuant to Section 127 of the *Local Government Act* 1989, this appendix presents a number of strategic activities to be undertaken during the 2011/12 year and performance targets and measures in relation to these.

#### Appendix E – User Pay Charges

This appendix presents a list of user pay charges that are both Council and Statutory Fees that list the current fee and the recommended fee for 2012-2013.



#### **4.2 Appendix A - Budget Standard Statements**

This appendix presents information in regard to the Budgeted Standard Statements.

This appendix includes the following budgeted information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement
- Budgeted Statement of Investment Reserves

Colac Otway Shire Budget 2012-2013

Appendix A

## 4.2.1 Budgeted Standard Income Statement

For the year ending 30 June 2013

|                                                                       | Forecast<br>2011-2012<br>\$'000 | Budget<br>2012-2013<br>\$'000 | Variance<br>\$'000 |
|-----------------------------------------------------------------------|---------------------------------|-------------------------------|--------------------|
| <b>Operating revenue:</b>                                             |                                 |                               |                    |
| Rates and charges                                                     | 21,370                          | 22,887                        | 1,517              |
| Statutory fees and charges                                            | 515                             | 500                           | (15)               |
| User fees and charges                                                 | 4,499                           | 3,837                         | (662)              |
| Grants - operating                                                    | 8,424                           | 8,627                         | 203                |
| Contributions - cash                                                  | 512                             | 45                            | (467)              |
| Reimbursements                                                        | 216                             | 135                           | (81)               |
| Finance revenue                                                       | 474                             | 446                           | (28)               |
| Other revenue                                                         | 50                              | 170                           | 120                |
| Total operating revenues                                              | 36,060                          | 36,647                        | 587                |
| <b>Operating expenses:</b>                                            |                                 |                               |                    |
| Employee benefits                                                     | 14,323                          | 14,817                        | 494                |
| Materials and services                                                | 5,575                           | 5,729                         | 154                |
| Contracts                                                             | 7,947                           | 6,787                         | (1,160)            |
| Depreciation                                                          | 8,809                           | 8,081                         | (728)              |
| Finance expenses                                                      | 346                             | 332                           | (14)               |
| Other expenses                                                        | 1,758                           | 1,309                         | (449)              |
| Total operating expenses                                              | 38,758                          | 37,055                        | (1,703)            |
| Underlying Result for the year                                        | (2,698)                         | (408)                         | 2,290              |
| <b>Capital revenue:</b>                                               |                                 |                               |                    |
| Grants - capital                                                      | 2,985                           | 6,328                         | 3,343              |
| Net gain / loss on disposal of assets                                 | 605                             | 459                           | (146)              |
| Total capital revenue                                                 | 3,590                           | 6,787                         | 3,197              |
| <b>Capital expenses</b>                                               |                                 |                               |                    |
| Net loss on disposal of property, infrastructure, plant and equipment | 0                               | 0                             | 0                  |
| Total capital expenses                                                | 0                               | 0                             | 0                  |
| Surplus (deficit) for the year                                        | 892                             | 6,379                         | 5,487              |

Colac Otway Shire Budget 2012-2013

Appendix A

## 4.2.2 Budgeted Standard Statement of Financial Position

For the year ending 30 June 2013

|                                             | Forecast<br>2011-2012<br>\$'000 | Budget<br>2012-2013<br>\$'000 | Variance<br>\$'000 |
|---------------------------------------------|---------------------------------|-------------------------------|--------------------|
| <b>Current assets</b>                       |                                 |                               |                    |
| Cash and cash equivalents                   | 7,760                           | 5,066                         | (2,694)            |
| Trade and other receivables                 | 2,605                           | 2,505                         | (100)              |
| Inventories                                 | 122                             | 172                           | 50                 |
| Total current assets                        | 10,487                          | 7,743                         | (2,744)            |
| <b>Non-current assets</b>                   |                                 |                               |                    |
| Other non-current assets                    | 451                             | 441                           | (10)               |
| Property, infrastructure, plant & equipment | 227,848                         | 235,724                       | 7,876              |
| Total non-current assets                    | 228,299                         | 236,165                       | 7,866              |
| Total assets                                | 238,786                         | 243,908                       | 5,122              |
| <b>Current liabilities</b>                  |                                 |                               |                    |
| Trade and other payables                    | (3,138)                         | (1,567)                       | 1,571              |
| Interest-bearing loans and borrowings       | (393)                           | (486)                         | (93)               |
| Trust                                       | (255)                           | (230)                         | 25                 |
| Provisions                                  | (3,380)                         | (3,515)                       | (135)              |
| Total current liabilities                   | (7,166)                         | (5,798)                       | 1,368              |
| <b>Non-current liabilities</b>              |                                 |                               |                    |
| Interest-bearing loans and borrowings       | (3,796)                         | (4,770)                       | (974)              |
| Provisions                                  | (4,353)                         | (4,527)                       | (174)              |
| Total non-current liabilities               | (8,149)                         | (9,297)                       | (1,148)            |
| Total liabilities                           | (15,315)                        | (15,095)                      | 220                |
| Net assets                                  | 223,471                         | 228,813                       | 5,342              |
| <b>Equity</b>                               |                                 |                               |                    |
| Accumulated surplus                         | (95,109)                        | (101,984)                     | (6,875)            |
| Asset revaluation reserve                   | (121,705)                       | (122,205)                     | (500)              |
| Other reserves                              | (6,657)                         | (4,624)                       | 2,033              |
| Total equity                                | (223,471)                       | (228,813)                     | (5,342)            |

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## 4.2.3 Budgeted Standard Cash Flow Statement

For the year ending 30 June 2013

|                                                               | 2011-2012  | 2012-2013  | Variance   |
|---------------------------------------------------------------|------------|------------|------------|
|                                                               | \$'000     | \$'000     | \$'000     |
|                                                               | Inflows    | Inflows    | Inflows    |
|                                                               | (Outflows) | (Outflows) | (Outflows) |
| <b>Cash flows from operating activities</b>                   |            |            |            |
| Receipts                                                      |            |            |            |
| General rates & charges                                       | 21,370     | 22,887     | 1,517      |
| Operating grants and contributions                            | 10,268     | 9,805      | (463)      |
| User charges                                                  | 5,464      | 4,721      | (743)      |
| Finance revenue                                               | 474        | 446        | (28)       |
| Other revenue                                                 | 1,253      | 1,609      | 356        |
|                                                               | 38,829     | 39,468     | 639        |
| Payments                                                      |            |            |            |
| Employee costs                                                | (14,000)   | (14,653)   | (653)      |
| Materials & services                                          | (14,530)   | (16,692)   | (2,162)    |
| Other expenses                                                | (1,934)    | (1,440)    | 494        |
|                                                               | (30,464)   | (32,785)   | (2,321)    |
| Net cash provided by operating activities                     | 8,365      | 6,683      | (1,682)    |
| <b>Cash flows from investing activities</b>                   |            |            |            |
| Proceeds from property, plant and equipment                   | 666        | 505        | (161)      |
| Capital grants and contributions                              | 3,284      | 6,961      | 3,677      |
| Payments for property, plant and equipment                    | (14,334)   | (17,553)   | (3,219)    |
| Net cash used in investing activities                         | (10,384)   | (10,087)   | 297        |
| <b>Cash flows from financing activities</b>                   |            |            |            |
| Finance costs                                                 | (346)      | (332)      | 14         |
| Proceeds from borrowings                                      | 0          | 1,500      | 1,500      |
| Repayment of borrowings                                       | (656)      | (433)      | 223        |
| Trust Deposits                                                | (32)       | (28)       | 7          |
| Net cash provided by (used in) financing activities           | (1,034)    | 710        | 1,744      |
| <b>Net increase (decrease) in cash &amp; cash equivalents</b> | (3,053)    | (2,694)    | 359        |
| Cash & cash equivalents at beginning of year                  | 10,775     | 7,760      | (3,015)    |
| Cash & cash equivalents at end of year                        | 7,722      | 5,066      | (2,656)    |

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## 4.2.4 Budgeted Standard Capital Works Statement

For the year ending 30 June 2013

|                                | Forecast<br>2011-2012<br>\$'000 | Budget<br>2012-2013<br>\$'000 | Variance<br>\$'000 |
|--------------------------------|---------------------------------|-------------------------------|--------------------|
| <b>Capital works areas</b>     |                                 |                               |                    |
| Bridge & Culvert               | 678                             | 1368                          | 690                |
| Building - Other Structures    | 317                             | 279                           | (38)               |
| Building Structures            | 2,114                           | 5300                          | 3,186              |
| Drainage                       | 753                             | 895                           | 142                |
| Footpath and Cycleways         | 866                             | 300                           | (566)              |
| Kerb & Channelling             | 108                             | 75                            | (33)               |
| Land Improvements              | 803                             | 930                           | 127                |
| Land                           | 200                             | 0                             | (200)              |
| Off Street Car Parking         | 200                             | 0                             | (200)              |
| Plant, Furniture and Equipment | 2,318                           | 2,306                         | (12)               |
| Roads                          | 4,674                           | 4505                          | (169)              |
| Total capital works            | 13,031                          | 15,958                        | 2,927              |
| <b>Represented by:</b>         |                                 |                               |                    |
| Asset renewal                  | 7,853                           | 8,992                         | 1,139              |
| New assets                     | 3,133                           | 955                           | (2,178)            |
| Asset expansion/upgrade        | 2,044                           | 6,010                         | 3,966              |
| Total capital works            | 13,030                          | 15,957                        | 2,927              |

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## 4.2.5 Budgeted Standard of Investment Reserves

For the year ending 30 June 2013

|                                 | Forecast<br>2011-2012<br>\$'000 | Budget<br>2012-2013<br>\$'000 | Variance<br>\$'000 |
|---------------------------------|---------------------------------|-------------------------------|--------------------|
| <b>Statutory</b>                |                                 |                               |                    |
| Car parking                     | 138                             | 138                           | 0                  |
| Open space                      | 584                             | 584                           | 0                  |
| Long Service Leave              | 1,571                           | 1,621                         | 50                 |
| Total statutory reserves        | 2,293                           | 2,343                         | 50                 |
| <b>Restricted</b>               |                                 |                               |                    |
| Port of Apollo Bay              | 1,481                           | 0                             | (1,481)            |
| Landfill Rehabilitation (Alvie) | 524                             | 581                           | 57                 |
| Plant Replacement               | 1,270                           | 945                           | (325)              |
| Rehabilitation                  | 160                             | 160                           | 0                  |
| Tirrengower Drainage            | 59                              | 59                            | 0                  |
| Carried Forward Projects        | 0                               | 0                             | 0                  |
| Total restricted reserves       | 3,494                           | 1,745                         | (1,749)            |
| <b>Identified</b>               |                                 |                               |                    |
| Colac Livestock Selling Centre  | 488                             | 0                             | (488)              |
| Kerbside Bin Replacement        | 282                             | 436                           | 154                |
| Unfunded Superannuation         | 100                             | 100                           | 0                  |
| Total identified reserves       | 870                             | 536                           | (334)              |
| <b>Discretionary</b>            |                                 |                               |                    |
| Resource development            | 0                               | 0                             | 0                  |
| Total discretionary reserves    | 4,364                           | 2,281                         | (2,083)            |
| Total reserves                  | 6,657                           | 4,624                         | (2,033)            |

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## 4.2.6 Reconciliation of Operating Result and Net Cash Flows

For the year ending 30 June 2013

|                                                       | Forecast<br>2011-2012<br>\$'000 | Budget<br>2012-2013<br>\$'000 | Variance<br>\$'000 |
|-------------------------------------------------------|---------------------------------|-------------------------------|--------------------|
| <b>Surplus (deficit) for the year</b>                 | <b>892</b>                      | <b>6,379</b>                  | 5,487              |
| Depreciation                                          | 8,809                           | 8,081                         | (728)              |
| Loss (gain) on sale of assets                         | (605)                           | (459)                         | 146                |
| Interest Paid                                         | 346                             | 332                           | (14)               |
| Capital Grants                                        | (3,284)                         | (6,961)                       | (3,677)            |
| Net GST Movement                                      | 1,204                           | 1,550                         | 346                |
| Net movement in current assets and liabilities        | 1,003                           | (2,239)                       | (3,242)            |
| <b>Cash flows available from operating activities</b> | <b>8,365</b>                    | <b>6,683</b>                  | (1,682)            |



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**4.3 Appendix B - Statutory Disclosures****4.3.1 Statutory disclosures required for Public Display of the Prepared Annual Budget.**

This Schedule presents information required pursuant to the Act and the Regulations to be disclosed in the Council's Annual Budget. The disclosures include details on:

- Borrowings
- Rates and Charges
- Differential Rates

**1. Borrowings**

|                                         | Forecast<br>2011-2012<br>\$'000 | Budget<br>2012-2013<br>\$'000 |
|-----------------------------------------|---------------------------------|-------------------------------|
| New borrowings (other than refinancing) | 0                               | 1,500                         |
| Debt redemption                         | 656                             | 433                           |

**2. Rates and charges****2.1 The proposed rate in the dollar for each type of rate to be levied**

| Type of Property                                                 | 2011-2012<br>Cents/\$CIV | 2012-2013<br>Cents/\$CIV |
|------------------------------------------------------------------|--------------------------|--------------------------|
| Residential – Colac, Colac East, Colac West, Elliminyt           | 0.3603                   | 0.3759                   |
| Residential – Balance Shire                                      | 0.3063                   | 0.3195                   |
| Rural - Farm                                                     | 0.2847                   | 0.2970                   |
| Holiday Rental                                                   | 0.3603                   | 0.3759                   |
| Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt | 0.5945                   | 0.6203                   |
| Commercial/Industrial – Balance of Shire                         | 0.5045                   | 0.5263                   |

**2.2 The estimated amount to be raised by each type of rate to be levied**

| Type of Property                                                 | 2011-2012<br>\$ | 2012-2013<br>\$ |
|------------------------------------------------------------------|-----------------|-----------------|
| Residential – Colac, Colac East, Colac West, Elliminyt           | 3,602,787       | 3,888,052       |
| Residential – Balance Shire                                      | 5,585,222       | 6,203,209       |
| Rural - Farm                                                     | 4,923,248       | 5,183,489       |
| Holiday Rental                                                   | 745,331         | 815,437         |
| Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt | 1,374,521       | 1,534,127       |
| Commercial/Industrial – Balance of Shire                         | 859,812         | 910,573         |



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**2.3 The estimated total amount to be raised by rates**

|                          | 2011-2012  | 2012-2013  |
|--------------------------|------------|------------|
|                          | \$         | \$         |
| Total rates to be raised | 17,090,920 | 18,534,887 |

**2.4 The proposed percentage change in the rate in the dollar for each type of rate to be levied, compared to that of the previous financial year**

| Type of Property                                                 | 2011-2012<br>Change<br>% | 2012-2013<br>Change<br>% |
|------------------------------------------------------------------|--------------------------|--------------------------|
| Residential – Colac, Colac East, Colac West, Elliminyt           | 5.3                      | 4.34                     |
| Residential – Balance Shire                                      | 5.2                      | 4.34                     |
| Rural - Farm                                                     | 5.3                      | 4.34                     |
| Holiday Rental                                                   | 5.3                      | 4.34                     |
| Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt | 5.3                      | 4.34                     |
| Commercial/Industrial – Balance of Shire                         | 5.3                      | 4.34                     |

**2.5 The number of assessments for each type of rate to be levied, compared to the previous year**

| Type of Property                                                 | 2011-2012<br>No. | 2012-2013<br>No. |
|------------------------------------------------------------------|------------------|------------------|
| Residential – Colac, Colac East, Colac West, Elliminyt           | 4,992            | 5,038            |
| Residential – Balance Shire                                      | 5,543            | 5,576            |
| Rural - Farm                                                     | 2,608            | 2,619            |
| Holiday Rental                                                   | 426              | 421              |
| Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt | 607              | 616              |
| Commercial/Industrial – Balance of Shire                         | 329              | 334              |
| Total number of assessments                                      | 14,505           | 14,604           |

**2.6 The basis of valuation to be used is the Capital Improved Value (CIV)****2.7 The estimated total value of land in respect of which each type of rate is to be levied, compared with the previous year**

| Type of Property                                                 | 2011-2012<br>\$ | 2012-2013<br>\$ |
|------------------------------------------------------------------|-----------------|-----------------|
| Residential – Colac, Colac East, Colac West, Elliminyt           | 999,849,500     | 1,034,264,000   |
| Residential – Balance Shire                                      | 1,823,549,436   | 1,941,319,000   |
| Rural - Farm                                                     | 1,729,500,500   | 1,745,398,000   |
| Holiday Rental                                                   | 206,845,000     | 216,915,000     |
| Commercial/Industrial – Colac, Colac East, Colac West, Elliminyt | 231,187,000     | 247,330,000     |
| Commercial/Industrial – Balance of Shire                         | 170,440,000     | 173,016,000     |
| Total                                                            | 5,161,371,436   | 5,358,242,000   |

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**2.8 The proposed unit amount to be levied for each type of charge under section 162 of the Act**

| Type of Charge                        | Per Rateable Property<br>2011-2012<br>\$ | Per Rateable Property<br>2012-2013<br>\$ |
|---------------------------------------|------------------------------------------|------------------------------------------|
| Municipal charge                      | 147                                      | 149                                      |
| Waste management charge – weekly      | 274                                      | 277                                      |
| Waste management charge – fortnightly | 186                                      | 186                                      |

**2.9 The estimated amounts to be raised for each type of charge to be levied, compared to the previous year**

| Type of Charge                        | 2011-2012<br>\$ | 2012-2013<br>\$ |
|---------------------------------------|-----------------|-----------------|
| Municipal charge                      | 2,008,020       | 2,545,630       |
| Waste management charge – weekly      | 2,511,210       | 27,342          |
| Waste management charge – fortnightly | 26,226          | 2,054,859       |
| Total                                 | 4,545,456       | 4,627,831       |

**2.10 The estimated total amount to be raised by rates and charges**

| Type of Charge      | 2011-2012<br>\$ | 2012-2013<br>\$ |
|---------------------|-----------------|-----------------|
| Rates and charges   | 21,636,376      | 23,162,718      |
| Supplementary rates | 100,000         | 100,000         |
| Total               | 21,736,376      | 23,262,718      |

**2.11 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 (e.g. valuation appeals);
- Changes in use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes in use of land such that residential land becomes business land and vice versa.

**2.12 Other Charges**

|                                              | Per Hectare<br>2011-2012<br>\$ | Per Hectare<br>2012-2013<br>\$ |
|----------------------------------------------|--------------------------------|--------------------------------|
| Aire River (Special charge) Drainage Scheme  | 0.20                           | 0.20                           |
| Tirrengower (Special charge) Drainage Scheme | 2.50                           | 2.50                           |

### 3. Differential rates

#### 3.1 Rates to be levied

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

- A general rate of 0.3759% (0.3759 cents in the dollar of CIV) for all rateable residential properties in Colac, Colac East, Colac West and Elliminyt less than 1.0 hectares.
- A general rate of 0.3195% (0.3195 cents in the dollar of CIV) for any land which is 1.0 hectare or more in area or which is not located in Colac, Colac East, Colac West or Elliminyt (balance of Shire).
- A general rate of 0.2970% (0.2970 cents in the dollar of CIV) for all rateable farm land.
- A general rate of 0.3759% (0.3759 cents in the dollar of CIV) for all rateable holiday rental properties.
- A general rate of 0.6203% (0.6203 cents in the dollar of CIV) for all rateable commercial and industrial properties in Colac, Colac East, Colac West and Elliminyt.
- A general rate of 0.5263% (0.5263 cents in the dollar of CIV) for all other rateable commercial and industrial properties not located in Colac, Colac East, Colac West and Elliminyt (balance of Shire).

Each differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant percentages indicated 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.

#### 3.2. Residential Land – Colac, Colac East, Colac West, Elliminyt

Any land which is located in Colac, Colac East, Colac West or Elliminyt that is not zoned for commercial or industrial use and which:

- 3.2.1 is vacant or used primarily for residential purposes and is less than 1.0 hectare in area; and
- 3.2.2 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.

#### 3.3. Residential Land – Balance of Shire

Any land which is 1.0 hectare or more in area or which is not located in Colac, Colac East, Colac West or Elliminyt that:

- 3.3.1 is vacant or used primarily for residential purposes; and
- 3.3.2 does not have the characteristics of:
  - a) Rural Farm Land;
  - b) Holiday Rental Land;
  - c) Commercial/Industrial Land – Colac, Colac East, Colac West or Elliminyt; or
  - d) Commercial/Industrial Land – Balance of Shire

**3.4 Rural Farm Land**

Any land which is "Farm Land" within the meaning of section 2 of the *Valuation of Land Act* 1960.

**3.5 Holiday Rental Land**

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

- 3.5.1 is used for the provision of holiday accommodation for the purpose of generating income; or
- 3.5.2 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.

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

Any land which is located in Colac, Colac East, Colac West or Elliminyt which:

- 3.6.1 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
- 3.6.2 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.

**3.7. Commercial/Industrial Land - Balance of Shire**

Any land which is not located in Colac, Colac East, Colac West or Elliminyt which:

- 3.7.1 does not have the characteristics of:
  - a) Rural Farm Land;
  - b) Residential Land – Balance of Shire; or
  - c) Holiday Rental Land; and
- 3.7.2 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****4. Municipal Charge**

**4.1 A Municipal Charge be declared for the period commencing 1 July 2012 to 30 June 2013 to cover some of the administrative costs of the Council.**

**4.2 The municipal charge be the sum of \$149 per annum for each rateable property in respect of which a municipal charge can be levied.**

**5. Annual Service (Waste Management) Charges**

**5.1 An annual service (waste management) charge of \$277 per annum be declared for:**

5.1.1 all land used primarily for residential or commercial purposes; or

5.1.2 other land in respect of which a weekly waste collection and disposal service is provided, for the period 1 July 2012 to 30 June 2013.

**5.2 An annual service (waste management) charge of \$186 per annum be declared for:**

5.2.1 all land used primarily for residential or commercial purposes; or

5.2.2 other land in respect of which a fortnightly waste collection and disposal service is provided, for the period 1 July 2012 to 30 June 2013.

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

**6. Aire River Special (Drainage) Charge**

A special charge of \$0.20 per hectare will be declared on those properties located within the Aire River Drainage Scheme for the period 1 July 2012 to 30 June 2013.

**7. Tirrengower Special (Drainage) Scheme**

The special charge for the Tirrengower drainage works previously declared by Council be fixed at \$2.50 per hectare for the period 1 July 2012 to 30 June 2013.

**8. Rating Objectives****RESIDENTIAL LAND – COLAC, COLAC EAST, COLAC WEST OR ELLIMINYT****Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the -

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Land located in Colac, Colac East, Colac West and Elliminyt.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Any buildings which are now constructed on the land or which are constructed prior to 30 June 2013.

**RESIDENTIAL LAND – BALANCE OF SHIRE****Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the -

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Land which is not located in Colac, Colac East, Colac West or Elliminyt.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Any buildings which are now constructed on the land or which are constructed prior to 30 June 2013.

**RURAL FARM LAND****Objective:**

To maintain and encourage the development of land for farming purposes and ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the -

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Any buildings which are now constructed on the land or which are constructed prior to 30 June 2013.



**HOLIDAY RENTAL LAND****Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the -

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services; and
4. Contribution towards tourism and economic development.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Any buildings which are now constructed on the land or which are constructed prior to 30 June 2013.

**COMMERCIAL/INDUSTRIAL LAND – COLAC, COLAC EAST, COLAC WEST OR ELLIMINYT****Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the -

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services; and
4. Contribution towards economic development and tourism.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Land located in Colac, Colac East, Colac West and Elliminyt.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Any buildings which are now constructed on the land or which are constructed prior to 30 June 2013.

**COMMERCIAL/INDUSTRIAL LAND – BALANCE OF SHIRE****Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the -

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services; and
4. Contribution towards economic development and tourism.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Land which is not located in Colac, Colac East, Colac West or Elliminyt.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Any buildings which are now constructed on the land or which are constructed prior to 30 June 2013.

#### 4.4 Appendix C - Capital Works Programme

This appendix presents a listing of the capital works projects that will be undertaken for the 2012-2013 year.

| Detail of Works                                      | Project Expense<br>\$'000 |
|------------------------------------------------------|---------------------------|
| <b>ROADS, CAR PARKS &amp; TRAFFIC NETWORK</b>        |                           |
| Asset renewal                                        |                           |
| Sealed Road Aggregate Cartage                        | 130                       |
| Local Roads Reseal Programme                         | 830                       |
| Guardrail Installation Programme                     | 100                       |
| Asphalt Overlay Programme                            | 70                        |
| Sealed Roads Major Patch Programme                   | 300                       |
| Sealed Road Reconstruction Programme                 | 1,600                     |
| Unsealed Road Resheet Programme                      | 1,400                     |
| Kerb and Channel Replacement Programme               | 75                        |
| Footpath Replacement Programme                       | 300                       |
| Slip Rehabilitation Programme                        | 175                       |
| Bridge Replacement Programme                         | 1368                      |
| Apollo Bay Streetscape Light pole Painting & Repairs | 39                        |
| <b>Total asset renewal</b>                           | <b>6,387</b>              |
| Upgraded assets                                      |                           |
| School Bus Route Safety Improvements                 | 20                        |
| <b>Total asset upgrade</b>                           | <b>20</b>                 |
| <b>TOTAL ROADS, CAR PARKS &amp; TRAFFIC NETWORK</b>  | <b>6,407</b>              |
| <b>DRAINAGE</b>                                      |                           |
| Asset renewal                                        |                           |
| Stormwater Drainage Renewal Programme                | 100                       |
| <b>Total asset renewal</b>                           | <b>100</b>                |
| Asset upgrade                                        |                           |
| Duplicate stormwater outlet for Apollo Bay           | 305                       |
| Road Drainage Renewal Programme                      | 440                       |
| <b>Total asset upgrade</b>                           | <b>745</b>                |
| <b>TOTAL DRAINAGE</b>                                | <b>845</b>                |
| <b>PARKS, OPEN SPACE &amp; STREETSCAPES</b>          |                           |
| Asset renewal                                        |                           |
| Tennis Infrastructure Renewal                        | 40                        |
| Open Space Renewal Programme                         | 50                        |

Colac Otway Shire Budget 2012-2013

Appendix D

| Detail of Works                                    | Project Expense<br>\$'000 |
|----------------------------------------------------|---------------------------|
| Total asset renewal                                | 90                        |
| Asset upgrade                                      |                           |
| Central Reserve Oval redevelopment                 | 600                       |
| Total asset upgrade                                | 600                       |
| Asset new                                          |                           |
| Elliminyt Play Space                               | 150                       |
| Total asset new                                    | 150                       |
| <b>TOTAL PARKS, OPEN SPACE &amp; STREETSCAPES</b>  | <b>840</b>                |
| <b>BUILDINGS</b>                                   |                           |
| Asset renewal                                      |                           |
| Building Renewal Programme                         | 600                       |
| Total asset renewal                                | 600                       |
| Asset upgrade                                      |                           |
| Colac Livestock Selling Centre                     | 1,500                     |
| Blue Water Stadium Upgrade                         | 3,460                     |
| Total asset upgrade                                | 4,960                     |
| <b>TOTAL BUILDINGS</b>                             | <b>5,560</b>              |
| <b>PLANT, EQUIPMENT and OTHER</b>                  |                           |
| Asset renewal                                      |                           |
| Replacement of two way radio equipment             | 172                       |
| Light and Heavy Plant Replacement Programme        | 1,763                     |
| Information Technology Equipment Renewal - Capital | 257                       |
| Telecommunications Systems Replacement             | 20                        |
| Furniture & Equipment Renewal Programme            | 25                        |
| Health and Fitness Equipment Renewal Programme     | 53                        |
| Events Equipment Replacement                       | 17                        |
| Total asset renewal                                | 2,305                     |
| <b>TOTAL PLANT, EQUIPMENT and OTHER</b>            | <b>2,305</b>              |
| <b>TOTAL CAPITAL WORKS 2012-2013</b>               | <b>15,957</b>             |
| Asset renewal                                      | 9,482                     |
| New assets                                         | 150                       |
| Asset expansion/upgrade                            | 6,325                     |

#### 4.5 Appendix D – Key Strategic Activities

| Objectives                                                                                                                                                                                                                                                                                                     | Strategic Indicators                                                                                             | Target 2012-2013                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <b>Leadership and Governance</b><br>Council will fulfill its statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations                       | Liquidity Ratio                                                                                                  | >150%                                      |
|                                                                                                                                                                                                                                                                                                                | Outstanding rates, charges and fees as a proportion of rates, charges and fees                                   | <4%                                        |
|                                                                                                                                                                                                                                                                                                                | Average rate revenue per assessment                                                                              | \$1,269                                    |
|                                                                                                                                                                                                                                                                                                                | Audit Opinion issued on Financial Statements                                                                     | Compliance with all statutory requirements |
| <b>Physical Infrastructure and Assets</b><br>Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future                                                                                                                                               | Percentage of Capital Works expenditure projects completed                                                       | >85%                                       |
|                                                                                                                                                                                                                                                                                                                | Capital Works expenditure actual compared to budgeted expenditure                                                | >85%                                       |
|                                                                                                                                                                                                                                                                                                                | Asset renewal sustainability index                                                                               | 100%                                       |
| <b>Land Use and Development</b><br>Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations.                        | Planning permits processed within statutory timeframes                                                           | >70%                                       |
| <b>Environmental Management</b><br>Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.                                                                                                                       | Develop environmental plans for high value Council land.                                                         | 12 plans developed                         |
|                                                                                                                                                                                                                                                                                                                | Commence implementation of environmental management plans for high value Council land.                           | Implementation of 12 plans commenced       |
| <b>Economic Development</b><br>Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership.                                                                                                                                                   | Delivery of Business Development Events                                                                          | 16 events held during the year             |
| <b>Community Health and Wellbeing</b><br>Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities | Exhibition of community and professional artists at the Colac Otway Performing Arts and Cultural Centre (COPACC) | >100 artists                               |
|                                                                                                                                                                                                                                                                                                                | Maintain a membership base at Bluewater Fitness Centre.                                                          | >1,000 members                             |
|                                                                                                                                                                                                                                                                                                                | Capacity usage of Council's Learn to swim program                                                                | >90%                                       |

Colac Otway Shire Budget 2012-2013

Appendix E

**4.6 Appendix E – User Pay Charges****2012/13 USER FEES AND CHARGES****INCREASES IN STATUTORY FEES**

Some fees will be adjusted subject to changes in legislation e.g. Planning Permit Fees. The values will increase from 1 July 2012 once the new fees have been approved.

**Penalty Unit**

The value of a penalty unit will increase from 1 July 2012 to \$125.19. Some fees, where known, have been adjusted.

| Service                                  | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax | 2012/13 Fee<br>incl. Tax |
|------------------------------------------|-----------------------|----------|--------------------------|--------------------------|
| <b>CORPORATE AND COMMUNITY SERVICES</b>  |                       |          |                          |                          |
| <b>CORPORATE SERVICES</b>                |                       |          |                          |                          |
| Community Bus Hire per km                | C                     | 10       | \$0.80                   | \$0.97                   |
| <b>Council Properties (per annum)</b>    |                       |          |                          |                          |
| - Bartlett St Kindergarten (Wydinia)     | C                     | 10       | \$237                    | \$247                    |
| - Apollo Bay Newssheet                   | C                     | 10       | \$706                    | \$736                    |
| <b>Aerodrome Landing Fees</b>            |                       |          |                          |                          |
| - Apollo Bay (per landing)               | C                     | 10       | \$7.20                   | \$8.00                   |
| - Colac (per landing)                    | C                     | 10       | \$5.20                   | \$8.00                   |
| Freedom of Information (per application) | S                     | 0        | \$24.40                  | \$25.190                 |
| Land Information Certificate             | S                     | 0        | \$20                     | \$20                     |
| Replacement Rate Notice                  | C                     |          | \$20                     | \$21                     |
| <b>Printing and Photocopying</b>         |                       |          |                          |                          |
| - A4 sheet                               | C                     | 10       | \$0.35                   | \$0.40                   |
| - A3 sheet                               | C                     | 10       | \$0.70                   | \$0.70                   |
| - Coloured copy – A4 sheet               | C                     | 10       | \$0.70                   | \$0.80                   |
| - Coloured copy – A3 sheet               | C                     | 10       | \$1.40                   | \$1.50                   |
| <b>Recreation Reserve Maintenance</b>    |                       |          |                          |                          |
| Central Reserve (per annum)              |                       |          |                          |                          |
| - Youth & Recreation Centre              | C                     | 10       | \$592                    | \$617                    |
| - Colac Cricket Association              | C                     | 10       | \$2,245                  | \$2,342                  |
| - Colac Football Club                    | C                     | 10       | \$6,695                  | \$6,983                  |
| - Colac Little Athletics                 | C                     | 10       | \$577                    | \$602                    |
| Eastern Reserve (per annum)              |                       |          |                          |                          |
| - Colac Cricket Club                     | C                     | 10       | \$1,205                  | \$1,257                  |
| - Colac Netball Association              | C                     | 10       | \$680                    | \$709                    |
| - Colac Baseball League                  | C                     | 10       | \$1,205                  | \$1,257                  |



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Appendix E

| Service                                                   | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax     | 2012/13 Fee<br>incl. Tax     |
|-----------------------------------------------------------|-----------------------|----------|------------------------------|------------------------------|
| Western Reserve (per annum)                               |                       |          |                              |                              |
| - Colac Cricket Association                               | C                     | 10       | \$1,308                      | \$1,364                      |
| - Imperials Football Club                                 | C                     | 10       | \$5,366                      | \$5,597                      |
| Cricket Ground (per annum)                                |                       |          |                              |                              |
| - Colac Cricket Association                               | C                     | 10       | \$536                        | \$559                        |
| - Colac Umpires Association                               | C                     | 10       | \$690                        | \$720                        |
| Elliminyt Recreation Reserve (per annum)                  |                       |          |                              |                              |
| - South Colac Sports Club                                 | C                     | 10       | \$3,368                      | \$3,513                      |
| - Elliminyt Tennis Club                                   | C                     | 10       | \$448                        | \$467                        |
| <b>COMMUNITY SERVICES</b>                                 |                       |          |                              |                              |
| <b>Aged and Disability Services</b>                       |                       |          |                              |                              |
| - Home Care (per hr)                                      | C                     | 0        | \$3.60 to \$16.60            | \$3.60 to \$16.60            |
| - Personal Care (per hr)                                  | C                     | 0        | \$3.60 to \$16.60            | \$3.60 to \$16.60            |
| - Respite Care (per hr)                                   | C                     | 0        | \$3.60 to \$16.60            | \$3.60 to \$16.60            |
| Veterans Home Care (1 <sup>st</sup> hr)<br>no further fee | C                     | 0        | \$5.20                       | \$5.00                       |
| Overnight Respite (per night)                             | C                     | 0        | \$32.10                      | \$33.00                      |
| Property Maintenance (per hr plus materials)              | C                     | 0        | \$10.50 to \$41.40           | \$10.50 to \$41.40           |
| <b>Meeting Place</b>                                      |                       |          |                              |                              |
| In House Activities (per session)                         | C                     | 10       | \$5.00                       | \$5.20                       |
| <b>Community Transport</b>                                |                       |          |                              |                              |
| Colac                                                     |                       |          |                              |                              |
| - Return                                                  | C                     | 10       | \$8.00                       | \$8.30                       |
| - One way                                                 | C                     | 10       | \$4.00                       | \$4.20                       |
| Colac District<br>Birregurra/Forrest Beeac/Warrion        |                       |          |                              |                              |
| - Return                                                  | C                     | 10       | \$12.00                      | \$13.00                      |
| - One way                                                 | C                     | 10       | \$6.00                       | \$6.30                       |
| Colac Otway Shire - Apollo Bay,<br>Lavers Hill            |                       |          |                              |                              |
| - Return                                                  | C                     | 10       | \$23.00                      | \$24.00                      |
| - One way                                                 | C                     | 10       | \$13.00                      | \$14.00                      |
| Colac to Geelong or Ballarat                              |                       |          |                              |                              |
| - Return                                                  | C                     | 10       | \$23.00                      | \$24.00                      |
| - One way                                                 | C                     | 10       | \$13.00                      | \$14.00                      |
| Colac to Warrnambool                                      |                       |          |                              |                              |
| - Return                                                  | C                     | 10       | \$28.00                      | \$29.00                      |
| - One way                                                 | C                     | 10       | \$15.00                      | \$16.00                      |
| Colac to Melbourne                                        |                       |          |                              |                              |
| - Return                                                  | C                     | 10       | \$45.00                      | \$47.00                      |
| - One Way                                                 | C                     | 10       | \$25.00                      | \$26.00                      |
| Full Cost Service                                         | C                     | 10       | \$0.80 per km +<br>10% admin | \$0.83 per km +<br>10% admin |
| Out & About Day Out Trips                                 | C                     | 10       | N/A                          | \$25.00                      |
| Community Bus Transport to<br>Activities                  | C                     | 10       | N/A                          | \$5.00                       |
| <b>Delivered Meals</b>                                    |                       |          |                              |                              |
| - Delivered meals (per meal)                              | C                     | 0        | \$8.30                       | \$8.70                       |



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Appendix E

| Service                                                                        | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax | 2012/13 Fee<br>incl. Tax |
|--------------------------------------------------------------------------------|-----------------------|----------|--------------------------|--------------------------|
| - All meals (per meal)<br>- (full cost recovery GST applies)                   | C                     | 0        | \$8.30                   | \$8.70                   |
| <b>Family Day Care</b>                                                         |                       |          |                          |                          |
| <b>Care Charges (For Information Only)</b>                                     |                       |          |                          |                          |
| 8am to 6pm Monday to Friday<br>(per hour per child)                            | C                     | 0        | \$6.70                   | \$7.00                   |
| Before 8 am and after 6 pm<br>Mon – Fri (per hour per child)                   | C                     | 0        | \$7.50                   | \$7.80                   |
| Saturday, Sunday and Public<br>Holidays (per hour per child)                   | C                     | 0        | \$7.50                   | \$7.80                   |
| <b>Holding Fees for booked hours</b>                                           |                       |          |                          |                          |
| Meals (per meal)                                                               |                       |          |                          |                          |
| - Breakfast                                                                    | C                     | 10       | \$3.00                   | \$3.00                   |
| - Snack                                                                        | C                     | 10       | \$1.20                   | \$1.20                   |
| - Lunch                                                                        | C                     | 10       | \$4.00                   | \$4.00                   |
| - Evening Meal                                                                 | C                     | 10       | \$5.00                   | \$5.00                   |
| Trips                                                                          | C                     | 10       | \$4.00                   | \$4.00                   |
| Late fee for payment in excess of<br>seven (7) days of account being<br>issued | C                     | 10       | \$10.00                  | \$10.00                  |
| <b>Administration Levy</b>                                                     |                       |          |                          |                          |
| Per family per week                                                            | C                     | 10       | \$7.00                   | \$0.30/<br>hour/child    |
| Carers Levy                                                                    | C                     | 10       | \$0.10/<br>hour/child    | \$10/week                |
| <b>Public Health - Septic Tanks</b>                                            |                       |          |                          |                          |
| Septic tanks – trench, sand filter<br>systems                                  | C                     | 0        | \$350                    | \$365                    |
| Septic tank systems – aerated<br>wastewater treatment                          | C                     | 0        | \$330                    | \$344                    |
| Septic tank alterations                                                        | C                     | 0        | \$180                    | \$188                    |
| Additional inspections                                                         | C                     | 0        | \$85                     | \$89                     |
| <b>Health Administration (Registration Fees)</b>                               |                       |          |                          |                          |
| Food premises                                                                  |                       |          |                          |                          |
| - New                                                                          | C                     | 0        | \$400                    | \$417                    |
| - Renewal                                                                      | C                     | 0        | \$275                    | \$287                    |
| Pre-sealed Long Life Food                                                      |                       |          |                          |                          |
| - New                                                                          | C                     | 0        | \$140                    | \$146                    |
| - Renewal                                                                      | C                     | 0        | \$90                     | \$94                     |
| Fruit and Vegetables                                                           |                       |          |                          |                          |
| - New                                                                          | C                     | 0        | \$235                    | \$245                    |
| - Renewal                                                                      | C                     | 0        | \$145                    | \$151                    |
| Charitable Groups/Schools                                                      |                       |          |                          |                          |
| - New                                                                          | C                     | 0        | \$195                    | \$203                    |
| - Renewal                                                                      | C                     | 0        | \$135                    | \$141                    |
| Hospitals, Nursing Homes, Child<br>Minding etc.                                |                       |          |                          |                          |
| - New                                                                          | C                     | 0        | \$480                    | \$501                    |
| - Renewal                                                                      | C                     | 0        | \$370                    | \$386                    |
| Caterers                                                                       |                       |          |                          |                          |

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Appendix E

| Service                                                                                                                                     | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax | 2012/13 Fee<br>incl. Tax |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------|--------------------------|--------------------------|
| - New                                                                                                                                       | C                     | 0        | \$300                    | \$313                    |
| - Renewal                                                                                                                                   | C                     | 0        | \$240                    | \$250                    |
| Bed and Breakfast                                                                                                                           |                       |          |                          |                          |
| - New                                                                                                                                       | C                     | 0        | \$195                    | \$203                    |
| - Renewal                                                                                                                                   | C                     | 0        | \$135                    | \$141                    |
| Food Vehicles                                                                                                                               |                       |          |                          |                          |
| - New                                                                                                                                       | C                     | 0        | \$230                    | \$240                    |
| - Renewal                                                                                                                                   | C                     | 0        | \$155                    | \$162                    |
| Hairdressers/Beauty Parlours                                                                                                                |                       |          |                          |                          |
| - New premises design fee                                                                                                                   | C                     | 0        | \$85                     | \$89                     |
| - Registration/renewal                                                                                                                      | C                     | 0        | \$115                    | \$120                    |
| Skin Penetration                                                                                                                            |                       |          |                          |                          |
| - New premises design fee                                                                                                                   | C                     | 0        | \$85                     | \$89                     |
| - Registration/renewal                                                                                                                      | C                     | 0        | \$115                    | \$120                    |
| Combo Beauty                                                                                                                                |                       |          |                          |                          |
| - New premises design fee                                                                                                                   | C                     | 0        | \$95                     | \$99                     |
| - Registration/renewal                                                                                                                      | C                     | 0        | \$125                    | \$130                    |
| <b>Health Administration – Other Charges</b>                                                                                                |                       |          |                          |                          |
| <b>Prescribed Accommodation</b>                                                                                                             |                       |          |                          |                          |
| 6 to 10 persons                                                                                                                             |                       |          |                          |                          |
| - New premises design fee                                                                                                                   | C                     | 0        | \$95                     | \$99                     |
| - Registration/renewal                                                                                                                      | C                     | 0        | \$160                    | \$167                    |
| 11 to 20 persons                                                                                                                            |                       |          |                          |                          |
| - New premises design fee                                                                                                                   | C                     | 0        | \$110                    | \$115                    |
| - Registration/renewal                                                                                                                      | C                     | 0        | \$195                    | \$203                    |
| 20+ persons                                                                                                                                 |                       |          |                          |                          |
| - New premises design fee                                                                                                                   | C                     | 0        | \$115                    | \$120                    |
| - Registration/renewal                                                                                                                      | C                     | 0        | \$240                    | \$250                    |
| Combo Food<br>Premises/Accommodation                                                                                                        | C                     | 0        | \$140                    | \$146                    |
| Caravan Parks per site                                                                                                                      | S                     | 0        | \$2.50                   | \$2.50                   |
| <b>Miscellaneous</b>                                                                                                                        |                       |          |                          |                          |
| Transfer of Registration                                                                                                                    | C                     | 0        | 50% of reg fee           | 50% of reg fee           |
| Late Renewal Penalty Fee per<br>Month                                                                                                       | C                     | 0        | \$30                     | \$31                     |
| Conveyance Enquiries                                                                                                                        | C                     | 0        | \$110                    | \$115                    |
| Replacement Certificate                                                                                                                     | C                     | 0        | \$40                     | \$42                     |
| Immunisation                                                                                                                                | C                     | 10       | \$18                     | \$19                     |
| - For individuals or a<br>negotiated rate for mass<br>immunisations where non-<br>scheduled. Fee added to the<br>cost of vaccine purchased. |                       |          |                          |                          |
| <b>BLUEWATER FITNESS CENTRE</b>                                                                                                             |                       |          |                          |                          |
| <b>Aquatic Programs – daily charges</b>                                                                                                     |                       |          |                          |                          |
| <b>Pool</b>                                                                                                                                 |                       |          |                          |                          |
| - Adult                                                                                                                                     | C                     | 10       | \$5.00                   | \$5.20                   |
| - Student                                                                                                                                   | C                     | 10       | \$4.70                   | \$4.60                   |
| - Pensioner                                                                                                                                 | C                     | 10       | \$4.50                   | \$4.60                   |
| - Child                                                                                                                                     | C                     | 10       | \$3.90                   | \$4.00                   |

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| Service                                | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax | 2012/13 Fee<br>incl. Tax |
|----------------------------------------|-----------------------|----------|--------------------------|--------------------------|
| - Family                               | C                     | 10       | \$15.50                  | \$16.00                  |
| - School Group                         | C                     | 10       | \$3.30                   | \$4.00                   |
| - Competitor Entry                     | C                     | 10       | N/A                      | \$1.00                   |
| - Parent/Toddler                       | C                     | 10       | \$4.50                   | \$4.60                   |
| <b>Spa</b>                             |                       |          |                          |                          |
| - Adult                                | C                     | 10       | \$4.90                   | \$5.20                   |
| - Student                              | C                     | 10       | \$4.70                   | \$4.60                   |
| - Pensioner                            | C                     | 10       | \$4.40                   | \$4.60                   |
| <b>Sauna</b>                           |                       |          |                          |                          |
| - Adult                                | C                     | 10       | \$4.90                   | \$5.20                   |
| - Student                              | C                     | 10       | \$4.70                   | \$4.60                   |
| - Pensioner                            | C                     | 10       | \$4.40                   | \$4.60                   |
| <b>Swim Spa Sauna (SSS)</b>            |                       |          |                          |                          |
| - Adult                                | C                     | 10       | \$9.80                   | \$10.00                  |
| - Student                              | C                     | 10       | \$8.80                   | \$8.20                   |
| - Pensioner                            | C                     | 10       | \$7.80                   | \$8.20                   |
| - Wet DRY Pass Adult                   | C                     | 10       | \$15.00                  | \$15.00                  |
| - Wet DRY Pass Concession              | C                     | 10       | \$13.00                  | \$13.00                  |
| <b>Aqua</b>                            |                       |          |                          |                          |
| - Adult                                | C                     | 10       | \$10.50                  | \$10.90                  |
| - Student                              | C                     | 10       | \$9.50                   | \$9.00                   |
| - Pensioner                            | C                     | 10       | \$8.50                   | \$9.00                   |
| <b>Dry Programs</b>                    |                       |          |                          |                          |
| <b>Gym</b>                             |                       |          |                          |                          |
| - Adult                                | C                     | 10       | \$10.50                  | \$10.90                  |
| - Student                              | C                     | 10       | \$9.50                   | \$9.00                   |
| - Pensioner                            | C                     | 10       | \$8.50                   | \$9.00                   |
| - Senior Special                       | C                     | 10       | \$5.50                   | \$5.70                   |
| - Fitness Assessment (45 min)          | C                     | 10       | \$45.00                  | \$47.00                  |
| - 1 session personal training (45 min) | C                     | 10       | \$45.00                  | \$47.00                  |
| - 5 ticket personal training           | C                     | 10       | \$200.00                 | \$208.00                 |
| - 10 ticket personal training          | C                     | 10       | \$375.00                 | \$390.00                 |
| - 1 session group training             | C                     | 10       | \$60.00                  | \$62.00                  |
| - 5 ticket group training              | C                     | 10       | \$275.00                 | \$283.00                 |
| - 10 ticket group training             | C                     | 10       | \$550.00                 | \$566.00                 |
| <b>Aerobic</b>                         |                       |          |                          |                          |
| - Adult                                | C                     | 10       | \$10.50                  | \$10.90                  |
| - Student                              | C                     | 10       | \$9.50                   | \$9.00                   |
| - Pensioner                            | C                     | 10       | \$8.50                   | \$9.00                   |
| - Group entry (schools)                | C                     | 10       | \$6.00                   | \$6.00                   |
| <b>Crèche – members</b>                |                       |          |                          |                          |
| - Child (per hour)                     | C                     | 10       | \$6.00                   | \$5.00                   |
| - Family Entry (per hour)              | C                     | 10       | N/A                      | \$7.00                   |
| <b>Crèche – non-members</b>            |                       |          |                          |                          |
| - Child (per hour)                     | C                     | 10       | N/A                      | \$7.00                   |
| - Family Entry (per hour)              | C                     | 10       | N/A                      | \$12.00                  |
| <b>Memberships</b>                     |                       |          |                          |                          |
| <b>Gold (Aquatic &amp; Dry)</b>        |                       |          |                          |                          |
| <b>Adult</b>                           |                       |          |                          |                          |
| - 12 months                            | C                     | 10       | \$695.00                 | \$715.00                 |

Coliac Otway Shire Budget 2012-2013

Appendix E

| Service                 | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax | 2012/13 Fee<br>incl. Tax |
|-------------------------|-----------------------|----------|--------------------------|--------------------------|
| - 6 months              | C                     | 10       | \$485.00                 | \$495.00                 |
| - 3 months              | C                     | 10       | \$325.00                 | \$325.00                 |
| <b>Student</b>          |                       |          |                          |                          |
| - 12 months             | C                     | 10       | \$625.00                 | \$595.00                 |
| - 6 months              | C                     | 10       | \$430.00                 | \$412.50                 |
| - 3 months              | C                     | 10       | \$295.00                 | \$268.00                 |
| <b>Pensioner</b>        |                       |          |                          |                          |
| - 12 months             | C                     | 10       | \$575.00                 | \$595.00                 |
| - 6 months              | C                     | 10       | \$390.00                 | \$412.50                 |
| - 3 months              | C                     | 10       | \$255.00                 | \$268.00                 |
| <b>Family</b>           |                       |          |                          |                          |
| - 12 months             | C                     | 10       | \$1,020.00               | \$1,060.00               |
| - 6 months              | C                     | 10       | \$720.00                 | \$715.00                 |
| - 3 months              | C                     | 10       | \$480.00                 | \$495.00                 |
| <b>Silver (Dry)</b>     |                       |          |                          |                          |
| <b>Adult</b>            |                       |          |                          |                          |
| - 12 months             | C                     | 10       | \$545.00                 | \$555.00                 |
| - 6 months              | C                     | 10       | \$375.00                 | \$385.00                 |
| - 3 months              | C                     | 10       | \$245.00                 | \$250.00                 |
| - 10 ticket gym/aerobic | C                     | 10       | \$100.00                 | \$100.00                 |
| - 20 ticket gym         | C                     | 10       | \$155.00                 | \$180.00                 |
| - 20 ticket aerobic     | C                     | 10       | \$155.00                 | \$180.00                 |
| - 10 ticket aqua        | CC                    | 10       | \$100.00                 | \$100.00                 |
| - 20 ticket aqua        | C                     | 10       | \$155.00                 | \$180.00                 |
| - 30 ticket aqua        | C                     | 10       | \$230.00                 | \$260.00                 |
| <b>Student</b>          |                       |          |                          |                          |
| - 12 months             | C                     | 10       | \$490.00                 | \$460.00                 |
| - 6 months              | C                     | 10       | \$335.00                 | \$315.00                 |
| - 3 months              | C                     | 10       | \$220.00                 | \$205.00                 |
| - 10 ticket gym/aerobic | C                     | 10       | \$90.00                  | \$80.00                  |
| - 20 ticket gym         | C                     | 10       | \$155.00                 | \$145.00                 |
| - 20 ticket aerobic     | C                     | 10       | \$155.00                 | \$145.00                 |
| - 10 ticket aqua        | C                     | 10       | \$90.00                  | \$80.00                  |
| - 20 ticket aqua        | C                     | 10       | \$155.00                 | \$145.00                 |
| - 30 ticket aqua        | C                     | 10       | \$230.00                 | \$215.00                 |
| <b>Pensioner</b>        |                       |          |                          |                          |
| - 12 months             | C                     | 10       | \$450.00                 | \$460.00                 |
| - 6 months              | C                     | 10       | \$310.00                 | \$315.00                 |
| - 3 months              | C                     | 10       | \$200.00                 | \$205.00                 |
| - 10 ticket gym/aerobic | C                     | 10       | \$80.00                  | \$80.00                  |
| - 20 ticket gym         | C                     | 10       | \$145.00                 | \$145.00                 |
| - 20 ticket aerobic     | C                     | 10       | \$145.00                 | \$145.00                 |
| - 10 ticket aqua        | C                     | 10       | \$80.00                  | \$80.00                  |
| - 20 ticket aqua        | C                     | 10       | \$145.00                 | \$145.00                 |
| - 30 ticket aqua        | C                     | 10       | \$205.00                 | \$215.00                 |
| <b>Family</b>           |                       |          |                          |                          |
| - 3 months              | C                     | 10       | \$810.00                 | \$848.00                 |
| - 6 months              | C                     | 10       | \$555.00                 | \$572.00                 |
| - 12 months             | C                     | 10       | \$360.00                 | \$395.00                 |
| <b>Bronze (Aquatic)</b> |                       |          |                          |                          |
| <b>Adult</b>            |                       |          |                          |                          |
| - 12 months             | C                     | 10       | \$450.00                 | \$460.00                 |
| - 6 months              | C                     | 10       | \$310.00                 | \$322.00                 |

Coliac Otway Shire Budget 2012-2013

Appendix E

| Service                                                      | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax | 2012/13 Fee<br>incl. Tax |
|--------------------------------------------------------------|-----------------------|----------|--------------------------|--------------------------|
| - 3 months                                                   | C                     | 10       | \$200.00                 | \$208.00                 |
| - 10 ticket swim                                             | C                     | 10       | \$49.00                  | \$49.00                  |
| - 20 ticket swim                                             | C                     | 10       | \$90.00                  | \$92.00                  |
| <b>Student</b>                                               |                       |          |                          |                          |
| - 12 months                                                  | C                     | 10       | \$390.00                 | \$390.00                 |
| - 6 months                                                   | C                     | 10       | \$265.00                 | \$270.00                 |
| - 3 months                                                   | C                     | 10       | \$180.00                 | \$180.00                 |
| - 10 ticket swim                                             | C                     | 10       | \$47.00                  | \$45.00                  |
| - 20 ticket swim                                             | C                     | 10       | \$85.00                  | \$82.00                  |
| <b>Child</b>                                                 |                       |          |                          |                          |
| - 12 months                                                  | C                     | 10       | \$310.00                 | \$320.00                 |
| - 6 months                                                   | C                     | 10       | \$220.00                 | \$229.00                 |
| - 3 months                                                   | C                     | 10       | \$150.00                 | \$156.00                 |
| - 10 ticket swim                                             | C                     | 10       | \$38.00                  | \$38.00                  |
| - 20 ticket swim                                             | C                     | 10       | \$65.00                  | \$68.00                  |
| <b>Pensioner</b>                                             |                       |          |                          |                          |
| - 12 months                                                  | C                     | 10       | \$380.00                 | \$390.00                 |
| - 6 months                                                   | C                     | 10       | \$260.00                 | \$270.00                 |
| - 3 months                                                   | C                     | 10       | \$170.00                 | \$180.00                 |
| - 10 ticket swim                                             | C                     | 10       | \$43.00                  | \$45.00                  |
| - 20 ticket swim                                             | C                     | 10       | \$78.00                  | \$82.00                  |
| <b>Family</b>                                                |                       |          |                          |                          |
| - 12 months                                                  | C                     | 10       | \$695.00                 | \$715.00                 |
| - 6 months                                                   | C                     | 10       | \$485.00                 | \$495.00                 |
| - 3 months                                                   | C                     | 10       | \$325.00                 | \$325.00                 |
| <b>Learn to Swim</b>                                         |                       |          |                          |                          |
| - 30 min group lesson                                        | C                     | 10       | \$11.00                  | \$11.00                  |
| - 30 min 1 on 1                                              | C                     | 10       | \$35.00                  | \$37.00                  |
| - Discount for 3 or more children enrolled                   | C                     | 10       | \$9.00                   | \$9.00                   |
| - Adult squad member                                         | C                     | 10       | \$7.50                   | \$7.80                   |
| - Adult squad non-member                                     | C                     | 10       | \$10.50                  | \$10.90                  |
| - Multi squad pass member 10                                 | C                     | 10       | \$65.00                  | \$67.00                  |
| - Multi squad pass non member 10                             | C                     | 10       | \$100.00                 | \$100.00                 |
| - Schools Swim & Survive Program Entry                       | C                     | 10       | N/A                      | \$2.80                   |
| - Schools Instructor Charge                                  | C                     | 10       | N/A                      | \$50.00                  |
| <b>Pool Hire</b>                                             |                       |          |                          |                          |
| - Lane hire/hr (during normal operating hrs)                 | C                     | 10       | \$19.00                  | \$20.00                  |
| - Whole pool ½ day <4 hrs (during normal operating hours)    | C                     | 10       | \$310.00                 | \$323.00                 |
| - Whole pool full day 4+ hrs (during normal operating hours) | C                     | 10       | \$420.00                 | \$438.00                 |
| - Lifeguard hire (outside normal operating hours)            | C                     | 10       | \$32.50                  | \$34.00                  |
| - Peak lane hire swim club                                   | C                     | 10       | \$4.00                   | \$4.00                   |
| - Non peak land hire swim                                    | C                     | 10       | \$2.00                   | \$2.00                   |

Coliac Otway Shire Budget 2012-2013

Appendix E

| Service                                            | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax | 2012/13 Fee<br>incl. Tax |
|----------------------------------------------------|-----------------------|----------|--------------------------|--------------------------|
| club                                               |                       |          |                          |                          |
| <b>Stadium Hire</b>                                |                       |          |                          |                          |
| - All day 9 hr max (during normal operating hours) | C                     | 10       | \$395.00                 | \$412.00                 |
| - Senior court hire/hr (assoc. only)               | C                     | 10       | \$38.50                  | \$48.00                  |
| - Junior court hire/hr (assoc. only)               | C                     | 10       | \$34.00                  | \$35.00                  |
| - Squash court 1 hr                                | C                     | 10       | \$18.00                  | \$19.00                  |
| - Squash court 30 min                              | C                     | 10       | \$9.50                   | \$9.90                   |
| - Casual stadium entry adult                       | C                     | 10       | \$5.00                   | \$5.20                   |
| - Casual stadium entry student                     | C                     | 10       | \$4.70                   | \$4.60                   |
| - Casual stadium entry child                       | C                     | 10       | \$3.90                   | \$4.00                   |
| <b>Minor Hall Hire</b>                             |                       |          |                          |                          |
| - Commercial                                       | C                     | 10       | \$40.00                  | \$40.00                  |
| - Community                                        | C                     | 10       | \$27.00                  | \$28.00                  |
| - Room Hire/hr                                     | C                     | 10       | \$27.00                  | \$28.00                  |
| <b>Other Charges</b>                               |                       |          |                          |                          |
| - Pool party per child                             | C                     | 10       | \$10.00                  | \$10.00                  |
| - Instructor hire/hr aquatic or dry                | C                     | 10       | \$50.00                  | \$50.00                  |
| - Membership cancellation fee                      | C                     | 10       | \$5.00                   | \$5.20                   |
| <b>Direct Debit Memberships (per month)</b>        |                       |          |                          |                          |
| <b>Gold</b>                                        |                       |          |                          |                          |
| - Adult                                            | C                     | 10       | \$57.00                  | \$59.00                  |
| - Student                                          | C                     | 10       | \$50.00                  | \$52.00                  |
| - Pensioner                                        | C                     | 10       | \$47.00                  | \$49.00                  |
| - Family                                           | C                     | 10       | \$84.00                  | \$88.00                  |
| - Concession                                       | C                     | 10       | \$47.00                  | \$49.00                  |
| <b>Silver</b>                                      |                       |          |                          |                          |
| - Adult                                            | C                     | 10       | \$45.00                  | \$47.00                  |
| - Student                                          | C                     | 10       | \$39.00                  | \$31.00                  |
| - Pensioner                                        | C                     | 10       | \$37.00                  | \$39.00                  |
| - Concession                                       | C                     | 10       | \$37.00                  | \$39.00                  |
| <b>Bronze</b>                                      |                       |          |                          |                          |
| - Adult                                            | C                     | 10       | \$37.00                  | \$39.00                  |
| - Student                                          | C                     | 10       | \$32.00                  | \$33.00                  |
| - Pensioner                                        | C                     | 10       | \$31.00                  | \$32.00                  |
| - Child                                            | C                     | 10       | \$24.00                  | \$25.00                  |
| - Family                                           | C                     | 10       | \$57.00                  | \$59.00                  |
| - Concession                                       | C                     | 10       | \$31.00                  | \$32.00                  |
| <b>Corporate</b>                                   |                       |          |                          |                          |
| - Gold family (12 month)                           | C                     | 10       | \$867.00                 | \$901.00                 |
| - Gold adult (12 month)                            | C                     | 10       | \$590.00                 | \$608.00                 |
| - Direct Debit adult gold                          | C                     | 10       | \$48.00                  | \$50.00                  |
| - Direct Debit family gold                         | C                     | 10       | \$70.00                  | \$73.00                  |
| - Silver adult (12 month)                          | C                     | 10       | \$463.00                 | \$471.75                 |
| - Bronze adult (12 month)                          | C                     | 10       | \$382.50                 | \$391.00                 |
| - Bronze family (12 month)                         | C                     | 10       | \$590.00                 | \$608.00                 |

Colac Otway Shire Budget 2012-2013

Appendix E

**COPACC**

All fees are INCLUSIVE of GST

| AREA                                                | EVENT/RATE                       | SPECIAL FUNCTION                                                                              |             | COMMUNITY from COLAC OTWAY                                            |             | CHARITABLE ORGANISATIONS                                                                   |             |
|-----------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------|-------------|
|                                                     |                                  | Incl. Commercial                                                                              |             |                                                                       |             |                                                                                            |             |
|                                                     |                                  | Special Function refers to a disco, cabaret, ball, business function, dinner dance or wedding |             | Refers to organisations and recreation clubs which are not-for-profit |             | Are organisations which have charitable tax deductible status and provide a public benefit |             |
|                                                     |                                  | 2011/2012                                                                                     | 2012/2013   | 2011/2012                                                             | 2012/2013   | 2011/2012                                                                                  | 2012/2013   |
| ENTIRE VENUE HIRE (EXCL. Theatre and Cinema)        | 14 Hour Hire                     | \$1,965                                                                                       | \$2,049     | \$1,685                                                               | \$1,757     | \$1,560                                                                                    | \$1,627     |
|                                                     | 8 Hour Hire                      | \$1,123                                                                                       | \$1,171     | \$970                                                                 | \$1,012     | \$900                                                                                      | \$939       |
|                                                     | 4 Hour Hire                      | \$450                                                                                         | \$469       | \$370                                                                 | \$386       | \$450                                                                                      | \$469       |
|                                                     | Hourly Rate                      | \$170                                                                                         | \$177       | \$130                                                                 | \$136       | \$115                                                                                      | \$120       |
| CIVIC HALL                                          | 14 Hour Hire                     | \$1,200                                                                                       | \$1,252     | \$800                                                                 | \$835       | \$750                                                                                      | \$782       |
|                                                     | 8 Hour Hire                      | \$685                                                                                         | \$714       | \$500                                                                 | \$530       | \$450                                                                                      | \$469       |
|                                                     | 4 Hour Hire                      | \$450                                                                                         | \$469       | \$350                                                                 | \$365       | \$300                                                                                      | \$313       |
|                                                     | Hourly Rate                      | \$85                                                                                          | \$89        | \$70                                                                  | \$75        | \$55                                                                                       | \$57        |
| CIVIC HALL Add On Rooms Hourly Rate                 | Kitchen                          | \$36                                                                                          | \$38        | \$25                                                                  | \$26        | \$20                                                                                       | \$21        |
|                                                     | Meeting Room 1                   | \$36                                                                                          | \$38        | \$20                                                                  | \$21        | \$20                                                                                       | \$21        |
|                                                     | Meeting Room 1&2                 | \$45                                                                                          | \$47        | \$40                                                                  | \$42        | \$30                                                                                       | \$31        |
| MEETING ROOM/S Hourly Rate                          | SINGLE ROOM (Between 8:30 & 5pm) | \$32                                                                                          | \$33        | \$27                                                                  | \$28        | \$22                                                                                       | \$23        |
|                                                     | DOUBLE ROOM (Between 8:30 & 5pm) | \$48                                                                                          | \$50        | \$44                                                                  | \$46        | \$39                                                                                       | \$41        |
|                                                     | SINGLE ROOM (After hours)        | \$55                                                                                          | \$57        | \$47                                                                  | \$49        | \$44                                                                                       | \$46        |
|                                                     | DOUBLE RM. (After hours)         | \$70                                                                                          | \$73        | \$60                                                                  | \$63        | \$50                                                                                       | \$52        |
| KITCHEN Hourly Rate                                 | Between 8:30 & 5pm               | \$30                                                                                          | \$31        | \$20                                                                  | \$21        | \$15                                                                                       | \$16        |
|                                                     | After Hours                      | \$55                                                                                          | \$57        | \$45                                                                  | \$47        | \$40                                                                                       | \$42        |
| GREEN ROOM Hourly Rate                              | Hourly Rate                      | \$28                                                                                          | \$29        | \$25                                                                  | \$26        | \$20                                                                                       | \$21        |
|                                                     | After Hours                      | \$45                                                                                          | \$47        | \$40                                                                  | \$42        | \$40                                                                                       | \$42        |
| REHEARSAL ROOM Hourly Rate                          | Between 8.30 & 5pm               | \$32                                                                                          | \$33        | \$27                                                                  | \$28        | \$22                                                                                       | \$23        |
|                                                     | After Hours                      | \$55                                                                                          | \$57        | \$47                                                                  | \$49        | \$44                                                                                       | \$46        |
| PUBLIC GALLERY Hourly Rate For Meeting & Convention | Between 8:30 & 5pm               | \$45                                                                                          | \$47        | \$40                                                                  | \$42        | \$30                                                                                       | \$31        |
|                                                     | After Hours                      | \$55                                                                                          | \$57        | \$50                                                                  | \$52        | \$45                                                                                       | \$47        |
| BOND                                                |                                  | \$500-\$700                                                                                   | \$522-\$730 | \$500-\$700                                                           | \$500-\$700 | \$200-\$500                                                                                | \$209-\$522 |
| DEPOSIT                                             |                                  | \$100                                                                                         | \$104       | \$100                                                                 | \$100       | \$100                                                                                      | \$104       |
| ROLL OVER                                           | Evening Prior                    | \$100                                                                                         | \$104       | \$70                                                                  | \$73        | \$50                                                                                       | \$52        |
|                                                     | All Day Prior                    | \$150                                                                                         | \$156       | \$120                                                                 | \$125       | \$100                                                                                      | \$104       |

All hire rates include one duty supervisor.

Other labour charges will apply if hirers require additional function support ie. seminars or conferences.

COPACC provides tea, coffee and biscuits for external functions at a cost of \$3.50 per person.

# Cost of hire includes all table & chair set up, water and glasses, whiteboard. Additional audio visual and other technical equipment is charged separately.

# Please Note: Prices listed above are subject to change at any time by Colac Otway Shire.

For information as to current rates, please view the Colac Otway web site link [www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au)



Colac Otway Shire Budget 2008-2009

Appendix E

| AREA                                                                                                                                                                                                                                                                                                      | EVENT/RATE                        | COMMERCIAL HIRE                  |                                  | COMMUNITY GROUPS, SCHOOLS & COUNCIL<br>from COLAC OTWAY Refers to organisations and recreation clubs which are not-for-profit. |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
|                                                                                                                                                                                                                                                                                                           |                                   | 2011/2012                        | 2012/2013                        | 2011/2012                                                                                                                      | 2012/2013                        |
| <b>AUDITORIUM 1</b><br><i>This rate includes one technician. There are additional charges for labour, ushers, lighting, booking fee, credit card charges and cleaning .Hiring of the venue during Colac Cinema's lease time are subject to an additional fee levied by the cinema)<br/>Min hire 4 hrs</i> | 12 hour hire<br>11.30am – 11.30pm | \$1,250                          | \$1,304                          | \$1,050                                                                                                                        | \$1,100                          |
|                                                                                                                                                                                                                                                                                                           | 8 hour hire                       | \$1,050                          | \$1,095                          | \$850                                                                                                                          | \$890                            |
|                                                                                                                                                                                                                                                                                                           | 4 hour hire                       | \$850                            | \$887                            | \$650                                                                                                                          | \$680                            |
|                                                                                                                                                                                                                                                                                                           | HOURLY RATE                       | \$200                            | \$209                            | \$150                                                                                                                          | \$160                            |
|                                                                                                                                                                                                                                                                                                           | ADMIN FEE                         | \$150                            | \$156                            | \$100                                                                                                                          | \$150                            |
|                                                                                                                                                                                                                                                                                                           | Hourly penalty                    | \$280                            | \$292                            | \$280                                                                                                                          | \$292                            |
| <b>LABOUR CHARGES</b><br><i>Hourly rate</i>                                                                                                                                                                                                                                                               | Technical staff                   | \$47 per hr                      | \$49 per hr                      | \$47 per hr                                                                                                                    | \$50 per hr                      |
| <b>CINEMA/BOX OFFICE CHARGES</b>                                                                                                                                                                                                                                                                          | Front of House/Ushers             | \$240                            | \$250                            | \$240                                                                                                                          | \$50 per hr per person           |
|                                                                                                                                                                                                                                                                                                           | Ticketing – per ticket            | \$2.75                           | \$2.75                           | \$1.38                                                                                                                         | \$1.38                           |
|                                                                                                                                                                                                                                                                                                           | Credit Card Charges on sales      | 4%                               | 4.20%                            | 4%                                                                                                                             | 4%                               |
|                                                                                                                                                                                                                                                                                                           | Extra Cleaning                    | \$45 per hr                      | \$50 per hr                      | \$45 per hr                                                                                                                    | \$50 per hr                      |
| <b>OTHER CHARGES</b>                                                                                                                                                                                                                                                                                      | Grand Piano                       | \$100                            | \$104                            | Free                                                                                                                           | Free                             |
|                                                                                                                                                                                                                                                                                                           | Piano Tuning                      | \$220                            | \$229                            | \$230                                                                                                                          | \$240                            |
|                                                                                                                                                                                                                                                                                                           | Standard Lighting                 | <i>Now covered in venue hire</i> | <i>Now covered in venue hire</i> | <i>Now covered in venue hire</i>                                                                                               | <i>Now covered in venue hire</i> |
|                                                                                                                                                                                                                                                                                                           | Cleaning                          | \$75                             | \$150                            | \$75                                                                                                                           | \$150                            |

**Public Gallery Exhibition & Display Hire Charges**

|                   | Commercial / Business | Professional Artist           | Community Artist |
|-------------------|-----------------------|-------------------------------|------------------|
| Wall Display Only | \$104 per day         | \$21 per day + 10% commission | 10% commission   |
| Wall & Floor      | \$156 per day         | \$26 per day + 10% commission | 10% commission   |
| Floor only        | \$104 per day         | \$21 per day + 10% commission | 10% commission   |



Coliac Otway Shire Budget 2012-2013

Appendix E

| Service                                                                                         | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax | 2012/13 Fee<br>incl. Tax                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------|-----------------------|----------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>INFRASTRUCTURE AND SERVICES</b>                                                              |                       |          |                          |                                                                                                                                                                                                            |
| <b>Asset Management</b>                                                                         |                       |          |                          |                                                                                                                                                                                                            |
| Special Charge Scheme                                                                           |                       |          |                          |                                                                                                                                                                                                            |
| - Contract administration                                                                       | C                     | 0        | 2.5%                     | 2.5%                                                                                                                                                                                                       |
| - Scheme administration                                                                         | C                     | 0        | 3.0%                     | 3.0%                                                                                                                                                                                                       |
| Design Fee                                                                                      |                       |          |                          |                                                                                                                                                                                                            |
| - In house                                                                                      | C                     | 0        | 10%                      | 10%                                                                                                                                                                                                        |
| - Other                                                                                         | C                     | 0        | At cost                  | At cost +<br>20%                                                                                                                                                                                           |
| Supervision of Sub-division<br>Works<br>(% of estimated cost of<br>constructing works proposed) | S                     | 0        | 2.5%                     | 2.5%                                                                                                                                                                                                       |
| Checking of Engineering Plans                                                                   | S                     | 0        | 0.75%                    | 0.75%                                                                                                                                                                                                      |
| Fee for Legal Point of Discharge<br>Report (as per Section 312(3)<br>Building Regulations 2006) | S                     | 0        | N/A                      | \$56.75                                                                                                                                                                                                    |
| Asset Protection Permit Fee                                                                     | C                     | 0        | N/A                      | \$135.00                                                                                                                                                                                                   |
| <b>Works on Roads (based on fee units)</b>                                                      |                       |          |                          |                                                                                                                                                                                                            |
| <b>Local Road (speed at any time is greater than 50kph)</b>                                     |                       |          |                          |                                                                                                                                                                                                            |
| <i>Works on Roads (works other than minor works)</i>                                            |                       |          |                          |                                                                                                                                                                                                            |
| Conducted on any part of the<br>roadway, shoulder or pathway (25<br>units)                      | S                     | 0        | \$537.80                 | Charge based on<br>value of fee unit<br>set in accordance<br>with the Monetary<br>Units Act 2004.<br>Fees are<br>reviewed each<br>financial year and<br>changes (if any)<br>apply from 1 July<br>each year |
| Not conducted on any part of the<br>roadway, shoulder or pathway (25<br>units)                  | S                     | 0        | \$298.80                 |                                                                                                                                                                                                            |
| <i>Minor Works</i>                                                                              |                       |          |                          |                                                                                                                                                                                                            |
| Conducted on any part of the<br>roadway, shoulder or pathway<br>(11.5 units)                    | S                     | 0        | \$137.40                 | Charge based on<br>value of fee unit<br>set in accordance<br>with the Monetary<br>Units Act 2004.<br>Fees are<br>reviewed each<br>financial year and<br>changes (if any)<br>apply from 1 July<br>each year |
| Not conducted on any part of the<br>roadway, shoulder or pathway (5<br>units)                   | S                     | 0        | \$59.80                  |                                                                                                                                                                                                            |
| <b>Local Road (speed at any time is not more than 50kph)</b>                                    |                       |          |                          |                                                                                                                                                                                                            |
| <i>Works on Roads (works other than minor works)</i>                                            |                       |          |                          |                                                                                                                                                                                                            |

Colac Otway Shire Budget 2012-2013

Appendix E

| Service                                                                 | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax                                  | 2012/13 Fee<br>incl. Tax                                                                                                                                                     |
|-------------------------------------------------------------------------|-----------------------|----------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conducted on any part of the roadway, shoulder or pathway (20 units)    | S                     | 0        | \$239.00                                                  | Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year |
| Not conducted on any part of the roadway, should or pathway (5 units)   | S                     | 0        | \$59.80                                                   |                                                                                                                                                                              |
| <i>Minor Works</i>                                                      |                       |          |                                                           |                                                                                                                                                                              |
| Conducted on any part of the roadway, shoulder or pathway (11.5 units)  | S                     | 0        | \$137.40                                                  | Charge based on value of fee unit set in accordance with the Monetary Units Act 2004. Fees are reviewed each financial year and changes (if any) apply from 1 July each year |
| Not conducted on any part of the roadway, shoulder or pathway (5 units) | S                     | 0        | \$59.80                                                   |                                                                                                                                                                              |
| <b>SALEYARDS (COLAC LIVESTOCK SELLING CENTRE)</b>                       |                       |          |                                                           |                                                                                                                                                                              |
| Weighed cattle                                                          | C                     | 10       | \$12.10                                                   | \$13.00                                                                                                                                                                      |
| Stud cattle                                                             | C                     | 10       | \$17.60                                                   | \$18.00                                                                                                                                                                      |
| All other cattle                                                        | C                     | 10       | \$12.10                                                   | \$13.00                                                                                                                                                                      |
| Dairy cattle                                                            | C                     | 10       | \$12.10                                                   | \$13.00                                                                                                                                                                      |
| Bulls flat rate                                                         | C                     | 10       | \$17.60                                                   | \$18.00                                                                                                                                                                      |
| Bobby calves                                                            | C                     | 10       | \$5.50                                                    | \$5.70                                                                                                                                                                       |
| All horses                                                              | C                     | 10       | \$16.50                                                   | \$17.00                                                                                                                                                                      |
| Sheep and lambs                                                         | C                     | 10       | \$1.10                                                    | \$1.10                                                                                                                                                                       |
| Pigs                                                                    | C                     | 10       | \$3.30                                                    | \$3.40                                                                                                                                                                       |
| Private weigh                                                           | C                     | 10       | \$5.50                                                    | \$5.70                                                                                                                                                                       |
| Annual licence and rental                                               | C                     | 10       | \$2,200                                                   | \$2,295.00                                                                                                                                                                   |
| Agents weekly fee                                                       | C                     | 10       | \$176.00                                                  | \$184.00                                                                                                                                                                     |
| Agents special sale                                                     | C                     | 10       | \$176.00                                                  | \$184.00                                                                                                                                                                     |
| Cows and calves weigh fee                                               |                       |          |                                                           |                                                                                                                                                                              |
| - >5 animals                                                            | C                     | 10       | \$3.30                                                    | \$3.40                                                                                                                                                                       |
| - 2-4 animals                                                           | C                     | 10       | \$3.85                                                    | \$4.00                                                                                                                                                                       |
| - 1 animal                                                              | C                     | 10       | \$4.40                                                    | \$4.60                                                                                                                                                                       |
| <b>WASTE MANAGEMENT</b>                                                 |                       |          |                                                           |                                                                                                                                                                              |
| <b>All waste receipt sites</b>                                          |                       |          |                                                           |                                                                                                                                                                              |
| Putrescibles (inc mixed rubbish)                                        | C                     | 10       | \$48 per m <sup>3</sup><br>min \$10.00<br>\$194 per tonne | \$50 per m <sup>3</sup> ,<br>120 litre garbage bin or less \$10,<br>120 litre - 240 litre garbage bin \$15,<br>or \$230 per tonne                                            |

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Appendix E

| Service                                            | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax                                 | 2012/13 Fee<br>incl. Tax                                  |
|----------------------------------------------------|-----------------------|----------|----------------------------------------------------------|-----------------------------------------------------------|
| Inert waste only (municipal)                       | C                     | 10       | \$35 per m <sup>3</sup><br>min \$7.50<br>\$127 per tonne | \$76 per m <sup>3</sup><br>min \$20.00<br>\$175 per tonne |
| Inert waste (commercial)                           | C                     | 10       | \$28 per m <sup>3</sup> or<br>\$138 per tonne            | \$76 per m <sup>3</sup> or<br>\$175 per tonne             |
| Tree prunings                                      | C                     | 10       | \$25 per m <sup>3</sup><br>\$85 per tonne                | \$32 per m <sup>3</sup><br>\$123 per tonne                |
| Steel scrap                                        | C                     | 10       | \$10 per m <sup>3</sup><br>or \$40 per tonne             | \$10 per m <sup>3</sup><br>or \$40 per tonne              |
| Car bodies                                         | C                     | 10       | \$55.00                                                  | \$60.00                                                   |
| Chemical drums                                     | C                     | 10       | \$1.00 each                                              | \$1.00 each                                               |
| Tyres                                              |                       |          |                                                          |                                                           |
| - Car                                              | C                     | 10       | \$4.75                                                   | \$6.00                                                    |
| - Car on rim                                       | C                     | 10       | \$5.60                                                   | \$10.00                                                   |
| - Light truck                                      | C                     | 10       | N/A                                                      | \$10.00                                                   |
| - Truck                                            | C                     | 10       | \$17.00                                                  | \$24.00                                                   |
| - Tractor up to 1m                                 | C                     | 10       | \$74.00                                                  | \$86.00                                                   |
| - Tractor 1-2m                                     | C                     | 10       | \$132.00                                                 | \$190.00                                                  |
| - Commercial batteries<br>each (more than 2)       | C                     | 10       | \$5.00                                                   | \$5.50                                                    |
| Waste disposal tickets                             |                       |          |                                                          |                                                           |
| - 25 tickets                                       | C                     | 10       | \$97.00                                                  | \$150.00                                                  |
| - 10 tickets                                       | C                     | 10       | \$47.00                                                  | \$60.00                                                   |
| Commercial fully co-mingled<br>recyclables         | C                     | 10       |                                                          | \$12 per m <sup>3</sup><br>or \$55 per tonne              |
| Mattresses each                                    | C                     | 10       | \$20.00                                                  | \$20.00                                                   |
| TV & Monitors                                      | C                     | 10       | \$6.00                                                   | \$10.00                                                   |
| <b>Kerbside Bin Fees</b>                           |                       |          |                                                          |                                                           |
| 120 litre garbage (bin only )                      | C                     | 10       | \$60.00                                                  | \$80.00                                                   |
| 240 litre garbage (bin only)                       | C                     | 10       | \$67.00                                                  | \$90.00                                                   |
| 120 litre recycle (bin only )                      | C                     | 10       | \$60.00                                                  | \$80.00                                                   |
| 240 litre recycle (bin only )                      | C                     | 10       | \$67.00                                                  | \$90.00                                                   |
| 120 litre organic (bin only )                      | C                     | 10       | \$60.00                                                  | \$80.00                                                   |
| 240 litre organic (bin only )                      | C                     | 10       | \$67.00                                                  | \$90.00                                                   |
| Bin change over fee (all bins)                     | C                     | 10       | \$30.00                                                  | \$31.00                                                   |
| Lost or stolen bins – 120/240 litre                | C                     | 10       | \$50.00                                                  | \$50.00                                                   |
| <b>Additional Service Charge/Bin</b>               |                       |          |                                                          |                                                           |
| Upgrade to 240litre Garbage Bin                    | C                     | 10       |                                                          | \$195.00                                                  |
| 240 litre garbage additional<br>service charge/bin | C                     | 10       | \$210.00                                                 | \$250.00                                                  |
| 240 litre recycle additional service<br>charge/bin | C                     | 10       | \$50.00                                                  | \$70.00                                                   |
| 240 litre organic additional<br>service charge/bin | C                     | 10       | \$100.00                                                 | \$1125.00                                                 |
| Set 3 new bins new property                        | C                     | 10       | \$150.00                                                 | \$156.00                                                  |
| <b>Apollo Bay Harbour</b>                          |                       |          |                                                          |                                                           |
| Fixed mooring (annual)                             | C                     | 10       | \$1,560                                                  | \$1,627                                                   |
| Swing mooring (annual)                             | C                     | 10       | \$104                                                    | \$108                                                     |

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Appendix E

| Service                                        | Council/<br>Statutory | GST<br>% | 2011/12 Fee<br>incl. Tax | 2012/13 Fee<br>incl. Tax |
|------------------------------------------------|-----------------------|----------|--------------------------|--------------------------|
| Itinerant Berth (daily) based on vessel length |                       |          |                          |                          |
| - up to 10m                                    | C                     | 10       | \$10.40                  | \$11.00                  |
| - more than 10m but less than 15m              | C                     | 10       | \$20.80                  | \$22.00                  |
| - more than 15m but less than 20m              | C                     | 10       | \$26                     | \$27.00                  |
| - more than 20m but less than 25m              | C                     | 10       | \$31.20                  | \$33.00                  |
| - more than 25m but less than 30m              | C                     | 10       | \$52                     | \$54.00                  |
| - more than 30m                                | C                     | 10       | \$104                    | \$108.00                 |
| Swing mooring establishment                    | C                     | 10       | \$166                    | \$173.00                 |
| Marina keys (per key)                          | C                     | 10       | \$20.80                  | \$22.00                  |

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**Other Harbour Fees for 2012/2013**

| Vessel Length | Slipping Fee Including GST | Storage Fee (Per Day) Including GST | Vessel Length | Slipping Fee Including GST | Storage Fee (Per Day) Including GST |
|---------------|----------------------------|-------------------------------------|---------------|----------------------------|-------------------------------------|
| 10            | \$161.00                   | \$40.00                             | 17.2          | \$432.00                   | \$162.00                            |
| 10.2          | \$168.00                   | \$44.00                             | 17.4          | \$441.00                   | \$166.00                            |
| 10.4          | \$174.00                   | \$47.00                             | 17.6          | \$450.00                   | \$169.00                            |
| 10.6          | \$181.00                   | \$50.00                             | 17.8          | \$459.00                   | \$172.00                            |
| 10.8          | \$187.00                   | \$54.00                             | 18            | \$468.00                   | \$176.00                            |
| 11            | \$194.00                   | \$57.00                             | 18.2          | \$479.00                   | \$179.00                            |
| 11.2          | \$200.00                   | \$61.00                             | 18.4          | \$490.00                   | \$183.00                            |
| 11.4          | \$206.00                   | \$64.00                             | 18.6          | \$502.00                   | \$186.00                            |
| 11.6          | \$213.00                   | \$67.00                             | 18.8          | \$513.00                   | \$189.00                            |
| 11.8          | \$219.00                   | \$71.00                             | 19            | \$524.00                   | \$193.00                            |
| 12            | \$226.00                   | \$74.00                             | 19.2          | \$536.00                   | \$196.00                            |
| 12.2          | \$232.00                   | \$78.00                             | 19.4          | \$547.00                   | \$200.00                            |
| 12.4          | \$239.00                   | \$81.00                             | 19.6          | \$558.00                   | \$203.00                            |
| 12.6          | \$245.00                   | \$84.00                             | 19.8          | \$569.00                   | \$206.00                            |
| 12.8          | \$252.00                   | \$88.00                             | 20            | \$581.00                   | \$210.00                            |
| 13            | \$258.00                   | \$91.00                             | 20.2          | \$592.00                   | \$213.00                            |
| 13.2          | \$265.00                   | \$94.00                             | 20.4          | \$603.00                   | \$217.00                            |
| 13.4          | \$271.00                   | \$98.00                             | 20.6          | \$615.00                   | \$220.00                            |
| 13.6          | \$277.00                   | \$101.00                            | 20.8          | \$626.00                   | \$223.00                            |
| 13.8          | \$284.00                   | \$105.00                            | 21            | \$637.00                   | \$227.00                            |
| 14            | \$290.00                   | \$108.00                            | 21.2          | \$649.00                   | \$230.00                            |
| 14.2          | \$299.00                   | \$111.00                            | 21.4          | \$660.00                   | \$233.00                            |
| 14.4          | \$308.00                   | \$115.00                            | 21.6          | \$671.00                   | \$237.00                            |
| 14.6          | \$317.00                   | \$118.00                            | 21.8          | \$682.00                   | \$240.00                            |
| 14.8          | \$326.00                   | \$122.00                            | 22            | \$694.00                   | \$244.00                            |
| 15            | \$335.00                   | \$125.00                            | 22.2          | \$705.00                   | \$247.00                            |
| 15.2          | \$344.00                   | \$128.00                            | 22.4          | \$716.00                   | \$250.00                            |
| 15.4          | \$352.00                   | \$132.00                            | 22.6          | \$728.00                   | \$254.00                            |
| 15.6          | \$361.00                   | \$135.00                            | 22.8          | \$739.00                   | \$257.00                            |
| 15.8          | \$370.00                   | \$139.00                            | 23            | \$750.00                   | \$261.00                            |
| 16            | \$379.00                   | \$142.00                            | 23.2          | \$761.00                   | \$264.00                            |
| 16.2          | \$388.00                   | \$145.00                            | 23.4          | \$773.00                   | \$267.00                            |
| 16.4          | \$397.00                   | \$149.00                            | 23.6          | \$784.00                   | \$271.00                            |
| 16.6          | \$406.00                   | \$152.00                            | 23.8          | \$795.00                   | \$274.00                            |
| 16.8          | \$415.00                   | \$156.00                            | 24            | \$807.00                   | \$277.00                            |
| 17            | \$423.00                   | \$159.00                            |               |                            |                                     |

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| Service                                                          | Council/<br>Statutory | GST% | 2011/12 Fee<br>Incl. GST              | 2012/13 Fee<br>Incl. GST           |
|------------------------------------------------------------------|-----------------------|------|---------------------------------------|------------------------------------|
| <b>SUSTAINABLE PLANNING AND DEVELOPMENT</b>                      |                       |      |                                       |                                    |
| <b>Animal Control</b>                                            |                       |      |                                       |                                    |
| Registration                                                     |                       |      |                                       |                                    |
| - Dog registration – full                                        | C                     | 0    | \$100                                 | \$105                              |
| - Dog registration – micro<br>chipped or desexed                 | C                     | 0    | \$30                                  | \$35                               |
| - Dog registration – micro<br>chipped and desexed                | C                     | 0    | \$15                                  | \$20                               |
| - Cat registration – full                                        | C                     | 0    | \$90                                  | \$95                               |
| - Cat registration – micro<br>chipped or desexed                 | C                     | 0    | \$25                                  | \$30                               |
| - Cat registration – micro<br>chipped and desexed                | C                     | 0    | \$10                                  | \$15                               |
| - All other (refer Sch 2 of<br><i>Domestic Animal Act 1994</i> ) | C                     | 0    | \$30                                  | \$35                               |
| - Pensioner discount                                             | C                     | 0    | 50%                                   | 50%                                |
| - Working farm dog                                               | C                     | 0    | \$15                                  | \$20                               |
| <u>Animal registration charges subject to Council Review</u>     |                       |      |                                       |                                    |
| <b>Livestock</b>                                                 |                       |      |                                       |                                    |
| Pound Release Fees                                               |                       |      |                                       |                                    |
| - Dogs                                                           | C                     | 0    | \$50 plus \$10<br>per day             | \$55 plus \$15 per<br>day          |
| - Cats                                                           | C                     | 0    | \$30 plus \$10<br>per day             | \$35 plus \$5 per<br>day           |
| - Cattle/horses                                                  | C                     | 0    | \$70 plus \$10<br>per head per<br>day | \$75 plus \$15 per<br>head per day |
| - Sheep/pigs                                                     | C                     | 0    | \$35 plus \$6<br>per head per<br>day  | \$40 plus \$7 per<br>head per day  |
| - All other                                                      | C                     | 0    | \$20 plus \$5<br>per head per<br>day  | \$25 plus \$7 per<br>head per day  |

Plus cartage and labour where applicable

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| Service                                                                                                                                           | Council/<br>Statutory | GST% | 2011/12 Fee<br>Incl. GST | 2012/13 Fee<br>Incl. GST |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------|--------------------------|--------------------------|
| <b>Building Control</b>                                                                                                                           |                       |      |                          |                          |
| <b>Building Control Charges</b>                                                                                                                   |                       |      |                          |                          |
| Lodgement fees                                                                                                                                    |                       |      |                          |                          |
| - Class 1 & 10                                                                                                                                    | S                     | 0    | \$33.30                  | \$34.00                  |
| Information charges                                                                                                                               |                       |      |                          |                          |
| - Property information                                                                                                                            | S                     | 0    | \$44.40                  | \$45.35                  |
| - Building plans, plan search                                                                                                                     | C                     | 10   | \$35.00                  | \$65.00                  |
| - Building plans/plan search<br>(archival search)                                                                                                 | C                     | 10   | \$120.00                 | \$165.00                 |
| - Plan copying A4 sheet                                                                                                                           | C                     | 10   | \$0.35                   | \$0.40                   |
| - Plan copying A3 sheet                                                                                                                           | C                     | 10   | \$0.70                   | \$0.70                   |
| - Other size sheets                                                                                                                               | C                     | 10   | \$3.50                   | \$3.70                   |
| Application for Temporary Place<br>of Public Entertainment Permit                                                                                 | C                     | 10   | \$200.00                 | \$330.00                 |
| Application for Temporary Place<br>of Public Entertainment Permit -<br>If within 2 weeks of Event                                                 | C                     | 10   | N/A                      | \$550.00                 |
| <b>Report and Consent Fees</b>                                                                                                                    |                       |      |                          |                          |
| Report & Consent Application<br>(Reg 513)                                                                                                         | S                     | 0    | \$222.30                 | \$227.25                 |
| Demolition fee (s. 29A)                                                                                                                           | S                     | 0    | \$55.50                  | \$56.75                  |
| <b>Building Permit Fees</b>                                                                                                                       |                       |      |                          |                          |
| Domestic – class 1a Dwellings and 10 outbuildings (construction and demolition) – a recommended fee shall apply where the value of building work: |                       |      |                          |                          |
| - Does not exceed \$5,000                                                                                                                         |                       |      | \$340                    | \$440                    |
| - Does not exceed \$10,000                                                                                                                        |                       |      | \$480                    | \$550                    |
| - Does not exceed \$15,000                                                                                                                        |                       |      | \$620                    | \$715                    |
| - Does not exceed \$25,000                                                                                                                        |                       |      | \$720                    | \$825                    |
| - Does not exceed \$50,000                                                                                                                        |                       |      | \$890                    | \$1,045                  |
| - Does not exceed \$75,000                                                                                                                        |                       |      | \$1,140                  | \$1,320                  |
| - Does not exceed \$100,000                                                                                                                       |                       |      | \$1,360                  | \$1,595                  |
| - Does not exceed \$150,000                                                                                                                       |                       |      | \$1,480                  | \$1,705                  |
| - Does not exceed \$200,000                                                                                                                       |                       |      | \$1,820                  | \$2,090                  |
| - Does not exceed \$250,000                                                                                                                       |                       |      | \$2,160                  | \$2,530                  |
| - Does not exceed \$300,000                                                                                                                       |                       |      | \$2,380                  | \$2,750                  |
| - Does exceed \$300,000                                                                                                                           |                       |      | \$3,000                  | \$3,520                  |
| (additional fees charged where additional inspections are required)                                                                               |                       |      |                          |                          |
| All other classes of Occupancy 2-9 inclusive<br>(construction and/or demolition)                                                                  |                       |      |                          |                          |
| - Does not exceed \$5,000*                                                                                                                        |                       |      | \$340                    | \$440                    |
| - Does not exceed \$10,000*                                                                                                                       |                       |      | \$510                    | \$605                    |
| - Does not exceed \$20,000*                                                                                                                       |                       |      | \$780                    | \$935                    |
| - Does not exceed \$50,000*                                                                                                                       |                       |      | \$1,140                  | \$1,320                  |
| - Does not exceed \$100,000*                                                                                                                      |                       |      | \$1,820                  | \$2,090                  |
| - Does not exceed \$200,000*                                                                                                                      |                       |      | \$2,500                  | \$2,915                  |
| - Does not exceed \$500,000*                                                                                                                      |                       |      | \$3,970                  | \$4,620                  |
| - Does not exceed \$600,000                                                                                                                       |                       |      | 0.60%                    | 0.60%                    |

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| Service                                                                                                                 | Council/<br>Statutory | GST% | 2011/12 Fee<br>Incl. GST                                                    | 2012/13 Fee<br>Incl. GST                                                     |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------|------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|
| - Does not exceed \$700,000                                                                                             |                       |      | 0.60%                                                                       | 0.60%                                                                        |
| - Does not exceed \$800,000                                                                                             |                       |      | 0.60%                                                                       | 0.60%                                                                        |
| - Does not exceed \$900,000                                                                                             |                       |      | 0.60%                                                                       | 0.60%                                                                        |
| - Does not exceed \$1,000,000                                                                                           |                       |      | 0.55%                                                                       | 0.55%                                                                        |
| - Does not exceed \$1,500,000                                                                                           |                       |      | 0.50%                                                                       | 0.50%                                                                        |
| - Does not exceed \$2,000,000                                                                                           |                       |      | 0.50%                                                                       | 0.50%                                                                        |
| - Does exceed \$2,000,000                                                                                               |                       |      | 0.40%                                                                       | 0.40%                                                                        |
| Resolution of works                                                                                                     |                       |      |                                                                             | 200% of<br>application<br>fee                                                |
| <i>Statutory charge on building permits</i>                                                                             |                       |      |                                                                             |                                                                              |
| Building permit levy (cost of building over \$10,000)                                                                   |                       |      | Cost x<br>0.128% of<br>works                                                | Cost x 0.128% of<br>works                                                    |
| *Council fees nominated apply except for exceptional cases where the fee will be negotiated with the Building Surveyor. |                       |      |                                                                             |                                                                              |
| <b>Fire Prevention</b>                                                                                                  |                       |      |                                                                             |                                                                              |
| Infringement fee – burning of offensive material (2 penalty units)                                                      | S                     | 0    | \$238.90                                                                    | \$244.28                                                                     |
| Infringement fee – failing to comply with fire prevention notice (2 penalty units)                                      | S                     | 0    | \$238.90                                                                    | \$244.28                                                                     |
| Administrative fee block slashing (plus cost of slashing)                                                               | C                     | 10   | \$115.00                                                                    | \$150.00                                                                     |
| Standpipe water fee – per kilolitre                                                                                     | C                     | 10   | \$3.50                                                                      | \$4.00                                                                       |
| <b>Local Laws</b>                                                                                                       |                       |      |                                                                             |                                                                              |
| Local Law No 1                                                                                                          |                       |      |                                                                             |                                                                              |
| - Alcohol permit                                                                                                        | C                     | 0    | \$78.00                                                                     | \$100.00                                                                     |
| - Alcohol infringement fee (1 penalty unit)                                                                             | S                     | 0    | \$100.00                                                                    | \$100.00                                                                     |
| Local Law No 2                                                                                                          |                       |      |                                                                             |                                                                              |
| - Vegetation                                                                                                            | C                     | 0    | \$60.00                                                                     | \$65.00                                                                      |
| - Signs (A frame)                                                                                                       |                       |      |                                                                             |                                                                              |
| - Charitable                                                                                                            | C                     | 0    | \$45.00                                                                     | \$50.00                                                                      |
| - Other                                                                                                                 | C                     | 0    | \$90.00                                                                     | \$100.00                                                                     |
| - Goods for sale                                                                                                        | C                     | 0    | \$45 per m <sup>2</sup>                                                     | \$50 per m <sup>2</sup>                                                      |
| Tables and chairs                                                                                                       | C                     | 0    | \$85 for 1 <sup>st</sup> table and 4 chairs – then \$18 per seat thereafter | \$100 for 1 <sup>st</sup> table and 4 chairs – then \$25 per seat thereafter |
| Using Council land                                                                                                      | C                     | 0    | \$40 plus \$10 per week                                                     | \$45 plus \$25 per week                                                      |
| Street party/festival                                                                                                   | C                     | 0    | \$110 per event                                                             | \$130 per event                                                              |



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| Service                                                                                                                                                                         | Council/<br>Statutory | GST% | 2011/12 Fee<br>Incl. GST                         | 2012/13 Fee<br>Incl. GST                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------|--------------------------------------------------|-----------------------------------------------------|
| Insurance Cover – cost of insurance is added to above fees and charges unless suitable evidence of personal insurance cover can be provided, including a 10% administration fee |                       |      |                                                  |                                                     |
| <b>Event</b>                                                                                                                                                                    |                       |      |                                                  |                                                     |
| Charitable organisations                                                                                                                                                        | C                     | 0    | \$55 per event                                   | \$60 per event                                      |
| Other                                                                                                                                                                           | C                     | 0    | \$110 per event                                  | \$150 per event                                     |
| <b>Other</b>                                                                                                                                                                    |                       |      |                                                  |                                                     |
| Circus                                                                                                                                                                          | C                     | 0    | \$110.00                                         | \$115.00                                            |
| Camping                                                                                                                                                                         | C                     | 0    | \$55.00                                          | \$57.00                                             |
| Sport Event                                                                                                                                                                     | C                     | 0    | \$55.00                                          | \$57.00                                             |
| Impoundment Fee                                                                                                                                                                 | C                     | 0    | \$110.00                                         | \$115.00                                            |
| Abandoned or derelict vehicles                                                                                                                                                  | C                     | 0    | \$200 plus transport & storage                   | \$210 plus transport & storage                      |
| Public protection (hording permit)                                                                                                                                              | C                     | 0    | \$15 application fee plus \$5 per m <sup>2</sup> | \$20 application fee plus \$5.50 per m <sup>2</sup> |
| All other permits                                                                                                                                                               | C                     | 0    | \$70.00                                          | \$73.00                                             |
| <i>Note: all fees subject to Council review</i>                                                                                                                                 |                       |      |                                                  |                                                     |
| <b>Parking</b>                                                                                                                                                                  |                       |      |                                                  |                                                     |
| Disabled parking<br>- Replacement fee                                                                                                                                           | C                     | 0    | \$5.00                                           | \$5.00                                              |
| All day parking permit                                                                                                                                                          | C                     | 0    | \$12.00 per week                                 | \$15.00 per week                                    |
| Building site on street<br>- Parking space charge/permit                                                                                                                        | C                     | 0    | \$30 per bay per wk                              | \$31 per bay per wk                                 |
| Car parking fines                                                                                                                                                               | C                     | 0    | \$55.00                                          | \$60                                                |
| Car parking fines                                                                                                                                                               | S                     | 0    | \$70 to \$119.45                                 | \$70 to \$119.45                                    |
| <b>Tourism</b>                                                                                                                                                                  |                       |      |                                                  |                                                     |
| <b>Colac Visitor Information Centre</b>                                                                                                                                         |                       |      |                                                  |                                                     |
| Internet charges                                                                                                                                                                |                       |      |                                                  |                                                     |
| - Per hour                                                                                                                                                                      | C                     | 10   | \$8.00                                           | \$8.30                                              |
| - Per ¼ hour                                                                                                                                                                    | C                     | 10   | \$2.00                                           | \$2.10                                              |

Coliac Otway Shire Budget 2012-2013

Appendix E

**Planning****(a) Planning Permit Fees – Set by Statute**

Fees for 2012-2013 are reflective of the current legislative fees schedule. These are expected to increase during the course of the year.

| Class                                                                                                                                                                                                                                    | Type of Permit Application                                                                                                                                                       | 2011/2012 Fee (GST Exempt) | 2012/2013 Fee (GST Exempt) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| 1                                                                                                                                                                                                                                        | Use only                                                                                                                                                                         | \$502                      | \$502                      |
| 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: |                                                                                                                                                                                  |                            |                            |
| 2                                                                                                                                                                                                                                        | Single dwelling (\$10,000-\$100,000)                                                                                                                                             | \$239                      | \$239                      |
| 3                                                                                                                                                                                                                                        | Single dwelling (More than \$100,000)                                                                                                                                            | \$490                      | \$490                      |
| To develop land (other than for a single dwelling per lot) if the estimated cost of development included in the application is:                                                                                                          |                                                                                                                                                                                  |                            |                            |
| 4                                                                                                                                                                                                                                        | Other developments (\$10,000 or less)                                                                                                                                            | \$102                      | \$102                      |
| 5                                                                                                                                                                                                                                        | Other developments (\$10,001-\$250,000)                                                                                                                                          | \$604                      | \$604                      |
| 6                                                                                                                                                                                                                                        | Other developments (\$250,001-\$500,000)                                                                                                                                         | \$707                      | \$707                      |
| 7                                                                                                                                                                                                                                        | Other developments ((\$500,001-\$1 million)                                                                                                                                      | \$815                      | \$815                      |
| 8                                                                                                                                                                                                                                        | Other developments (\$1,000,001-\$7 million)                                                                                                                                     | \$1,153                    | \$1,153                    |
| 9                                                                                                                                                                                                                                        | Other developments (\$7,000,001-\$10 million)                                                                                                                                    | \$4,837                    | \$4,837                    |
| 10                                                                                                                                                                                                                                       | Other developments (\$10,000,001-\$50 million)                                                                                                                                   | \$8,064                    | \$8,064                    |
| 11                                                                                                                                                                                                                                       | Other developments (more than \$50,000,000)                                                                                                                                      | \$16,130                   | \$16,130                   |
| 12                                                                                                                                                                                                                                       | To subdivide an existing building                                                                                                                                                | \$386                      | \$386                      |
| 13                                                                                                                                                                                                                                       | To subdivide land into two lots                                                                                                                                                  | \$386                      | \$386                      |
| 14                                                                                                                                                                                                                                       | To effect a realignment of a common boundary between lots or to consolidate two or more lots                                                                                     | \$386                      | \$386                      |
| 15                                                                                                                                                                                                                                       | All other subdivisions                                                                                                                                                           | \$781                      | \$781                      |
| 16                                                                                                                                                                                                                                       | 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 | \$249                      | \$249                      |
| 17                                                                                                                                                                                                                                       | 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.                                     | \$541                      | \$541                      |
| 18                                                                                                                                                                                                                                       | 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.             | \$404                      | \$404                      |

Coliac Otway Shire Budget 2012-2013

Appendix E

**(b) Amendments to Permits – Set by Statute**

| Class | Type of amendment                              | 2011/2012 Fee (GST Exempt) | 2012/2013 Fee (GST Exempt) |
|-------|------------------------------------------------|----------------------------|----------------------------|
| 1     | Change of use only                             | \$502                      | \$502                      |
| 2     | To amend a permit other than a single dwelling | \$502                      | \$502                      |
| 3     | Single dwelling (\$10,000-\$100,000)           | \$239                      | \$239                      |
| 4     | Single dwelling (more than \$100,000)          | \$490                      | \$490                      |
| 5     | Other developments (\$10,000 or less)          | \$102                      | \$102                      |
| 6     | Other developments (\$10,000-\$250,000)        | \$604                      | \$604                      |
| 7     | Other developments (\$250,000-\$500,000)       | \$707                      | \$707                      |
| 8     | Other developments (\$500,000-\$1million)      | \$815                      | \$815                      |
| 9     | Other amendments                               | \$386                      | \$386                      |

**(c) Planning Scheme Amendment Fees – Set by Statute**

| Class | Type of Permit Application                                                        | 2011/2012 Fee (GST Exempt) | 2012/2013 Fee (GST Exempt) |
|-------|-----------------------------------------------------------------------------------|----------------------------|----------------------------|
| i.    | Considering a request for an Amendment                                            | \$798                      | \$798                      |
| ii.   | Independent panel (considering submissions which seek a change to an Amendment)   | \$798                      | \$798                      |
| iii.  | Adoption of Amendment by Responsible Authority                                    | \$524                      | \$524                      |
| iv.   | Consideration of a request to approve an Amendment (by the Minister for Planning) | \$798                      | \$798                      |

Coliac Otway Shire Budget 2012-2013

Appendix E

**Planning Fees & Charges – Other**

| Service                                                            | Council/<br>Statutory | GST% | 2011/12 Fee<br>Incl. GST      | 2012/13 Fee<br>Incl. GST      |
|--------------------------------------------------------------------|-----------------------|------|-------------------------------|-------------------------------|
| Certificate of Compliance                                          | S                     | 0    | \$147.00                      | \$147.00                      |
| Satisfaction Matters                                               | S                     | 0    | \$102.00                      | \$102.00                      |
| Property Enquiry (extensive research)                              | C                     | 10   | \$120.00                      | \$125.00                      |
| Property Enquiry (does not require extensive research)             | C                     | 10   | \$30                          | \$32                          |
| Advertising                                                        |                       |      |                               |                               |
| - advertising sign erected on site                                 | C                     | 10   | \$100.00                      | \$104.00                      |
| - additional signs per site per sign                               | C                     | 10   | \$50.00                       | \$52.00                       |
| - advertising notice sent to individual property owners per letter | C                     | 10   | \$4.00                        | \$4.20                        |
| Extension of time to planning permits                              | C                     | 10   | \$70.00                       | \$73.00                       |
| Application for Certification of subdivision under Subdivision Act | S                     | 0    | \$100.00<br>plus \$20 per lot | \$100.00<br>plus \$20 per lot |
| Application for Plan of Consolidation                              | S                     | 0    | \$100.00                      | \$100.00                      |
| Application for Rectification of Plan of Subdivision               | S                     | 0    | \$100.00                      | \$100.00                      |
| Engineering Plan prepared by Council                               | S                     | 10   | 3.5% of value of works        | 3.5% of value of works        |
| Supervision of Works                                               | S                     | 10   | 2.5% of value of works        | 2.5% of value of works        |
| Check Engineering Plans                                            | S                     | 10   | 0.75% of value of works       | 0.75% of value of works       |
| Application for approval of amended plans under secondary consent  | C                     | 10   | \$115.00                      | \$120.00                      |

# Council Plan 2009-2013

(Review 2012)



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## Purpose of the Council Plan

The Council Plan is a legislative requirement and each municipality is required to submit a new 4-year Council Plan to the Minister for Local Government, no later than 30 June of the year following a Council election.

The Council Plan is a strategic document outlining the objectives and strategies of Council to the community that the Colac Otway Shire Council, elected in November 2008, has developed to inform the community on the Strategic Actions to deliver its statutory requirements and to reflect the direction Council wishes to take during their electoral term.

Council has developed this Plan in consultation with its key stakeholders - our employees and the community we serve using our Values of Respect, Integrity, Goodwill, Honesty and Trust and the six key result areas of Council as the framework.

Council is pleased to note that over 132 ratepayers were consulted at eight Community Forums around the Shire during March 2009, when this Plan was first created, providing direct input for this Plan.

At the same time, a Community Survey was conducted, resulting in 759 people taking the opportunity to participate in the survey, providing 9,000 pieces of information used to guide the strategies and actions of this Council Plan.

The Plan underpins and guides our work and establishes the direction and priorities for the organisation for the remaining year of this 4 year plan. Supporting plans such as business plans and specific topic strategies are also aligned to the Council Plan. Progress against the Plan will be measured at least quarterly and annually, in reports to Council and the publication of our Annual Report.

The Council Plan is reviewed annually to foster a more proactive approach to our long-term planning. It also enables Council to better respond to local and other issues in a more positive and timely manner.

### Strategic 'Snapshot' Report

Attached as an Appendix is a Strategic 'Snapshot' of the Shire. The purpose of this report is to provide information, facts and forecasts about the Colac Otway Shire that informed the development of the Council Plan 2009 to 2013.

The report is presented in the same structure as the Council Plan to enable a quick and easy translation.

The report is based on the best available information about the Shire. In some cases, the information is for wider geographical regions such as the Barwon or Victoria West Regions. Where this is the case, assumptions have been made as to the applicability to Colac Otway.

The report is intended to generate discussion, raise awareness and support the development of strategies and actions that address the challenges facing the municipality.

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## Our Vision, Mission and Values

### Our Vision

Council will work together with our community to create a sustainable, vibrant future

### Our Mission

Council will work in partnership with our community and other organisations to provide:

- Effective leadership, governance and financial accountability
- Affordable and effective services
- An advocacy and engagement approach to sustainably grow our community

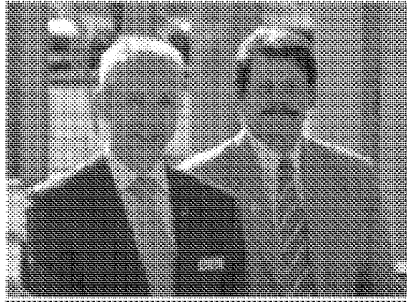
### Our Values

Council will achieve its Vision and Mission by acting with:

- Respect
- Integrity
- Goodwill
- Honesty
- Trust



### Mayor and CEO's Message



It is with great pleasure that we present the revised 2009 – 2013 Council Plan.

Cr Stephen Hart (left) and CEO Rob Small (right)

The Council Plan 2009 – 2013 is Colac Otway Shire's key corporate document. We encourage community members to read this document as it identifies Council's key directions and priorities for the final year of the 4 year Plan.

The Council Plan has been developed via a collaborative process between elected Councillors, the organisation and the Colac Otway Shire community. Also taken into consideration were the results of detailed research undertaken on key factors and issues impacting on the future growth and development of the municipality. We have included this information as an attachment to the Council Plan.

The six Key Result Areas in the Plan are where Council focuses its attention to achieve outcomes for the community. Strategic Objectives are underpinned by Strategies which determine the way Council manages and delivers services to the Colac Otway community,

The Council Plan is closely aligned with the preparation of the annual Budget process, which resources our activities and initiatives. The Council Plan details the Key Actions that Council will pursue during 2012-2013 and the indicators and targets that will be used to monitor the Strategic Objectives.

Cr Stephen Hart  
Mayor  
Colac Otway Shire

Rob Small  
Chief Executive Officer  
Colac Otway Shire

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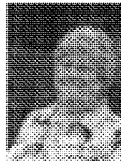
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### Our Council



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Mayor

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## How Council Operates

Together Councillors make up Colac Otway Shire Council, a statutory body constituted under the Local Government Act 1989. Council is responsible for setting the organisation's direction and ensuring that it performs effectively on behalf of the Colac Otway Shire community.

### Council Meetings

Council meetings are generally held on the 4<sup>th</sup> Wednesday of each Month and are open to the public. Council meetings are held at the Council offices in Colac, with two meetings a year held in Apollo Bay and one in Birregurra. Council's meeting agendas and minutes are available on the Colac Otway Shire website [www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au).

The Mayor is elected annually by the Councillors. Committee appointments are made annually by Council. Committees of Council are as follows:

| Committee                                           | Purpose/Comments                                                                                                                                                                                                                                       |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Committee<br>(Advisory Committee)             | To review financial and risk management systems and assist Council to carry out its corporate governance responsibilities. It has an independent member as the chairperson. The Chief Executive Officer (CEO) is a non-voting member.                  |
| Australia Day Advisory Committee                    | To review nominations and select Australia Day Award winners in the various categories.                                                                                                                                                                |
| Festival & Events Support Scheme Advisory Committee | To consider the applications received for the Festival & Events Support Scheme and make any recommendations to Council on any strategic directions for specific events or the Support Scheme.                                                          |
| Grants/Community Funding Advisory Committee         | To consider the applications received for the Community Funding program and make recommendations on any strategic directions for the specific projects or funding programs.                                                                            |
| Planning Committee<br>(Special Committee)           | To consider and determine all matters referred to it pursuant to the instrument of delegation, matters relating to strategic issues, receiving regular reports on key performance indicators, and other matters referred to the Committee as seen fit. |
| Small Town Improvement Program Advisory Committee   | To consider the applications received for the Small Town Improvement Program.                                                                                                                                                                          |

**Note:** A number of the committees include external members and staff. On an annual basis, Council also appoints Councillors to a number of other committees and external bodies.

## Overview of the Shire

We are situated within a two hour drive of Melbourne, and approximately an hour to the large regional cities of Geelong to the east and Warrnambool to the west.

Colac Otway Shire has some of the most picturesque scenery in the State. A large proportion is State Forest and National Park, but it also includes beaches, rugged coastline, rainforests, waterfalls, volcanic lakes and craters.

The shire has two main townships; Colac, the largest and the major service town where most community support and health services, retail trade and manufacturing businesses are located, and Apollo Bay, which serves as the major tourism centre. Dotted throughout the shire are many small and historic towns with active community associations.



In the north of our shire much of the rural area is used for timber and agriculture, with farming, cropping and dairying being the main agricultural activities.

A drive south through Colac leads to the Otway Ranges, one of Australia's most significant cool climate rainforest areas, home to towering trees and lush ferns. The Otways are important to the shire and the wider region for tourism, timber and water harvesting.

The lure of the Great Ocean Road, with its breathtaking scenic views is especially important to tourism, drawing local, interstate and international visitors to view its spectacular beauty.

### Our People

Our estimated population is 22,097. There has been a gradual increase in the population of the shire since 2005, approximately 4%, in comparison with the previous years, 2001-2005, when the population remained fairly static.

We expect a larger increase in our population once the Princes Highway becomes a dual highway (the Geelong to Winchelsea section is well along in construction) as it will open up the region, making commuting an attractive option for both the local population and for those seeking a lifestyle change. With the attraction of affordable housing and great lifestyle, we are ideally located for those looking for a rural idyll within a comfortable commuting distance to major centres.

Our four key industry categories are Agriculture; Forestry and Fishing; Manufacturing; Retail Trade; and Health and Community Services and these employ approximately 51% of our labour force.

### Our History

European settlement dates from 1837 when pastoralists settled near Lake Colac, with further development occurring over the following years as timber-getting and sawmill were established. Apollo Bay township was established in the 1860s, with other coastal villages being settled by the 1880s.

The opening of the Great Ocean Road in 1932 gave greater access to coastal townships, with tourism spurring growth in the 1950s. Since the 1970s rural residential living has steadily increased in popularity.

7

*Our Name*

Colac Otway Shire came into being in 1994 when the shires of Colac and Otway were amalgamated.

Historically, Colac is thought to be named after the local Coladjin Aboriginal tribe that once lived in the area and Cape Otway was named by Lieutenant Grant in 1801 after a Captain Otway.

*The Shire at a Glance*

Area: 3,427 sq kilometres  
Length of Local Roads: 1,632 kilometres  
Coastline: 95 kilometres  
Forest and National Park: 110,000 hectares  
Rateable properties (as at 31 March 2012): 14,665

*Population*

Estimated Population: 22,097  
Population born overseas: 6.7%  
Population growth rate: 1.2%

*Age Structure*

Age structure is an important indicator of an area's residential role and function and how it is likely to change in the future. The age structure of a population is usually indicative of an area's era of settlement and provides key insights into the level of demand for services and facilities, as most services and facilities are age-specific.

|               |       |
|---------------|-------|
| 0 – 4 years   | 5.9%  |
| 5 – 17 years  | 18.9% |
| 18 – 34 years | 17.7% |
| 35 – 59 years | 34.9% |
| over 60 years | 22.6% |

*Employment*

Employment rate: 95.4% (full time, 57.9%)

The four most popular industry sectors are:

- Retail Trade (1,370 persons or 14.6%)
- Agriculture, Forestry & Fishing (1,334 persons or 14.2%)
- Health and Community Services (1,035 persons or 11.1%)
- Manufacturing (1,028 persons or 11.0%)

In combination, these four industries employed a total of 4,767 people or 50.9% of the employed resident population.

**Sources**

Australian Bureau of Statistics Census 2006  
.id Consulting, Melbourne 2010

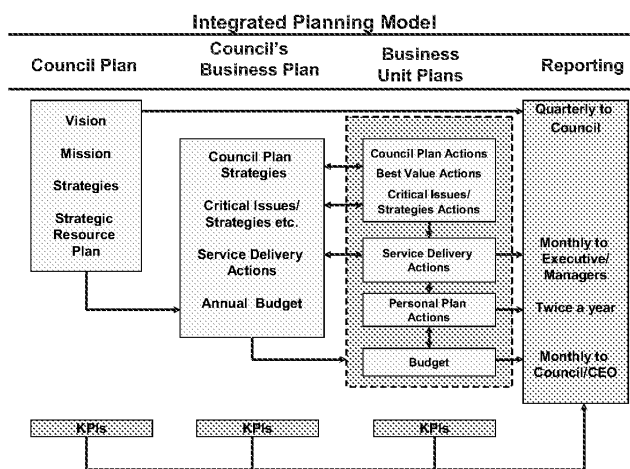
### Council's Planning Framework

Colac Otway Shire's Council Plan plays a vital role in shaping the future of the municipality. It sets out local and regional challenges and opportunities for our community.

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This planning document embodies Council's Plans, Objectives, Strategies and Key Actions that enable us to achieve our long term vision of a sustainable, vibrant future in partnership with our community.

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#### Business Plans

The provision of strategic direction through the Council Plan and the allocation of funding through the Budget is not enough by itself to deliver 'on the ground' results. This can only be achieved through plans for actions involving all appropriate human, physical and financial resources. For local government this requires detailed planning across the wide range of services it delivers and functions it performs. These internal action plans are prepared annually and are known as Unit Business Plans.

#### Continuous Improvement (Best Value)

Best Value is a commitment from Colac Otway Shire to provide best value for the resources we use and the best possible services for our community.

Councils are required by the Local Government Act to ensure their services take into account the following Best Value principles:

- Specific quality and cost standards for every Council service
- Responsiveness to community needs
- Accessibility and appropriately targeted services
- Continuous improvement
- Regular community consultation on all services and activities
- Frequent reporting to the community

Council will apply these principles to continuously improve its strategic and service planning as well as its service delivery. This ongoing improvement will assist Council to maintain its flexibility and provide resources to meet the community's needs, thereby building on our commitment to provide high quality, cost effective services and facilities that promote community wellbeing.



## Development of the Council Plan

### 1. Strategic Research

Extensive strategic research underpins the development of this Council Plan, with the Strategies and Key Actions for each of the Key Result Areas in the Plan supported by these findings.

A 'snapshot' of the collated results of the research is included as an attachment to the Council Plan. The information, facts and forecasts in the report are posed as Challenges to achieving the Vision and Objectives.

Following is an excerpt from the report:

*"There are numerous positive performance indicators and examples of success throughout the Shire; however, the focus of this report is to capture the things that need to be addressed to achieve the preferred future for the municipality.*

*There are two types of "Challenge" described for each Key Result Area, being:*

1. *Municipal Wide Challenges – describe the challenges facing the whole municipality, not just the Council as a Local Government Authority.*

*Municipal wide challenges are not the sole responsibility of one organisation or level of government and therefore require multi-agency collaboration if they are to be addressed. Council therefore has a choice whether it gets involved through a leadership, advocacy, facilitation or participant role in addressing the challenge.*

2. *Council Specific Challenges – describe the challenges that are directly under the control or responsibility of Council.*

*Council will need to decide if the challenge requires a strategic response and resource allocation.*

*Actions to address the Challenges will often require a combination of Council, community, government and private sector partnerships, funding and collaboration."*

In addition to the background data and research, the development of the Council Plan is also the outcome of the following inputs:

- Statutory requirements
- Contracts and Agreements
- Employer obligations
- Technical and Specialist input
- Councillor input
- Staff input
- Community Input
- Ideas and feedback
- Council Plan 2005-2009



## 2. Engagement and Consultation

### A. Council and Organisation Input

In early December 2008, input and endorsement was sought from the newly elected Council on the proposed Council Plan framework, key activities and timetable for completion of the Plan.

A series of five workshops were held with staff from across the organisation, and at all levels, at which a draft framework for the new Council Plan was workshopped.

The views of staff were sought on the 2005-2009 Vision, Mission and Values; what was still current, what had changed and what should be included. The proposed Strategic Objectives were discussed and challenges to achieving the objectives identified. Strategies and Key Actions were identified using the 'MoSCoW' process developed by the City of Melbourne:

- Must Do
- Should Do
- Could Do
- Won't Do (or Can't Do)

along with items for consideration as part of a Long-Term Financial Plan

In December 2008 and January 2009, Council workshopped their new Vision, Mission and Values and provided input into the draft Key Result Areas, Strategic Objectives and Strategies in the Council Plan.

In February 2009, Council endorsed the program for consultation with the community on the Strategies proposed for the new Council Plan and to seek the community's views and input on issues of concern.

As required by the Local Government Act, Council has undertaken an annual review of the Council Plan to ensure that the Plan retains its currency. While there is no major structural change to the Plan for the remaining 2 years of its operation, several Key Actions have been added to address emerging issues.

### B. Community Input

Community consultation and engagement is a core ingredient in Council's planning framework. Council undertook an extensive community consultation program during the development of this Council Plan in 2009. Two approaches were used; a **Community Survey** and eight **Community Forums**.

The **Community Survey** of 759 resident and non-resident ratepayers targeted people 15 to 80+ years of age in direct proportion to the current demographic distribution and gender balance of the Shire. A variety of methods were used including web, email, direct contact, paper and mail providing a 95% confidence rate in the survey outcomes. The survey covered the Shire by gathering input from all towns and districts using a Zone based approach:

| Area                           | Population                                                                                                                                                                                                                                                                                                                                                                     | 2011          | %           |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------|
| <b>Colac Otway Shire TOTAL</b> |                                                                                                                                                                                                                                                                                                                                                                                | <b>20,293</b> | <b>100%</b> |
| <b>Urban Colac</b>             | Colac, Elliminyt                                                                                                                                                                                                                                                                                                                                                               | 11,407        | 56.2%       |
| <b>Rural North</b>             | Alvie, Beec, Birregulla, Cororooke, Cressy, Irrewarra and Warrion, and the localities of Balintore, Barunah Plains, Coragulac, Corunnun, Cundare, Cundare North, Dreeite, Dreeite South, Eurack, Ombersley, Ondit, Warncoort, Weering, Whoorel, Winchelsea (part), Wingeel and Wool Wool                                                                                       | 3,346         | 16.5%       |
| <b>Rural South</b>             | Barongarook, Carlisle River, Forrest, Gellibrand, Larpent, Pirron Yallock and Swan Marsh, and the localities of Barongarook West, Barramunga, Barwon Downs, Bungador, Carpendeit (part), Gerangamete, Irrewillipe, Irrewillipe East, Jancourt East (part), Kawarren, Murroon, Nalangil, Pennyroyal, Simpson (part), Stonyford, Yeo and Yeodene                                 | 2,966         | 14.6%       |
| <b>Great Ocean Rd Otways</b>   | Apache Bay, Beech Forest, Glenaire, Johanna, Kennett River, Lavers Hill, Marengo, Skenes Creek, Wongarra and Wye River, and the localities of Aire Valley, Cape Otway, Chapple Vale, Ferguson, Gellibrand Lower (part), Grey River, Hordern Vale, Mount Sabine, Petticoat Creek, Separation Creek, Skenes Creek North, Sugarloaf, Tanybryn, Weeaprounah, Wyelangta and Yuulong | 2,584         | 12.7%       |

Eight *Community Forums* were conducted at various times and in seven locations across the Shire (highlighted in blue text in the above table) that included the main towns and population areas. The Forums were run in a ‘World Café’ style where tables discussed the topics of the day, with the help of a facilitator, and then recorded their input on the survey form.

The nature of the Forums allowed for more topics to be explored and background information to be provided. Wider strategic ‘Big Picture’ topics such as the Environment, Economy, Community and Population Sustainability were discussed. Whilst these areas are not directly or totally the responsibility of Council, they represent the core sustainability, and therefore the viability, of the Shire and have a significant impact on Council operations i.e. services, infrastructure, rate base and image.

Input and feedback is sought from the community on an ongoing basis in regard to all the major strategies and policies developed and adopted by Colac Otway Shire. Significantly, this consultation is embedded in Council business agendas through the obligation to address the issue of community consultation in all reports and recommendations that come before Council for consideration.

Statutory compliance plays a vital part in ensuring that at least an acceptable level of community consultation is achieved. In terms of the Council Planning framework, the preparation and adoption processes for both the Council Plan and the Budget are subject to compliance with Section 223 of the Local Government Act 1989, which provides for public notices and the receipt and consideration of submissions from the community.

The community was invited to provide comment on the revised Council Plan during 2012.

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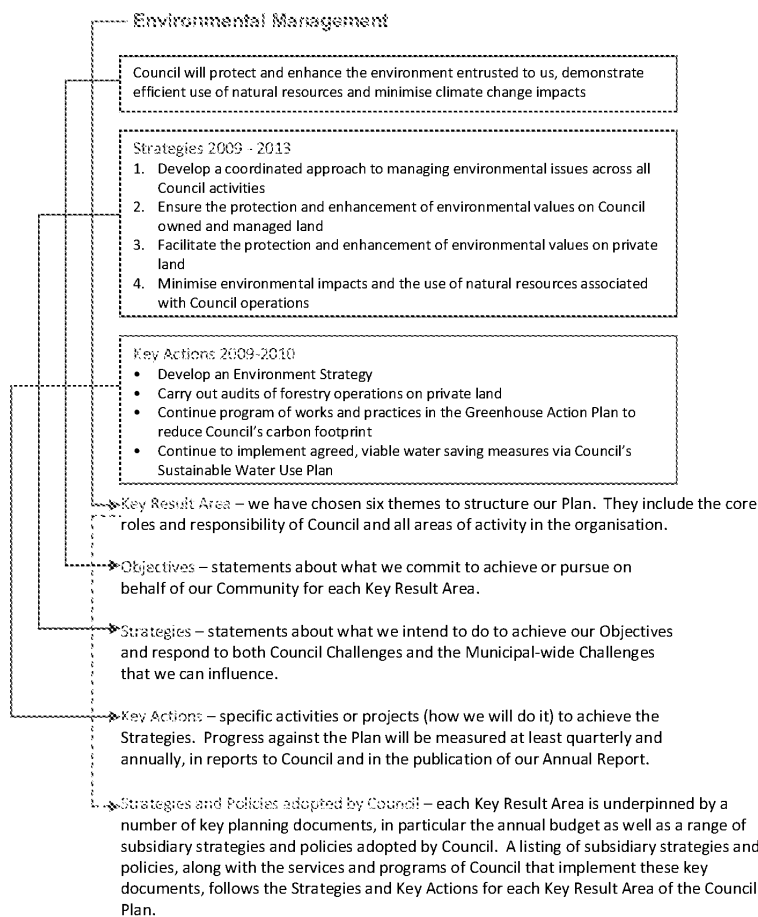
## Using the Plan

The Council Plan is a strategic document that outlines the strategic objectives of Council to the community.

The Council Plan is a legislative requirement and each local government needs to submit a new 4-year Council Plan to the Minister, no later than 30 June of the year following a Council election.

The Council Plan is divided into six Key Result Areas, or themes, each with its own Objective and set of Strategies and Actions that will contribute to the achievement of the Objective. Achievements against the planned Actions will be reported on quarterly to Council and in the Annual Report, thus ensuring Council is accountable and responsible for its performance.

### An Example of how it works



The final two components that complete the Council Plan are:

- **Strategic Indicators:** measures of performance that monitor our progress against the Objectives of the 6 Key Result Areas
- **Strategic Resource Plan:** specifies the financial and non-financial resources required to achieve our Council Plan

## Key Result Areas and Objectives

The following key result areas and objectives guide our decisions and encompass all areas of Council activities.

Council currently provides direct funding and services for each key result area however, in all cases, Council is not the only level of government or organisation involved in service and infrastructure provision.

Council therefore has a fundamental role to lead, advocate and facilitate partnerships on behalf of the community to achieve the following objectives:

- 1. Leadership and Governance**  
Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.
- 2. Physical Infrastructure and Assets**  
Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.
- 3. Land Use and Development**  
Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations.
- 4. Environmental Management**  
Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.
- 5. Economic Development**  
Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership.
- 6. Community Health and Wellbeing**  
Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities.

### NOTE

For each of the six Key Result Areas, the timing of the following Key Actions to deliver Council Plan Strategies indicates either a commitment to consistent effort over the 4 year Plan period or a specific period within which the Action will be completed. All Actions are subject to the Annual Review of the Council Plan and the allocation of resources through the annual Council Budget.

**1. LEADERSHIP AND GOVERNANCE**

Objective

**Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.**

Council is committed to achieving the following strategies for **Leadership and Governance**. We will use the associated actions to measure how effectively we implement the strategies.

| Strategies (what)                                                                                                   | Key Actions (how)                                                                                                                                                                                                                                                               | Timing (when)         |                                                                                                                                                                                                                                                           |                             |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1. Lead the community in responding to the current and long term sustainability challenges facing the municipality. | 1. Pursue the development of a collaboratively developed Sustainable Population Strategy that takes into account the demographic, social, environment, economic, land use and leadership factors that make a great municipality. Participate in the G21 Regional Land Use Plan. | <del>Completed</del>  | <b>Deleted:</b> 2010-2012                                                                                                                                                                                                                                 |                             |
|                                                                                                                     | 2. Review and, where possible, simplify Council's Local Laws.                                                                                                                                                                                                                   | 2010- <del>2013</del> | <b>Deleted:</b> 2012                                                                                                                                                                                                                                      |                             |
|                                                                                                                     | 3. Review of Council's Policies,                                                                                                                                                                                                                                                | 2010-2013             | <b>Deleted:</b> 1<br>Participate in the Municipal Association of Victoria's STEP planning process improvement program. (Deleted as this action is a repeat of Physical Infrastructure and Assets, Strategy 2, Key Action 1.)<br><b>Deleted:</b> 2009-2013 |                             |
| 2. Improve community engagement to ensure open, accessible, transparent planning and decision making.               | 1. Review Council's Community Engagement Policy, Procedure and Toolkit to improve current processes of direct engagement with the community.                                                                                                                                    | <del>Completed</del>  | <b>Deleted:</b> 2009-2013                                                                                                                                                                                                                                 |                             |
|                                                                                                                     | 2. Conduct community forums throughout the Shire.                                                                                                                                                                                                                               | 2009-2013             |                                                                                                                                                                                                                                                           |                             |
| 3. Provide responsible financial management.                                                                        | 1. <del>Review the ten year financial plan on an annual basis and ensure that it is</del> integrated with Council's Asset Management Strategy.                                                                                                                                  | 2009-2013             | <b>Deleted:</b> Develop a                                                                                                                                                                                                                                 |                             |
|                                                                                                                     | 2. Support the Audit Committee and maintain an internal audit program ensuring an Audit Plan is developed and implemented annually based on the outcomes of the Risk Profiling project.                                                                                         | 2009-2013             |                                                                                                                                                                                                                                                           |                             |
|                                                                                                                     | 3. Implement a new chart of accounts in line with integration of the Financial Management software.                                                                                                                                                                             | Completed             |                                                                                                                                                                                                                                                           |                             |
|                                                                                                                     | 4. Facilitate a strategic and integrated approach for grants applications to reduce Council's matching contribution from other than rate revenue.                                                                                                                               | 2009 – 2013           |                                                                                                                                                                                                                                                           |                             |
|                                                                                                                     | 5. Introduce the revised Procurement Policy and Council's Tendering & Contracting Procedures to ensure cost efficiency and transparency.                                                                                                                                        | <del>Completed</del>  |                                                                                                                                                                                                                                                           | <b>Deleted:</b> 2009 – 2013 |
|                                                                                                                     | 6. Implement procurement roadmap actions to transparently obtain goods and services at the best possible value to the community.                                                                                                                                                | Completed             |                                                                                                                                                                                                                                                           |                             |
|                                                                                                                     | 7. Ensure Council's asset and financial systems meet the National Financial Reporting Framework standards required by the Federal Government by June <del>2013</del> .                                                                                                          | 2010-2013             |                                                                                                                                                                                                                                                           | <b>Deleted:</b> 2012        |

| Strategies (what)                                                                                                                                                                 | Key Actions (how)                                                                                                                                                                                                          | Timing (when) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 4. Continuously improve the services directly provided by Council.                                                                                                                | 1. Carry out continuous improvement reviews on Council operations and implement the prescribed actions.                                                                                                                    | 2009-2013     |
|                                                                                                                                                                                   | 2. Improve Council's Customer Service capability to increase customer satisfaction.                                                                                                                                        | 2009-2013     |
|                                                                                                                                                                                   | 3. Actively promote the delivery of responsive customer service across the organisation.                                                                                                                                   | 2009-2013     |
| 5. Advocate for improved infrastructure, services and utilities provided to our community by other organisations or levels of Government and in relation to environmental issues. | 1. Advocate and influence the development of water authorities' water supply demand policies and strategies.                                                                                                               | 2009-2013     |
|                                                                                                                                                                                   | 2. Advocate for increased State Government recognition and funding as compensation for the Shire's larger than average area of non-rateable land. Actively support Australian Rural Roads Group.                           | 2009-2013     |
|                                                                                                                                                                                   | 3. Advocate for appropriate State and Federal Government funding for community priorities.                                                                                                                                 | 2009-2013     |
|                                                                                                                                                                                   | 4. Participate in G21 and Great South Coast resource sharing forums and negotiations on regional strategic objectives.                                                                                                     | 2009-2013     |
|                                                                                                                                                                                   | 5. Advocate for appropriate fire prevention activities in the Great Otway National park and other public land.                                                                                                             | 2009-2013     |
| 6. Attract and retain quality staff.                                                                                                                                              | 1. Negotiate the fifth Colac Otway Shire Enterprise Agreement.                                                                                                                                                             | Completed     |
|                                                                                                                                                                                   | 2. Work in partnership with local and industry groups on employment branding initiatives that enhance the profile and appeal of local government as an "employer of choice".                                               | 2009-2013     |
| 7. Provide a fair, safe and healthy work environment.                                                                                                                             | 1. Enhance and implement the corporate occupational health and safety systems (SafetyMap) and ensure ongoing compliance with all relevant regulations.                                                                     | 2009-2013     |
|                                                                                                                                                                                   | 2. Review Council Offices and Staff Accommodation to ensure appropriate space is provided to accommodate staff.                                                                                                            | Completed     |
| 8. Continuously improve operational systems, processes and minimise risk.                                                                                                         | 1. Implement the Risk profiling project (including a review of the Risk Management strategy and implementation of the Risk Register software) to effectively manage and minimise Council's liabilities and eliminate risk. | Completed     |
|                                                                                                                                                                                   | 2. Review and update Council's Risk Management Policy and Procedures Manual including compliance audits.                                                                                                                   | 2009-2013     |
|                                                                                                                                                                                   | 3. Implement the Systems and Processes Review project to ensure that systems and processes are operating effectively and providing support to eliminate risk.                                                              | 2009-2013     |
|                                                                                                                                                                                   | 4. Implement Council's Information Communication Technology strategic plan.                                                                                                                                                | 2009-2013     |
|                                                                                                                                                                                   | 5. Develop and implement Council's Information Services disaster recovery environment.                                                                                                                                     | 2009-2013     |
|                                                                                                                                                                                   | 6. Seek opportunities for sharing of resources and expertise across the region.                                                                                                                                            | 2009-2013     |

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| Strategies (what)                                                                                        | Key Actions (how)                                                                                                                                                                            | Timing (when) |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 9. Communicate regularly, effectively and honestly with the community.                                   | 1. Provide relevant, timely and accurate information to the community using print, radio and web media, as well as non-media channels such as newsletters and the Colac Otway Shire website. | 2009-2013     |
|                                                                                                          | 2. Ensure Colac Otway Shire's website is accessible, easy to navigate, utilises appropriate web technologies and contains relevant and up-to-date information.                               | 2009-2013     |
| 10. Meet our statutory obligations for community safety, security and responses to emergency situations. | 1. Implement the Domestic Animal Management Plan.                                                                                                                                            | 2009-2013     |
|                                                                                                          | 2. Implement the Municipal Fire Prevention Plan.                                                                                                                                             | 2009-2013     |
|                                                                                                          | 3. Establish integrated fire management practices and endorse Township Protection Plans and Neighbourhood Safer Places where appropriate.                                                    | 2010-2013     |
|                                                                                                          | 4. Undertake an annual review of the Municipal Emergency Management Plan (MEMP) from a Shire perspective and implement awareness training and readiness programs for community and staff.    | 2009-2013     |

**Leadership and Governance** is supported by the continued delivery of a diverse range of services, projects and programs and specific plans and documents.

| Services that support leadership and governance:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Documents, strategies and plans that support leadership and governance:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Program<br>Communications<br>Corporate Governance<br>Corporate Systems development and improvement.<br>Council & Business Planning<br>Councillor Support<br>Customer Services<br>Document Management Services<br>Domestic Animal Services<br>Emergency Management/Readiness<br>Executive<br>Financial Management Systems and Services<br>Fire Prevention<br>Human Resources Management<br>Information Communication and Technology Services<br>Local Laws Enforcement<br>Occupational Health and Safety<br>Revenue & Property Services<br>Risk Management | <ul style="list-style-type: none"> <li>• Annual Budget</li> <li>• Annual Business Plans – Corporate Services</li> <li>• Annual Report and Quarterly Performance reports</li> <li>• Audit Committee Charter</li> <li>• Colac Otway Information Communication and Technology Strategy</li> <li>• Colac Otway Rating Strategy</li> <li>• Colac Otway Shire Enterprise Agreement 2006</li> <li>• Council agendas and minutes</li> <li>• Council Policies</li> <li>• Councillor Code of Conduct</li> <li>• Delegations &amp; Authorisations Register</li> <li>• Domestic Animal Management Plan</li> <li>• Emergency Management Plan – Regional (COS)</li> <li>• Heatwave Strategy</li> <li>• Local Government Privacy Guide</li> <li>• Local Law No 1 – Consumption of Alcohol in public places</li> <li>• Local Law No 2 – General Local Law</li> <li>• Local Law No 3 – Livestock</li> <li>• Local Law No 4 – Processes of Local Government</li> <li>• <del>Long Term Financial Plan</del></li> <li>• Municipal Emergency Management Plan</li> <li>• Municipal Fire Prevention Plan</li> <li>• Pandemic Influenza Plan</li> <li>• Public Information Register</li> <li>• Risk Management Strategy</li> <li>• Strategic Resource Plan</li> <li>• Style Guidelines</li> <li>• Volunteer Engagement Strategic Plan</li> </ul> |

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2. PHYSICAL INFRASTRUCTURE AND ASSETS

Objective

Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.

Council is committed to achieving the following strategies for **Physical Infrastructure and Assets**. We will use the associated actions to measure how effectively we implement the strategies.

| Strategies (what)                                                                                                 | Key Actions (how)                                                                                                                                                           | Timing (when)         |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1. Ensure infrastructure development, renewal and maintenance plans address current and forecast community needs. | 1. Plan and implement infrastructure projects that transform townships and promote economic development and community strengthening.                                        | 2009-2013             |
|                                                                                                                   | 2. Review and implement Asset Management Plans to ensure that the level of funding for asset <del>renewal</del> maintenance and upgrade meets the community's expectations. | 2009-2013             |
|                                                                                                                   | 3. Develop a 10 year capital works and major projects program according to adopted priorities.                                                                              | 2009- <del>2013</del> |
|                                                                                                                   | 4. Review the 10 year capital works and major projects program annually.                                                                                                    | 2010-2013             |
| 2. Implement and manage Colac Otway Shire's Road Management Plan.                                                 | 1. Continue active participation and involvement in the STEP Asset Management Program with the Municipal Association of Victoria.                                           | 2009-2013             |
|                                                                                                                   | 2. In line with the Road Management Act 2004 requirements, review and update Colac Otway Shire's Road Management Plan.                                                      | 2010-2013             |
|                                                                                                                   | 3. Develop a Strategic Footpath Plan for Colac.                                                                                                                             | <del>Completed</del>  |
|                                                                                                                   | 4. Review the Strategic Footpath Plan for Apollo Bay.                                                                                                                       | <del>2012-2013</del>  |
| 3. Manage Council's buildings and facilities in a responsible, safe and sustainable manner.                       | 1. Develop Building Assets Management Plan and implement according to adopted priorities.                                                                                   | 2010- <del>2013</del> |
|                                                                                                                   | 2. Develop a Land Rationalisation Program for land surplus to Council needs.                                                                                                | 2010- <del>2013</del> |
|                                                                                                                   | 3. Develop a Building Rationalisation Program for buildings surplus to Council needs.                                                                                       | <del>2012-2013</del>  |

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| Strategies (what)                                                                                                             | Key Actions (how)                                                                                                                                                                       | Timing (when)         |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 4. Improve local and regional transport networks to ensure safety and accessibility.                                          | 1. Advocate for strategic transport initiatives                                                                                                                                         | 2009-2013             |
|                                                                                                                               | 2. Implement the parts of the G21 Transport Plan relevant to Colac Otway Shire.                                                                                                         | 2009-2013             |
|                                                                                                                               | 3. In partnership with regional councils and VicRoads develop and implement a Road Safety Plan and Council approved road safety initiatives.                                            | 2012-2013             |
|                                                                                                                               | 4. Advocate for duplication of the Princes Highway from Winchelsea to Colac.                                                                                                            | <del>Completed</del>  |
|                                                                                                                               | 5. Advocate for further improvements to the Princes Highway from Colac to the South Australian border.                                                                                  | 2009-2013             |
|                                                                                                                               | 6. In partnership with VicRoads identify options and plan for alternative road access through or around Colac, particularly relating to freight movement.                               | 2010- <del>2013</del> |
|                                                                                                                               | 7. Advocate for improved commuter Rail Services and safe Railway Crossings.                                                                                                             | 2009-2013             |
| 5. Ensure environmental risks are adequately addressed for Council infrastructure works, including impacts of climate change. | 1. Implement sound procedures to ensure that environmental constraints are adequately considered in the planning and implementation of Council's infrastructure maintenance activities. | <del>Completed</del>  |
|                                                                                                                               | 2. Develop a proposed long term management response to sea level rise for Council assets.                                                                                               | 2009-2013             |
|                                                                                                                               | 3. <del>Implement measures to manage and monitor Council's closed landfills to EPA standards.</del>                                                                                     | <del>2012-2013</del>  |

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Physical Infrastructure and Assets is supported by the continued delivery of a diverse range of services, projects and programs and specific plans and documents.

| Services that support physical infrastructure and assets:                                                                                                                                                                                     | Documents, strategies & plans that support physical infrastructure and assets:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Apollo Bay Harbour Management<br>Asset Management<br>Building maintenance, development and upgrades.<br>Colac Livestock Selling Centre<br>Contract Management<br>Engineering Design<br>Infrastructure Maintenance and upgrades<br>Road Safety | Amended Road Management Plan<br>Apollo Bay Sand Study Final Report (2005)<br>Apollo Bay Strategic Footpath Network Plan (July 2002)<br>Bridge Asset Management Plan<br>Building Asset Management Plan<br>Colac Otway Stormwater Management Plan<br>Colac Otway Strategic Bicycle Plan (1999)<br>Great Ocean Road Landscape Assessment Study 2004 (State Government)<br>Road Asset Management Plan<br>Road Safety Strategy<br>Safety & Environment Management Plan (SEMP) Apollo Bay Harbour<br>Strategic Asset Management Plan<br>Three Towns Drainage Strategy |

3. LAND USE AND DEVELOPMENT

Objective

Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations.

Council is committed to achieving the following strategies for Land Use and Development. We will use the associated actions to measure how effectively we implement the strategies.

| Strategies (what)                                                                                                               | Key Actions (how)                                                                                                                                                    | Timing (when) |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. Ensure a partnership approach to land use planning that reflects the needs, values and aspirations of the community.         | 1. Advocate to have Colac Otway Shire included in the State Government urban land monitoring program.                                                                | Completed     |
|                                                                                                                                 | 2. Advocate for more detailed mapping of the Erosion Management Overlay by State Government.                                                                         | 2009-2013     |
|                                                                                                                                 | 3. Finalise a Rural Living Strategy and implement findings                                                                                                           | 2010-2013     |
|                                                                                                                                 | 4. Finalise and implement a car parking study for Colac & Apollo Bay.                                                                                                | 2009-2013     |
|                                                                                                                                 | 5. Finalise a Structure Plan for Birregurra.                                                                                                                         | 2009-2013     |
|                                                                                                                                 | 6. Finalise the Forrest Structure Plan.                                                                                                                              | Completed     |
|                                                                                                                                 | 7. Commence a review of the Colac Structure Plan, including the identification of long term residential and commercial/industrial growth options.                    | 2010-2013     |
|                                                                                                                                 | 8. In conjunction with the State Government, and subject to external funding, exhibit a Planning Scheme amendment for the Apollo Bay Harbour Master Plan.            | 2009-2013     |
| 2. Ensure that responsible planning mechanisms are used to control development in areas potentially affected by climate change. | 1. Work with State Government to develop appropriate planning controls that respond to predicted sea level rise.                                                     | 2009-2013     |
|                                                                                                                                 | 2. Advocate for State Government funding to undertake more detailed local area mapping of low lying areas along the coast to assist with climate change initiatives. | 2011-2013     |
| 3. Ensure all Council land use plans and strategies are current and responsive.                                                 | 1. Undertake a four year review of the Planning Scheme.                                                                                                              | Completed     |
|                                                                                                                                 | 2. Regularly update and improve the Colac Otway Planning Scheme through Planning Scheme amendments.                                                                  | 2009-2013     |
|                                                                                                                                 | 3. Undertake a review of the settlement boundary and urban design for Apollo Bay.                                                                                    | Completed     |
|                                                                                                                                 | 4. Undertake a Neighbourhood Character Study for Birregurra.                                                                                                         | 2011-2013     |
|                                                                                                                                 | 5. Prepare Design Guidelines for Colac and Apollo Bay industrial and Business 4 zone areas.                                                                          | 2011-2013     |
| 4. Enforce planning and building regulations to meet legislative requirements.                                                  | 1. Implement comprehensive monitoring of the Essential Safety legislative requirements.                                                                              | 2009-2013     |
|                                                                                                                                 | 2. Review practices for monitoring swimming pool fencing.                                                                                                            | Completed     |
|                                                                                                                                 | 3. Implement mechanisms to improve knowledge of building and planning requirements/responsibilities.                                                                 | 2009-2013     |

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| Strategies (what)                                                                                                            | Key Actions (how)                                                                                                                                            | Timing (when)         |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 5. Ensure consistent and timely decision making for building and planning applications that meet Council's policy framework. | 1. Document and continuously improve processes and procedures for assessment and determination of building and planning permit applications.                 | 2009- <del>2013</del> |
|                                                                                                                              | 2. Prepare and develop a more comprehensive Information Kit on building and planning application requirements.                                               | 2009- <del>2013</del> |
|                                                                                                                              | 3. Provide improved access to building and planning information on Council's website.                                                                        | Completed             |
| 6. Ensure that environmental risks are adequately addressed for new development and land use.                                | 1. Work with State Government to develop and introduce planning controls that accurately reflect areas known to potentially have acid sulfate soils.         | 2009-2013             |
|                                                                                                                              | 2. Introduce a Salinity Management Overlay to affected areas.                                                                                                | 2009-2013             |
|                                                                                                                              | 3. Work with State Government to review policies and provisions in fire risk areas as appropriate following the conclusion of the Bushfire Royal Commission. | 2010-2013             |

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Land Use and Development is supported by the continued delivery of a diverse range of services, projects and programs and specific plans and documents.

| Services that support development and land use                        | Documents, strategies & plans that support development and land use                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Building Control Services<br>Statutory Planning<br>Strategic Planning | <ul style="list-style-type: none"> <li>■ Colac and Apollo Bay Car Parking Strategy (2011)</li> <li>■ Apollo Bay Settlement Boundary &amp; Urban Design Review (2011)</li> <li>■ Apollo Bay Structure Plan (2007)</li> <li>■ Barongarook Covenant Property Management Plan – Bush Tender (April 2006)</li> <li>■ Colac CBD &amp; Entrances Project</li> <li>■ Colac Otway Heritage Study (2003)</li> <li>■ Colac Otway Planning Scheme</li> <li>■ Colac Structure Plan (2007)</li> <li>■ Great Ocean Road Landscape Assessment Study 2004 (State Government)</li> <li>■ Kennett River, Wye River and Separation Creek Structure Plans (2008)</li> <li>■ Rural Land Strategy (2007)</li> <li>■ Rural Living Strategy (2011)</li> <li>■ Skenes Creek, Kennett River, Wye River and Separation Creek Neighbourhood Character Study (2005)</li> </ul> |

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4. ENVIRONMENTAL MANAGEMENT

Objective

**Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.**

Council is committed to achieving the following strategies for **Environmental Management**. We will use the associated actions to measure how effectively we implement the strategies.

| Strategies (what)                                                                                                                                                  | Key Actions (how)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Timing (when)                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| 1. Develop a coordinated approach to managing environmental issues across all Council activities.                                                                  | <ol style="list-style-type: none"> <li>Finalise the development of an Environment Strategy.</li> <li>Implementation of the Environment Strategy.</li> <li>Development of <del>2 Year</del> Action Plans for the Environment Program.</li> </ol>                                                                                                                                                                                                                                                                                             | Completed 2009-2013<br>2010-2013                 |
| 2. Ensure the protection and enhancement of environmental values on Council owned and managed land.                                                                | <ol style="list-style-type: none"> <li>Develop and implement action plans to manage the threats to environmental assets on Council managed land in accordance with the Environment Strategy <del>and the 2 Year Action Plans.</del></li> <li>Continue to implement the Lake Colac Management Plan and the Re-vegetation and Weed Control Master Plan.</li> </ol>                                                                                                                                                                            | 2009-2013<br><br>2009-2013                       |
| 3. Facilitate the protection and enhancement of environmental values on private land.                                                                              | <ol style="list-style-type: none"> <li>Continue to carry out audits of forestry operations on private land.</li> <li>Continue to raise the awareness of private landholders on their responsibilities in relation to the environment.</li> <li>Update the environmental overlays in the Planning Scheme to introduce the latest biodiversity mapping prepared by State Government.</li> </ol>                                                                                                                                               | 2009-2013<br>2009-2013<br>2010-2013              |
| 4. Minimise environmental impacts and the use of natural resources associated with Council operations in accordance with Council's Environment Strategy 2010-2018. | <ol style="list-style-type: none"> <li>Continue program of works and practices in <del>accordance with the Environment Strategy and 2 Year Action Plans.</del></li> <li>Continue to implement agreed, viable water saving measures <del>in accordance with the Environment Strategy and the 2 Year Action Plans.</del></li> <li>Implementation of the planning scheme and Council processes to manage environmental issues associated with Council works.</li> <li>Develop and implement an Environmental Sustainability Policy.</li> </ol> | 2009-2013<br>2009-2013<br>2009-2013<br>2011-2013 |

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**Deleted:** via Council's Sustainable Water Use Plan

| Strategies (what)                                                                                                                                                                                         | Key Actions (how)                                                                                                   | Timing (when) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------|
| 5. Promote environmental values in the broader community and work with other stakeholders on managing large scale issues in accordance with the process identified in the Environment Strategy 2010-2018. | 1. Coordinate a range of environmental events across the region.                                                    | 2009-2013     |
|                                                                                                                                                                                                           | 2. Promote awareness of environmental issues through various media and forums.                                      | 2009-2013     |
|                                                                                                                                                                                                           | 3. Advocate where appropriate community views on environmental issues outside the direct responsibility of Council. | 2009-2013     |
|                                                                                                                                                                                                           | 4. Encourage energy efficiency including the use of renewable and alternative energy sources.                       | 2009-2013     |
| 6. Minimize, recycle and manage residential waste.                                                                                                                                                        | 1. Implement the Landfill Rehabilitation Plan.                                                                      | 2009-2013     |
|                                                                                                                                                                                                           | 2. Implement the Waste Management Plan and new contractual arrangements.                                            | Completed     |
|                                                                                                                                                                                                           | 3. Implementation of the Waste Water Management Strategy.                                                           | 2009-2013     |
|                                                                                                                                                                                                           | 4. Investigate waste-to-energy for green waste.                                                                     | 2012-2013     |

Environmental Management is supported by the continued delivery of a diverse range of services, projects and programs and specific plans and documents.

| Services that support strong environmental management:                                                                                                                                                                                                 | Documents, strategies & plans that support environmental management:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Environment Education/Promotion</li> <li>Environment Planning</li> <li>Natural Resource Management</li> <li>Sustainability Management</li> <li>Transfer Stations/Recycling</li> <li>Waste Management</li> </ul> | <ul style="list-style-type: none"> <li>2012-2014 Environment Action Plan</li> <li>Domestic Wastewater Management Plan</li> <li>Environment Strategy 2010-2018</li> <li>Greenhouse Action Plan</li> <li>Lake Colac Management Plan</li> <li>Poorneet Road Grassland Management Plan</li> <li>Roadside Vegetation Management Plan</li> <li>Sewering of Skenes Creek report</li> <li>Sustainable Water Use Plan</li> <li>Waste Water Issues Paper – Beeac</li> <li>Waste Water Issues Paper – Forrest</li> <li>Waste Water Management Birregurra – Issues Paper</li> <li>Waste Water Management Kennett River – Issues Paper</li> <li>Waste Water Management Strategy</li> <li>Waste Water Management Wye River, and Separation Creek – Issues Paper</li> <li>Weed Management Strategy</li> </ul> |

**S. ECONOMIC DEVELOPMENT**

Objective

**Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership.**

Council is committed to achieving the following strategies for **Economic Development**. We will use the associated actions to measure how effectively we implement the strategies.

| Strategies (what)                                                                                         | Key Actions (how)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Timing (when)                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| 1. Support the development of a diverse, skilled and capable workforce.                                   | <ol style="list-style-type: none"> <li>1. Work with industry sectors on strategic workforce planning initiatives, including training and education.</li> <li>2. Participate in local and regional task groups to improve access to vocational education and training and post compulsory education and training.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>2009-2013</p> <p>2009-2013</p>                                                                                                      |
| 2. Work with business to recognise growth potential from climate change and renewable energy initiatives. | <ol style="list-style-type: none"> <li>1. Encourage and promote climate change sustainability initiatives for business and renewable and alternative energy opportunities for the Colac Otway Shire.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p><del>2011-2013</del></p>                                                                                                            |
| 3. Support local business to develop and succeed.                                                         | <ol style="list-style-type: none"> <li>1. Implement new business support and facilitation services that make it easy to do business in the Shire.</li> <li>2. Enhance Colac's regional service centre status through the development of a Marketing strategy.</li> <li>3. Develop a Master Plan to support the redevelopment of the Colac Central Business District streetscape and city entrances.</li> <li>4. Continue to provide world standard tourism support services including Visitor Information Services, and support for local and regional tourism organisations.</li> <li>5. Implement Business Development training programs, networking events and Business Awards.</li> <li>6. Provide on line information for customers and potential investors to access businesses in the Shire.</li> </ol> | <p><del>Completed</del></p> <p><del>2010-2013</del></p> <p><del>Completed</del></p> <p>2009-2013</p> <p>2009-2013</p> <p>2009-2013</p> |
| 4. Lead, support and/or participate in regional and local development networks and partnerships.          | <ol style="list-style-type: none"> <li>1. Promote and encourage the development of infrastructure to support nature based tourist development of Great Otway National Park/Otway Forest Park and Great Ocean Walk.</li> <li>2. Promote and encourage the development of infrastructure to support Lake Colac tourism and community use.</li> <li>3. Support local business associations such as Otway Business Inc, Apollo Bay Chamber of Commerce and Tourism.</li> </ol>                                                                                                                                                                                                                                                                                                                                     | <p>2009-2013</p> <p>2009-2013</p> <p>2009-2013</p>                                                                                     |

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| Strategies (what)                                                                                                                                                 | Key Actions (how)                                                                                                                                                                                      | Timing (when) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 5. Participate in regional and Shire based marketing and promotion initiatives designed to promote 'brand awareness' of Colac Otways and Great Ocean Road region. | 1. Promote the Shire's strengths and competitive advantages to attract new investment.                                                                                                                 | 2009-2013     |
|                                                                                                                                                                   | 2. Identify the capacity, demand and rating of accommodation in Colac including the attraction of a high end quality star hotel.                                                                       | 2012-2013     |
|                                                                                                                                                                   | 3. Facilitate the development of services and a calendar of business events / industry conferences designed to attract and engage external business and job opportunity for families and young people. | 2010-2013     |
|                                                                                                                                                                   | 4. Continue to provide strategic support to tourism including operation of the Colac and Apollo Bay Visitor Information Centres,                                                                       | 2009-2013     |
| 6. Facilitate the development of infrastructure for business investment, growth and liveability.                                                                  | 1. Support the Apollo Bay Harbor Precinct development.                                                                                                                                                 | 2009-2013     |
|                                                                                                                                                                   | 2. Undertake streetscape planning for Apollo Bay to integrate with the proposed harbor development.                                                                                                    | 2012-2013     |
|                                                                                                                                                                   | 3. Develop small town / community capability by providing infrastructure and resources, including continued support for the Small Town Improvement Program.                                            | 2009-2013     |
|                                                                                                                                                                   | 4. Lobby for improved telecommunications in the Colac Otway Shire in consideration of Federal Government and telecommunication owners' initiatives.                                                    | 2009-2013     |
| 7. Work in partnership with business, industry groups, government and agencies on sustainable economic growth.                                                    | 1. Develop improved educative material on Council policy and practices to assist business with development proposals.                                                                                  | Completed     |
|                                                                                                                                                                   | 2. Review business attraction and local business development policies.                                                                                                                                 | 2011-2013     |

Deleted: and provision of funding to Otways Tourism

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**Economic Development** is supported by the continued delivery of a diverse range of services, projects and programs and specific plans and documents.

| Services that support economic development:                                       | Documents, strategies & plans that support economic development:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Development<br>Economic Development<br>Small Town Improvement<br>Tourism | <ul style="list-style-type: none"> <li>■ Action Agenda for Economic Development 2009 – 2013 (under development)</li> <li>■ Affordable Housing Strategy (2007)</li> <li>■ Apollo Bay and Marengo Neighbourhood Character Study (2003)</li> <li>■ Apollo Bay Harbour Precinct Master Plan (2007)</li> <li>■ Barwon Downs Township Master Plan (2006)</li> <li>■ Beeac Township Master Plan (2001)</li> <li>■ Birregurra Township Master Plan (2003)</li> <li>■ Carlisle River Township Master Plan (2004)</li> <li>■ Colac Otway Shire Tertiary Opportunity Study</li> <li>■ Colac Otway Tourism Review (2006)</li> <li>■ Cressy Township Master Plan (2007)</li> <li>■ Economic Development and Tourism Strategy</li> <li>■ Feasibility Study into Economic Activity in Forrest</li> <li>■ Forrest Township Master Plan (2007)</li> <li>■ Geelong and Colac Region Skills Research Project – Part 1 (2005)</li> <li>■ Gellibrand Township Master Plan (2004)</li> <li>■ Lake Colac Commercial Development Report (2007)</li> <li>■ Lavers Hill Township Master Plan (2006)</li> <li>■ Port of Apollo Bay Future Capacity Study Summary Report (2006)</li> <li>■ Swan Marsh Township Master Plan (2001)</li> </ul> |

**6. COMMUNITY HEALTH AND WELLBEING**

Objective

**Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities.**

Council is committed to achieving the following strategies for **Community Health and Wellbeing**. We will use the associated actions to measure how effectively we implement the strategies.

| Strategies (what)                                                                                                 | Key Actions (how)                                                                                                                                                                                                                                                                            | Timing (when)        |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 1. Provide, facilitate or advocate for a range of health, recreation, community services and facilities.          | 1. Develop a 10 year upgrade works program for Colac Otway Performing Arts and Cultural Centre.                                                                                                                                                                                              | 2009-2013            |
|                                                                                                                   | 2. Develop a 10 year capital upgrade works program for Blue Water Fitness Centre.                                                                                                                                                                                                            | 2009-2013            |
|                                                                                                                   | 3. Continue in partnership with the Colac Community and project stakeholders to plan and develop the Beechy Precinct in accordance with Council approvals and review Council's continued involvement in the Beechy Precinct in respect of all elements that still require Council approvals. | 2009-2013            |
|                                                                                                                   | 4. Review and reconsider the recommendations from the "Apollo Bay Library and Facility Development Project".                                                                                                                                                                                 | Completed            |
|                                                                                                                   | 5. <del>Implement the extension of the Apollo Bay Library and additional program spaces.</del>                                                                                                                                                                                               | <del>2012-2013</del> |
|                                                                                                                   | 6. Implement the recommendations of Council for the Colac Library Annexe/Sub-Branch.                                                                                                                                                                                                         | Completed            |
|                                                                                                                   | 7. Review and implement the Council Community Grants Program guidelines.                                                                                                                                                                                                                     | 2009-2013            |
|                                                                                                                   | 8. Implement Council's Recreation Strategy.                                                                                                                                                                                                                                                  | 2009-2013            |
|                                                                                                                   | 9. Develop an Open Space Strategy.                                                                                                                                                                                                                                                           | Completed            |
|                                                                                                                   | 10. <del>Develop an Active Transport Strategy.</del>                                                                                                                                                                                                                                         | <del>2009-2013</del> |
|                                                                                                                   | 11. Implement strategies in the Drug Action Plan.                                                                                                                                                                                                                                            | 2010-2013            |
|                                                                                                                   | 12. Develop a Civic and Cultural Precinct Plan for Colac.                                                                                                                                                                                                                                    | 2011-2013            |
|                                                                                                                   | 13. Investigate initiatives that reduce exposure to passive smoking in public places.                                                                                                                                                                                                        | 2011-2013            |
| 2. Promote and facilitate cultural and community events throughout the municipality.                              | 1. Implement the Arts and Cultural Strategy.                                                                                                                                                                                                                                                 | 2009-2013            |
|                                                                                                                   | 2. Implement the Festival and Events Strategy.                                                                                                                                                                                                                                               | 2009-2013            |
|                                                                                                                   | 3. Work with event organisers and community groups to develop a broad range of community festivals and events.                                                                                                                                                                               | 2009-2013            |
| 3. Adopt a partnership approach to addressing the current and future health and wellbeing needs of the community. | 1. Implement and promote the Municipal Public Health Plan.                                                                                                                                                                                                                                   | 2009-2013            |
|                                                                                                                   | 2. Implement the Positive Ageing Strategy.                                                                                                                                                                                                                                                   | 2009-2013            |
|                                                                                                                   | 3. Develop and implement an Early Years Plan.                                                                                                                                                                                                                                                | 2009-2013            |
|                                                                                                                   | 4. Develop and implement an Access, Equity and Inclusion Plan.                                                                                                                                                                                                                               | 2009-2013            |
|                                                                                                                   | 5. Review the provision of Youth Services in the Shire.                                                                                                                                                                                                                                      | <del>2010-2013</del> |

**Deleted:** <del>Develop a 10 year capital upgrade works facility improvement program for all recreation facilities and investigate external funding options to assist with these works, with priority to Council owned facilities.</del>  
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| Strategies (what)                                                          | Key Actions (how)                                                                                                | Timing (when) |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------|
| 4. Support local communities to develop, grow and be great places to live. | 1. Implement the Transport Connections Strategy.                                                                 | 2009-2013     |
|                                                                            | 2. Liaise with local Real Estate Industry to monitor the local market and encourage diversity in housing choice. | 2009-2013     |
|                                                                            | 3. Participate in local and regional Affordable Housing task groups.                                             | 2009-2013     |
|                                                                            | 4. Work with Developers to create liveable, affordable and sustainable housing.                                  | 2009-2013     |

**Community Health and Wellbeing** is supported by the continued delivery of a diverse range of services, projects and programs and specific plans and documents.

| Services that support community health and wellbeing:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Documents, strategies & plans that support community health and wellbeing:                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Aged &amp; Disability Services</li> <li>Bluewater Fitness Centre (BWFC)</li> <li>Colac Otway Performance Arts Centre (COPACC)</li> <li>Community Transport</li> <li>Economic Development (part)</li> <li>Environmental Health Services</li> <li>Family and Childrens Services</li> <li>Festivals and Events</li> <li>Immunisation Services</li> <li>Maternal &amp; Child Health Services</li> <li>Primary Care Partnerships</li> <li>Public Health planning</li> <li>Recreation, culture planning, services and centres</li> <li>Rural Access</li> <li>Transport Connections</li> <li>Youth Services</li> </ul> | <ul style="list-style-type: none"> <li>Access and Inclusion Plan 2009/2013</li> <li>Arts and Cultural Strategy 2007/2011</li> <li>Colac Otway Regional Cricket Plan</li> <li>Drug Action Plan 2009/13</li> <li>Festival and Events Strategy 2007/2011</li> <li>Heatwave Plan</li> <li>Municipal Early Years Plan 2009/2013</li> <li>Municipal Public Health Plan 2007/09</li> <li>Positive Ageing Strategy 2008/12</li> <li><u>Public Open Space Strategy 2011</u></li> <li>Recreation Strategy 2006/2010</li> </ul> |

### Strategic Indicators

The following details the Measures (or means) and Milestones of monitoring achievement against each Strategic Objectives

- Milestones: specific projects or activities being completed by a set time
- Measures: Council's success in this Plan will be measured numerically against the following targets

| Objectives                                                                                                                                                                                                                                                                              | Strategic Indicators                                                                          | Target 2012/13                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------|
| <b>Leadership and Governance</b><br>Council will fulfil its statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations | Liquidity Ratio                                                                               | >150%                                      |
|                                                                                                                                                                                                                                                                                         | <u>Outstanding rates, charges and fees as a proportion of rates, charges and fees.</u>        | <8%                                        |
|                                                                                                                                                                                                                                                                                         | <u>Average rate revenue per assessment.</u>                                                   | \$1,263                                    |
|                                                                                                                                                                                                                                                                                         | Audit Opinion issued on Financial Statements                                                  | Compliance with all statutory requirements |
| <b>Physical Infrastructure and Assets</b><br>Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future                                                                                                                        | Percentage of Capital Works expenditure projects completed                                    | >85%                                       |
|                                                                                                                                                                                                                                                                                         | Capital Works expenditure actual compared to budgeted expenditure                             | >85%                                       |
|                                                                                                                                                                                                                                                                                         | Asset renewal sustainability index                                                            | >100%                                      |
| <b>Land Use and Development</b><br>Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations. | Planning permits processed within statutory timeframes                                        | >70%                                       |
| <b>Environmental Management</b><br>Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.                                                                                                | <u>Develop environmental plans for high value Council land.</u>                               | 12 plans developed.                        |
|                                                                                                                                                                                                                                                                                         | <u>Commence implementation of environmental management plans for high value Council land.</u> | Implementation of 12 plans commenced.      |
| <b>Economic Development</b><br>Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership.                                                                                                                            | <u>Delivery of Business Development Events.</u>                                               | 16 events held during the year.            |

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 Community satisfaction with the Overall Performance of Council  
 Community satisfaction with Council's Advocacy role  
 Community satisfaction with Council's Community Engagement  
 Community satisfaction with Council's Customer Contact  
 Risk Liability Assessment

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 63%  
 62%  
 73%  
 89%  
 1.50:1(Est AIFRS Adj)

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**Deleted: Eco Buy Accreditation**

**Deleted: Increased Environmental Sustainability**

**Deleted: Completion of Master Plan priorities for all small towns**

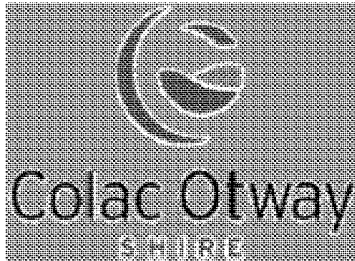
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| Objectives                                                                                                                                                                                                                                                                                                         | Strategic Indicators                                                                                                     | Target<br>2012/13 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>Community Health and Wellbeing</b><br><br>Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities | <u>Exhibition of community and professional artists at the Coleg Cwmyr Performing Arts and Cultural Centre (CCPACC).</u> | ≥100 artists      |
|                                                                                                                                                                                                                                                                                                                    | <u>Maintain a membership base at Bluewater Fitness Centre.</u>                                                           | >3,000 members    |
|                                                                                                                                                                                                                                                                                                                    | <u>Capacity usage of Council's learn to swim program.</u>                                                                | ≥90%              |

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 66%

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 ¶  
 Community satisfaction with Recreational Facilities





# STRATEGIC RESOURCE PLAN 2012/13 TO 2015/16



# STRATEGIC RESOURCE PLAN 2012/13 TO 2015/16



| DOCUMENT CONTROL                                                                                                                                                                                                                                                                   |                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>Colac Otway Shire Council</b><br>PO Box 283<br>COLAC VIC 3250<br><br>Mobile:0428 650 384<br>Email: <a href="mailto:brett.exelby@colacotway.vic.gov.au">brett.exelby@colacotway.vic.gov.au</a><br>Web : <a href="http://www.colacotway.vic.gov.au">www.colacotway.vic.gov.au</a> | <b>Document:</b> Colac Otway SRP     |
|                                                                                                                                                                                                                                                                                    | <b>Project Manager:</b> Brett Exelby |
|                                                                                                                                                                                                                                                                                    | <b>Author:</b> Brett Exelby          |
|                                                                                                                                                                                                                                                                                    | <b>Date:</b> <b>April 2012</b>       |
| <b>Synopsis:</b> Strategic Resource Plan                                                                                                                                                                                                                                           |                                      |

**CONSULTANTS DISTRIBUTION SCHEDULE**

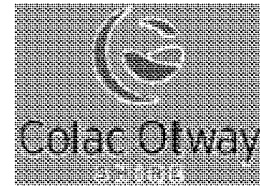
| Version No. | Date          | Distribution | Reference |
|-------------|---------------|--------------|-----------|
| Version 1   | January 2012  | Brett Exelby |           |
| Version 2   | February 2012 | Brett Exelby |           |
| Version 3   | April 2012    | Brett Exelby |           |
|             |               |              |           |

**SCHEDULE OF ADOPTION**

| Version No. | Date       | Comment | TRIM Reference |
|-------------|------------|---------|----------------|
| Draft       | April 2012 |         |                |
|             |            |         |                |
|             |            |         |                |



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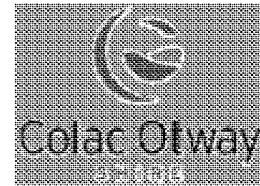
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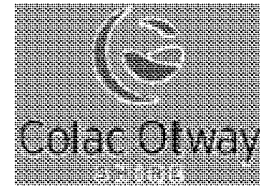
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Strategic Resource Plan



# 1. EXECUTIVE SUMMARY

## 1.1 INTRODUCTION

Council is required under the Local Government Act (1989), to prepare a *Strategic Resource Plan* (SRP).

The SRP outlines the resources required to achieve Council's strategic objectives expressed in the Council Plan. The SRP must include:

- Details of financial resources (standard statements); and
- Details of non-financial resources, including human resources.
- Council must adopt its SRP by 30 June each year. The SRP is intended to have a 4-year time frame.
- Significant changes to this revised Strategic Resource Plan 2012-2013 are:
  - Council will increase average rates and charges per assessment by 6.33 percent in the 2012-2013 financial year. This level allows Council to maintain existing service levels, fund a limited number of new initiatives and continue to allocate additional funds to renew the municipality's infrastructure; and
  - Capital Expenditure is \$15.9 million in 2012-2013.

This section includes:

- Purpose of the SRP;
- Objectives of the SRP;
- Financial strategic direction;
- Key strategic directions

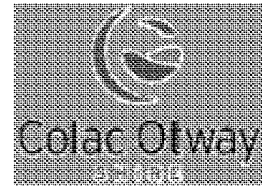
## 1.2 PURPOSE OF SRP

Council is required to prepare a SRP under Section 126 of the *Local Government Act (1989)*.

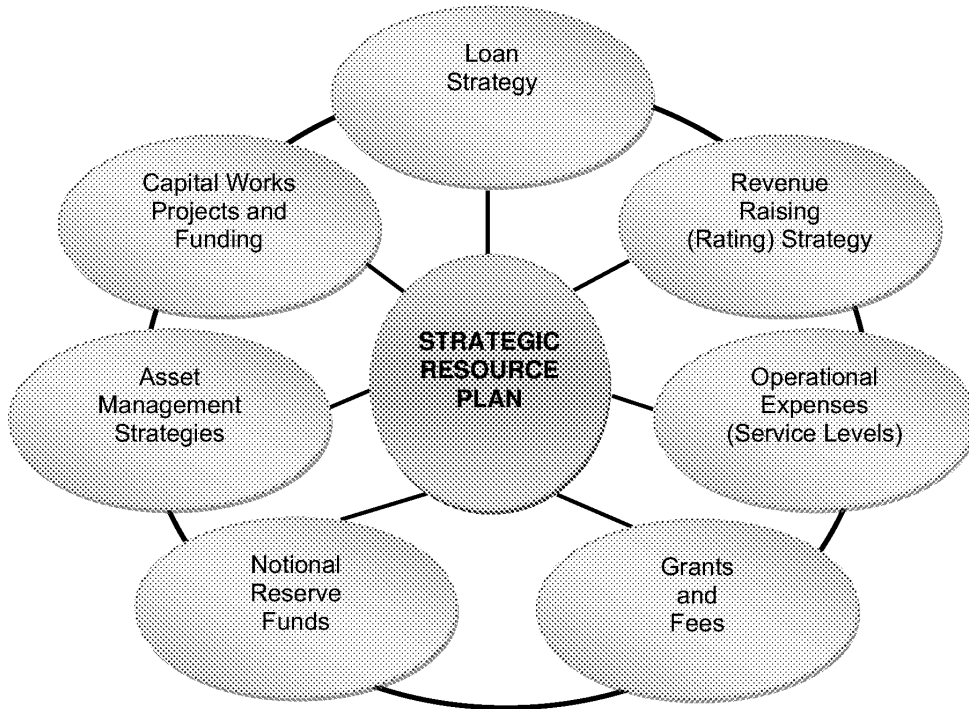
The purpose of the SRP is to:

- Establish a financial framework over the next 4 years to ensure Council's strategic objectives, as expressed in its Council Plan, are achieved;
- Provide an assessment of the resources (financial and non-financial) required to accomplish the objectives and strategies included in the Council Plan (non-financial resources are assumed to include human resources and Council's asset base, which are all referred to in various parts of the SRP);
- Establish a basis to measure Council's adherence to its policies and strategies; and
- Assist Council to comply with sound financial management principles, in accordance with the *Local Government Act (1989)* and to plan for the long-term financial sustainability of the municipality.

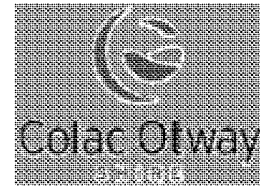
Strategic Resource Plan



The diagram below details the key strategic areas covered by the SRP and the integration required between Council's financial strategies.



### Strategic Resource Plan



There is a clear link between the long term vision or aspirations of Council and the day to day activities performed by Council.



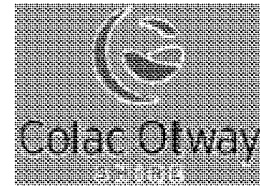
### 1.3 SRP OBJECTIVES

The 2012-2013 SRP is intended to achieve the following objectives in the 4-year time frame:

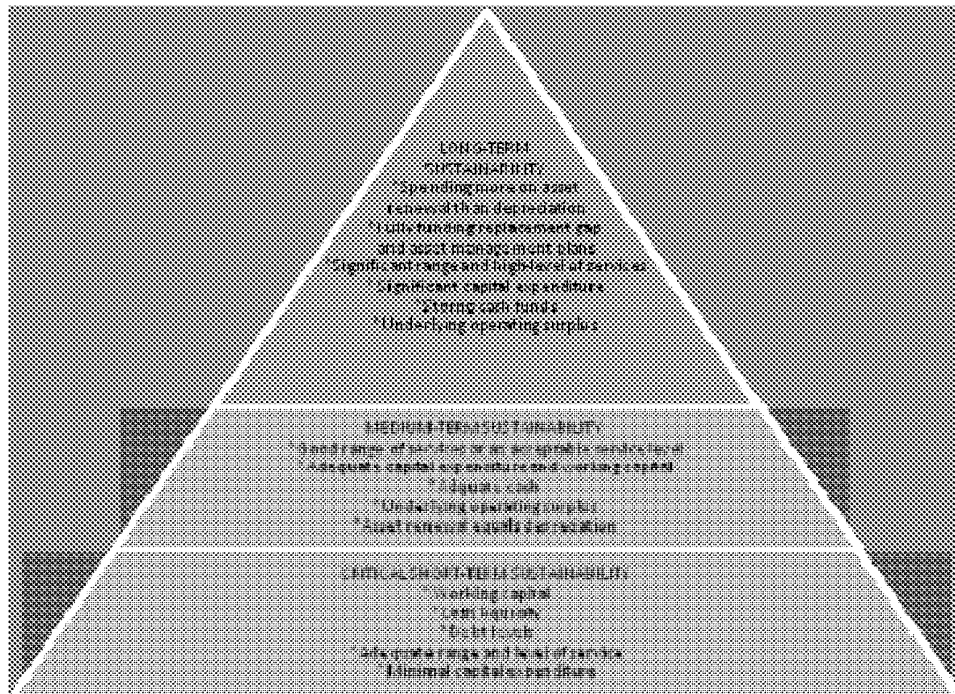
- Maintain the existing range and level of service provision and develop the capacity to grow and add new services;
- Maintain a strong cash position, ensuring Council remains financially sustainable in the long-term;
- Achieve underlying surpluses from operations;
- Maintain debt levels below prudential guidelines;
- Continue to pursue ongoing grant funding for strategic capital funds from the state and federal government;
- Provide for rate increases that establish a funding level for a sustainability index of 100 percent, including increasing funding for capital works (asset renewal, expansion, upgrade) and asset maintenance; and
- Ensure critical renewal is funded annually over the timeframe of the SRP.



Strategic Resource Plan



Financial sustainability is explained in the following diagram.



Council is presently in the critical range of the sustainability pyramid. It may be difficult to reach all the long-term sustainability goals however Council continues to improve its sustainability.

This improved sustainability is demonstrated by an improving cash position, significant capital expenditure and a continued closure of the infrastructure funding gap.

**1.4 STRATEGIC FINANCIAL DIRECTION**

Council, as part of establishing its SRP, revises its borrowing strategy, asset management, capital investment, reserves; capital works programme, the range and level of services provided and the revenue-raising strategy.

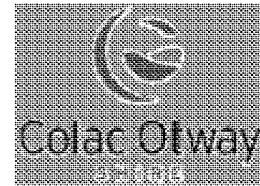
A number of strategic challenges remain ahead including renewing existing assets, continuing to provide an appropriate range and level of services to a growing community, maintaining a sound financial position and addressing the need for capital expansion.

The challenge for Council, in the short-term, is to fund the appropriate level of investment in the community's assets and simultaneously accommodate the pressures of growth, including new capital investment and expanded service provision.

The other related issues are the risks and liabilities that Council and the community face if Council does not invest in asset renewal at an adequate rate.

The SRP establishes the strategic financial direction for Council to meet the funding and investment challenges that lie ahead in the next four (4) years. The SRP is prepared in conjunction with the Council Plan and the Long Term Financial Plan to ensure the affordability of activities included in the Council Plan.

Strategic Resource Plan



A Glossary of Terms is attached in Appendix A.

Appendix B details Council’s Standard Financial Statements which are an outcome of this SRP.

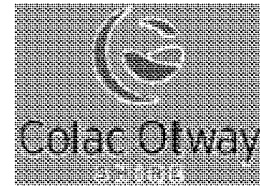
**1.5 KEY STRATEGIC DIRECTIONS**

The following table highlights the key strategies of this SRP. Each section includes detailed analysis to support the strategies. The key strategies provide direction for the preparation of the 2012-2013 Budget.

| Section                                        | Strategic Direction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Section 3: Colac Otway financial indicators    | <p>That Colac Otway Shire Council continues to benchmark with other Victorian councils and those within the large council category.</p> <p>That Colac Otway Shire Council applies the outcomes of this SRP to the 2012-2013 Budget.</p> <p>That Colac Otway Shire Council reduces its underlying operating deficit over the life of this SRP and reaches an adjusted operating surplus within 4 years.</p>                                                                                                                                                                                                                                                                                                                                                          |
| Section 4: Long-term borrowing strategies      | <p>That Colac Otway Shire Council, based on compliance with the State Government Prudential Guidelines, borrows funds for capital investment projects that provide intergenerational equity.</p> <p>That Colac Otway Shire Council retains its debt servicing and redemption costs at or below 5 cents in the rate &amp; charges revenue dollar, towards interest and principal, over the life of this SRP.</p> <p>That Colac Otway Shire Council commits to a maximum ten (10) year term for all new borrowings.</p>                                                                                                                                                                                                                                               |
| Section 5: Notional reserves                   | <p>That Colac Otway Shire Council builds and maintains cash reserves to both support working capital and ensure funds are available for Council activities as scheduled.</p> <p>Reserves are fully backed with cash at the end of each financial year.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Section 6: Rating and other revenue strategies | <p>That Colac Otway Shire Council retains capital improved value (CIV) as its valuation base.</p> <p>That Colac Otway Shire Council provides a municipal charge that is 10 percent of rates and charges to ensure an equitable contribution towards the unavoidable fixed costs of Council.</p> <p>That Colac Otway Shire Council:</p> <ul style="list-style-type: none"> <li>• directly charges waste collection and recycling costs and the cost of disposal of domestic waste, to those ratepayers who receive the service; and</li> <li>• bases future increases on real cost increases, EPA, regulatory and safety requirements.</li> </ul> <p>That Colac Otway Shire Council pursues operational grant funding and strategic capital funding aligned with</p> |



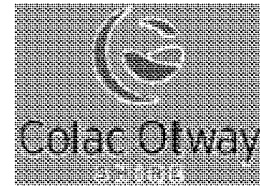
Strategic Resource Plan



| Section                                          | Strategic Direction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  | <p>Council Plan objectives.</p> <p>That Colac Otway Shire Council pursues a consistent and rigorous methodology for the creation and setting of fees and charges.</p> <p>That Colac Otway Shire Council undertakes detailed analysis on the level of existing fees and charges, investigates new revenue sources and report recommendations to Council.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>Section 7: Asset management</p>               | <p>That Colac Otway Shire Council, having established its critical renewal investment levels, completes detailed Asset Management Plans for all major classes of Council assets.</p> <p>That Colac Otway Shire Council, as part of the development of its Asset Management Plans, consults with the community to determine how service levels will be reached including a combination of improved revenue raising, review of existing service levels, asset disposal and composition of the asset portfolio.</p> <p>That Colac Otway Shire Council continues to prioritise the allocation of funds to the renewal of existing assets rather than constructing new assets where possible, noting that as the Shire's population expands and other demands increase, it will be necessary to provide appropriate infrastructure to promote further development.</p> |
| <p>Section 8: Capital works</p>                  | <p>That Colac Otway Shire Council maintains its capital works commitment to levels that align with the funding spread established in this SRP, and incorporate into the developing 10-year capital works programme.</p> <p>That Colac Otway Shire Council initially focuses capital works expenditure on maintaining a critical renewal level based on acceptable levels of service, with the next priority on upgrade and expansion, followed by provision of new.</p>                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>Section 9: Service provision and planning</p> | <p>That Colac Otway Shire Council annually determines the range and level of service provision through the budget process incorporating an analysis of organisational and financial capability.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>Section 10: Strategic Financial Plan</p>      | <p>That Colac Otway Shire Council finalises its preferred rating option for its strategic financial model to fund the Council Plan, capital expenditure and service delivery through the annual budget process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |



Strategic Resource Plan



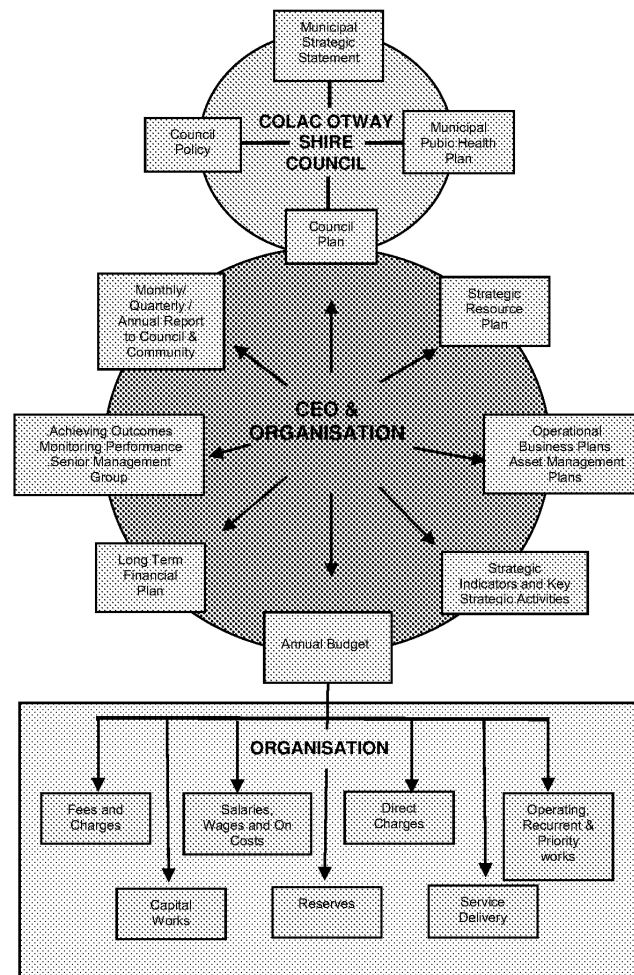
## 2. LINK BETWEEN STRATEGIC RESOURCE PLAN AND COUNCIL PLAN

### 2.1 STRATEGIC PLANNING FRAMEWORK

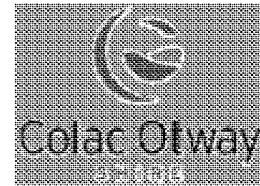
The diagram below shows the links between the SRP and the balance of the corporate planning framework.

As the diagram illustrates, Council sets the strategic direction to provide the Chief Executive Officer with the necessary guidance to develop and implement plans, actions and strategies to achieve these strategic outcomes.

The key strategic documents include the Council Plan, Municipal Strategic Statement and Public Health Plan. These plans are prepared in accordance with Council policies.

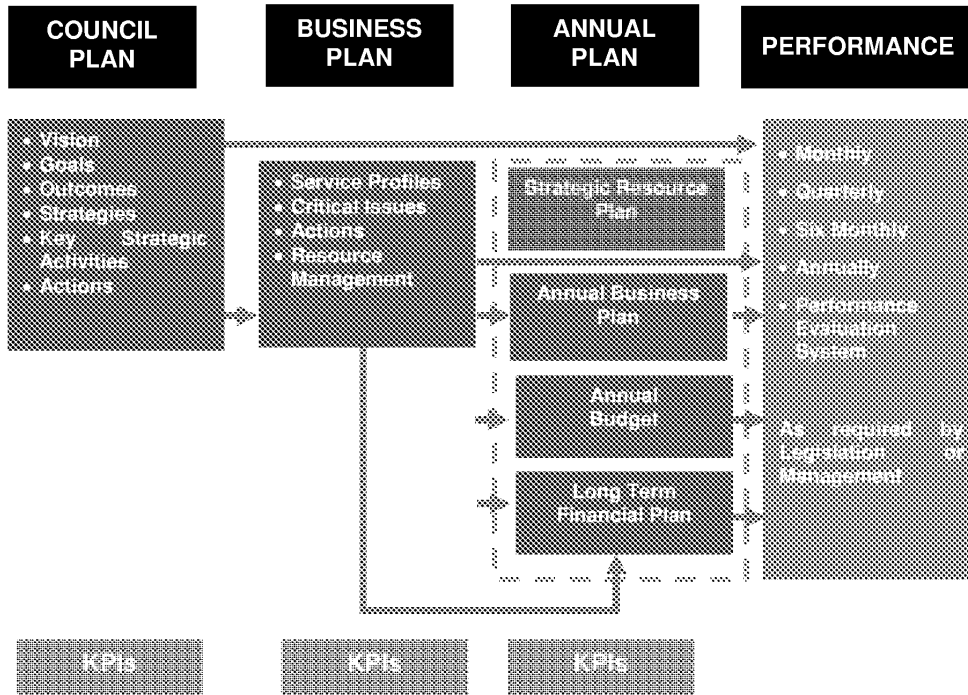


Strategic Resource Plan



The strategic planning framework incorporates the Council Plan and Business Plans all linked together and importantly resourced by the Annual Budget.

The diagram below depicts this framework:

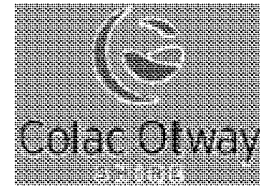


The planning framework provides for the Council Plan strategies to be linked to Business Plan actions that are funded and resourced through the Annual Budget.

The organisation then measures and monitors performance and reports to internal and external stakeholders as required.

Council receives formal reports on a quarterly basis detailing progress against its Council Plan and against the Annual Budget.

Strategic Resource Plan



### 3. COLAC OTWAY SHIRE COUNCIL FINANCIAL SUSTAINABILITY

#### 3.1 INTRODUCTION

Developing financial strategies for councils is often a difficult process.

- Is council achieving a sufficient amount of revenue to provide services to the community?
- What should the target be in respect to resourcing expenditure on new assets (capital expenditure)?
- What is Council's targeted renewal investment and is this maintaining an acceptable level of service for the community?
- What is an acceptable rate and charge increase?
- What is an acceptable level of debt?

Some of these answers may come from Prudential Guidelines established by industry bodies such as the Department of Planning and Community Development. However, a great deal is left for each Council, as an individual entity, to determine. How does Council gather appropriate data on which to base decisions about its financial future?

The use of financial indicators that assess the comparative financial position of each council in Victoria provides a valuable source of information in establishing financial strategies.

These indicators highlight the relative financial strengths of each council and uncover the opportunities that councils may grasp for improvement. The indicators are used to identify trends in financial sustainability.

This section includes:

- Benchmarking;
- Analysis of Council's financial sustainability from the perspective of the Municipal Association of Victoria (MAV) and the Victorian Auditor General (VAGO); and
- Operating surplus exclusive of capital income and abnormal items.

#### 3.2 BENCHMARKING

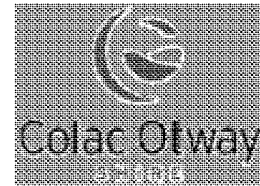
The benchmarking programme in this SRP is compiled by Strategy Plus from financial data contained in annual reports from other councils.

This benchmarking ensures data is comparable under the current regulations however may differ from Council's own benchmarking calculations.

The State Government measures councils' performance by benchmarking between councils and establishes a number of Key Performance Indicators (KPIs) for each council to use.

The KPIs have been derived from Council's Annual Reports.

Strategic Resource Plan



The number of councils in each category is shown in the table below.

| Category Description | Councils within Category |
|----------------------|--------------------------|
| Inner Melbourne      | 16                       |
| Outer Melbourne      | 15                       |
| Regional Cities      | 11                       |
| Large Shires         | 15                       |
| Small Shires         | 22                       |
| <b>Total</b>         | <b>79</b>                |

These key performance indicators are detailed within the relevant chapters of the SRP, and assist Council to compare its position to other large rural councils.

**3.3 ANALYSIS OF COUNCIL'S FINANCIAL SUSTAINABILITY**

**3.3.1 Financial Sustainability**

The concepts most people use in their personal and business lives are basically the same as those that should be applied to local government; however, those concepts need some modification.

Councils are perpetual corporations that manage intergenerational community services and assets. Councils provide the legal framework by which communities own infrastructure and assets collectively.

The Australian Local Government Association's (ALGA's) definition of financial sustainability is worth noting:

*"A Council's long-term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."*

It is against this definition then that the sustainability of Colac Otway Shire Council can be assessed. Interestingly the MAV assessment indicates Council is at "low risk" whilst the Victorian Auditor General's Office indicates "there are no financial viability concerns identified for Colac Otway Shire Council".

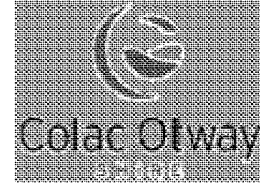
*Underlying Operating Surplus/Deficit*

The underlying operating result is the operational result (balanced, surplus or deficit) less the removal of gifted assets, developer contributions, asset revaluations, and write offs and impacts of asset sales.

Capital income is further deducted on the grounds it represents an "unmatched" income (expenditure is not included) and it is a non-recurring income source. The aim is to reach an underlying operating position and then to assess whether this has added to or has eroded the net asset base of Council.

Council's underlying operating deficit for 2010-2011 was \$2.07 million which this SRP is addressing to restore to a surplus over the next four years.

## Strategic Resource Plan



### *Liquidity*

The MAV assessment asserts a working capital ratio of 150 percent is generally considered desirable. The analysis considers that Councils with working capital above 150 per cent may have the capacity to reduce long-term debt.

This needs to be tempered with whether Council has an appetite for the use of debt funding for investment decisions. Put simply, if Council utilises debt then lower levels of liquidity are acceptable, however if Council has a low appetite for debt then higher liquidity levels are required to fund Council's investment decisions.

There is therefore a need to analyse on a regular basis future cash needs of Council's investment decisions, so ensuring funds are available to back reserves, grants received in advance and carry forward projects.

### *Rate effort*

The ability to increase rate revenue is a significant factor in determining whether Council is potentially at risk. Council's rating effort has been satisfactory though when benchmarked was below the average effort of the large Council group.

### *Cost and efficiency*

Council performs well here and is statistically a "low cost" council. Council's employee cost as a percentage of adjusted expenditure was 38.8%, compared with the average result for large rural shires of 36.4%.

### *Population growth and demographic change*

Population and demographic changes have a direct impact on Council costs. For example, population declines can result in higher unit costs of service delivery because of the fixed nature of some costs. Rapid population growth can place significant financial pressure on councils to put new or expanded services in place.

Colac Otway Shire's average annual population change places no significant financial pressure to put new or expanded services in place.

However, changing demographics places significant pressure on services due to differing demographics requiring different services. For example, aging populations require different services (home care and retirement villages) to that of the younger generations (schools and sporting facilities).

Colac Otway Shire's demographics do place considerable pressures on the need to put new or expanded services in place.

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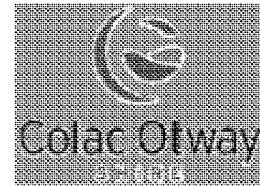
### **3.3.2 Victoria Auditor General**

The Victoria Auditor General's Office (VAGO) in late 2007 prepared a report on Local Government which outlined for the first time a detailed analysis on the financial sustainability of Councils and Regional Library corporations.

In the table below the indicators are collected to assess financial sustainability. This information has been collected since 2007-2008.



Strategic Resource Plan

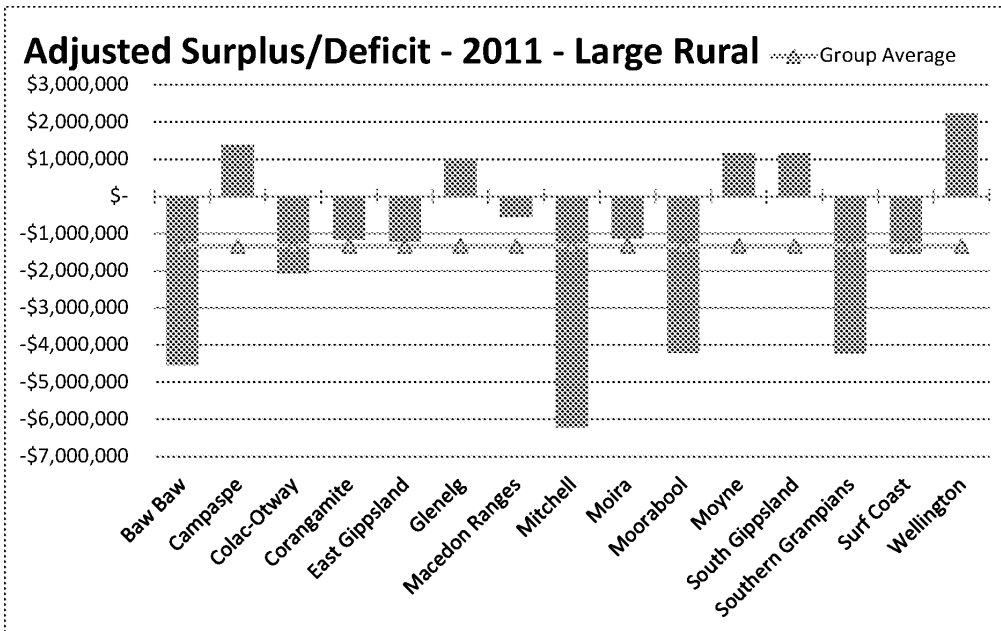


The VAGO's indicators of Council viability are listed below with 2010/11 results.

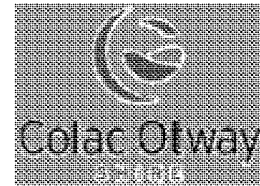
| Indicator                            | Calculation                                   | Explanation                                                                                                                                                                    | Results 2010/11 |
|--------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Underlying result                    | Adjusted net surplus/total underlying revenue | Adjusted net surplus is calculated by removing non-cash developer contributions and one-off items from statement of income and expenditure.                                    | 1.85%           |
| Liquidity                            | Current Assets/Current Liabilities            | Measure of ability to pay existing liabilities within 12 months.                                                                                                               | 2.41            |
| Indebtedness                         | Non-current liabilities/own sourced revenue   | Compares non-current liabilities (including loans) to own source revenue. Own-sourced revenue is used because it does not include capital grants.                              | 33.8%           |
| Self-financing                       | Net Operating cash flow/underlying revenue.   | This is a measure of local government's ability to fund the replacement of assets from cash generated by their operations: the higher the percentages, the more able to do so. | 30.3%           |
| Investment Gap (Capital Replacement) | Capital Spend/Depreciation                    | This is a measure of whether local governments are spending on infrastructure at a greater rate than the infrastructure is depreciating.                                       | 1.30            |
| Renewal Gap (VAGO)                   |                                               | Compares the rate of spending on existing infrastructure, property, plant and equipment through renewing, restoring and replacing existing assets with depreciation.           | 1.09            |

**3.4 OPERATING SURPLUS EXCLUSIVE OF CAPITAL INCOME AND ABNORMAL ITEMS**

One of Colac Otway Shires long-term financial goals is to achieve an operational surplus without the inclusion of any capital income (against which there is no matching expenditure in the operating statement) and abnormal items such as granted assets.



**Strategic Resource Plan**

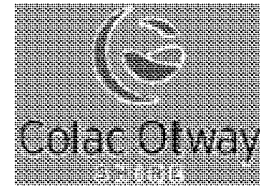


Council's position of \$2.07 million deficit, while greater than the average for the Large Shire category at \$1.33 million, should be returned to surplus to ensure sufficient long term funding for the replacement of capital infrastructure and to maintain existing service delivery.

**Strategic Direction**

- 1. That Colac Otway Shire Council continues to benchmark with other Victorian councils and those within the large council category.**
- 2. That Colac Otway Shire Council applies the outcomes of this SRP to the 2012-2013 Budget.**
- 3. That Colac Otway Shire Council reduces its underlying operating deficit over the life of this SRP and reaches an adjusted operating surplus within 4 years.**

Strategic Resource Plan



## 4. LONG-TERM BORROWING STRATEGIES

### 4.1 INTRODUCTION

This section includes:

- Background to Colac Otway Shire Council’s current debt portfolio;
- Measuring what level of debt is appropriate;
- Loan borrowings policy;
- Financial indicators;
- Prudent debt level;
- Future loan programme.

### 4.2 BACKGROUND TO CURRENT DEBT PORTFOLIO

The table below highlights Council’s interest-bearing liabilities, i.e. the movements that have occurred over the past two financial years, the 2012 forecast and the 2012-2013 and 2013-2014 likely budget projections.

| Debt Type              | Position at<br>30 June 2010<br>\$'000s | Position at<br>30 June 2011<br>\$'000s | Budget at<br>30 June 2012<br>\$'000s | Projection at<br>30 June 2013<br>\$'000s | Projection at<br>30 June 2014<br>\$'000s |
|------------------------|----------------------------------------|----------------------------------------|--------------------------------------|------------------------------------------|------------------------------------------|
| <b>Loan borrowings</b> | <b>4,157</b>                           | <b>4,846</b>                           | <b>4,189</b>                         | <b>5,256</b>                             | <b>4,769</b>                             |

Loan borrowings for 2012-2013 of \$1.5 million are reflected in the above table.

### 4.3 MEASURING WHICH LEVEL OF DEBT IS APPROPRIATE

Deciding an appropriate debt level is a difficult task. Each council is different and the level of debt that is appropriate for Colac Otway Shire Council may not be acceptable for another council.

The following factors are seen as important issues for consideration by Colac Otway Shire Council:

- level of debt servicing as a proportion of rate revenue;
- ability to raise revenue in addition to rates;
- level of realisable assets to support the indebtedness;
- achieving the right mix of capital works and debt commitments;
- growth rate of municipality;
- community needs; and
- demographics

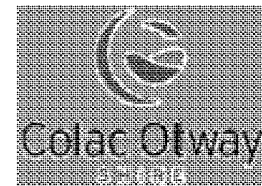
Colac Otway Shire Council has had minimal borrowings in the past. This has a direct consequence of reducing the amount of funding available to complete capital works in future years. Council is now in a position to determine the appropriate level of debt that will allow for a strong annual capital works programme into the future.

Council is responsible and accountable for indebtedness and the cost of debt servicing needs to be controlled to manageable levels. The table below highlights the relative debt levels of councils within the large shire grouping at 30 June 2011. Colac Otway Shire Council’s relative debt level is also shown.

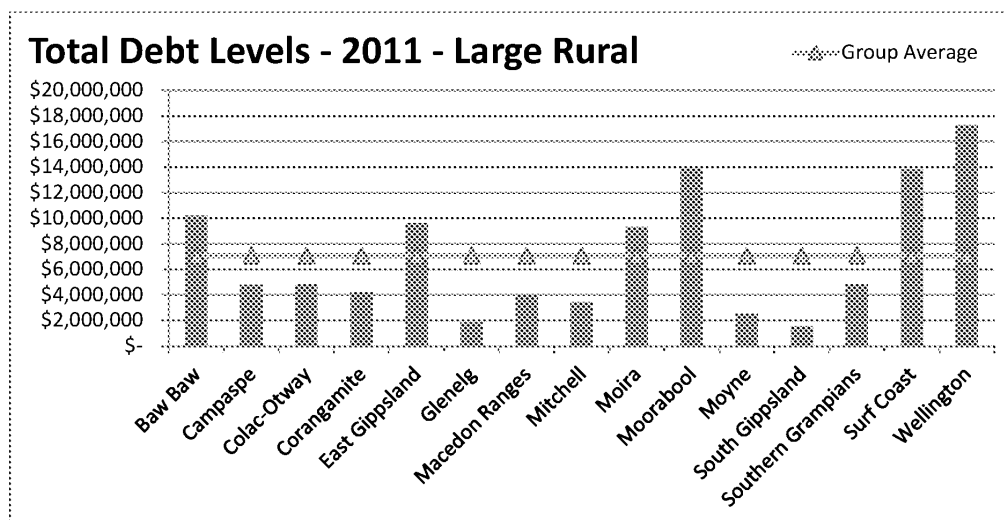
By comparing a number of different debt ratios within the large rural council grouping, Colac Otway Shire Council can begin to consider what level of debt is appropriate.



Strategic Resource Plan

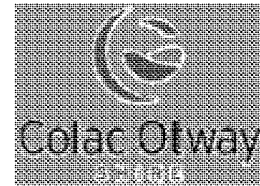


| Council            | Debt Servicing / Adj. Total Revenue | Debt Commitment / Rates | Total Liabilities / Realisable Assets | Debt Commitment / Own Source Revenue | Total Debt / Own Source Revenue | Total Debt / Rate Revenue |
|--------------------|-------------------------------------|-------------------------|---------------------------------------|--------------------------------------|---------------------------------|---------------------------|
| Baw Baw            | 1.48%                               | 8.70%                   | 13.83%                                | 7.19%                                | 26.73%                          | 32.35%                    |
| Campaspe           | 0.54%                               | 2.18%                   | 8.52%                                 | 1.32%                                | 10.54%                          | 17.34%                    |
| Colac Otway        | 0.89%                               | 3.52%                   | 13.86%                                | 2.90%                                | 19.55%                          | 23.67%                    |
| Corangamite        | 0.52%                               | 5.35%                   | 20.64%                                | 3.90%                                | 20.23%                          | 27.77%                    |
| East Gippsland     | 1.03%                               | 4.21%                   | 11.63%                                | 3.37%                                | 21.29%                          | 26.59%                    |
| Glenelg            | 0.55%                               | 3.64%                   | 13.07%                                | 2.92%                                | 7.47%                           | 9.32%                     |
| Macedon Ranges     | 0.57%                               | 4.91%                   | 12.07%                                | 3.85%                                | 10.28%                          | 13.12%                    |
| Mitchell           | 0.56%                               | 5.36%                   | 17.99%                                | 4.02%                                | 11.68%                          | 15.59%                    |
| Moira              | 1.94%                               | 9.83%                   | 15.24%                                | 8.39%                                | 33.81%                          | 39.61%                    |
| Moorabool          | 2.01%                               | 8.87%                   | 22.18%                                | 7.88%                                | 58.64%                          | 66.01%                    |
| Moyne              | 0.14%                               | 1.62%                   | 10.83%                                | 0.86%                                | 9.38%                           | 17.74%                    |
| South Gippsland    | 0.34%                               | 4.34%                   | 8.79%                                 | 3.75%                                | 4.90%                           | 5.68%                     |
| Southern Grampians | 0.89%                               | 5.16%                   | 11.93%                                | 3.54%                                | 24.00%                          | 34.97%                    |
| Surf Coast         | 1.53%                               | 4.75%                   | 17.89%                                | 4.05%                                | 35.52%                          | 41.65%                    |
| Wellington         | 1.40%                               | 6.62%                   | 13.54%                                | 5.60%                                | 38.10%                          | 45.02%                    |
| Average            | 0.96%                               | 5.27%                   | 14.13%                                | 4.24%                                | 22.14%                          | 27.76%                    |
| Median             | 0.89%                               | 4.91%                   | 13.54%                                | 3.85%                                | 20.23%                          | 26.59%                    |



The table also details the financial ratios with respect to debt management with the large rural councils and highlights the following points.

**Strategic Resource Plan**



Colac Otway Shire Council's debt position as compared to the councils in their group can be described as follows:

- Colac Otway Shire's debt level is below the group average.
- Colac Otway Shire's Council's financial ratios are well within State government prudential guidelines.
- The debt commitment ratio of 3.52 percent in 2010/11 meant ratepayers funded principal redemption and interest at 3.52 cents in every dollar of rates paid.

Council's debt is relatively low providing the opportunity to review its policy going forward and begin to use debt as a means of financing new capital where the life of the asset exceeds a generation.

This ensures new residents pay their share for the new facilities provided by Council.

Borrowings should be used only for the purchase of or the construction of assets that provide a return to the community. Whether that return be a purely financial return or provides some intrinsic or non-financial return, but there needs to be some form of return to the community in order to justify the investment.

**4.4 BORROWING ASSESSMENT POLICY**

Council has assessed its capacity to borrow against the Victorian State Government's Prudential Guidelines.

The administration of the Local Government sector's borrowing involves:

- The collation of the sector's borrowing requirements through an annual survey;
- The assessment of individual council's borrowings; and
- Recommendation to the Department of Treasury and Finance (DTF) of the aggregate net new borrowing requirement of the sector.

All borrowings by individual councils are assessed under a borrowings assessment policy adopted by the Local Government Division.

The policy identifies five key areas of financial management with certain thresholds that are required to be met.

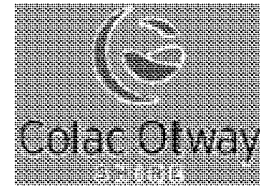
| Area                   | Financial Indicator                                  | Threshold (Prudential Guidelines) | Position 2009/09 | Position 2009/10 | Position 2010/11 |
|------------------------|------------------------------------------------------|-----------------------------------|------------------|------------------|------------------|
| <b>Liquidity</b>       | Current Assets to Current Liabilities                | <b>1:1.1</b>                      | 2.27             | 2.18             | 2.41             |
| <b>Debt Exposure</b>   | Total Indebtedness to Total Realisable Assets        | <b>50%</b>                        | 11.38%           | 13.99%           | 12.34%           |
| <b>Debt Management</b> | Total Debt as a % of Rate Revenue                    | <b>80%</b>                        | 13.99%           | 22.40%           | 23.67%           |
| <b>Debt Servicing</b>  | Debt Servicing Costs as a % of Total Revenue         | <b>5%</b>                         | 0.49%            | 0.36%            | 0.54%            |
| <b>Debt Commitment</b> | Debt Servicing and Redemption as a % of Rate Revenue | <b>10%</b>                        | 3.99%            | 2.40%            | 3.52%            |

Colac Otway Council is well within the State Government Prudential Guidelines as at 30 June 2011 and is forecast to be within these as at 30 June 2012.

**4.5 WHAT DO THE FINANCIAL INDICATORS MEAN?**

Detailed below is Council's performance on a number of the financial indicators which are necessary for borrowing approval by State Government.

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**4.5.1 Liquidity – threshold 1.5:1**

*Current Assets to Current Liabilities*

This indicator reflects the short-term liquidity position; that is, Council's ability to repay current commitments from cash or near cash assets. Councils with a ratio of 1.1:1 and below, or with a deteriorating trend, may be financially at risk of not being able to meet creditors' commitments. Council's working capital ratio over the life of the SRP is illustrated in the table below.

| 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---------|---------|---------|---------|---------|---------|
| 2.41    | 1.46    | 1.34    | 1.19    | 1.58    | 1.82    |

**4.5.2 Debt Management – Threshold 80 percent**

*Total Debt as a percentage of Rate Revenue*

The *Local Government Act (1989)* requires that all loans are secured against the revenue stream from rates. A council with total debt in excess of the revenue from rates would be unable to meet all debt commitments from rate revenue should they be required to be repaid at the one time. A threshold of 80 percent has been set. Council's ratio over the life of the SRP is illustrated in the table below.

| 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---------|---------|---------|---------|---------|---------|
| 23.67%  | 18.96%  | 21.85%  | 22.59%  | 19.41%  | 16.56%  |

**4.5.3 Debt Servicing – Threshold 5 percent**

*Debt Servicing Costs as a percentage of Total Revenue*

This indicator reflects the proportion of total revenue that is used to service debt (interest on outstanding debt and any loan administration charges) and which cannot be used directly for service delivery. A threshold of **5 percent** has been set. Council's ratio over the life of the SRP is illustrated in the table below.

| 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---------|---------|---------|---------|---------|---------|
| 0.54%   | 0.87%   | 0.76%   | 0.86%   | 0.74%   | 0.63%   |

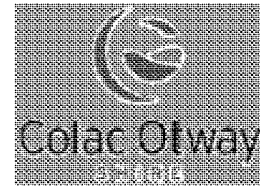
To encourage longer term planning by councils, the framework also includes an assessment of reasons for the new borrowings. This rationale is explained in Council's policy, which is to fund long-term intergenerational assets from loan funds to ensure intergenerational equity.

**4.6 WHAT IS A PRUDENT DEBT LEVEL?**

An additional ratio, debt commitment, details how much of Council's rate dollar is being spent to repay debt and interest as an overall percentage of Council's rate revenue

Council's new policy is to retain debt commitment costs below 5 cents in the dollar. That is, for every dollar of rate revenue received, the cost to service debt (principal and interest) should not exceed 5 cents.

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There are limits on borrowings due to the costs of interest payments. If Council were to borrow too heavily it would result in an inability to invest in capital works due to funds being consumed in debt repayment. Therefore achieving a balance is important.

Along with the State Government Prudential Guidelines Council proposes to limit its debt servicing and redemption costs to 5 cents in every rate dollar. This will mean at any time Council will:

- Be within State Government prudential guidelines; and
- Not exceed 5 cents in the dollar for the cost of debt servicing and redemption (interest and principle).

In 2010/11, 3.52 cents in the rate dollar received was to service debt – both principal and interest payments.

### 4.7 FUTURE LOAN PROGRAMME

The use of loans to fund capital expenditure is an effective mechanism of linking the payment for the asset to successive generations who receive benefits over the life of that asset. This matching concept is frequently referred to as “intergenerational equity”.

The intergenerational equity theory is based on the premise that successive generations and new residents should contribute to infrastructure or facilities that they will enjoy and benefit from. Generally these include major facilities (preschools, halls, arts centres) where the benefit of the investment will extend beyond the current ratepayers.

Council will review its need for loan funds annually when consideration of the capital investment programme is undertaken.

An indicative level of borrowing will be applied to the 2012-2013 SRP following the development of a 10-year capital works programme.

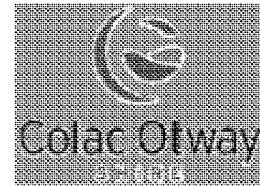
Council, following the adoption of a **10-year** capital works programme will review the level of the borrowings within the policy limit.

#### **Strategic Direction**

1. ***That Colac Otway Shire Council, based on compliance with the State Government Prudential Guidelines, borrows funds for capital investment projects that provide intergenerational equity.***
2. ***That Colac Otway Shire Council retains its debt servicing and redemption costs at or below 5 cents in the rate revenue dollar, towards interest and principal, over the life of this SRP.***
3. ***That Colac Otway Shire Council commits to a maximum ten (10) year term for all new borrowings.***



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## 5. STATUTORY AND OTHER RESERVES

### 5.1 INTRODUCTION

Victorian councils have traditionally operated with reserve funds that are allocated for specific purposes. These funds do not necessarily have bank accounts of their own but are a component of the cash held by Council.

The use of reserves provides Council with alternative funding options to consider alongside rates, grants user fees and borrowings.

### 5.2 NATURE AND PURPOSE OF RESERVES

The purpose of reserves is to provide cash to fund the activities of Council. The simplest explanation is to think of cash reserves as a savings account building up over the years to acquire an asset. Cash reserves used in this way have the effect of minimising the rate increases that Council would otherwise seek from the community to fund community infrastructure and Council activities. Cash reserves also have the effect of providing working capital to support Council activities throughout the year. Given that Council receives its income generally in several instalments the working capital allows Council to continue to "pay its bills". An additional benefit is the interest income received on the cash held. This income also reduces the pressure on rate increases.

Council's cash reserves are built up over many years (hence the smoothing effect on rate increases) and they are consumed as activities are undertaken and built up as new activities have funds put aside for. Examples of this are landfill rehabilitations. Council is required to undertake landfill rehabilitation works. These rehabilitations are likely to cost several million dollars. By placing funds into reserve for this purpose over ten years, the burden on ratepayers is spread over ten years rather than in the year the works are undertaken. Reserves only exist whilst there is cash to support them. For example, a landfill rehabilitation cash reserve is not a reserve unless cash supports it. A reserve not backed by cash is in actuality a provision or liability.

Colac Otway Shire Council breaks the cash reserves into the following five (5) categories:

1. Trusts and deposits
2. Statutory reserves
3. Restricted reserves
4. Identified reserves
5. Discretionary reserves

#### *Trusts and deposits*

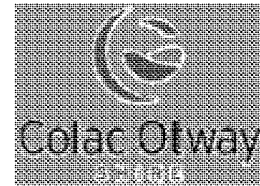
These reserves include funds held in deposits for specific purposes or as deposits and bonds held in trust.

#### *Statutory reserves*

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

These reserves are for activities such as for Car Parking and Recreational Reserves, where the funds must be applied for specified statutory purposes in accordance with various legislation and contractual requirements, and major reserves such as those funds separately

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identified to meet Council’s obligations as set out in the Local Government (Long Service Leave) Regulations 2002.

*Restricted reserves*

These funds or reserves are those reserves set up for a specific purpose, where cash is being placed aside for a specific purpose where council has a future obligation or liability. Such reserves may be a landfill rehabilitation reserve where a liability is recognised in financial statements or a reserve set up where an agreement is in place.

These funds are available only for those purposes previously agreed to by Council in the setting up of these reserves unless there is a council resolution changing the future application of these funds.

*Identified reserves*

These funds or reserves are set up for an identified purpose. Such a reserve will have been established for a specific purpose that may not be a recognised future obligation or liability. Such reserves may include purposes such as placing funds aside for unfunded superannuation calls that Council is aware of, or a kerbside bin replacement reserve where funds are being placed aside to replace the kerbside bins at a particular point in the future. These funds are available for those purposes previously agreed to by Council in the setting up of these reserves, however Council may agree to change the future application of these funds.

*Discretionary reserves*

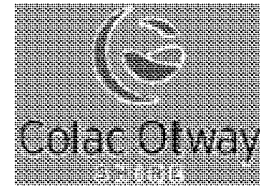
These funds or reserves are set up for a purpose that may not be defined to a specific project, purpose or activity. For example, a waste management reserve that is set up to address waste management issues but not a specific waste management issue. The funds are available for those purposes previously agreed to by Council in the setting up of these reserves; however Council may agree to change the future application of these funds.

| Trusts and deposits        | Actual<br>30 June 2011<br>\$'000s | Forecast<br>30 June 2012<br>\$'000s |
|----------------------------|-----------------------------------|-------------------------------------|
| <b>Trusts and deposits</b> | 287                               | 255                                 |
|                            | <b>287</b>                        | <b>255</b>                          |

| Statutory reserves        | Actual<br>30 June 2011<br>\$'000s | Forecast<br>30 June 2012<br>\$'000s |
|---------------------------|-----------------------------------|-------------------------------------|
| <b>Long Service Leave</b> | 1,675                             | 1,571                               |
| <b>Car Parking</b>        | 138                               | 138                                 |
| <b>Recreational Lands</b> | 564                               | 584                                 |
|                           | <b>2,376</b>                      | <b>2,293</b>                        |

| Restricted reserves                    | Actual<br>30 June 2011<br>\$'000s | Forecast<br>30 June 2012<br>\$'000s |
|----------------------------------------|-----------------------------------|-------------------------------------|
| <b>Port of Apollo Bay</b>              | 1,151                             | 1,481                               |
| <b>Landfill Rehabilitation (Alvie)</b> | 467                               | 524                                 |
| <b>Plant Replacement</b>               | 1,261                             | 1,270                               |

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| Restricted reserves         | Actual<br>30 June 2011<br>\$'000s | Forecast<br>30 June 2012<br>\$'000s |
|-----------------------------|-----------------------------------|-------------------------------------|
| Rehabilitation              | 160                               | 160                                 |
| Tirrengower Drainage Scheme | 36                                | 59                                  |
|                             | <b>3,075</b>                      | <b>3,494</b>                        |

| Identified reserves            | Actual<br>30 June 2011<br>\$'000s | Forecast<br>30 June 2012<br>\$'000s |
|--------------------------------|-----------------------------------|-------------------------------------|
| Unfunded Superannuation        | 100                               | 100                                 |
| Colac Livestock Selling Centre | 344                               | 488                                 |
| Kerbside Bin Replacement       | 205                               | 282                                 |
|                                | <b>649</b>                        | <b>870</b>                          |

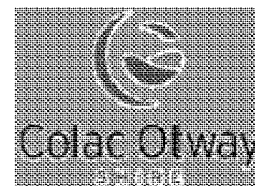
| Discretionary reserves | Actual<br>30 June 2011<br>\$'000s | Forecast<br>30 June 2012<br>\$'000s |
|------------------------|-----------------------------------|-------------------------------------|
| Resource Development   | 384                               | 0                                   |
|                        | <b>384</b>                        | <b>0</b>                            |

| Reserves Summary       | Actual<br>30 June 2011<br>\$'000s | Forecast<br>30 June 2012<br>\$'000s |
|------------------------|-----------------------------------|-------------------------------------|
| Trusts and Deposits    | 287                               | 255                                 |
| Statutory Reserves     | 2,376                             | 2,293                               |
| Restricted Reserves    | 3,075                             | 3,494                               |
| Identified Reserves    | 649                               | 870                                 |
| Discretionary Reserves | 384                               | 0                                   |
|                        | <b>6,771</b>                      | <b>6,657</b>                        |

**Strategic Direction**

1. That Colac Otway Shire Council builds and maintains cash reserves to both support working capital and ensure funds are available for Council activities as scheduled.
2. Reserves are fully backed with cash at the end of each financial year.

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## 6. RATING AND OTHER REVENUE STRATEGIES

### 6.1 INTRODUCTION

This section includes:

- Valuations
- Background to present rating system;
- Components of Council's rating base;
- Rates and charges Budget 2011/12;
- Rating strategy;
- Waste services;
- Grant revenue;
- Victoria Grants Commission; and
- Fees and charges revenue.

### 6.2 VALUATIONS

#### 6.2.1 General valuation

Valuations are conducted under the provisions of the *Valuation of Land Act (1960)* with each separate occupancy on rateable land calculated at its net annual value (NAV), capital improved value (CIV), and site value (SV).

Valuations are carried out using Valuation Best Practice Principles as set down by the State Government Valuer General. In Colac Otway Shire, data on every property is recorded and used by independent valuers with sales, rentals and other information to determine the valuations.

A general valuation (revaluation) establishes the value of a property relative to all other properties, that is, its market relativity. Valuations form the basis of Council's rating system; therefore, their accuracy is of paramount importance.

General valuations are required every two years. This ensures a common date is used for all valuations. The 2010 revaluation was undertaken based on property values as at 1 January 2010.

The revaluation does not in itself raise the total rate income for Council, as the rates are distributed based on the property value of all properties across the Shire. As a result of the revaluation, some property owners may pay more in rates and others less, depending on the new valuation of their property, relative to others.

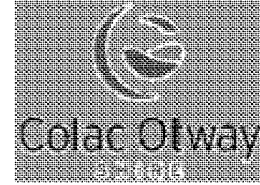
#### 6.2.2 Definitions of valuations

Colac Otway Shire Council uses the capital improved method of valuation (CIV), which is the market value of a property including land, buildings and improvements. CIV has the following long-term advantages relative to other valuation bases:

- flexibility to apply an unlimited range of strategic differentials;
- does not prejudice the industrial, commercial and retail sectors in terms of the rate burden; and
- is easier for people to understand.



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The other valuation bases the valuer is required to return are:

- Site value (SV) which is the market value of land excluding improvements (used by the State Revenue Office to determine land tax); and
- Net annual value (NAV) which represents the reasonable annual rental of a property, minus specified outgoings. In most cases this is five percent of the CIV.

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### 6.2.3 Supplementary valuations

Supplementary valuations are made during the financial year when a significant change to the valuation occurs.

The most common causes for supplementary valuations are:

- construction of a new dwelling or building;
- subdivision of a property; or
- consolidation of properties.

Council presently undertakes this task on a monthly basis.

As a result of a supplementary valuation, a rate notice is issued to reflect any change in rates.

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## 6.3 RATING STRATEGY

### 6.3.1 Principles and Options

Colac Otway Shire Council's rating strategy establishes a framework by which rates and charges will be shared by the community. In developing a long-term financial plan, rates and charges are an important source of revenue.

The rating system determines how Council will raise money from properties within the municipality. It does not influence the total amount of money to be raised, only the share of revenue contributed by each property.

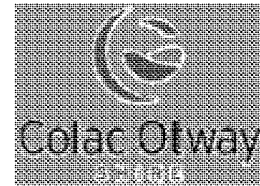
Council and the community invariably confront trade-offs and the principles are designed to improve the quality of decision making in this environment. The principles set out below were synthesized from a number of sources including the work published by a number of authors quoted in the Productivity Commission report, *Assessing Local Government Revenue Raising Capacity*.

Use was also made of long-established principles in the public finance and economics literature, as well as some of the principles outlined in recent Financial Sustainability reports around the nation.

The proposed principles listed below are further explained in Appendix B:

- Sustainable financial management;
- Evaluating and setting priorities;
- Core functions;
- Identifying cost of service delivery;
- Prudent borrowings for infrastructure;
- Rate setting and pricing for services;
- Openness and transparency, and
- Providing services on behalf of other tiers of government.

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The wider and more rigorous application of the principles offers Council a way to determine more effectively which services local communities really want or value and how much they are prepared to pay for them.

Council can then exercise its legitimate governance role and determine not only who wants what service and who benefits but what is socially equitable, that is, who pays how much.

**6.4 BACKGROUND TO THE PRESENT RATING SYSTEM**

Prior to dealing with the rating strategy, it is important to have a broad knowledge of the present rating structure.

The SRP uses the rating strategy current at the time of preparation and is assumed to apply consistently across the life of the SRP.

Council has six different categories across which five differential rates apply.

| Rating Category                                 | Rates Differential |
|-------------------------------------------------|--------------------|
| <b>Residential – Colac</b>                      | 100%               |
| <b>Residential – Balance of shire</b>           | 85%                |
| <b>Rural farm</b>                               | 79%                |
| <b>Holiday Rental</b>                           | 100%               |
| <b>Commercial/Industrial – Colac</b>            | 165%               |
| <b>Commercial/Industrial – Balance of shire</b> | 140%               |

**6.5 COMPONENTS OF COUNCIL'S RATING BASE**

**6.5.1 Introduction**

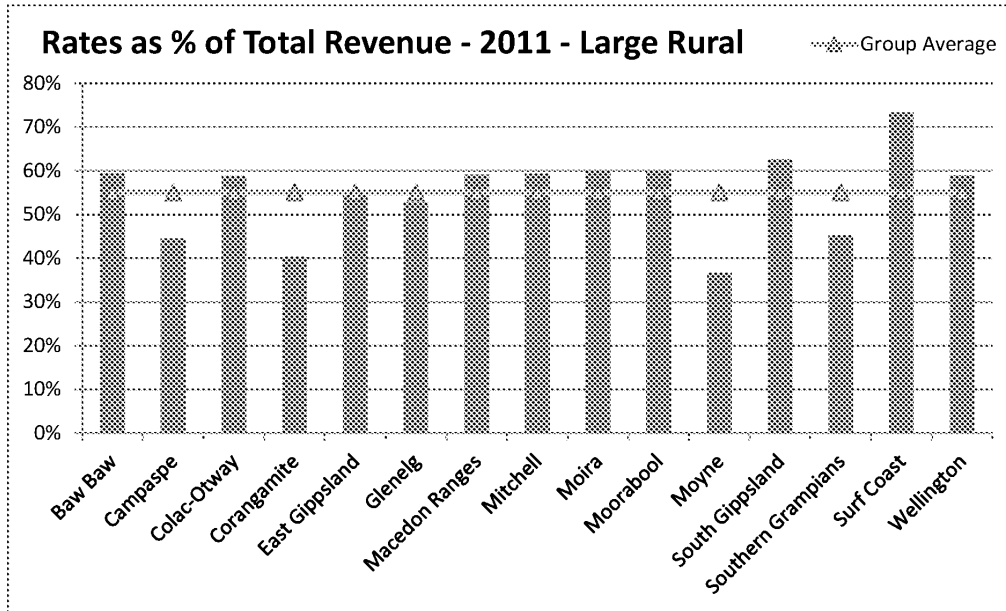
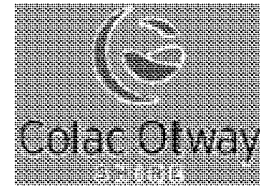
Colac Otway Shire Council levies differential rates, annual service charges and a municipal charge, to raise its annual rates and charges revenue. The legislative basis of the following and details of how they apply to Colac Otway Shire are available upon request:

- Differential Rates – Legislation;
- Municipal Charges;
- Special Rates and Charges;
- Service Rates and Charges; and
- Rebates and Concessions

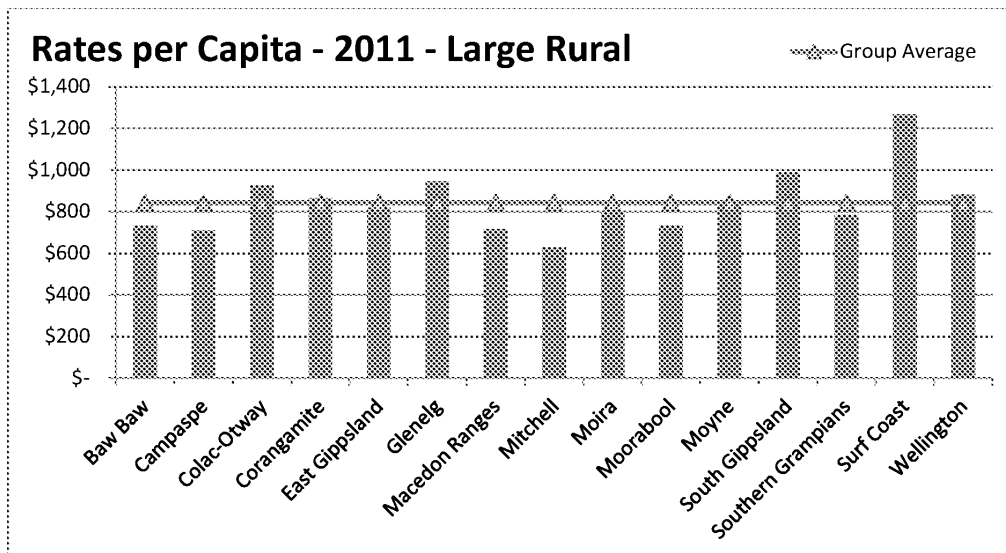
**6.6 ASSESSMENT OF CURRENT RATING LEVELS**

Comparing the relativity of rating levels between councils can be a difficult exercise due to debate over the most appropriate methods to use and the inability to take into account the intricacies of rating structures in different councils. Also, cash holdings of municipalities vary and councils have significantly different infrastructure needs and geographic sizes. For example, Surf Coast Shire is 1,560 square kilometres, compared to Colac Otway Shire at 3,433 square kilometres and Wellington Shire at 10,200 square kilometres.

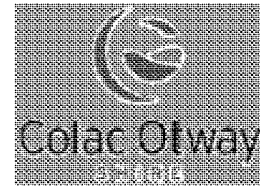
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Each municipality also has significantly different levels of capital works, funding structures for capital works and varying debt levels. On rates per assessment basis in the 2010/11 financial year, Colac Otway Shire Council was about average for the large shire group and state average.



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**6.7 RATES AND CHARGES BUDGET - 2012-2013**

**6.7.1 Introduction**

This section details issues regarding rating parameters.

**6.7.2 6.6.2 Revenue – rate and municipal charge changes**

A key decision of Council during the life of the SRP is to determine the level of rate increase that will address funding levels for capital works, service provision for the municipality and improve Council’s long-term financial sustainability.

The base assumption of the SRP is centred on the first year of the SRP, which then provides a basis for future years.

The SRP includes indicative changes to the rates and municipal charges that are required to meet the continued delivery of capital works, service provision for the municipality and to improve Council’s long-term financial sustainability as determined by Council.

The basis of the municipal charge is now a percentage of the total rates and charges rather than a set value. This treats the municipal charge in the same manner as a rating differential and additionally is on the same basis as the maximum permissible municipal charge as stipulated in the Local Government Act.

Council’s required additional rate and municipal charge revenue from 2012-2013 is \$1.491 million based on a 6.33 percent increase over the 2011-2012 rate revenue.

**6.8 WASTE SERVICE CHARGES**

**6.8.1 Introduction**

Council is empowered under Section 162(1) (b) of the *Local Government Act (1989)* to levy a service charge for the collection and disposal of refuse.

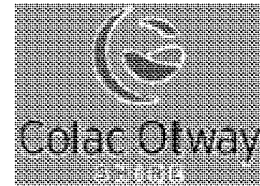
Colac Otway Shire Council has typically used this option through the raising of garbage and recycling charges on the annual rate assessment.

The purpose of this charge is to meet the costs of delivering a general waste collection service and includes: putrescibles, green waste and recycling activities throughout the Council collection area.

Colac Otway Shire’s charge will be \$277 (weekly collection) and \$186 (fortnightly collection) per rateable property within the collection area and is on a cost recovery basis, i.e. all revenue collected for this charge is allocated to be spent on waste collection activities.

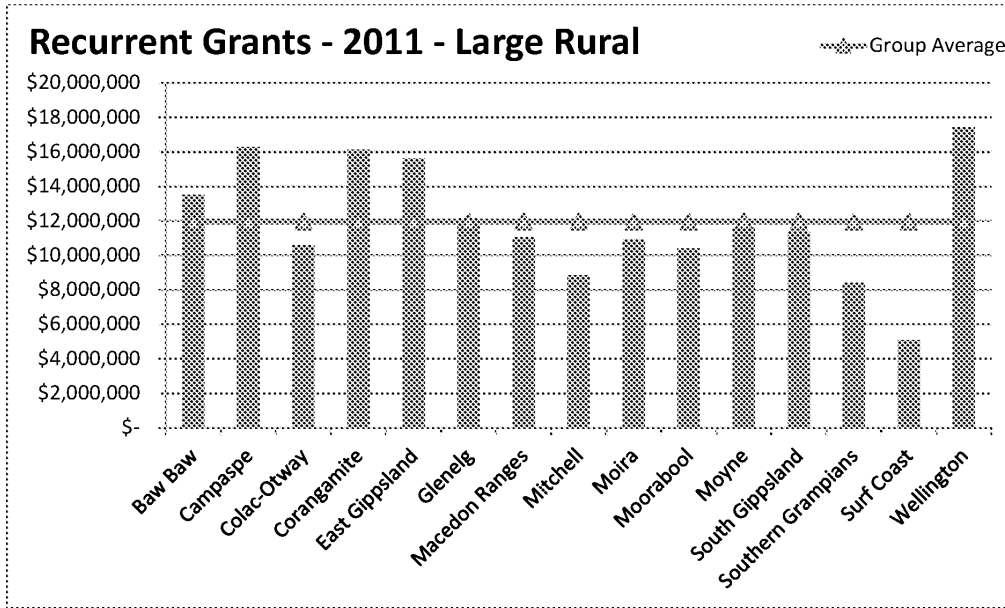
|                                            | 2011/12         | 2012/13         | 2013/14         | 2014/15         | 2015/16         |
|--------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Waste collection charge</b>             | \$2.537 million | \$2.634 million | \$2.766 million | \$2.904 million | \$3.020 million |
| <b>Weekly collection per property</b>      | 274             | 277             | 288             | 299             | 311             |
| <b>Fortnightly collection per property</b> | 186             | 186             | 193             | 201             | 209             |

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**6.9 GRANT REVENUE**

As at 30 June 2011 Colac Otway Shire Council was below average in terms of receiving recurrent government grant revenue, compared to its like council grouping as outlined in the graph below.



As a benchmark Colac Otway Shire Council receives 30.4% of its revenue (as a percentage of total revenue) from operating grants compared to the average of Large Shire's at 27.0%.

Colac Otway Shire Council must continue its strong focus on securing grant revenue, particularly for capital works. With a longer-term capital works program in place Council should be able to target and focus on grants that align with its overall strategic direction. Grants, subsidies and contributions (capital and operating) at 30 June 2011 totalled \$15,652 million.

**6.10 VICTORIA GRANTS COMMISSION**

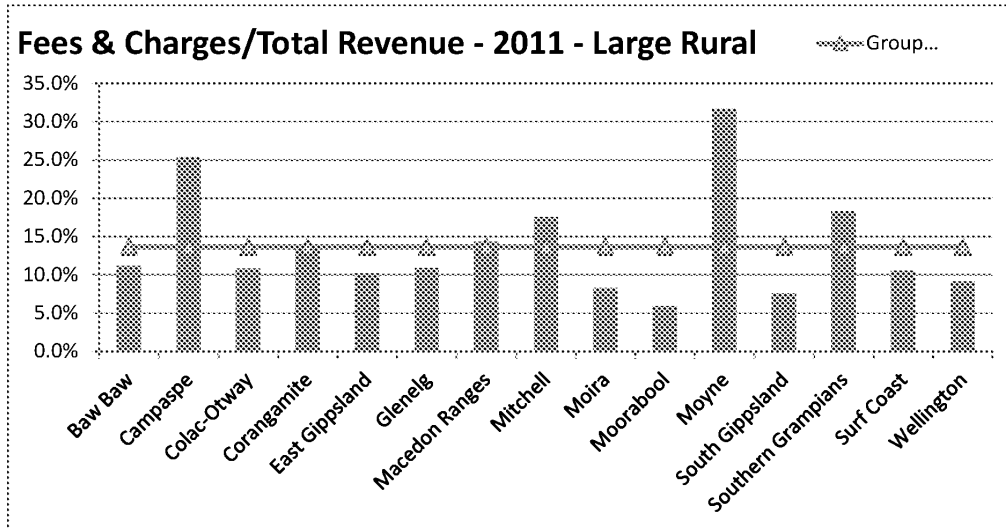
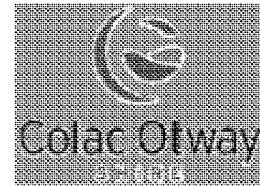
Council receives approximately 15.1 percent of its revenue from the Victoria Grants Commission. This revenue is projected at \$6.1 million in 2012-2013 and budgeted at \$5.9 million in 2011/12.

**6.11 FEES AND CHARGES REVENUE**

Colac Otway Shire Council's fees and charges revenue as a percentage of its total revenue is below the average for large councils and is outlined in the graph below.



Strategic Resource Plan

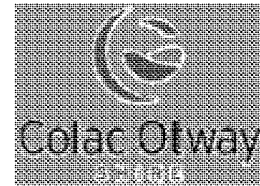


Council seeks to ensure that fees and charges are determined in a methodological manner and applying consistent principles to the development of fees and charges.

**Strategic Direction**

1. That Colac Otway Shire Council retains capital improved value (CIV) as its valuation base.
2. That Colac Otway Shire Council provides a municipal charge that is 10 percent of rates and charges to ensure an equitable contribution towards the unavoidable fixed costs of Council.
3. That Colac Otway Shire Council:
  - directly charges waste collection and recycling costs and the cost of disposal of domestic waste, to those ratepayers who receive the service; and
  - bases future increases on real cost increases, EPA, regulatory and safety requirements.
4. That Colac Otway Shire Council pursues operational grant funding and strategic capital funding aligned with Council Plan objectives.
5. That Colac Otway Shire Council pursues a consistent and rigorous methodology for the creation and setting of fees and charges.
6. That Colac Otway Shire Council undertakes detailed analysis on the level of existing fees and charges, investigates new revenue sources and report recommendations to Council.

## Strategic Resource Plan



# 7. ASSET MANAGEMENT

## 7.1 INTRODUCTION

Linking asset management to Council's strategic financial direction is fundamental to achieving the goal of long-term financial sustainability.

This section includes:

- Background to Council's total asset portfolio at 30 June 2010;
- Summary of fixed assets;
- Key questions to determine service level/investment;
- Sustainability index;
- Condition assessments;
- Strategic asset management; and
- Future asset management

## 7.2 BACKGROUND TO COUNCIL'S TOTAL ASSET PORTFOLIO AT 30 JUNE 2010

Accounting for an asset requires the recognition of all costs associated with asset ownership including creation/acquisition, operations, maintenance, rehabilitation, renewal, depreciation and disposal. This "life cycle" approach needs to be recorded at an individual asset level so all the costs of owning and operating assets are known and understood.

For accounting purposes, assets are grouped into current and non-current assets. Current assets are cash or those assets that are considered to be readily convertible to cash. This asset grouping includes cash at bank, investment funds stock on hand, debtors and land held for resale.

Non-current assets consist of Council's debtor accounts not expected to be collected in the coming 12 months and Council's fixed assets. Fixed assets consist of land, buildings, plants, furniture, roads, drains, playgrounds and other similar infrastructure assets. The projected total value of fixed assets at 30 June 2012 is \$227.85 million. The balance of this section will focus on the fixed assets and the management strategies that Council is pursuing.

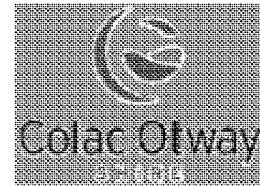
## 7.3 SUMMARY OF FIXED ASSETS

Councils all over Australia are facing the problem of ageing assets in need of renewal. Many of these assets were not initially funded by councils, but came by State and Federal government grants, developer contributions, or from a shift of responsibilities for State owned assets to Local Government. In December 1998, the then Department of Infrastructure (DOI) undertook a Victorian Local Government *Infrastructure Study – Facing the Renewal Challenge*.

Council has subsequently increased its investment in renewal and maintenance to the present level.



Strategic Resource Plan



As at 30 June 2011, Council's fixed assets are detailed below:

| Fixed Assets                    | Position WDV<br>30 June 2011<br>\$'000s |
|---------------------------------|-----------------------------------------|
| Land                            | 32,898                                  |
| Land Under Roads                | 194                                     |
| Land Improvements               | 2,854                                   |
| Buildings                       | 47,435                                  |
| Plant, Furniture & equipment    | 5,196                                   |
| Roads                           | 108,579                                 |
| Bridges                         | 11,011                                  |
| Footpaths & Cycleways           | 5,656                                   |
| Drainage                        | 13,086                                  |
| Kerb & channelling              | 12,110                                  |
| Other - WIP                     | 448                                     |
| <b>Total Written-down Value</b> | <b>239,762</b>                          |

Colac Otway Shire Council's depreciation on these assets for 2010-2011 is \$7.783 million, and the budget for 2011-2012 is \$8.809 million.

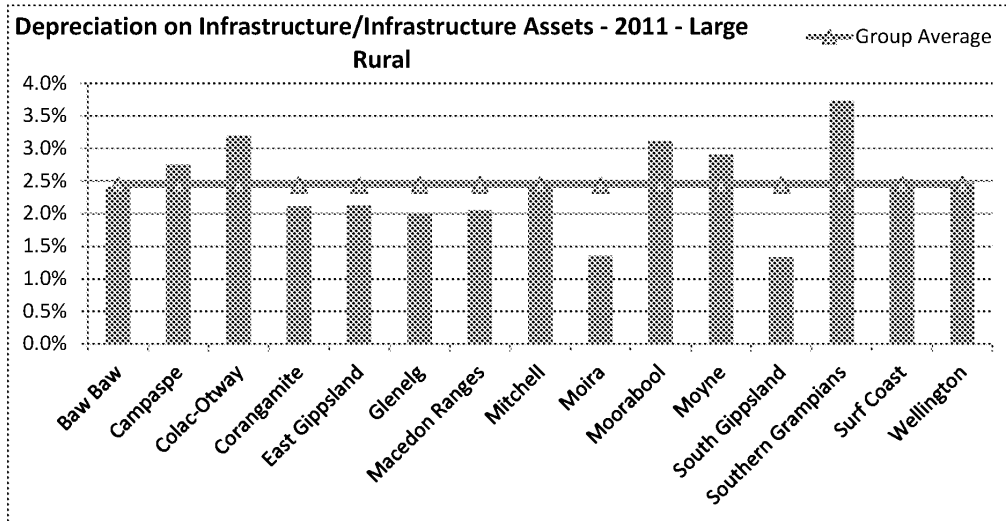
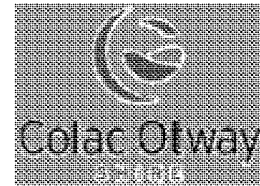
Depreciation is concerned with the rate at which Council and the community consume Council's assets. For example, each year a charge is recognised for how much of the value of a road has been used or consumed. Depreciation charges, useful lives and the rate at which the economic benefits are consumed are reassessed following condition assessments and when general valuations are undertaken.

Council has reviewed its depreciation rates as an outcome of the detailed condition assessments that have been undertaken.

All changes to depreciation charges are reviewed by Council's external auditor (Coffey Hunt) and reported to Council's *Audit Committee* prior to being adopted by Council as part of the annual financial statements.

Council's depreciation charges as a percentage of its total assets are benchmarked and depicted in the following graph:

Strategic Resource Plan



**7.4 KEY QUESTIONS TO DETERMINE SERVICE LEVEL/INVESTMENT**

The key questions with respect to infrastructure investment are detailed below:

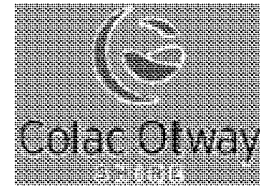
1. How much does it cost ratepayers to retain the current infrastructure portfolio, that is, what is the long-term average cost of renewal plus maintenance?
2. How much will need to be spent in the short term (next 10 years) relative to the renewal expenditure invested in the recent past?
3. How much more management effort (financial and operational) will be required of Council as its assets age?
4. What assets are at the “at risk” phase (intervention level) of their life cycle and will ultimately result in their being unserviceable and unsafe?
5. What outcomes would the community and Council like to achieve with respect to asset upgrades? For example, would Council like to see an extension to the sealed road network, or playground network?
6. Are the Council assets providing the level of service expected by the community?
7. What assets should the community “manage for decline” – public halls, buildings, bridges, roads?

**7.5 SUSTAINABILITY INDEX**

The *Department of Infrastructure’s* (DOI’s) “infrastructure study” calculated a sustainability index for each Victorian council. The sustainability index indicates the extent of the gap between a council’s current investment in asset renewal and the required level of investment to ensure the asset remains serviceable for its useful life. This is determined largely by historical factors and the long term sustainable level of costs for the existing assets. The index measures future management requirements of each council.

The sustainability index, however, only indicates the size of the problem. The index says nothing about the timing of when Council will need to make an effort and lift levels of expenditure.

Strategic Resource Plan



Timing of works and associated funding is determined through recommendations guided by council’s asset management system. The asset management system will ensure council achieves best value from its dollars across the following areas. The table following defines the type of asset expenditure.

| Type of Expenditure   | Definition                                                                                                                                                                    | Purpose/Example                                                                                                                                                                |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintenance           | Expenditure on an asset that maintains the asset in use, but does not increase its service potential or life.                                                                 | Life extension: Extending asset lives by repair, reducing average annual consumption costs and renewal rates, e.g. Repairing a single pipe in a drainage network or a pothole. |
| Capital Renewal       | Expenditure on an existing asset or a portion of an infrastructure network, which returns the service potential, or extends the life of the asset, to its original potential. | Retains an existing service level, e.g. Resheeting of road reseals, resurfacing an oval.                                                                                       |
| Capital Upgrade       | Expenditure on upgrading the standard of an existing asset to provide a higher level of service, or to extend the life of the asset beyond its original standard.             | Increases the quality of service provided to ratepayers or provides new services, e.g. Widening the pavement of a sealed area of an existing road.                             |
| Capital Expansion/New | Expenditure on extending an infrastructure network at the same standard enjoyed by existing residents to a new group of users.                                                | Extend services to newly developing areas of the Shire where there are new ratepayers, e.g. Extending a road or drainage network, new pre-school.                              |

The *sustainability index* is an accounting measure based on the difference, expressed as a percentage, between Council’s annual depreciation charge and renewal annuity.

Colac Otway’s Sustainability index as at June 30 2011 was 109.1 percent and projected at 89.1 percent for 2011-2012.

The sustainability index (renewal) indicates the extent to which current ratepayers are contributing to the assets they are now consuming.

**7.6 CONDITION ASSESSMENT**

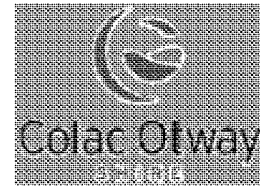
Monitoring asset condition and performance relates to the ability of the asset to meet targeted levels of service. Asset condition reflects the physical state of the asset and the functional level of service it is capable of providing. Monitoring asset condition and performance throughout the asset life cycle is important in order to identify underperforming assets or those which are about to fail – that is, assets at the *critical renewal* level where if reinvestment is not funded the cost of future renewal will exponentially increase along with the risk of the asset being below accepted safety standards.

Colac Otway Shire Council has developed its *Asset Management System* to position Council to monitor asset condition and performance and to:

- Identify those assets which are under performing;
- Predict asset failure to deliver the required level of service;
- Ascertain the reasons for performance deficiencies; and
- Determine what corrective action is required and when (maintenance, rehabilitation, renewal).

Colac Otway Shire Council continues to develop its asset management systems to support its strategic decision making with respect to asset and service provision. . Council is aspiring to have a system that not only records asset condition and asset defects/inspection details; but is also capable of providing financial management and year-end accounting and valuation data.

**Strategic Resource Plan**



Priority is on funding the annual renewal annuity based on a predetermined service levels linked to asset condition. Minimum acceptable asset condition varies depending on the type of asset and its criticality in delivering safe and efficient services. Council aims to maintain and renew its assets to meet these minimum performance levels as the cost of renewal significantly increases beyond this condition and the asset's functionality, safety and ability to provide its intended service level is compromised.

Council has largely collected condition data for all of its major asset categories and is now in a position to commence detailed *Asset Management Plans* for each category.

The benefits of knowing the current condition and performance (level of service) an asset provides are:

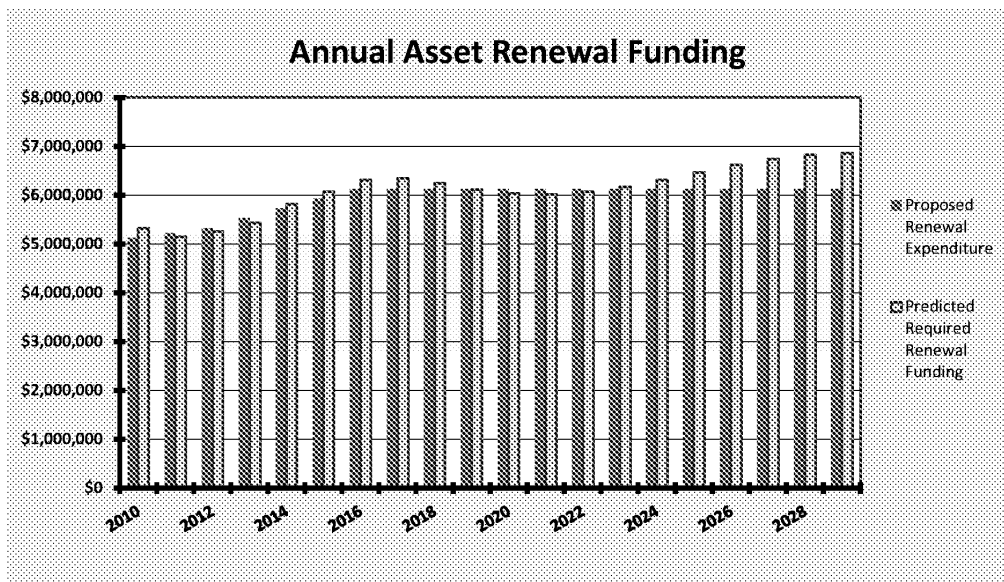
- Ability to plan for and manage the delivery of the required level of service;
- Avoidance of premature asset failure, leaving open the option of cost-effective renewal;
- Managing risk associated with asset failures;
- Accurate prediction of future expenditure requirements; and
- Refinement of maintenance and rehabilitation strategies.

Council, as asset managers, need to be able to assess the relative merits of rehabilitation/renewal/replacement options and identify the optimum long-term solution through a decision related to levels of service.

Council needs to strategically determine an affordable level of service to manage the emerging condition profile.

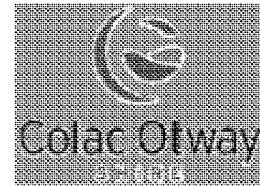
The benefit of that knowledge now is the management process can commence across the entire asset portfolio.

The following graph depicts the predicted level of renewal expenditure required across all asset categories for Colac Otway Shire Council until 2030.





Strategic Resource Plan



Council needs to strategically determine an affordable level of service to manage the emerging condition profile. The benefit of that knowledge now is the management process can commence across the entire asset portfolio.

Should Council increase/decrease this level of investment and consciously improve/decrease the level of service? The answer lies in considering the other asset categories condition profiles – what is affordable, what is critical and must be renewed and what service level is Council targeting? Council now has this information for all of its asset categories and is now positioned to strategically consider these issues globally.

Across the asset base asset renewal cash flow is variable over time as it depends on services and service levels to be provided in the future, as well as the age and condition profile of the asset stock.

**7.7 STRATEGIC ASSET MANAGEMENT**

Council reviews its *Asset Management Policy* on a regular basis.

Other major elements of Council’s overall strategic asset management framework include the *Asset Management Strategy*, which details specific actions to be undertaken by Council to improve its asset management capability and to achieve specific strategic objectives.

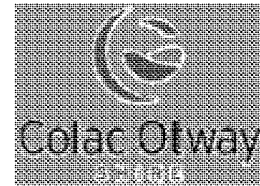
*Asset Management Plans* are subsequent components where long-term plans (10-years and beyond) outline strategic, operational, and financial objectives used to deliver acceptable levels of service.

The table below explains the objectives and typical contents of these documents:

| Asset Management Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Asset Management Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Specific actions to be undertaken by Council in order to improve or enhance asset management capability and achieve specific strategic objectives.</b></p> <p><i>Develops a structured set of actions aimed at enabling improved asset management by Council.</i></p> <ul style="list-style-type: none"> <li>• A description of the current status of asset management practices (processes, asset data and information systems).</li> <li>• Organisation’s future vision of asset management.</li> <li>• A description of the required status of asset management practices to achieve the future vision.</li> <li>• Identification of the gap between the current status and the future vision (a “gap analysis”).</li> <li>• Identification of strategies and actions required to close the gaps, including resource requirements and timeframes.</li> </ul> | <p><b>Long-term plans (usually 20 years or more for infrastructure assets) that outline the asset activities for each service area.</b></p> <p><i>Outlines actions and resources to provide a defined level of service in the most cost effective way.</i></p> <ul style="list-style-type: none"> <li>• A summary of Council’s strategic goals and key asset management policies.</li> <li>• Description of the asset portfolio.</li> <li>• Description of levels of service and performance standards.</li> <li>• Demand forecasts and management techniques.</li> <li>• A broad description of the lifecycle management activities for operating, maintaining, renewing, developing and disposing of assets.</li> <li>• A cash-flow forecast.</li> </ul> |

Council has reached the point where it has identified and has allocated responsible levels of funding to manage its critical asset renewal requirements. Council is now in a position to analyse its condition profile and begin determine and understand the cost of a predetermined service level. Alternatively Council may allow some assets to degrade in condition, freeing up funds to improve the level of service for other assets.

## Strategic Resource Plan



### 7.7.1 Community Consultation

Council aims to ensure its assets are relevant to the community, as retention of unused assets places a financial burden on the community. Council's Strategic Resource Plan is presently focused on funding a "service level" that prioritises critical renewal and maintains average condition to meet community expectation.

The challenge ahead is to understand the community's expectations and provide levels of service and funding options to accommodate this. An aim for Council in the short term will be to engage with the community to discuss desired and affordable levels of service. This will involve costing and analysing various service scenarios.

Sound Asset Management is:

- Knowing what assets we own (Asset Register);
- Understanding the condition and expected lives of our assets;
- Knowing what 'levels of service' customers want and are prepared to pay for;
- Having processes in place to establish priorities and allocate funds; and
- Knowing the long-term funding requirements associated with our assets.

Having documented Asset Management Plans which have supporting Service Plans detailing levels of service will be a challenge for Council over the coming years.

The first issue is to determine the outcomes the community want to achieve – what is the strategy? The next issue is what services, including their performance levels, are required to meet the community outcomes? Finally what infrastructure or assets are required to support the service level? Too often Council starts focusing on the asset rather than on the outcome/service level it requires.

A review of this nature may result in assets no longer being required to support community outcomes.

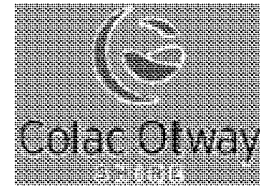
### 7.7.2 Asset Management Steering Group

The *Asset Management Steering Group (AMSG)* is a cross-functional professional team with representatives from various Council departments. The purpose of the AMSG is to oversee the decision-making process with respect to the direction of asset management and to ensure the Colac Otway Shire Council continues to develop total asset management across the organisation.

The Steering Group's Terms of Reference include the following functions:

- To represent the key asset management functions e.g. Infrastructure planning, maintenance and construction, finance, community engagement and direct service provision such as recreation, economic development and community services;
- Provide linkages between the community, key stakeholders and the Council's asset managers to promote involvement and consultation around the management of Council assets;
- Promote and raise awareness of asset management to the Council, staff, key stakeholders and the community;
- Encourage continuous improvement, innovation and cost effective methods to improve asset management practices;
- To provide guidance to develop long term (whole of life) Asset Management Plans for major asset groups;
- To ensure the community needs and expectations are considered in the development of Asset Management Plans;

## Strategic Resource Plan



- Facilitate appropriate organisational mechanisms and work flows for the maintenance and improvement of Council's physical assets, with links to data collection systems and other asset management software systems and report to Executive on outcomes;
- To review the performance of asset management programs such as maintenance programs and capital works programs; and
- Ensure efficient and effective use of Council funds and optimising "life cycle" cost of all assets.

### 7.8 FUTURE ASSET MANAGEMENT

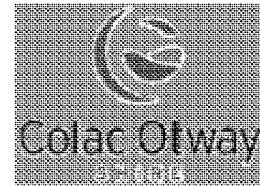
Council is developing asset registers, knowledge and data, building information systems to support maintenance renewal, customer service and financial activities and aims to be in a strong position to develop tactical responses through its Asset Management Plans to manage levels of service into the future.

#### **Strategic Direction**

1. *That Colac Otway Shire Council, having established its critical renewal investment levels, completes detailed Asset Management Plans for all major classes of Council assets.*
2. *That Colac Otway Shire Council, as part of the development of its Asset Management Plans, consults with the community to determine how service levels will be reached including a combination of improved revenue raising, review of existing service levels, asset disposal and composition of the asset portfolio.*
3. *That Colac Otway Shire Council continue to prioritise the allocation of funds to the renewal of existing assets rather than constructing new assets where possible, noting that as the Shire's population expands and other demands increase, it will be necessary to provide appropriate infrastructure to promote further development.*



Strategic Resource Plan



## 8. CAPITAL WORKS PROGRAMME

### 8.1 INTRODUCTION

The previous section discusses the long-term issues with respect to Asset Management and issues relevant to determine investment levels in capital renewal. Council has increased its investment in renewal, as shown by the sustainability index, with a projected ratio of 89.1 percent in 2011-2012.

It should be noted 94 percent of the capital expenditure is on renewal and expansion/upgrade type projects in the capital works programme for 2012-2013.

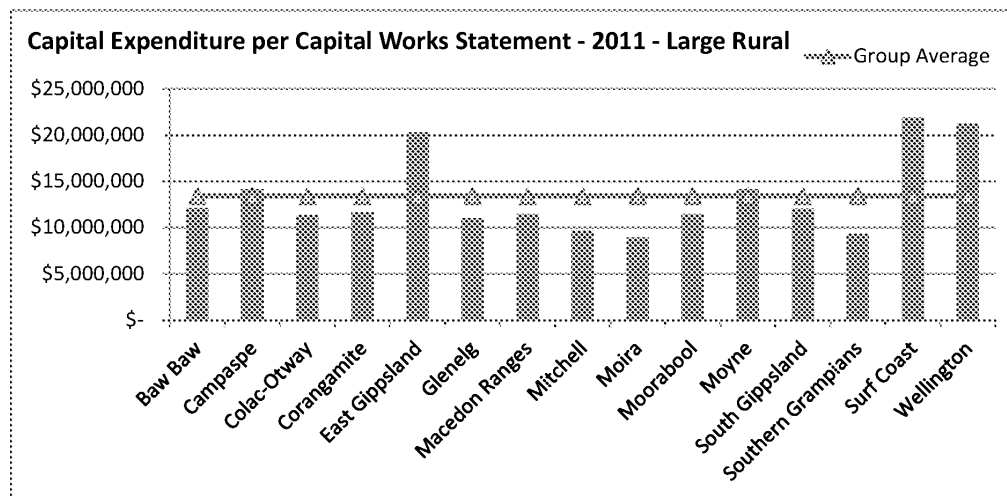
The total capital programme of \$15.957 million is composed of \$0.955 million in new assets and \$15.002 million in renewal and expansion/upgrade.

This section includes:

- Level and nature of capital works;
- Capital funding sources.

Capital expenditure represented 55.7 percent of rate revenue in 2010-2011.

The benchmark for 2010-2011 capital expenditure levels by Large Shire's is illustrated below:



### 8.2 LEVEL AND NATURE OF CAPITAL WORKS

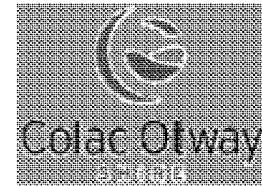
It is important that the asset management issues raised in the previous section inform the decisions taken in determining the capital works programme.

The annual budget process will enable Council to identify individual projects for funding.

Four key outcomes from the long-term financial plan will be

- To maintain the critical renewal investment,
- Maintain average condition where desired
- Maintain the required critical renewal annuity;
- Undertake asset upgrades to ensure they are fit for purpose and meet service level requirements; and

Strategic Resource Plan



- Invest in new assets subject to principles espoused in chapters 4 and 8.

**8.2.1 CAPITAL WORKS PROGRAMME 2012-2013 – 2015-2016 – PARAMETERS**

The following are the parameters against which the 2012-2013 – 2015-2016 capital works programme have been developed:

- Alignment to Strategic Resource Plan financial growth assumptions with respect to expenditure and revenue;
- Alignment to the Council Plan to the reflect community's and Council's key result areas; and
- Priority provision for critical renewal investment, then capital renewal, capital upgrade with capital expansion the most discretionary.

In terms of the longer-term programme the following parameters/assumptions apply:

- Large one-off projects flagged in subsequent years require accurate costing to be undertaken and their timing and priority finalised;
- Continue priority on renewal, followed by upgrade with expansion the most discretionary;
- Provide for expenditure growth required to level of sustainable renewal to meet the community's service level requirements (based on current Asset Management Plans);
- Income assumptions to remain conservative given they are less predictable; and
- Roads to Recovery income assumed to continue at current level spread across relevant projects within the Roads Programme.

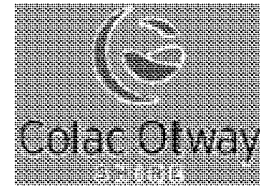
**8.3 CAPITAL WORKS PROGRAMME – EXPENDITURE LEVEL ASSESSMENT**

The following indicative expenditure levels are included in the 2012-2013 Capital Works programme. The targeted future expenditure levels, where known, are also detailed below:

| Asset Programmes                      | 2011/12       | 2012/13       | 2013/14       | 2014/15      |
|---------------------------------------|---------------|---------------|---------------|--------------|
| <b>Bridge &amp; Culvert</b>           | 678           | 1368          | 500           | 510          |
| <b>Building - Other Structures</b>    | 317           | 279           | 139           | 145          |
| <b>Building Structures</b>            | 2,114         | 5300          | 4185          | 520          |
| <b>Drainage</b>                       | 753           | 895           | 560           | 880          |
| <b>Footpath and Cycleways</b>         | 866           | 300           | 300           | 320          |
| <b>Kerb &amp; Channelling</b>         | 108           | 75            | 80            | 85           |
| <b>Land Improvements</b>              | 803           | 930           | 0             | 0            |
| <b>Land</b>                           | 200           | 0             | 0             | 0            |
| <b>Off Street Car Parking</b>         | 200           | 0             | 0             | 100          |
| <b>Plant, Furniture and Equipment</b> | 2,318         | 2,306         | 2012          | 1900         |
| <b>Roads</b>                          | 4,674         | 4505          | 4990          | 4930         |
| <b>Grand Total</b>                    | <b>13,031</b> | <b>15,958</b> | <b>12,766</b> | <b>9,390</b> |

This listing is not exhaustive and will expand with the development of Council's Asset Management Plans as discussed in the previous chapter.

## Strategic Resource Plan



### 8.4 CAPITAL FUNDING SOURCES

The long term financial plan and SRP will inform the development of a 10-year capital works programme and will enable an indicative cash flow budget to be developed.

External capital funding services generally include capital grants, developer contributions and special charges schemes.

Internal capital funding sources generally include asset sales, special charge schemes and general rates. The SRP forecasts capital funding sources conservatively.

### 8.5 CONCLUSION

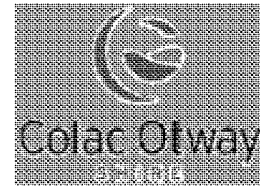
Council's capital works programme should underpin the needs and priorities as determined by both the key result areas identified within the Council Plan and by Council's Asset Management system output which is developed in consultation with the community.

It is the Council's challenge to develop Asset Management Plans that ensure the community's levels of service are met through the delivery of efficient and effective services.

#### **Strategic Direction**

- 1. That Colac Otway Shire Council maintains its capital works commitment to levels that align with the funding spread established in this SRP, and incorporate into the developing 10-year capital works programme.***
- 2. That Colac Otway Shire Council initially focuses capital works expenditure on maintaining a critical renewal level based on acceptable levels of service, with the next priority on upgrade and expansion, followed by provision of new.***

Strategic Resource Plan



## 9. SERVICE PROVISION AND PLANNING

### 9.1 INTRODUCTION

The range and level of services a council should, or is capable of, or wants to provide is a complex question to consider.

Council provides a range of services, including community services, youth services, recreation, customer services, and asset maintenance.

This section includes:

- Operating expenditure/revenue;
- Growth of operating budget;
- Service delivery analysis; and
- Service provision and planning

### 9.2 OPERATING REVENUE/EXPENDITURE

Council's operating revenues and costs for 2012-2013 are budgeted at \$36.647 million and \$37.055 million respectively. Council's operation includes provision of building, planning, economic development services, health and community services, infrastructure planning, operations and corporate support services including finance, information technology, asset management and organisation development.

### 9.3 BENCHMARKING – FINANCIAL PERFORMANCE INDICATOR ANALYSIS

When benchmarked to other large rural shires Colac Otway Shire Council has achieved:

- Underlying deficit that is greater than the Large Shire average;
- Relatively low overall operational costs (including employee costs) in comparison to Councils in the large rural category;
- Utilisation of loan funds confirmed as a viable means of funding Council's capital expenditure in the development of new assets;
- Council's debt ratios remain well below Prudential Limits; and
- Maintaining a strong capital works programme, particularly in asset renewal, continues to be a desirable strategy for Council.

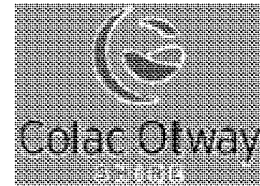
### 9.4 SERVICE PROVISION AND PLANNING

Ultimately, Council determines the range and level of services it is able to offer the community and this is reviewed annually based on the outcome of community consultation and feedback undertaken during the year.

This is finalised through the annual budget process with the SRP providing preliminary guidance based on the service delivery model from the previous year.

One of the key objectives of Council's Strategic Resource Plan is to maintain existing service levels and maintain a satisfactory operating position over the life of the SRP.

## Strategic Resource Plan



### **9.4.1 Funding Renewal Gap**

Funding the ongoing and growing renewal gap will be a major challenge during the life of this SRP. The gap is presently growing and this is based on data that will be reviewed in the coming year.

### **9.4.2 Underlying operating deficit**

The underlying operating deficit measures Councils ability to generate enough revenue to cover operating costs (including the cost of replacing assets reflected in the depreciation expenses). Council at 30 June 2011 had a **\$2.069 million** underlying operating deficit.

### **9.4.3 Liquidity**

Working to improve the liquidity of the municipality will be a focus of the *Strategic Resource Plan*.

Improved working capital will also assist the underlying operating deficit position.

### **9.4.4 Review of Depreciation charges**

A review of the depreciation charges will be undertaken in the coming year. Benchmarking indicates that Colac Otway depreciation charges on its infrastructure as a percentage of total infrastructure was 3.2 percent compared to 2.44 percent for the large rural and state averages.

### **9.4.5 Asset maintenance**

The level of maintenance services (street sweeping, reserve mowing, footpath maintenance, street bin collection etc.) has been maintained at a similar level to the previous year.

### **9.4.6 Skill retention**

Retention and development of skills is critical to ensure the ongoing sustainability of the municipality.

The current work force is ageing and organisation development strategies will be critical going forward.

## **9.5 CONCLUSION**

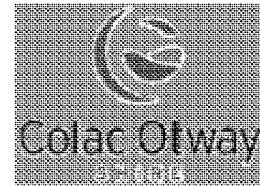
Managing financial sustainability and the range and level of services provided will remain an ongoing challenge.

### **Strategic Direction**

1. ***That Colac Otway Shire Council annually determines the range and level of service provision through the budget process incorporating an analysis of organisational and financial capability.***



Strategic Resource Plan



## 10. STRATEGIC FINANCIAL PLAN

### 10.1 INTRODUCTION

There are a number of dynamic variables that may influence the outcomes expressed in this SRP. They include:

- Rating levels and supplementary rate income;
- Government grant revenue (both recurrent and capital);
- Granted asset amounts;
- Asset revaluations (major impact on fixed asset value and depreciation);
- Asset sales;
- Mix of funding between capital works/special projects (new initiatives); and
- Level of growth factor applied to expenditure items / rate of expenditure/activity level.

This section includes:

- Modelling methodology;
- Financial assumptions;
- Adopted financial strategy; and
- Conclusion

### 10.2 MODELLING METHODOLOGY

This section details the approach to financial modelling used in the preparation of these options and provides background about the major financial assumptions that were applied.

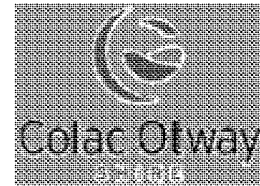
The financial model has been prepared at the lowest accounting level within Council's general ledger system being sub-activity level.

At this level, certain accounts were coded for manual adjustment rather than broad percentage increases (for example, election expenses occur only once every four years). It is not always possible to multiply the previous year's base by a percentage to achieve a correct forecast.

The base point used for financial modelling has been the forecast result for 30 June 2012 as prepared at the end of the March quarter (31 March 2012).

While the SRP uses the more specific assumptions as detailed in Appendix C and the pages that follow, it will not remove the need for Council to continue to achieve operational efficiencies. The SRP intends to establish a framework for Council to benchmark its performance. Where further efficiencies can be achieved, funds will be dedicated to asset renewal, maintenance or improved service provision.

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**10.3 FINANCIAL ASSUMPTIONS**

The following information explains the major financial assumptions applicable to the financial option considered by Council prior to community input.

**10.3.1 Labour and on-costs**

Increases in labour and on-costs are composed of three elements. The elements are enterprise agreement increments, movements within bandings as part of the annual performance review process and expected incremental increases in resource demands. The table below highlights these assumptions.

| Year                              | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|-----------------------------------|---------|---------|---------|---------|---------|
|                                   | %       | %       | %       | %       | %       |
| <b>EBA Banding Increase/Other</b> | 4.1     | 4.2     | 4.2     | 4.2     | 4.2     |
| <b>Award Increments</b>           | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     |
| <b>Resource Increments</b>        | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     |
| <b>Total</b>                      | 6.6     | 6.7     | 6.7     | 6.7     | 6.7     |

**10.3.2 Depreciation**

Depreciation estimates are based on the projected capital spending contained within each assumption. Depreciation estimates are influenced by future asset revaluations and depreciation charges are assessed following condition assessments. The overall depreciation charge is also impacted by the amount of assets granted to the municipality following subdivision.

**10.3.3 Materials and contracts**

The broad assumption in materials and contracts is for an increase matching the Local Government Cost Indices. Outside of these broad parameters there have been a number of manually assessed items in this area including election expenses, valuation contract amounts and insurance.

**10.3.4 Special projects/consultancies**

These works are essentially one-off expenditures that do not constitute the creation of an asset and have been maintained at 2010-2011 levels through the life of the SRP.

**10.3.5 Debt servicing and redemption**

Debt redemption is calculated according to the restructured loan schedules. Council borrowings are dealt with in detail in Section 4.

**10.3.6 Written-down values of assets sold**

All Written-down values relate to plant and land sold as part of the 10-year programme. These are based on information from Council's Asset Registers.

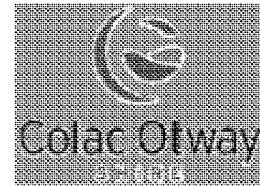
**10.3.7 Rate revenue**

The 2012-2013 Budget is based on an increase of 6.33 percent for average rates and charges collected per assessment and this has been applied to all future years in the SRP. Council's Rating Strategy is dealt with in detail in Section 6.7.

The mechanism to estimate supplementary revenue is at present an arbitrary one, based on historical dollar returns with forward probable development revenue estimated. Developing



## Strategic Resource Plan



improved mechanisms is a difficult task given supplementary rate growth occurs not only via the creation of new subdivisions, but also with improvements on existing properties. In addition, revaluations every two years bring the potential for revenue loss through successful appeals against valuations being upheld.

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### **10.3.8 Service charges**

The waste management charges have been adjusted to keep in line with the Local Government Cost Index.

Funds raised are ultimately deployed to waste management (operating and capital) activities. This is discussed in Section 6.8 in more detail.

---

### **10.3.9 Grant revenue**

An allowance has been made for operating grants & subsidies revenue for ongoing services and projects over the life of the SRP. In broad terms, a 2.0 percent per annum increase has been allowed for operating grants reflecting the nature of this revenue type, which has seldom increased by CPI across the board. Reimbursements from the State Revenue Office for land valuations have also been included in the appropriate years. An allowance of 3 percent has been made for the Victoria Grants Commission grant.

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### **10.3.10 Fees and charges**

Fees and charges have been increased by the base CPI index on levels existing in the annual financial statements for 2010/11.

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### **10.3.11 Statutory Fees and Fines**

Council has no control over a large amount of statutory fees prescribed by the State Government. Therefore these fees and fines have remained static.

Fines include town planning, local laws and the animal pound. Fees and fines are included in the above.

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### **10.3.12 Interest on investments**

Interest on investments has been estimated based on cash flow.

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### **10.3.13 Proceeds from sale of assets**

Proceeds from sale of assets are those relating to plant changeover and land sales.

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### **10.3.14 Capital grants**

Capital revenue from grants, subsidies and contributions from future years has been estimated to fund future capital works.

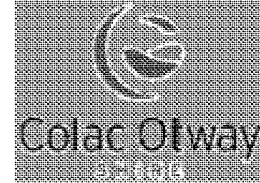
Capital grants have been forecast conservatively. Funds raised above or below the forecast amount will directly impact on the level of capital expenditure achievable. While conservative amounts have been included, it should be noted that Council does not pursue part-funded capital works that do not fit with its strategic direction.

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### **10.3.15 Granted assets**

Granted assets are those handed over to Council following the completion of a subdivision. These include roads, footpaths, curb, channel, drainage etc.

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The level of granted assets is forecast to continue at low-levels based on predicted levels of property development. However, estimates beyond 2011/12 are not based on any reliable data at this point. While granted assets add to Council's overall asset base, they also add to the future obligations to maintain and replace these assets at the end of their useful lives.

They therefore impact on Council's depreciation levels (see Item 2) and required capital spending (renewal) in the future. This area requires appropriate factoring into the financial model and therefore further review.

---

### **10.3.16 Capital expenditure**

Capital expenditure amounts for local roads, waste and information technology (renewal), and the like and have been directly budgeted for during the next 4-years. The balance of capital expenditure has been left unallocated at this point. These funds may be available for capital renewal (priority), capital upgrade or expansion.

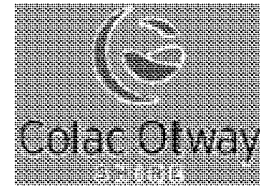
## **10.4 CONCLUSION**

The Strategic Resource Plan continues to provide a financial framework for Council, enabling an assessment of Council resources and assisting Council to plan and fund capital infrastructure and meet future community aspirations. The Standard Statements (financial statements) are detailed in *Appendix C*.

### **Strategic Direction**

- 1. That Colac Otway Shire Council finalises its preferred rating option for its strategic financial model to fund the Council Plan, capital expenditure and service delivery through the annual budget process.**

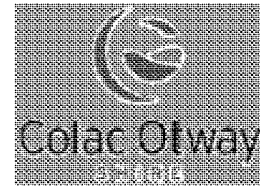
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## 11. APPENDIX A GLOSSARY OF TERMS - DEFINITIONS

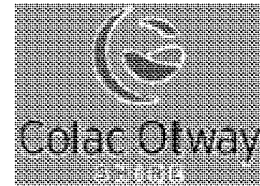
| TERM                                            | DEFINITION                                                                                                                                                                                                                                                          |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adjusted operating surplus/deficit</b>       | Operating surplus/deficit less revenue from capital (non-recurrent) grants, developer contributions (i.e. assets contributed), asset revaluations, sale of assets plus expenditure from asset revaluations, WDV of assets sold and unfunded superannuation expense. |
| <b>Adjusted total operating expenses</b>        | Total operating expenses as per the "Statement of financial performance" – net of asset revaluations, unfunded superannuation expense and WDV of asset sold.                                                                                                        |
| <b>Adjusted total revenue</b>                   | Total revenue from "Statement of financial performance" – net of asset sales, asset contributions in kind. Capital grant funding and revaluation adjustments.                                                                                                       |
| <b>Capital grants (non-recurrent)</b>           | Capital or non-recurrent grants as disclosed in notes.                                                                                                                                                                                                              |
| <b>Current assets</b>                           | Total current assets from "Statement of financial position".                                                                                                                                                                                                        |
| <b>Current liabilities</b>                      | Total current liabilities from "Statement of financial position"                                                                                                                                                                                                    |
| <b>Debt redemption</b>                          | Debt principals repayments.                                                                                                                                                                                                                                         |
| <b>Debt servicing costs (interest)</b>          | Total borrowing costs or interest expense as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                     |
| <b>Fees and charges revenue</b>                 | Total fees and charges revenue as per the "Statement of financial performance" or as disclosed in note in some councils' statements (includes fines).                                                                                                               |
| <b>Grant income and reimbursements</b>          | Total grants revenue as per the "Statement of financial performance" or as disclosed in note in some councils' statements (includes Vic Roads sometimes shown as "reimbursements" by some councils).                                                                |
| <b>Granted assets</b>                           | Total value of assets received from developers (in kind) as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                      |
| <b>Interest earnings</b>                        | Total interest received as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                                       |
| <b>No. of rateable properties</b>               | Number of rateable properties in municipality.                                                                                                                                                                                                                      |
| <b>Non-current liabilities</b>                  | Total non-current liabilities from "Statement of financial position".                                                                                                                                                                                               |
| <b>Proceeds from sale of non-current assets</b> | Total proceeds from asset sales as per the "Statement of financial performance" or as disclosed in note in some councils' statements, (gross received not Written-down value).                                                                                      |
| <b>Rate revenue</b>                             | Total rate revenue as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                                            |
| <b>Rates outstanding at end of year</b>         | Rate debtor amount as disclosed in "Receivables" note.                                                                                                                                                                                                              |

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| TERM                                                                   | DEFINITION                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Total assets</b>                                                    | Total assets from "Statement of financial position".                                                                                                                                                                                                                                                                                                                                            |
| <b>Total capital asset outlays</b>                                     | Payments for capital purchases per the "Cash flow statement".                                                                                                                                                                                                                                                                                                                                   |
| <b>Total cash inflows from operations, finance and Investment Act</b>  | Total inflows per the "Cash flow statement".                                                                                                                                                                                                                                                                                                                                                    |
| <b>Total cash outflows from operations, finance and Investment Act</b> | Total outflows per the "Cash flow statement".                                                                                                                                                                                                                                                                                                                                                   |
| <b>Total depreciation</b>                                              | Total depreciation expense as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                                                                                                                                                                |
| <b>Total depreciation on infrastructure assets</b>                     | Total depreciation on infrastructure assets as disclosed in "Depreciation expense" note.                                                                                                                                                                                                                                                                                                        |
| <b>Total debt</b>                                                      | Total interest bearing liabilities (current and non-current) from "Statement of financial position".                                                                                                                                                                                                                                                                                            |
| <b>Total indebtedness</b>                                              | Total liabilities (current and non-current) from "Statement of financial position".                                                                                                                                                                                                                                                                                                             |
| <b>Total infrastructure assets</b>                                     | Total infrastructure assets from "Statement of financial position" or as disclosed in note (Written-down value). Infrastructure includes roads, bridges, drains, road structures, other structures, playground equipment, and other like categories. Heritage assets have been deemed to be building assets. Work in progress, where not separately split, has been included as infrastructure. |
| <b>Total net realisable assets</b>                                     | Total assets less total infrastructure assets.                                                                                                                                                                                                                                                                                                                                                  |
| <b>Total operating expenses</b>                                        | Total operating expenses as per the "Statement of financial performance".                                                                                                                                                                                                                                                                                                                       |
| <b>Total revenue</b>                                                   | Total revenue from "Statement of financial performance"                                                                                                                                                                                                                                                                                                                                         |
| <b>Written-down value of assets sold</b>                               | Written-down value of assets sold as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                                                                                                                                                         |

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## 12. APPENDIX B RATING PRINCIPLES, VICTORIAN LOCAL GOVERNMENT CONTEXT

### *Sustainable financial management*

The aggregate revenue raised by Council plus that received from grants needs to be sufficient to cover the aggregate long-run cost of delivering the services provided measured on an accrual-accounting basis. Sustainable financial management requires the application of multi-year framework to financial management, asset management, planning, spending and revenue decisions.

### *Evaluating and setting priorities*

Council is aware of and will have regard to the views of its communities with respect to the priority areas for Council services. Council will heighten the community's awareness of the short and long-term financial implications of potential service priorities and key decisions, including trade-offs between service priorities.

### *Core Functions*

Council will continue to provide a full range of municipal goods and services in accordance with its statutory and community service obligations.

Where Council engages in the provision of services, that resemble those of private sector markets, the application of competitive neutrality principles requires

Council will aim to recover the full costs of all significant business activities, including the direct costs of providing goods and services, rate and tax equivalent payments and a commercial rate of return on investment.

### *Identifying the cost of service delivery*

Council will understand the cost of delivering its services as an acknowledgement that this information is useful in determining the range of services, and the level of service provision, and the corresponding structure for rates and charges.

### *Prudent borrowings for infrastructure*

Borrowings when undertaken prudently are an appropriate means for local government to finance long lived infrastructure assets as the cost of servicing of debt through rates or user charges enables the cost of the asset to be matched with the benefits from consumption of the services over the life of the asset, thereby promoting intergenerational equity.

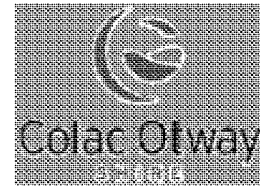
### *Rate setting and pricing of services*

The appropriate setting of rates and prices for goods and services is essential for the efficient recovery of the costs of providing council services and Council recognises that by choosing the appropriate instrument (rates, fees, user charges) it can achieve a better indication of the willingness of the community to pay for services and minimise the economic distortions that may arise when an inappropriate instrument is used.

Council will recover costs for services directly from the users of those services if a service benefits identifiable individuals or groups. If the benefit cannot be identified and/or if those that benefit directly cannot be excluded from using the service the costs should be allocated to the community.

Where infrastructure costs are directly attributable to individual property owners, Council will recover those costs through the application of special charge schemes, developer charges

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or contributions.

Fees and charges should be applied as far as practicable to raise revenue for the provision of services that are not pure public services, with efficient pricing, to ensure that services provided by local government are supplied to those who are willing to pay the opportunity cost of supply.

Council will also take consideration of the community's ability to pay as well as the benefits derived from the provision of services.

### *Openness and transparency*

Council is accountable and responsible for the policy decisions with respect to the range of services provided, the expenditure and delivery of the services and the way services are funded and paid for by the community. Open and transparent processes for decision making of Council include the making of information openly available to people in the local community and seeking active participation by the community with respect to choices regarding the range and level of services provided and how they are funded.

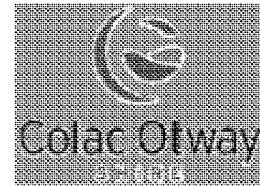
### *Providing services on behalf of other tiers of government*

Effective interaction between Council and other tiers of government is important to ensure delivery of some essential services to the community. Where Council enters into the delivery of services on behalf of other tiers of government, the supply of these services should be delivered on commercial terms based on the incremental cost to Council.

In situations where Council determines to provide subsidies for the delivery of these services Council will make the costs transparent and inform the community about the purpose and amount of the subsidy and how it is to be funded.



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## 13. APPENDIX C STANDARD FINANCIAL STATEMENTS

This Appendix contains details of the Standard Statements.

The Standard Statements include the:

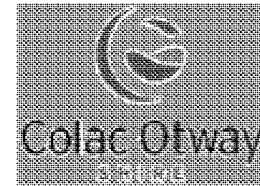
- Standard income statement;
- Standard balance sheet;
- Standard statement of cash flows;
- Standard statement of capital works; and

These statements are required under Part 2 Section 5 of the Local Government (Finance and Reporting) Regulations 2004. The Regulations commenced on 20 April 2004.

The original SRP statements partially differed in layout due to their release prior to the proclamation of the regulations.



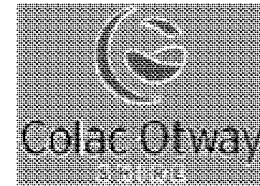
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13.1 STANDARD INCOME STATEMENT

|                                                                       | 2012-2013<br>\$'000 | 2013-2014<br>\$'000 | 2014-2015<br>\$'000 | 2015-2016<br>\$'000 |
|-----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Operating revenue:</b>                                             |                     |                     |                     |                     |
| Rates and charges                                                     | 22,887              | 24,260              | 25,716              | 27,001              |
| Statutory fees and charges                                            | 500                 | 520                 | 541                 | 563                 |
| User fees and charges                                                 | 3,837               | 4,067               | 4,271               | 4,484               |
| Grants - operating                                                    | 8,627               | 8,972               | 9,330               | 9,704               |
| Contributions - cash                                                  | 45                  | 46                  | 48                  | 50                  |
| Reimbursements                                                        | 135                 | 141                 | 149                 | 154                 |
| Finance revenue                                                       | 446                 | 460                 | 473                 | 488                 |
| Other revenue                                                         | 170                 | 177                 | 184                 | 192                 |
| Total operating revenues                                              | 36,647              | 38,643              | 40,712              | 42,636              |
| <b>Operating expenses:</b>                                            |                     |                     |                     |                     |
| Employee benefits                                                     | 14,817              | 15,517              | 16,238              | 17,033              |
| Materials and services                                                | 5,729               | 6,016               | 6,317               | 6,635               |
| Contracts                                                             | 6,787               | 7,195               | 7,627               | 8,084               |
| Depreciation                                                          | 8,081               | 9,193               | 9,352               | 9,355               |
| Finance expenses                                                      | 332                 | 362                 | 324                 | 286                 |
| Other expenses                                                        | 1,309               | 1,361               | 1,416               | 1,472               |
| Total operating expenses                                              | 37,055              | 39,644              | 41,274              | 42,865              |
| Underlying Result for the year                                        | (408)               | (1,001)             | (562)               | (229)               |
| <b>Capital revenue:</b>                                               |                     |                     |                     |                     |
| Grants - capital                                                      | 6,328               | 2,984               | 2,687               | 2,418               |
| Net gain / loss on disposal of assets                                 | 459                 | 460                 | 460                 | 459                 |
| Total capital revenue                                                 | 6,787               | 3,444               | 3,147               | 2,877               |
| <b>Capital expenses</b>                                               |                     |                     |                     |                     |
| Net loss on disposal of property, infrastructure, plant and equipment | 0                   | 0                   | 0                   | 0                   |
| Total capital expenses                                                | 0                   | 0                   | 0                   | 0                   |
| Surplus (deficit) for the year                                        | 6,379               | 2,443               | 2,585               | 2,648               |

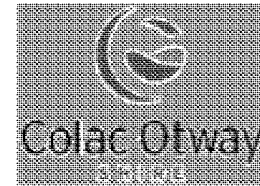
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**13.2 STANDARD BALANCE SHEET**

|                                             | 2012-2013<br>\$'000 | 2013-2014<br>\$'000 | 2014-2015<br>\$'000 | 2015-2016<br>\$'000 |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Current assets</b>                       |                     |                     |                     |                     |
| Cash and cash equivalents                   | 5,066               | 3,843               | 5,964               | 7,490               |
| Trade and other receivables                 | 2,505               | 2,630               | 2,762               | 2,900               |
| Inventories                                 | 172                 | 184                 | 197                 | 211                 |
| <b>Total current assets</b>                 | <b>7,743</b>        | <b>6,657</b>        | <b>8,923</b>        | <b>10,601</b>       |
| <b>Non-current assets</b>                   |                     |                     |                     |                     |
| Other non-current assets                    | 441                 | 437                 | 433                 | 442                 |
| Property, infrastructure, plant & equipment | 235,724             | 239,797             | 239,864             | 240,714             |
| Total non-current assets                    | 236,165             | 240,234             | 240,297             | 241,156             |
| <b>Total assets</b>                         | <b>243,908</b>      | <b>246,891</b>      | <b>249,220</b>      | <b>251,757</b>      |
| <b>Current liabilities</b>                  |                     |                     |                     |                     |
| Trade and other payables                    | (1,567)             | (1,489)             | (1,504)             | (1,519)             |
| Interest-bearing loans and borrowings       | (486)               | (523)               | (561)               | (598)               |
| Trust                                       | (230)               | (225)               | (221)               | (225)               |
| Provisions                                  | (3,515)             | (3,339)             | (3,406)             | (3,474)             |
| <b>Total current liabilities</b>            | <b>(5,798)</b>      | <b>(5,576)</b>      | <b>(5,692)</b>      | <b>(5,816)</b>      |
| <b>Non-current liabilities</b>              |                     |                     |                     |                     |
| Interest-bearing loans and borrowings       | (4,770)             | (5,256)             | (4,770)             | (4,247)             |
| Provisions                                  | (4,527)             | (4,301)             | (4,387)             | (4,475)             |
| <b>Total non-current liabilities</b>        | <b>(9,297)</b>      | <b>(9,557)</b>      | <b>(9,157)</b>      | <b>(8,722)</b>      |
| <b>Total liabilities</b>                    | <b>(15,095)</b>     | <b>(15,133)</b>     | <b>(14,849)</b>     | <b>(14,538)</b>     |
| <b>Net assets</b>                           | <b>228,813</b>      | <b>231,758</b>      | <b>234,371</b>      | <b>237,219</b>      |
| <b>Equity</b>                               |                     |                     |                     |                     |
| Accumulated surplus                         | (101,984)           | (104,104)           | (106,238)           | (108,435)           |
| Asset revaluation reserve                   | (122,205)           | (122,705)           | (122,735)           | (122,935)           |
| Other reserves                              | (4,624)             | (4,949)             | (5,398)             | (5,849)             |
| <b>Total equity</b>                         | <b>(228,813)</b>    | <b>(231,758)</b>    | <b>(234,371)</b>    | <b>(237,219)</b>    |

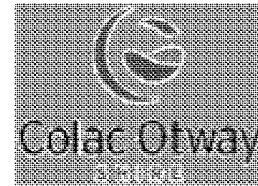
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**13.3 STANDARD STATEMENT OF CASH FLOWS**

|                                                            | 2012-2013<br>\$'000 | 2013-2014<br>\$'000 | 2014-2015<br>\$'000 | 2015-2016<br>\$'000 |
|------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                |                     |                     |                     |                     |
| Receipts                                                   |                     |                     |                     |                     |
| General rates & charges                                    | 22,887              | 24,260              | 25,716              | 27,001              |
| Operating grants and contributions                         | 9,805               | 9,937               | 10,334              | 10,732              |
| User charges                                               | 4,721               | 4,994               | 5,239               | 5,495               |
| Finance revenue                                            | 446                 |                     |                     |                     |
| Other revenue                                              | 1,609               | 1,430               | 1,144               | 1,273               |
|                                                            | <b>39,468</b>       | <b>40,621</b>       | <b>42,433</b>       | <b>44,501</b>       |
| Payments                                                   |                     |                     |                     |                     |
| Employee costs                                             | (14,653)            | (16,078)            | (16,246)            | (17,046)            |
| Materials & services                                       | (16,692)            | (14,629)            | (15,337)            | (16,189)            |
| Other expenses                                             | (1,440)             | (1,497)             | (1,558)             | (1,619)             |
|                                                            | <b>(32,785)</b>     | <b>(32,204)</b>     | <b>(33,141)</b>     | <b>(34,854)</b>     |
| <b>Net cash provided by operating activities</b>           | <b>6,683</b>        | <b>8,417</b>        | <b>9,292</b>        | <b>9,647</b>        |
| <b>Cash flows from investing activities</b>                |                     |                     |                     |                     |
| Proceeds from property, plant and equipment                | 505                 | 506                 | 506                 | 505                 |
| Capital grants and contributions                           | 6,961               | 3,282               | 2,956               | 2,660               |
| Payments for property, plant and equipment                 | (17,553)            | (14,043)            | (10,329)            | (11,006)            |
| <b>Net cash used in investing activities</b>               | <b>(10,087)</b>     | <b>(10,255)</b>     | <b>(6,867)</b>      | <b>(7,841)</b>      |
| <b>Cash flows from financing activities</b>                |                     |                     |                     |                     |
| Finance costs                                              | (332)               | (362)               | (324)               | (286)               |
| Proceeds from borrowings                                   | 1,500               | 0                   | 0                   | 0                   |
| Repayment of borrowings                                    | (433)               | 523                 | (448)               | (486)               |
| Trust Deposits                                             | (25)                | (5)                 | (4)                 | 4                   |
| <b>Net cash provided by (used in) financing activities</b> | <b>710</b>          | <b>156</b>          | <b>(776)</b>        | <b>(768)</b>        |
| <b>Net decrease in cash &amp; cash equivalents</b>         | <b>(2,694)</b>      | <b>(1,682)</b>      | <b>1,649</b>        | <b>1,038</b>        |
| Cash & cash equivalents at beginning of year               | 7,760               | 5,066               | 3,384               | 5,033               |
| <b>Cash &amp; cash equivalents at end of year</b>          | <b>5,066</b>        | <b>3,384</b>        | <b>5,033</b>        | <b>6,071</b>        |

Strategic Resource Plan



**13.4 STANDARD STATEMENT OF CAPITAL WORKS**

|                                | 2012-2013<br>\$'000 | 2013-2014<br>\$'000 | 2014-2015<br>\$'000 | 2015-2016<br>\$'000 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Capital works areas</b>     |                     |                     |                     |                     |
| Bridge & Culvert               | 1368                | 500                 | 510                 | 546                 |
| Building - Other Structures    | 279                 | 139                 | 145                 | 152                 |
| Building Structures            | 5300                | 4185                | 520                 | 646                 |
| Drainage                       | 895                 | 560                 | 880                 | 909                 |
| Footpath and Cycleways         | 300                 | 300                 | 320                 | 342                 |
| Kerb & Channelling             | 75                  | 80                  | 85                  | 91                  |
| Land Improvements              | 930                 | 0                   | 0                   | 0                   |
| Land                           | 0                   | 0                   | 0                   | 0                   |
| Off Street Car Parking         | 0                   | 0                   | 100                 | 100                 |
| Plant, Furniture and Equipment | 2,306               | 2012                | 1900                | 1943                |
| Roads                          | 4505                | 4990                | 4930                | 5275                |
| <b>Total capital works</b>     | <b>15,958</b>       | <b>12,766</b>       | <b>9,390</b>        | <b>10,004</b>       |
| <b>Represented by:</b>         |                     |                     |                     |                     |
| Asset renewal                  | 8,992               | 8,011               | 8,427               | 8,913               |
| New assets                     | 955                 | 510                 | 920                 | 946                 |
| Asset expansion/upgrade        | 6,010               | 4,245               | 43                  | 145                 |
| <b>Total capital works</b>     | <b>15,957</b>       | <b>12,766</b>       | <b>9,390</b>        | <b>10,004</b>       |

## Appendix 1



# COLAC OTWAY SHIRE



The purpose of this report is to provide information, facts and forecasts about the Colac Otway Shire to inform the development of the Council Plan 2009 to 2013.

The report is presented in the same structure as the Council Plan to enable a quick and easy translation.

The report is based on the best available information about the Shire. In some cases, the information is for wider geographical regions such as the Barwon or Victoria West Regions. Where this is the case, assumptions have been made as to the applicability to Colac Otway.

The report is intended to generate discussion, raise awareness and support the development of strategies and actions that address the challenges facing the municipality.

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## COLAC OTWAY SHIRE STRATEGIC SNAPSHOT

### Overview

The Council Plan contains the Vision: *“Council will work together with our community to create a sustainable, vibrant future”*.

The Council Plan contains the six sections called Key Result Areas listed below. Each section has a specific Objective to be achieved over the four year life of the Plan.

1. Leadership and Governance
2. Physical Infrastructure and Assets
3. Land Use and Development
4. Environmental Management
5. Economic Development
6. Community Health and Wellbeing

The reason for using this structure is to provide an integrated approach to Council Planning that recognises the interrelated elements that make a great municipality.

In many cases, Council is in direct control of the topic (e.g. physical infrastructure) but in other cases (e.g. environment) Council is not in direct control and will need to decide if it will help address the challenges through leadership, advocacy or specific actions.

The information, facts and forecasts in this report are posed as Challenges to achieving the Vision and Objectives.

There are numerous positive performance indicators and examples of success throughout the Shire; however, the focus of this report is to capture the things that need to be addressed to achieve the preferred future for the municipality.

There are two types of “Challenge” described for each Key Result Area, being:

1. **Municipal Wide Challenges** – describe the challenges facing the whole municipality, not just the Council as a Local Government Authority

Municipal wide challenges are not the sole responsibility of one organisation or level of government and therefore require multi-agency collaboration if they are to be addressed. Council therefore has a choice whether it gets involved through a leadership, advocacy, facilitation or participant role in addressing the challenge

2. **Council Specific Challenges** – describe the challenges that are directly under the control or responsibility of Council

Council will need to decide if the challenge requires a strategic response and resource allocation

Actions to address the Challenges will often require a combination of Council, community, government and private sector partnerships, funding and collaboration.



## Key Result Area

### 1. Leadership and governance

#### Objective:

*Council will fulfil its leadership, statutory and legal obligations to its community and staff in a way that is: fair, ethical, inclusive, sustainable, financially responsible and meets the needs and practical aspirations of current and future generations.*

#### Municipal wide challenges:

##### Population Sustainability

The consequences of this challenge have been emerging for many years with the following broad issues already taking effect and expected to continue unless interventions are adopted:

- The working age group (18 to 60) will increase at only one sixth the rate of the retirement age group (60 plus) placing increased pressure on the already tight skills and labour market <sup>(Id Profile)</sup>
- Business and private capital investment is often related to the availability of labour and skills and is therefore likely to continue at relatively low to negative growth levels
- Population growth generally follows and is supported by employment growth however, the net Colac Otway Shire (COS) population has not grown between 2001 and 2006 (-25 people) but 652 new jobs were recorded from 2001 to 2006. This is a 7% increase on the 2001 workforce base of 8,714 supported by 238 people growth in the 18 to 64 age group <sup>(Id Profile)</sup>
- This is one reason why COS has a higher Labour force participation rate of 61.9% compared to Victoria of 60.8% and Regional Victoria at 59.4% <sup>(ABS 2006)</sup>. The current and forecast age structure will see increased pressure placed on skills and labour supply to industry. Industry surveys already prove this to be a significant issue impacting growth and sustainability <sup>(Vic Government, 2007)</sup>
- Business investment and growth relies on the availability of labour and skills.
- Business profitability is already lower than average and this will be under further pressure with less people (relatively) in employment with disposable incomes
- A significant increase of 32% in the 60 plus age group by 2021 will not contribute to profitability as this group has restricted disposable incomes compared to the working age group of 18 - 60 years
- Average weekly incomes and social disadvantage rankings are consistently lower in the municipality than for Victoria and will most likely deteriorate <sup>(ABS Wage and Salary)</sup>
- Service level increases of 30% by 2021 will be needed to cater for similar forecast increases in the 60 plus age group. Services include areas such as aged care, hospital beds for acute care and meals on wheels <sup>(DHS BSW)</sup>

#### We know this is a challenge because:

- Colac Otway has a forecast annual population growth rate to 2021 of 0.67% <sup>i (Id Profile)</sup>
- The annual forecast average growth rate for Victoria is 1.3% <sup>(DPCD)</sup>
- In general terms, this means Colac Otway will grow at half the rate for Victoria which amounts to a net relative decline
- The highest and lowest annual forecast growth rates in the Great South Coast Region (GSC) are Corangamite at 0.14% and Warrnambool at 1.3% <sup>(Id Profile)</sup>
- The Australian State of Region Report 2007-08 Ranks GSC "Population Sustainability" as 61 of 64 regions in Australia. This is the lowest ranking of all Victorian Regions <sup>(SOR, 2007 -08)</sup>

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- The most recent State of Regions Report 2008-09 now ranks VIC West as 51 of 64 Regions however the region has been extended to include the Surf Coast and Golden Plains Shires. Both shires are forecast to grow well above the State average at 2.6% and 1.66% per annum respectively <sup>(SoR, State of Region Report, 2008-09)</sup>
- The "Population Sustainability" index includes: % growth since 1995; pop under 55; aged migration; estimated growth of 55+; demographic stress; family/youth migration; fertility 'baby bounce'; working elderly
- For comparison, the Geelong Region now ranks 18 of 64 regions for Population Sustainability mainly influenced by it rating as number one region for growth since 1995
- The author of the State of Region Report does NOT provide data for every Local Government Area (LGA) but it is known that Warrnambool was ranked at 158 of 632 LGAs and Corangamite at 518 of 632 LGAs in the 2007-08 Report
- Based on current and forecast growth rates it can be assumed that COS would rank somewhere between 400 to 500 of 632 Australian LGAs
- The State of Regions Report 2008-09 also contains three "Stylised Facts" that generally describe what is happening in the COS:
  - The young are leaving low income, high unemployment regions and migrating to high income, low unemployment regions
  - The old are leaving high income (high cost) regions and low unemployment rate regions and migrating to low income (low cost) and high unemployment regions
  - Low productivity regions are rapidly ageing, while high productivity regions are ageing relatively slowly
- By 2021, the age structure of Colac Otway is forecast to change significantly with a 13.6% net shift in the age structure from young to older people in just 15 years – this is less than one generation
- For Colac Otway this means that by 2021, the 60 plus age group will increase in real terms by 32% or 1,643 people from a base of 5,067 in 2006
- At the same time the Colac Otway "working age" of 18 to 59 years will increase by just 5.2% or 595 people from a base of 11,520 people in 2006. Years 0 to 17 will hardly change with a 1.1% increase or 56 people

#### Responding to Major Emergencies

Events such as bushfires, floods and storm events are expected to become more frequent and severe due to climate change. The consequences of this challenge include:

- Responding to major emergencies is a very stressful experience for the people directly affected and the people who are called upon to help
- The strain on community members, emergency management and response groups that need to cope with the extra workload is demanding in both mental and physical terms
- The positive consequences are that emergency events can help galvanise communities which can enable many initiatives to be undertaken that would not normally be possible and it allows emergency response systems to be implemented and improvements made

#### We know this is a challenge because:

- The average annual temperatures will increase by a minimum 0.8C by 2030 on top of the 1.0C increase in Victoria since 1950 <sup>(CSIRO)</sup>
- The highest temperature ever recorded in Victoria was on Saturday 7<sup>th</sup> February 2009 at Laverton near Geelong at 47.9C triggering the most devastating fires in Victorian history

- At the same time, record rain and flood levels were being experienced in the northern Queensland Townsville region
- There has been a 12% decline in the region's rainfall between the periods 1961-1990 and 1998-2007 <sup>(CSIRO)</sup>
- Run off into the major waterways in the region is expected to decrease by between 10% and more than 50% by 2070 <sup>(CSIRO)</sup>
- A sea level rise of a minimum 0.8mtr is anticipated in 100 years <sup>(CSIRO)</sup>

Council specific challenges:

- **Decision making of Council** is always a challenge of balancing technical data, diverse views and opinions all within an affordability/sustainability context
- There are always major issues at hand that may divide the community with the challenge being how to best move forward with the interest of current and future generations in mind
- **Council Services and Infrastructure** are constantly under pressure from increased demand or maintaining the (changing) standards expected by the community
- Increased or improved levels of service come at a cost that must be contained within an affordability model normally underpinned by a combination of councils rating strategy and user pay policy
- To continue to improve fire prevention across the region and to move toward an integrated fire management model
- To provide the level, continuity of leadership and funding to effectively develop and implement a **Sustainable Population Strategy** for the municipality that requires multi-agency, community support
- The Federal, State Local Government along with public and private sector service providers collectively contribute to creating the environment for sustainable growth in any region or municipality. However, none of these groups have long term sustainable growth as a core responsibility and therefore the topic is most often not directly subject to the focus or resourcing it warrants
- In addition, the continuous change cycle of elected members and senior officers for all the above mentioned groups does not support the continuity of leadership needed to address such a topic
- Human resources or budgets are not currently available for Sustainable Population Strategy work by Council
- There is a general lack of awareness and understanding of leaders specifically and the community generally about the real state of performance of the municipality
- Not having this understanding makes the development of strategic responses impossible. The imperative for change is not understood by the wider community
- The Community Satisfaction Survey 2008 shows the "Overall Performance of Council as 51% compared to 60% for Large Rural Shires <sup>(DPCD, Community Satisfaction Survey)</sup>
- The Community Satisfaction Survey 2008 shows the "Advocacy" role of Council as 54% compared to 62% for Large Rural Shires <sup>(DPCD, Community Satisfaction Survey)</sup>
- The Community Satisfaction Survey 2008 shows the "Customer Contact" role of Council as 69% compared to 70% for Large Rural Shires <sup>(DPCD, Community Satisfaction Survey)</sup>
- The Community Satisfaction Survey 2008 shows the "Engagement" role of Council as 45% compared to 58% for Large Rural Shires <sup>(DPCD, Community Satisfaction Survey)</sup>

- The Victorian Community Indicators 2007 report that 74% of COS people have participated in a community engagement activity in the previous year compared to 68.1% for the Barwon SW and 53.8 for Victoria. This could indicate a challenge to improve the quality and outcomes of engagement rather than the number of opportunity to engage (DPCD, Community Indicators, 2007)
- The Community Satisfaction Survey 2008 shows the “Enforcement of Local Laws” role of Council as 61% compared to 64% for Large Rural Shires (DPCD, Community Satisfaction Survey)

Key Result Area

## 2. Physical Infrastructure and Assets

Objective:

*Council will provide and maintain Council infrastructure and assets that meet community needs now and in the future.*

Municipal wide challenges:

### Climate Change Impact on Infrastructure

**We know this is a challenge because:**

- See Section 4 Environmental Management for evidence of Climate Change
- Higher temperature ranges impact on the service life and maintenance schedules of infrastructure such as road surfaces, rail, drains and subterranean pipes including water, gas and sewage
- Sea level rises will mean buildings and infrastructure near the coast may be subject to inundation and/or damage e.g. paths, harbours, jetties, retaining walls and land previously used for recreation and open space may disappear
- Storm events and fires result in damage, destruction to property and infrastructure as well as significant human impact – physical, resources and emotional
- Infrastructure providers will need to consider and the effects of climate change and energy conservation with long term assets maintenance and planning
- Buildings, infrastructure and assets may need to be altered or upgraded to cope with the impacts of higher and more extreme temperatures.

### Public Transport Limitations

Good public transport and transport infrastructure enhances the ability for people to access and move within the municipality for business, tourism, jobs and service provision.

There is evidence of severe limitations in the provision of public transport within the Colac Otway Shire

This situation is common for regional cities and towns that do not have the critical mass of population needed to support higher levels of service.

Critical mass is most often regarded as around 20,000 people or similar populations to Warrnambool. Colac central has approximately half this population.

**We know this is a challenge because:**

The Colac Neighbourhood Renewal Survey 2007 included 300 people surveyed in Neighbourhood Renewal Areas (NRA) and 150 people in Non-Neighbourhood Renewal Areas:

- For "what is your main form of transport" in NRA, there was:
  - a 12% drop in people using a car from 77% in 2004 to 65% in 2007
  - 1% recorded public transport in 2007 compared to 0% in 2004
  - Taxis use dropped from 5% to 3% in 2007
  - Walking stayed the same at 14%
  - Cycling is a low 1% in 2007

- For "How would you generally rate public transport services for people in your neighbourhood?"
  - 76% of NRA respondents rated it as Poor or Average in 2007 compared to 73% in 2004
  - 81% of Non NRA respondents rated it as Poor or Average in 2007 compared to 70% in 2004
- For the open question "What do you think needs to be done to improve public transport services for people in your neighbourhood"
  - 48% commented on "having a bus service, more buses and more bus routes"
  - 15% said "improve taxi service/more taxis"
  - 10% said "more information about what (public Transport) is available"
  - 18% of COS people surveyed in the Victorian Community Indicators 2007 said they "experienced limitations or restrictions to their day to day transportation in the previous 12 months". This result compared to 16.4% for the Barwon South West and 20.3% for Victoria

Council specific challenges:

- The Community Satisfaction Survey 2008 shows the Local Roads and Footpaths for Council as 44% compared to 51% for Large Rural Shires (DPCD, Community Satisfaction Survey)
- The Community Satisfaction Survey 2008 shows the Appearance of Public Areas for COS as 64% compared to 68% for Large Rural Shires (DPCD, Community Satisfaction Survey)
- Providing sufficient funding to maintain the existing assets at levels which are acceptable to the community
- The current asset renewal gap could increase to \$1.2M per year over the next 20 years, if not addressed
- Council will need to work with the community to develop an appropriate set of strategies to minimise the renewal gap to acceptable and affordable levels
- Improve the condition of local roads and footpaths to match community expectations of levels of service
- Balance the needs of current residents/users whilst planning for future generations
- Build new and upgrade existing assets that meet the current and future needs of the community
- Build new Council infrastructure to meet the future impacts of climate change
- Advocate for an increased standard of transport and main road networks that provide connectivity to the community both locally and regionally

Key Result Area

### 3. Land Use and Development

Objective:

*Council will engage, plan and make decisions about land use and development that takes into account the regulatory role of Council, its diverse geography, social, community, economic and environmental impacts for current and future generations.*

Municipal wide challenges

#### Sustainable Strategic Land Use Planning and Development

Whilst predominantly a challenge for Council, sustainable planning and development is constantly influenced by demographic change but Climate Change has now emerged as a higher profile consideration.

This challenge area involves and affects residents, investors, developers and services providers as the Shire operates in a market driven, supply and demand environment.

**We know this is a challenge because:**

- Housing types will need to cater for the forecast increase in the 60 plus age group of 40% or 1870 people by 2031 from a base of 4,634 in 2006 <sup>(Id Profile)</sup>
- Lone person households will increase from 27.5% in 2006 to 32.6% in 2030. This is a net increase of 1163 households by 2030 <sup>(Id Profile)</sup>
- Families with dependants will decrease from 29.2% in 2006 to 25.7% in 2030. This will still see a net increase in the number of households of 280 <sup>(Id Profile)</sup>
- Household sizes are forecast to decrease from 2.43 persons per household average in 2006 to 2.29 in 2030 <sup>(Id Profile)</sup>
- Urban development in the COS generally follows the pattern for Australia of expanding through relatively low density, new greenfield site subdivision development rather than urban infill
- The two largest contributors to Greenhouse Emissions are Energy (electricity) and Transport (vehicles) with both influenced by strategic land use planning <sup>(Greenhouse, 2007)</sup>
- There have been energy efficiency gains in recent years through a combination of increased energy rating requirements for buildings and product energy efficiency improvements
- However, these gains have been offset by population growth characterized by less people, living in larger houses, using increased transport and number of electrical appliances including air conditioning
- Scientific predictions of increased sea levels associated with climate change – the Victorian Coastal Strategy 2008 requires planning to take account of a minimum 0.8m sea level rise
- Long term shift in farming patterns in the northern part of the Shire particularly due to reduced rainfall  
Lake Colac dried up early in 2009, with more intense weather events such as drought, flooding and fire



### **Managing the Demand for Rural Residential Lifestyle**

There is an increased demand on land use from people seeking out the “tree change” or rural residential lifestyle.

This places increased pressure on protecting productive agricultural/rural land and long term economic sustainability.

#### **We know this is a challenge because:**

- Strong demand for rural residential living – numbers of dwellings approved on rural lots in past years
- Ageing farmers retiring and disposing of land in multiple land parcels to maximise financial gain, fragmenting larger farming units
- Increasing numbers of planning applications for dwellings on smaller sub standard lots in rural areas (outside of townships)
- Reduced farm income of 60% or \$70m since 2004 to 2008 and a similar increase of 60% for interest paid per annum, per capita during the same period

### **Increased Planning Scheme Complexity and Regulatory Requirements**

#### **We know this is a challenge because:**

- Increased extent of controls applying under the Planning Scheme over recent years, partly as a result of local initiatives, but mainly due to State Government decisions reflecting environmental risks such as landslip and wildfire, and policies for coastal and rural protection
- Lack of understanding in the general community about the strategic directions for the Shire and purpose of planning controls
- Lack of understanding of how the Planning Scheme operates and/or the basis for decisions being made

#### **Council specific challenges:**

- Undertaking strategic planning that positions Council for future growth, including planning to accommodate future residential and commercial growth in Colac and Apollo Bay
- Considering the impact of climate change on planning decisions
- Preservation of productive rural areas for agriculture and direct rural residential development to defined areas
- Preservation of scenic and cultural landscapes
- Planning for climate change and development tools to address sea level rise
- Balance coastal growth with township character consistent with the Victorian Coastal Strategy and local structure plans and neighbourhood character studies
- Ensuring high quality development and attractive streetscapes
- Responding appropriately to environmental risks such as landslip, wildfire, flooding, salinity and acid sulfate soils
- Maintain an update to date and streamlined Planning Scheme that effectively conveys local planning policies
- Planning for the long term sustainability of the smaller townships through structure plans
- Educating the community on planning and building controls

- Increase awareness of information requirements and processes in planning and building approvals
- Appropriate resourcing for ensuring compliance with planning and building regulations and discouragement of illegal buildings/works

Key Result Area

## 4. Environmental Management

Objective:

*Council will protect and enhance the environment entrusted to us, demonstrate efficient use of natural resources and minimise climate change impacts.*

Municipal wide challenges:

### Climate Change

The negative consequences of Climate Change are not unique to Colac Otway Shire. However, Climate Change will affect the Shire and community in areas of the economy, agriculture, biodiversity, land use, emergency response, infrastructure provision and maintenance.

Climate Change is characterised by average and extreme temperature increases, lower rainfall, increased storm events and raised sea levels.

This challenge has two elements with the first being the most difficult to influence locally in:

- Minimising the prime cause of Climate Change in greenhouse gas emissions
- Managing and mitigating against the impacts of climate change

There may be positive consequences and opportunities of Climate Change that could include new agriculture opportunities and carbon trading.

#### We know this is a challenge because:

- Climate Change is the direct result of greenhouse gas emissions with the following four sectors being the primary contributors for Victoria in 2005:
  - Energy Industries (66.77 Mt CO<sup>2</sup> –e<sub>2</sub>)
  - Transport (20.57 Mt CO<sup>2</sup> –e<sub>2</sub>)
  - Agriculture (15.73 Mt CO<sup>2</sup> –e<sub>2</sub>)
  - Land Use (-3.49 Mt CO<sup>2</sup> –e<sub>2</sub>)<sup>13</sup>
- Whilst the greenhouse emission profile for Colac Otway is not separated from Victoria, it can be assumed transport, agriculture and land use would provide the major regional impacts. (note: land use is positive due to carbon sequestration)
- <sup>ii</sup>The CSIRO Climate Change Report shows there has been a marked decline in the region's rainfall over the past decade. Between 1998 and 2007 the region's average rainfall was 12% below the 1961 to 1990 average<sup>11</sup>
- Reductions in the total average annual rainfall of around 4% are expected, with the greatest reductions occurring in spring (7%)<sup>11</sup>
- CSIRO reports run off into the major waterways in the region are expected to decrease by between 10% and more than 50% by 2070. This includes the Barwon, Moorabool, Cumberland, Wye and Leigh Rivers, Lake Corangamite, Hopkins and Glenelg Rivers<sup>11</sup>
- By 2030, average annual temperatures in the region will be around 0.8°C warmer with winters warming slightly less than the other seasons (0.6°C). The number of hot days (days over 30°C) is also expected to increase<sup>12</sup>

- The average global temperature has increased by 0.6°C over the past century and by about 1.0°C in Victoria since 1950. In the future, the average global temperature is expected to increase by between 1.1 and 6.4°C by 2100<sup>12</sup>
- Bushfire risk is also expected to increase<sup>12</sup>
- Although average annual and seasonal total rainfall is expected to decline, the intensity of heavy daily rainfall is likely to rise in most seasons. However, fewer rain-days are anticipated with more droughts<sup>12</sup>
- Some impact studies have already been carried out, and have identified:
  - increased heat stress on dairy cattle, reducing milk production unless management measures such as shade sheds and sprinklers are adopted
  - heavy rains and winds from storm events will also contribute to crop damage and soil erosion
  - declining rainfall presents a risk to some traditional agricultural industries, tourism ventures and the ability to sustain the growing population<sup>12</sup>
- The Victorian Coastal Strategy 2008 recommends planning for sea level rise of not less than 0.8 metres by 2100
- The Future Coasts Work of the Victorian Government is not yet completed. This work will assess the vulnerability of Victoria's coastline to sea level rises to support the development of strategies to help communities and industry respond and adapt at a local level
- The Annual Cost of Climate Change for the Great South Coast including Colac Otway is \$1,926 per household which Ranks 34/64 Australian Regions<sup>(SoR, State of Region Report, 2008-09)</sup>

#### Sustainable Energy and Water Use

Energy produced and used in the form of electricity from coal fire generators and fuels for transport are the two largest contributors to greenhouse emissions. Both are forecast to increase with population growth and the higher reliance on transport and products such as air conditioners, computers and entertainment systems.

Water supply from rainfall and runoff to streams and catchments is forecast to reduce whilst demand due to population growth and industry development is forecast to increase.

The challenge is therefore to reduce water consumption and energy use per capita.

#### We know this is a challenge because:

- The Colac Otway municipal district provides a significant proportion of the Barwon Region's water supply catchment capability
- Demand is increasing due to population growth in major urban areas around Geelong and the Surf Coast with annual forecast growth rates to 2021 of 1.55% and 2.66% respectively
- Whilst Colac Otway is expected to grow at 0.6% per annum to 2021, in real terms this is 2200 people compared to 53,000 for Greater Geelong and 11,000 for Surf Coast
- Water supply has decreased and is forecast to decrease due to climate change, less rainfall and below average streamflows into catchments
- Barwon Water Supply Demand Strategy released in August 2007 includes:
  - Urban water shortfall – continued average inflows will mean a 467 ML/year shortfall for Colac's water supply by 2030 however
  - Water provided by actions in the Supply Demand Strategy will realise 1,046 ML/year when implemented

- The Supply Demand Strategy includes hierarchy of actions of: Conservation & Efficiency; Augmenting Supply; Reuse & Recycling; Infrastructure/Other options
- Energy profiling is not yet available for Colac Otway as this is a difficult and expensive task for one Council to undertake due to the numerous and private sources of input information e.g. electricity wholesalers and retailers
- However it is expected that, as for suburban Melbourne, energy efficiency gains have been offset by less people living in larger houses that have more appliances than ever before
- Urban development in Colac Otway follows the general pattern for Australia and relies on expanding the urban footprint (Greenfield sites) rather than urban infill at higher density rates. This later approach is a far more energy efficient approach and supports the provision of affordable housing however, planning practices and community attitudes must change to effect this change
- The challenge is that there are entrenched housing supply and demand behaviours reinforced by property buyers and developers that perpetuate 'traditional' housing and settlement patterns that are unsustainable
- Dispersed residential development forces people to travel for work, education and access to general services. It continues the increased reliance on transport and subsequent energy consumption

#### Pest, Plant and Animal Control

##### We know this is a challenge because:

- The DPI Noxious Weed Review for the Corangamite region found 246 noxious weed species in the region
- Serrated tussock, gorse, ragwort and blackberry are all wide spread. All of these weeds are very difficult to control once they have infested an area
- The Corangamite Regional Catchment Strategy 2003-2008 states that rabbits and foxes have thrived on both public and private land in the region and that the Calicivirus did not have the same impact on the rabbit population as seen in the drier parts of Australia

#### Native Plants, Animal and Habitat Protection and Enhancement

##### We know this is a challenge because:

- Over three quarters of the region has been cleared. Habitat destruction is the greatest threat to native fauna
- The Corangamite Regional Catchment Strategy 2003-2008 states that the greatest loss to the region's native vegetation is attributed to land clearing and that habitat destruction results from a wide range of activities including land clearing; cultivation; grazing of stock on roadsides and wetlands; coastal sub-divisions; inappropriate forest management practices; and impacts of public utilities
- NOTE: The Victorian Government DSE is developing a "**Biodiversity White Paper**" due for release in 2009 to:
  - Set the direction for Victorian Government policy and investment priorities in natural resource management, land health and biodiversity for the next 20-50 years
  - Consider how environment and natural resource management activity at the regional, catchment, local and farm scale, and on public land, is contributing to Victoria's overall environmental health

### **Waterway Protection and Enhancement**

#### **We know this is a challenge because:**

- River condition was reassessed by the Index of Stream Condition in April-May 2004. In the Otway Coast Basin, which has 60 per cent forest cover, the waterways are in good or excellent condition
- Overall, the condition of waterways in the Lake Corangamite Basin is either marginal or poor. This is due largely to past clearing for agricultural pursuits and drainage of wetlands
- In the Barwon Basin most of the waterways are in marginal to poor condition with the few streams in excellent or good condition mainly in the water supply catchment areas
- The Corangamite Regional Catchment Strategy 2003-2008 states the degradation of stream condition is widespread, with removal of streamside vegetation, bed and bank erosion, obstructions to fish passage, extensive woody weed invasion and reduced water flows being the major causes
- The condition of the lakes and wetlands in the region are also degraded. These areas are important habitat for many migratory species
- Management of wetlands on private land is very difficult because many are located on private land where they have been drained to allow agriculture to be undertaken

### **Coastal and Marine Protection and Enhancement**

#### **We know this is a challenge because:**

- The Great Ocean Road coastline is an internationally recognised icon, the protection of which is made complex due to the amount of tourism and residential development pressure
- The dune systems, estuaries and marine environment along the coast are generally in good condition because of the majority of these areas being located on public land however the Victorian Coastal Strategy has identified that three major issues that threaten this condition is climate change; population growth; and marine ecological integrity

#### **Council specific challenges:**

- The Community Satisfaction Survey 2008 shows the "Waste Management" role of Council as 67% (DPCD, Community Satisfaction Survey)
- Advocating on behalf of the community on issues outside of Council's control
- Protection of environmental values on Council owned and managed land
- Protection of environmental values on private land through provision of planning advice
- Diversity of our built and natural environments
- Diversity of land use across the region
- Recruiting and retaining suitably qualified staff
- The scope of climate change issues and the limitations on Council's influence
- Development of a Colac Otway Shire Environment Strategy
- Address the future Waste and Recycling needs of the municipality

**Key Result Area**

## **5. Economic Development**

**Objective:**

*Council is committed to facilitating a healthy and resilient economy through effective leadership, advocacy, and partnership.*

**Municipal wide challenges:**

**Improve Economic Performance**

The economy of the municipality is comparatively average to below average in the areas of business income, construction investment, average wages and productivity.

**We know this is a challenge because:**

- The State of Regions Report 2008-09 data for COS shows a 33% decline in Total Business Income from \$164m in 2004 to \$110m in 2008
- Farm Income is part of Total Business Income and has recorded a significant decline of 60% from \$120m in 2004 to \$50m in 2008
- The exact reasons for this significant drop in Business and particularly Farm Income need to be established
- The dairy industry is a major producer in COS and these income figures DO NOT include recently announced drops in the farm gate price for milk and milk solids
- The dairy industry has seen average per litre milk prices of 30c/ltr from 2001 to 2007 and 50c/ltr in 2007/08
- Interest Paid per capita has risen 60% between 2004 and 2008 recording \$2,130 and \$3,380 respectively
- The top industries for employment in 2006 are: Retail (1,369); Agriculture (1,337); Health & Community Services (1,031); Manufacturing (1,030); Construction (660); Property and Business Services (617)
- The largest increase in employment between 2001 and 2006 has been in Government Administration and Defence with 50% growth of 239 people
- Property and Business Services grew 34.5% or 213 people followed by Construction with growth of 24.1% or 159 jobs
- Agriculture Forestry and Fishing declined by 170 jobs or 12.7% between 2001 and 2007
- Industry Output and Forecasting is how regional product, value add and efficiency is measured however this data is not yet available for COS. It will come available as part of the Great South Coast Municipalities Strategic Plan development process schedule for 2009
- Average weekly incomes for Colac Otway are 20.5% below the State average at \$32,115
- Average wages per capita have risen 17% between 2004 and 2008 recording \$13,200 and \$15,400 respectively
- During the same period of 2004 to 2008, Business Value Add per Capita has decreased slightly from \$21,000 to \$20,600 respectively
- The total combined value of residential and non residential construction has decreased 10% from \$62m in 2003 to \$56m in 2008. It is forecast to drop to \$42m in 2009



- Impact of the Global Financial Crisis is not known e.g. Retail is vulnerable to rapid economic shifts due to reliance on income and discretionary spending
- The 2007-8 State of Regions Report shows Colac Otway as part of the VIC West Region which was ranked 41 of 64 Regions for Business **Productivity** and 36 of 64 for Business **Value Add**

#### **Availability of Skilled and Capable Workforce**

The short and long term provision of a skilled and capable workforce has a major impact on the Shire's economy as it limits current output and hampers further development and investment.

#### **We know this is a challenge because:**

- Unemployment rate for the September 2008 quarter for the Colac Statistical Local Area (SLA) was 4.2%, a decrease of 1.5% for the same period in 2007. This is below the Victorian average of 4.5% but higher than the national average of 4%
- When the Colac North and South SLA's are included, the unemployment rate drops to 3.1% for the September 2008 quarter
- Labour Force Participation is 61.9% and higher than the Victorian average of 60.8%
- By 2021, the working age group of 18 to 60 years will grow at a rate that is one sixth the growth to be experienced in the 60 plus age group
- Government (DPCD and DEWR) Surveys show skills shortages in all key industry sectors in the Geelong and Colac Local Government Areas (Vic Government, 2007)
- An average of 14 per cent of the 1,078 vacancies in the Geelong and Colac LGA's remained unfilled over the previous 12 months, however this varied significantly across industries
- Vacancies in the Property and Business Services industry were the least likely to be filled, with one quarter (25 per cent) of the 113 vacancies remaining unfilled
- Employers in the Transport and Storage and Manufacturing industries also had significant difficulty filling vacancies with around one-fifth of vacancies in both industries remaining unfilled
- Employers in the Health and Community Services and Construction industries reported that they were able to fill most of their vacancies with less than six per cent remaining unfilled in each industry
- Around one-fifth (22 per cent) of employers had one or more unfilled vacancies in their business

#### **Council specific challenges:**

- The Community Satisfaction Survey 2008 shows the "Economic Development" role of Council as 59%, the same rating as for all Victorian Large Rural Shires (DPCD, Community Satisfaction Survey)
- Council is but one player in the economy of the municipality and has limited funding and ability to directly influence economic outcomes
- Council does however have a powerful leadership and advocacy role that can influence economic outcomes for the Shire

Key Result Area

## 6. Community Health & Wellbeing

Objective:

*Council will promote community health and wellbeing in partnership with other health services. Through a partnership approach, Council will provide a broad range of customer focused health, recreational, cultural and community amenities, services and facilities.*

Municipal wide challenges:

### Creating Higher Levels of Community 'Advantage'

The Colac Otway local government area has a long term trend of social disadvantage. The level of disadvantage is measured by the Federal Government ABS Social Economic Index For Areas (SEIFA). It shows the prevalence of disadvantage in the Colac central part of the shire.

Colac's SEIFA Index can be compared to other places in Victoria such as Corio, Whittington, Morwell, Moe and Camperdown.

Socio-economic indicators for Colac Otway show long term negative trends. These trends are consistently below average and likely to continue to decline unless interventions are introduced.

### We know this is a challenge because:

The State of Region Report demonstrates a direct correlation between broadband access, productivity, employment and average weekly incomes.

There is also direct correlation between education levels, broadband use, innovation, value adding, productivity, average wages and social disadvantage with the following providing some headline indicators:

- Average annual incomes for Colac Otway are 20.5% below the State at \$32,115 compared to \$40,393
- 42% of Colac Otway adults have Broadband Internet Access at Home. This is 19% below the Victorian average of 61% and the lowest in the Barwon West <sup>(DPCD, Community Indicators, 2007)</sup>
- The State of Regions Report 2008-09 shows the VIC West Region at 54 of 64 for Business Innovation
- The Colac Otway municipality performs badly for the highest year of school completed. People aged 20 to 24 record (ABS 2006) are: <sup>(Cooke, 2009)</sup>
  - 100% more likely to have completed Year 8 than the average for Victoria
  - 164% more likely to have completed for Year 9
  - 84% more likely to have completed Year 10
  - 125% more likely to have completed Year 11 and
  - 28% LESS likely to have completed Year 12
- The Colac Otway Shire SEIFA Social Disadvantage index of 967.3 is the second worst in the Barwon West behind Glenelg at 962 <sup>(Id Profile)</sup>
- The Great Ocean Road-Otways and Rural South are rated as Socially Advantaged with 1008.8 and 1003.7 respectively
- By contrast, the major population area of Colac Central has a SEIFA Social Disadvantage Index of 921.6

- The State of Region Report 2008-09 shows Business Value add per capita for COS has remained approximately the same from 2002 to 2008 at \$20,600. This is below the average for the VIC West of \$22,642

#### **Servicing the Needs of an Ageing and Changing Population**

Service standards and volumes are continually changing as the shires demographic profile and growth forecasts change.

#### **We know this is a challenge because:**

- Whilst the population is not growing significantly at 0.67% per annum there are increases of around 30% expected for the 70 plus age group in just 15 years
- The Department of Human Services estimates that people aged more than 70 years account for nearly one third of separations (29%) and nearly half (47%) of bed days for acute services

#### **Improving Population Health**

#### **We know this is a challenge because:**

Department of Human Service data for Colac Otway shows notable differences between COS and the average for Victoria in the following health related areas:

- Male Injuries (+32%)
- Male rate per 1000 -Cancer (+6%), Cardiovascular (+6%), Mental disorder (6.3%)
- Dental conditions per 1000 – +58.6%
- Life expectancy Males – minus 4%
- Life expectancy Females – minus 1.4%
- Death rate per 1000 from cardiovascular disease - +33.7%
- Death rate per 1000 from cancers - +23.6%

32% of residents believe drugs and alcohol are the main reasons that affect people's health and wellbeing

#### **Housing Affordability**

Housing Affordability is one of the main reasons people come to live in the COS.

Quality of Life, Jobs and Liveability are some of the other reasons people come to live in the municipality however, current performance data shows they are at risk of becoming challenges rather than competitive advantages.

#### **We know this is a challenge because:**

- <sup>iii</sup>The "reason people come to live in their current house in the shire" for 300 people surveyed in 2007 show that 52% do so for low cost housing (21%), public housing (19%) and no other housing available (12%) (Colac Neighbourhood Renewal)
- Bankwest Ranks the Housing Affordability for all Australian LGAs. Bankwest "House Price to Worker Earning Ratio" shows a ratio for COS of 1:3.4. A ratio below 1:5 is regarded as "affordable"
- The ABS "Percentage of Households with Housing Costs Greater than 30% of Gross Income" records COS at 13.4% which is below the Victorian average of 17.7% but getting close to the Country Victoria average of 14.9%

- The Colac Otway Housing Audit June 2007 shows increased pressure on private rentals with:
  - An increased of 40% in median rents between in June 2001 and June 2006; and
  - Housing and support workers report “high demand and low supply” of private rental properties, and that what is available is “expensive”
- The 2008 Bankwest “Quality of Life” index takes into account 10 factors that rank Colac Otway as 133 of 590 Local Government Authorities in Australia. The lower the ranking number, the better the ranking

**Council specific challenges:**

- The Community Satisfaction Survey 2008 shows the “Health and Human Services” role of Council as 73%, above the rating of 72% for all Victorian Large Rural Shires (DPCD, Community Satisfaction Survey)
  - The Community Satisfaction Survey 2008 shows the “Recreation Facilities” role of Council as 55% compared to 66% for Large Rural Shires (DPCD, Community Satisfaction Survey)
  - Recruiting and retaining suitably qualified staff
  - Limited local service provider alternatives i.e. service providers both private and government
  - Geographically spread community
  - Demand on Council provided services and associated cost pressures
-



**LONG TERM FINANCIAL  
PLAN  
2012/13 TO 2021/22**



| DOCUMENT CONTROL                                                                                                                                                                                                                                                                    |                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
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|                                                                                                                                                                                                                                                                                     | <b>Project Manager:</b> Brett Exelby |
|                                                                                                                                                                                                                                                                                     | <b>Author:</b> Brett Exelby          |
|                                                                                                                                                                                                                                                                                     | <b>Date:</b> April 2012              |
| <b>Synopsis:</b> Long Term Financial Plan                                                                                                                                                                                                                                           |                                      |

**CONSULTANTS DISTRIBUTION SCHEDULE**

| Version No. | Date         | Distribution | Reference |
|-------------|--------------|--------------|-----------|
| Version 1   | January 2012 | Brett Exelby |           |
| Version 2   | April 2012   | Brett Exelby |           |
| Version 3   |              |              |           |
| Version 4   |              |              |           |

**SCHEDULE OF ADOPTION**

| Version No. | Date       | Comment | Teamware Reference |
|-------------|------------|---------|--------------------|
| Final       | April 2012 |         |                    |
|             |            |         |                    |



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# 1. EXECUTIVE SUMMARY

## 1.1 INTRODUCTION

This section includes:

- Background to the LTFP
- Purpose of the LTFP;
- Objectives of the LTFP;
- Financial strategic direction;
- Key strategic directions

## 1.2 BACKGROUND TO THE LONG TERM FINANCIAL PLAN

There is no legislative requirement to for Council to provide a Long Term financial Plan (LTFP). Colac Otway Shire Council, having considered the longer term direction of local government and in addressing the future needs of our community is determined to ensure that a longer term view guides the activities of the present.

Considerable challenges exist to the liveability of our community and considerable focus has been directed to the following challenges.

### 1.2.1 Infrastructure backlog

The most significant and recurring theme for all local government organisations is the lack of sustainability in financing assets, with ageing community infrastructure and the associated infrastructure renewals backlog playing a major role. This problem results in a heavy reliance on state and federal funding simply to maintain the status quo. The Price Waterhouse Coopers report, National Financial Sustainability Study of Local Government 2006, indicated the potential total backlog of local government infrastructure renewal work to be \$14.5 billion, highlighting the enormous task faced by councils to upgrade their infrastructure. Just as concerning is the renewal underspend that is estimated to be \$1.1 billion per year. Therefore there is a significant backlog of infrastructure renewal work within local government and their current underspend is also significant.

### 1.2.2 Cost shifting

Costs and obligations are being shifted from both state and federal governments to the local level, but councils are not being given sufficient resources to manage them. The problem has become so significant that some states, such as New South Wales, have started conducting an annual survey on the level of cost shifting that has occurred.

### 1.2.3 Revenue and cost pressures

Revenue sources are limited, with some councils reluctant, or unable, to set their rates and other charges at realistic and sustainable levels. Indeed, for councils in New South Wales, rate increases are capped. Price Waterhouse Coopers estimated that 35 percent of Australian councils are not financially sustainable.

### 1.2.4 Increasing community expectations

Population increases, changing demographics and growing economies are demanding greater scope of services offered, placing more stress on the ability of councils to meet these



## Long Term Financial Plan

ongoing needs. Increased community expectations, public scrutiny, and issues arising from an ageing population all place significant strains on the system.

---

### 1.2.5 Rural issues

Rural councils are under even greater pressure as they often serve large geographical areas with relatively small populations (and corresponding small rates bases), where services must be provided to remote areas. Many of these councils are home to sea or tree-changers, which have higher expectations of service levels that are difficult to meet with smaller budgets.

---

### 1.2.6 Internal constraints

Internal constraints also play a part. Forced or voluntary amalgamations result in disrupted service provision and benefits are often intangible or slow to emerge. The divisional (or silo) structure of some larger councils means that each department will have different information needs and systems, despite a clear requirement for divisions to share information.

Legal obligations around the management and storage of increasingly large volumes of information have implications for how data is collected, used and stored.

Councils also face an enormous challenge in sourcing and retaining quality staff in key professions, and in providing them with the tools and resources to do their jobs effectively, which means that high staff turnover is often the norm.

---

### 1.2.7 Renewed research

In response to the increasing challenges that councils face, there has been a renewed focus on research in the local government sector, both in Australia and overseas, to determine how councils can move forward in asset management and service delivery, and still maintain a position of financial sustainability.

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### 1.2.8 Reforms

The Local Government and Planning Ministers' Council endorsed a national framework for assessing a council's financial sustainability, asset planning and management, and financial planning and reporting. The framework aims to promote a consistent approach to local government planning and reporting (with full implementation due by 31 December 2010). The requirements include:

**Financial sustainability:** use of indicators to convey evidence of certain directions being taken and whether they are being achieved, including income generating indicators such as rates, other own-source income, operating costs and operating results; efficiently delivered services that are appropriate to needs; short and long term financial sustainability measured by liquidity and debt ratios; and the ability to maintain, renew and upgrade assets determined by spending to depreciation rates, or deficiencies in the asset renewal gap.

**Asset planning and management:** including the development of an asset management policy; strategy and planning; governance and management arrangements; defining levels of service; data and systems; skills and processes; and evaluation.

**Financial planning:** delivered through a strategic, longer-term plan, an annual budget and an annual report. These are all documents that provide a framework over the councils' direction setting, monitoring and resource allocation.



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### 1.2.9 Strategic Management

The significant attention drawn to the sustainability of the local government sector is testimony to the importance of providing a robust strategic management framework for councillors and management to apply in delivering the vital infrastructure and services their constituents require. Every council and community is unique and therefore has its own set of community and corporate objectives to meet.

### 1.3 PURPOSE OF LTFP

The LTFP provides the current and future councils with an opportunity to develop long-term plans that focus on the long-term prospects and ambitions of the Colac Otway Shire and its community.

Long term strategic planning is not a budgeting process but rather a continuous planning journey aimed at focussing attention on the Shires future financial needs. Its purpose is to build an improved understanding of the timing of financial needs over the life of the plan.

The aim of the LTFP is to provide the community with information on the long term intent and vision of the current council. It also provides future councils with a foundation stone from which to build future visions of our community.

The role of the LTFP is to provide information from a financially sustainable perspective and is not intended to provide details on the vision for the community but rather how Council envisages the long term vision can be delivered in a sustainable manner.

It is expected that future Council's will build upon the plan developed and that Strategic Resource Plans and annual budgets have as their keystone this Long Term Financial Plan.

The purpose of the Long Term Financial Plan (LTFP) is to:

- Establish a financial framework over the next ten (10) years to ensure Council's strategic objectives are achieved;
- Provide an assessment of the resources (financial and non-financial) required to accomplish these objectives and strategies;
- Provide a basis for consecutive councils to establish and monitor longer term visions;
- Establish a basis to measure Council's adherence to its policies and strategies; and
- Assist Council to comply with sound financial management principles, in accordance with the *Local Government Act (1989)* and to plan for the long-term financial sustainability of the municipality.

While compliance with the legislation can be achieved with the development of medium-term (four-year) financial statements, the 10-year approach proposed by Council in the future will be more comprehensive.

A 10-year time frame more fully supports strategic asset management as many of Council's assets have long lives.

The future effect of Strategic plans and master planning has been combined with established services commitments to produce a summary plan that is part projection and part predictive.

### 1.4 LTFP OBJECTIVES

The 2012/13 iteration of the LTFP is intended to achieve the following objectives in the 10-year time frame:

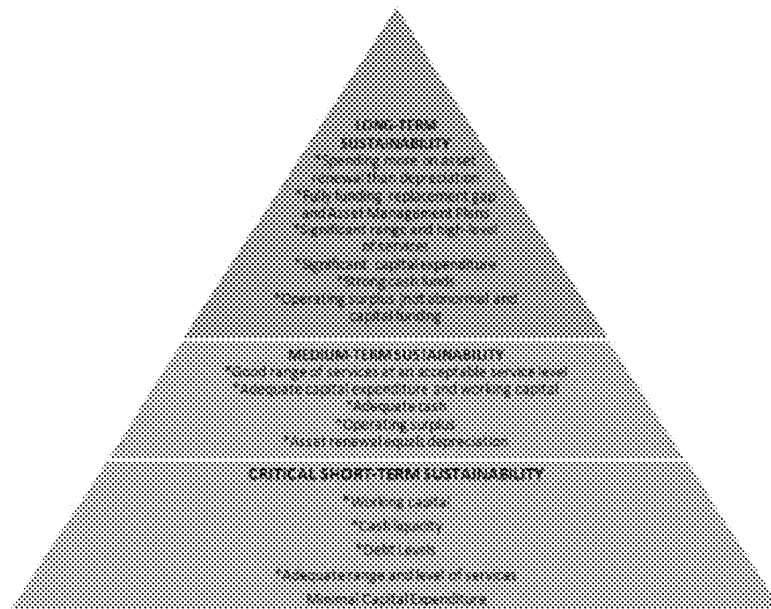
- Maintain the existing range and level of service provision and develop the capacity to grow and add new services;



Long Term Financial Plan

- Maintain a strong cash position, ensuring Council remains financially sustainable in the long-term;
- Achieve operating statement surpluses with the exclusion of all non-operational items such as granted assets and capital income;
- Maintain debt levels below prudential guidelines;
- Continue to pursue recurrent grant funding for strategic capital funds from the state and federal government;
- Provide for rate increases that establish a funding level for a sustainability and investment gap elimination, including increasing funding for capital works (asset renewal, expansion, upgrade) and asset maintenance; and
- Ensure critical renewal is funded annually over the timeframe of the LTFP.

Financial sustainability is explained in the following diagram.



Council is presently in the low range of the sustainability pyramid. In order for Council to reach the long term sustainability aim a sustained focus on long term outcomes is required. It must be recognised that it may be difficult to reach all the long-term sustainability goals however through continued planning and action Council continues to improve its sustainability.

**1.5 STRATEGIC FINANCIAL DIRECTION**

Council, as part of establishing and maintaining its LTFP, revises its borrowing strategy, asset management, capital investment, reserves, capital works programme, the range and level of services provided and the revenue-raising strategy.

A number of known strategic challenges remain ahead including renewing existing assets, continuing to provide an appropriate range and level of services to a growing community, maintaining a sound financial position and addressing the need for capital expansion. In addition there are many currently unknown challenges that should be considered when



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developing long term plans so as to limit the potential impact. These challenges include (but are not limited to):

- Carbon pricing
- Central business district redevelopment
- Future LASF Defined Benefits shortfalls
- Heavy vehicle route impacts
- Redevelopment of the Colac High School
- Administration Office development
- Landfill rehabilitation works
- Redevelopment of Central Reserve
- Land acquisition opportunities
- Future council amalgamations
- Increased cost shifting from other tiers of government
- Catastrophic events (both natural and financial)
- Other unforeseen legislative changes
- Global warming impacts

Given the many and varied possible changes that may impact on Council's position over the next ten years it is vital that this plan be reviewed annually to ensure events such as those mentioned above can be factored so that the community and Council are kept informed.

The challenge for Council, in the short-term, is to fund the appropriate level of investment in the community's assets and simultaneously accommodate the pressures of growth, including new capital investment and expanded service provision.

The other related issues are the risks and liabilities that Council and the community face if Council does not invest in asset renewal at an adequate rate.

The LTFP establishes the strategic financial direction for Council to meet the funding and investment challenges that lie ahead in the next 10-years. The LTFP is prepared in conjunction with the SRP and Council Plan to ensure the affordability of activities included in the Council Plan.

A Glossary of Terms is attached in Appendix A.

Appendix B details Council's Standard Financial Statements which are an outcome of this SRP.





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**1.6 KEY STRATEGIC DIRECTIONS**

The LTFP includes a number of key strategies that are used to guide future decisions; the preparation of the SRP and annual budgets.

The following table highlights the key strategies of this LTFP. Each section includes analysis to support the strategies.

| Section                                     | Strategic Direction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Section 3: Colac Otway financial indicators | <p>That Colac Otway Shire Council continues to benchmark with other Victorian councils and those within the large council category.</p> <p>That Colac Otway Shire Council applies the outcomes of this LTFP to the SRP and annual budgets.</p> <p>That Colac Otway Shire Council achieves operating surpluses within four (4) years and maintains those surpluses over the life of this LTFP.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Section 4: Long-term borrowing strategies   | <p>That Colac Otway Shire Council, based on compliance with the State Government Prudential Guidelines, borrows funds for capital investment projects that provide intergenerational equity.</p> <p>That Colac Otway Shire Council retains its debt servicing and redemption costs at or below 5 cents in the rate revenue dollar, towards interest and principle, over the life of this LTFP.</p> <p>That Colac Otway Shire Council commits to a maximum ten (10) year term for all new borrowings.</p>                                                                                                                                                                                                                                                                                                                                                         |
| Section 5: Statutory and other reserves     | <p>That Colac Otway Shire Council builds and maintains cash reserves to both support working capital and ensure funds are available for Council activities as scheduled.</p> <p>Reserves are fully backed with cash at the end of each financial year.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Section 6: Asset management                 | <p>That Colac Otway Shire Council, having established its critical renewal investment levels, completes detailed Asset Management Plans for all major classes of Council assets.</p> <p>That Colac Otway Shire Council, as part of the development of its Asset Management Plans, consults with the community to determine how service levels will be reached including a combination of improved revenue raising, review of existing service levels, asset disposal and composition of the asset portfolio.</p> <p>That Colac Otway Shire Council continue to prioritise the allocation of funds to the renewal of existing assets rather than constructing new assets where possible, noting that as the Shire's population expands and other demands increase, it will be necessary to provide appropriate infrastructure to promote further development.</p> |
| Section 7: Service provision and planning   | <p>That Colac Otway Shire Council annually determines the range and level of service provision through the budget process incorporating an analysis of organisational and financial capability.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |





Long Term Financial Plan

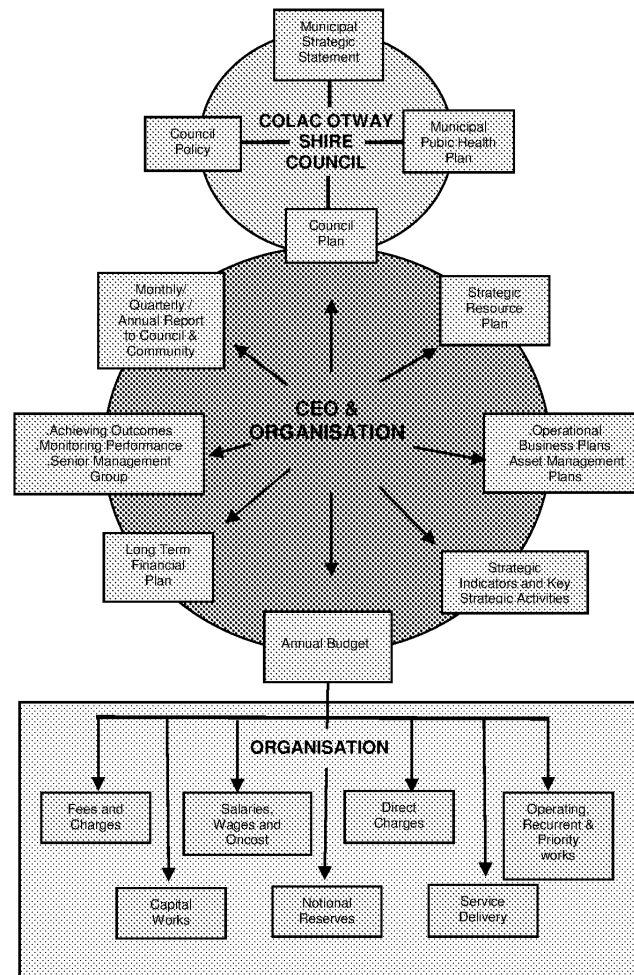
## 2. LINK BETWEEN LONG TERM FINANCIAL PLAN AND COUNCIL PLAN

### 2.1 STRATEGIC PLANNING FRAMEWORK

The diagram below shows the links between the LTFP and the balance of the corporate planning framework.

As the diagram illustrates, Council sets the strategic direction to provide the Chief Executive Officer with the necessary guidance to develop and implement plans, actions and strategies to achieve these strategic outcomes.

The key strategic documents include the Council Plan, Municipal Strategic Statement and Public Health Plan. These plans are prepared in accordance with Council policies.



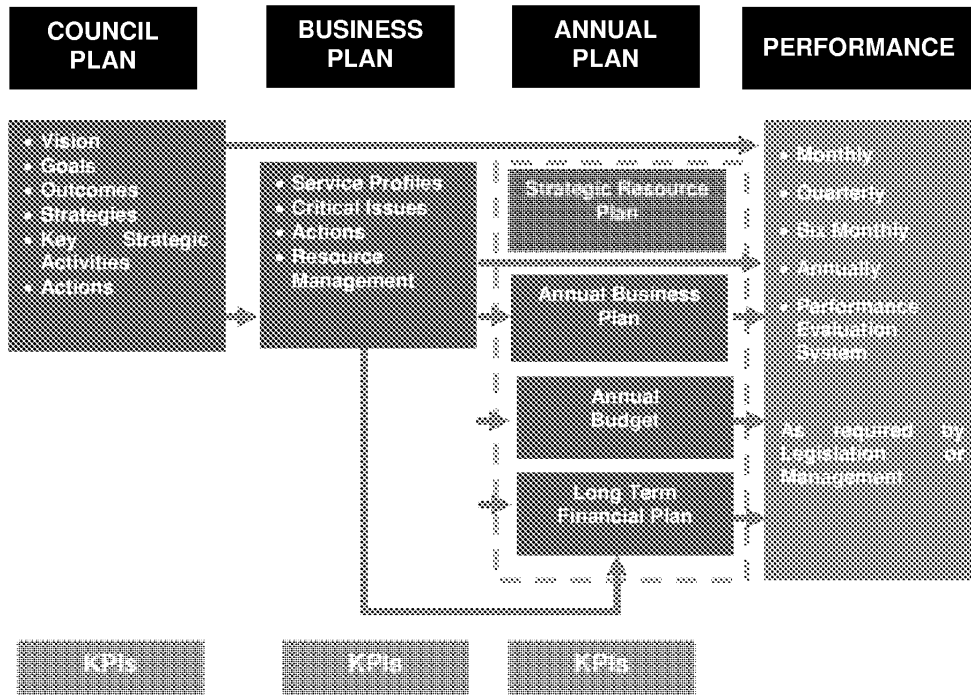


**Long Term Financial Plan**

The strategic planning framework incorporates the Council Plan and Business Plans all linked together and importantly resourced by the Annual Budget.

The LTFP, given that the duration of the plan is for ten (10) years, provides information to support the framework displayed below. The value of the LTFP remains whilst it is current and relevant. This requires that the LTFP also forms part of the Annual Plan component of the framework to ensure its currency.

The diagram below depicts this framework:



The planning framework provides for the Council Plan strategies to be linked to Business Plan actions that are funded and resourced through the Annual Budget.

The organisation then measures and monitors performance and reports to internal and external stakeholders as required.

Long Term Financial Plan



### 3. COLAC OTWAY SHIRE COUNCIL FINANCIAL SUSTAINABILITY

#### 3.1 INTRODUCTION

Developing financial strategies for councils is often a difficult process.

- Is council achieving a sufficient amount of revenue to provide services to the community?
- What should the target be in respect to resourcing expenditure on new assets (capital expenditure)?
- What is Council's targeted renewal investment and is this maintaining an acceptable level of service for the community?
- What is an acceptable rate and charge increase?
- What is an acceptable level of debt?

Some of these answers may come from Prudential Guidelines established by industry bodies such as the Department of Planning and Community Development. However, a great deal is left for each Council, as an individual entity, to determine. How does Council gather appropriate data on which to base decisions about its financial future?

The use of financial indicators that assess the comparative financial position of each council in Victoria provides a valuable source of information in establishing financial strategies.

These indicators highlight the relative financial strengths of each council and uncover the opportunities that councils may grasp for improvement. The indicators are used to identify trends in financial sustainability.

This section includes:

- Benchmarking;
- Analysis of Council's financial sustainability from the perspective of the Municipal Association of Victoria (MAV) and the Victorian Auditor General (VAGO); and
- Operating surplus exclusive of capital income and abnormal items.

#### 3.2 BENCHMARKING

The benchmarking programme in this LTFP is compiled by Strategy Plus from financial data contained in annual reports from other councils.

This benchmarking ensures data is comparable under the current regulations however may differ from Council's own benchmarking calculations.

The State Government measures councils' performance by benchmarking between councils and establishes a number of Key Performance Indicators (KPIs) for each council to use.

The KPIs have been derived from Councils Annual Reports.



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The number of councils in each category is shown in the table below.

| Category Description | Councils within Category |
|----------------------|--------------------------|
| Inner Melbourne      | 16                       |
| Outer Melbourne      | 15                       |
| Regional Cities      | 11                       |
| Large Shires         | 15                       |
| Small Shires         | 22                       |
| <b>Total</b>         | <b>79</b>                |

These key performance indicators are detailed within the relevant chapters of the SRP, and assist Council to compare its position to other large rural councils.

**3.3 ANALYSIS OF COUNCIL'S FINANCIAL SUSTAINABILITY**

*3.3.1 Financial Sustainability*

The concepts most people use in their personal and business lives are basically the same as those that should be applied to local government; however, those concepts need some modification.

Councils are perpetual corporations that manage intergenerational community services and assets. Councils provide the legal framework by which communities own infrastructure and assets collectively.

The Australian Local Government Association's (ALGA's) definition of financial sustainability is worth noting:

"A Council's long-term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."

It is against this definition then that the sustainability of Colac Otway Shire Council can be assessed. Interestingly the MAV assessment indicates Council is at "low risk" whilst the Victorian Auditor General's Office indicates "there are no financial viability concerns identified for Colac Otway Shire Council".

*Rate effort*

The ability to increase rate revenue is a significant factor in determining whether Council is potentially at risk. Council's rating effort has been satisfactory though when benchmarked was below the average effort of the large Council group.

*Cost and efficiency*

Council is statistically a "low cost" council. Council's employee cost as a percentage of total adjusted expenditure is 38.8 percent, compared to Large Shire average of 36.4 percent.

*Rates affordability*

Australian Taxation Office (ATO) income data for wage and salary earners (PAYE) can be used to give some indication of rates affordability.

The Australian Bureau of Statistics (ABS) produces a set of social and economic indices known as SEIFA. The four indices in the set, which are based on census data, reflect the level of social and economic wellbeing in local government areas. SEIFA includes the following indices:



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- **Advantage/Disadvantage** – the proportion of families with high incomes, people with a tertiary education and employees in skilled occupations. Low values indicate areas of disadvantage;
- **Disadvantage** – derived from attributes such as income, educational attainment, unemployment and dwellings without motor vehicles;
- **Economic Resources** – relating to family income, rent paid, mortgage repayments and dwelling size; and
- **Education and Occupation** – covering the proportion of people with a higher qualification or those employed in a skilled occupation. The first three indicators have been used to reflect on the socio-economic status of local areas and therefore ability to bear significant increases in rates.

*Population growth*

Population changes have a direct impact on Council costs. For example, population declines can result in higher unit costs of service delivery because of the fixed nature of some costs. Rapid population growth can place significant financial pressure on councils to put new or expanded services in place.

Colac Otway Shire is currently experiencing a gradual annual population increase, an impact therefore assessed as insignificant.

**3.3.2 Victoria Auditor General**

The Victoria Auditor General's Office (VAGO) prepared a report on Local Government, which outlines for the first time a detailed analysis on the financial sustainability of Councils and Regional Library corporations.

The VAGO's indicators of Council viability are:

| Indicator                            | Calculation                                   | Explanation                                                                                                                                                                      | Results 2010/11 |
|--------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Underlying result                    | Adjusted net surplus/total underlying revenue | Adjusted net surplus is calculated by removing non-cash developer contributions and one-off items from statement of income and expenditure.                                      | 1.85%           |
| Liquidity                            | Current Assets/Current Liabilities            | Measure of ability to pay existing liabilities within 12 months.                                                                                                                 | 2.41            |
| Indebtedness                         | Non-current liabilities/own sourced revenue   | Compares non-current liabilities (including loans) to own source revenue. Own-sourced revenue is used because it does not include capital grants.                                | 33.8%           |
| Self-financing                       | Net Operating cash flow/underlying revenue.   | This is a measure of local government's-- ability to fund the replacement of assets from cash generated by their operations: the higher the percentages, the more able to do so. | 30.3%           |
| Investment Gap (Capital Replacement) | Capital Spend/Depreciation                    | This is a measure of whether local governments are spending on infrastructure at a greater rate than the infrastructure is depreciating.                                         | 1.30            |
| Renewal Gap (VAGO)                   |                                               | Compares the rate of spending on existing infrastructure, property, plant and equipment through renewing, restoring and replacing existing assets with depreciation.             | 1.09            |



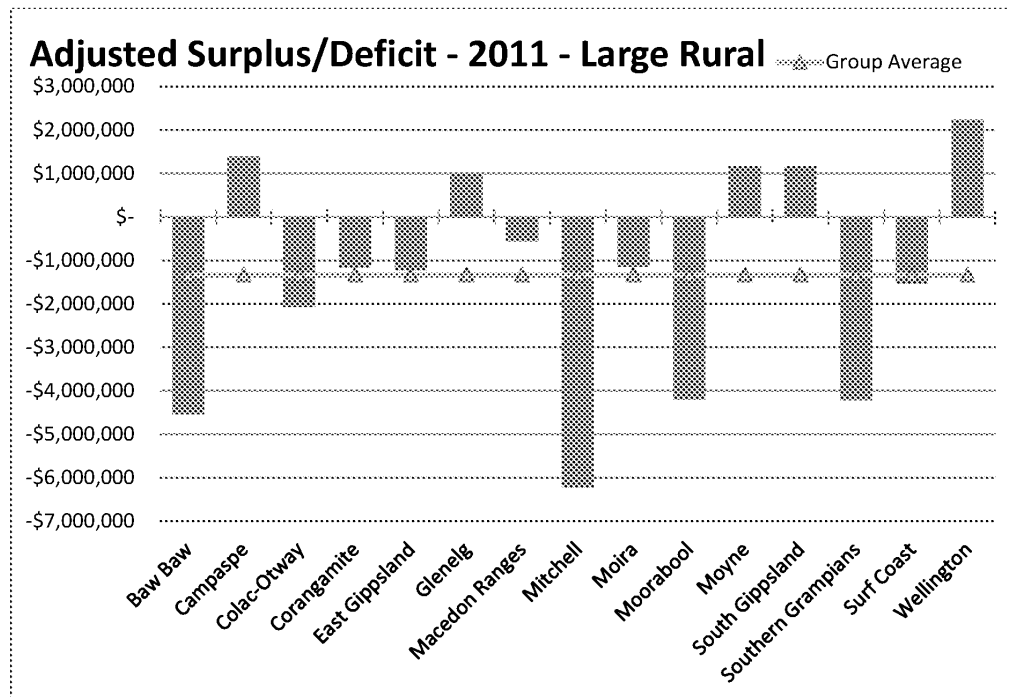


Long Term Financial Plan

**3.4 OPERATING SURPLUS EXCLUSIVE OF CAPITAL INCOME AND ABNORMAL ITEMS**

One of Colac Otway Shires long-term financial goals is to achieve an operational surplus without the inclusion of any capital income (against which there is no matching expenditure in the operating statement) and abnormal items such as granted assets.

Council's position is better than most in the large Council category when comparing the results from 2010/11. However, Council continues to operate with an underlying deficit which, if continued, significantly reduces Council's ability to be sustainable over the longer term.



**Strategic Direction**

1. That Colac Otway Shire Council continues to benchmark with other Victorian councils and those within the large council category.
2. That Colac Otway Shire Council applies the outcomes of this LTFP to the SRP and annual budgets.
3. That Colac Otway Shire Council achieves operating surpluses within four (4) years and maintains those surpluses over the life of this LTFP.

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## 4. LONG-TERM BORROWING STRATEGIES

### 4.1 INTRODUCTION

This section includes:

- Measuring what level of debt is appropriate;
- Prudent debt level;
- Future loan program.

### 4.2 MEASURING WHICH LEVEL OF DEBT IS APPROPRIATE

Deciding an appropriate debt level is a difficult task. Each council is different and the level of debt that is appropriate for Colac Otway Shire Council may not be acceptable for another council.

The following factors are seen as important issues for consideration by Colac Otway Shire Council:

- level of debt servicing as a proportion of rate revenue;
- ability to raise revenue in addition to rates;
- level of realisable assets to support the indebtedness;
- achieving the right mix of capital works and debt commitments;
- growth rate of municipality;
- community needs; and
- demographics

Colac Otway Shire Council has maintained minimal borrowings in the past and continues to maintain low levels of debt. This had a direct consequence of reducing the amount of funding available to complete capital works in future years. Council is now in a position to determine the appropriate level of debt that will allow for a strong annual capital works program into the future.

Council is responsible and accountable for indebtedness and the cost of debt servicing needs to be controlled to manageable levels. The table below highlights the relative debt levels of councils within the large council grouping at 30 June 2011. Colac Otway Shire Council's relative debt level is also shown.

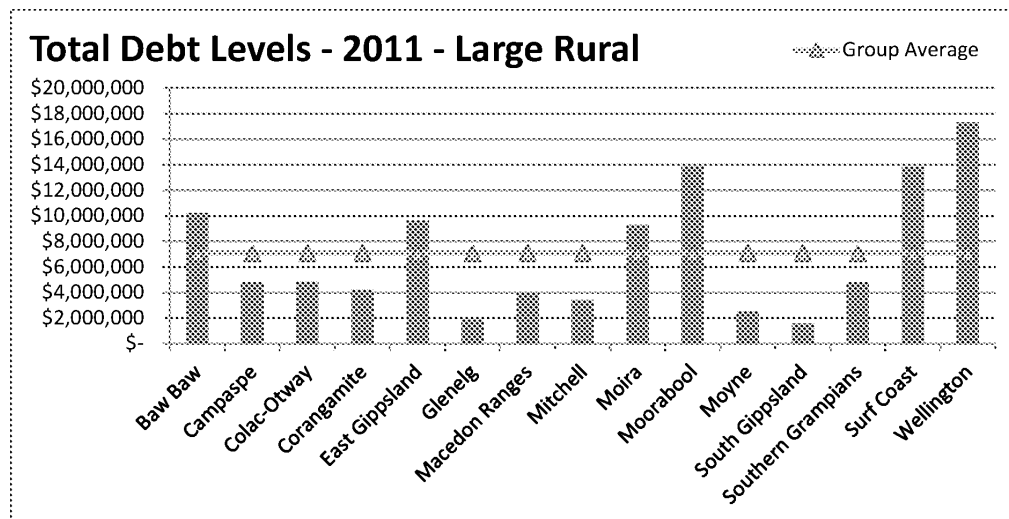
By comparing a number of different debt ratios within the large rural council grouping, Colac Otway Shire Council can begin to consider what level of debt is appropriate.





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| Council            | Debt Servicing / Adj. Total Revenue | Debt Commitment / Rates | Total Liabilities / Realisable Assets | Debt Commitment / Own Source Revenue | Total Debt / Own Source Revenue | Total Debt / Rate Revenue |
|--------------------|-------------------------------------|-------------------------|---------------------------------------|--------------------------------------|---------------------------------|---------------------------|
| Baw Baw            | 1.48%                               | 8.70%                   | 13.83%                                | 7.19%                                | 26.73%                          | 32.35%                    |
| Campaspe           | 0.54%                               | 2.18%                   | 8.52%                                 | 1.32%                                | 10.54%                          | 17.34%                    |
| Colac Otway        | 0.89%                               | 3.52%                   | 13.86%                                | 2.90%                                | 19.55%                          | 23.67%                    |
| Corangamite        | 0.52%                               | 5.35%                   | 20.64%                                | 3.90%                                | 20.23%                          | 27.77%                    |
| East Gippsland     | 1.03%                               | 4.21%                   | 11.63%                                | 3.37%                                | 21.29%                          | 26.59%                    |
| Glenelg            | 0.55%                               | 3.64%                   | 13.07%                                | 2.92%                                | 7.47%                           | 9.32%                     |
| Macedon Ranges     | 0.57%                               | 4.91%                   | 12.07%                                | 3.85%                                | 10.28%                          | 13.12%                    |
| Mitchell           | 0.56%                               | 5.36%                   | 17.99%                                | 4.02%                                | 11.68%                          | 15.59%                    |
| Moira              | 1.94%                               | 9.83%                   | 15.24%                                | 8.39%                                | 33.81%                          | 39.61%                    |
| Moorabool          | 2.01%                               | 8.87%                   | 22.18%                                | 7.88%                                | 58.64%                          | 66.01%                    |
| Moyne              | 0.14%                               | 1.62%                   | 10.83%                                | 0.86%                                | 9.38%                           | 17.74%                    |
| South Gippsland    | 0.34%                               | 4.34%                   | 8.79%                                 | 3.75%                                | 4.90%                           | 5.68%                     |
| Southern Grampians | 0.89%                               | 5.16%                   | 11.93%                                | 3.54%                                | 24.00%                          | 34.97%                    |
| Surf Coast         | 1.53%                               | 4.75%                   | 17.89%                                | 4.05%                                | 35.52%                          | 41.65%                    |
| Wellington         | 1.40%                               | 6.62%                   | 13.54%                                | 5.60%                                | 38.10%                          | 45.02%                    |
| Average            | 0.96%                               | 5.27%                   | 14.13%                                | 4.24%                                | 22.14%                          | 27.76%                    |
| Median             | 0.89%                               | 4.91%                   | 13.54%                                | 3.85%                                | 20.23%                          | 26.59%                    |





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The table also details the financial ratios with respect to debt management with the large rural councils and highlights the following points.

Colac Otway Shire Council's debt position as compared to the councils in their group can be described as follows:

- Colac Otway Shire's debt level is below the group average.
- Colac Otway Shire's Council's financial ratios are well within State government prudential guidelines.
- The debt commitment ratio of **3.52 percent** in 2010/11 meant ratepayers funded principal redemption and interest at **3.52 cents** in every dollar of rates paid.

Council's debt is relatively low providing the opportunity to review policy going forward and begin to use debt as a means of financing new capital where the life of the asset exceeds a generation.

This ensures new residents pay their share for the new facilities provided by Council.

Borrowings should be used only for the purchase of or the construction of assets that provide a return to the community. Whether that return be a purely financial return or provides some intrinsic or non-financial return, but there needs to be some form of return to the community in order to justify the investment.

### 4.3 WHAT IS A PRUDENT DEBT LEVEL?

Council's new policy is to retain debt commitment costs below **5 cents** in the dollar. That is, for every dollar of rate revenue received, the cost to service debt (principal and interest) should not exceed **5 cents**.

Council will only borrow for capital investment projects that provide a return to our community and for those projects that provide intergenerational benefits.

That is, borrowings will only occur for new investments, where the asset life is greater than one generation. This policy will provide Council with a loan programme that will maintain consistent borrowing for capital investment whilst managing debt commitment at or below **5 cents** in the rate dollar.

The intergenerational equity theory is based on the premise that successive generations and new residents should contribute to infrastructure or facilities that they will enjoy and benefit from. Generally these include major facilities (preschools, halls, arts centres) where the benefit of the investment will extend beyond the current ratepayers.

By borrowing, Council ensures today's ratepayers are not fully funding these facilities.

There are limits on borrowings due to the costs of interest payments. If Council were to borrow too heavily it would result in an inability to invest in capital works due to funds being consumed in debt repayment. Therefore a balance is important.

Along with the State Government Prudential Guidelines Council proposes to limit its debt servicing and redemption costs to **5 cents** in every rate dollar. This will mean at any time Council will:

- Be within State Government prudential guidelines; and
- Not exceed **5 cents** in the dollar for the cost of debt servicing and redemption (interest and principle).

In 2010-2011, **3.52 cents** in the rate dollar received was to service debt – both principal and interest payments.

## Long Term Financial Plan



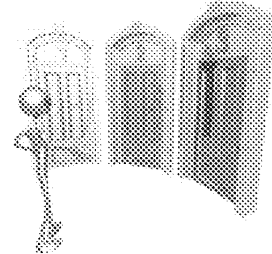
### 4.4 FUTURE LOAN PROGRAM

The use of loans to fund capital expenditure is an effective mechanism of linking the payment for the asset to successive generations who receive benefits over the life of that asset. This matching concept is frequently referred to as “intergenerational equity”.

Council will review its need for loan funds annually when consideration of the capital investment programme is undertaken.

An indicative level of borrowing will be applied to the 2012-2013 LTFP following the development of a 10-year capital works programme.

Council, following the adoption of a **10-year** capital works programme will review the level of the borrowings within the policy limit.



#### **Strategic Direction**

1. ***That Colac Otway Shire Council, based on compliance with the State Government Prudential Guidelines, borrows funds for capital investment projects that provide intergenerational equity.***
2. ***That Colac Otway Shire Council retains its debt servicing and redemption costs at or below 5 cents in the rate revenue dollar, towards interest and principle, over the life of this LTFP.***
3. ***That Colac Otway Shire Council commits to a maximum ten (10) year term for all new borrowings.***

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## 5. STATUTORY AND OTHER RESERVES

### 5.1 INTRODUCTION

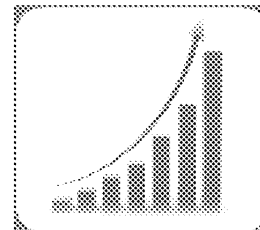
Victorian councils have traditionally operated with reserve funds that are allocated for specific purposes. These funds do not necessarily have bank accounts of their own but are a component of the cash held by Council.

The use of reserves provides Council with alternative funding options to consider alongside rates, grants user fees and borrowings.

### 5.2 NATURE AND PURPOSE OF RESERVES

The purpose of reserves is to provide cash to fund the activities of Council. The simplest explanation is to think of cash reserves as a savings account building up over the years to acquire an asset. Cash reserves used in this way have the effect of minimising the rate increases that Council would otherwise seek from the community to fund community infrastructure and Council activities. Cash reserves also have the effect of providing working capital to support Council activities throughout the year. Given that Council receives its income generally in several instalments the working capital allows Council to continue to “pay its bills”. An additional benefit is the interest income received on the cash held. This income also reduces the pressure on rate increases.

Council’s cash reserves are built up over many years (hence the smoothing effect on rate increases) and they are consumed as activities are undertaken and built up as new activities have funds put aside for. Examples of this are landfill rehabilitations. Council is required to undertake landfill rehabilitation works. These rehabilitations are likely to cost several million dollars. By placing funds into reserve for this purpose over ten years, the burden on ratepayers is spread over ten years rather than in the year the works are undertaken. Reserves only exist whilst there is cash to support them. For example, a landfill rehabilitation cash reserve is not a reserve unless cash supports it. A reserve not backed by cash is in actuality a provision or liability.



Colac Otway Shire Council breaks the cash reserves into the following five (5) categories:

Trusts and deposits

Statutory reserves

Restricted reserves

Identified reserves

Discretionary reserves

#### *Trusts and deposits*

These reserves include funds held in deposits for specific purposes or as deposits and bonds held in trust.

#### *Statutory reserves*

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

These reserves are for activities such as for Car Parking and Recreational Reserves, where the funds must be applied for specified statutory purposes in accordance with various legislation and contractual requirements, and major reserves such as those funds separately



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identified to meet Council's obligations as set out in the Local Government (Long Service Leave) Regulations 2002.

### *Restricted reserves*

These funds or reserves are those reserves set up for a specific purpose, where cash is being placed aside for a specific purpose where council has a future obligation or liability. Such reserves may be a landfill rehabilitation reserve where a liability is recognised in financial statements or a reserve set up where an agreement is in place.

These funds are available only for those purposes previously agreed to by Council in the setting up of these reserves unless there is a council resolution changing the future application of these funds.

### *Identified reserves*

These funds or reserves are set up for an identified purpose. Such a reserve will have been established for a specific purpose that may not be a recognised future obligation or liability. Such reserves may include purposes such as placing funds aside for unfunded superannuation calls that Council is aware of, or a kerbside bin replacement reserve where funds are being placed aside to replace the kerbside bins at a particular point in the future. These funds are available for those purposes previously agreed to by Council in the setting up of these reserves, however Council may agree to change the future application of these funds.

### *Discretionary reserves*

These funds or reserves are set up for a purpose that may not be defined to a specific project, purpose or activity. For example, a waste management reserve that is set up to address waste management issues but not a specific waste management issue. The funds are available for those purposes previously agreed to by Council in the setting up of these reserves; however Council may agree to change the future application of these funds.

### **Strategic Direction**

- 1. That Colac Otway Shire Council builds and maintains cash reserves to both support working capital and ensure funds are available for Council activities as scheduled.***
- 2. Reserves are fully backed with cash at the end of each financial year.***



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## 6. ASSET MANAGEMENT

### 6.1 INTRODUCTION

Linking asset management to Council's strategic financial direction is fundamental to achieving the goal of long-term financial sustainability.

This section includes:

- Background to Council's total asset portfolio at 30 June 2010;
- Key questions to determine service level/investment;
- Sustainability and investment gap;
- Condition assessments;
- Strategic asset management; and
- Future asset management

### 6.2 BACKGROUND TO COUNCIL'S TOTAL ASSET PORTFOLIO AT 30 JUNE 2010

Accounting for an asset requires the recognition of all costs associated with asset ownership including creation/acquisition, operations, maintenance, rehabilitation, renewal, depreciation and disposal. This "life cycle" approach needs to be recorded at an individual asset level so all the costs of owning and operating assets are known and understood.

For accounting purposes, assets are grouped into current and non-current assets. Current assets are cash or those assets that are considered to be readily convertible to cash. This asset grouping includes cash at bank, investment funds stock on hand, debtors and land held for resale.

Non-current assets consist of Council's debtor accounts not expected to be collected in the coming 12 months and Council's fixed assets. Fixed assets consist of land, buildings, plants, furniture, roads, drains, playgrounds and other similar infrastructure assets. The projected total value of fixed assets at 30 June 2012 is **\$227.85 million**. The balance of this section will focus on the fixed assets and the management strategies that Council is pursuing.

### 6.3 KEY QUESTIONS TO DETERMINE SERVICE LEVEL/INVESTMENT

The key questions with respect to infrastructure investment are detailed below:

4. How much does it cost ratepayers to retain the current infrastructure portfolio, that is, what is the long-term average cost of renewal plus maintenance?
5. How much will need to be spent in the short term (next 10 years) relative to the renewal expenditure invested in the recent past?
6. How much more management effort (financial and operational) will be required of Council as its assets age?
7. What assets are at the "at risk" phase (intervention level) of their life cycle and will ultimately result in their being unserviceable and unsafe?
8. What outcomes would the community and Council like to achieve with respect to asset upgrades? For example, would Council like to see an extension to the sealed road network, or playground network?
9. Are the Council assets providing the level of service expected by the community?
10. What assets should the community "manage for decline" – public halls, buildings, bridges, roads?



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**6.4 SUSTAINABILITY AND INVESTMENT GAP**

Financial sustainability is inextricably linked to sustainability of Council’s assets. One cannot exist without the other. For most, if not all Australian Local Governments a gap exists between a council’s current investment in asset renewal and the required level of investment to ensure the asset remains serviceable for its useful life. This is determined largely by historical factors and the long-term sustainable level of costs for the existing assets.

How Council deals with the size and timing of the effort required dealing with the cumulative investment gap is influenced by historical factors and the understanding of the issue.

Timing of works and associated funding is determined through recommendations guided by council’s asset management system. The asset management system will ensure council achieves best value from its dollars across the following areas. The table on the following page defines the type of asset expenditure.

| Type of Expenditure   | Definition                                                                                                                                                                    | Purpose/Example                                                                                                                                                                |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintenance           | Expenditure on an asset that maintains the asset in use, but does not increase its service potential or life.                                                                 | Life extension: Extending asset lives by repair, reducing average annual consumption costs and renewal rates, e.g. Repairing a single pipe in a drainage network or a pothole. |
| Capital Renewal       | Expenditure on an existing asset or a portion of an infrastructure network, which returns the service potential, or extends the life of the asset, to its original potential. | Retains an existing service level, e.g. Re-sheeting of road reseals, resurfacing an oval.                                                                                      |
| Capital Upgrade       | Expenditure on upgrading the standard of an existing asset to provide a higher level of service, or to extend the life of the asset beyond its original standard.             | Increases the quality of service provided to ratepayers or provides new services, e.g. Widening the pavement of a sealed area of an existing road.                             |
| Capital Expansion/New | Expenditure on extending an infrastructure network at the same standard enjoyed by existing residents to a new group of users.                                                | Extend services to newly developing areas of the Shire where there are new ratepayers, e.g. Extending a road or drainage network, new pre-school.                              |

**6.5 CONDITION ASSESSMENT**

Monitoring asset condition and performance relates to the ability of the asset to meet targeted levels of service. Asset condition reflects the physical state of the asset and the functional level of service it is capable of providing. Monitoring asset condition and performance throughout the asset life cycle is important in order to identify underperforming assets or those which are about to fail – that is, assets at the *critical renewal* level where if reinvestment is not funded the cost of future renewal will exponentially increase along with the risk of the asset being below accepted safety standards.

Colac Otway Shire Council has developed its *Asset Management System* to position Council to monitor asset condition and performance and to:

- Identify those assets which are under performing;
- Predict when asset failure to deliver the required level of service is likely to occur;
- Ascertain the reasons for performance deficiencies; and
- Determine what corrective action is required and when (maintenance, rehabilitation, renewal).

Colac Otway Shire Council continues to develop its asset management systems to support its strategic decision making with respect to asset and service provision. . Council is aspiring to have a system that not only records asset condition and asset defects/inspection details;





**Long Term Financial Plan**

but is also capable of providing financial management and year-end accounting and valuation data.

Priority is on funding the annual renewal annuity based on a predetermined service levels linked to asset condition. Minimum acceptable asset condition varies depending on the type of asset and its criticality in delivering safe and efficient services. Council aims to maintain and renew its assets to meet these minimum performance levels as the cost of renewal significantly increases beyond this condition and the asset's functionality, safety and ability to provide its intended service level is compromised.

Council has largely collected condition data for all of its major asset categories and is now in a position to commence detailed *Asset Management Plans* for each category.

The benefits of knowing the current condition and performance (level of service) an asset provides are:

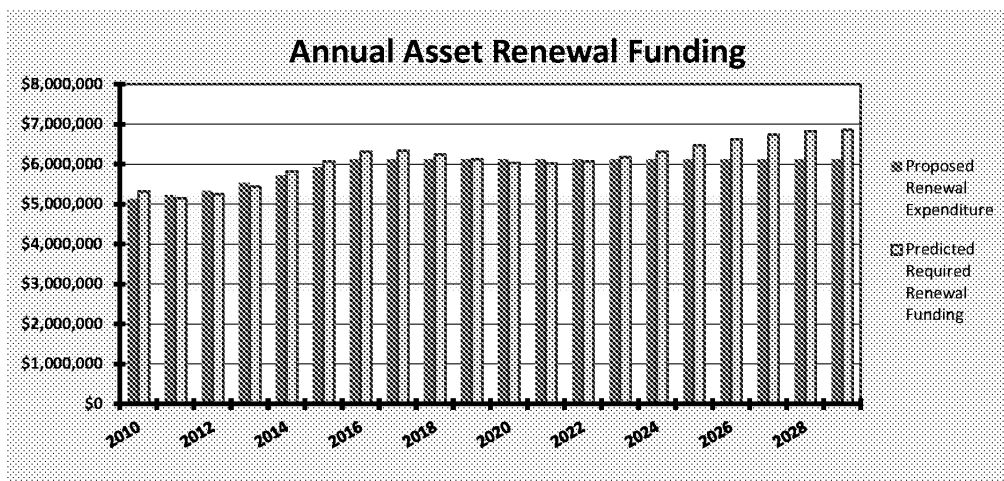
- Ability to plan for and manage the delivery of the required level of service;
- Avoidance of premature asset failure, leaving open the option of cost-effective renewal;
- Managing risk associated with asset failures;
- Accurate prediction of future expenditure requirements; and
- Refinement of maintenance and rehabilitation strategies.

Council, as asset managers, need to be able to assess the relative merits of rehabilitation/renewal/replacement options and identify the optimum long-term solution through a decision related to levels of service.

Council needs to strategically determine an affordable level of service to manage the emerging condition profile.

The benefit of that knowledge now is the management process can commence across the entire asset portfolio.

The following graph depicts the predicted level of renewal expenditure required across all asset categories for Colac Otway Shire Council until 2030.



Council needs to strategically determine an affordable level of service to manage the emerging condition profile. The benefit of that knowledge now is the management process can commence across the entire asset portfolio.



**Long Term Financial Plan**

Should Council increase/decrease this level of investment and consciously improve/decrease the level of service? The answer lies in considering the other asset categories condition profiles – what is affordable, what is critical and must be renewed and what service level is Council targeting? Council now has this information for all of its asset categories and is now positioned to strategically consider these issues globally.

Across the asset base asset renewal cash flow is variable over time as it depends on services and service levels to be provided in the future, as well as the age and condition profile of the asset stock.

**6.6 STRATEGIC ASSET MANAGEMENT**

Council reviews its *Asset Management Policy* reviewed on a triennial basis.

Other major elements are the Asset Management Strategy, which details specific actions to be undertaken by Council to improve asset management capability and achieve specific strategic objectives.

*Service and Asset Management Plans* are subsequent components where long-term plans (10-years and beyond) outline service levels for each asset category.

The table below explains the objectives and typical contents of these documents:

| Asset Management Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Asset Management Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Specific actions to be undertaken by Council in order to improve or enhance asset management capability and achieve specific strategic objectives.                                                                                                                                                                                                                                                                                                                                                                                                                                        | Long-term plans (usually 20 years or more for infrastructure assets) that outline the asset activities for each service area.                                                                                                                                                                                                                                                                                                                                                               |
| <i>Develops a structured set of actions aimed at enabling improved asset management by Council.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <i>Outlines actions and resources to provide a defined level of service in the most cost effective way.</i>                                                                                                                                                                                                                                                                                                                                                                                 |
| <ul style="list-style-type: none"> <li>• A description of the current status of asset management practices (processes, asset data and information systems).</li> <li>• Organisation’s future vision of asset management.</li> <li>• A description of the required status of asset management practices to achieve the future vision.</li> <li>• Identification of the gap between the current status and the future vision (a “gap analysis”).</li> <li>• Identification of strategies and actions required to close the gaps, including resource requirements and timeframes.</li> </ul> | <ul style="list-style-type: none"> <li>• A summary of Council’s strategic goals and key asset management policies.</li> <li>• Description of the asset portfolio.</li> <li>• Description of levels of service and performance standards.</li> <li>• Demand forecasts and management techniques.</li> <li>• A broad description of the lifecycle management activities for operating, maintaining, renewing, developing and disposing of assets.</li> <li>• A cash-flow forecast.</li> </ul> |

Council has reached the point where it has identified and has allocated responsible levels of funding to manage its critical asset renewal requirements. Council is now in a position to analyse its condition profile and begin determine and understand the cost of a predetermined service level. Alternatively Council may allow some assets to degrade in condition, freeing up funds to improve the level of service for other assets.

**6.6.1 Community Consultation**

Council aims to ensure its assets are relevant to the community, as retention of unused assets places a financial burden on the community. Council’s Strategic Resource Plan is presently focused on funding a “service level” that prioritises critical renewal and maintains average condition to meet community expectation.



Long Term Financial Plan

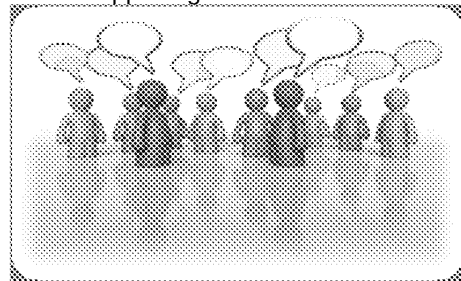
The challenge ahead is to understand the community's expectations and provide levels of service and funding options to accommodate this. An aim for Council in the short term will be to engage with the community to discuss desired and affordable levels of service. This will involve costing and analysing various service scenarios.

Sound Asset Management is:

- Knowing what assets we own (Asset Register);
- Understanding the condition and expected lives of our assets;
- Knowing what 'levels of service' customers want and are prepared to pay for;
- Having processes in place to establish priorities and allocate funds; and
- Knowing the long-term funding requirements associated with our assets.

Having documented Asset Management Plans which have supporting Service Plans detailing levels of service will be a challenge for Council over the coming years.

The first issue is to determine the outcomes the community want to achieve – what is the strategy? The next issue is what services, including their performance levels, are required to meet the community outcomes? Finally what infrastructure or assets are required to support the service level? Too often Council starts focusing on the asset rather than on the outcome/service level it requires.



A review of this nature may result in assets no longer being required to support community outcomes.

6.6.2 Asset Management Steering Group

The Asset Management Steering Group (AMSG) is a cross-functional professional team with representatives from various Council departments. The purpose of the AMSG is to oversee the decision-making process with respect to the direction of asset management and to ensure the Colac Otway Shire Council continues to develop total asset management across the organisation.

The Steering Group's Terms of Reference include:

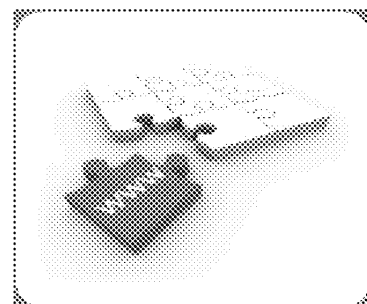
To represent the key asset management functions e.g. Infrastructure planning, maintenance and construction, finance, community engagement and direct service provision such as recreation, economic development and community services;

Provide linkages between the community, key stakeholders and the Council's asset managers to promote involvement and consultation around the management of Council assets;

Promote and raise awareness of asset management to the Council, staff, key stake-holders and the community;

Encourage continuous improvement, innovation and cost effective methods to improve asset management practices;

To provide guidance to develop long term (whole of life) Asset Management Plans for major asset groups;



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To ensure the community needs and expectations are considered in the development of Asset Management Plans;

Facilitate appropriate organisational mechanisms and work flows for the maintenance and improvement of Council's physical assets, with links to data collection systems and other asset management software systems and report to Executive on outcomes;

To review the performance of asset management programs such as maintenance programs and capital works programs; and

Ensure efficient and effective use of Council funds and optimising "life cycle" cost of all assets.

### 6.7 FUTURE ASSET MANAGEMENT

Council is developing asset registers, knowledge and data, building information systems to support maintenance renewal, customer service and financial activities and aims to be in a strong position to develop tactical responses through its Asset Management Plans to manage levels of service into the future.

#### Strategic Direction

- 1. That Colac Otway Shire Council, having established its critical renewal investment levels, completes detailed Asset Management Plans for all major classes of Council assets.**
- 2. That Colac Otway Shire Council, as part of the development of its Asset Management Plans, consults with the community to determine how service levels will be reached including a combination of improved revenue raising, review of existing service levels, asset disposal and composition of the asset portfolio.**
- 3. That Colac Otway Shire Council continue to prioritise the allocation of funds to the renewal of existing assets rather than constructing new assets where possible, noting that as the Shire's population expands and other demands increase, it will be necessary to provide appropriate infrastructure to promote further development.**



Long Term Financial Plan

## 7. SERVICE PROVISION AND PLANNING

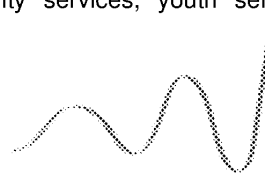
### 7.1 INTRODUCTION

The range and level of services a council should, or is capable of, or wants to provide is a complex question to consider.

Council provides a range of services, including community services, youth services, recreation, customer services, and asset maintenance.

This section includes:

- Operating expenditure/revenue; and
- Service provision and planning



### 7.2 OPERATING EXPENDITURE/REVENUE

Council's operating revenues and costs for 2012-2013 are budgeted at \$36.647 million and \$37.055 million respectively. Council's operation includes provision of building, planning, economic development services, health and community services, infrastructure planning, operations and corporate support services including finance, information technology, asset management and organisation development.

### 7.3 SERVICE PROVISION AND PLANNING

Ultimately, Council determines the range and level of services it is able to offer the community and this is reviewed annually based on the outcome of community consultation and feedback undertaken during the year.

This is finalised through the annual budget process with the SRP providing preliminary guidance based on the service delivery model from the previous year.

One of the key objectives of Council's Strategic Resource Plan is to maintain existing service levels and maintain a satisfactory operating position over the life of the SRP.

#### 7.3.1 Funding Renewal Gap

Funding the ongoing and growing renewal gap will be a major challenge during the life of this SRP. The gap is presently growing and this is based on data that will be reviewed in the coming year.

#### 7.3.2 Underlying operating deficit

The underlying operating deficit measures Council's ability to generate enough revenue to cover operating costs (including the cost of replacing assets reflected in the depreciation expenses). Council at 30 June 2011 had a \$2.069 million underlying operating deficit.

#### 7.3.3 Liquidity

Working to improve the liquidity of the municipality will be a focus of the *Strategic Resource Plan*.

Improved working capital will also assist the underlying operating deficit position.

#### 7.3.4 Review of Depreciation charges

A review of the depreciation charges will be undertaken in the coming year. Benchmarking indicates that Colac Otway depreciation charges on its assets as a percentage of total assets was **3.2 percent** compared to **2.44 percent** for the large rural and state averages.



## Long Term Financial Plan



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### 7.3.5 Asset maintenance

The level of maintenance services (street sweeping, reserve mowing, footpath maintenance, street bin collection etc.) has been maintained at a similar level to the previous year.

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### 7.3.6 Skill retention

Retention and development of skills is critical to ensure the ongoing sustainability of the municipality.

The current work force is ageing and organisation development strategies will be critical going forward.

## 7.4 CONCLUSION

Managing financial sustainability and the range and level of services provided will remain an ongoing challenge.

### Strategic Direction

1. *That Colac Otway Shire Council annually determines the range and level of service provision through the budget process incorporating an analysis of organisational and financial capability.*

Long Term Financial Plan

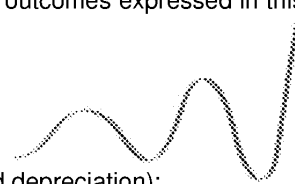


## 8. LONG TERM FINANCIAL PLAN

### 8.1 INTRODUCTION

There are a number of dynamic variables that may influence the outcomes expressed in this LTFP. They include:

- Rating levels and supplementary rate income;
- Government grant revenue (both recurrent and capital);
- Granted asset amounts;
- Asset revaluations (major impact on fixed asset value and depreciation);
- Asset sales;
- Mix of funding between capital works/special projects (new initiatives); and
- Level of growth factor applied to expenditure items / rate of expenditure/activity level.



This section includes:

- Modelling methodology;
- Financial assumptions; and
- Conclusion

### 8.2 MODELLING METHODOLOGY

This section details the approach to financial modelling used in the preparation of these options and provides background about the major financial assumptions that were applied.

The financial model used is the same as that utilised for the Strategic Resource Plan. This ensures that the methodology remains consistent between the modelling.

Given that the model has been prepared at the lowest accounting level within Council's general ledger system certain accounts were coded for manual adjustment rather than broad percentage increases (for example, election expenses occur only once every four years). It is not always possible to multiply the previous year's base by a percentage to achieve a correct forecast.

The base point used for financial modelling has been the forecast result for 30 June 2012 as prepared at the end of the March quarter (31 March 2012).

While the LTFP uses the more specific assumptions as detailed in Appendix B and the pages that follow, it will not remove the need for Council to continue to achieve operational efficiencies. The LTFP intends to establish a framework for Council to benchmark its performance. Where further efficiencies can be achieved, funds will be dedicated to asset renewal, maintenance or improved service provision.





Long Term Financial Plan

**8.3 FINANCIAL ASSUMPTIONS**

The following information explains the major financial assumptions applicable to the financial model used in developing the longer term view.

**8.3.1 Labour and on-costs**

Increases in labour and on-costs are composed of three elements. The elements are enterprise agreement increments; movements within bandings as part of the annual performance review process and expected incremental increases in resource demands. The table below highlights these assumptions.

| Year                | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                     | %       | %       | %       | %       | %       | %       | %       | %       | %       | %       |
| EBA Increase        | 4.1     | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     |
| Award Increments    | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     |
| Resource Increments | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     |
| Total               | 6.6     | 6.7     | 6.7     | 6.7     | 6.7     | 6.7     | 6.7     | 6.7     | 6.7     | 6.7     |

**8.3.2 Depreciation**

Depreciation estimates are based on the projected capital spending contained within each assumption. Depreciation estimates are influenced by future asset revaluations and depreciation charges are assessed following condition assessments. The overall depreciation charge is also impacted by the amount of assets granted to the municipality following subdivision.

**8.3.3 Materials and contracts**

The broad assumption in materials and contracts is for an increase matching the Local Government Cost Indices. Outside of these broad parameters there have been a number of manually assessed items in this area including election expenses, valuation contract amounts and insurance.

**8.3.4 Special projects/consultancies**

These works are essentially one-off expenditures that do not constitute the creation of an asset and have been maintained at 2010-2011 levels through the life of the LTFP (although adjusted for CPI).

**8.3.5 Debt servicing and redemption**

Debt redemption is calculated according to the restructured loan schedules. Council borrowings are dealt with in detail in Section 4.

**8.3.6 Written-down values of assets sold**

All Written-down values relate to plant and land sold as part of the 10-year program. These are based on information from Council's Asset Registers.

**8.3.7 Rate revenue**

The 2012-2013 Budget is based on an increase of **6.33 percent** for average rates and charges per assessment. The LTFP and SRP have further applied this same increase to the life of both the SRP and LTFP.



## Long Term Financial Plan

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### 8.3.8 Service charges

Service charges, such as the waste management charge, have been adjusted to keep in line with the Local Government Cost Index.

Funds raised for such activities are ultimately deployed into those activities for which they are collected, such as to waste management (operating and capital) activities.

---

### 8.3.9 Grant revenue

An allowance has been made for operating grants & subsidies revenue for ongoing services and projects over the life of the SRP. In broad terms, a 2.0 percent per annum increase has been allowed for operating grants reflecting the nature of this revenue type, which has seldom increased by CPI across the board. Reimbursements from the State Revenue Office for land valuations have also been included in the appropriate years. An allowance of 3 percent has been made for the Victoria Grants Commission grant.

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### 8.3.10 Fees and charges

Fees and charges that Council have been increased by the base CPI index on levels existing in the annual financial statements for 2010/11.

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### 8.3.11 Statutory Fees and Fines

Council has no control over a large amount of statutory fees prescribed by the State Government.

Fines include town planning, local laws and the animal pound. Fees and fines are included in the above.

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### 8.3.12 Interest on investments

Interest on investments has been estimated based on cash flow.

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### 8.3.13 Proceeds from sale of assets

Proceeds from sale of assets are those relating to plant changeover and land sales.

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### 8.3.14 Capital grants

Capital revenue from grants, subsidies and contributions from future years has been estimated to fund future capital works.

Capital grants have been forecast conservatively. Funds raised above or below the forecast amount will directly impact on the level of capital expenditure achievable. While conservative amounts have been included, it should be noted that Council does not pursue part-funded capital works that do not fit with its strategic direction.

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### 8.3.15 Granted assets

Granted assets are those handed over to Council following the completion of a subdivision. These include roads, footpaths, curb, channel, drainage etc.

The level of granted assets is forecast to continue at low-levels based on predicted levels of property development. However, estimates beyond 2011/12 are not based on any reliable data at this point. While granted assets add to Council's overall asset base, they also add to the future obligations to maintain and replace these assets at the end of their useful lives.

## Long Term Financial Plan



They therefore impact on Council's depreciation levels (see Item 2) and required capital spending (renewal) in the future. This area requires appropriate factoring into the financial model and therefore further review.

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### 8.3.16 Capital expenditure

Capital expenditure amounts for local roads, waste and information technology (renewal), and the like and have been directly budgeted for during the next 4-years. The balance of capital expenditure has been left unallocated at this point. These funds may be available for capital renewal (priority), capital upgrade or expansion.

## 8.4 CONCLUSION

The Long Term Financial Plan continues to provide a financial framework for Council, enabling an assessment of Council resources and assisting Council to plan and fund capital infrastructure and meet future community aspirations. The Standard Statements (financial statements) are detailed in *Appendix B*.



Long Term Financial Plan

## 9. APPENDIX A - GLOSSARY OF TERMS - DEFINITIONS

| TERM                                            | DEFINITION                                                                                                                                                                                                                                                          |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adjusted operating surplus/deficit</b>       | Operating surplus/deficit less revenue from capital (non-recurrent) grants, developer contributions (i.e. assets contributed), asset revaluations, sale of assets plus expenditure from asset revaluations, WDV of assets sold and unfunded superannuation expense. |
| <b>Adjusted total operating expenses</b>        | Total operating expenses as per the "Statement of financial performance" – net of asset revaluations, unfunded superannuation expense and WDV of asset sold.                                                                                                        |
| <b>Adjusted total revenue</b>                   | Total revenue from "Statement of financial performance" – net of asset sales, asset contributions in kind. Capital grant funding and revaluation adjustments.                                                                                                       |
| <b>Capital grants (non-recurrent)</b>           | Capital or non-recurrent grants as disclosed in notes.                                                                                                                                                                                                              |
| <b>Current assets</b>                           | Total current assets from "Statement of financial position".                                                                                                                                                                                                        |
| <b>Current liabilities</b>                      | Total current liabilities from "Statement of financial position"                                                                                                                                                                                                    |
| <b>Debt redemption</b>                          | Debt principals repayments.                                                                                                                                                                                                                                         |
| <b>Debt servicing costs (interest)</b>          | Total borrowing costs or interest expense as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                     |
| <b>Fees and charges revenue</b>                 | Total fees and charges revenue as per the "Statement of financial performance" or as disclosed in note in some councils' statements (includes fines).                                                                                                               |
| <b>Grant income and reimbursements</b>          | Total grants revenue as per the "Statement of financial performance" or as disclosed in note in some councils' statements (includes Vic Roads sometimes shown as "reimbursements" by some councils).                                                                |
| <b>Granted assets</b>                           | Total value of assets received from developers (in kind) as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                      |
| <b>Interest earnings</b>                        | Total interest received as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                                       |
| <b>No. of rateable properties</b>               | Number of rateable properties in municipality.                                                                                                                                                                                                                      |
| <b>Non-current liabilities</b>                  | Total non-current liabilities from "Statement of financial position".                                                                                                                                                                                               |
| <b>Proceeds from sale of non-current assets</b> | Total proceeds from asset sales as per the "Statement of financial performance" or as disclosed in note in some councils' statements, (gross received not Written-down value).                                                                                      |
| <b>Rate revenue</b>                             | Total rate revenue as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                                            |
| <b>Rates outstanding at end of</b>              | Rate debtor amount as disclosed in "Receivables"                                                                                                                                                                                                                    |



Long Term Financial Plan

| TERM                                                                   | DEFINITION                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| year                                                                   | note.                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Total assets</b>                                                    | Total assets from "Statement of financial position".                                                                                                                                                                                                                                                                                                                                            |
| <b>Total capital asset outlays</b>                                     | Payments for capital purchases per the "Cash flow statement".                                                                                                                                                                                                                                                                                                                                   |
| <b>Total cash inflows from operations, finance and Investment Act</b>  | Total inflows per the "Cash flow statement".                                                                                                                                                                                                                                                                                                                                                    |
| <b>Total cash outflows from operations, finance and Investment Act</b> | Total outflows per the "Cash flow statement".                                                                                                                                                                                                                                                                                                                                                   |
| <b>Total depreciation</b>                                              | Total depreciation expense as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                                                                                                                                                                |
| <b>Total depreciation on infrastructure assets</b>                     | Total depreciation on infrastructure assets as disclosed in "Depreciation expense" note.                                                                                                                                                                                                                                                                                                        |
| <b>Total debt</b>                                                      | Total interest bearing liabilities (current and non-current) from "Statement of financial position".                                                                                                                                                                                                                                                                                            |
| <b>Total indebtedness</b>                                              | Total liabilities (current and non-current) from "Statement of financial position".                                                                                                                                                                                                                                                                                                             |
| <b>Total infrastructure assets</b>                                     | Total infrastructure assets from "Statement of financial position" or as disclosed in note (Written-down value). Infrastructure includes roads, bridges, drains, road structures, other structures, playground equipment, and other like categories. Heritage assets have been deemed to be building assets. Work in progress, where not separately split, has been included as infrastructure. |
| <b>Total net realisable assets</b>                                     | Total assets less total infrastructure assets.                                                                                                                                                                                                                                                                                                                                                  |
| <b>Total operating expenses</b>                                        | Total operating expenses as per the "Statement of financial performance".                                                                                                                                                                                                                                                                                                                       |
| <b>Total revenue</b>                                                   | Total revenue from "Statement of financial performance"                                                                                                                                                                                                                                                                                                                                         |
| <b>Written-down value of assets sold</b>                               | Written-down value of assets sold as per the "Statement of financial performance" or as disclosed in note in some councils' statements.                                                                                                                                                                                                                                                         |

Long Term Financial Plan



## 10. APPENDIX B STANDARD FINANCIAL STATEMENTS

This Appendix contains a graph that details the outcomes from the Standard Statements that follow.

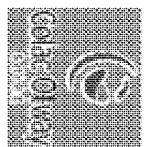
The Standard Statements include the:

- Standard income statement;
- Standard balance sheet;
- Standard statement of cash flows;
- Standard statement of capital works; and

These statements are required under Part 2 Section 5 of the Local Government (Finance and Reporting) Regulations 2004. The Regulations commenced on 20 April 2004.

The original SRP statements partially differed in layout due to their release prior to the proclamation of the regulations.

Long Term Financial Plan



10.1 Standard Income Statement

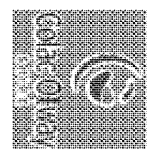
|                                                                       | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Operating revenue:                                                    |         |         |         |         |         |         |         |         |         |         |
| Rates and charges                                                     | \$ 000  | \$ 000  | \$ 000  | \$ 000  | \$ 000  | \$ 000  | \$ 000  | \$ 000  | \$ 000  | \$ 000  |
| Statutory fees and charges                                            | 22,887  | 24,260  | 25,716  | 27,001  | 28,621  | 30,339  | 32,311  | 34,411  | 36,476  | 39,029  |
| User fees and charges                                                 | 500     | 520     | 541     | 563     | 585     | 609     | 633     | 658     | 685     | 712     |
| Grants - operating                                                    | 3,837   | 4,067   | 4,271   | 4,484   | 4,708   | 4,943   | 5,191   | 5,450   | 5,723   | 6,009   |
| Contributions - cash                                                  | 8,627   | 8,972   | 9,330   | 9,704   | 9,898   | 10,096  | 10,298  | 10,504  | 10,924  | 11,361  |
| Reimbursements                                                        | 45      | 46      | 48      | 50      | 52      | 54      | 57      | 59      | 61      | 64      |
| Finance revenue                                                       | 135     | 141     | 149     | 154     | 161     | 167     | 174     | 181     | 188     | 195     |
| Other revenue                                                         | 446     | 460     | 473     | 488     | 502     | 517     | 533     | 549     | 568     | 588     |
| Total operating revenues                                              | 170     | 177     | 184     | 192     | 199     | 207     | 215     | 224     | 233     | 242     |
| Operating expenses:                                                   |         |         |         |         |         |         |         |         |         |         |
| Employee benefits                                                     | 36,647  | 38,643  | 40,712  | 42,636  | 44,726  | 46,932  | 49,412  | 52,036  | 54,858  | 58,200  |
| Materials and services                                                | 14,817  | 15,517  | 16,238  | 17,033  | 18,112  | 19,337  | 20,723  | 22,286  | 23,954  | 25,733  |
| Contracts                                                             | 5,729   | 6,016   | 6,317   | 6,635   | 6,968   | 7,318   | 7,685   | 8,070   | 8,475   | 8,900   |
| Depreciation                                                          | 6,787   | 7,195   | 7,627   | 8,084   | 8,569   | 9,083   | 9,628   | 10,206  | 10,818  | 11,468  |
| Finance expenses                                                      | 8,081   | 9,193   | 9,352   | 9,355   | 9,388   | 9,434   | 9,484   | 9,564   | 9,679   | 9,781   |
| Other expenses                                                        | 332     | 362     | 324     | 286     | 237     | 198     | 149     | 98      | 62      | 50      |
| Total operating expenses                                              | 1,309   | 1,361   | 1,416   | 1,472   | 1,531   | 1,592   | 1,656   | 1,722   | 1,791   | 1,863   |
| Underlying Result for the year                                        | 37,055  | 39,644  | 41,274  | 42,865  | 44,805  | 46,962  | 49,325  | 51,946  | 54,779  | 57,795  |
| Capital revenue:                                                      | (4689)  | (1,031) | (562)   | (229)   | (79)    | (30)    | 87      | 90      | 79      | 405     |
| Grants - capital                                                      | 6,328   | 2,984   | 2,687   | 2,418   | 2,418   | 2,418   | 2,418   | 2,418   | 2,418   | 2,418   |
| Net gain / loss on disposal of assets                                 | 459     | 460     | 460     | 459     | 459     | 459     | 459     | 459     | 459     | 459     |
| Total capital revenue                                                 | 6,787   | 3,444   | 3,147   | 2,877   | 2,877   | 2,877   | 2,877   | 2,877   | 2,877   | 2,877   |
| Capital expenses                                                      |         |         |         |         |         |         |         |         |         |         |
| Net loss on disposal of property, infrastructure, plant and equipment | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Total capital expenses                                                | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Surplus (deficit) for the year                                        | 6,379   | 2,443   | 2,585   | 2,648   | 2,798   | 2,847   | 2,964   | 2,967   | 2,956   | 3,282   |



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10.2 Standard balance sheet

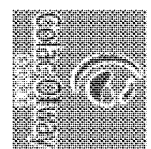
|                                             | 2012/13   | 2013/14   | 2014/15   | 2015/16   | 2016/17   | 2017/18   | 2018/19   | 2019/20   | 2020/21   | 2021/22   |
|---------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Current assets</b>                       |           |           |           |           |           |           |           |           |           |           |
| Cash and cash equivalents                   | \$000     | \$000     | \$000     | \$000     | \$000     | \$000     | \$000     | \$000     | \$000     | \$000     |
| Trade and other receivables                 | 5,066     | 3,843     | 5,964     | 7,490     | 9,124     | 10,201    | 10,627    | 10,030    | 9,721     | 9,749     |
| Inventories                                 | 2,505     | 2,630     | 2,762     | 2,900     | 3,045     | 3,197     | 3,357     | 3,525     | 3,596     | 3,668     |
| Total current assets                        | 172       | 184       | 197       | 211       | 226       | 242       | 259       | 277       | 296       | 317       |
| 7,743                                       | 6,657     | 8,923     | 10,601    | 12,395    | 13,640    | 14,243    | 13,832    | 13,613    | 13,734    |           |
| <b>Non-current assets</b>                   |           |           |           |           |           |           |           |           |           |           |
| Other non-current assets                    | 441       | 437       | 433       | 442       | 433       | 424       | 432       | 423       | 415       | 407       |
| Property, infrastructure, plant & equipment | 235,724   | 239,797   | 239,864   | 240,714   | 241,899   | 243,175   | 245,226   | 248,192   | 250,789   | 254,113   |
| Total non-current assets                    | 236,165   | 240,234   | 240,297   | 241,156   | 242,332   | 243,599   | 245,658   | 248,615   | 251,204   | 254,520   |
| Total assets                                | 243,908   | 246,891   | 249,220   | 251,757   | 254,727   | 257,239   | 259,901   | 262,447   | 264,817   | 266,254   |
| <b>Current liabilities</b>                  |           |           |           |           |           |           |           |           |           |           |
| Trade and other payables                    | (1,587)   | (1,489)   | (1,564)   | (1,519)   | (1,534)   | (1,549)   | (1,564)   | (1,589)   | (1,589)   | (1,612)   |
| Interest-bearing loans and borrowings       | (486)     | (523)     | (661)     | (639)     | (650)     | (699)     | (662)     | (650)     | (705)     | (711)     |
| Trust                                       | (230)     | (225)     | (221)     | (225)     | (230)     | (235)     | (240)     | (246)     | (250)     | (255)     |
| Provisions                                  | (3,515)   | (3,339)   | (3,406)   | (3,479)   | (3,543)   | (3,614)   | (3,686)   | (3,760)   | (3,835)   | (3,912)   |
| Total current liabilities                   | (5,798)   | (5,576)   | (5,652)   | (5,816)   | (5,967)   | (6,097)   | (6,152)   | (6,306)   | (6,379)   | (6,580)   |
| <b>Non-current liabilities</b>              |           |           |           |           |           |           |           |           |           |           |
| Interest-bearing loans and borrowings       | (4,770)   | (5,256)   | (4,770)   | (4,247)   | (3,688)   | (3,086)   | (2,459)   | (1,739)   | (1,077)   | (827)     |
| Provisions                                  | (4,527)   | (4,301)   | (4,387)   | (4,475)   | (4,565)   | (4,656)   | (4,749)   | (4,844)   | (4,941)   | (5,040)   |
| Total non-current liabilities               | (9,297)   | (9,557)   | (9,157)   | (8,722)   | (8,253)   | (7,744)   | (7,187)   | (6,583)   | (6,018)   | (5,867)   |
| Total liabilities                           | (15,095)  | (15,133)  | (14,849)  | (14,539)  | (14,208)  | (13,841)  | (13,339)  | (12,419)  | (11,804)  | (11,757)  |
| Net assets                                  | 228,813   | 231,758   | 234,371   | 237,219   | 240,519   | 243,398   | 246,562   | 250,029   | 253,013   | 256,497   |
| <b>Equity</b>                               |           |           |           |           |           |           |           |           |           |           |
| Accumulated surplus                         | (101,984) | (104,104) | (106,268) | (108,435) | (110,601) | (112,768) | (114,939) | (117,112) | (119,283) | (121,451) |
| Asset revaluation reserve                   | (122,205) | (122,705) | (122,736) | (122,935) | (123,435) | (123,935) | (124,435) | (124,935) | (124,935) | (124,399) |
| Other reserves                              | (4,624)   | (4,949)   | (5,358)   | (5,849)   | (6,183)   | (6,470)   | (6,769)   | (7,052)   | (7,195)   | (7,341)   |
| Total equity                                | (228,813) | (231,758) | (234,371) | (237,219) | (240,519) | (243,398) | (246,562) | (250,029) | (253,013) | (256,497) |



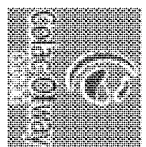
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10.3 Standard statement of cash flows

|                                                     | 2012/13  | 2013/14  | 2014/15  | 2015/16  | 2016/17  | 2017/18  | 2018/19  | 2019/20  | 2020/21  | 2021/22  |
|-----------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Cash flows from operating activities                |          |          |          |          |          |          |          |          |          |          |
| Receipts                                            |          |          |          |          |          |          |          |          |          |          |
| General rates & charges                             | 22,887   | 24,260   | 25,716   | 27,001   | 28,621   | 30,339   | 32,311   | 34,411   | 36,476   | 39,029   |
| Operating grants and contributions                  | 9,805    | 9,997    | 10,334   | 10,732   | 10,967   | 11,187   | 11,391   | 11,637   | 12,215   | 12,706   |
| User charges                                        | 4,721    | 4,994    | 5,239    | 5,495    | 5,764    | 6,046    | 6,343    | 6,653    | 6,980    | 7,322    |
| Finance revenue                                     | 446      | 460      | 473      | 488      | 502      | 517      | 533      | 549      | 568      | 588      |
| Other revenue                                       | 1,609    | 1,430    | 1,144    | 1,273    | 1,320    | 1,427    | 1,548    | 1,670    | 1,740    | 1,866    |
| Payments                                            | 39,468   | 41,081   | 42,906   | 44,989   | 47,174   | 49,516   | 52,126   | 54,920   | 57,979   | 61,511   |
| Employee costs                                      | (14,653) | (16,073) | (16,246) | (17,046) | (18,133) | (19,367) | (20,764) | (22,336) | (24,020) | (25,813) |
| Materials & services                                | (16,892) | (14,829) | (15,337) | (15,189) | (17,091) | (18,042) | (19,047) | (20,100) | (21,226) | (22,411) |
| Other expenses                                      | (1,440)  | (1,497)  | (1,588)  | (1,619)  | (1,804)  | (1,791)  | (1,822)  | (1,894)  | (1,970)  | (2,049)  |
| Net cash provided by operating activities           | 6,883    | 8,877    | 9,765    | 10,135   | 10,266   | 10,356   | 10,493   | 10,582   | 10,763   | 11,238   |
| Cash flows from investing activities                |          |          |          |          |          |          |          |          |          |          |
| Proceeds from property, plant and equipment         | 505      | 506      | 506      | 505      | 505      | 505      | 505      | 505      | 505      | 505      |
| Capital grants and contributions                    | 6,961    | 3,282    | 2,956    | 2,660    | 2,660    | 2,660    | 2,660    | 2,660    | 2,660    | 2,660    |
| Payments for property, plant and equipment          | (17,553) | (14,143) | (10,329) | (11,036) | (11,079) | (11,748) | (12,466) | (13,233) | (13,471) | (14,188) |
| Net cash used in investing activities               | (10,087) | (10,295) | (6,967)  | (7,941)  | (7,914)  | (8,583)  | (9,304)  | (10,069) | (10,306) | (11,031) |
| Cash flows from financing activities                |          |          |          |          |          |          |          |          |          |          |
| Finance costs                                       | (932)    | (962)    | (924)    | (238)    | (237)    | (198)    | (149)    | (98)     | (62)     | (59)     |
| Proceeds from borrowings                            | 1,500    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Repayment of borrowings                             | (433)    | 523      | (449)    | (483)    | (509)    | (549)    | (587)    | (611)    | (657)    | (644)    |
| Trust Deposits                                      | (29)     | (9)      | (4)      | 4        | 5        | 5        | 5        | 5        | 5        | 5        |
| Net cash provided by (used in) financing activities | 710      | 156      | (776)    | (769)    | (741)    | (742)    | (831)    | (1,204)  | (984)    | (929)    |
| Net decrease in cash & cash equivalents             | (2,694)  | (1,222)  | 2,122    | 1,526    | 1,611    | 1,031    | 358      | (630)    | (467)    | (82)     |
| Cash & cash equivalents at beginning of year        | 7,760    | 5,066    | 3,844    | 5,966    | 7,492    | 9,103    | 10,134   | 10,492   | 9,802    | 9,395    |
| Cash & cash equivalents at end of year              | 5,066    | 3,844    | 5,966    | 7,492    | 9,103    | 10,134   | 10,492   | 9,802    | 9,395    | 9,313    |



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10.4 Standard statement of capital works

|                                | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Capital works areas            | \$'000  | \$'000  | \$'000  | \$'000  | \$'000  | \$'000  | \$'000  | \$'000  | \$'000  | \$'000  |
| Bridge & Culvert               | 1368    | 500     | 510     | 546     | 584     | 625     | 669     | 715     | 300     | 300     |
| Building - Other Structures    | 279     | 139     | 145     | 152     | 160     | 168     | 176     | 185     | 194     | 204     |
| Building Structures            | 5300    | 4185    | 520     | 646     | 573     | 602     | 632     | 664     | 697     | 732     |
| Drainage                       | 895     | 560     | 880     | 909     | 639     | 671     | 705     | 740     | 777     | 816     |
| Footpath and Cycleways         | 300     | 300     | 320     | 342     | 366     | 392     | 419     | 449     | 480     | 514     |
| Kerb & Channelling             | 75      | 80      | 85      | 91      | 97      | 104     | 111     | 119     | 128     | 136     |
| Land Improvements              | 930     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Land                           | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Off Street Car Parking         | 0       | 0       | 100     | 100     | 0       | 0       | 0       | 0       | 0       | 0       |
| Plant, Furniture and Equipment | 2,306   | 2012    | 1900    | 1943    | 2008    | 2078    | 2160    | 2243    | 2272    | 2286    |
| Roads                          | 4505    | 4990    | 4930    | 5275    | 5644    | 6039    | 6462    | 6915    | 7399    | 7917    |
| Total capital works            | 15,958  | 12,766  | 9,390   | 10,004  | 10,071  | 10,679  | 11,334  | 12,030  | 12,247  | 12,905  |
| Represented by:                |         |         |         |         |         |         |         |         |         |         |
| Asset renewal                  | 8,992   | 8,011   | 8,427   | 8,913   | 9,452   | 10,028  | 10,651  | 11,311  | 11,492  | 12,113  |
| New assets                     | 955     | 510     | 920     | 946     | 573     | 602     | 632     | 664     | 697     | 732     |
| Asset expansion/upgrade        | 6,010   | 4,245   | 43      | 145     | 47      | 50      | 52      | 55      | 58      | 61      |
| Total capital works            | 15,957  | 12,766  | 9,390   | 10,004  | 10,072  | 10,680  | 11,335  | 12,030  | 12,247  | 12,906  |

