



ORDINARY COUNCIL MEETING

AGENDA

WEDNESDAY 24 APRIL 2019

AT 4PM

COPACC

Next Council Meeting: 22 May 2019

COLAC OTWAY SHIRE ORDINARY COUNCIL MEETING

24 APRIL 2019

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COLAC OTWAY SHIRE COUNCIL ORDINARY MEETING

NOTICE is hereby given that the next **ORDINARY COUNCIL MEETING OF THE COLAC OTWAY SHIRE COUNCIL** will be held at COPACC on 24 April 2019 at 4pm.

AGENDA

1. THE MEETING IS DECLARED OPEN

OPENING PRAYER

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

AMEN

2. PRESENT

3. APOLOGIES AND LEAVES OF ABSENCE

4. WELCOME & ACKNOWLEDGEMENT OF COUNTRY

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

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

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

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

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

5. QUESTION TIME

A maximum of 30 minutes is allowed for question time. To ensure that each member of the gallery has the opportunity to ask questions, it may be necessary to allow a maximum of two questions from each person in the first instance. Once everyone has had an opportunity to ask their initial questions, and if time permits, the Mayor will invite further questions.

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. Question time 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.

6. TABLING OF RESPONSES TO QUESTIONS TAKEN ON NOTICE AT PREVIOUS MEETINGS

These responses will not be read out but will be included in the minutes of this meeting.

7. PETITIONS/JOINT LETTERS

Nil

8. DECLARATIONS OF INTEREST

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken.

Councillors are also encouraged to declare circumstances where there may be a perceived conflict of interest.

9. CONFIRMATION OF MINUTES

- **Special Council Meeting held on 20 March 2019**
- **Ordinary Council Meeting held on 27 March 2019**

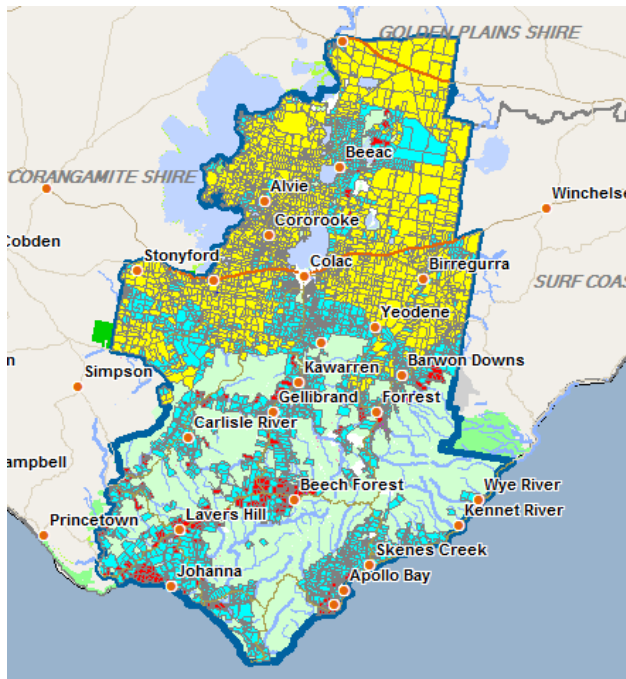
Recommendation

That Council confirm the above minutes.

ORDINARY COUNCIL MEETING
**DRAFT REVISED 2017-2021
 COUNCIL PLAN REVIEW**
 OM192404-1

LOCATION / ADDRESS	Whole Municipality	GENERAL MANAGER	Errol Lawrence
OFFICER	Melanie Duve	DIVISION	Corporate Services
TRIM FILE	F18/6688	CONFIDENTIAL	No
ATTACHMENTS	<ol style="list-style-type: none"> 1. Council Plan Review Summary and Recommendations 2. Draft Revised Council Plan 2017-2021 - Review 2018 - 2019 Final 		
PURPOSE	<p>To provide Council with the recommended changes to the 2017-2021 Council Plan following a review of the Plan, and to initiate Community Consultation as required under the Local Government Act 1989.</p>		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

Council is required under the *Local Government Act 1989* to undertake an annual review of the Council Plan (including the Strategic Resource Plan). Following a review by Council officers and feedback from Councillors and members of the community, eight proposed changes have been recommended to the core content of the Council Plan, with additional administrative changes, including updating Councillor titles. Adjustments to the Strategic Resource Plan (SRP) will be undertaken as part of the Budget process.

3. RECOMMENDATION

That Council:

- 1. Supports the recommended changes to the 2017-2021 Council Plan for the purposes of section 125 of the Local Government Act 1989.*
- 2. Authorises the Chief Executive to give public notice, in accordance with section 223 of the Local Government Act 1989, that Council has reviewed and changed the Council Plan 2017-2021 and Draft Strategic Resource Plan 2017-2018 to 2020-2021.*
- 3. Appoints a Committee comprising of all Councillors and chaired by the Mayor in accordance with section 223(1)(b)(i) of the Act, to meet on Wednesday 12 June, 2019 and hear any persons who in their written submissions under section 223 of the Act have requested that they be heard in support of their submission.*
- 4. Authorises the Chief Executive to undertake any and all administrative procedures necessary to enable Council to carry out its functions under section 223 of the Act.*
- 5. Notes that written submissions will be accepted for a 28-day period closing 5:00pm Friday 31 May 2019.*
- 6. Considers for adoption the reviewed Council Plan 2017-2021 and Strategic Resource Plan 2017-2018 to 2020-2021 at the Ordinary Council meeting on Wednesday 26 June 2019 at 4.00pm at Colac Otway Performing Arts and Cultural Centre after consideration of written submissions, and consideration of any verbal submissions received by Council at its Special Committee Meeting on Wednesday, 12 June 2019.*
- 7. Once it has adopted the Council Plan 2017-2021, authorise the addition of an appropriate notation the Council Plan 2017-2021 that the Plan should be read in conjunction with the adopted Municipal Public Health and Wellbeing Plan 2017-2021.*

4. BACKGROUND / KEY INFORMATION

BACKGROUND

A Council may review and update its Council Plan at any time, following the same process as for the original plan; however the *Local Government Act 1989* (s125 3A(7)) requires that, 'At least once in

each financial year a Council must consider whether the Council Plan requires any adjustment in respect to the remaining period of the plan'.

If changes are made to the structure or core content of the Council Plan, a Section 223 public consultation/submission process is required.

KEY INFORMATION

A review of the 2017-2021 Council Plan has now been undertaken, with 99 responses to a survey from the community and Council staff (39 complete responses), and feedback received from 4 Councillors.

Following the review eight proposed changes have been recommended to the core content of the Council Plan, therefore a Section 223 public consultation process will be required should these recommendations be accepted by Councillors.

Further details of these changes are included in the attached document 'Council Plan Review Summary and Recommendations'. A copy of the revised 2017-2021 Council Plan with the changes highlighted is also attached.

The following adjustments are to be made to reflect current Councillor roles:

- Mayor: Cr Jason Schram has replaced Cr Joe McCracken
- Deputy Mayor: Cr Joe McCracken has replaced Cr Jason Schram
- Change of Councillors: Terry Woodcroft resigned from his position of Councillor; Cr Brian Crook has replaced Mr Woodcroft.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

A Section 223 public consultation/submission process will be required should Councillors agree with the recommended changes. Adjustments to the Strategic Resource Plan will form part of the Budget S223 public consultation/submission process.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The Council Plan guides policy and operations for the life of the plan, through to 2021.

ENVIRONMENTAL IMPLICATIONS

The Council Plan includes objectives and measures relating to the environment.

SOCIAL & CULTURAL IMPLICATIONS

The Council Plan includes objectives and measures that take into account social and cultural implications.

ECONOMIC IMPLICATIONS

The Council Plan includes objectives and measures relating to the economy of the Shire.

LEGAL & RISK IMPLICATIONS

The Council Plan is the strategic document guiding the work of the Council for the years 2017-2021. The Council Plan meets the legislative requirements of sections 125, 126 and 223 of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*. Risks implications have been considered in terms of the capacity of the organisation to meet the objectives of the plan.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

The Council Plan directly influences the allocation of Council resources to meet the strategic outcomes and objectives.

7. IMPLEMENTATION STRATEGY

DETAILS

A revised 2017-2021 Council Plan will be presented at the April OCM, recommending the draft be made available for Community Consultation, as per section 223 under the *Local Government Act 1989*.

COMMUNICATION

The release of the draft revised plan will include communication through newspapers, Council's website and social media.

TIMELINE

29 April 2019: Draft Revised 2017-2021 Council Plan released for community consultation for a four-week period.

8. OFFICER DIRECT OR INDIRECT INTEREST

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

Gaps Identified in Council Plan Review and Recommendations

Summary of gaps identified	Council Plan Theme	What's currently in Council Plan	Corporate Plan	Recommendations
<p><u>Economic Development</u> Support industries / employers experiencing recruitment challenges</p> <ul style="list-style-type: none"> - Input into the Designated Area of Migration Agreement - Take the lead on locally offered training to address skills shortage - Set targets around the investment Economic Development brings to the Shire - Decreasing the amount of empty shops in Colac CBD - More consideration for economic growth 	<p>Theme one – Our Prosperity</p>	<p>Plan infrastructure, assets and land use with a long-term vision for economic growth</p> <ul style="list-style-type: none"> - Develop and implement a Colac Otway Economic Strategy - Strengthen partnerships with employers in the Shire <p>Strengthen partnerships with key stakeholders to benefit the whole community</p> <ul style="list-style-type: none"> - Develop and maintain regional partnerships and joint advocacy - Seek to influence education providers to match local job opportunities with available skills training 	<ul style="list-style-type: none"> - Development of a partnership plan identifying key stakeholders and the commitment Council makes to regular engagement and partnership projects, i.e. Chambers of Commerce, GORRT, G21, West Vic Dairy, Colac Otway Health and other key employers - Active participation in identified key regional organisations such as G21, Barwon Regional Partnerships - Establish a schools and Expo employment program 	<p>Change wording of Council Plan actions:</p> <ul style="list-style-type: none"> - Implement the Colac Otway Economic Strategy - Strengthen partnerships with employers in the Shire, and continue to participate in and support the Designated Area of Migration Agreement and associated projects. <p>No further action recommended on the following:</p> <ul style="list-style-type: none"> - <i>Take the lead on locally offered training to address skills shortage</i> - <i>Set targets around the investment Economic Development brings to the Shire</i> - <i>Decreasing the amount of empty shops in Colac CBD</i> - <i>More consideration for economic growth</i> <p>The Economic Development Strategy contains actions that are included in the Corporate Plan, being the 'how' document which provides details of operational tasks required to achieve success of the Council Plan.</p>

Gaps Identified in Council Plan Review and Recommendations

Summary of gaps identified	Council Plan Theme	What's currently in Council Plan	Corporate Plan	Recommendations
<p><u>Community Safety</u> Compliance Unit cannot link actions to the Domestic Animal Management Plan to the current Council Plan, due to community safety not being an action.</p>	Theme two - Our Places	Not included in 2017-2021 Council Plan	<ul style="list-style-type: none"> - Review and implement the Domestic Animal Management Plan 	<p>Add action to: Towns and places are welcoming and attractive</p> <p><i>Work with our community to protect amenity values in our places through strategic compliance action and animal management that is focused on ensuring education, safety and liveability.</i></p>
<p><u>Community</u> Broaden Life Long Learning statement to Council being the service provider More emphasis on helping community organisations with leadership issues, i.e. training for new leaders to replace the older generation Reference to Indigenous history and culture. Seek further conversations and build the communities awareness, knowledge and respect and continue to tell their story to future generations.</p>	Theme three – Our Community	<p>Opportunities for the community to participate in lifelong learning</p> <ul style="list-style-type: none"> - Provide opportunities for lifelong learning and community connections through library programs - Implement the Municipal Health and Wellbeing Plan <p>Foster an inclusive community</p> <ul style="list-style-type: none"> - Increase advocacy in partnership with our community to enhance cultural awareness, inclusiveness, safety and health, community, family and education 	<ul style="list-style-type: none"> - Implement the Municipal Public Health and Wellbeing Plan - Review and implement the 50+ Plan - Review and implement the Access, Equity and Inclusion Plan 	<p>No further action recommended: Council is not the provider of Life Long Learning, Council is an advocate only.</p> <p>No further action recommended on training community leaders and further referencing awareness of Indigenous history and culture as:</p> <p>The Council Plan identifies a goal to provide 'Opportunities for the community to participate in lifelong learning' and the Corporate Plan specifically identifies the action to 'Implement the 50+ Plan' and Implement the Access, Equity and Inclusion Plan, which both provide details on supporting community leaders.</p> <p>The Council Plan identifies a goal to 'Foster an inclusive community' and specifically identifies the action 'Increase advocacy in partnership with our community to enhance cultural awareness inclusiveness, safety and health, community, family and education, which supports building awareness and respect of Indigenous culture.</p>

Gaps Identified in Council Plan Review and Recommendations

Summary of gaps identified	Council Plan Theme	What's currently in Council Plan	Corporate Plan	Recommendations
<p><u>Measuring success & reporting</u> Communication of progress against the Council Plan is inadequate</p> <p>Measuring our success in achieving the Plan</p> <ul style="list-style-type: none"> - Identify indicators of success - Set targets i.e. a target number of changing street lights to be more energy efficient 	<p>Theme four - Our Leadership & Management</p>	<p>Openness and accountability in decision making</p> <ul style="list-style-type: none"> - Develop and implement a program of regular reporting on key activities to ensure they are focused on implementing priorities <p>Communicate regularly with our community and involve them in decision-making</p>		<p>Recommended action for <i>Measuring our success in achieving the Plan</i></p> <ul style="list-style-type: none"> - <i>Identify indicators of success</i> <p>Distribute the Quarterly Performance Reports more broadly across the community, including publishing them on Councils website. The Quarterly Performance Report provides progress updates on each Council Plan Action for the Quarter.</p> <p>No further action recommended on the following:</p> <ul style="list-style-type: none"> - <i>Set targets i.e. a target number of changing street lights to be more energy efficient</i> <p>The Council Plan is a high level strategic document and does not include this kind of detail.</p> <p>This level of detail is captured in the Corporate Plan, which provides details of operational tasks required to achieve success of the Council Plan.</p>
<p>Identify <i>Core / Non-Core / Discretionary</i> services Council delivers</p>	<p>Theme four – Our Leadership and Management</p>	<p>Provide value for money services for our community</p> <ul style="list-style-type: none"> - Implement a program of ongoing service reviews to ensure our services are efficient and effective and are valued by the community 		<p>No further action recommended on the following:</p> <ul style="list-style-type: none"> - <i>Identify Core / Non-Core / Discretionary services Council delivers</i> <p>At its December 2018 OCM, Council adopted the Three Year Service Review Agreement, which will identify the Core, Non-Core and Discretionary services Council delivers.</p>

Gaps Identified in Council Plan Review and Recommendations

Summary of gaps identified	Council Plan Theme	What's currently in Council Plan	Corporate Plan	Recommendations
<p>Organisation Development Attracting the best people to fill regulatory roles within Council, whilst keeping the current staff</p>	Theme four - Our Leadership & Management	<p>Organisational development and legislative compliance</p> <ul style="list-style-type: none"> - Support organisational development to ensure key organisational capability areas support the organisation to deliver on Council priorities. 		<p>Change wording to:</p> <p>Support organisational development to ensure key organisational capability areas support the organisation to deliver on Council priorities, <i>with a particular emphasis on attracting suitably qualified applications to fill regulatory roles.</i></p>
<p>City Deals Two of the three City Deals have not been mentioned in the Council Plan</p>	Theme two – Our Places	<p>Towns and Places are Welcoming and Attractive.</p> <ul style="list-style-type: none"> - Enhance the attractiveness of towns in the Shire for both residents and tourists/visitors - Develop and implement a prioritised program to review and implement master plans, community infrastructure plans and structure plans for small towns across the Shire - Advocate for improvements to public open space where the State Government is the land owner - Support enjoyment of outdoor experiences through the provision of a network of quality open spaces, including paths and trails 	<ul style="list-style-type: none"> - Review and implement the Apollo Bay Trails Feasibility Study - Staged implementation of the Public Open Space Strategy 	<p>Include wording in the Council Plan under Measures:</p> <p><i>Develop and implement a prioritised program to review and implement master plans, community infrastructure plans and structure plans for small towns across the Shire, including the City Deal Project.</i></p>

Gaps Identified in Council Plan Review and Recommendations

Summary of gaps identified	Council Plan Theme	What's currently in Council Plan	Corporate Plan	Recommendations
<p><u>Environmental</u> Recognition of erosion issues, particularly along the Great Ocean Road</p> <ul style="list-style-type: none"> - Maintaining connections with GOR Authority / State and Federal Governments - Increased acknowledgement and importance of erosion - Lobbying for a study to consider re-routing parts of the GOR <p>Focus on climate change issues and affects</p> <ul style="list-style-type: none"> - Stronger description on this - Challenges that present along the GOR <p>More consideration required for the natural Environment</p> <ul style="list-style-type: none"> - Too much focus on built environment and urban places i.e. Lake Colac <p>Increased acknowledgment and importance of environment/natural environment</p>	<p>Theme one – Our Prosperity</p> <p>Theme two - Our Places</p>	<p>Improve strategic planning and coordination of the Great Ocean Road</p> <ul style="list-style-type: none"> - Advocate for the establishment of a Great Ocean Road Authority <p>Leadership in natural environment through good management practices</p> <ul style="list-style-type: none"> - Minimise coastal erosion in partnership with other stakeholders and implement measures to assist climate adaption - Improve the health and sustainability of the natural environment through structured planning with our partners - Ensure best practice guides planning and management of the natural environment and associated assets, and Councils response to climate change - Implement Councils Climate Adaption Strategy - Implement Councils Environment Strategy 	<ul style="list-style-type: none"> - Active participation in the Victorian Government Great Ocean Road Taskforce - Prepare an Infrastructure Master Plan for Apollo Bay and Coastal Townships, covering categories including roads, car parking, bus parking, footpaths and storm water drainage - Seek funding for treatment of high risk areas identified in the Local Coastal Hazard Assessment Project. - Support the delivery of the Local Coastal Hazard Assessment Project. - Deliver the Climate Resilient Communities Project for the Barwon South West Region - Seek funding for the ongoing support of regional collaboration on climate change 	<p>Change wording of Council Plan Action to:</p> <ul style="list-style-type: none"> - Maintaining connections with the Great Ocean Road Authority and provide input into social, economic and environmental values. <p>Change wording of Council Plan Action to:</p> <ul style="list-style-type: none"> - Advocate and drive discussion to minimise coastal erosion in partnership with other stakeholders, implement measures to assist climate adaptation and protection of the Great Ocean Road. <p>No further action recommended on points concerning climate change as:</p> <p>The Council Plan identifies a goal to provide 'Leadership in natural environment through good management practices,' and specifically identifies the following actions:</p> <p>Ensure best practice guides planning and management of the natural environment and associated assets, and Councils response to climate change</p> <p>Implement Councils Environment Strategy</p> <p>Implement Councils Environment Strategy</p>

Gaps Identified in Council Plan Review and Recommendations

Summary of gaps identified	Council Plan Theme	What's currently in Council Plan	Corporate Plan	Recommendations
<p>Environmental works including weed management and pest control</p>	<p>Theme two - Our Places</p>	<ul style="list-style-type: none"> - Enhance and protect biodiversity through weed control and revegetation 	<ul style="list-style-type: none"> - Annually review and deliver weed control and revegetation program - Enhance and protect biodiversity through weed control and revegetation projects - Review and implement the Roadside Weeds and Pests Plan - Seek external funding for weed control and revegetation projects 	<p>No further action recommended on the following:</p> <p><i>Environmental works including weed management and pest control</i></p> <p>The Council Plan identifies a goal 'Leadership in natural environment through good management practices' and specifically identifies the action 'Enhance and protect biodiversity through weed control and revegetation'.</p> <p>The Corporate Plan, being the 'how' document provides details of operational tasks required to achieve success of the Council Plan.</p>
<p><u>Council Assets</u> Include something about Asset rationalisation (halls etc)</p>	<p>Theme two - Our Places</p>	<p>Assets and infrastructure meet community needs.</p> <ul style="list-style-type: none"> - Develop and implement a Property Strategy 	<ul style="list-style-type: none"> - Strategic Plan to manage Councils properties covering issues such as valuation, service provision, future investment and disposal of assets 	<p>No further action recommended:</p> <p>The Council Plan identifies a goal to ensure 'Assets and infrastructure meet community needs' and specifically identifies the action to 'develop and implement a Property Strategy'.</p> <p>The Property Strategy contains actions that are included in the Corporate Plan, being the 'how' document which provides details of operational tasks required to achieve success of the Council Plan.</p>



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Strategic Vision

Towards A Prosperous Future

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

Strategic Context for Colac Otway Shire

Colac Otway Shire is located 160km west of Melbourne in a natural environment which includes State Forests, National Park and parts of the Great Ocean Road. It is within commuting distance of Geelong, which has been experiencing significant population and employment growth in recent years. The Shire has both a permanent population and is a tourism destination for holiday makers and international tourists.

Recent years have seen very low levels of population growth in the Shire. The Shire was initially built on the industries of Agriculture and Manufacturing, with Tourism strengthening and growing employment in the Health sector. Overall, low jobs growth has contributed to some seeking employment outside of the Shire and an increasingly aging population. These trends are similar to other regional Victorian areas.

Colac Otway Shire has a unique and precious natural environment. It is acknowledged that the region has been getting warmer and drier and in the future the region can expect for this trend to continue. Council recognises that it can play a leadership role to facilitate local action for managing climate change impacts. Council's Municipal Public Health and Wellbeing Plan provides further strategic direction.

Responsibility for managing all aspects of the natural environment is shared with a number of different government authorities and community groups. Council has a key role in partnering with all of these parties.

Colac Otway has many advantages which could turn these challenges to opportunities. These include the duplication of the Princes Highway, which will create a dual carriageway between Geelong and Colac, and the attractiveness of the natural environment as a place to live and visit, generating economic opportunities. Additionally, the Shire is well serviced with social infrastructure such as health services, schools and recreational facilities; and it has affordable housing and land available for further development. These advantages can be built on with strategic action by Council in partnership with others, providing a context in which the Shire has the potential to grow and prosper.



Colac Otway Shire has been an unsubdivided municipality (no Wards) since March 2007.

About the Shire

- There was an estimated 20,972 people living in the Colac Otway Shire in 2016, with an average age of 46.3 years.
- Colac Otway Shire had a higher proportion of youth and a higher proportion of persons at post retirement age than Victoria in 2016.
- The predominant household type in Colac Otway Shire is lone person households, reflecting the older demographics in the area.
- Like many regional areas, Colac Otway Shire experiences a large out migration of residents aged 18 to 24 years. Many young people are moving to larger regional centres (Geelong, Ballarat) or metropolitan Melbourne to seek education and employment opportunities.
- Greater Geelong is both the largest source of inward migration and the largest destination for residents leaving.
- The large majority of Colac Otway residents have Australian or British ancestry along with a small indigenous population. Only 8.5% of the Shire's residents were born overseas at 2016, this is lower than the rest of regional Victoria (11.0%).
- The formal qualifications of the Colac Otway resident population are, on average, lower than Victoria's population as a whole.
- Colac Otway Shire has access to a skilled workforce of farmers compared to regional Victoria. This can help growth in the agricultural sector by driving productivity growth.
- Colac Otway has a low share of Specialist Managers (e.g. advertising, sales managers, business admin managers, education/health managers), potentially indicating a skills gap in the region.
- A larger share of residents than regional Victoria were also classified as Labourers, with more than a third of these (36%) being factory process workers.
- The Shire has fewer individuals in low income categories but also a lot less in the highest income quartile group. Household incomes are lower than average due to higher proportions of single person households.



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Community Engagement

The Council, elected in November 2016, is strongly committed to engaging with and listening to the community. This Council Plan incorporates community feedback following a significant and broad-ranging engagement program. This program resulted in the largest level of feedback ever received, including close to 400 responses to the 'Make your voice heard' survey, 15 pop-up listening posts and Community Conversations held across the Shire and written submissions from community organisations.

Council's Role

The Council has many roles. To deliver value for money for its community, Council will consider which role is the most appropriate in the work it does. These roles include the following broad categories:

Council's role	Council will:	Example
Leader	Lead by example	Demonstrate leadership in use of lighting to reduce energy costs
Service Provider	Deliver services to meet community needs	Maternal Child Health service delivery
Partner	Contribute staff time or funds	G21 alliance
Facilitator/Broker	Promote the Shire, a service gap, or bring together people who have a stake in an issue	Work with State government, health and service organisations to plan a transition from Colanda disability services
Advocate	Proactively make representation to state and federal governments on key issues for the Shire	Advocate for a Great Ocean Road authority
Regulator	Take direct legal responsibility	Conduct inspections of local food premises and issue licenses



From Left: Cr Kate Hanson, Cr Chris Smith, Cr Joe McCracken, Cr Jason Schram, Cr Stephen Hart, Cr Chris Potter and Cr Terry Woodcroft

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Our Councillors



Cr Joe McCracken

Mayor-Deputy Mayor

First elected: 2016
PH: (03) 5232 9409
Mobile: 0427 749 918
Email: councillor.mccracken@colacotway.vic.gov.au



Cr Chris Potter

First elected: 2016
PH: (03) 5232 9408
Mobile: 0427 821 435
Email: councillor.potter@colacotway.vic.gov.au



Cr Jason Schram

Deputy Mayor

First elected: 2016
PH: (03) 5232 9405
Mobile: 0428 326 410
Email: councillor.schram@colacotway.vic.gov.au



Cr Chris Smith

First elected: 2004
Re-elected: 2008, 2012, 2016
PH: (03) 5232 9411
Mobile: 0400 964 791
Email: councillor.smith@colacotway.vic.gov.au



Cr Kate Hanson

First elected: 2016
PH: (03) 5232 9410
Mobile: 0409 038 843
Email: councillor.hanson@colacotway.vic.gov.au



Cr-Terry Woodcroft Cr Brian Crook

First elected: 2013
Re-elected: 2016
PH: (03) 5232 9407
Mobile: 0417 559 258



Cr Stephen Hart

First elected: 2002
Re-elected: 2008, 2012, 2016
PH: (03) 5232 9406
Mobile: 0407 962 412
Email: councillor.hart@colacotway.vic.gov.au

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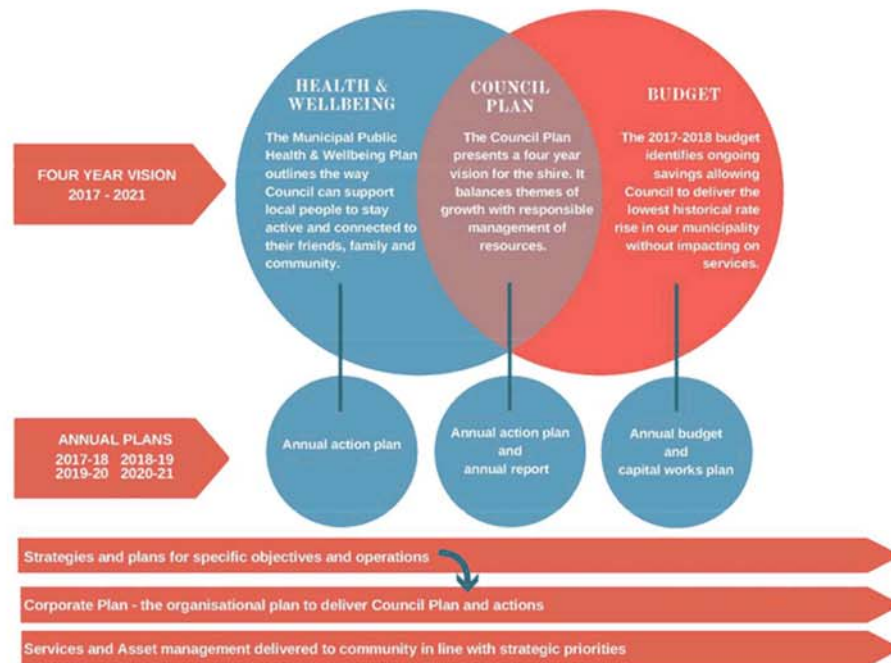
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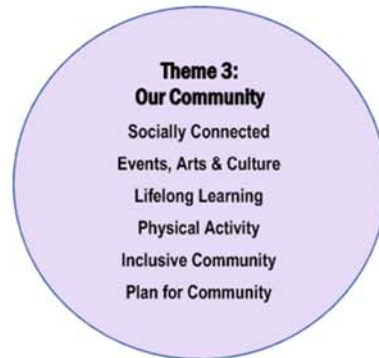
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Strategic Planning Framework



Council Plan Strategic Themes



THEME 1: OUR PROSPERITY

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

Why this is important

Colac Otway Shire has a diverse economy, much of it built on the natural environmental values of the area. The area has enjoyed successful dairy and food processing industries for many decades; supports the timber industry; has a growing tourism industry built on both a striking coastline and the forests of the Otway's; small, specialist food producers, many forming the Colac Otway food trail; plus, a host of local retail businesses, arts and crafts enterprises; and health and education services.

The Shire has two larger towns of Colac and Apollo Bay, and a number of smaller towns. Each of these has unique attractions and supports local cultures and communities. The Shire is strategically placed halfway between Geelong and Warrnambool which provides opportunities for economic development and a growing population supported by access to work.

Community Feedback

The community told us that they would like to see investment to increase business and employment opportunities in the Shire; that they value a balance between development and care of the environment; that they enjoy the country feel and sense of safety and community in the Shire; and that they value the small towns for their healthy, rural living, and their attraction to tourism. They also said they want to see more opportunities for tourism and the arts; for Apollo Bay to be sensitively developed and promoted; and for Lake Colac and surrounds to be improved and promoted. Consultation with the Shire's major employers and the larger employers stated a commitment to working with the Shire to plan for improved employment opportunities, continued growth of businesses and the people employed in them.

Opportunities for our Future

- Attracting investment for significant infrastructure improvements, to bolster the capital budget of the Shire going forward and fill the gap in funds due to the State Government's rate capping policy.
- Our location between the two major centres of Geelong and Warrnambool, positioning Colac Otway as a place from where people can travel to these centres for work and from which visitors can be attracted.
- Balancing care and protection of the environment with growth and development.
- Leading advocacy to care for the Great Ocean Road and the coastline, to bring together the many authorities and organisations into one authority for consistent and integrated planning a challenge.
- Through land use planning and economic growth encourage population growth.
- Continuing to support the popular events in the Shire which add to the enjoyment of living in the Shire, while preserving the amenity and quiet enjoyment of residents.
- Recognising and protecting the heritage of the area's history.

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- Learning from our experiences of managing significant challenges of the natural environment, including the high risk of bushfire and floods, and the impacts of climate change.
- Addressing the seasonality of Lake Colac, an attractive asset for recreation and development.

Our Prosperity - What we want to see by 2021

What is our Goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
1. Plan Infrastructure, assets and land use with a long-term vision for economic growth.	1. Provide direction on how growth across the Shire should proceed and ensure adequate land is provided for industrial and residential use. 2. Develop and implement the Colac Otway Economic Development Strategy. 3. Conduct a review of the housing stock in Colac and establish a Residential Housing Strategy to ensure current and future stock is suitable to attract new residents. 4. Identify and improve tourism assets across the Shire. 5. Prepare an Infrastructure Master Plan for Apollo Bay and Coastal Townships, covering categories including roads, car parking, bus parking, footpaths and stormwater drainage 6. Attract investment to implement key master plans that will drive economic growth such as the Lake Colac Foreshore Master Plan. 7. Remove unnecessary planning triggers to streamline planning processes. 8. Strengthen partnerships with employers in the Shire, and continue to participate in and support the Designated Area of Migration Agreement and associated projects.	Advocate Service provider Facilitator	<ul style="list-style-type: none"> • Finalise and implement the Colac Township Economic Development, Commercial and Industrial Land Use Strategy. • Colac 2050 Growth Plan completed. • Council endorsement of the Economic Development Strategy and achievement of the implementation plan milestones and targets. • Increased percentage of Council expenditure with local businesses. • Implementation of Residential Housing Strategy to achieve milestones and targets. • Advocacy plan to attract funding for investment in assets which support tourism is implemented. • Review completed of Colac Otway Planning Scheme including review of and reduction in "red tape". • Improved satisfaction with Council planning processes. • Review completed and implementation commenced for the Colac Otway Rural Living Strategy.

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What is our Goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
2. Support a thriving economy and industries.	9. Identify and promote Tourism pathways between attractions across the whole Shire. 10. Identify and support employment in tourism. 11. Explore options to facilitate new tourism accommodation. 12. Review Planning controls for the coastal hinterland and support establishment of tourist accommodation. 13. Review the Shire Events Strategy and partner with event organisers to assist them preserve the amenity of residents while running successful events. 14. Facilitate the attraction of investment in the development of high standard accommodation in Colac and Apollo Bay, complemented by high yielding nature based experiences. 15. Encourage and support existing owners of accommodation to upgrade, refurbish and develop new infrastructure to meet visitor demand. 16. Review the Great Ocean Road Closure Policy.	Service Provider Facilitator Regulator	<ul style="list-style-type: none"> Increased employment in tourism in the Shire. An increase in accommodation options including conference facilities and 4 to 5-star accommodation. Visitation to small towns in the Shire increases, including overnight stays. Implementation of local Destination Action Plans. Visitor satisfaction increased. Renewed Great Ocean Road Closure Policy endorsed by all four relevant entities. Event attendances and satisfaction measures to be developed incorporating economic and social outcomes.
3. Strengthen partnerships with key stakeholders to benefit the whole community.	17. Seek regional funds from state and Federal Governments. 18. Develop and maintain regional partnerships and joint advocacy. 19. Seek to influence education providers to match local job opportunities with available skills training. 20. Support programs to reduce youth unemployment and promote employment for disadvantaged groups in partnership with employers, G21 and the GROW initiative.	Advocate Partner	<ul style="list-style-type: none"> Develop and implement Advocacy Strategy. Ongoing participation in G21, GORRT and South-West asset management forum. Increase in type and number of training and development opportunities for employees in the Shire. Reduction in youth unemployment. Advocacy through GROW and Beyond the Bell for increased participation of young people in education and training.

What is our Goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
4. Improve strategic planning and coordination of the Great Ocean Road	21. <u>Maintaining connections with the Advocate for the establishment of a Great Ocean Road Authority and provide input into social, economic and environmental values.</u>	Advocate	<ul style="list-style-type: none"> Develop and implement a Great Ocean Road Authority advocacy strategy. Level of support by key political leaders and key organisations for the Great Ocean Road Authority. Great Ocean Road and supporting assets improve (e.g., roadside edges quality of the road, toilet blocks, drainage).

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Key Strategies Supporting Our Prosperity

The following strategies are essential to the delivery of the Goals and Actions in Our Prosperity:

- Colac 2050 Growth Plan.
- Colac Township Economic Development, Commercial and Industrial Land Use Strategy
- Economic Development Strategy
- Public Open Space Strategy
- Redevelopment of Apollo Bay Harbour Precinct
- Tourism Employment Opportunity Study
- Tourism/Events strategy
- Forrest Mountain Bike Strategy
- Gellibrand Structure Plan

Key Programs Supporting Our Prosperity

A range of Council programs and services are integral to achieving the Goals and Actions in Our Prosperity. Key among these are the following:

- Beyond the Bell and GROW
- Climate adaptation planning
- Community safety - emergency management and recovery coordination
- Economic development
- Environmental planning
- Forrest Structure Plan
- Heritage Review
- Implementation of Lake Colac Foreshore Master Plan Tourism and events
- Intermodal Freight/Transport Hub Investigation
- Strategic planning
- Statutory planning
- Small Town Improvement Program
- Structure/township plans for small towns including Gellibrand, Beeac, Alvie, Cororooke

THEME 2: OUR PLACES

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

Why this is important

Infrastructure assets such as roads, drainage and footpaths are important because they help deliver services to the community. Roads and footpaths provide the ability for people to access work, education and recreation. Drainage provides protection to properties and allows for safe transport.

It is important for us to manage assets in a rational way so that we can ensure they are sustainable over the long term so that those services are provided to future generations.

It is important that Council operations are undertaken in consideration of the natural environment and where possible take action to help improve to protect, enhance and restore the environmental values of the region.

Community Feedback

The community provided substantial feedback about places and assets. They are both valued and praised as a fundamental reason people like living in the Shire; and there were also many suggestions for improvements and additions. Areas that were mentioned included renewing and upgrading towns in the shire of all sizes, with lights, footpaths and additional refreshed streetscapes; the main street and entrances to Colac and Memorial Square; the Botanic Gardens and Lake Colac as valued attractions and their potential for further development; more open space, street trees, and shared pathways; and upgrading community buildings.

Opportunities for our Future

- Improving our understanding of our asset portfolio, its useful life and seeking greater State and Federal Government partnerships to fund improvements.
- Taking advantage of new opportunities such as improved asset management systems and new technology in construction and maintenance to assist in managing our assets.
- Explore service partnerships with other communities and the possibility of wider footprint contracts to improve value for money and service levels.
- Effectively plan for the predicted impacts of climate change across all Council operations and where possible for the municipality as a whole.

Our Places - What we want to see by 2021

What is our goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
1. Assets and infrastructure meet community needs.	<ol style="list-style-type: none"> 1. Develop and implement a Property Strategy. 2. Develop and maintain constructive partnerships to access appropriate levels of funding, coordination, infrastructure and services. 3. Conduct an ongoing program of service reviews to guide planning for infrastructure. 4. Council to work with key stakeholders such as the Otway Coast Committee, the Apollo Bay Chamber of Commerce and Council with the aim of aligning strategic planning and advocacy efforts for Apollo Bay and district. 	Service provider	<ul style="list-style-type: none"> • Asset Management Strategy and Plans developed, including for roads, bridges, drains, footpaths, buildings and reserves. • Business cases for development of infrastructure include evidence of community need and service level requirements. • Adoption and implementation of the Property Strategy. • Community satisfaction scores for roads and footpaths increase each year.
2. Our places are managed for long term sustainability.	<ol style="list-style-type: none"> 5. Update the Planning Scheme to reflect changing community needs and priorities. 6. Ensure best practice guides planning and management of the natural environment and associated assets. 	Service provider	<ul style="list-style-type: none"> • Review of Planning Scheme (to commence in 2017). • Planning Scheme Amendments implemented in ongoing manner to respond to community needs. • Asset Management Plans include assessment of climate related risks and approaches to mitigate these. • Outcomes of Colac and Apollo Bay drainage studies guide planning for new treatments to enhance land use and protect property.

What is our goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
3. Towns and places are welcoming and attractive.	<p>7. Enhance the attractiveness of towns in the Shire for both residents and tourists/visitors.</p> <p>8. Advocate for improvements to public open space where the State Government is the land owner/manager.</p> <p>9. Develop and implement a prioritised program to review and implement master plans, community infrastructure plans and structure plans for small towns across the Shire, including the City Deal project.</p> <p>10. Incorporate treatments into infrastructure standards that enhance community perceptions of safety.</p> <p>11. Maintain Parks and gardens, sports reserves and streetscapes.</p> <p>12. Support enjoyment of outdoor experiences through the provision of a network of quality open spaces, including paths and trails.</p> <p>13. Evaluate the feasibility of a regional wet waste facility to manage waste from road and drainage maintenance.</p> <p>14. Continue to support the Apollo Bay community's advocacy for the development of a public indoor heated swimming pool in Apollo Bay.</p> <p>14-15. Work with our community to protect amenity values in our places through strategic compliance action and animal management that is focused on ensuring education, safety and liveability.</p>	<p>Service Provider</p> <p>Partner</p> <p>Facilitator</p> <p>Advocate</p>	<ul style="list-style-type: none"> • Council endorsement of master plans and small town improvement plans. • An annual program of works to improve attractiveness of places across the Shire. These will include (plans to be finalised on annual basis): <ul style="list-style-type: none"> • Lake Colac <ul style="list-style-type: none"> ○ Master Plan implemented. ○ Foreshore assets reviewed and improved. ○ Water availability improved. • Apollo Bay <ul style="list-style-type: none"> ○ Harbour Precinct plans for redevelopment in collaboration with the community Project Control Group. • Tourism assets improved. • Colac CBD entrances and streetscapes improved. • Implementation of the Memorial Square Master Plan. • Improvement to public toilets and amenities in Colac and throughout the Shire. • Small town streetscapes improved. • Standard and presentation of open spaces, including town entrances, state managed roads and pathways. • Asset plans and capital works business cases incorporate treatments that enhance community perceptions of safety. • Water sensitive design manual produced and adopted. • Community feedback on open space usage. • Standard and presentation of open spaces. • Use of potable water for parks and gardens is reduced. • Regional wet waste facility feasibility study is completed. • Support and assist local community members wishing to take a role in caring for public space assets.

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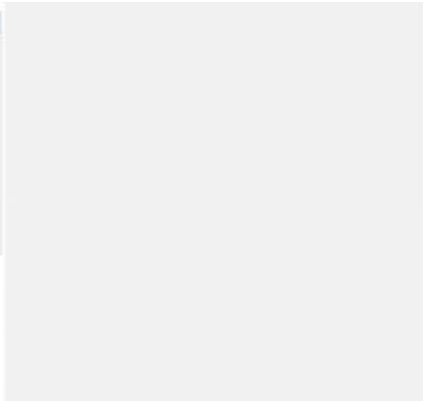
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What is our goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
4. Leadership in natural environment through good management practices.	15-16. Ensure best practice guides planning and management of the natural environment and associated assets, and Council's response to climate change.	Service provider	<ul style="list-style-type: none"> Asset Management Plans include assessment of climate related risks and approaches to mitigate these. Community fire plans completed with latest scientific evidence and understanding of local conditions. Waste management review completed and implemented. Recycling rates from kerbside collection are increased from 2016 levels. Reduction in proportion of waste to landfill from 2016 levels. Council emissions reduced from 2012 levels. Planning for Lake Colac to improve health of the lake, with Parks Victoria, Department of Environment, Land, Water and Planning, Corangamite Catchment Management Authority and Barwon Water. Improved water quality treatments and weed management. Reduced risk of fire through fuel load management on public and private property. Adherence to fire preparedness activities.
	16-17. Advocate and drive discussion to minimise coastal erosion in partnership with other stakeholders, and implement measures to assist climate adaptation and protection of the Great Ocean Road.	Facilitator	
5. Delivery of our capital works program.	17-18. Improve the health and sustainability of the natural environment through structured planning with our partners.	Partner	
	18-19. Deliver localised planning to communities to reduce fire risk.		
	19-20. Implement emission reduction programs for Council operations.		
	20-21. Enhance the level of resource recycling and reuse across the Shire.		
	21-22. Enhance and protect biodiversity through weed control and revegetation.		
	22-23. Implement Council's Climate Adaptation Strategy.		
23-24. Develop a system of capital allocations based on Asset Management Plans.	Service provider	<ul style="list-style-type: none"> Project management framework developed. Quarterly reports to Council. 80% of the capital works program is completed, measured by number of projects or expenditure. 	
24-25. Develop a project management framework, covering proposals, planning and delivery.			
25-26. Develop a capital works reporting framework.			
26-27. Deliver the annual capital works program.			

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What is our goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
6. Emergency management is coordinated locally and on a regional basis.	<p>27-28 Community based planning to build local understanding and preparedness for emergency events.</p> <p>28-29 Education, joint planning and preparations undertaken to prepare for climate related threats and emergencies.</p>	<p>Service provider</p> <p>Partner</p> <p>Facilitator</p>	<ul style="list-style-type: none"> • Emergency resource plans are established and agreed with neighbouring councils. • Participate in the state and regional resilience planning projects. • Key influencers on climate related threats and emergencies are educated and prepared in accordance with their needs; <ul style="list-style-type: none"> ○ Community members ○ Visiting holiday rental owners ○ Visitors and tourists ○ Tourism operators



Key Strategies Supporting Our Places

The following strategies are essential to the delivery of the Goals and Actions in Our Places:

- Asset Management Strategy and Plans.
- Develop Operations Strategy to Inform Road and Park Maintenance Program.
- Environment Strategy
- Information Services Strategy
- Operations Strategy
- Property Strategy

Key Programs Supporting Our Places

A range of Council programs and services are integral to achieving the Goals and Actions in Our Places. Key among these are the following:

- Asset Management Planning – Service Planning Connecting to Community Infrastructure.
- Asset Program for Renewal/Implementation of Parks and Open Space Infrastructure
- Construction to suit design life
- Deliver on agreed levels of service in Service and Operations
- Deliver Works Program in Accordance with Operations Strategy
- Design and Contract Manage Construction of Assets and Infrastructure
- Develop and Deliver Capital Works Plan
- Implement Revegetation and Weed Management Plan Post Bushfire at Wye River and Separation Creek.
- Develop Comprehensive OHS and Risk Plans to enhance/ensure the safety of our staff at work
- Implement Colac stormwater study
- Implement Domestic Wastewater Management Plan
- Long-Term Works Program Parks and Open Space Maintenance
- Policy Development for Asset Programs
- Reticulated Drainage Scheme at Wye River and Separation Creek
- Review Plant and Equipment Utilisation and Renewal in Service Operations
- Whole of Life Analysis
- Strategic weed control and revegetation programs.
- Climate change mitigation and adaptation programs.

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THEME 3: OUR COMMUNITY

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

Why this is Important

Colac Otway Shire sustains a mixed population of tourists, businesses, farmers, retirees and families, some of whom settled in the Shire recently and some who can trace their families' history back to the original settlers. We also have a small population of aboriginal people. The land of the Shire sustains different ways of living, from affordable housing options in the towns, to spectacular properties with views of the forest and the sea. Potential for population growth in the Shire will increase due to highway improvements and proximity to the larger centres of Geelong and Warrnambool. The Shire enjoys good services and infrastructure, supporting families to connect and live well at all life stages. While the Shire is well resourced compared with many other semi-rural shires, with the potential of continued growth there needs to be good planning to have the right infrastructure and services in place.

Community Feedback

The community has also told us that they want to see value for money so we need to plan infrastructure and services well and continuously review them. Community input into this decision-making process will help make better decisions and involve them in planning for their own community.

Opportunities for our Future

- The Shire has a diverse population with a socio-economic status ranging from low to high levels of advantage. There are good relationships with other providers and funding for projects such as GROW and Beyond the Bell provide a good basis for working together to improve community life for everyone. Partnerships with other health and community service providers through the Municipal Public Health and Wellbeing Plan 2017-2021 provide a good way to work together.
- The environment is a major attraction of the Shire and strong partnerships have been forged with government authorities, which provide a good basis for planning together for the community.

Our Community - What we want to see by 2021

What is our Goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
1. Increase social connection opportunities and community safety.	<ol style="list-style-type: none"> 1. Support community organisations through the community grants program. 2. Support community clubs, groups and associations to provide welcoming and inclusive environments for all members of our community within council facilities. 	<p>Partner</p> <p>Service provider</p> <p>Facilitator</p>	<ul style="list-style-type: none"> • Number of groups supported to provide inclusive initiatives.
2. Connect people through events and activities.	<ol style="list-style-type: none"> 3. Provide grant programs to involve local people in activities that facilitate their health, wellbeing and enjoyment. 4. Supports community activities through information dissemination and planning information. 	Facilitator	<ul style="list-style-type: none"> • Number of community activities and numbers of people who attend.
3. Opportunities for the community to participate in lifelong learning.	<ol style="list-style-type: none"> 5. Provide opportunities for lifelong learning and community connections through library programs. 6. Support for community groups. 	Service provider	<ul style="list-style-type: none"> • Library program attendances. • Grants and in-kind support awarded to groups involved in lifelong learning. • Completion of the review of the structure for provision of library services for the Shire.
4. Provision of resources to support physical activity by the community.	<ol style="list-style-type: none"> 7. Deliver programs through the Bluewater Centre that promote physical activity in the Shire. 8. Build capacity of local sports groups in promoting healthy eating and physical activity. 9. Encourage more people to participate and be inclusive of others. 10. Participate in the G21 Healthy Eating and Active Living regional priority project. 11. Consider health of the community when formulating policy for Council's Property Strategy. 	<p>Partner</p> <p>Service provider</p> <p>Facilitator</p>	<ul style="list-style-type: none"> • Ongoing and effective implementation of the Municipal Public Health and Wellbeing Plan. • Review the Colac-Otway Shire Physical Activity Strategy. • Participation rate at Bluewater Centre. • Increased membership in local sporting groups with increased diversity of membership. • Increase in healthy food options in Council facilities. • Increase in healthy food options in local sporting groups. • Review social issues such as availability of alcohol and gambling machines when considering policy for Council property.
5. Foster an inclusive community.	<ol style="list-style-type: none"> 12. Increase advocacy in partnership with our community to enhance cultural awareness, inclusiveness, safety and health, community, family and education. 	<p>Partner</p> <p>Facilitator</p>	<ul style="list-style-type: none"> • Access, Equity and Inclusion Action Plan prepared and implemented. • Council services are inclusive and accessibility barriers are addressed.

What is our Goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
6. Community planning informs provision of Council services and social infrastructure.	13. Update social infrastructure planning on a continuing basis to guide asset planning.	Partner Service provider Facilitator	<ul style="list-style-type: none"> Service planning results in service level information to guide asset planning. Advocacy strategies are developed and implemented to support services for our community. Analysis of data and social information guides social infrastructure investments and upgrades.

Key Strategies Supporting Our Community

The following strategies are essential to the delivery of the Goals and Actions in Our Community:

- Access, Equity and Inclusion Action Plan
- Arts and Culture Strategy
- Climate Adaptation Plan
- Municipal Public Health and Wellbeing Plan
- Physical Activity Strategy
- Property Strategy

Key Programs Supporting Our Community

A range of Council programs and services are integral to achieving the Goals and Actions in Our Community. Key among these are the following:

- Access Equity and Inclusion Plan
- Arts and Leisure
- Cinema Lease
- Community Recovery Support to Wye River and Separation Creek
- Community Recovery Planning; Climate Resilient Communities GROW and Beyond the Bell 2030
- Community safety - emergency management and recovery coordination
- Community services
- Community services plans for 50 years+
- Climate planning
- Early Years Plan
- Early Years Facilities planned and funded (Apollo Bay/Colac/W/N)
- Environmental planning
- G21 Health and Well-Being Pillars Annual Project
- Library services
- Municipal Public Health and Wellbeing Plan (MPHWP)
- New Library Plan
- Plan and maintain active open space and recreation areas
- Population and demographic forecasting
- Reserve Master Plans
- Social Infrastructure Plan
- Social Capacity Building Plan
- Tourism and events
- Community Funding Program
- Festival and Events Support Scheme

THEME 4: OUR LEADERSHIP & MANAGEMENT

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

Why this is Important

There are many demands on the resources of Colac Otway Shire. The major source of income, ratepayer funds, has been constrained through the introduction of rate capping by the State government and an increasing challenge for the community to continue to afford rate increases.

The environment of the shire is attractive and well-recognised. Its' diversity also results in involvement by many authorities and stakeholders, creating the need for partnerships and clarity about the role of the shire. Recently experienced incidents such as bushfire and floods impact on the community and draw a significant amount of organisational resources, both in emergency response but also in longer term planning and support to the community. It is expected that such events will be more common as climate change accelerates.

Community Feedback

The community has told us that they want Council to be transparent in allocating its limited resources; that they want investment in services and infrastructure to support the community, local businesses, tourism, and population growth; and that they want Councillors and the organisation to work together to achieve great outcomes for the community and to build a positive reputation for the Shire.

Businesses and organisations operating in the Shire said that they look to the Shire to provide coordination around issues and advocacy to state and federal government about local needs.

Opportunities for our Future

- The opportunity to maintain and enhance external funding for well-planned community infrastructure.
- The opportunity to increase engagement with the community in decision-making.
- Supporting opportunities for growth in a complex legislative framework.
- Delivery of services that are valued by the community and managing the challenges brought about through cost shifting and devolution of responsibility from other levels of government.

Our Leadership & Management - What we want to see by 2021

What is our goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
1. Effectively manage financial resources.	<ol style="list-style-type: none"> 1. Manage the short and long-term financial sustainability of the shire through prudent financial management. 2. Maintain the 10 year long term financial plan. 3. Identify new income opportunities. 4. Maintain low risk audit rating for financial sustainability. 	Service provider	<ul style="list-style-type: none"> • Long term financial measures are identified and reported to Council on at least ½ yearly basis. • New income source opportunities are identified to reduce the reliance on rates. • Overall low risk financial sustainability rating maintained. • Reduce the asset renewal gap.
2. Openness and accountability in decision making.	<ol style="list-style-type: none"> 5. Ensure where ever possible decisions are debated and made in open Council meetings. 6. Develop and implement a program of regular reporting on key activities to ensure they are focused on implementing priorities. 6-7. Distribute the Quarterly Performance Report more broadly across the community, including publishing them on Council's website. The Quarterly Performance Report provides progress updates on each Council Plan action for the quarter. 	Service provider	<ul style="list-style-type: none"> • Improve awareness and accessibility of Council documentation by the community. • Implement regular reporting on agreed topics such as finances, projects and key outcomes. • Community satisfaction with governance and councillor conduct improves through the annual community satisfaction survey. • The percentage of decisions made in closed council meetings is reduced from 2016 levels.
3. Organisational development and legislative compliance.	<ol style="list-style-type: none"> 7-8. Support organisational development to ensure key organisational capability areas support the organisation to deliver on Council priorities, with a particular emphasis on attracting suitably qualified applications to fill regulatory roles. 8-9. Manage our risk exposure, including providing a safe working environment where "Work Health and Safety is everyone's business". 	Service provider	<ul style="list-style-type: none"> • Development plans completed and implemented in organisational capability areas. • Maintain Safety Map (or equivalent) certification for Council's occupational health and safety management system.
4. Provide value for money services for our community.	<ol style="list-style-type: none"> 9-10. Implement a program of ongoing service reviews to ensure our services are efficient and effective and are valued by the community. 10-11. Enhance opportunities for increased local spending of Council expenditure. 11-12. Develop partnerships to procure services and materials on a regional basis. 	Service provider	<ul style="list-style-type: none"> • Implement a rolling program of service reviews each financial year. • Identify ongoing savings opportunities of at least \$200,000 per annum. • Council endorsement of the revised Procurement Policy by 2018 and achievement of the implementation plan milestones and targets. • The percentage of local spending is increased by at least 5% over 4 years. • 5 year cross boundary procurement plan developed.

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What is our goal?	Actions – how will we get there?	Role Council	Measures – how will you measure our progress?
5. Communicate regularly with our community and involve them in decision-making.	12-13. Review the Community Engagement Policy to guide council decision making.	Service Provider	<ul style="list-style-type: none"> Community engagement framework review completed. Opportunities for community engagement are increased from 2016 levels.

Key Strategies Supporting Our Leadership & Management

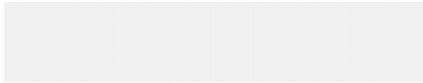
The following strategies are essential to the delivery of the Goals and Actions in Our Leadership & Management:

- Asset Management Strategy
- Carbon Neutral Plan
- Climate Adaptation Plan
- COS Environment Strategy
- Information Services Strategy
- Operations Strategy
- Organisational Development Strategy
- Streamline Planning Scheme
- Sustainability Policy
- Waste Management Review

Key Programs Supporting Our Leadership & Management

A range of Council programs and services are integral to achieving the Goals and Actions in Our Leadership & Management. Key among these are the following:

- Capital works Delivery Program
- Corporate Plan
- Delivering on agreed levels of service in Service and Operations
- Deliver Works Program in Accordance with Operations Strategy
- Design and Manage Construction of Assets and Infrastructure
- Develop Operation Strategy to inform Road and Park Maintenance Program Delivery
- Financial Planning
- Governance
- Half Yearly Reporting on Implementation of Council Plan Strategies
- Implement Apollo Bay Drainage Study
- Implement Colac stormwater study
- Increase Recycling and Reuse of Resources (Waste Minimisation)
- Long-Term Financial Plan
- Participate in Barwon Southwest Waste Management Group
- People Performance and Culture
- Plant and Equipment Utilisation and Renewal Program
- Project Management Framework
- Reticulated Drainage Scheme at Wye River and Separation Creek
- Review Plant and Equipment Utilisation and Renewal in Service Operations
- Service Review Program
- Service Level Review Program
- Undertake Birregurra Flood/Drainage Study
- Waste Management



Strategic Resource Plan

Commented [mduve5]: Update the SRP, liaise with Finance.

The Strategic Resource Plan (SRP) is a requirement under the *Local Government Act 1989*. The SRP details the financial and non-financial (includes people and assets) resources required to achieve Council's goals, as outlined in the Council Plan. The Strategic Resource Plan is updated annually and is reflected in Council's annual budget.

Objectives of the Strategic Resource Plan

- Establish a financial framework and an assessment of the resources (financial and non-financial) to ensure Council achieves the goals of the Council Plan 2017-2021.
- Establish a basis to measure Council's adherence to financial policies and strategies.
- Support Council's compliance with sound financial management principles.
- Support the medium to long-term financial sustainability of the municipality.

Key Strategies

The SRP builds a sustainable framework containing strategies, including financial and non-financial resources, to support the achievement of Council Plan goals. These are:

Colac Otway financial indicators	<ul style="list-style-type: none">• That Colac Otway Shire Council continues to benchmark with other Victorian councils and those within the large council category.• That Colac Otway Shire Council applies the outcomes of this SRP to the 2017-2018 Budget.
Long-term borrowing strategies	<ul style="list-style-type: none">• That Colac Otway Shire Council, based on previous Prudential Guidelines, borrows funds for capital investment projects that provide intergenerational equity.• That Colac Otway Shire Council has no forecast borrowings during the period applying to the Strategic resource Plan• That Colac Otway Shire Council commits to a maximum ten (10) year term for all new borrowings.
Notional reserves	<ul style="list-style-type: none">• 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.• Reserves are fully backed with cash at the end of each financial year.
Rating and other revenue strategies	<ul style="list-style-type: none">• That Colac Otway Shire Council pursues operational grant funding and strategic capital funding aligned with Council Plan objectives.• That Colac Otway Shire Council pursues a consistent and rigorous methodology for the creation and setting of fees and charges.• 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.

Asset management	<ul style="list-style-type: none"> • That Colac Otway Shire Council, having established its critical renewal investment levels, completes detailed Asset Management Plans for all major classes of Council assets. • 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. • 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.
Capital works	<ul style="list-style-type: none"> • 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. • 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.
Service provision and planning	<ul style="list-style-type: none"> • 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 and service reviews where applicable.
Strategic Financial Plan	<ul style="list-style-type: none"> • 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.

Resourcing the Council Plan

Financial statements depict how the Plan is resourced.

- **Comprehensive Income Statement** shows the operating costs and income during the period.
- **Balance Sheet** provides the value of Council's assets and obligations or liabilities for the period.
- **Statement of Cash Flows** indicates the cash expenses paid and cash income received for the period.
- **Statement of Capital Works** outlines the value of the capital works and capital purchases during the period.
- **Statement of Changes in Equity** indicates movement in investments in net assets.
- **Statement of Human Resources** indicates the anticipated human resource requirements for the period.
- **Financial Performance Indicators** show current and projected performance across a range of key financial performance indicators.

The following tables summarises the key financial results for the next four years, as set out in the SRP.

Comprehensive Income Statement
For the four years ending 30 June 2023

	Budget	Strategic Resource Plan		2022/23 \$'000
	2019/20 \$'000	2020/21 \$'000	Projections 2021/22 \$'000	
Income				
Rates and charges	31,577	32,413	33,272	34,154
Statutory fees and charges	816	838	859	882
User fees and charges	5,268	5,405	5,546	5,690
Grants - Operating	10,022	10,273	10,530	10,793
Grants - Capital	3,340	3,424	3,509	3,597
Contributions - monetary	132	135	138	142
Contributions - non-monetary	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	147	147	147	147
Fair value adjustments for investment property	-	-	-	-
Share of net profits/(losses) of associates and joint ventures	35	35	35	35
Other income	416	401	386	372
Total income	51,752	53,070	54,422	55,811
Expenses				
Employee costs	20,106	20,488	20,878	21,274
Materials and services	18,431	18,984	19,553	20,140
Bad and doubtful debts	2	2	2	2
Depreciation and amortisation	10,600	10,812	11,028	11,249
Borrowing costs	112	53	39	32
Other expenses	1,186	1,222	1,258	1,296
Total expenses	50,437	51,561	52,759	53,993
Surplus/(deficit) for the year	1,315	1,509	1,664	1,818
Other comprehensive income				
Items that will not be reclassified to surplus/(deficit) in future periods				
Net asset revaluation increment/(decrement)	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods				
Total comprehensive result	1,315	1,509	1,664	1,818

Balance Sheet

For the four years ending 30 June 2023

	Budget	Strategic Resource Plan Projections		2022/23 \$'000
	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	
Assets				
Current assets				
Cash and cash equivalents	9,320	7,522	6,453	4,968
Trade and other receivables	3,336	3,715	3,810	3,907
Inventories	201	206	211	216
Other assets	228	234	240	245
Total current assets	13,084	11,677	10,713	9,337
Non-current assets				
Trade and other receivables	-	-	-	-
Investments in associates and joint ventures	390	425	460	495
Property, infrastructure, plant & equipment	295,741	298,464	301,304	304,268
Intangible assets	-	-	-	-
Total non-current assets	296,131	298,889	301,764	304,762
Total assets	309,215	310,565	312,477	314,100
Liabilities				
Current liabilities				
Trade and other payables	2,455	2,301	2,359	2,418
Trust funds and deposits	512	468	468	468
Provisions	4,870	4,992	5,117	5,245
Interest-bearing loans and borrowings	286	142	596	0
Total current liabilities	8,124	7,904	8,539	8,131
Non-current liabilities				
Provisions	8,130	8,334	8,542	8,756
Interest-bearing loans and borrowings	738	596	0	-
Total non-current liabilities	8,868	8,929	8,542	8,756
Total liabilities	16,992	16,833	17,081	16,886
Net assets	292,223	293,732	295,396	297,214
Equity				
Accumulated surplus	124,404	127,405	130,598	133,983
Reserves	167,819	166,327	164,798	163,230
Total equity	292,223	293,732	295,396	297,214

Statement of Cash Flows
For the four years ending 30 June 2023

	Budget	Strategic Resource Plan		
	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Rates and charges	31,664	32,370	33,258	34,139
Statutory fees and fines	816	838	859	882
User fees	5,268	5,405	5,546	5,690
Grants - capital	10,269	10,102	10,487	10,749
Grants - operating	3,587	3,253	3,466	3,553
Contributions - monetary	132	135	138	142
Trust funds and deposits taken	44	0	0	0
Other receipts	416	401	386	372
Employee costs	(18,958)	(20,163)	(20,544)	(20,933)
Materials and services	(18,223)	(19,140)	(19,498)	(20,083)
Trust funds and deposits repaid	0	(44)	-	-
Other payments	(1,186)	(1,222)	(1,258)	(1,296)
Net cash provided by/(used in) operating activities	13,830	11,935	12,840	13,215
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	(15,409)	(13,908)	(14,268)	(14,638)
Proceeds from sale of property, infrastructure, plant and equipment	490	515	540	567
Net cash provided by/ (used in) investing activities	(14,919)	(13,393)	(13,728)	(14,071)
Cash flows from financing activities				
Finance costs	(112)	(53)	(39)	(32)
Repayment of borrowings	(1,697)	(286)	(142)	(596)
Net cash provided by/(used in) financing activities	(1,809)	(339)	(182)	(628)
Net increase/(decrease) in cash & cash equivalents	(2,897)	(1,798)	(1,069)	(1,484)
Cash and cash equivalents at the beginning of the financial year	12,217	9,320	7,522	6,453
Cash and cash equivalents at the end of the financial year	9,320	7,522	6,453	4,968

Statement of Capital Works
For the four years ending 30 June 2023

	Budget	Strategic Resource Plan Projections		
	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Property				
Land	-	-	-	-
Buildings	726	1,735	1,778	1,823
Total land & Buildings	726	1,735	1,778	1,823
Total property	726	1,735	1,778	1,823
Plant and equipment				
Plant, machinery and equipment	2,170	1,646	1,687	1,729
Fixtures, fittings and furniture	840	628	643	660
Computers and telecommunications	140	254	260	267
Total plant and equipment	3,150	2,527	2,591	2,655
Infrastructure				
Roads	5,942	6,987	7,162	7,341
Bridges	715	590	605	620
Footpaths and cycleways	383	554	568	582
Drainage	450	530	543	557
Other infrastructure	1,695	464	475	487
Total infrastructure	9,185	9,125	9,353	9,587
Total capital works expenditure	13,061	13,388	13,722	14,065
Represented by:				
New asset expenditure	1,645	1,686	1,728	1,771
Asset renewal expenditure	10,776	11,045	11,322	11,605
Asset upgrade expenditure	640	656	672	689
Total capital works expenditure	13,061	13,388	13,722	14,065
Funding Sources represented by:				
Grants	2,790	3,424	3,509	3,597
Contributions	86	-	-	-
Council Cash	10,185	9,964	10,213	10,468
Borrowings	-	-	-	-
Total capital works expenditure	13,061	13,388	13,722	14,065

Statement of Changes in Equity
For the four years ending 30 June 2023

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019/20 Budget				
Balance at beginning of the financial year	290,908	121,634	155,097	14,177
Surplus/(deficit) for the year	1,315	1,315	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	3,782	-	(3,782)
Transfer from other reserves	-	(2,326)	-	2,326
Balance at end of the financial year	292,223	124,404	155,097	12,722
2020/21 Strategic Resource Plan				
Balance at beginning of the financial year	292,223	124,404	155,097	12,722
Surplus/(deficit) for the year	1,509	1,509	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	3,876	-	(3,876)
Transfer from other reserves	-	(2,385)	-	2,385
Balance at end of the financial year	293,732	127,405	155,097	11,230
2021/22 Strategic Resource Plan				
Balance at beginning of the financial year	293,732	127,405	155,097	11,230
Surplus/(deficit) for the year	1,664	1,664	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	3,973	-	(3,973)
Transfer from other reserves	-	(2,444)	-	2,444
Balance at end of the financial year	295,396	130,598	155,097	9,701
2022/23 Strategic Resource Plan				
Balance at beginning of the financial year	295,396	130,598	155,097	9,701
Surplus/(deficit) for the year	1,818	1,818	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	4,073	-	(4,073)
Transfer from other reserves	-	(2,505)	-	2,505
Balance at end of the financial year	297,214	133,983	155,097	8,133

Non-financial Resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. A summary of Council's anticipated human resources requirements is shown below:

Statement of Human Resources

For the four years ending 30 June 2023

	Budget	Strategic Resource Plan Projections		
	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Staff expenditure				
Employee costs - operating	20,106	20,488	20,878	21,274
Employee costs - capital	700	700	700	700
Total staff expenditure	20,806	21,188	21,578	21,974
	EFT	EFT	EFT	EFT
Staff numbers				
Employees	231.2	228.7	226.7	224.7
Total staff numbers *	231.2	228.7	226.7	224.7

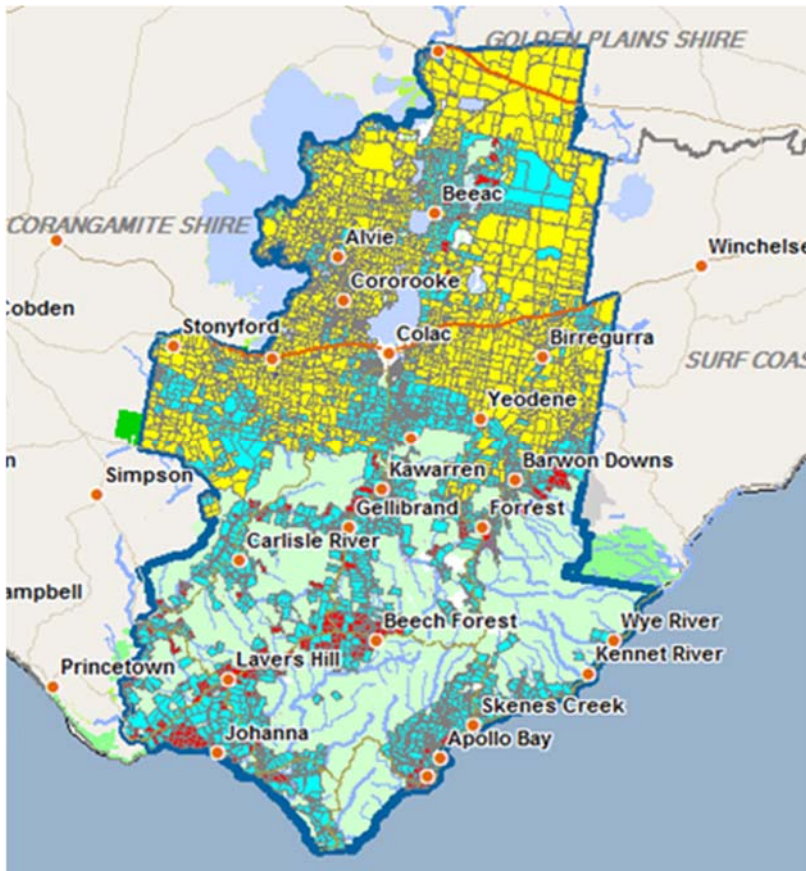
* Note that there is a reduction of staff levels in the SRP period to account for short term contracted positions. These positions are generally fixed term and related to project works. The 2020/21, 2021/22 and 2022/23 financial years also include a further reduction of 1 FTE per year. These reductions will result from improved systems and efficiencies and will be achieved by way of natural attrition. These plans do not include situations where Council receives additional government funding for programs or where Council undertakes short term resourcing of specific areas.

ORDINARY COUNCIL MEETING
2019-2021 RATING STRATEGY

OM192404-2

LOCATION / ADDRESS	Whole of municipality	GENERAL MANAGER	Errol Lawrence
OFFICER	Paul Carmichael	DIVISION	Corporate Services
TRIM FILE	F19/2550	CONFIDENTIAL	No
ATTACHMENTS	1. Draft Rating Strategy 2019-2021		
PURPOSE	To consider the submissions received relating to the draft 2019-2021 Rating Strategy prior to considering the Strategy for adoption		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

In developing the draft Rating Strategy Council sought extensive feedback, opinions and views from the community and other stakeholders. These views have been incorporated into the strategy as much as is feasible and legislatively possible. The strategy is consistent with the requirements of the Local Government Act (The Act) and State Government's guidelines.

Following the public submission period in February/March 2019 a total of three submissions were received. All three submissions related to the level of rates being levied on properties within the Rural Farm differential, which is currently levied at 75% of the base rate being Residential - Colac/Elliminyt.

The submitters raised many issues and challenges they are facing as farmers in both their written and verbal submissions, which Council acknowledges. However, given legislative requirements the only action Council is able to consider is reviewing the 75% differential rate currently being applied to the Rural Farm Category.

The report:

- demonstrates how a reduction to the Rural Farm differential will increase the rate burden across the other 12,500 properties;
- provides comparisons to other rural shires who apply a Rural Farm differential; and
- addresses some specific issues relating to Rural Farm properties that were raised in the submissions.

Having considered the views of submitters and the other information in this report, officers are of the opinion the differential rating structure proposed in the draft 2019-21 Rating Strategy should remain unchanged and the Rural Farm differential remain at 75% of the base rate in the dollar.

3. RECOMMENDATION

That Council, having considered submissions received in relation to the draft 2019-2021 Rating Strategy, resolves that:

- 1. The draft Rating Strategy be adopted without any change to the rating structure or rate differentials.*
- 2. Submitters be advised of the responses to the issues they raised.*

4. BACKGROUND / KEY INFORMATION

BACKGROUND

Council on 30 January 2019 approved the draft 2019-2021 Rating Strategy for public exhibition. The draft Strategy was then put on exhibition in early February 2019 with submissions able to be lodged up to 18 March 2019.

In summary, the draft Strategy provided for:

- the existing rating categories to be retained
- retention of a Municipal Charge
- retention of the Waste Management Charge
- retention of the current differentials between rating categories.

The differentials between rating categories were as follows:

Rating category	Differential (from base rate)
Residential – Colac /Elliminyt	100% (base rate)
Residential – Balance of Shire	85%
Holiday rental	100%
Rural - Farm	75%
Commercial/Industrial – Colac/Elliminyt	165%
Commercial/Industrial – Balance of Shire	140%

Submissions to the draft strategy were received from:

1	Alan R Billing, Larpent
2	Victorian Farmers Federation/United Dairy Victoria
3	Submitter 3 (requested not to be named)

All three submitters elected to speak to their submissions at a Special Committee meeting held on 3 April 2019.

The overwhelming theme from all three submitters was a desire to have the Rural Farm differential reduced from 75%, more specifically to have a staggered reduction of 2% points each year for the next three years to reduce it to 69% of the base rate (Residential– Colac/Elliminyt).

The general issues raised by submitters to support this view are summarised below:

#	Issues raised by submitters
1	Municipal rating is unfair/inequitable and places unfair and disproportionate burden on farms.
2	Farms are businesses and should pay the same rates as a business in Colac.
3	Property valuation is not an accurate indication of capacity to pay. Farmers have varying income levels caused by a variety of factors.
4	The dairy industry creates employment and Council should assist dairy farmers to maintain employment within the shire.
5	The dairy industry is in a depressed state at present, caused by rapidly rising input costs (e.g. grain, utilities , Council rates, etc.).

KEY INFORMATION

The draft rating strategy sought to deliver an apportionment of the rates by burden that took into consideration:

- results of extensive public consultation (that showed the community believed Council should consider capacity to pay when apportioning rates)
- economic and demographic data that gave an indication of which sectors had capacity to pay
- the legislative requirements that apply to apportioning the rates burden.

The issue of “capacity to pay” and “who has it” is specifically dealt with in section 11 of the attached draft rating strategy.

As the draft rating strategy recommends retaining the current differentials and rating categories and the overwhelming theme from submitters was to reduce the Rural Farm differential, the critical issue that Council needs to determine is whether or not the farm rate differential should be changed.

The following information is provided to assist Councillors to understand the impact of reducing the Rural Farm rate.

WHAT IS THE EFFECT OF REDUCING THE FARM RATE DIFFERENTIAL?

The effect of decreasing the Rural Farm differential will shift more of the rates burden from properties within the Rural Farm category to all other rating categories.

To illustrate this, if Council were to reduce the differential from 75% to 69% (assuming 2019/20 valuations) it would shift \$366k of the rate burden from Rural Farm properties at an average reduction of \$126.90 per property and redistribute this burden per the table below.

Average rates and municipal charge per assessment

Rating category	Farm 75% Diff.	Farm 69% Diff.	Variance	
	\$	\$	\$	%
Residential – Colac /Elliminyt	1,432	1,455	23.46	1.6
Residential – Balance of Shire	1,669	1,697	27.96	1.7
Holiday rental	2,636	2,683	46.25	1.8
Rural - Farm	2,163	2,036	(126.90)	(5.9)
Commercial/Industrial – Colac/Elliminyt	3,580	3,644	64.11	1.8
Commercial/Industrial – Balance of Shire	3,328	3,387	59.34	1.8

As can be seen this would result in an average rate reduction of 5.9% for Rural Farm properties and an increase of 1.6-1.8% for other categories.

It must be noted that if this reduction was staged over three years, all else being equal, the impact of the above would be 1/3 each year as shown below.

Rating category	Average Cumulative Impact – 2% points per year		
	Year 1 \$	Year 2 \$	Year 3 \$
Residential – Colac /Elliminyt	7.82	15.64	23.46
Residential – Balance of Shire	9.32	18.64	27.96
Holiday rental	15.42	30.84	46.25
Rural - Farm	(42.30)	(84.60)	(126.90)
Commercial/Industrial – Colac/Elliminyt	21.37	42.74	64.11
Commercial/Industrial – Balance of Shire	19.78	39.56	59.34

It must be noted the above changes are an “average” difference in rates. The actual financial effect on each property from year to year will be determined by the extent of any valuation change.

HOW DOES THE COLAC OTWAY SHIRE DIFFERENTIAL COMPARE WITH OTHER SHIRES?

Colac Otway Shire’s 2018-19 Rural Farm rate differential (75%) was compared with 19 other rural shires.

The differentials ranged from 47% to 100% of the base rate for the particular shire, as follows:

Differential	Shire
47%	Northern Grampians
55%	Ararat

60%	Warrnambool
65%	Wangaratta (properties greater than 40 ha)
70%	South Gippsland, Yarra Ranges, Wangaratta (properties 8-40 ha)
72%	Benalla, Gannawarra (dry land farms)
73%	Alpine
75%	Colac Otway , Surfcoast
80%	Southern Grampians, Bass Coast, Macedon Ranges
85%	Golden Plains
88%	Buloke
89%	Gannawarra (irrigation farm land)
90%	Corangamite , Baw, Shepparton
100%	Moyne

HOW DOES COLAC OTWAY'S AVERAGE RATES PER FARM ASSESSMENT COMPARE?

Colac Otway Shire's average 2018-19 general rate per Rural Farm assessment was compared with 19 other rural shires. The results were as follows:

#	Shire	Amount
1	Wangaratta (Farm land b/w 8 - 40 ha)	\$1,469.60
2	Moyne	\$1,720.36
3	Northern Grampians	\$1,965.10
4	Surfcoast	\$1,987.60
5	Colac Otway	\$1,989.32
6	Alpine	\$2,097.22
7	Wangaratta (Farm land greater than 40 ha)	\$2,191.03
8	Macedon Ranges	\$2,229.06
9	Gannawarra	\$2,453.16
10	Warrnambool	\$2,469.88
11	Benalla	\$2,479.08
12	Yarra Ranges	\$2,558.08
13	Golden Plains	\$2,581.27
14	Shepparton	\$2,611.22
15	Southern Grampians	\$2,736.73
16	Buloke	\$2,780.35
17	Bass Coast	\$3,171.10
18	South Gippsland	\$3,173.86
19	Baw	\$3,344.08
20	Corangamite	\$3,434.35
21	Ararat	\$3,499.94

It is acknowledged that farm enterprises often have multiple assessments, but this would presumably also be the case in these above shires.

WHAT EFFECT WILL VALUATION INCREASES HAVE?

The valuers who prepared the 2018 and 2019 municipal Valuation (Preston Rowe Paterson) made a presentation to a Council Briefing session on 11 April 2019 in which they reported valuations across the shire increased by 5%.

The increase for each sector was:

Farm	6%
Residential	5%
Commercial/ industrial	1%

As a result, there is little change in the relativity of valuations of the most populous rating categories (Residential and Farm). Thus, valuation increases will not materially shift the rating burden. The only way therefore the rates burden can be shifted in this instance would be to change the rating differentials between rating categories.

RESPONSES TO ISSUES RAISED BY SUBMITTERS

The following responses are made to the main issues raised by submitters.

#	Issues raised by submitters
1	<p>Municipal rating is unfair /inequitable and places unfair and disproportionate burden on farms.</p> <p><i>Response:</i> <i>The use of property valuations as a basis of rating and the premise that higher valued properties pay more in rates is the framework that Council must legally follow.</i></p> <p><i>Council already utilises a differential rate of 75% for Rural Farm properties to address the equity issues relating to the higher property values that can be associated with larger farming properties. This has the effect of moving some of the rate burden from Rural Farm properties onto Residential and Commercial properties.</i></p> <p><i>What is “fair” and “equitable” is not defined in the Local Government Act and the perception of what it is can vary from person to person.</i></p>
2	<p>Farms are businesses and should pay the same rates as a business in Colac.</p> <p><i>Response:</i> <i>This assumes rates are determined by a method other than property values (i.e.by the amount of rates paid by a particular business in Colac). This is not legally possible and would create equity issues:</i></p> <ul style="list-style-type: none"> - <i>as to how the business property to which farm rates are pegged is to be selected, and</i> - <i>for ratepayers of properties in other rating categories that have their rates assessed on a different basis(e.g. by property valuation).</i>
3	<p>Property valuation is not an accurate indication of capacity to pay. Farmers have varying income levels caused by a variety of factors.</p> <p><i>Response:</i> <i>As per the Local Government Act, Council is required to apply rates on the basis of the property valuation provided by the Valuer General of Victoria. Whilst property valuations are not a definitive indication of capacity to pay, there is a very strong correlation between the two.</i></p> <p><i>It is acknowledged farm income varies, but this is also true of properties in the Commercial/Industrial rating categories and also for many owners of residential properties who have less job security, variable employment etc.</i></p>

#	Issues raised by submitters
	<i>2016 Census data for Colac Otway Shire shows 37% of the employed workforce worked less than full time hours, suggesting they are earning less than full time wages. Many of these people are from industries other than the dairy industry and will be property owners.</i>
4	<p>The dairy industry creates employment and Council should assist dairy farmers to maintain employment within the shire.</p> <p><i>Response:</i> <i>The dairy industry is a very small direct employer of nonfamily members. The 2016 Census data shows the dairy industry in Colac Otway Shire employed 493 people (being 5.2% of the employed workforce). It is acknowledged the industry supports other businesses that also employ people.</i></p> <p><i>Whilst it is preferable Council's actions assist in retaining/generating employment, this equally applies to other industries with properties in the Commercial/Industrial rating categories. Council must be mindful that shifting the rates burden to ease farm sector rates may impact these businesses and their ability to employ people. A particularly vulnerable sector at present is the Colac retail sector which is part of the "Commercial/Industrial - Colac/Elliminyt" rating category.</i></p>
5	<p>The dairy industry is in a depressed state at present, caused by rapidly rising input costs (e.g. grain, utilities, Council rates etc.).</p> <p><i>Response:</i> <i>It is acknowledged the dairy industry is experiencing a downturn in profitability (and has been for many years).</i></p> <p><i>The 2017-18 Victorian Dairy Monitor Report (published by Dairy Australia & Agriculture Victoria) shows the average dairy farm in south west Victoria:</i></p> <ul style="list-style-type: none"> - <i>milks approx. 370 cows,</i> - <i>produces approx. 502 kg of milk solids/cow/year (down from 525 kg/cow in 2016-17),</i> - <i>had a gross income of \$1.1 million (about the same as 2016-17),</i> - <i>experienced significantly higher feed and utility costs,</i> - <i>experienced reduced average earnings before interest & tax to approx. \$92,000 (down from \$117,000 in 2016-17).</i> <p><i>On a positive note, it is understood a Code of Practice is soon to be implemented that will help provide surety of income for farmers and place requirements /obligations on processors to prevent a repeat of the recent "dairy crisis". The effects of this however remain to be seen.</i></p>

CONSIDERATION REQUIRED

Essentially Council must consider whether or not to shift more of the rating burden from the Rural Farm rating category and redistribute it to other rating categories.

Under the Local Government Act, Council is legally required to use property valuations for the basis of applying the rate burden. Using an alternative basis of rating is not an option.

Further, any suggestion that certain ratepayers should pay less rates because they receive or use less services is not valid as municipal rates are a "tax" – not a fee for service. As a tax, there is no requirement or guarantee the taxpayer will derive any direct benefit from the tax, although it is expected the tax will provide benefits for the community that will ultimately benefit the taxpayer.

In this case, the tax is based on property value and, as with other taxes, the amount paid increases as the taxable unit increases and does not reflect level of service received. (e.g.: the amount of income tax paid increases as gross income increases, the amount of GST paid increases as the value of purchases increases etc.).

Because rates are a tax, every ratepayer in the shire contributes towards the cost of services they may not, at any particular time, use. The fact Rural Farm properties may have less access to services and have larger land areas and valuations is recognised by differential rating and the fact they are rated at a significantly lesser rate in the dollar.

In considering some of the differing issues facing farms in comparison to properties in other rating categories, the following comments are made:

Comments in relation Farms properties	Comments in relation to properties in other categories
The COS Farm rate differential (75%) compares favourably with other shires, particularly those in the south west region.	Not applicable
The average general rates (excluding Municipal Charge, Waste Management Charge & Fire Services levy) per assessment (being \$1,989.32) compares favourably with other shires.	Not applicable
On average, dairy farms comprise of 3 separate assessments and are disadvantaged by being separately rated.	Owners of multiple properties in other rating categories also have separate assessments. Contiguous parcels of land in the same ownership are rated as a single assessment in all rating categories (except where there are more than one dwelling)
Dairy farm rates generally equate to 1-2% of gross farm enterprise income (based on average farm gross income of \$1.1 million & average of 3 assessments paying total of \$11,000 in rates).	Residential rates generally equate to approx. 3 - 3.5% of the household's gross income. (based on 2016 Census data showing average household income of \$55,000 average valued house in Colac (\$300,000) paying approx. \$1,900 in rates)
Rates are a tax deductible business expense.	Rates not tax deductible for many "Residential" category ratepayers. Rates are tax deductible for assessments in "Commercial/Industrial" category ratepayers.

Comments in relation Farms properties	Comments in relation to properties in other categories
Dairy farm profits are reducing.	<p>PAYE wages have stagnated over the past decade and jobs have become less secure affecting the ability of Residential category ratepayers to pay rates.</p> <p>Residential rating categories also include the pensioner population. There are approximately 2,200 properties in the shire owned by pensioners. This sector receives a pensioner rates concession but would have difficulty absorbing additional rates.</p> <p>Retail businesses in Colac suffering from online competition and “leakage” to Geelong, leading to less income.</p> <p>Larger commercial/industrial enterprises also affected by national / international economic factors that can affect income.</p> <p>Apollo Bay retail and Holiday rental appear to be prospering – although Holiday accommodation sector is extremely competitive.</p> <p>Commercial properties Beeac, Warrion & Pirron Yallock etc. would generally be struggling to absorb costs.</p>
Farm properties receive Municipal Charge Exemption on 2 nd & subsequent farm properties (saving \$188.35 for each eligible assessment).	This exemption is not available to owners of multiple properties in any other rating category.
Reducing the Farm rate differential to 73% will assist farmers.	Reducing the Farm rate differential to will add to the burden borne by properties in other rating categories.

As changing the Farm rate differential would shift the burden from one sector that is undeniably experiencing reduced profitability to other rating categories that comprise of sectors that also have financial challenges (e.g. PAYE wage earners, pensioners and Colac retailers), officers believe there is no justification for changing the rate differential for the Farm rating category from its current 75% of the base rate.

It is also considered the draft rating strategy meets as much as is possible the often stated community expectation that Council consider “capacity to pay” when apportioning the rates burden.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

The draft Rating Strategy was placed on exhibition for six weeks from February – March 2019.

This followed the same process being undertaken in early 2018, before the proposed strategy was deferred by Council.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The preparation of a rating strategy to fairly and equitably apportion the rates burden across the community to provide revenue to meet annual expenditure demands aligns with Goal 1 of Theme 4 of the 2017-2021 Council Plan, being to effectively manage financial resources.

ENVIRONMENTAL IMPLICATIONS

Not applicable

SOCIAL & CULTURAL IMPLICATIONS

How the rates burden is apportioned across the community can have significant social and cultural implications.

ECONOMIC IMPLICATIONS

As apportioning the rates responsibility affects how much individuals are required to pay in rates and charges, it has a direct impact on ratepayers. The apportioning of the rates responsibility can also have an economic effect on a sector wide basis.

LEGAL & RISK IMPLICATIONS

Council is restricted in what measures it can implement in its rating strategy by the legislative requirements of the:

- Local Government Act 1989
- Valuation of Land Act 1960
- Ministerial Guidelines for Differential Rating (April 2013)
- Revenue and Rating Strategy Guidelines – DELWP 2014

RESOURCE IMPLICATIONS (FINANCIAL ETC)

The Rating Strategy is developed to determine the apportionment of rates across the different sectors of the municipality (rates differentials). The Strategy does not seek to increase or decrease the total amount of rates revenue raised. Hence there will be no financial implications as a result of the Strategy.

7. IMPLEMENTATION STRATEGY

DETAILS

If adopted, the rating strategy will be used to apportion the rates burden as part of the annual budget process.

COMMUNICATION

The effect of the adopted structure and differentials will be communicated as part of information provided regarding the adoption of Council's 2019-20 budget.

TIMELINE

The adopted rating strategy will be used for the 2019-20 budget which is due to be finalised in June 2019.

8. OFFICER DIRECT OR INDIRECT INTEREST

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



Colac Otway Shire
Draft Rating Strategy 2019-2021

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Synopsis

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

This strategy will apply for the 2019-20 and 2020-21 financial years.

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

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

Ultimately it is believed the current rating structure (i.e. the rating categories) is appropriate. In the process of finalising and adopting the 2018/19 annual budget Council determined to adjust the Rural – Farm differential from 77% to 75% of the base rate (Residential – Colac/Elliminyt). This change has been reflected in the strategy. With this change included, it is also believed the current differentials between the categories allows for the fair and equitable sharing of the rates burden across the community.

It is considered this Rating Strategy sought extensive feedback, opinions and views from the community. These views have been incorporated into the strategy as much as is feasible and legislatively possible. Council has also complied with the State Government's guidelines for preparing a rating strategy as much as is possible.

1. Introduction

Council is required to periodically prepare a Rating Strategy. The purpose of the Rating Strategy is to set the rating structure and how the rates responsibility will be apportioned across the community. The current rating strategy expired on 30 June 2017. While not having adopted a new strategy to date, Council did resolve to reduce the Rural Farm rate from 77% to 75% for the 2018-19 rating year.

The new rating strategy considered the following:

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

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

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

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

2. Legislative Authority

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

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

(2.1) Equity

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

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

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

(2.2) Basis of Rating

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

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

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

(2.3) State Government Guidelines

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

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

3. **Current Rating Situation**

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

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

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

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

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

Rating Category	Rate in \$	Differential (from base rate)
<i>Residential - Colac/Elliminyt</i> (Residential properties in the Colac, Colac East & West & Elliminyt township.)	0.004271	100% (base rate)
<i>Residential - Balance Shire</i> (Residential properties located in the municipality excluding Colac & Elliminyt)	0.003631	85%
<i>Holiday Rental</i> (Houses/cabins that are made available for short term holiday accommodation for a fee/tariff)	0.004271	100%
<i>Rural – Farm</i>	0.003204	75%
<i>Commercial / Industrial – Colac/Elliminyt/Colac West</i> (Commercial properties in the Colac, Elliminyt & Colac West Township)	0.007048	165%
<i>Commercial / Industrial - Balance Shire</i> (Commercial properties not located in the townships of Colac, Apollo Bay, Elliminyt or Princes Highway Colac West)	0.005980	140%

Most Council's in Victoria have similar differential rating categories to Colac Otway Shire. The exception is the Holiday Rental category, which very few, if any have.

Overall, all properties within the Shire generally fit into one of the above rating categories.

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

(3.1) Municipal Charge

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

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

The total amount of revenue currently able to be raised from the Municipal Charge is 20% of the sum total of revenue raised from the charge and general rates in that financial year. In 2018-19 the revenue from the Municipal Charge at the Shire amounted to 10% of the total revenue from the charge and general rates.

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

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

The Municipal Charge for 2018-19 was \$188.35.

As part of its budget deliberations Council will need to review the amount of the Municipal Charge.

(3.2) Waste Management Charge

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

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

The Waste Management Charge for 2018-19 was \$315.00 per annum for the weekly service and \$215.00 per annum for the fortnightly service.

As part of its budget deliberations Council will need to review the amount of the Waste Management Charge.

It should be noted that the Waste Management Charge is a cost recovery charge.

4. Valuations

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

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

The last valuation returned was the 2018 revaluation which was used for rating purposes in the 2018-19 financial year. The valuation date for this valuation was 1 January 2018.

As of 1 July 2018, the Valuer General became the valuation authority for all Councils and valuations are now conducted annually.

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

5. **Rate Capping**

Since 2016-17, Victorian Councils have been subjected to a municipal rate cap imposed by the State Government. The cap provides for the amount of general rates and charges to be capped at a percentage above the amount of rates and charges levied for the previous year. The cap for 2016-17 was 2%, 2017-18 was 1.75% and 2018-19 was 2.25%. It has been set at 2.5% for 2019-20. The level of rate increase required for 2019-20 will be determined as part of the budget deliberation.

Council can apply a rate increase up to the cap. Should it wish to apply a rate increase in excess of the cap Ministerial approval must be gained.

6. **Payment Options**

Council provides the following three payment options:

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

7. **Payment Methods**

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

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

8. *Penalty Interest*

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

Exceptions to this are:

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

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

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

9. *Hardship Assistance*

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

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

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

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

10. *Action Taken Leading to this Strategy*

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

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

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

(10.1) Demographic Snapshot

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

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

Data	Findings
Occupation	<p>There were around 8,258 employment positions in the shire (as at the 2011 census). The breakdown of these is as follows:</p> <ul style="list-style-type: none"> - Managers 20.1% - Labourers 16.8 % - Professionals 14.1% - Technicians/trades workers 12.8% - Community/personal care workers 11.1% - Clerical/administrative workers 9.5% - Sales workers 9.4% - Machinery operators/drivers 6.2% <p>The Shire's unemployment rate in late 2016 was 4.5% - slightly less than the Victorian rate.</p>
Business by industry	<p>As at June 2015, there were 2,259 businesses across 20 industry types.</p> <p>The top five employing industries in terms of number of employing businesses & turnover were:</p> <ul style="list-style-type: none"> - Agriculture/forestry/fishing - Construction - Retail trade - Accommodation/food services - Transport/postal/warehousing <p>The agriculture/forestry/fishing sector was dominated by enterprises that are owner/family operated. Most of these would be farms.</p> <ul style="list-style-type: none"> • Accommodation/food services sector is dominated by domestic tourism with 385,000 overnight visitors injecting \$151 million into local economy • a further 409,000 day visitors spend another \$40 million. • About 88,000 international visitors spend a further \$26 million locally. • Most of this occurred along the coast.
Dwelling approvals	<p>Approvals for new dwellings in the shire have remained relatively stable over the past ten years.</p>
Sales & prices	<ul style="list-style-type: none"> • Median sale price of houses has increased from \$102,000 in 2001 to \$300,000 in 2016 but • the number of sales has decreased from 500-700 p.a. in 2001-07 to 300-500 p.a. since.

In summary, the Shire:

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

(10.2) Community Consultation

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

When Undertaken	Type of Consultation	Respondents	Responses
Oct 2016	On line survey as part of Council Plan preparation	Fifty seven respondents	<ul style="list-style-type: none"> • Affordability is important • Consider new levies e.g. to support the environment • Support the farming sector • Farming sector rates are tax deductible and they should contribute more due to their size. Residential ratepayers need support. • Spend more on maintenance of assets. • Look at new businesses like AirBNB and ensure they are paying their fair share. • Investing in smaller towns outside Colac is important.
Sept 2017	Thirty seven groups/organisations representing commercial, farming & residential sectors requested to provide comment re issues to be considered in 2018 Rating Strategy	Six respondents	<ul style="list-style-type: none"> • Retain differential rating structure. • Review differentials for farm, Holiday Rental rating categories & create new Coastal category. • Farm differential to be 55% of base rate • rates payable for farms to be equal to comparable commercial business • single assessment for farms • Review retaining Municipal Charge.

When Undertaken	Type of Consultation	Respondents	Responses
			<ul style="list-style-type: none"> Consider ability to pay/apply "User pays"/rates levied should be commensurate with services provided.
Nov 2017	2018 Rating Strategy Discussion (Green) Paper placed on public exhibition (10 Nov – 1 Dec 2017) Emailed to 755 businesses & community groups	Three respondents (5 submissions)	<ul style="list-style-type: none"> Rates relief for property owners that undertake weed control. People shouldn't pay for services they don't use (i.e. more user pays) rates levied should be commensurate with services provided. Access to services should determine rates payable.

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

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

(10.3) Guiding Principles

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

#	Theme	Principle
1	Retain differential rating structure	That a differential rating structure be retained.
2	Review differentials between rating categories	That the differentials between rating categories be modelled and reviewed.
3	Investigate retaining Municipal Charge	<ul style="list-style-type: none"> That the Municipal Charge be retained and Council seek to reduce the amount of the charge.
4	Fairness & equity	<p>That Council reaffirms:</p> <ul style="list-style-type: none"> rates are a tax to raise revenue to provide services across the entire Shire and it is not feasible to apply a full "user pays" model to Council services or levy rates according to usage or accessibility.

#	Theme	Principle
5	Rates relief for owners that undertake environmental land management.	<p>That Council:</p> <ul style="list-style-type: none"> investigate an appropriate criteria for providing rates relief for properties covered by a Trust For Nature covenant that such support be a rebate at a rate per hectare.

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

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

(11.1) What Is It?

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

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

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

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

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

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

(11.2) Who has “capacity to pay”?

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

Rating Category	Factors to Consider
Residential - Colac/Elminyot	<ul style="list-style-type: none">• High proportion of owner/occupied dwellings.• Many occupants on lower than average PAYE wage or are retiree and/or pensioners.• Many owners are PAYE wage earners who are experiencing sustained low wage growth and rising utility, insurance and health costs etc.• Record low mortgage rates – but these will rise.• Rates are generally paid after tax and are not tax deductible.
Residential – Balance of Shire	<ul style="list-style-type: none">• Low valued properties in townships such as Cressy, Beaac, Pirron Yallock with owners usually in lower income group.• Many owners are PAYE wage earners who are experiencing sustained low wage growth and rising utility, insurance and health costs etc.• High valued properties are located along coastal regions (Apollo Bay, Marengo, Skenes Creek, etc.).• High incidence of investment properties/holiday houses.• Better financial returns from letting houses as holiday accommodation resulting in scarcity of residential lease properties.• Residential lease rents expensive affecting quality of community.• Wye River - Separation Creek affected by 2015 bushfire• Rates are generally paid after tax and are not tax deductible.
Holiday Rental	<ul style="list-style-type: none">• Category contains approx. 430 properties that are known to be made available for holiday accommodation for a fee.• Many other properties escape detection and are therefore under rated. Introduction of Air BnB type model has made it increasingly difficult to capture properties used for holiday accommodation.• Varying degrees of commerciality but can gross minimum of \$10-12,000 p.a. rental income.• Usually set up as business for tax purposes – rates are a tax deductible business expense.• Profit margins can be tight but profit not always primary issue – usually not the owner’s primary income.• Record low mortgage rates – but these will rise.• Directly benefit from the 385,000 overnight visitors spending \$151 million into local economy.• Holiday accommodation industry has peak seasons but has good off peak trade.• Wye River - Separation Creek affected by 2015 bushfire but properties not affected by the fire are still being made available for accommodation at tariff range of \$2,500 - \$7,500 per week in peak season. Some high end Wye River properties are available for up to \$12,000 per week in peak season.

Rating Category	Factors to Consider
Rural - Farm	<ul style="list-style-type: none"> • Range of property types – mostly dairy, beef, potatoes, cropping & sheep. • Dairy affected by dairy crisis (reduced income & “claw back” payments) - though farm gate prices have since increased and processors waived claw back payments in return for continuity of milk supply • Rising production costs – this is particularly an issue for small farms • Commodity prices rise & fall due to external influences. • Volume of rural land sales increased sharply from 2009 but declined in 2014 and 2016 (with a spike in 2015) - suggesting farmers reacting to low profitability from 2009. • Sector is not a large employer of non family labour but does contribute to other businesses, thereby indirectly creating employment. • All/part of rates/utilities are a tax deductible expense.
Commercial / Industrial – Colac/Elliminyt/Colac West	<ul style="list-style-type: none"> • There are a range of property types and sectors in this category e.g. from small retail shops to AKD, Cacro, Bulla etc. • Different factors affecting different properties. • Category contains businesses that are a considerable source of employment (e.g. Bulla, AKD etc.). • Retail sector facing online & Geelong competition (affecting profitability) – professional services sector less affected • Rates a tax deductible business expense. • Population base (i.e. market) not growing – may improve after duplication of Princes Hwy completed. • Need to retain competitiveness – to create / keep jobs.
Commercial / Industrial - Balance Shire	<ul style="list-style-type: none"> • Mainly contained to coast (Apollo Bay) and some in small towns (Birregurra, Forrest, Gellibrand, Beeac, Pirron Yallock, Cororooke etc.) • Mainly food services, retail and large scale (i.e. motel/resort) accommodation. • Directly benefit from the 409,000 domestic day visitors and 88,000 international visitors spending \$66 million locally. Large passing trade opportunities. • Duplication of Princes Hwy should have positive affect. • Rates are a tax deductible business expense. • Provides employment in towns.

From the above it appears:

Rating Category	Factors to Consider
Residential - Colac/Elliminyt	This rating category contains properties owned mostly by PAYE wage earners and pensioners, who are experiencing sustained low wage increases and rising domestic costs. Fortunately, mortgage rates have been at sustained record low levels, but this will not last indefinitely.
Residential – Balance of Shire	This rating category is similar to the above but includes dwellings not occupied by owners that are not used for commercial or semi

Rating Category	Factors to Consider
	<p>commercial holiday accommodation purposes.</p> <p>The category also includes Wye River – Separation Creek, which was ravaged by the 2015 Christmas day bushfire. There are however very few permanent residents in this township.</p>
Holiday Rental	<p>This rating category contains dwellings that are made available for holiday accommodation on a commercial or semi commercial basis. The vast majority of these properties are located in the coastal region. They are usually set up as a business for taxation purposes and in peak seasons generally command tariffs of \$2,500-\$4,000 per week (depending on quality of house etc.). Based on the data, the holiday rental sector is prospering (or has the capacity to prosper).</p> <p>The category also includes Wye River – Separation Creek, which was ravaged by the 2015 Christmas day bushfire. This affected holiday rental earnings for those properties not damaged by the fire throughout 2016.</p> <p>A challenge in relation to this rating category is it has become increasingly difficult to identify all properties used for holiday accommodation purposes to ensure they are correctly rated.</p>
Rural - Farm	<p>Dairy farmers have experienced a prolonged period of lower profit margins, made worse by the decisions by processors to cut the farm gate milk price and seek claw back payments. However, prices have increased since and processors waived/refunded claw back payments. Overall, there is no increase in sale of farms – suggesting that despite the dairy crisis and reduced profit margins, there is no significant exodus from the industry.</p> <p>Dairy industry figures for 2016-17 show the average dairy farm in south west Victoria:</p> <ul style="list-style-type: none"> - milks approximately 368 cows - produces approximately 525 kg of milk solids/cow/year - has a gross income from dairying in excess of \$1 million p.a. - has a nett income (after tax) of \$117,000 p.a. <p>In the same period, beef and sheep have performed very well, whilst cropping had a bumper harvest in 2016-17. Frost in November 2017 may affect the 2017-18 yield but the effects on price is unknown at this stage.</p>
Commercial / Industrial – Colac/Elliminyt/Colac West	<ul style="list-style-type: none"> • The commercial/retail sector in Colac is not experiencing the same level of prosperity as the coast. • Small retail shops in particular are susceptible to competition from online providers, • Professional services, banks, supermarkets and larger businesses are less susceptible.
Commercial / Industrial - Balance Shire	<p>The commercial / retail sector along the coast (basically Apollo Bay) is prospering due to visitor numbers /passing trade.</p> <p>Small townships away from the coast are not experiencing the same level of prosperity</p>

From a capacity to pay perspective, it appears the following rating categories have a capacity to pay or absorb rates increases:

Rating Category	Why it has/hasn't capacity to pay
Rural - Farm	<ul style="list-style-type: none"> All mainstream agricultural activities have performed well in 2016-17 and 2017-18 after a period of lower returns caused by drought and the dairy crisis. Average nett (after tax) income of dairy farms in south west Victoria has increased in 2016-17. Rates & utilities are a tax deductible business expense.
Holiday Rental	<ul style="list-style-type: none"> Predominantly located in the coastal region High level of tourist stayovers (worth approximately \$151 million per annum). Rates & utilities are a tax deductible business expense.
Commercial / Industrial - Balance Shire	<ul style="list-style-type: none"> Coastal commercial/industrial properties have the benefit of high levels of passing trade/opportunities (worth approximately \$66 million per annum). Rates & utilities are a tax deductible business expense. Commercial/industrial properties in rest of Balance of Shire not experiencing same economic activity.

Whereas the following rating categories have less capacity to pay or absorb rates increases:

Residential - Colac/Elliminyt	<ul style="list-style-type: none"> Includes many residents on PAYE wages and pensioners. Average wage in Shire is \$42,000. Wages growth has stagnated for approximately 10 years. Employment more uncertain. Rates paid after tax.
Residential – Balance of Shire	<ul style="list-style-type: none"> Includes many residents on PAYE wages and pensioners. Average wage in shire is \$42,000. Wages growth has stagnated for approximately 10 years. Employment more uncertain. Rates paid after tax.
Commercial / Industrial – Colac/Elliminyt/Colac West	<ul style="list-style-type: none"> Small retail businesses in Colac/Elliminyt (mostly in Murray St) are suffering from on line competition. Larger businesses not as susceptible to this.

12. Rates Modelling

Rates modelling undertaken looked at:

- the appropriateness of the current rating categories.
- the effect of changing rating differentials between rating categories.
- the extent of changes to the amount of rates that would be payable as a result of changes to the differentials.
- the effect of reducing the Municipal Charge.
- the effect of equalising the commercial property rates across the Shire.

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

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

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

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

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

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

It is anticipated the ATO won't have this data until after tax returns for the 2017-18 financial year are lodged. Council officers have pursued this matter with the ATO. The Shire is awaiting a response to its request for information from the ATO.

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

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

A table showing the scenarios is attached (see table 1).

13. Proposed rating structure

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

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

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

Rating Category	Differential (from base rate)
<i>Residential – Colac/ Elliminyt</i> (Residential properties in the Colac, Colac East & West & Elliminyt).	100% (base rate)
<i>Residential - Balance of Shire</i> (Residential properties located in the municipality excluding those in the "Residential -Colac / Elliminyt" rating category)	85%

Rating Category	Differential (from base rate)
<i>Holiday Rental</i> (Houses/cabins that are made available for short term holiday accommodation for a fee/tariff)	100%
<i>Rural – Farm</i> (Properties used for farm purposes as defined by the Valuation of Land Act 1960).	75%
<i>Commercial / Industrial – Colac/Elliminyt</i> (Commercial properties in the Colac, Colac East & West and Elliminyt)	165%
<i>Commercial / Industrial - Balance Shire</i> (Commercial / industrial properties in the municipality excluding those in the “Commercial / Industrial –Colac/Elliminyt” rating category.	140%

A comparison of these differentials with those of similar Shires for 2017-18 is attached (see table 2).

Other Charges

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

(13.1) Municipal Charge

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

(13.2) Waste Management Charge

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

14. Compliance with State Government's Guidelines

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

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

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

15. Meeting community expectations

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

It is acknowledged that many people will judge the Rating Strategy by whether they pay less rates or more. This is understandable, although simplistic. Ultimately property rates are a land tax based on land value.

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

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

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

Appendices

TABLE 1 - Rates modelling options

TABLE 2 - Comparison of rating categories, rate in \$ and differentials with other Councils

References

“From Coastal Communities to Tourist Towns” - Colac Otway Rating Strategy study in 2016 by Macroplan Dimasi Pty Ltd - February 2017

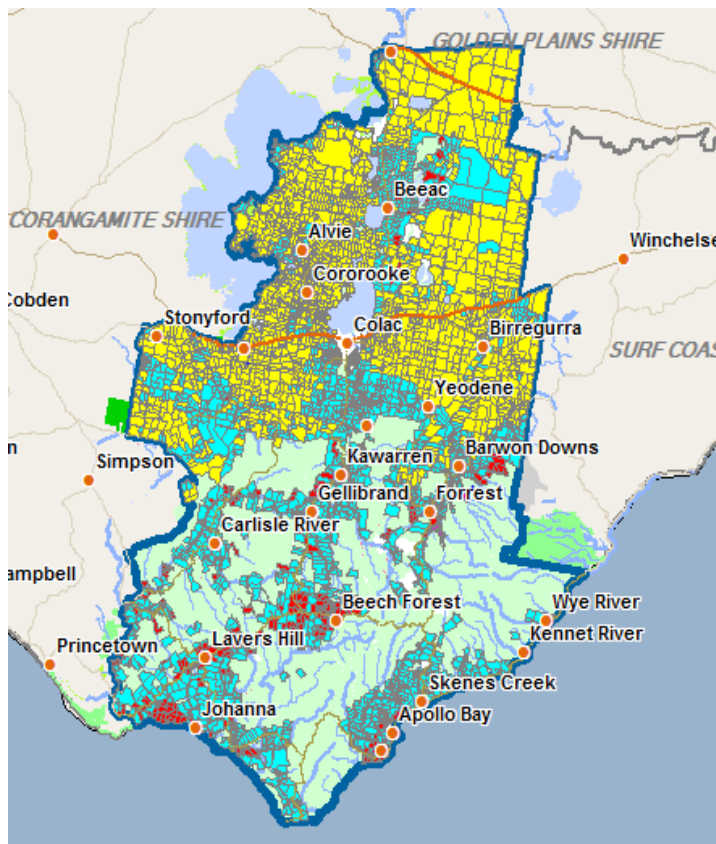
“2016-17 Dairy Farm Monitor Annual Report- Victoria” by Agriculture Victoria and Dairy Australia

“Revenue & Rating Strategy Guidelines”- DELWP 2014

ORDINARY COUNCIL MEETING
**PREPARATION OF 2019/20 DRAFT BUDGET -
 ENDORSE FOR EXHIBITION**
 OM192404-3

LOCATION / ADDRESS	Whole of municipality	GENERAL MANAGER	Errol Lawrence
OFFICER	Jason Clissold	DIVISION	Corporate Services
TRIM FILE	F18/7487	CONFIDENTIAL	No
ATTACHMENTS	1. 2019-20 Model Budget		
PURPOSE	To present the 2019/20 Draft Budget for Review in readiness for public submission		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

STATEMENT FROM THE CHIEF EXECUTIVE

Council's 2019/20 Draft Budget has been prepared on the basis of a 2% average rate increase which is 0.5% less than the rate cap which has been set at 2.5% for 2019/20.

It is recommended that the kerbside collection charges remain at the same level as 2018/19. That is, \$315 for the weekly collection and \$215 for the fortnightly collection.

With no increase in the kerbside collection charge the total average increase in rates and charges will be 1.79%, bearing in mind that properties that do not receive a kerbside collection service will have an average increase of 2%.

I believe the budget is framed on a solid basis and provides for appropriate provision of the services this community has received in the past and expects to receive in the future. This view is supported by the financial indicators and outcomes contained in Tables 1 and 2.

Table 1

Cash Surplus from operations	\$'000
Cash generated from Council Operations before Business Cases	8,962
Cash required to fund Business Cases meeting the MOSCOW rating of 'Must'	(8,728)
Contribution to Major Project Reserve	(220)
2019/20 Cash Surplus/(Deficit) from operations*	14

* Please note this calculation only takes into consideration direct cash generated from operations. It does not consider timing of payments and receipts as per the Statement of Cash Flows.

The Local Government Performance Reporting Framework sets out a number of Financial Performance Indicators and targets. Table 2 sets out these targets along with Council's 2017/18 Actual Results, 2018/19 Forecast Results and 2019/20 Draft Budget Results.

All indicators, except Adjusted Underlying Result (Forecast 2018/19 and Draft Budget 2019/20) and Loans and Borrowings Repayments (Draft Budget 2019/20), are within acceptable limits, which reflects a current strong financial position. Providing other financial and sustainability indicators are healthy, underlying deficits are sustainable in the short term and do not necessarily reflect cash movements.

Table 2

- Within Acceptable Thresholds
- Marginally Outside Acceptable Thresholds

Indicator	Description	LGPRF Target	Actual 2017/18	Forecast 2018/19	Draft Budget 2019/20
L1 – Working Capital	Current Assets compared to Current Liabilities	120-200%	255%	187%	161%
L2 – Unrestricted Cash	Unrestricted Cash compared to current liabilities	50-100%	9%	109%	78%
O1 – Asset Renewal	Asset Renewal compared to depreciation	90-100%	116%	112%	102%

Indicator	Description	LGPRF Target	Actual 2017/18	Forecast 2018/19	Draft Budget 2019/20
O2 – Loans and Borrowings	Loans and borrowings compared to rates	20-60%	11.36%	8.9%	3.2%
O3 – Loan and borrowings repayments	Loans and borrowings repayments compared to rates	0-5%	2.79%	2.7%	5.7%
O4 – Indebtness	Non-Current liabilities compared to own source revenue	10-40%	30.3%	23.2%	23.2%
OP1 – Adjusted underlying result	Adjusted underlying surplus (or deficit)	>0%	0.97%	(5.42%)	(1.20%)
S1 – Rates concentration	Rates compared to adjusted underlying surplus (deficit)	50-80%	58.51%	65.45%	63.40%
S2 – Rates effort	Rates compared to property values	0.2-0.8%	0.51%	0.49%	0.48%

While these indicators reflect a strong financial position, Council faces an issue into the future where it will need to seriously consider how it meets the renewal requirements of its assets, in particular roads, footpaths, bridges, buildings and its recreation assets. There is no doubt that in the medium term, Council will need to expend more funds on replacement or refurbishment of bridges and buildings.

In 2019/20 Council is not in a position to put together a larger program of works on bridges and buildings but will be in a position to do this for the 2020/21 budget.

If Council was of a mind to increase the average rates by 2.5% in 2019/20 rather than the proposed 2% it would generate an additional \$150k approximately, which could be added to the roads renewal budget for 2019/20. I suggest that this is the most appropriate use of any additional funds which might be raised in 2019/20.

Council must bear in mind that by increasing its rates by a lesser amount than the annual rate cap it will have a cumulative effect on the revenue, and cash, available in future years to meet its capital works and renewal needs.

Council must also be mindful of the rates burden that it places on our community. As shown in Chart 1 below, Colac Otway Shire Council rates and charges per residential assessment is almost on the average when compared to other large rural shires. On this basis, an average rate increase of 2% in 2019/20 is recommended by the Chief Executive.

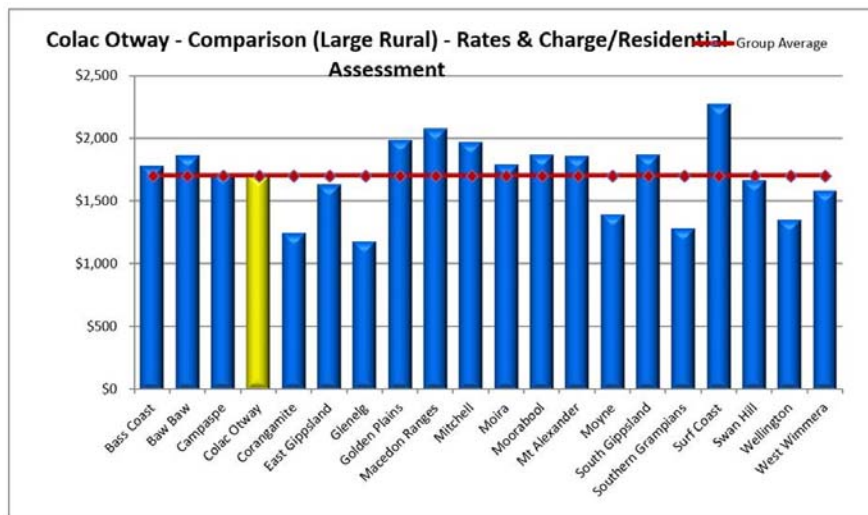


Chart 1

3. RECOMMENDATION

That Council:

- 1. Endorses the Draft Budget 2019/20 for the financial year (Attachment 1) for the purposes of Section 127 of the Local Government Act 1989 (the Act).*
- 2. Authorises the Chief Executive to give public notice, in accordance with section 223 of the Local Government Act 1989, that Council has prepared a Draft Budget for the 2019/20 year.*
- 3. Appoints a Committee comprising of all Councillors and chaired by the Mayor in accordance with section 223(1)(b)(i) of the Act, to meet on Wednesday 12 June 2019 at 5pm, and hear any persons who in their written submissions under section 223 of the Act have requested that they be heard in support of their submission.*
- 4. Authorises the Chief Executive to undertake any and all administrative procedures necessary to enable Council to carry out its functions under section 223 of the Act.*
- 5. Notes that written submissions will be accepted for a five-week period closing 5:00pm Friday 31 May 2019.*
- 6. Considers for adoption the Draft Budget 2019/20 at the Ordinary Council Meeting on Wednesday, 26 June 2019 at 4.00pm at Colac Otway Performing Arts and Cultural Centre after consideration of written submissions, and consideration of any verbal submissions received by Council at its Special Committee Meeting on Wednesday, 12 June 2019.*

4. BACKGROUND / KEY INFORMATION

BACKGROUND

The 2019/20 Draft Budget has been developed in collaboration with Councillors over many months with the following inputs being reviewed and discussed by Council:

- 2019/20 Average Rate Increase;
- 2019/20 Proposed Business Cases;
- 2018/19 Mid-year Budget Review;
- 2019/20 Operating Income and Expenditure by Service Area; and,
- 2019/20 Draft Statements.

The 2019/20 Draft Budget has been prepared in line with the priorities outlined in key strategic documents including the 2017-2021 Council Plan and the Strategic Resource Plan. It has also been prepared in accordance with the requirements of the *Local Government Act 1989* (the Act) and the *Local Government (Planning and Reporting) Regulations 2014*.

In preparing the Budget, Council considered the long term financial planning principles which include:

- Ensuring long term financial sustainability;
- Delivering services in a cost effective and efficient manner;
- Ensuring operating revenues are sustainable and consider community wide and individual benefits (rates versus user charges);

- Maintaining cash reserves and operating surpluses at appropriate levels;
- Identifying and quantifying long term liabilities;
- Meeting social equity objectives through specific programs;
- Managing the Shire’s capital assets to maximise long term community benefit; and,
- Recognising that funding from State and Federal Government is a crucial element of financial sustainability.

Meeting these principles has been more challenging over recent years given Council is now operating within an environment where revenue is restricted due to rate capping imposed by the State Government and Federal Assistance Grants were frozen for a three-year period between 2015 and 2018, creating a permanent impact on Council’s reserves.

Furthermore, Council has implemented the principles of sound financial management as required under Section 136 of the Act:

- Managing financial risks faced by the Council prudently, having regard to economic circumstances;
- Pursuing spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;
- Ensuring that decisions are made and actions are taken having regard to their financial effects on future generations; and,
- Ensuring full, accurate and timely disclosure of financial information relating to the Council.

As has been the case for many years, Colac Otway faces many challenges:

Substantial challenges associated with provision and renewal of roads, paths, and community and recreation facilities

In February 2014, The Victorian Auditor-General’s Office tabled a report in Parliament highlighting its concerns over this exact challenge that councils face in meeting the growing demand of asset maintenance and renewal. The Auditor-General, Mr John Doyle, states in the report:

‘They also have legislative obligations to manage financial risks prudently and to ensure that their asset management decisions take into account economic circumstances and their financial effects on future generations. This is especially important in the current economic climate and in an environment where reliance on sources of revenue such as government grants cannot be assured’.

This challenge is further exacerbated with the introduction of rate capping. History shows that the cost of maintaining and constructing such assets greatly exceeds CPI and the rate cap.

KEY INFORMATION

The draft budget provides for an average annual rate increase of 2%. Table 3 provides a summary of the calculation, according to the formula prescribed by the State Government.

Forecast Annualised Rate Revenue at 30 June 2019	\$27,446,982
Forecast Number of Assessments at 30 June 2019	15,395
Forecast Base Average Rate 2018/19 per assessment	\$1,782.85
Budget Rate Revenue 2019/20	\$27,995,922
Capped Average Rate 2019/20 per assessment	\$1,818.51
Average Capped Increase	2.00%

Table 3

It is important to note that this is only an **average** increase and actual increases will vary depending on the relative value of individual properties. As required by legislation, the rate burden must be distributed based upon the value of a property which will result in higher valued properties increasing by more than 2% and lower valued properties increasing by less than 2%.

In real terms, when taking the kerbside collection charge into consideration, total average rates will increase by a total of 1.79%. This is due to no proposed increase in the kerbside collection charge for 2019/20.

MAJOR INITIATIVES

As per section 127 of the Act, the following seven initiatives have been identified by Council as priorities to be undertaken during the 2019/20 financial year:

1. Commence City Deal Project

The Geelong City Deal is Victoria's first with the Commonwealth and Victorian Governments working together with Local Government partners.

Colac Otway Communities will be the beneficiary of \$18.9 million in funding to support three key projects captured within **Great Ocean Road Infrastructure Projects**, those being:

- Apollo Bay Harbour - \$12 million
- Great Ocean Walk between Apollo Bay (Wild Dog Creek) and Skenes Creek - \$5 million
- Improvements to Tourism Infrastructure in Kennett River - \$1.9 million

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This project will provide for new strategies to manage current parking issues along the Great Ocean Road and surrounding areas.

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The completion of this project in 2019/20 will produce an integrated Long Term Financial Plan that takes into consideration proposed service levels, asset maintenance and renewal requirements and funding requirements for the Colac Otway community for the next ten years.

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- Municipal Management System (Civica Authority suite of software) remediation.
- The migration of selected software products to the 'cloud'.
- Provision and enhancement of mobile computing.
- Implementation of an updated GIS software suite (Geospatial Information System).
- Development of an effective Works Management System for services and operations.
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This project relates to the funding Council received to install a reticulated drainage system in the communities of Wye River and Separation Creek. This project will greatly reduce the likelihood of flooding and land slips that have been experienced following both fire and storm events in recent years.

This project will be complete by 30 June 2020.

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The G21 Councils identified and articulated key problems and desired benefits through a mapping process, the research from which informed the development of a range of options which were further explored, as were service delivery modes, which resulted in the G21 Councils: Regional Service Collaboration project, to be implemented over three years commencing 1 July 2019. An overview of the project scope is as follows:

1. Procurement and implementation of a single Strategic Asset Management System for the region with integration to each councils' core financial/asset corporate systems;
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Should Colac Otway Shire Council resolve to participate in the next phase of the RCTP and if the joint business case application is successful, project implementation will occur over three years.

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This project will create a Precinct Plan to explore options for the future use and development of the 'Colac Civic and Railway Precinct'. The aim of the project is to provide a framework for the coordinated long-term development of the Precinct. The Precinct Plan will guide the overall vision for the precinct, to ensure a coordinated and consistent approach to the precinct's development. During 2019/20 Council will be working on completing the Precinct Plan.



FINANCIAL PERFORMANCE AND SUSTAINABILITY

The key financial outcomes from the attached budget include:

- Net Surplus \$1.3m
- Adjusted Underlying Deficit \$621k
- Closing Cash Balance of \$9.3m
- Closing Working Capital Surplus of \$5.0m, or 161%
- \$1.6m in debt will be repaid; \$1m of this will be funded from the Bond Repayment Reserve
- \$13.1m program per Business Cases previously presented to Council.
- \$10.8m renewal, which equates to 102% of depreciation.

The Financial Performance Indicators resulting from the 2019/20 draft budget are detailed in Table 4 below. These reflect Council’s ongoing commitment to sound financial management.

Table 4

 Within Acceptable Thresholds
 Marginally Outside Acceptable Thresholds

Indicator	Description	LGPRF Target	Actual 2017/18	Forecast 2018/19	Draft Budget 2019/20
L1 – Working Capital	Current Assets compared to Current Liabilities	120-200%	255%	187%	161%
L2 – Unrestricted Cash	Unrestricted Cash compared to current liabilities	50-100%	9%	109%	78%
O1 – Asset Renewal	Asset Renewal compared to depreciation	90-100%	116%	112%	102%
O2 – Loans and Borrowings	Loans and borrowings compared to rates	20-60%	11.36%	8.9%	3.2%
O3 – Loan and borrowings repayments	Loans and borrowings repayments compared to rates	0-5%	2.79%	2.70%	5.70%
O4 – Indebtness	Non-Current liabilities compared to own source revenue	10-40%	30.3%	23.20%	23.20%
OP1 – Adjusted underlying result	Adjusted underlying surplus (or deficit)	>0%	0.97%	(5.42%)	(1.20%)
S1 – Rates concentration	Rates compared to adjusted underlying surplus (deficit)	50-80%	58.51%	65.45%	63.40%
S2 – Rates effort	Rates compared to property values	0.2-0.8%	0.51%	0.49%	0.48%

Adjusted Underlying Surplus

The regulations prescribe the method for calculating the ‘Adjusted Underlying Result’. The purpose for calculating the Adjusted Underlying Result is to remove the effect on the budget of one-off revenue items that may otherwise overstate Council’s ‘normal’ performance, e.g. non-recurrent capital grants and non-monetary asset contributions as per Table 5. Under the regulations the 2019/20 deficit of \$621k is calculated as follows:

	\$’000
Total Comprehensive Result	1.315
Non-recurrent grants used to fund capital expenditure	(1,850)
Non-monetary asset contributions	-
Other contributions to fund capital expenditure	(86)
Adjusted Underlying Deficit	(621)

Table 5

Revenue

The following key points relate to the budgeted revenue of \$51.8m which is budgeted to increase from \$47.3m.

- Rates and charges total \$31.6m. This increase is the result of a 2% average increase in rates, compounded by a greater number of supplementary valuations from the previous two years.
 - The average increase of 2% includes a Municipal Charge of \$192
 - The annual kerbside collection charge will remain at \$315 for weekly collections and \$215 for fortnightly collections. No increase from 2018/19.
- User Fees and Charges have increased by \$500k to \$5.3m. This increase is largely due to the increased service levels and fees associated with funded Home Care packages.
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The following key points relate to the budgeted expenditure of \$50.4m which has increased by \$1.2m.

- Employee costs have increased by \$770k, or 4%, to \$20.1m. This increase allows for an annual Enterprise Agreement (EA) increment of 1.7%, with required band increases and fixed term positions making up the balance.
- Materials and services have increased by \$440k, or 2.4%, to \$18.4m.
- Depreciation expense will increase by \$250k to \$10.6m.
- Borrowing costs will decrease by \$69k to \$112k. This reduction is due to the reduced level of debt in 2019/20.

Balance Sheet

The key points to note are:

- Council's working capital will reduce by \$2.5m, from \$7.5m to \$5.0m.
- Council's net worth will increase by \$1.3m to \$292m.
- Property, infrastructure, plant and equipment comprise 96% of Council's total assets.
- Working capital is in surplus \$5.0m. Current assets will be 1.6 times current liabilities at the end of the financial year, down from 1.9 in 2018/19.
- Provisions are budgeted to increase by \$1.1m primarily due to an increase in the landfill provision.
- \$1.6 million in debt will be repaid. \$1 million of this will be funded from the Bond Repayment Reserve.

Cash Flow

The closing cash balance is budgeted to be \$9.3m at 30 June 2020.

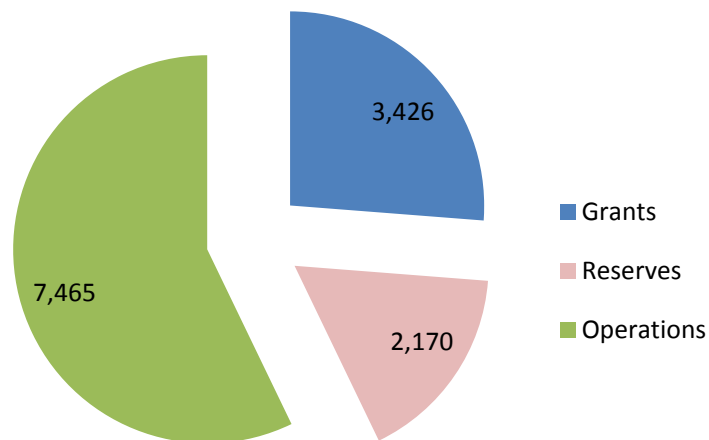
- Under the regulations \$7.3m of this balance will be classified as unrestricted, with the remaining \$2m being restricted within statutory and discretionary reserves.
- The cash balance at 30 June 2020 is budgeted to include \$3.2m of Federal Assistance Grants received in advance.
- Cash inflow generated from operating activities will be applied to capital expenditure (\$13.1m).
- As shown in Chart 1, the cash flow trend for 2019/20 is expected to be similar to 2018/19 and previous years.

Capital Works

The key points to note are:

- The capital works program for 2019/20 totals \$13.1m, \$2m less than the 2018/19 forecast of \$15.1m.
- The program is divided between capital renewal (82%), capital upgrade (5%) and new assets (13%).
- The capital works budget is funded from a mix of external and internal sources. Chart 2 below demonstrates that 26% is funded by grants and contributions, 57% by operations and 17% by reserves.

Chart 2 – Capital Works funding sources



Following is a summary of the major items of capital expenditure funded in the budget:

- Sealed road reconstruction program \$2.0m
- Heavy Plant replacement \$1.5m
- Unsealed road reconstruction program \$1.4m
- Sealed road resealing program \$1.2m
- Central Reserve lighting and netball court redevelopment \$850k
- Western Reserve oval redevelopment and lighting \$795k
- Building renewal program \$726k
- Bridge rehabilitation program \$715k
- Memorial Square play space renewal \$600k

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

The community was invited to submit Business Cases relating to the 2019-20 financial year and beyond. Stakeholders were able to submit their ideas and Business Cases via an online survey and two community pop-up sessions (Apollo Bay and Colac).

In accordance with section 223 of the Act and subject to endorsement at this Ordinary Council meeting, the Draft Budget will be made available for public exhibition and submission from 29 April 2019 to 31 May 2019.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The guiding document for the preparation of the SRP and Annual Budget is the adopted Council Plan 2017-2021. These documents provide the community with the detail of what financial and non-financial resources are required to deliver the strategies and services contained within the four themes of the Council Plan:

- Our Prosperity
- Our Places
- Our Community
- Our Leadership and Management

ENVIRONMENTAL IMPLICATIONS

Not applicable

SOCIAL & CULTURAL IMPLICATIONS

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

ECONOMIC IMPLICATIONS

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

LEGAL & RISK IMPLICATIONS

Any contractual obligations are met by the draft budget.

Local Government Act 1989 (Act):

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

RESOURCE IMPLICATIONS (FINANCIAL ETC)

Refer to the draft budget document.

7. IMPLEMENTATION STRATEGY

DETAILS

Once a Final Budget is adopted for 2019/20 its implementation will commence immediately.

COMMUNICATION

The release of the Draft Budget and processes for providing feedback will be widely publicised in the local media and on Council's website.

TIMELINE

The exhibition period runs from 29 April 2019 to 31 May June 2019.

31 May – Exhibition ends

12 June – Council considers submissions

26 June – Council considers endorsement of the 2019/20 Budget at its Ordinary Council Meeting

Submissions must be made in writing by Friday 31 May 2019. Council will hear verbal submissions at a Special Committee Meeting on Wednesday 12 June 2019. Should there be no requests to be heard, Council will consider written submissions prior to the final Budget being considered for adoption on Wednesday 26 June 2019.

Anyone wishing to be heard in support of their submission must advise Council of their intention to do so in their written submission by Friday 31 May 2019.

8. OFFICER DIRECT OR INDIRECT INTEREST

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



Colac Otway

SHIRE

COLAC OTWAY SHIRE DRAFT BUDGET 2019/20

This Budget Report has been prepared with reference to Local Government Victoria (LGV) Local Government Model Financial Report (LGMFR) 2019/20.

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Disclaimer

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

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

Mayor's Summary

Towards A Prosperous Future

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

Council Plan 2017-21

Colac Otway Shire Council is pleased to present a draft budget for the coming year which will see significant infrastructure investment across our shire while again keeping rate increases below the State Government rate cap.

Councillors and officers have worked extremely hard to create a responsible budget that reflects Council's vision for a prosperous future for our Shire community.

The 2019-20 Budget proposes an average two-per-cent rate increase, compared with the State's 2.5-per-cent cap, and no change to the kerbside collection charge.

The Budget proposes \$10.8 million in asset renewal, with an allocation of \$2 million for the Shire's sealed road reconstruction program, \$1.2 million for resealing, \$1.4 million for unsealed road reconstruction and \$1.5 million for heavy plant replacement so we can maintain our roads and drainage systems.

I am pleased that Council is also planning to embark on major redevelopment projects across our shire.

Council's success in securing State and Commonwealth funding for City Deal projects and significant sporting and community facility upgrades, has enabled Council to include the commencement of major works in the proposed budget.

Key highlights for the draft 2019-20 Budget include:

- Commencement of City Deal Projects: Apollo Bay Harbour Precinct Redevelopment, Skenes Creek-Apollo Bay Trail, Kennett River Infrastructure Redevelopment
- Implementation of Colac Otway Tourism Parking and Traffic Strategy including interim toilets
- Completion of Council's long-term Financial Plan
- Implementation of Council's Information & Communications Strategy
- Completion of the Reticulated Drainage Project in Wye River and Separation Creek
- Rural Councils Transformation Program
- Colac Civic and Rail Precinct Master Plan development
- Central Reserve lighting and netball court redevelopment

- Western Reserve oval redevelopment and lighting
- Memorial Square play space renewal

Community input has been important in the development of the budget and we thank the residents and ratepayers who took time to make suggestions and share their priorities during the planning process last year.

The draft Budget for 2019-20 aims to prioritise the community's needs and expectations, and I encourage feedback as we work to finalise this important financial document.

Cr Jason Schram
Mayor

Executive Summary

The 2019/20 Draft Budget has been prepared in line with the priorities outlined in key strategic documents including the 2017-2021 Council Plan and the Strategic Resource Plan. It has also been prepared in accordance with the requirements of the *Local Government Act 1989* (the Act) and the *Local Government (Planning and Reporting) Regulations 2014*.

In preparing the Budget, Council considered the long term financial planning principles which include:

- Ensuring long term financial sustainability
- Delivering services in a cost effective and efficient manner
- Ensuring operating revenues are sustainable and consider community wide and individual benefits (rates versus user charges)
- Maintaining cash reserves and operating surpluses at appropriate levels
- Identifying and quantifying long term liabilities
- Meeting social equity objectives through specific programs
- Managing the Shire's capital assets to maximise long term community benefit
- Recognising that funding from State and Federal Government is a crucial element of financial sustainability.

Meeting these principles has been more challenging over recent years given Council is now operating within an environment where revenue is restricted due to rate capping imposed by the State Government and Federal Assistance Grants were frozen for a three-year period between 2015 and 2018, creating a permanent impact on Council's reserves.

Furthermore, Council has implemented the principles of sound financial management as required under Section 136 of the Act:

- Managing financial risks faced by the Council prudently, having regard to economic circumstances;
- Pursuing spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;
- Ensuring that decisions are made and actions are taken having regard to their financial effects on future generations; and
- Ensuring full, accurate and timely disclosure of financial information relating to the Council.

As has been the case for many years, Colac Otway faces many challenges:

Substantial challenges associated with provision and renewal of roads, paths, and community and recreation facilities

In February 2014, The Victorian Auditor-General's Office tabled a report in Parliament highlighting its concerns over this exact challenge that councils face in meeting the growing demand of asset maintenance and renewal. The Auditor-General, Mr John Doyle, states in the report:

'They also have legislative obligations to manage financial risks prudently and to ensure that their asset management decisions take into account economic circumstances and their financial effects on future generations. This is especially important in the current economic climate and in an environment where reliance on sources of revenue such as government grants cannot be assured'.

This challenge is further exacerbated with the introduction of rate capping. History shows that the cost of maintaining and constructing such assets greatly exceeds CPI and the rate cap.

Low population growth

Recent years have seen very low levels of population growth in the Shire. The Shire was initially built on the industries of Agriculture and Manufacturing, with Tourism strengthening and growing

employment in the Health sector. Overall, low jobs growth has contributed to some seeking employment outside of the Shire and an increasingly aging population. These trends are similar to other regional Victorian areas.

Many young people are moving to larger regional centres (Geelong, Ballarat) or metropolitan Melbourne to seek education and employment opportunities.

High level of disadvantage

Colac is one of the most disadvantaged areas in Victoria, with a significant proportion of our population experiencing high unemployment, low educational attainment rates, and poorer health outcomes than the rest of the population.

Climate variability, climate change and natural disasters

Given Colac Otway's natural environment, climate variability and natural disasters can be a real threat to our economy and way of life, having the potential to seriously impact our agricultural and tourism industries as well as our unique and precious environment. This has been demonstrated over recent years with catastrophic fire, storm, flood and landslip events.

Council is confident the 2019/20 budget meets the requirements of sound financial management, while delivering the strategies identified in the 2017-2021 Council Plan.

The draft budget provides for an average annual rate increase of 2%. Table 1 provides a summary of the calculation, according to the formula prescribed by the State Government.

Table 1

Forecast Annualised Rate Revenue at 30 June 2019	\$27,446,982
Forecast Number of Assessments at 30 June 2019	15,395
Forecast Base Average Rate 2018/19 per assessment	\$1,782.85
Budget Rate Revenue 2019/20	\$27,995,922
Capped Average Rate 2019/20 per assessment	\$1,818.51
Average Capped Increase	2.00%

It is important to note that this is only an **average** increase and actual increases will vary depending on the relative value of individual properties. As required by legislation, the rate burden must be distributed based upon the value of a property which will result in higher valued properties increasing by more than 2% and lower valued properties increasing by less than 2%.

In real terms, when taking the kerbside collection charge into consideration, total average rates will increase by a total of 1.79%. This is due to no proposed increase in the kerbside collection charge for 2019/20.

MAJOR INITIATIVES

As per section 127 of the Act, the following seven initiatives have been identified by Council as priorities to be undertaken during the 2019/20 financial year:

1. Commence City Deal Project

The Geelong City Deal is Victoria's first with the Commonwealth and Victorian Governments working together with Local Government partners.

Colac Otway Communities will be the beneficiary of \$18.9 million in funding to support three key projects captured within **Great Ocean Road Infrastructure Projects**, those being:

- Apollo Bay Harbour - \$12 million
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Due to the large volumes of traffic the coast experiences each year there are limited areas where vehicles can park safely, particularly relating to the demand for public conveniences, which are limited in certain areas.

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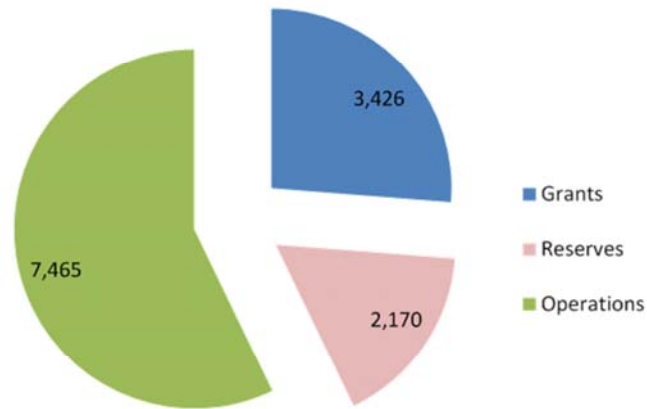
- Under the regulations \$7.3m of this balance will be classified as unrestricted, with the remaining \$2m being restricted within statutory and discretionary reserves.
- The cash balance at 30 June 2020 is budgeted to include \$3.2m of Federal Assistance Grants received in advance.
- Cash inflow generated from operating activities will be applied to capital expenditure (\$13.1m).
- As shown in Chart 1, the cash flow trend for 2019/20 is expected to be similar to 2018/19 and previous years.

Capital Works

The key points to note are:

- The capital works program for 2019/20 totals \$13.1m, \$2m less than the 2018/19 forecast of \$15.1m.
- The program is divided between capital renewal (82%), capital upgrade (5%) and new assets (13%).
- The capital works budget is funded from a mix of external and internal sources. Chart 1 below demonstrates that 26% is funded by grants and contributions, 57% by operations and 17% by reserves.

Chart 1 – Capital Works funding sources



Following is a summary of the major items of capital expenditure funded in the budget:

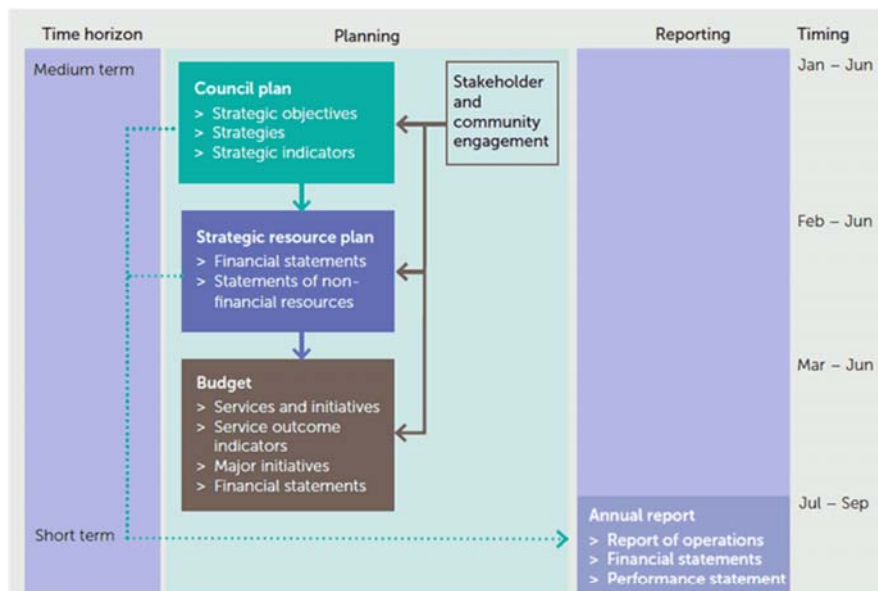
- Sealed road reconstruction program \$2.0m.
- Heavy Plant replacement \$1.5m.
- Unsealed road reconstruction program \$1.4m.
- Sealed road resealing program \$1.2m.
- Central Reserve lighting and netball court redevelopment \$850k.
- Western Reserve oval redevelopment and lighting \$795k.
- Building renewal program \$726k.
- Bridge rehabilitation program \$715k.
- Memorial Square play space renewal \$600k.

1. Link to the Council Plan

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

1.1 Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning

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

1.2 Our purpose

Our Vision "Towards a prosperous future"

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

Our Values

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

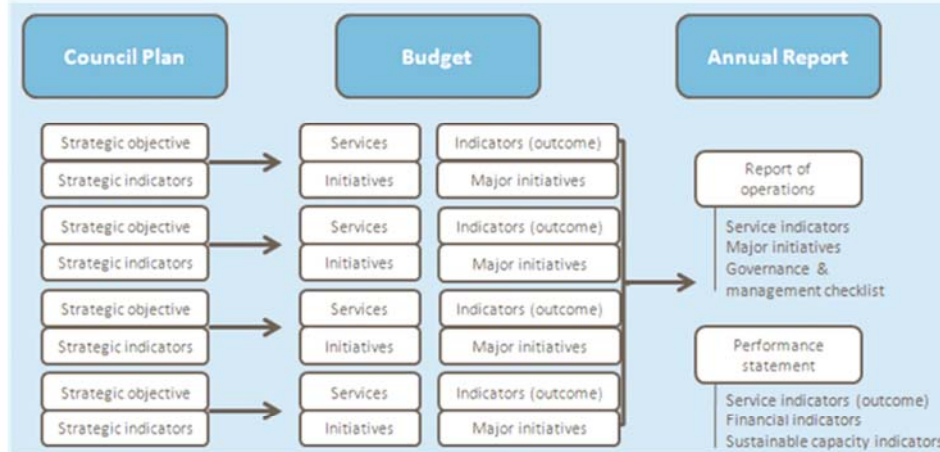
1.3 Strategic objectives

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

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

2. Services and initiatives and service performance outcome indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2019/20 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

2.1 Strategic Theme 1: Our Prosperity

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

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Building Control	This service provides for planned building developments to meet present and future community requirements.	1,216 (184) 1,032
Events	This service provides for active community involvement in the provisioning of management and support for community entertainment and events, including funding for Festival and Events grants.	117 (3) 114
Economic Development	This service facilitates a healthy and resilient economy by providing effective leadership, advocacy, and partnership, by working with government business and the community. The service also facilitates Council's community grant program.	942 (2) 940
Tourism	This service provides economic benefit by promoting the Shire as a location for visitors to enjoy, explore and return to. Visitor information is provided via Council's two Visitor Information Centres and via media.	949 (344) 604
Apollo Bay Harbour	This service manages and maintains the Apollo Bay Harbour for the enjoyment of the community.	1,060 (1,060) 0
Colac Livestock Selling Centre	This service provides a vital link in our rural infrastructure by providing a marketplace for buying and selling livestock.	376 (417) (41)
Statutory Planning	This service fulfils Council's statutory obligations in being the responsible authority for the management and regulation of land use and development, with the aim of achieving sustainable outcomes in the interests of current and future generations.	1,649 (308) 1,341
Strategic Planning	This service ensures that land use planning is undertaken to meet the sustainable long term needs of current and future generations.	281 0 281

Major Initiatives

Major Initiatives
Commencement of the City Deal Project
Implement Coastal Tourism Parking, Traffic and Interim Toilet Project
Commence Colac Civic and Rail Precinct Master Plan

Service Performance Outcome Indicators

LGPRF Service Performance Outcome Indicators
The following indicators outlines how we intend to measure achievement of service objectives.

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

2.2 Strategic Theme 2: Our Places

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

Services

Service area	Description of services provided	Expenditure (Revenue)
Sustainable Asset Management	This service provides for sustainable planning, development and use of Council's assets with the aim to maximise community utility in the present and for future generations.	0 0
Emergency Management	This service provides for Council's preparedness to support agencies and the community in the event of an emergency.	213 (15) 198
Environment	This service provides for management of our natural environment to the betterment and enjoyment of all members of our community.	627 0 627
Fire Prevention	This service promotes community safety by aiming to eliminate potential fire risks within our community.	0 0 0
Infrastructure Services	This service provides for the physical assets required by the community to maintain a happy, healthy and sustainable lifestyle.	6,260 (773) 5,487
Parks, Gardens and Reserves	This service provides for the maintenance of open space for the enjoyment of all community members.	2,188 0 2,188
Street Lighting	This service actively promotes community safety by providing a clear and safe environment in our towns after dark.	0 0 0
Waste Management	This service provides for the efficient and effective control of waste products produced by our community. It includes the provision of waste collection services as well as for disposal to landfill.	4,272 (3,368) 904

Major Initiatives

Major Initiatives
Complete the Reticulated Drainage project in Wye/Seperation Creek

Service Performance Outcome Indicators

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

2.3 Strategic Theme 3: Our Community

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

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Arts & Culture	This service is responsible for the management and provision of arts and cultural services to the community. This service is responsible for the running of the Colac Otway Performing Arts & Cultural Centre.	1,203 (566) 637
Recreation	This service provides for active community involvement and the promotion of healthy lifestyles by providing for suitable sporting and recreational facilities.	234 0 234
Bluewater Leisure Centre	This service actively promotes a healthy lifestyle for our community by directly providing swimming and gymnasium facilities.	2,150 (1,332) 818
Local Laws	This service provides for community safety and health by providing for a framework for behaviours which affect our community well-being.	965 (531) 434
Public Health	This service promotes a healthy and safe lifestyle by actively promoting and policing public health issues.	581 (217) 364
Older Persons & Disability Services	This service provides support to older and disabled members of our community in order to sustain quality of life for all our residents.	3,446 (3,089) 357
Children and Family Services	This service provides support to our children, families and youth to encourage and nurture their growth and development.	965 (782) 183
Library Service	The library service provides resources and oversight to the Corangamite Regional Library Corporation for the provision of information, education, recreation and enrichment for the community.	778 (62) 716

Service Performance Outcome Indicators

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

2.4 Strategic Theme 4: Our Leadership & Management

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

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Councillors and Chief Executive Office	This area of governance includes the Mayor, Councillors, Chief Executive Officer, Business Improvement Officer and Public Relations Team and associated support which cannot be easily attributed to the direct service provision areas.	1,675 0 1,675
Finance, Property and Rates	This service has the responsibility to generate revenue for Council via rate, levies and charges and to provide sustainable and accountable financial management of Council's resources.	1,765 (3,762) (1,997)
Customer Service	This service has the responsibility to provide the first point of contact between Council and the public through Council's Customer Service Centres. The service provides overall corporate customer service to the wider community and assists all areas of Council with the provision of corporate responsibility.	478 0 478
Corporate Services Management	This service has the responsibility to maintain strong governance and administrative systems and to ensure that these systems are responsive, accountable and transparent to internal users and community needs.	510 (22) 488
Contract Management Service	This service provides oversight and governance on contractual and procurement services undertaken by Council.	307 0 307
Information Services	This service provides management and governance of information flows, storage and retrieval within the organisation in accordance with appropriate legislation and standards.	3,053 0 3,053
People, Performance & Culture	This service provides and develops a culture of high performance, productivity and accountability across the organisation.	885 0 885
Risk Management Services	This service has the responsibility to identify, record and manage all business risk associated with Council's activities. This service manages Council's insurance portfolio.	693 0 693

Major Initiatives

Major Initiatives
Complete Long Term Financial Plan
Implementation of the Information Communications and Technology (ICT) Strategy
Participate in the Local Government Transformation Program (part of G21)

Service Performance Outcome Indicators

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

2.5 Reconciliation with budgeted operating result

	Net Cost		
	Total \$'000	Expenditure \$'000	(Revenue) \$'000
Our Prosperity	4,271	6,589	(2,318)
Our Places	9,404	13,559	(4,155)
Our Community	3,744	10,322	(6,578)
Our Leadership & Management	5,583	9,367	(3,784)
Total services and initiatives	23,001	39,837	(16,836)
Depreciation & Finance Costs	10,600		
Deficit before funding sources	33,601		
Funding sources:			
Rates & charges (excluding Waste)	(31,577)		
Capital grants	(3,340)		
Total funding sources	(34,917)		
(Surplus)/Deficit for the year	(1,315)		

3. Financial statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2019/20 has been supplemented with projections to 2022/23 extracted from the Strategic Resource Plan.

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

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

Pending Accounting Standards

The 2019-20 budget has been prepared based on the accounting standards applicable at the date of preparation. This means that pending accounting standards that will be in effect from the 2019-20 financial year have not been considered in the development of the budget.

Standards that are likely to impact on the 2019-20 financial statements, not considered in the preparation of the budget include:

- AASB 16 Leases
- AASB 15 Revenue from Contracts with Customers, and
- AASB 1058 Income of Not for Profit Entities.

While it is not possible to determine the precise impact of these standards at this time, the broad impact on Council is estimated to be as follows:

- AASB 16 Leases – Introduces a single lessee accounting model whereby the Council will be required to recognise a right of use asset and associated liability for leases longer than 12 months, except those considered to be of low value.
- AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not for Profit Entities – Change the way that Councils recognise income and also address matters such as grant funding, contribution of assets and volunteer services. A key change is replacement for some transactions of the criteria of control as a determinant of the timing of income recognition, with the criteria of satisfying performance obligations in an enforceable agreement. These new standards have the potential to impact the timing of how the Council recognises income.

3.1 Comprehensive Income Statement

For the four years ending 30 June 2023

	Notes	Forecast	Budget	Strategic Resource Plan Projections		
		2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Income						
Rates and charges	4.1.1	30,600	31,577	32,413	33,272	34,154
Statutory fees and charges	4.1.2	901	816	838	859	882
User fees and charges	4.1.3	4,768	5,268	5,405	5,546	5,690
Grants - Operating	4.1.4	7,448	10,022	10,273	10,530	10,793
Grants - Capital	4.1.4	2,764	3,340	3,424	3,509	3,597
Contributions - monetary	4.1.5	109	132	135	138	142
Contributions - non-monetary	4.1.5	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		147	147	147	147	147
Fair value adjustments for investment property		-	-	-	-	-
Share of net profits/(losses) of associates and joint ventures		35	35	35	35	35
Other income	4.1.6	534	416	401	386	372
Total income		47,306	51,752	53,070	54,422	55,811
Expenses						
Employee costs	4.1.7	19,336	20,106	20,488	20,878	21,274
Materials and services	4.1.8	17,991	18,431	18,984	19,553	20,140
Bad and doubtful debts		5	2	2	2	2
Depreciation and amortisation	4.1.9	10,350	10,600	10,812	11,028	11,249
Borrowing costs		181	112	53	39	32
Other expenses	4.1.10	1,422	1,186	1,222	1,258	1,296
Total expenses		49,285	50,437	51,561	52,759	53,993
Surplus/(deficit) for the year		(1,979)	1,315	1,509	1,664	1,818
Other comprehensive income						
Items that will not be reclassified to surplus/(deficit) in future periods						
Net asset revaluation increment/(decrement)		-	-	-	-	-
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods						
Total comprehensive result		(1,979)	1,315	1,509	1,664	1,818

3.2 Balance Sheet

For the four years ending 30 June 2023

	Notes	Forecast	Budget	Strategic Resource Plan Projections		
		2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Assets						
Current assets						
Cash and cash equivalents		12,217	9,320	7,522	6,453	4,968
Trade and other receivables		3,885	3,336	3,715	3,810	3,907
Inventories		169	201	206	211	216
Other assets		0	228	234	240	245
Total current assets		<u>16,270</u>	<u>13,084</u>	<u>11,677</u>	<u>10,713</u>	<u>9,337</u>
Non-current assets						
Trade and other receivables		-	-	-	-	-
Investments in associates and joint ventures		346	390	425	460	495
Property, infrastructure, plant & equipment		291,503	295,741	298,464	301,304	304,268
Intangible assets		75	-	-	-	-
Total non-current assets		<u>291,924</u>	<u>296,131</u>	<u>298,889</u>	<u>301,764</u>	<u>304,762</u>
Total assets		<u>308,194</u>	<u>309,215</u>	<u>310,565</u>	<u>312,477</u>	<u>314,100</u>
Liabilities						
Current liabilities						
Trade and other payables	4.2.1	2,245	2,455	2,301	2,359	2,418
Trust funds and deposits		468	512	468	468	468
Provisions		4,310	4,870	4,992	5,117	5,245
Interest-bearing loans and borrowings	4.2.2	1,697	286	142	596	0
Total current liabilities		<u>8,720</u>	<u>8,124</u>	<u>7,904</u>	<u>8,539</u>	<u>8,131</u>
Non-current liabilities						
Provisions		7,542	8,130	8,334	8,542	8,756
Interest-bearing loans and borrowings	4.2.2	1,024	738	596	0	-
Total non-current liabilities		<u>8,566</u>	<u>8,868</u>	<u>8,929</u>	<u>8,542</u>	<u>8,756</u>
Total liabilities		<u>17,286</u>	<u>16,992</u>	<u>16,833</u>	<u>17,081</u>	<u>16,886</u>
Net assets		<u>290,908</u>	<u>292,223</u>	<u>293,732</u>	<u>295,396</u>	<u>297,214</u>
Equity						
Accumulated surplus		121,633	124,404	127,405	130,598	133,983
Reserves	4.3	169,274	167,819	166,327	164,798	163,230
Total equity		<u>290,908</u>	<u>292,223</u>	<u>293,732</u>	<u>295,396</u>	<u>297,214</u>

3.3 Statement of Changes in equity

For the four years ending 30 June 2023

	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserve \$ '000	Other Reserves \$ '000
2018/19 Forecast				
Balance at beginning of the financial year	292,887	116,159	155,097	21,631
Surplus/(deficit) for the year	(1,979)	(1,979)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	0	-	0
Transfer from other reserves	-	7,454	-	(7,454)
Balance at end of the financial year	290,908	121,634	155,097	14,177
2019/20 Budget				
Balance at beginning of the financial year	290,908	121,634	155,097	14,177
Surplus/(deficit) for the year	1,315	1,315	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	3,782	-	(3,782)
Transfer from other reserves	-	(2,326)	-	2,326
Balance at end of the financial year	292,223	124,404	155,097	12,722
2020/21 Strategic Resource Plan				
Balance at beginning of the financial year	292,223	124,404	155,097	12,722
Surplus/(deficit) for the year	1,509	1,509	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	3,876	-	(3,876)
Transfer from other reserves	-	(2,385)	-	2,385
Balance at end of the financial year	293,732	127,405	155,097	11,230
2021/22 Strategic Resource Plan				
Balance at beginning of the financial year	293,732	127,405	155,097	11,230
Surplus/(deficit) for the year	1,664	1,664	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	3,973	-	(3,973)
Transfer from other reserves	-	(2,444)	-	2,444
Balance at end of the financial year	295,396	130,598	155,097	9,701
2022/23 Strategic Resource Plan				
Balance at beginning of the financial year	295,396	130,598	155,097	9,701
Surplus/(deficit) for the year	1,818	1,818	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	4,073	-	(4,073)
Transfer from other reserves	-	(2,505)	-	2,505
Balance at end of the financial year	297,214	133,983	155,097	8,133

3.4 Statement of Cash Flows

For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan		
	2018/19	2019/20	Projections		
Notes	\$'000	\$'000	2020/21	2021/22	2022/23
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	29,929	31,664	32,370	33,258	34,139
Statutory fees and fines	796	816	838	859	882
User fees	4,654	5,268	5,405	5,546	5,690
Grants - capital	930	10,269	10,102	10,487	10,749
Grants - operating	6,196	3,587	3,253	3,466	3,553
Contributions - monetary	57	132	135	138	142
Trust funds and deposits taken	0	44	0	0	0
Other receipts	593	416	401	386	372
Employee costs	(19,394)	(18,958)	(20,163)	(20,544)	(20,933)
Materials and services	(16,761)	(18,223)	(19,140)	(19,498)	(20,083)
Trust funds and deposits repaid	(203)	0	(44)	-	-
Other payments	(2,017)	(1,186)	(1,222)	(1,258)	(1,296)
Net cash provided by/(used in) operating activities	4.4.1	4,781	11,935	12,840	13,215
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(15,736)	(15,409)	(13,908)	(14,268)	(14,638)
Proceeds from sale of property, infrastructure, plant and equipment	490	490	515	540	567
Net cash provided by/ (used in) investing activities	4.4.2	(15,246)	(13,393)	(13,728)	(14,071)
Cash flows from financing activities					
Finance costs	(181)	(112)	(53)	(39)	(32)
Repayment of borrowings	(649)	(1,697)	(286)	(142)	(596)
Net cash provided by/(used in) financing activities	4.4.3	(830)	(339)	(182)	(628)
Net increase/(decrease) in cash & cash equivalents	(11,295)	(2,897)	(1,798)	(1,069)	(1,484)
Cash and cash equivalents at the beginning of the financial year	23,512	12,217	9,320	7,522	6,453
Cash and cash equivalents at the end of the financial year		9,320	7,522	6,453	4,968

3.5 Statement of Capital Works

For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections		
	2018/19	2019/20	2020/21	2021/22	2022/23
Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Property					
Land	-	-	-	-	-
Buildings	1,009	726	1,735	1,778	1,823
Total land & Buildings	1,009	726	1,735	1,778	1,823
Total property	4.5.2 1,009	726	1,735	1,778	1,823
Plant and equipment					
Plant, machinery and equipment	1,865	2,170	1,646	1,687	1,729
Fixtures, fittings and furniture	366	840	628	643	660
Computers and telecommunications	701	140	254	260	267
Total plant and equipment	4.5.2 2,932	3,150	2,527	2,591	2,655
Infrastructure					
Roads	7,846	5,942	6,987	7,162	7,341
Bridges	690	715	590	605	620
Footpaths and cycleways	647	383	554	568	582
Drainage	703	450	530	543	557
Other infrastructure	1,244	1,695	464	475	487
Total infrastructure	4.5.2 11,130	9,185	9,125	9,353	9,587
Total capital works expenditure	15,071	13,061	13,388	13,722	14,065
Represented by:					
New asset expenditure	1,041	1,645	1,686	1,728	1,771
Asset renewal expenditure	11,580	10,776	11,045	11,322	11,605
Asset upgrade expenditure	2,450	640	656	672	689
Total capital works expenditure	15,071	13,061	13,388	13,722	14,065
Funding Sources represented by:					
Grants	2,764	2,790	3,424	3,509	3,597
Contributions	-	86	-	-	-
Council Cash	12,307	10,185	9,964	10,213	10,468
Borrowings	-	-	-	-	-
Total capital works expenditure	15,071	13,061	13,388	13,722	14,065

3.6 Statement of Human Resources

For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections		
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Staff expenditure					
Employee costs - operating	19,336	20,106	20,488	20,878	21,274
Employee costs - capital	700	700	700	700	700
Total staff expenditure	20,036	20,806	21,188	21,578	21,974
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Employees	223.1	231.2	228.7	226.7	224.7
Total staff numbers *	223.1	231.2	228.7	226.7	224.7

* Note that there is a reduction of staff levels in the SRP period to account for short term contracted positions. These positions are generally fixed term and related to project works. The 2020/21, 2021/22 and 2022/23 financial years also include a further reduction of 1 FTE per year. These reductions will result from improved systems and efficiencies and will be achieved by way of natural attrition. These plans do not include situations where Council receives additional government funding for programs or where Council undertakes short term resourcing of specific areas.

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

Department	Budget	Permanent		Casual	Temporary
	2019/20 \$'000	Full Time \$'000	Part Time \$'000	\$'000	\$'000
Chief Executive Office	946	847	60	39	-
Corporate Services	3,938	3,010	638	62	227
Development and Community Services	7,619	3,898	3,538	109	73
Infrastructure and Leisure Services	7,604	6,543	680	381	-
Disaster Recovery	-	-	-	-	-
Total staff expenditure	20,106	14,298	4,917	590	300

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

Department	Budget	Permanent		Casual	Temporary
	FTE	Full Time	Part Time		
Chief Executive Office	8.0	7.0	0.5	0.5	-
Corporate Services	40.1	31.0	6.6	-	2.5
Development and Community Services	80.2	41.0	37.4	0.8	1.0
Infrastructure and Leisure Services	102.9	88.5	9.2	5.2	-
Disaster Recovery	-	-	-	-	-
Total Staff	231.2	167.5	53.7	6.5	3.5

4. Notes to the financial statements

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

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

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

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2019/20 the FGRS cap has been set at 2.50%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.00% which is within the rate cap.

This will raise total rates and charges for 2019/20 as shown below.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	2018/19 Budget \$'000	2019/20 Budget \$'000	Change	
			\$'000	%
General rates*	24,387	25,277	890	3.7%
Municipal charge*	2,710	2,789	79	2.9%
Waste management charge	3,127	3,172	45	1.4%
Special rates and charges	21	22	1	6.5%
Revenue in lieu of rates	-	222	222	-
Interest on rates and charges	138	94	(44)	(31.9%)
Total rates and charges	30,383	31,577	1,194	3.9%

*These items are subject to the rate cap established under the FGRS

4.1.1(b) The rate in the dollar to be levied as general rates under Section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2018/19 Budget cents/\$CIV	2019/20 Budget cents/\$CIV	Change %
Commercial/Industrial - BOS	0.005980	0.005788	(3.2%)
Commercial/Industrial - Colac	0.007048	0.006821	(3.2%)
Holiday Rental	0.004271	0.004134	(3.2%)
Residential - BOS	0.003631	0.003514	(3.2%)
Residential - Colac	0.004271	0.004134	(3.2%)
Rural Farm	0.003204	0.003101	(3.2%)

NB* The above decrease is a direct result of this being a revaluation year with average valuations projected to increase by 5% across the shire. These rates in the dollar may be reduced once final valuations are received, to ensure the average rate increase remains at 2.00%.

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

Type or class of land	2018/19	2019/20	Change	
	Budget \$'000	Budget \$'000	\$'000	%
Commercial/Industrial - BOS	1,047	1,054	7	0.6%
Commercial/Industrial - Colac	2,165	2,209	44	2.1%
Holiday Rental	1,013	1,088	74	7.3%
Residential - BOS	7,729	7,895	166	2.1%
Residential - Colac	6,844	7,180	336	4.9%
Rural Farm	5,588	5,851	263	4.7%
Total amount to be raised by general rates	24,387	25,277	890	3.7%

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year.

Type or class of land	2018/19	2019/20	Change	
	Budget Number	Budget Number	Number	%
Commercial/Industrial - BOS	340	336	(4)	(1.2%)
Commercial/Industrial - Colac	649	652	3	0.5%
Holiday Rental	426	445	19	4.5%
Residential - BOS	5,378	5,342	(36)	(0.7%)
Residential - Colac	5,667	5,734	67	1.2%
Rural Farm	2,809	2,886	77	2.7%
Total number of assessments	15,269	15,395	126	0.8%

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

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2018/19	2019/20	Change	
	Budget \$'000	Budget \$'000	\$'000	%
Commercial/Industrial - BOS	175,117	182,062	6,945	4.0%
Commercial/Industrial - Colac	307,143	323,860	16,717	5.4%
Holiday Rental	237,266	263,115	25,849	10.9%
Residential - BOS	2,128,657	2,246,679	118,022	5.5%
Residential - Colac	1,602,346	1,719,931	117,585	7.3%
Rural Farm	1,744,423	1,887,161	142,738	8.2%
Total value of land	6,194,952	6,622,808	427,856	6.9%

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

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

Type of Charge	Per Rateable Property Budget 2018/19	Per Rateable Property Budget 2019/20	Change	
	\$	\$	\$	%
Municipal Charge	188.35	192.00	4	1.9%

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

Type of Charge	2018/19	2019/20	Change	
	Budget \$'000	Budget \$'000	\$'000	%
Municipal Charge	2,710	2,789	79	2.9%

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

Type of Charge	Per Rateable Property Budget 2018/19	Per Rateable Property Budget 2019/20	Change	
	\$	\$	\$	%
Weekly Kerbside collection	315	315	0	0.0%
Fortnightly Kerbside collection	215	215	0	0.0%

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

Type of Charge	2018/19	2019/20	Change	
	Budget \$'000	Budget \$'000	\$'000	%
Kerbside collection	3,127	3,172	45	1.4%

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

Type of Charge	2018/19	2019/20	Change	
	Budget \$'000	Budget \$'000	\$'000	%
General rates	24,387	25,277	890	3.7%
Municipal charge	2,710	2,789	79	2.9%
Kerbside collection and recycling	3,127	3,172	45	1.4%
Tirringower Drainage Scheme	21	22	1	6.5%
Rates and charges	30,245	31,261	1,016	3.4%

NB The above increase is a direct result of this (a) being a revaluation year, (b) growth in properties per section 4.1.1(d) and the 2.00% average rate increase per the rate capping calculation.*

4.1.1(l) Fair go rates Compliance.

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

Type of Charge	2018/19	2019/20
	Budget \$'000	Budget \$'000
Total Rates	\$27,096	\$27,996
Number of rateable properties	15,269	15,395
Base average rate	\$1,775	\$1,783
Maximum rate increase (set by the State Government)	2.25%	2.50%
Capped Average Rate	\$1,815	\$1,827
Maximum General Rates and Municipal Charges Revenue	\$27,163	\$28,133
Budgeted General Rates and Municipal Charges Revenue	\$27,096	\$27,996
Budgeted Supplementary Rates	\$0	\$70
Budgeted Total Rates and Municipal Charges Revenue	\$27,096	\$28,066

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges

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

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

4.1.1(n) Differential rates

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

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

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

General Rates Charges

Please note, the following categories and differentials are subject to finalisation of the Rating Strategy 2019 to 2021.

Residential Land – Colac

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

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

Residential Land – Balance of Shire

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

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

Rural Farm Land

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

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

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

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

Holiday Rental Land

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

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

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

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

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

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

- a) Rural Farm Land;
- b) Residential Land – Colac, Colac East, Colac West or Elliminyt; or
- c) Holiday Rental Land;

And;

- d) Is used primarily for:
 - a. The sale of goods or services;
 - b. Other commercial purposes; or
 - c. Industrial purposes or which is vacant but zoned for commercial or industrial use.

Commercial/Industrial Land - Balance of Shire

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

- a) Rural Farm Land;
- b) Residential Land – Balance of Shire; or
- c) Holiday Rental Land;

And;

- d) Is used primarily for:
 - a. The sale of goods or services;
 - b. Other commercial purposes; or
 - c. Industrial purposes or which is vacant but zoned for commercial or industrial use.

Other Charges

Municipal Charge

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

The Municipal Charge to be as stated in item 4.1.1(f) per annum for each rateable property in respect of which a municipal charge can be levied.

Annual Service (Waste Management) Charges

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

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

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

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

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

Tirregower Special (Drainage) Scheme

The special charge for the Tirregower drainage works previously declared by Council to be fixed at \$2.50 per hectare for the period 1 July 2019 to 30 June 2020.

4.1.2 Statutory fees and fines

	2018/19	2019/20	Change	
	Forecast \$'000	Budget \$'000	\$'000	%
Statutory Planning Operations	304	304	0	0.0%
Public Health Operations	190	185	(5)	(2.8%)
Building Services Operations	182	159	(23)	(12.6%)
Local Laws Operations	198	137	(61)	(30.8%)
Emergency Management Operations	18	5	(14)	(75.0%)
Strategic Planning Operations	3	0	(3)	(100.0%)
Total Statutory fees and fines	901	816	(85)	(9.4%)

The 2019/20 budgeted figures are consistent with the Original Budget for 2018/19. Statutory Fees have decreased within Local Law Operations, as some of these fees are now correctly recognised as User Fees, which is reflected in the User Fee favourable change.

4.1.3 User fees

	2018/19	2019/20	Change	
	Forecast \$'000	Budget \$'000	\$'000	%
Aged Care Management Administration	1,293	1,845	552	42.7%
Bluewater Fitness Centre Operations	1,264	1,307	43	3.4%
COPACC Management Operations	458	448	(11)	(2.3%)
Colac Livestock Selling Centre Operations	566	417	(149)	(26.3%)
Local Laws Operations	243	339	97	39.8%
Great Ocean Road VIC Operations	323	305	(19)	(5.8%)
Apollo Bay Harbour Admin	120	155	35	29.4%
Transfer Station Operations	183	108	(75)	(40.8%)
Strategic Asset & Property Services Operations	82	91	9	11.0%
Family & Children's Services Operations	75	75	0	-
Waste Management Administration	21	69	49	236.6%
Colac Visitor Information Centre Operations	46	40	(6)	(13.2%)
Building Services Operations	0	25	25	-
Infrastructure Customer Services	0	22	22	-
Emergency Management Operations	0	10	10	-
Public Health Operations	8	9	1	11.8%
Statutory Planning Operations	5	4	(1)	(20.8%)
Economic Development Operations	3	2	(1)	(35.5%)
Financial Control Operations	61	0	(61)	(100.0%)
Capital Works Management	18	0	(18)	(100.0%)
IT Services Operations	2	0	(2)	(100.0%)
VicRoads Operations	1	0	(1)	(100.0%)
Total User fees	4,768	5,268	500	10.5%

In the Aged services area there is an increase of budgeted fees due to increased numbers using the Home Care Services that council provides to the community. There is a budgeted decrease in the income for the Livestock Selling Centre due to the decline in throughput. Budgeted User Fees have increased within Local Law Operations due to some of these fees being correctly recognised as User Fees, rather than Statutory Fees, which is reflected in the Statutory Fees unfavourable change.

4.1.4 Grants

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

	2018/19 Forecast \$'000	2019/20 Budget \$'000	Change	
			\$'000	%
a) Operating Grants				
Recurrent - Commonwealth Government				
Victorian Grants Commission	3,324	6,880	3,557	107.0%
Family & Children's Services Operations	371	371	0	-
Aged Care Management Administration	40	66	26	65.5%
Diesel Fuel Rebate	38	66	28	73.7%
Public Health Operations	2	2	0	-
Plant Operations	50	-	(50)	(100.0%)
Recurrent - State Government				
Aged Care Management Administration	1,086	952	(134)	(12.3%)
Apollo Bay Harbour Admin	913	905	(8)	(0.8%)
Maternal & Infant Health Operations	270	337	67	24.9%
Regional Assessment Service Operations	234	226	(8)	(3.4%)
COPACC Management Operations	95	95	-	-
School Crossing Supervision Operations	77	55	(22)	(28.6%)
Property & Rates Operations	-	46	46	-
Public Health Operations	5	21	16	336.4%
Other	339	-	(339)	(100.0%)
Strategic Asset & Property Services Operations	110	-	(110)	(100.0%)
Strategic Planning Operations	100	-	(100)	(100.0%)
Health & Community Service Management Operations	79	-	(79)	(100.0%)
Environmental and Community Safety Operations	50	-	(50)	(100.0%)
Economic Development Operations	25	-	(25)	(100.0%)
Bluewater Fitness Centre Operations	19	-	(19)	(100.0%)
Arts & Leisure Management	1	-	(1)	(100.0%)
Total recurrent grants	7,226	10,022	2,797	38.7%
Non-recurrent - State Government				
Disaster Recovery	97	-	(97)	(100.0%)
Environmental and Community Safety Operations	60	-	(60)	(100.0%)
Strategic Planning Operations	50	-	(50)	(100.0%)
Health & Community Service Management Operations	15	-	(15)	(100.0%)
Total non-recurrent grants	222	-	(222)	(100.0%)
Total operating grants	7,448	10,022	2,575	34.6%
b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to Recovery	2,209	1,490	(719)	(32.5%)
Total recurrent grants	2,209	1,490	(719)	(32.5%)
Non-recurrent - Commonwealth Government				
Recreation, Leisure and Community Facilities	446	725	279	62.6%
Non-recurrent - State Government				
Recreation, Leisure and Community Facilities	-	1,125	1,125	-
Buildings	109	-	(109)	(100.0%)
Total non-recurrent grants	555	1,850	1,295	233.4%
Total capital grants	2,764	3,340	576	20.9%

The budgeted increase in Operating Grants predominantly relates to the expectation that Federal Assistant Grant funding will increase, with 50% received in advance. Capital Grants are also expected to increase due to anticipated funding for Western Reserve Lighting Lighting, Central Reserve Lighting and Netball Court Redevelopment, and the Memorial Square Playspace. The 2019/20 Roads to Recovery Grant is significantly less than the 2018/19 Forecast due to the Forecast figure including funding carried-forward from previous years.

4.1.5 Contributions

	2018/19	2019/20	Change	
	Forecast	Budget	\$'000	%
Monetary	109	132	22	20.3%
Total Contributions	109	132	22	20.3%

The budgeted monetary contributions have increased due to expected contributions for community projects like the Western Reserve Lights.

4.1.6 Other income

	2018/19	2019/20	Change	
	Forecast	Budget	\$'000	%
Interest	230	200	(30)	(13.0%)
Other income	104	137	33	31.9%
Rates Legal Costs Recovered	40	40	0	-
Reimbursements	159	39	(121)	(75.7%)
Scheme Interest Received	1	0	(1)	(100.0%)
Total Other Income	534	416	(119)	(22.2%)

The reduction in Other Income is predominantly related to land valuations becoming centralised under Valuer-General Victoria (VGV), with a new annual cycle of valuations for land tax, the Fire Services Property Levy and council rates setting purposes. The State Revenue Office will no longer be providing income to Council to complete land valuations. The reduction in Other income also relates to interest the council receives from investments, due to the council not holding as much cash as in previous years.

4.1.7 Employee costs

	2018/19	2019/20	Change	
	Forecast	Budget	\$'000	%
Wages & Salaries	14,429	14,895	467	3.2%
Employee Leave	1,581	1,910	329	20.8%
Superannuation	1,568	1,589	22	1.4%
Casual Staff	797	590	(207)	(26.0%)
Sick Leave	386	540	155	40.1%
Other Employee Benefits	218	181	(37)	(17.0%)
Fringe Benefits Tax	203	200	(3)	(1.6%)
WorkCover	155	201	45	29.3%
Total Employee Costs	19,336	20,106	770	4.0%

There has been a budgeted increase in Employee Costs due to the anticipated Enterprise Bargaining Agreement increase and the inclusion of additional FTE, which is reflected in the Statement of Human Resources. The additional budgeted FTE is predominantly comprised of short-term positions introduced to address projects and work demands, fully funded positions and new apprentices.

4.1.8 Materials and services

	2018/19	2019/20	Change	
	Forecast	Budget	\$'000	%
	\$'000	\$'000	\$'000	%
Contractors	9,935	9,330	(605)	(6.1%)
Materials	2,772	2,998	226	8.2%
Subscriptions and memberships	1,153	1,793	640	55.5%
Utilities	1,023	1,076	53	5.2%
Plant and equipment maintenance	770	768	(3)	(0.3%)
Consultants	1,158	681	(478)	(41.2%)
Legal costs	268	487	219	81.5%
Agency staff	221	432	210	95.0%
Training costs	285	426	142	49.8%
Insurances	344	350	7	2.0%
Venue Hire	58	71	12	21.3%
Other expenditure	0	11	11	-
Merchant Fees	1	5	5	900.0%
Permits	4	4	-	-
Total Materials and Services	17,991	18,431	440	2.4%

This overall budgeted increase of Materials and Services is slightly above CPI, however inflation has historically increased above CPI within the local government sector. Waste Management expenditure is now included within Materials and Services, rather than Other Expenses, which is reflected in the Other Expenses favourable change.

4.1.9 Depreciation and amortisation

	2018/19	2019/20	Change	
	Forecast	Budget	\$'000	%
	\$'000	\$'000	\$'000	%
Buildings	1,296	1,327	31	2.4%
Plant and Equipment	2,197	2,250	53	2.4%
Infrastructure	6,857	7,023	166	2.4%
Total Depreciation and Amortisation	10,350	10,600	250	2.4%

4.1.10 Other Expenses

	2018/19	2019/20	Change	
	Forecast	Budget	\$'000	%
	\$'000	\$'000	\$'000	%
Grants and donations paid	627	546	(81)	(12.9%)
Elected Members Allowances	206	212	6	2.7%
Other costs	173	182	8	4.7%
Fire service levy	67	65	(2)	(3.4%)
Auditors' remuneration	45	43	(2)	(4.4%)
Elected Members Superannuation C Contrib	33	34	1	2.6%
Rates - Com. (Bal. of Shire) Written Off	29	29	(0)	(1.7%)
Animal registration levy	25	20	(5)	(20.0%)
Corporate Card Expenses	2	2	0	0.4%
Waste management	160	0	(160)	(100.0%)
Total Other Expenses	1,422	1,186	(236)	(16.6%)

This budgeted movement predominantly relates to Waste Management. Waste Management expenditure is now included within Materials and Services, reflected in the Materials and Services unfavourable change.

4.2 Balance Sheet

4.2.1 Liabilities

There has been a large increase in the landfill provision, and a decrease in the Interest Bearing Loans, reflecting the large repayment falling due in the 2019/20 financial year. \$1 million of this will be funded from the Bond Repayment Reserve.

4.2.2 Borrowings

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

	2018/19 Forecast \$'000	2019/20 Budget \$'000
Opening Borrowings	3,370	2,721
Redeemed Borrowings	(649)	(1,697)
Closing Borrowings	2,721	1,024

4.3 Statement of Changes in Equity

4.3.1 Reserves

Reserve Name	Contractual/ Discretionary/ Statutory	Reserve Description	2018/19 Forecast \$'000	2019/20 Budget \$'000
Asset Revaluation Reserve	Discretionary	Shown as the current and probable value of assets that have been revalued	155,097	155,097
Landfill Rehabilitation (Alvie)	Discretionary	Funds allocated by Council for future rehabilitation of Alvie Landfill site	923	980
Plant Renewal	Discretionary	Funds allocated from sale of plant and from operational usage of plant for plant renewal	1,706	833
Home Care Packages Reserve	Discretionary	Retained funds for future uses for home care clients	0	-
Colac Livestock Selling Centre	Discretionary	Funds set aside from the saleyards net surplus for future reinvestment into the Saleyards	118	0
Open Space Reserve	Statutory	Funds collected via developer contributions set aside by region for open space development	541	556
Port of Apollo Bay	Contractual	Unspent port funding required to be set aside under the management agreement with the State Government	0	0
Land Rehabilitation Reserve	Discretionary	Funds allocated by Council for future rehabilitation of Landfill sites (excluding Alvie)	789	932
Kerbside Bin Replacement	Discretionary	Surplus funds collected from waste charges and transfer station fees to cover future waste management requirements	2,122	2,222
Tirrengower Drainage Scheme	Contractual	Excess funds collected under the Tirrengower drainage scheme to be spent on Tirrengower drainage works in the future	11	11
Bond Repayment Reserve	Discretionary	Funds set aside for annual surplus to cover future bond repayments (Balloon payments)	1,004	4
Long Service Leave	Discretionary	Setting aside of funds to cover future Long Service Leave provision	2,832	2,832
Matching Grants Reserve	Discretionary	Funds set aside to match any unforeseen grant opportunities that arise post the setting of the budget	432	432
Contingent Liability Reserve	Discretionary	Funds set aside by Council to cover future liabilities contingent upon a future event/decision	500	500
Project Reserve	Discretionary	Funds set aside for Council projects as prioritised by Council	0	220
Prepaid Grants reserve	Discretionary	Setting aside funds from grants that have been paid in advance (i.e. VGC grants)	3,199	3,199
Disaster Recovery Reserve	Contractual	Net collected/spent disaster recovery funding relating to specific events	-	0
Total Equity Reserves			169,274	167,819

4.4 Statement of Cash Flows

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

There is an increase in cash provided by operating activities, predominantly due to the expectation of increased receipts from grants. A large component of this relates to the expectation that Federal Assistance Grant funding will increase, with 50% received in advance. Cash inflow from Rates and charges is also expected to increase. Interest received was included within 'Other receipts' in previous years, however this has been separated within the 2019/20 Budgeted figures.

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

Due to Capital Works carried-forward from previous years, the capital programme forecasted for 2018/19 is larger than the 2019/20 budgeted programme. This is highlighted by the budgeted decrease in 'Payments for property, infrastructure, plant and equipment.'

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

There is a significant increase in repayment of borrowings budgeted in 2019/20, which is reflected in the reduced outflow of finance costs.

4.5 Capital Works Program

This section presents a listing of the capital works projects that will be undertaken for the 2019/20 year, classified by expenditure type and funding source.

4.5.1 Summary

Capital Works Area	2018/19 Forecast	2019/20 Budget	Change	
	\$'000	\$'000	\$'000	%
4.5.1a Summary				
PROPERTY	1,009	726	(283)	(28.048%)
PLANT AND EQUIPMENT	2,932	3,150	218	7.435%
INFRASTRUCTURE	11,130	9,185	(1,945)	(17.474%)
TOTAL CAPITAL WORKS EXPENDITURE	15,071	13,061	(2,010)	(13.336%)

Capital Works Area	Project cost	Asset expenditure type			Summary of funding sources			
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Borrowing
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
4.5.1b Summary								
PROPERTY	726	0	726	-	-	-	726	-
PLANT AND EQUIPMENT	3,150	0	2,900	250	550	-	2,600	-
INFRASTRUCTURE	9,185	795	7,290	1,100	2,790	86	6,309	-
TOTAL CAPITAL WORKS EXPENDITURE	13,061	795	10,916	1,350	3,340	86	9,635	-

The 2019/20 budgeted Capital Works Program has increased from the 2018/19 Original Budget. The 2018/19 forecast figures include capital works carried-forward from previous years.

4.5.2 Current Budget

Capital Works Area	Project cost	Asset expenditure type			Summary of funding sources			
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Borrowing
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
4.5.2 Current Budget								
Property								
Land								
Buildings								
Building Renewal Programme	726	-	726	-	-	-	726	-
Total property	726	-	726	-	-	-	726	-
Plant and equipment								
Plant, machinery and equipment								
Heavy Plant Replacement Programme	1,540	-	1,540	-	-	-	1,540	-
Light Fleet Vehicles Replacement Programme	630	-	630	-	-	-	630	-
Furniture and Equipment								
Street Furniture Programme	240	-	240	-	-	-	0	240
Memorial Square Playspace	600	-	350	250	-	550	0	50
Computers and telecommunications								
Wide Area Network (WAN) Upgrade and Expansion	70	-	70	-	-	-	70	-
ICT Strategy Implementation	70	-	70	-	-	-	70	-
Total plant and equipment	3,150	-	2,900	250	550	-	2,600	-

Capital Works Area	Project cost	Asset expenditure type			Summary of funding sources			
		New	Renewal	Upgrade	Grants	Contrib.	Council cash	Borrowing
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
4.5.2 Current Budget (cont.)								
Infrastructure								
Roads								
Roadslip Programme	362	-	362	-	-	-	362	-
Kerb & Channel Renewal Programme	75	-	75	-	-	-	75	-
Local Roads Reseal & Major Patch Programme	1,738	-	1,738	-	-	-	1,738	-
Sealed Road Reconstruction Programme	2,017	-	2,017	-	1,490	-	527	-
Unsealed Road Re-Sheet Programme	1,400	-	1,400	-	-	-	1,400	-
Strategic Local Roads Renewal Programme	100	-	100	-	-	-	100	-
Bridges								
Bridge Rehabilitation Programme	715	-	715	-	-	-	715	-
Footpaths and cycleways								
Footpath Renewal Programme	383	-	383	-	-	-	383	-
Drainage								
Urban Drainage Renewal Programme	300	-	300	-	-	-	300	-
Forrest Caravan Park Waste Water Upgrade	150	-	150	-	-	-	150	-
Other infrastructure								
Open Space Renewal Programme	50	-	50	-	-	-	50	-
Western Reserve Lighting Lighting	795	795	-	-	500	86	209	-
Central Reserve Lighting and Netball Court Redevelopment	850	-	-	850	800	-	50	-
Coastal Tourism parking, Traffice and Interim Toliets	250	-	-	250	-	-	250	-
Total infrastructure	9,185	795	7,290	1,100	2,790	86	6,309	-
Total capital works expenditure	13,061	795	10,916	1,350	3,340	86	9,635	-

5. Financial performance indicators

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

Indicator	Measure	Notes	Actual 2017/18	Forecast 2018/19	Budget 2019/20	Strategic Resource Plan Projections			Trend +/-
						2020/21	2021/22	2022/23	
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	1.0%	-5.4%	-1.2%	2.1%	2.3%	2.5%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	254.7%	186.6%	161.1%	147.7%	125.5%	114.8%	+
Unrestricted cash	Unrestricted cash / current liabilities		9.4%	108.9%	77.6%	57.0%	39.6%	22.8%	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	11.4%	8.9%	3.2%	2.3%	1.8%	0.0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		2.8%	2.7%	5.7%	1.0%	0.5%	1.8%	+
Indebtedness	Non-current liabilities / own source revenue		30.3%	23.2%	23.2%	22.8%	21.2%	21.2%	+
Asset renewal	Asset renewal expenditure / depreciation	4	115.6%	111.9%	101.7%	102.2%	102.7%	103.2%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	58.5%	65.5%	63.4%	61.5%	61.6%	61.7%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$3,280	\$3,228	\$3,276	\$3,185	\$3,233	\$3,301	-
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,664	\$1,319	\$1,361	\$1,404	\$1,448	\$1,493	+

Key to Forecast Trend:

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

Notes to indicators

1. **Adjusted underlying result**

This indicator shows a minor increase over the SRP forecast period. There is a drop in the 2018/19 forecast due to only 50% of Federal Assistant Grant funding being budgeted for. The 2019/20 budget is below the LGPRF target, however adjusted underlying deficits are sustainable in the short term, providing other indicators remain healthy.

2. **Working Capital**

This indicator decreases over the SRP period due to the forecasted impacts of rate capping.

3. **Unrestricted Cash**

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

4. **Asset renewal**

This shows a consistent level of funds being spent on asset renewal in comparison to Depreciation. The renewal dollars spent for the SRP period is above the consumption of council's assets (as measured by Depreciation).

5. **Rates concentration**

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

ORDINARY COUNCIL MEETING
**COLAC LIBRARY ANNEXE
 CONSULTATION RESULTS**
 OM192404-4

LOCATION / ADDRESS	95 -97 Gellibrand Street, Colac	GENERAL MANAGER	Tony McGann
OFFICER	Paul Jane	DIVISION	Infrastructure & Leisure Services
TRIM FILE	F18/7487	CONFIDENTIAL	No
ATTACHMENTS	Nil		
PURPOSE	To brief Council on responses received regarding community consultation surrounding the future usage of the former Library Annexe and recommend future use of the building.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

With the construction of the Colac Community Library and Learning Centre (CCLLC) in 2010 the former Library building was converted into municipal officers with a portion of the building providing an Annexe to the newly created library co located at the Colac High School site. The Annexe closed in 2015 and has been largely vacant excluding its use by the Victorian Electoral Commission to conduct the 2016 Local Government Elections.

At the 27 February 2019 ordinary meeting of the Colac Otway Shire Council a resolution was passed seeking community input into the future of the Annexe space. Expressions of interest were opened for a period of six weeks and attracted twenty-one submissions representing nine groups. A review of the submissions was undertaken by Council officers to determine how best to achieve community ambitions and Council's strategic goals.

The proposed recommendation will ensure that six of the nine groups that applied have an opportunity to access the Library Annexe under a head tenancy arrangement. The head tenant shall have the responsibility for programming the space and ensuring community access in maintained.

3. RECOMMENDATION

That Council:

- 1. Thank the community for their submissions regarding the former Library Annexe.***
- 2. Grant a lease to Creative Otways Inc. for the provision of the Colac Makers Space inclusive of the following terms:***

<i>Term of Licence</i>	<i>(1) One Year</i>
<i>Option of further</i>	<i>(2) Two by (1) One Year</i>
<i>Rent</i>	<i>Aligned with Group 1 Tenant Groups, \$150 per annum</i>
<i>Maintenance</i>	<i>Align with Group 1</i>
<i>Insurance</i>	<i>Tenant Responsibility</i>
<i>Utilities</i>	<i>Tenant Responsibility</i>

Special Conditions

- i. That Creative Otways Inc. shall enable community access to the space for aligned community groups at a cost recovery rate. These groups would include, but not be limited to, the Colac Camera Club, Colac Wednesday Painters and Colac Community Art Mob.***
 - ii. That any profits derived from "commercial workshops" are re invested into Marker Space Activities; and***
 - iii. That an annual report on activities and patronage is provided as a requirement of the option execution.***
- 3. Authorise and direct the Chief Executive or delegate to complete all administrative processes necessary to execute the licence on behalf of Council.***
 - 4. Authorise the Chief Executive to execute all necessary documents in order to affect any transfer or assignment of the licence throughout the term of the licence.***

4. BACKGROUND / KEY INFORMATION

BACKGROUND

Following the construction of the Colac Community Library and Learning Centre (CCLLC) in 2010, the former library building in Gellibrand Street accommodated an Annexe of the Colac Library service until the service was discontinued in July 2016.

The discontinuation of the service was considered at the Colac Otway Shire December 2015 meeting, at which Council resolved to close annexe in accordance with the following resolution:

“That Council:

1. *Notes the 2015 Colac Library Annexe report.*
2. *Notes the receipt of 17 submissions, including one petition, during the public comment period open from the 2 October, 2015 to 13 November, 2015.*
3. *Discontinues the provision of the Library Annexe facility from 1 July 2016.*
4. *Undertakes the following:*
 - (a) *Recommended outlays prior to 30 June 2016:*
 - *Improved signage at the CCLLC*
 - *Contribution to furnishing a reading room at the CCLLC*
 - *Central Returns Chute and installation of ‘smart technology’ at Rae Street Offices*
 - *Bus Shelter and signage at Queen Street Stop*
 - *Placement of plaque on the exterior of the old library building.*
 - (b) *Actions from 1 July 2016 (no additional cost to Council):*
 - *Relocation of computers from the Annexe to the CCLLC*
 - *Relocation of the newspaper rack from the Annexe to COPACC*
 - (c) *Consideration for 2016/17 Budget process:*
 - *Wi-Fi at COPACC*
5. *Notes that any savings from the closure of the Library Annexe be captured as savings as part of the 2016-2017 Budget and that these savings will not be distributed in any predetermined way.*
6. *Writes to the Corangamite Regional Library Corporation, Colac Secondary College and the Joint Committee of the CCLLC advising them of Council’s decision to close the Colac Library Annexe from 1 July 2016 and the proposed actions with respect to enhancements.*
7. *Council will make a separate decision about the use of the Library Annexe space in response to a future Council report dealt with in an open Council meeting. This will be a collective decision of Councillors not Council Management. Until that occurs, the Chief Executive Officer is to ensure that the space currently occupied by the Library Annexe is not used as office accommodation for Council staff.”*

Following the December 2015 resolution, at its February 2016 meeting Council resolved to:

1. *“Support the use of the building space currently occupied by the Library Annexe as temporary office accommodation for the Victorian Electoral Commission specifically for the conduct of the 2016 Local Government Elections.*
2. *In agreeing to allow the Victorian Electoral Commission to temporarily use the Library Annexe space for conducting the 2016 Local Government election, Council notes that the Council Chief Executive officer must still comply with the requirement in resolution OM151612-2 to:*
 - a) *Bring a report to Council to be dealt with in open Council meeting regarding the future use of the Library Annexe space, and*
 - b) *Until that occurs, to ensure that the space currently occupied by the Library Annexe is not used as office accommodation for Council staff.”*

Post the Electoral Commission occupancy, Council considered the future use of the Annexe and resolved at its June 2017 meeting.

That Council:

- 1. Notes that there has been no public consultation in relation to the use of the former Library Annexe space at Gellibrand Street, Colac,*
- 2. Supports a process of consultation on how the space might be used in the best interest of the community,*
- 3. Requests officers to undertake a process of consultation to invite the public to comment on how the space might be used after first referring the issue to a Councillor briefing to discuss how the consultation might best be conducted,*
- 4. Sets, at a minimum, a period of six weeks during which the public may make comment,*
- 5. Requests that the final decision on how the space is to be used is to be made by Councillors at an open Council meeting held in Colac, and*
- 6. Reiterates earlier Council decisions that the space is not to be used to accommodate Council staff in the meantime.*

Subsequent to this resolution Council officers commenced a community consultation process to seek ideas and feedback from the community on how the former Library Annexe space could be used. Council officers developed an online survey that community members could complete which was promoted through Council's website, Facebook page and media releases. Council also held an Open Day of the former Library Annexe space on 7 September 2017, where community members could view the space to understand the size and space available with the site. This was also accompanied by a site plan with dimensions of the space, which was included on Council's website.

Council also allowed written submissions as part of the community consultation process. Five people completed and submitted written submissions via mail and email regarding the use of the space. The themes from those submissions were regarding an arts space, a great space for a restaurant, that the space was too small for Council meetings, inclusive educational program for disengaged young people. In addition to the written submissions a total of 33 people completed the online survey.

Council at its 23 May 2018 considered formally options for the future of the Library Annexe and resolved to:

- 1. That the Council continue with the refurbishment of the Library Annexe.*
- 2. That Council officers develop a policy for consideration by the Council, relating to the future of the Library Annexe and incorporating the following principles:*
 - a. Priority use of the Library Annexe be for community purposes free of charge.*
 - b. The Library Annexe may be used for Council purposes provided that such use is booked no more than one month in advance.*
 - c. That a booking system be maintained.*
 - d. That the Council retains the ability to rent the Library Annexe on a commercial basis, subject to (a) and (b) above.*
 - e. That Council may in the future consider the Library Annexe to be incorporated into an extension of COPACC.*

Council officers commenced planning for the redevelopment inclusive of items required to ensure that the facility was accessible out of hours as a standalone facility post the May 2018 resolution.

Council at its 27 February 2019 resolved as follows:

That Council:

1. Invite Creative Otways Inc. to a Council Briefing on 13 March 2019.
2. Officers report on progress to date, future actions and timelines to complete the refurbishment of the former Library Annexe on the 13 March 2019.
3. Seeks potential other user groups to use the facility, especially other arts groups.
4. Request that the Chief Executive bring back a report on this matter to Council no later than the April 2019 meeting.

KEY INFORMATION

Following the resolution of the 27 February 2019 Council sought expressions of interest from user groups to use the facility, especially other arts groups. The following table identifies those groups who have expressed in usage of the facility. Note that numerous responses were received from Creative Otways – Markers Space group. Of the 21 submissions 9 organisations were represented with Creative Otways – Markers Space group responsible for 13 submissions from individuals within that group (detailed submissions attached)

No	Group	Intended Usage	Comment
1	Colac Makers Auspiced by Creative Otways Inc.	The Makers Space working party under the Auspice of Creative Otways Inc.- will work with the council to develop the Library Annex into a Colac Community Art Space. What the Colac Community Art Space will offer: A community Art a drop-in centre including access to reading our arts library, Affordable workshops, that will cover a broad range of interests such as Digital art, glass making, textiles and encaustica as well as traditional arts practices Artists talks - featuring local and prominent Artists An exhibition wall Demonstrations. Members days- Artists can work on their own projects Storage for Art works in progress & materials. Special exhibitions. Networking opportunities for artists. Community Art Projects Providing space for other arts groups to book and use. Networking & supporting arts groups within our shire with promotion and support of their events and invitations to participate in its activities. It also aims to skill share between art groups. The Space will work to inspire and foster creativity as a positive and sustainable force that enriches our community and establishes the region as a premier arts destination.	The proposal is significantly aligned with the Creative Colac Otways Arts and Culture Strategy
2	Colac Wednesday Painters	Exhibit artwork.	Could co-exist under a head tenancy arrangement
3	Tasarts	I would participate in events run by The Makers Space (Creative Otways). I am a poet and writer who would utilise a studio space.	Could co-exist under a head tenancy arrangement
4	Homemade Succulent Creations	Seeking a permanent shop location	Commercial focus may be facilitated through retail tenancy

No	Group	Intended Usage	Comment
5	Colac Community Art Mob	Would like to utilise the space for periodic exhibition of art work completed by the group. Also to attend any artist workshops that may be offered in this space. To liaise with other local artist groups who share use of the space.	Could co-exist under a head tenancy arrangement
6	Colac Otway Residents Action Group Inc.	Use as a meeting space for group and special events	Other meeting locations available including COPACC, Library and sporting clubs.
7	Colac toy library	The Colac Toy Library is currently looking for a bigger venue than the small room at the Library. We currently offer sessions twice a week for the community to borrow toys. we would display the toys in the annexe and allow the community to come in play and borrow	Usage would prohibit other uses due to storage requirements
8	Colac Camera Club	We need a space to display photographic images and to do workshops on various aspects of photography. Our meetings involve; Competition nights, we set up portable display screens that we own, to display images the members have submitted for judging, whilst a visiting judge provides a critique and score for each image on display.	Could co-exist under a head tenancy arrangement
9	Wallknots Macrame Collective South West Colac Tafe Cert III student	For displaying and selling art.	Could co-exist under a head tenancy arrangement

In consideration of the submissions six of the nine groups that submitted an expression of interest could co-exist under a head tenancy arrangement that would ensure full utilisation of the former Library Annexe space with sub tenancy rights protected via special conditions contained within the lease.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

In line with Council's Community Engagement policy the expressions of interests were open for a six-week period and advertisements were placed in the Colac Herald and social media platforms.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The development of a Markers Space has a clear link to the Council Plan 2017-2021. The Council Plan *Theme 3: Our Community* envisions a socially connected and inclusive community. The goals are around increasing social connection opportunities and safety, connecting people through events and activities and providing opportunities for the community to participate in lifelong learning.

ENVIRONMENTAL IMPLICATIONS

None that are evident

SOCIAL & CULTURAL IMPLICATIONS

Arts and cultural initiatives can play a vital role in supporting community cohesion and generating community pride, as well as fostering economic development and tourist visitation. Strong cultural programs enhance the 'liveability' of towns and rural areas and help build a positive image of Colac Otway Shire in the eyes of residents and visitors alike.

Involvement in arts and culture has the power to change lives and improve wellbeing in our community. Whilst not everyone identifies as artists, most people in our shire participate in artistic endeavours in some way. Music, film, visual art, festivals/events and literature are an integral part of our lives. Communities that embrace diversity, creative expression and cultural activity are richer, stronger and more able to deal with social challenges. For those actively involved as participants, or engaged as audiences, the arts can offer an enriching experience that enhances individual quality of life and contributes to building a strong sense of community belonging and well-being. The Markers Space will fulfil a key role in the visual arts offerings for Colac Otway Shire.

ECONOMIC IMPLICATIONS

The Victorian arts and culture sector generates widespread economic benefits as well as other benefits, such as contributing to liveability, providing access to cultural experiences, and promoting innovation and creativity. A recent report prepared for Creative Geelong has articulated the economic impact of the Creative Industries in the G21 region and confirmed that the sector is of great significance to our regional economy.

LEGAL & RISK IMPLICATIONS

The process for considering and developing a new lease must be undertaken in accordance with the relevant sections of the *Local Government Act 1989* and the *Retail Leases Act 2003*.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

The lease consideration for Group 1 tenants in line with the Colac Otway Shires - Council Property Leasing Policy will levy significantly discounted rental in recognition of the groups status and capacity to generate revenue.

7. IMPLEMENTATION STRATEGY

DETAILS

Upon Council resolution a lease will be negotiated that is in line with Councils resolution of the issue and the necessary building works will be programmed to commence that respond to any needs expressed in the expression of interest process.

COMMUNICATION

All submitters to the expression of interest process who have provided contact details will be advised of Council's decision on the matter.

TIMELINE

It is expected that the proposed head tenant will be located within the Library Annexe within three months from the Council resolution. This will allow for the lease to be finalised and necessary building works to be achieved.

8. OFFICER DIRECT OR INDIRECT INTEREST

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

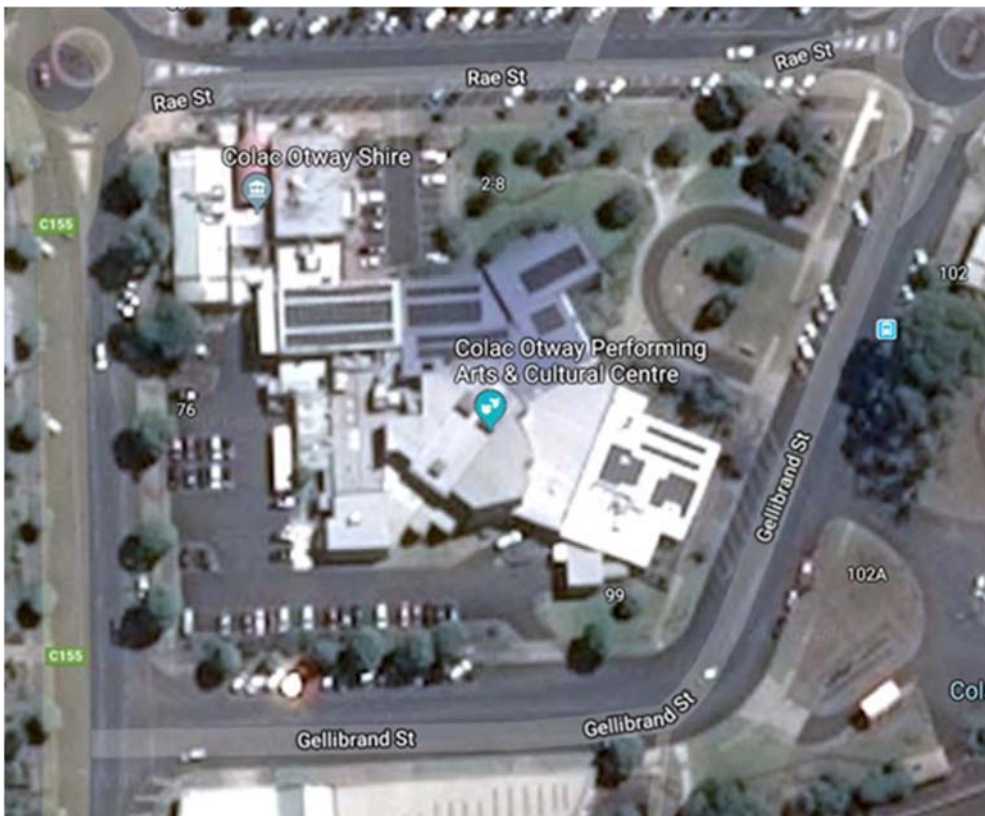
ORDINARY COUNCIL MEETING

COLAC OTWAY PERFORMING ARTS AND CULTURAL CENTRE CINEMA LEASE

OM192404-5

LOCATION / ADDRESS	95 -97 Gellibrand Street, Colac	GENERAL MANAGER	Tony McGann
OFFICER	Paul Jane	DIVISION	Infrastructure & Leisure Services
TRIM FILE	F18/7487	CONFIDENTIAL	No
ATTACHMENTS	Nil		
PURPOSE	To recommend that Council enter into a lease for Cinema services		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

The delivery of Cinema services has been outsourced at the Colac Otway Performing Arts & Cultural Centre (COPACC) since the centre's inception in 2000 with operators given exclusive access to cinema two, the candy bar areas and a shared arrangement for the use of the main auditorium and foyer areas allowing for cinema operations and live performance offerings to co-exist.

The Colac Otway Shire Council resolved at its meeting of December 2018 to enter into private treaty negotiations with Bonniemike Pty Ltd for a lease term of 5 years with an additional 5-year option following a Best and Final Offer (BAFO) process.

Following private treaty negotiations Bonniemike Pty Ltd have agreed in principle to the terms of a proposed lease with the key terms of the lease being advertised in accordance with sections 190 and 223 of the Local Government Act. This notice contained the lease term of 5 years with a 5-year option and the consideration of \$90,000 pa. which would be CPI adjusted annually from the commencement date.

No submissions were received during the public notice period.

3. RECOMMENDATION

That Council:

1. ***Grant a lease to Bonniemike Pty Ltd for the provision of cinema services at the Colac Performing Arts Centre inclusive of the following terms:***
 - a. ***Term of Lease*** (5) five Years
 - b. ***Option of further*** (5) five Years
 - c. ***Rent*** \$90,000 plus GST per annum
 - d. ***Rent review*** CPI each year
 - e. ***insurance*** Building is insured by Council
 - f. ***Outgoings*** Tenant to pay as detailed in lease.
 - g. ***Maintenance*** Building is maintained by Council. Lessee's equipment is maintained by Lessee.
3. ***Authorises the Chief Executive to execute the Lease on behalf of Council in accordance with the Local Government Act 1989 - section 190.***
4. ***Authorises the Chief Executive to execute the lease option subject to satisfactory performance.***

4. BACKGROUND / KEY INFORMATION

BACKGROUND

Since the development of COPACC in 2000, cinema services have been provided by a private operator through a lease agreement. The existing lease with Bonniemike Pty Ltd expired 30 November 2016 at which point an additional one-year lease was offered following an expression of interest process that saw a late withdrawal of a major competitor. The lease post the one-year extension has been placed in over hold allowing the service to continue whilst Council sought to enter into a new lease for the service.

After a best and final offer process was abandoned, Council resolved to enter into private treaty negotiations Bonniemike Pty Ltd to establish a new lease for the cinema operations. The parameters of the private treaty mirrored

those submitted under the BAFO and included a term of 5 years with a further option for 5 years with a financial consideration of \$90,000 pa CPI adjusted annually from the commencement date.

KEY INFORMATION

The Cinema lease includes the following key terms

- a. The days of operation, with a minimum requirement being at least 5 days per week during school terms and 7 days per week during school holiday periods. Bonniemike Pty Ltd have indicated that they intend to deliver a 7 day a week service and will monitor patronage.
- b. The term of the lease – 5 years commencing on or after 24 April 2019, with one option for a further term of 5 years.
- c. The tenant must pay the following outgoings:
 - a. 100% of all rates and taxes (other than water rates) for the area of the Premises (but excluding the area of the Auditorium);
 - b. 50% of all rates and taxes (other than water rates) for the area of the Auditorium;
 - c. 100% of all separately metered electricity for 'Cinema 2'.
- d. The tenant must provide a 'candy bar' service to customers of the cinema and Council's performing arts program.
- e. The tenant must provide all equipment necessary for operating the cinema, including all projection and sound equipment.
- f. Council will be entitled to exclusive possession and use of the Auditorium each year for a defined number of days.
- g. At a minimum, the tenant must keep the box office open from 11.00am to 8.00pm on the days of cinema operation.
- h. Annual consideration of \$90,000 CPI adjusted from commencement date.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

In accordance with sections 190 and 223 of the Local Government Act a public notice was posted in the Colac Herald calling for submissions. No submissions were received during the public notice period.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The provision of arts and cultural services including cinema is linked to the Council Plan 2017-2021. The Council Plan *Theme 3: Our Community* visions a socially connected and inclusive community. The goals are around increasing social connection opportunities and safety, connecting people through events and activities and providing opportunities for the community to participate in lifelong learning.

Under *Theme 3: Our Community*, the Council Plan specifically states that the Arts and Culture Strategy is one of a number of strategies that are “essential to the delivery of the Goals and Actions in *Our Community*”. The Draft *Creative Colac Otway – Arts and Culture Strategy 2018-2022* supports the ongoing provision of cinema at COPACC and recommends that the operational model be reviewed in the future.

ENVIRONMENTAL IMPLICATIONS

Not applicable to this report.

SOCIAL & CULTURAL IMPLICATIONS

The COPACC facility is a significant community asset that our community has a strong affinity with. Through COPACC’s season of performing arts, community productions, our visual arts exhibitions, meetings and cinema, COPACC is used extensively by our community.

Cinema continues to remain a favourite past time for many within our community and is important in terms of a populist activity with recent ABS data showing that going to the movies is still Australians' most popular cultural activity. Providing facilities such as a cinema in a regional area is seen as important from a liveability perspective.

Residents of Colac Otway Shire appreciate and value the role of arts and culture and this was reflected in the community consultation conducted for the development of the Council Plan 2017 - 2021. Whilst officers haven’t tested cinema demand specifically within the community in recent times, it is assumed that it still remains an important service for our local community.

ECONOMIC IMPLICATIONS

The provision of arts and cultural services and activities, including cinema, is increasingly an expectation of modern, contemporary places where people want to live and visit. It is recognised that although not everyone may be involved in cultural activities, people still expect and value the availability of these opportunities.

Arts and cultural services and activities provide direct and indirect benefits to local communities and economies through their impact on the social, cultural, environmental and economic sectors. The broader creative sector plays an essential role in creating resilient and growing local economies.

Arts and culture contribute to:

- Enhancing the “liveability” of a region to attract and retain people to work, live and invest.
- Developing a sense of place and social connection for residents.
- New experiences that resonate in their interpretations of local history and stories.

LEGAL & RISK IMPLICATIONS

The process for considering and developing a new lease must be undertaken in accordance with the relevant sections of the *Local Government Act 1989* and the *Retail Leases Act 2003*. Council should also ensure its decisions regarding the COPACC lease are in line with the *State Government’s Best Practice Guidelines for the Sale, Exchange and Transfer of Land 2009*.

In accordance with sections 190 and 223 of the *Local Government Act 1989* Council sought for public submissions for a period of four weeks, no submissions were received.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

The consideration represents a decrease from the current lease amount however this decrease is offset by the inclusion of power charges that had previously been billed to COPACC.

7. IMPLEMENTATION STRATEGY

DETAILS

Following Council approval, the lease will be finalised and executed.

COMMUNICATION

A communication plan will be prepared in partnership with Bonniemike Pty Ltd to inform the community of Council’s decision.

TIMELINE

Subject to acceptance from Bonniemike Pty Ltd the new lease will be executed as soon as feasible.

8. OFFICER DIRECT OR INDIRECT INTEREST

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

ORDINARY COUNCIL MEETING

2019-2020 COUNTRY FOOTBALL NETBALL PROGRAM

OM192404-6

LOCATION / ADDRESS	Whole Municipality	GENERAL MANAGER	Tony McGann
OFFICER	Nicole Frampton	DIVISION	Infrastructure & Leisure Services
TRIM FILE	F18/7224	CONFIDENTIAL	No
ATTACHMENTS	1. Country Football and Netball Program - Guidelines - 2019-2020		
PURPOSE	To seek conditional approval for applications to be submitted under Sport and Recreation Victoria's 2019-2020 Country Football Netball Program.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

The Country Football Netball Program (CFNP) provides Councils with an opportunity to source State Government funding to assist grassroots country football netball clubs, associations and umpiring organisations to develop facilities. Only local Councils are able to submit applications directly to SRV to access this funding.

Council undertook an Expression of Interest (EOI) process to determine if applications should be submitted under the 2019/2020 CFNP.

Birregurra Football Netball Club and Colac Football Netball Club submitted EOI's for funding consideration. Of the two EOI's received, one requested access to the full funding allocation of \$100,000, the other project budget was incomplete.

3. RECOMMENDATION

That Council:

- 1. Thank the Birregurra Football Netball Club and the Colac Football Netball Club for contacting Council concerning their projects.**
- 2. Submit an application under the 2019-2020 Country Football Netball Program for Birregurra Football Netball Club for the full funding allocation of \$100,000 subject to:**
 - i. The Birregurra Football Netball Club formally agreeing to underwrite the project at no cost to Council, and**
 - ii. Satisfactory project information being provided to Council by 1 May 2019 to undertake its due diligence including construction costs, planning approvals and evidence of financial capacity.**
- 3. Should the Birregurra Football Netball Club be unable fulfil the conditions by 1 May 2019, submit an application under the 2019-2020 Country Football Netball Program for the Colac Football Netball Club, subject to:**
 - i. The Colac Football Netball Club formally agreeing to underwrite the project at no cost to Council,**
 - ii. The Colac Football Netball Club accepting and maintaining the asset, and**
 - iii. Satisfactory project information being provided to Council to undertake its due diligence including construction costs, planning approvals and evidence of financial capacity.**
- 4. Should both clubs be unable to fulfil the conditions, write to the Minister for Tourism, Sport and Major Events, the Hon Martin Pakula MP, noting that Colac Otway is unable to submit applications under this year's round as the scale of the maximum contribution does not reflect project costs and the increasing pressure on local government budgets to support projects in a rate capped environment.**

4. BACKGROUND / KEY INFORMATION

BACKGROUND

Each year, the State Government make funds available for sport and recreation projects through a number of Sports and Recreation Victoria (SRV) grant programs. This report refers specifically to applications for possible funding by SRV under the 2019-2020 Country Football Netball Program (CFNP).

Improving participation outcomes is a key objective of the program. Applications must clearly demonstrate how the project:

- will increase or maintain participation
- encourage participation by females, juniors, people living in growth areas and communities experiencing disadvantage
- improves the health and wellbeing of the community
- caters for non-traditional participants
- collaborates with AFL Victoria, Netball Victoria or relevant peak bodies
- encourages development of multi-use, shared and co-located facilities
- improves or implements Environmentally Sustainable Design
- applies or demonstrates principles of Universal Design.

Projects must meet relevant standards (for example, lighting projects should comply with Australian Standards for the respective sport and play surface dimensions) and be able that all necessary planning and funding is available to achieve the project with the prescribed timeframes.

Only local Councils are able to submit applications directly to SRV. Local football netball clubs, associations and umpiring organisations can seek access for support from the program by submitting an Expression of Interest Form for Community Organisations directly to their local Council.

Councils may receive up to \$100,000 per financial year on a SRV \$2:\$1 local funding ratio. This can comprise of one large project seeking \$100,000 or up to three smaller projects across different sites.

Applications for the 2019-2020 funding round opened on 14 March 2019, with applications closing on 3 June 2019. Announcements would be expected June/July which would require any Council funding to be allocated in the 2019/20 budget.

KEY INFORMATION

Over many years Council has accessed funding from SRV funding programs to develop sport and recreation projects. In recent times Council has accessed funding under the CFNP for the Central Reserve netball change rooms.

Council has sought Expressions of Interest (EOI) from local football netball clubs, associations and umpiring organisations to determine possible projects that could be submitted to SRV for funding under the CFNP. This was done through direct emails to club and league presidents and secretaries and also AFL Barwon.

Whilst there have been some discussions with local clubs, no complete and detailed EOI applications have been received. Upon assessment of the funding requests, further information in relation to cost estimates and quotes, the project budget and the necessary matching funding would be required if these projects were considered to be eligible and competitive under the CFNP.

Council's Priority Projects and Council endorsed sport and recreation plans and strategies, specifically the G21 and AFL Barwon Regional Strategy, identify a range of capital projects eligible for funding. The issue is the funding ratio and cap of \$100,000 is way short of being able to implement most of these projects. Significant project funding would be required from Council in order to get these projects across the line.

The outstanding capital projects identified in the G21 and AFL Barwon Regional Strategy include the following clubs with their specific infrastructure receiving a rating of 4 or below out of ten.

- Western Eagles Football Netball Club – Main Pavilion and Change rooms (football, umpires and netball), Oval Surface.
- Birregurra Football Netball Club – Main Pavilion and Change rooms (football and umpires).
- Irrewarra Beeac Football Netball Club – Main Pavilion and Change rooms (football and umpires), Oval Surface.
- South Colac Football Netball Club – Main Pavilion and Change rooms (football and umpires).
- Colac Imperials Football Netball Club – Main Pavilion and Change Rooms (football and umpires).
- Alvie Football Netball Club – Oval Surface.
- Apollo Bay – Oval Surface.
- Otway Districts – Oval Surface.

It should also be noted that all sports grounds received 5 out of 15 for the sports oval lighting. No local sports ground meets the Australian Standard for the 50 lux required for training, with most reserve lighting lux readings averaging between 8 and 20 lux.

Implementing the above projects requires substantial improvements and the development of detailed designs. EOI's have not been received for the above due to the cost associated with improving the facilities to the required sporting standards.

Summary of incomplete EOI's received:

Club	Project	Justification	Total Project Cost	Funding sources
Birregurra Football Netball Club	Upgrade oval lighting to provide training standard lighting (50 lux)	Current sports ground lighting is an average of 16 lux which is less than the recommended 50 lux	\$300,000 – Verbal cost estimates obtained. Completed EOI and written quotes have not yet been submitted. <i>* Note: this estimate compares with recent tender submissions received for Western Reserve Oval Lighting Upgrade.</i>	\$100,000 CFNP \$100,000 club contribution \$100,000 would be required from Council.
Colac Football Netball Club	Goal post netting for Central Reserve	Purchase and install goal post netting behind the football goals at each end of the reserve.	\$37,225 based on quotes received in 2015. Project budget incomplete in submitted EOI.	Unknown – based on a \$50,000 project (which includes permits and designs) funding ratio would be: \$33,333 CFNP \$16,667 – Local contribution

Traditionally, there are limited opportunities for funding of sport and recreation projects outside of the SRV funding programs. Due to the restrictive timeframes with seeking Council approval and submitting applications by the closing date of 3 June 2019, Council officers will work with the clubs to fully scope their projects prior to determining whether or not to submit applications under the program.

Both projects which were submitted under the EOI process for consideration under the CFNP would possibly require a Council contribution in the 2019/20 budget. Given that Council is close to releasing the 2019/20 draft budget and

neither of these projects have been included in the draft Council 2019/20 Budget, Council would need to determine if they are going to contribute any funds towards the project. Whether Council contributes funds towards either of the projects could determine whether applications are submitted under the 2019/2020 CFNP. It is also an expectation from SRV that Council would underwrite any successful application.

Council officer's assessment of the submitted incomplete EOI's received are that Council would not be able to support both applications being submitted. The project which is stronger in meeting the CFNP funding criteria would be the Birregurra Football Netball Club's request to improve the lighting at the Birregurra Recreation Reserve.

Council officers are seeking approval to submit an application under the 2019/2020 CFNP subject to the following:

Birregurra Football Netball Club

- That all requested information from Birregurra Football Netball Club is submitted to officers by 1 May 2019 to allow thorough assessment of the EOI documentation and ensure Council can undertake its due diligence including construction costs, planning and building approvals required and evidence of the club's financial capacity to meet the funding and financial contributions required, and
- That the Birregurra Football Netball Club formally agree to underwrite the project.
- If Birregurra Football Netball Club meet the above conditions, then Council officers will submit an application under the 2019/2020 CFNP.

Colac Football Netball Club

If Birregurra Football Netball Club is unable to meet the conditions outlined above, then Council officers will work with the Colac Football Netball Club to submit an application under the 2019-2020 Country Football Netball Program as long as the following conditions are met:

- That all requested information from Colac Football Netball Club is submitted within 7 days of notification that Council is considering submitting an application under the CFNP. This is required to allow thorough assessment of the EOI documentation and ensure Council can undertake its due diligence including construction costs, planning and building approvals and evidence of the club's financial capacity to meet the funding requirements and financial contributions required,
- That the Colac Football Netball Club formally agreeing to underwrite the project, and
- That the Colac Football Netball Club agree to accept and maintain the asset.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

The community engagement strategy follows the recommendations of the Colac Otway Shire Council Community Engagement Policy of July 2013, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected has been to involve.

Council sought Expressions of Interest from local football and netball clubs, associations and umpire organisations to determine possible projects that could be submitted for funding under the CFNP. This was done via emails to local football netball club presidents and secretaries, local leagues and AFL Barwon.

Officers worked with the interested clubs to provide advice on project ideas, concepts and will assist further in developing submission proposals where eligible prior to discussing projects with SRV, AFL Victoria and Netball Victoria representatives.

Officers will work to further develop recommended projects in proceeding to the application stage if approval to do so is granted.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

Supporting sporting clubs to develop projects for consideration under the CFNP is supported by the Council Plan 2017-2021:

Theme 2: Our Places

- **Goal 1** – Assets and infrastructure meet community needs.

Theme 3: Our Community

- **Goal 2** – Connect people through events and activities.
- **Goal 4** – Provision of resources to support physical activity by the community.

ENVIRONMENTAL IMPLICATIONS

SRV requires projects to demonstrate Environmentally Sustainable Design principles where applicable. This will be addressed in further detail when developing full applications.

SOCIAL & CULTURAL IMPLICATIONS

Football and netball clubs provide significant social benefits to members of our community. The facilities they use play an important role in attracting both physical and social participation in the respective sports.

Participation in sport and recreation activities provide significant social and health outcomes for our community. In most community's local recreation reserves are the social hub of the district bringing together a wide variety of community members, from a range of demographics, to participate in health and social activities.

It is important for Council to continue to provide quality, fit for purpose community facilities to maintain and increase participation in recreational and social activities.

ECONOMIC IMPLICATIONS

The overall value of a community football netball club cannot be underestimated. The social return on investment for an average community football netball club indicates that for every \$1 spent to run a club, there is at least \$4.40 return in social value in terms of increased social connectedness, wellbeing, and mental health status; employment outcomes; personal development; physical health; civic pride and support of other community groups.

LEGAL & RISK IMPLICATIONS

A risk management analysis was undertaken based on the project scope and readiness, which helped inform project assessments and determine the project proposals to be submitted to application.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

Accessing funding under the CFNP can be a cost effective way of improving much needed sport and recreation facilities within the Shire.

The projects identified under the EOI process for consideration under the CFNP would possibly require a Council contribution in the 2019/20 budget. Given that Council is close to releasing the 2019/20 draft budget and neither of these projects have been included for funding, Council would need to determine if they are going to contribute any funds towards the project. Whether Council contributes funds towards either of the projects will determine whether applications are submitted under the 2019/2020 CFNP. It is an expectation from SRV that Council would underwrite any successful application.

7. IMPLEMENTATION STRATEGY

DETAILS

SRV funding applications can only be submitted by Councils, therefore Council officers' work closely with the relevant Council departments and sporting clubs to develop applications. Applications are required to be submitted to SRV on 3 June 2019.

Should applications be successful, projects are required to be delivered by Council. The final delivery methodology will be confirmed during the CFNP application process. Successful applicants have 18 months to complete the project.

COMMUNICATION

The community will be notified of any successful project through the relevant communication channels.

TIMELINE

Funding announcements would be made to allow projects to be delivered during the 2019/20 financial year.

8. OFFICER DIRECT OR INDIRECT INTEREST

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

Country Football and Netball Program

2016-2020 Guidelines



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Accessibility

To receive this publication in an accessible format, please contact the Grants Information Line on 1300 366 356, using the National Relay Service 13 36 77 if required.

Available at www.sport.vic.gov.au/grants

(1607027)

Country Football and Netball Program –2016-2020

Message from the Minister for Tourism, Sport and Major Events

The Victorian Government is getting on with replacing and upgrading ageing grounds and facilities for football and netball clubs across rural, regional and outer metropolitan Victoria through the *Country Football and Netball Program*.

Grants of up to \$100,000 are available for projects that improve community football and netball infrastructure, including new or redeveloped change rooms, installation of improved turf, drainage and irrigation, new or upgraded courts or installation of sports lighting for courts or ovals.

These grants help country football and netball clubs, and clubs on the metropolitan fringe, who may be struggling with outdated, overused or non-compliant facilities.

We want to make it easier for everyone; players, coaches, umpires, kids and club supporters to stay involved in the game they love, while encouraging the community to lead healthy and active lifestyles.

Better sport and recreation infrastructure allows clubs to host more events and draw bigger crowds, bringing them vital revenue. Having modern infrastructure also helps clubs attract new players from near and afar.

Regional Victoria is home to some of the state's top football and netball leagues. These clubs have bred some of our nation's greatest champions. They deserve modern, accessible and safe infrastructure that they can be proud of.

Local football and netball clubs are the lifeblood of our communities. That's why we're proud to continue this successful program in partnership with the AFL, AFL Victoria and Netball Victoria.

I look forward to seeing new and exciting projects benefitting even more Victorians as part of the *Country Football and Netball Program*.

THE HON MARTIN PAKULA MP
Minister for Tourism, Sport and Major Events

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1. About the Country Football and Netball Program

1.1 What is the Country Football and Netball Program?

The *Country Football and Netball Program* provides funding to assist grassroots country football and netball clubs, associations and umpiring organisations to develop facilities in rural, regional and outer metropolitan locations.

1.2 Why is the Victorian Government, the AFL, AFL Victoria and Netball Victoria funding these grants?

The *Country Football and Netball Program* is a response to the Parliamentary Rural and Regional Services and Development Committee's Inquiry into Country Football Report, tabled in State Parliament in December 2004.

Improving football and netball facilities in rural, regional and outer metropolitan areas will support the regional and rural way of life and ensure the sustainability of country football and netball into the future.

2. Who can apply?

Only rural, regional and outer metropolitan councils can apply directly to Sport and Recreation Victoria.

Country football and netball clubs, associations and umpiring organisations can register their interest in applying for funding by submitting an Expression of Interest to their local council. Clubs and associations are advised to contact their local council about timelines for Expressions of Interest.

Councils then review and select the Expressions of Interest they wish to endorse, and submit full applications to Sport and Recreation Victoria for consideration.

Applications for the 2019-2020 funding round open on 14 March 2019. Applications close on 3 June 2019.

Clubs and associations are encouraged to contact their council regarding local arrangements in accepting Expression of Interest.

3. What types of activities might be funded?

Improving participation outcomes is a key objective of the program. Applications must clearly demonstrate how the project will improve participation outcomes. Specifically proposals should demonstrate how the project:

- will increase or maintain participation
- encourages participation by females, juniors, people living in growth areas and communities experiencing disadvantage
- improves the health and wellbeing of the community
- caters for non-traditional participants
- collaborates with AFL Victoria, Netball Victoria or relevant peak bodies
- encourages development of multi-use, shared and co-located facilities
- improves or implements Environmentally Sustainable Design
- applies or demonstrates principles of Universal Design.

Examples of potential projects include:

- modifying existing football and netball facilities to improve usage and access such as:
 - unisex change room facilities and amenities for players and umpires
 - multi-purpose meeting spaces catering for community and education programs.
- development or upgrading football and netball playing surfaces
- development or upgrading of football or netball lighting.

Smaller scale local level projects are encouraged and will be looked at favourably as part of this program.

All project applications will be assessed against the *Country Football and Netball Program* eligibility and assessment criteria.

Councils must discuss their project proposals with a Sport and Recreation Victoria representative before submitting applications.

Other considerations:

- councils must make timely contact with AFL Victoria and Netball Victoria representatives to discuss project ideas, seek their input into the planning and design of facilities and participation/programming initiatives
- projects must meet the relevant standards (for example, lighting projects should comply with Australian standards for the respective sport and playing surface dimensions)

- councils should incorporate Universal Design principles and environmentally sustainable design into projects
- councils are encouraged to explore funding models that demonstrate stakeholder commitment to the project
- facilities planned in functional, self-contained stages are eligible
- projects on private land are eligible, but will be subject to the establishment of a legally binding agreement between the organisation and local council to ensure ongoing public access. Such proposals should demonstrate evidence of a legally binding agreement
- projects on school land are eligible subject to a completed Community Joint Use Proposal (to the Department of Education and Training) which is completed by the applicant and the school (schools can access this document from the Department of Education and Training website). Applicants must allow sufficient time to complete this document and obtain the necessary endorsement from the Department of Education and Training at both the regional office and central office
- proposals may include project management fees of up to 5 per cent of the total project cost
- councils wanting to undertake detailed Design and Construct projects are eligible. Councils will need to demonstrate appropriate levels of planning and are still required to submit schematic designs and costings with full applications
- councils wanting to undertake Prefabricated Design and Construct projects are eligible. However, councils are required to submit a detailed area schedule for prefabricated/modular construction projects rather than schematic plans (although plans can be submitted if available).

3.1 What will not be funded?

The *Country Football and Netball Program* will not fund the following activities:

Project Types

- the purchase of land (in general, the land on which the facility development is proposed will be municipal property, a Crown reserve, land owned by a public authority, or land held for public purposes by trustees)
- requests for retrospective funding, where projects have commenced construction or are completed prior to the execution of a funding agreement (construction includes, but is not limited to, site clearing, earthworks, building works and any form of early works)
- requests for ongoing operational costs such as, but not limited to, salaries, electricity, water, asset maintenance and other utilities
- upgrading or redeveloping kitchen or public toilet facilities, except as part of a larger project that meets the objectives of the funding program
- costs for the design of sport and recreation facilities only (e.g. Detailed design of a facility or single site masterplans)

- routine or cyclical maintenance works
- purchasing or maintaining recreation, entertainment, sporting, life-saving or any other equipment (except as part of facility fit out)
- projects previously funded by Sport and Recreation Victoria, unless applicants can demonstrate additional or new uses resulting in increased participation/programming outcomes
- projects that do not meet relevant Australian standards (e.g. lighting projects or netball court dimensions)
- the replacement of like-for-like surfaces (e.g. tennis hard-court surface replaced by a similar hard-court surface) will not be considered a priority to receive funding unless it can be demonstrated that additional uses are proposed and/or a multi-purpose element is being introduced. Additional use should be confirmed through letter of support and schedule of use. Exceptional circumstances may be considered where a safety standard or compliance issue is evident
- repair of facilities damaged by vandalism, fire or other natural disasters where the damage can be fully covered by insurance
- facilities where little or no public access is available
- in general, areas designated as licenced areas within a proposed facility will not be eligible for funding. Sport and Recreation Victoria may consider applications where a restricted club licence is proposed or in place, provided that the restricted licence does not interfere with the facility's other amenities or services, such as child care or access by young people.

Financial Management

- projects where contributions from funding partners are not confirmed in writing or underwritten by council
- applications where the recipient organisation/s receive revenue from electronic gaming machines will generally be given a lower priority

Program Alignment

- projects that do not align with the objectives of the program
- projects that do not meet the eligibility criteria
- projects that do not strongly address the assessment criteria
- projects that are deemed by Sport and Recreation Victoria as not ready to proceed
- applications submitted after the closing date, unless written approval from Sport and Recreation Victoria has been obtained before the closing date which will only be granted under exceptional circumstances (e.g. significant technology disruptions)
- tenant clubs that have failed to resolve a breach of the Fair Play Code (formerly Victorian Code of Conduct for Community Sport)
- projects that do not demonstrate how the principles of Universal Design and Environmentally Sustainable Design have been incorporated.

3.2 Past Performance

In finalising decisions on the allocation of funding for the *Country Football and Netball Program*, Sport and Recreation Victoria will review an applicant's past performance and assess whether this is likely to have an impact on the successful delivery of a future project. Poor past performance will be taken into account when assessing applications and may be reason for projects not being supported.

This assessment will include consideration of whether:

- organisations have taken the appropriate steps to implement any previous projects funded by Sport and Recreation Victoria (within appropriate timeframes)
- organisations have overdue projects funded by Sport and Recreation Victoria and whether they have requested a variation
- organisations have completed projects funded by Sport and Recreation Victoria and whether they have submitted acquittal documentation.

4. Partnership approach

To strengthen the potential outcomes from the *Country Football and Netball Program* for communities, councils are required to engage Sport and Recreation Victoria, AFL Victoria and Netball Victoria as early as possible to develop proposals that strongly align with the fund.

This includes engaging with Sport and Recreation Victoria, AFL Victoria and Netball Victoria in the development of a project, rather than just in the development of an application. Sport and Recreation Victoria will provide guidance on how project ideas or proposals align with the fund prior to developing an application.

Once funded, projects are required to fulfil specific obligations to maintain funding commitments to projects. These obligations are outlined in the Funding Agreements. Project Managers are required to be familiar with these obligations.

5. What are the funding details?

Councils may be successful in receiving up to \$100,000 per financial year. This can comprise of one large project seeking \$100,000 or up to three smaller projects across different sites.

Sport and Recreation Victoria funding towards total project costs (excluding GST) will be based on the following ratios:

Funding available	Local government authority	Funding Ratios
Up to \$100,000** Councils may be successful in receiving the total maximum funding of \$100,000 consisting of up to three applications per financial year.	Greater Dandenong, Kingston, Frankston*	SRV \$1:\$1 local
	Mornington Peninsula, Nillumbik, Yarra Ranges, Ballarat, Bendigo and Geelong	SRV \$1.5:\$1 local
	Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea, Wyndham	SRV \$2:\$1 local
	Rural	SRV \$2:\$1 local
Smaller projects that achieve the objectives of this program are encouraged and will be highly regarded.		
<i>*Clubs competing in leagues affiliated with AFL Victoria Country are eligible to apply.</i>		
<i>**Consideration will be given to claiming in-kind expenses to a maximum of 50 per cent of the total project cost.</i>		

6. What is the application process?

There are some important steps to consider before submitting an application to the *Country Football and Netball Program*.

6.1. Process for clubs

Only local councils are able to submit applications directly to Sport and Recreation Victoria. Clubs and organisations can seek to access this funding by completing an Expression of Interest for Community Organisations form and forwarding it to their respective council.

Any clubs wishing to discuss a project should contact their local council who will provide further advice.

6.2. Process for councils

Step 1: Check your eligibility

Only councils can apply directly to Sport and Recreation Victoria for funding.

Step 2: Commence discussions

Councils should discuss their activity idea with Sport and Recreation Victoria, AFL Victoria and Netball Victoria representatives

Step 3: Apply using Grants Online

To apply, go to www.sport.vic.gov.au/grants

Make sure you have the information you need to apply on hand, including required documents, and click on 'Apply online' to submit your application through Grants Online. You will receive an Application Number when you submit an application online. Please quote your Application Number in all correspondence relating to your application.

Submitting your application online through Grants Online ensures it is received by Sport and Recreation Victoria immediately and can be processed in the most efficient way. If you need assistance with applying online, please call the Grants Information Line on 1300 366 356 or email grantsinfo@sport.vic.gov.au between 8.30am – 5:00pm weekdays.

All supporting documentation can be emailed to cfnp@sport.vic.gov.au copying in your Sport and Recreation Victoria representative.

When you submit your application online using the grants online system you will receive an application number. Please quote your Application Number in the subject line of your email. Attach all documents to one email, zipping the files if required.

You can also send attachments on a CD or USB, quoting your application number, to:

Community Infrastructure Programs Team
Sport and Recreation Victoria
Department of Jobs, Precincts and Regions
GPO Box 4509
Melbourne Victoria 3001

7. How will applications be assessed?

A *Country Football and Netball Program* Steering Committee has been formed to oversee this program including the assessment of applications. The committee comprises representatives from Sport and Recreation Victoria, Regional Development Victoria, Australian Football League (AFL), AFL Victoria and Netball Victoria.

There are a number of common features in successful applications. Good applications are well planned, involve relevant stakeholder consultation and are clear about what they are aiming to achieve. Addressing each of the Assessment Criteria questions will help applicants develop a more thorough application.

Grant applications will be assessed against the *Country Football and Netball Program* Assessment Criteria and the required documents set out in this section.

Applications must also provide all the relevant supporting documentation to secure grant funding. The application form asks for a description of the project, response to the assessment criteria and an explanation of the outcomes.

For example, questions about project development, strategic justification, stakeholder engagement and participation outcomes are incorporated under the Assessment Criteria section. The percentage weightings allocated to each criterion represent the importance of the different weighting Sport and Recreation Victoria will use to assess project applications.

7.1 Assessment Criteria

Project Development	
30%	Clearly identify the project scope, methodology and how proposed outcomes will be completed within a prescribed timeframe.
	Include site specific schematic plans (developed with stakeholder input including Sport and Recreation Victoria, Netball Victoria and AFL Victoria) and describe how safety, risk management, Universal Design Principles and Environmentally Sustainable Design has been incorporated into the proposed project.
	Include evidence of project costing, quotations/internal cost estimates
	Include confirmation of funding sources and contributions (both financial and in-kind) with evidence detailing level and type of in-kind contribution provided.
	Include project costs provided by a certified quantity surveyor, tender price or independent qualified expert for projects with a total project cost of more than \$500,000 (excluding GST).
	Describe the track record and resources available to the project team to implement the project.
Strategic Justification	
20%	Why is this project required? Describe how it responds to identified community needs, issues and addresses a gap in local facilities.
	Provide evidence of how the project is strategically supported by local or regional planning and/or AFL Victoria or Netball Victoria planning.
Stakeholder Engagement	
10%	What are the outcomes of the consultation undertaken with project stakeholders including Sport and Recreation Victoria, AFL Victoria, Netball Victoria, clubs/leagues, associations, Regional Sports Assemblies and community groups.
	Will the project be managed by an appropriately qualified team?

	Participation Outcomes
40%	Describe how the project improves (or in certain cases maintains) participation in country football and netball. As a result of the project, what will be the additional participation and programming outcomes? Please provide support letters that clearly state how each partner will benefit from the project.
	Describe any additional programming opportunities identified and planned to increase (or in certain cases maintain) participation.
	How does the project encourage the broadest possible community participation in football and netball activities, social connection and health and wellbeing.
	Considers multi-use and improves the quality and range of football and netball opportunities.
	Demonstrate how this project or the broader facility promotes gender equity through Council policies and facility management plans.

7.2 Information you will need to provide as part of your application

Please submit the following mandatory documentation with your application.

All applications

- Site specific plan/aerial map showing location of proposed project
- Schematic Plans (site specific) developed with AFL Victoria and Netball Victoria, Sport and Recreation Victoria and stakeholder input (generic plans or plans from previous projects will not be accepted)
- Detailed area schedule for prefabricated/modular construction projects rather than schematic plans (although plans can be submitted if available)
- Lighting Plans including lux charts that are site specific (for projects incorporating lighting)
- Quotes and/or internal cost estimates
- Quantity survey, tender price or independent qualified expert report for projects only over \$500,000 (excluding GST)
- Evidence of confirmation of funding sources (e.g. council report confirming contribution, letter from council CEO or club bank statements)
- Completed in-kind and voluntary labour support form (if applicable)
- Letters of support from organisations that clearly indicate how the group will either support or benefit from the project (as described in the 'What' section of the assessment criteria)
- Detailed Schedule of Use

- Project Management Framework
- Relevant sections of council reports/plans/strategies/community consultation to support the project (please do not attach entire documents).
- Technical and/or Access Audits (where available).
- The facility tenant club(s) are expected to adhere to the *Fair Play Code* (formerly Victorian Code of Conduct for Community Sport) or related State Sporting Association Code of Conduct.
- A legally binding land-use agreement for projects located on private land.
- For those projects located on school land, a completed Joint Use Agreement, or a completed Community Joint Use Proposal to enter into a Community Joint Use Agreement, plus a letter from the Department of Education and Training that indicates endorsement of the project at both the regional office and central office level
- Where applicable attach evidence that the *Aboriginal Heritage Act 2006*, Aboriginal Heritage Planning Tool has been completed to determine if a Cultural Heritage Management Plan is required for the project. The Aboriginal Heritage Planning Tool can be accessed at www.dpc.vic.gov.au/index.php/aboriginal-affairs/aboriginal-affairs-overview

8. Conditions that apply to applications and funding

Successful applicants must enter into a Funding Agreement with the Department of Jobs, Precincts and Regions. Funding Agreements establish the parties and outline their commitments and obligations to each other, as well as setting out the general funding terms and conditions. It is recommended that applications review the Department of Jobs, Precincts and Regions standard terms and conditions before applying. It is recommended that you view the terms and conditions available at www.sport.vic.gov.au

- A Schedule is required to be executed (signed) by both parties. The Schedule sets out the:
 - activity details
 - funding amounts
 - agreed actions and payments
 - reporting requirements
 - acknowledgement and publicity requirements
 - other activity specific requirements
 - notices.
- Funds must be spent on the project as described in the application and outlined in the Schedule, unless changes are agreed to in writing.
- Successful applicants will have 18 months to complete the project.

- The facility tenant club(s) are expected to adhere to the *Fair Play Code from 1 July 2018* (formerly Victorian Code of Conduct for Community Sport) or related State Sporting Association Code of Conduct. More information can be found at our website. (<https://www.sport.vic.gov.au>.)
- A request to vary the timing or scope of an approved project must be discussed with your Sport and Recreation Victoria representative before submitting your request or commencing new works. Variation approval is at Sport and Recreation Victoria's discretion and may lead to a reduction or cancellation of the grant depending on the change in scope.
- Councils must inform the participating organisation(s), where applicable, of all funding arrangements and obligations in relation to the grant allocation. This includes ensuring the funded project does not commence prior to the endorsement of the Schedule.
- Councils are obliged to liaise with Sport and Recreation Victoria on the progress of funded projects, as requested throughout the life of projects as outlined in the Schedule.
- A local government officer must be designated to manage the project and provide information to the department according to the following key reporting requirements:
 - a Project Management Framework** must be completed and submitted with the application for all projects
 - through a process of appropriate engagement in the governance of a project, councils must secure Sport and Recreation Victoria's endorsement of key documents such as schematic plans and architectural/planning briefs prior to work commencing. Projects must not commence or be tendered until endorsement is provided. Sport and Recreation Victoria may not make milestone payments if endorsement is not secured in a timely manner
 - councils must provide project acquittal documentation as required
 - councils are expected to guarantee the cash flow payments towards works where a community organisation is providing funding contributions for a project.
- Successful applicants will be required to contribute information on activity outcomes for use in outcomes reporting, program evaluation reviews or Department of Jobs, Precincts and Regions publications, 12 months after project acquittal.

**A Project Management Framework is a statement/spreadsheet that includes the name of the local government officer responsible for the project, project activities and project timelines. The Project Management Framework Fact Sheet, along with a basic Project Management Framework template, can be obtained from [Sport and Recreation Victoria <www.sport.vic.gov.au/grants>](http://www.sport.vic.gov.au/grants)

8.1 Acknowledging the Victorian Government's support and promoting success

Successful applicants need to acknowledge the Victorian Government, the AFL, AFL Victoria and Netball Victoria's support through the provision of a grant from the *Country Football and Netball Program*.

Acknowledgement and publicity guidelines form part of the Funding Agreement. These include the requirement that all activities acknowledge the Victorian Government, the AFL, AFL Victoria and Netball Victoria's support through logo presentation on any activity-related publications, media releases, promotional material and placement of a permanent Victorian Government endorsed sign/plaque at the site during construction and upon completed of infrastructure activities.

The Minister for Tourism, Sport and Major Events is to be given the opportunity to participate in any formal activity associated with the progress or completion of a facility or to officially open or launch the project. Openings and launches of *Country Football and Netball Program* projects are to be coordinated through the Office of the Minister for Tourism, Sport and Major Events.

Councils considering staging an opening or launch must give at least eight weeks notice.

These guidelines have recently been updated to reflect current expectations of Victorian Government recognition. Acknowledgement and Publicity Guidelines can be found at <https://www.sport.vic.gov.au>.

8.2 Payments

Upfront payments for funded projects may be made if/when:

- a Funding Agreement has been signed by both parties and any special conditions have been met
- grant recipients provide reports as required, or otherwise demonstrate that the activity is progressing as expected
- other terms and conditions of funding continue to be met.

For all grants at least 10 per cent of the total funding is paid in arrears on evidence of satisfactory completion of the activity.

9. Resources and additional information

Further information in relation to each of the following items can be found at www.sport.vic.gov.au/grants and select *Country Football and Netball Program*.

Environmentally Sustainable Design

Proposals are encouraged to incorporate Environmentally Sustainable Design initiatives in project designs.

Competitive Neutrality Policy

Under the Council of Australian Governments (COAG) Competition Principles Agreement, Victoria is obliged to apply the COAG Competitive Neutrality Policy.

Capital Replacement Planning

A Capital Replacement Plan is a tool that can help you plan for the maintenance and eventual replacement of facilities. The development of a capital replacement plan is now a standard condition for many Sport and Recreation Victoria grants where facilities need to be periodically replaced or renewed.

Voluntary Labour and In-kind Support

Consideration will be given to claiming in-kind expenses to a maximum of 50 per cent of the total project cost.

Schedule of Use

A Schedule of Use is a list of all the sport and recreation activities, highlighting the extent to which the proposed facility development will be used. The schedule summarises the type and duration of the activity over a period of time and is a valuable tool to measure participation outcomes. Councils can use the Schedule of Use as provided or adapt and/or provide their own.

Fair Play Code

The facility tenant club(s) are expected to adhere to the *Fair Play Code from 1 July 2018* (formerly Victorian Code of Conduct for Community Sport) or related State Sporting Association Code of Conduct. More information can be found at <https://www.sport.vic.gov.au>.

SunSmart Online Shade Audit Tool

This online tool helps determine whether existing shade at a site is adequate and provides practical recommendations to improve both built and natural shade. For more information www.sunsmart.com.au/shade-audit/.

Healthy Choices: policy guidelines for sport and recreation centres

Guidelines to help sport and recreation centres establish policies that promote health and wellbeing.

Planning Guides

Sport and Recreation Victoria (in collaboration with industry stakeholders) has developed a series of planning guides for sport and recreation facility development which include:

- Female Sports Infrastructure Guidelines
- Community Sporting Facility Lighting Guide
- Artificial Grass for Sport Guide
- Design for Everyone Guide

Copies of these planning guides can be found at www.sport.vic.gov.au/grants

The AFL has developed a Preferred Facilities Requirement document to provide guidance in the development of football facilities. The AFL Preferred Facilities Requirements can be found at www.aflvic.com.au/facility-resources/

Netball Victoria has developed a range of documents to provide guidance on compliance and standards. These documents can be found at vic.netball.com.au/support/facility-development/

Design for Everyone Guide

The Design for Everyone Guide is a resource that uses the principles of Universal Design to provide users with an understanding of how to apply the philosophy of Universal Design during the design and construction phases of a new building or the redevelopment of a current facility.

The concept of Universal Design is to simplify life for everyone by making the built environment more usable to as many users as possible.

This document can be found at sport.vic.gov.au/design-for-everyone-guide

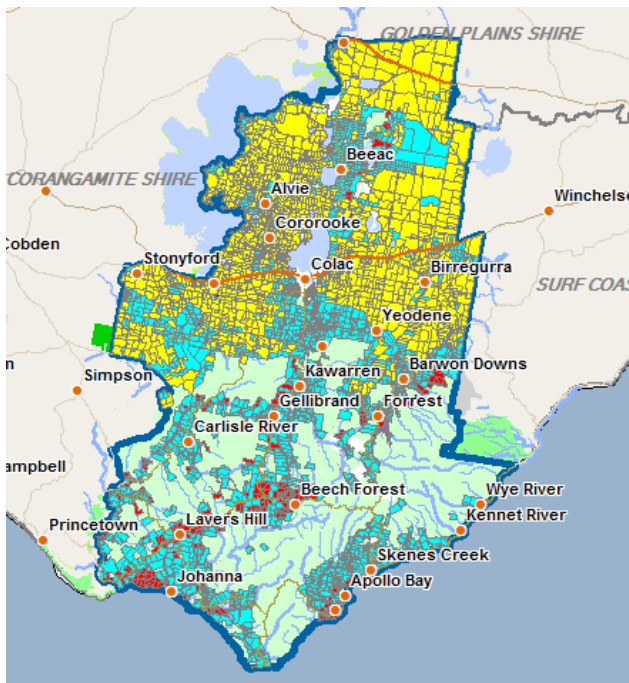
ORDINARY COUNCIL MEETING

TEMPORARY NAMING AND MEMORIAL AND PLAQUES POLICY, RESERVE SIGNAGE, COMMUNITY FEEDBACK

OM192404-7

LOCATION / ADDRESS	Shire Wide	GENERAL MANAGER	Tony McGann
OFFICER	Paul Jane	DIVISION	Infrastructure & Leisure Services
TRIM FILE	F18/7487	CONFIDENTIAL	No
ATTACHMENTS	<ol style="list-style-type: none"> 1. Draft Operational Policy - Recreation Reserve Advertising signage guideline April 2019 Final 2. Draft Temporary Naming of Sporting Reserves Policy April 2019 Final 3. Draft Memorial and Plaques Policy April 2019 Final 		
PURPOSE	To seek council endorsement of the Temporary Naming of Sporting Grounds Policy, Memorial and Plaques Policy and Recreation Reserve Advertising Signage Guideline.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

Council at its February 2019 meeting community feedback regarding the possible renaming of Central Reserve Colac. In consideration of the feedback officers proposed the development of two specific policies and one guideline to address the community feedback and provide a strategic response to enable council to respond to future community enquires.

Specifically, those proposed Policies and guidelines are:

- *Temporary Naming of Sporting Reserves Policy*
- *Memorial and Plaques Policy*
- *Recreation Reserve Advertising Signage Guideline*

In accordance with Councils community engagement policy the three documents were released for comment for a 6 week period. Over that period no submissions were received, and the changes detailed reflect discussions within the council chamber regarding policy clarity and scope.

3. RECOMMENDATION

That Council adopt the:

- 1. Temporary Naming of Sporting Grounds Policy***
- 2. Memorial and Plaques Policy, and***
- 3. Recreation Reserve Advertising Signage Guideline***

4. BACKGROUND / KEY INFORMATION

BACKGROUND

Council at its February 2019 meeting considered community responses to a Notice of Motion emanating from its September 2018 meeting seeking that officers investigate community sentiment regarding the possible renaming of Central Reserve Colac and/or components of the reserve.

The community engagement considered naming options for the reserve or parts thereof, that considers Colac's Indigenous, European or sporting heritage. The engagement also considered the potential naming after commercial interests to provide a revenue option for the reserve.

The engagement was open for comment over a six-week period and attracted 153 survey responses. In addition to the survey, specific stakeholders were engaged and invited to make a formal submission.

The engagement found that:

- There is support for considering commercial naming rights for Central Reserve
- There is support for considering the naming of structures in honour of sport administrators or sporting excellence
- There is little support to change the Central Reserve name

In response to the feedback officers proposed the creation of two policies and one new guideline being

- *Temporary Naming of Sporting Grounds Policy*
- *Memorial and Plaques Policy, and*
- *Recreation Reserve Advertising Signage Guideline*

These proposed policies and guideline will be applicable across the shire and apply to all reserves where council is the land owner of committee on management on behalf of the crown.

KEY INFORMATION

The proposed policies and guideline will address the community feedback in the following manner

- **Temporary Naming of Sporting Grounds Policy –**

This policy provides the framework for how temporary commercial naming will be considered.

- Key dimensions of the policy include
 - The capacity to establish a temporary name for a sports ground
 - The type of names that will not be considered
 - A guide on how funds derived for naming shall be spent
- Summary of changes recommended
 - Naming Rights, Sports Grounds, Top Tier Sponsor definitions refined.
 - Geographic Place Names Act 1998 referenced with regard to reserve base name.
 - Financial consideration of the rights value to be benchmarked.

- **Memorial and Plaques Policy –**

This policy provides the framework on how structures can be named after individuals, events or other significant points

- Key dimensions of the policy include
 - What type of plaque and memorials will be considered?
 - Maintenance expectations and obligations
- Summary of Changes
 - Integration of Colac Botanic Gardens clause relating to ash spreading
 - Obligation to consult site stakeholders
 - Noting of relevant planning overlays

- **Recreation Reserve Advertising Signage Guideline –**

This guideline provides the framework on how recreation reserves may be signposted and adds additional information to that prescribed within the planning scheme.

- Key dimensions of the policy include
 - How signage is to be erected
 - Notes that all signage should be traceable to the host club
 - A clean reserve statement should the reserve be hired externally
- Summary of Changes
 - Boundary fence permeability consideration added

The current council policy – Naming of Roads, Localities and Features provides the mechanism to change Reserve name should a submission come forward as outlined in that policy. The Memorial and Plaques Policy would supersede the Plaques and Memorials in Colac Botanic Gardens Policy.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

The policies were released for public comment for a period of six weeks. No submissions were received over this time.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The proposed policies and guidelines are in line with the OUR PROSPERITY theme. We work together to improve the prosperity of our people, businesses and community partners by working to promote our beautiful shire as an attractive place to live, work, invest and visit. Of particular significance is the future opportunity of – recognition and protection of the heritage of the area’s history.

ENVIRONMENTAL IMPLICATIONS

None that are evident

SOCIAL & CULTURAL IMPLICATIONS

The naming of reserves and structures presents an opportunity to promote the regions heritage and the achievements of its people.

ECONOMIC IMPLICATIONS

The social return on investment for an average community football club indicates that for every \$1 spent to run a club, there is at least \$4.40 return in social value in terms of increased social connectedness, wellbeing, and mental health status; employment outcomes; personal development; physical health; civic pride and support of other community groups.

LEGAL & RISK IMPLICATIONS

The proposed policies are consistent with statutory requirements for naming roads, features and localities 2016 - Department of Environment, Land, Water and Planning

RESOURCE IMPLICATIONS (FINANCIAL ETC)

None that are evident

7. IMPLEMENTATION STRATEGY

DETAILS

The policies and guidelines will become effective immediately upon Council endorsement.

COMMUNICATION

All groups with tenancy at eligible reserves will be advised of the new policies directly with the policies to be housed on the Colac Otway Shires web site.

TIMELINE

The policies will come in to effect immediately upon Council resolution.

8. OFFICER DIRECT OR INDIRECT INTEREST

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



Operational Policy

RECREATION RESERVE ADVERTISING SIGNAGE GUIDELINE

PURPOSE

To establish guidelines for approval of advertising and sponsorship signage at Council sporting reserves that ensure:

- Signage installation is of an acceptable and safe standard.
- Installation is in line with adopted policies and planning regulations.
- Consistency in approvals to community groups displaying their sponsors advertising signs.
- Clubs are not denied the opportunity to derive a reasonable income from reserve signage.
- Facilities continue to be accessible and safe for use by all sections of the community.
- The visual amenity of sporting reserves and open space is maintained.

SCOPE

The policy relates to all Council owned and managed reserves and associated facilities including sports grounds, pavilions, toilets, buildings and club infrastructure (including scoreboards, coaches boxes and fencing) . The zoning designation of these areas is Public Park and Recreation Zone (PPRZ)

DEFINITIONS

Public Park and Recreation Zone – Areas reserved within the planning scheme for public recreation and open space.

REFERENCES

Colac Otway Planning Scheme

GUIDELINES/POLICY DETAILS

The Colac Otway Shire, as an asset manager of many public reserves, has the responsibility to ensure that there is a consistent approach to signage and to ensure that signage is safely erected, maintained and does not detract from the visual amenity of the reserve.

Under the Colac Otway Shire planning scheme signs are exempt from permits on a showground, on a motor racing track or on a major sports and recreation facility, provided the sign's display cannot be seen from nearby land.

In line with the planning scheme and in recognition of Councils role as asset manager signs will be permitted when they conform to the criteria set out in this Policy in addition to the Colac Otway Planning Scheme.

1. Freestanding signs for sponsor advertising will not be permitted except where there is no oval fencing or extenuating circumstances can be demonstrated.
2. For sports ovals signage placed on oval fencing must not cover more than 50% of the internal circumference and must have a three metre gap every 20 metres to allow access to the oval by passive users of the reserve where fencing are permeable.

3. Signage on the external circumference of the fence will only be allowed directly in front of social facilities and must not be visible beyond the reserve.
4. Signage on coaches' boxes or player shelters will be permitted provided it does not cover more than 50% of the internal surface of the shelter and must not be visible beyond the reserve.
5. Signage on scoreboards will be permitted provided it does not detract from the main purpose of the structure nor cover more than 25% of the surface of the scoreboard and must not be visible beyond the reserve.
6. Signage on cricket practice nets is limited to two (2) signs per net being no greater than 1 metre x 1 metre per sign. Consideration must be given to the practice net footings as signage increases the wind loading on the fencing.
7. For tennis, netball and other fenced court facilities, signage should face inwards towards the playing area. Signage should be installed so that top edge of the signage is less than 1.8 metres off the court surface. Signage on tennis court fencing is limited to two (2) signs per court being no greater than 1 metre x 1 metre per sign. Consideration must be given to the fence footings as signage increases the wind loading on the fencing.
8. Clubs must be able to remove all signs on request to deliver a clean venue for Council managed or controlled events within 7 days upon request.
9. Signs must not be painted directly onto the walls or the roof of any facility, building or structure on the reserve.
10. The signs must be appropriate for a public reserve and not in any way be offensive or discriminate on grounds of race, gender or religion.
11. All signs must acknowledge the name of the club being sponsored.
12. Signs must be oriented to display inward to the reserve users and not positioned to be viewed by passing traffic or people beyond the reserve. Sporting clubs are not entitled to enter into commercial agreements to alter venue names or install signage pertaining to the naming of a reserve on a permanent basis.
13. Clubs must keep a signage register and undertake regular inspections to ensure that the signage does not represent a risk to reserve users.
14. Clubs shall be liable for any cost incurred by Council in making good any signage that represents an immediate threat to reserve users
15. Signage rights are aligned with tenancy arrangements, where multiple tenants exist rights shall be distributed equally by agreement.
16. Clubs engaging in ambush marketing activities will have signage rights removed.

RELATED DOCUMENTS

- **Temporary Naming of Sporting Grounds**
- **Memorial and Plaques Policy**

Policy owner		Division	
Adopted by executive		Policy Number	
File Number		Review date	



Council Policy

TEMPORARY NAMING OF SPORTING GROUNDS

PURPOSE

To provide the framework to enable the temporarily renaming of sports grounds on Council owned and/or managed reserves in connection with sponsorship naming rights.

SCOPE

The policy relates to all Council owned and managed sports grounds.

DEFINITIONS

Base Name - is a consistent name over the feature's lifespan, particularly when the private sponsorship name may change.

Naming Rights – The commercial rights that are afforded the sponsor.

Sports Grounds – Council managed lands where structured sport is played-, specifically the playing surface and may include ovals, courts considered to be captured in the field of play.

Top Tier Sponsor – The sponsor providing the greatest benefit to the club.

REFERENCES

- Council Policy – 20.2 Naming of Roads, Localities and Features
- Statutory requirements for naming roads, features and localities 2016 - Department of Environment, Land, Water and Planning
- Recreation Reserve Advertising guidelines

GUIDELINES/POLICY DETAILS

Sporting clubs may apply for the temporary renaming of a sports ground, in connection with sponsorship naming rights. This temporary name shall only be referred to by the approved 'sponsored name' in club, association, competition or league promotions and marketing. Council's name for the reserve "the base name" is to be used in all other public documents and is subject to Geographic Place Names Act 1998 and associate guidelines addressed in Council's Policy 20.2 Naming of Roads, Localities and Features
e.g. Council reports, engineering / road plans, directories, websites etc.

All of the following conditions must be adhered to for the temporary renaming to be considered:

1. Naming rights are limited to sports grounds only.

2. The Naming Rights Sponsor should be the applicant tenant's top tier sponsor. The appropriateness of the financial consideration shall be negotiated with Council officers considering industry benchmarks.
3. The term of the sponsorship is limited to the term of the club's licence/lease agreement over the sports ground.
4. The proposed name of the sports ground should not be offensive or discriminatory in any way.
5. Funds raised are allocated to sports development or facility development, and are specifically not permitted to be allocated to player payments.
6. All tenants that use the renamed sports ground during the period of the sponsorship share in the proceeds.
7. The proposed sponsor is not associated with alcohol, cigarettes (including tobacco products) or gambling.
8. The sports ground is referred to by the approved 'sponsored name' in club, association, competition or league promotions and marketing only.
9. Any signage installed must meet Council's Recreation Reserve Advertising guidelines and be approved by Council.
10. The terms of the temporary renaming of a sports ground may be reviewed by Council at any time.
11. Where a facility has multiple tenants within a season, written agreement between the tenants for the sponsorship to occur must be provided to Council.
12. All costs relating to the sponsorship and adhering to this procedure are to be borne by the applicant tenant
13. The applicant tenant must indemnify Council against any loss should Council revoke the approval of the temporary renaming of the sports ground.
14. Sporting clubs will be required to acquit for sponsorship income generated by the temporary renaming of a sports ground to show that the conditions listed above are being met. Council may also ask a sporting club to confirm that other relevant guidelines and policies are being met in connection with the temporary renaming agreement.

Approval of applications adhering to the above conditions shall be the responsibility of the General Manager Infrastructure and Leisure Services.

15. RELATED DOCUMENTS

- Temporary Naming of Sporting Reserves application form

FILE MANAGEMENT

Policy owner		Division	
Adopted by council		Policy Number	
File Number		Review date	



Council Policy

MEMORIAL AND PLAQUES POLICY

PURPOSE

The purpose of this policy is to provide a framework for the approval, installation and management of all plaques or memorials installed within the Colac Otway Shire.

SCOPE

All plaques or memorials installed within the Colac Otway Shire on lands that are owned or managed by the Colac Otway Shire including

- Buildings
- Street Scapes
- Open Space

DEFINITIONS

Memorial - An object established in memory of a person, association, anniversary or event and includes a monument.

Open Space - Open space refers to all land owned and/or managed by Council that is zoned Public Park and Recreation Zone or Public Conservation Resource Zone and is available for public access.

Plaque - flat tablet of metal, stone or other material which includes text or images which commemorate a person, event or historical information relative to the location or a new public artwork of significance.

Public Place - Public Place refers to road reserves, municipal buildings, streetscapes and other council lands that are owned and/or managed by Council.

REFERENCES

Colac Otway Shire - Planning Scheme

GUIDELINES/POLICY DETAILS

1. Existing plaques and memorials will generally be retained. If the existing site is inappropriate, maintenance costs prohibitive or the condition of the plaque or memorial is poor, those originally involved in its placement should, where practical, be consulted before re-siting or removal. Replacement plaques or memorials of different style or form may also be considered.
2. Council does not encourage the installation of plaques and memorials in open space and only events or people of outstanding significance may be commemorated by a plaque or memorial. Subjects for plaques and memorials will be limited to the following :

- a. an individual or Association that has contributed significantly to the cultural, political or social aspects of the Colac Otway Shires development;
 - b. an individual or association strongly linked to the Colac Otway Shire and its history;
 - c. a significant anniversary of an event unique to the history and development of the locality;
 - d. historical or other information relevant to the site/location of the plaque.
 - e. A public artwork of significance.
3. Recognition of significant contributions for open space infrastructure can be acknowledged by way of a small plaque mounted to the infrastructure. Plaques recognising individual in memorial should not exceed 10cm x 6cm and should be consistent with other site plaques
 4. Plaques and memorials shall be designed in consideration of the general character of the area and sited so as not to intrude upon or damage the structure or natural environment or otherwise create a public risk. Their construction should require little maintenance and should be resistant to vandalism.
 5. While an approved plaque or memorial will be located at the designated site for a period of not less than ten years, Council maintains the right to remove or relocate it should the site be redeveloped or significantly changed in character. Council does not guarantee the retention of any plaque or memorial nor accept responsibility for its maintenance and upkeep.
 6. Council infrastructure, such as sporting pavilions are eligible to be named in honour of an individual who has significantly contributed to that sporting clubs and or sites development. The naming of council building assets shall be subject to the community consultation outline in the Councils Naming of Roads, Localities and Features policy.
 7. Plaques and memorials must be consistent with Council's strategic and urban design objectives and in line with any planning overlays for the proposed site.
 8. Final approval for the placement of a plaque or memorial will not be considered without written consent from site stakeholders such as but not limited to – friend's groups, sporting clubs and community organisations.
 9. Planting of memorial trees is supported subject to site planning schemes and masterplans, plaques recognising this donation are not permitted.
 10. Plaques and memorials shall be designed and sited so as not intrude upon or damage the structure or natural environment or otherwise create a public risk.

Colac Botanic Gardens unique clauses

11. The Scattering or Burial of ashes is not permitted
12. All requests for plaques or memorials within the Colac Botanic Gardens has be referred to the Friends of the Botanic Gardens in the first instance for advice.

Approval of applications adhering to the above conditions shall be the responsibility of the General Manager Infrastructure and Leisure Services.

RELATED DOCUMENTS

Landscaping Sponsorship

Plaques and Memorials in Colac Botanic Gardens

Naming of Roads, Localities and Features policy

Plaques and memorials application form

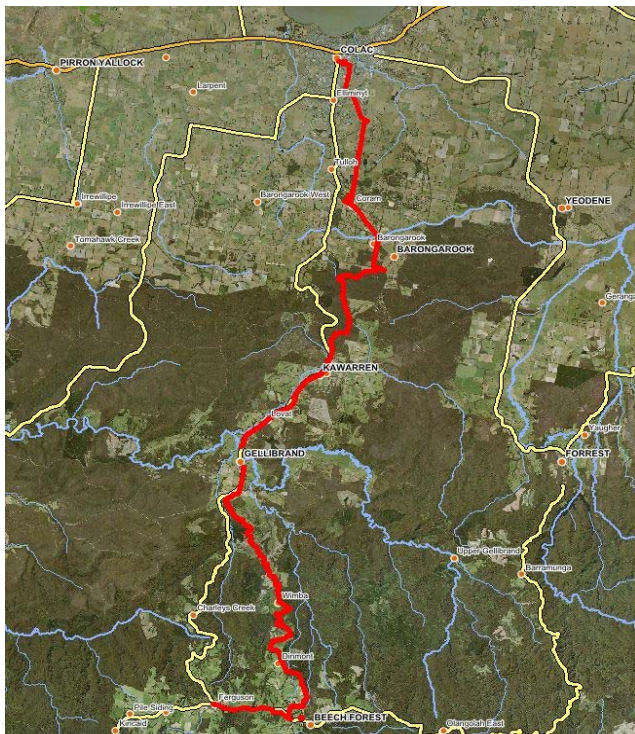
Policy owner		Division	
Adopted by council		Policy Number	
File Number		Review date	

FILE MANAGEMENT

ORDINARY COUNCIL MEETING
OLD BEECHY RAIL TRAIL COMMITTEE -
APPOINTMENT OF COMMITTEE MEMBERS
 OM192404-8

LOCATION / ADDRESS	Old Beechy Rail Trail - Colac to Ferguson	GENERAL MANAGER	Tony McGann
OFFICER	Nicole Frampton	DIVISION	Infrastructure & Leisure Services
TRIM FILE	11/96660	CONFIDENTIAL	No
ATTACHMENTS	1. Old Beechy Rail Trail Committee - Instrument of Delegation & Charter - Signed and Sealed - 30 January 2019		
PURPOSE	To consider the appointment of members to the Old Beechy Rail Trail Committee of Management under Section 86 of the Local Government Act 1989 as a Special Committee of Council and to act in accordance with the rules and conditions of appointment adopted by Council, for the purposes of managing the Old Beechy Rail Trail.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

Council delegates the management of the Old Beechy Rail Trail through an “Instrument of Delegation” to a *Section 86* Special Committee.

The current Old Beechy Rail Trail Committee (OBRTC) is due to expire on 14 December 2019. Due to a number of recent member resignations and meeting non-attendance, the Committee at its December 2018 meeting reviewed the OBRTC Charter committee membership. As a result of this review, the Committee membership proposed to change to have a maximum of 10 appointed Committee Members. Council endorsed the changes to the Instrument of Delegation and Charter at its 30 January 2019 Ordinary Council Meeting.

Following Council’s endorsement of the revised Instrument of Delegation and Charter, a formal committee nomination process for both representative organisation positions and the five community representative positions has been undertaken. It is now time for Council to formally appoint members to the OBRTC as per the Old Beechy Rail Trail Instrument of Delegation and Charter.

The decision to appoint community members to the Old Beechy Rail Trail Committee as a Special Committee of Council is in keeping with Council’s policy in working with its community in the management of facilities throughout the Shire. The nominated membership provides Council with broad community representation.

3. RECOMMENDATION

That Council:

- 1. Pursuant to Section 86 of the Local Government Act 1989, appoint the following nominated members - Andrew Daffy, Philippa Bailey, Sue Thomas, Cyril Marriner, Craig Clifford (proxy Linda Laurie), Tricia Jukes and Noel Barry - to the Old Beechy Rail Trail Committee.***
- 2. In accordance with Section 81 sub-section (2) sub-section (a) of the Local Government Act 1989, resolve to exempt members of the Committee from being required to submit a primary or ordinary register of interest return in accordance with this section.***

4. BACKGROUND / KEY INFORMATION

BACKGROUND

The Colac Otway Shire formed a special committee to be known as the Old Beechy Rail Trail Committee (OBRTC) on 26 September 2001. The OBRTC was conferred as a Section 86 Committee under the Local Government Act 1989 and delegated the functions, duties and powers set forth in the schedule titled Old Beechy Rail Trail Committee Charter. The Charter was developed as the basis of the Instrument of Delegation to be used by the appointed OBRTC. As outlined in the OBRTC Charter, the Committee is responsible for the development of strategic plans for future management and maintenance; ensuring effective means of communication to encourage community participation and ownership; and management and maintenance of the Old Beechy Rail Trail.

A detailed review of the Instrument of Delegation and Charter was undertaken during 2013 and a revised Instrument of Delegation was presented to and endorsed at the November 2013 Ordinary Council meeting following that review. During 2018 a further review of the Committee’s membership was undertaken following a number of member resignations and member meeting non-attendance. Council endorsed the revised Instrument of Delegation and Charter at its 30 January 2019 Ordinary Council Meeting.

KEY INFORMATION

Following a formal committee nomination process for both organisation representatives and the community representative positions, it is now time for Council to formally appoint members to the OBRTC.

Council's Recreation and Open Space Coordinator ensured that all outgoing committee members and representative organisations were informed of the changes to the Instrument of Delegation and Charter, and the process required to nominate for the new committee positions. Representative organisations were asked to inform their organisation membership of the nomination process. Advertisements were requested to be placed in the Colac Herald, Otway Light, Gellibrand Community House Community Newsletter, Apollo Bay News, Apollo Bay Community website, Birregurra Mail, Forrest Post, Carlisle River News and Cressy Pioneer.

Following the nomination process, it is now proposed to appoint the following persons and organisation representatives to the Old Beechy Rail Trail Committee for a term of three (3) years until 24 April 2022 or until the future structure of the OBRTC is determined.

Community representatives:

- Andrew Daffy
- Philippa Bailey
- Sue Thomas
- Cyril Marriner

Department of Environment, Land, Water and Planning (DELWP) representative:

- Craig Clifford
- Proxy Linda Laurie

Landowner representative:

- Tricia Jukes

Friends of the Old Beechy Rail Trail representative:

- Noel Barry

Council (one councillor and one Council Officer)

- As per Council appointed delegation. Council representatives on the Committee are appointed as part of the annual Statutory meeting.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

Following Council's endorsement of the revised Instrument of Delegation and Charter at its 30 January 2019 Ordinary Council Meeting, Council's Recreation and Open Space Coordinator ensured that all outgoing committee members and representative organisations were informed of the changes to the Instrument of Delegation and Charter, and the process required to nominate for the new OBRTC positions.

Council sought interest from the new OBRTC Instrument of Delegation and Charter representative organisations and advertised for interested community members to nominate for the respective representatives for the new OBRTC.

Correspondence was sent to the representative organisations seeking nominations for their representation on the OBRTC.

The outgoing representative organisations were asked to inform their organisation's membership that Council was seeking interested persons to nominate for one of the five community representative positions on the new OBRTC.

Advertisements for the OBRTC Community Representative positions were requested to be placed in the Colac Herald, Otway Light, Gellibrand Community House Community Newsletter, Apollo Bay News, Apollo Bay Community website, Birregurra Mail, Forrest Post, Carlisle River News and Cressy Pioneer.

The respective organisations and advertisements for the Community Representative nominations were advised that any nominations received would not be appointed to the new OBRTC until considered and appointed by Council resolution.

The outgoing OBRTC has been involved in the community representative selection process. The outgoing OBRTC passed a motion at its 2 April 2019 committee meeting agreeing to put forward the four community representatives who had applied for the community representative positions on the new OBRTC.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The appointment of community members to delegated Committees of Management aligns to the Council Plan 2017-2021, specifically the 'Our Places' theme.

This appointment to the OBRTC is in accordance with the *Local Government Act 1989* and the Old Beechy Rail Trail Committee Instrument of Delegation and Charter.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications with this report.

SOCIAL & CULTURAL IMPLICATIONS

The OBRTC provides a valuable service for the community and assists Council in managing and monitoring an important community asset.

ECONOMIC IMPLICATIONS

There are no economic implications anticipated as a result of this report.

LEGAL & RISK IMPLICATIONS

A Section 86 Committee's legal status is derived from Council through formal delegation. Council is required to appoint committee members to a Section 86 Committee by Council resolution.

The Committee operates under an Instrument of Delegation which sets out the powers, function and duties of the Committee. Committee of Management members appointed under Section 86 of the Act are covered by the Council's Liability and Personal Accident policies when carrying out activities for and on behalf of the Committee whilst acting within their delegated powers.

The future structure of the OBRTC as a Section 86 Committee will, with respect to proposed changes to legislation, be resolved at a future date within the legislative timeframe. The 18 April 2018 Ordinary Council Meeting resolution ***"that Council endorses the replacement of the current Section 86 Committee structure with Community Asset Committees, in line with the proposed changes to the Local Government Bill;"*** does not apply to the Old Beechy Rail Trail Committee as this committee was ruled out of scope during that Section 86 Committee review process undertaken.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

The OBRTC holds their own bank account and administers budgets set by the Committee in accordance with funds within these accounts.

It is a requirement under the Instrument of Delegation Charter for the OBRTC that the Committee provide a Treasurer's Report to Council on a quarterly basis.

7. IMPLEMENTATION STRATEGY

DETAILS

Correspondence will be forwarded to the appointed members to the OBRTC advising them of Council's decision following the 24 April 2019 Ordinary Council meeting.

COMMUNICATION

As above.

TIMELINE

Within one week following the 24 April 2019 Ordinary Council meeting.

8. OFFICER DIRECT OR INDIRECT INTEREST

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



INSTRUMENT OF DELEGATION
SPECIAL COMMITTEE

Old Beechy Rail Trail Committee

Pursuant to and in the exercise of the power conferred by section 86 of the Local Government Act 1989, Colac Otway Shire Council delegates to a Special Committee to be known as the **Old Beechy Rail Trail Committee** (established by resolution made on 26 September 2001 those functions, duties and powers set out in clauses 4 and 5 of Schedule titled Old Beechy Rail Trail Committee Charter (as amended).

1. **This Instrument of Delegation** is authorised by a resolution of Council, passed on 30 January 2019.
2. **The Delegation:**
 - a) comes into force immediately the common seal of Council is affixed to this Instrument of Delegation;
 - b) remains in force until Council resolves to vary or revoke it;
 - c) is subject to any conditions and limitations set out in the Schedule; and
 - d) must be exercised in accordance with any guidelines or policies which Council from time to time adopts.
3. All members of the committee will have voting rights on the committee.

THE COMMON SEAL of the
COLAC OTWAY SHIRE COUNCIL
was hereunto affixed in accordance
with Local Law No. 4)
)
)
)



Rob Brown
..... Chief Executive Officer

**OLD BEECHY RAIL TRAIL COMMITTEE
SPECIAL COMMITTEE**

CHARTER

1. Definitions

- "Council" means Colac Otway Shire Council
"Committee" means this Special Committee of Council as constituted pursuant to Section 86 of the *Local Government Act 1989*

2. Membership

- 2.1 Committee members (other than Council representatives) shall be appointed for a 3 year term by Council resolution.
- 2.2 Council representatives on the Committee will be appointed annually by Council resolution.
- 2.3 Committee membership may consist of:
- Two (2) Council representatives (one Councillor and one member of Council staff);
 - Five (5) community representatives;
 - One (1) Department of Environment, Land, Water and Planning (DELWP) representative;
 - One (1) Landowner representative; and
 - One (1) Friends of the Old Beechy Rail Trail representative.
- 2.4 With the exception of Council appointees, the Committee may by resolution declare a position vacant:
- 2.4.1 where a member has failed to attend 3 consecutive meetings without leave;
- 2.4.2 where a member has resigned from the Committee in writing;
- 2.4.3 on the advice of Council; or
- 2.4.4 where the Committee resolves to vacate a member's position.
- 2.5 Casual vacancies during the 3 years may be filled by the Committee recommending a replacement for Council to make by resolution.
- 2.6 Temporary appointments to the Committee may be made by Council, as required, on the recommendation of the Committee.

3. Meetings

- 3.1 The Committee must annually appoint a chairperson from among its members. If the Committee fails to appoint a Chairperson the Council will make an appointment.
- 3.2 In the absence of a chairperson, the Committee may appoint an acting chairperson.
- 3.3 The Committee must meet at least 4 times each year and more often as required as called by the chair.
- 3.4 Meetings will be held at such times and places fixed by the Committee.
- 3.5 Special meetings may be called by the chairperson or on the written request of at least 3 committee members.
- 3.6 Committee members must have at least 3 clear days written notice of meetings.
- 3.7 Meetings of the Committee which, in the opinion of the Committee, may prejudice Council must be closed to the public including meetings dealing with sensitive land management issues, proposed developments and legal and contractual matters.
- 3.8 The quorum for a Committee meeting is at least half of the members, at least one of whom must be a member of Council staff or Councillor.
- 3.9 All Committee members will have equal voting rights, but in the case of a tied vote the Chairperson will have a casting vote.
- 3.10 The chairperson must ensure that minutes of Committee meetings are kept.

4. Committee Functions

- 4.1 The Committee is responsible for:
 - 4.1.1 development of strategic plans for future management and maintenance;
 - 4.1.2 ensuring effective means of communication to encourage community participation and ownership; and
 - 4.1.3 management and maintenance of the Old Beechy Rail Trail.
- 4.2 The Committee's corporate governance factors include:
 - 4.2.1 defining and monitoring strategic direction;
 - 4.2.2 defining policies and procedures to ensure operation with legal and social responsibilities; and
 - 4.2.3 establishing control and accountability systems.

5. Delegated Power

To carry out the functions and responsibilities listed in clause 4 above, Council delegates to the Committee the power to:

- 5.1 set strategic direction and guidance policies with respect to the Old Beechy Rail Trail;
- 5.2 implement the strategic policies outlined in clause 5.1 above;
- 5.3 develop and implement a Management Plan for the Old Beechy Rail Trail;
- 5.4 accept gifts, donations and bequests by the public towards projects associated with the Old Beechy Rail Trail;
- 5.5 incur expenditure with respect to the Old Beechy Rail Trail provided that the expenditure does not exceed annual budget parameters specified by Council and report to Council on a quarterly basis;
- 5.6 set Committee meeting dates;
- 5.7 appoint advisers to the Committee as appropriate and engage people to carry out minor works and improvements to the Old Beechy Rail Trail within approved budget parameters;
- 5.8 apply for relevant funding opportunities for the improvement and maintenance of the Old Beechy Rail Trail;
- 5.9 direct a Committee member to discuss arrangements with a wide range of land owners - including private land owners, statutory authorities and government departments - to allow for access, management, improvement, enhancement and maintenance of the Old Beechy Rail Trail and related infrastructure;
- 5.10 authorise vehicles on the Old Beechy Rail Trail subject to the completion of a Risk Assessment report; recreation vehicles will be subject to Council Policy; and
- 5.11 authorise the conduct of special events for the purpose of publicity and/or fundraising subject to the completion of a Risk Assessment report.
- 5.12 Make recommendations to Council in relation to:
 - 5.12.1 the future alignment of the Old Beechy Rail Trail, impacts on landowners and requesting approval to enter into negotiations for access through private land for the future development of the trail;
 - 5.12.2 contracts, licences and leases to be entered into for the management and maintenance of the Old Beechy Rail Trail;
 - 5.12.3 monitoring behavior and withdrawing invitations to enter the Old Beechy Rail Trail;
 - 5.12.4 planning and other policy matters affecting the Old Beechy Rail Trail;
 - 5.12.5 accepting the grant of the benefit of easements in favour of Council with respect to the Old Beechy Rail Trail; and

5.12.6 maintenance and major works on the Old Beechy Rail Trail.

5.13 notify Council, a staff member of Council and/or a relevant authorized officer of Council of the presence of:

5.13.1 livestock;

5.13.2 vehicles; and/or

5.13.3 trespassers.

on the Old Beechy Rail Trail.

6. Minutes of Meetings

6.1 Minutes of meetings must be saved in Council's Information Management system.

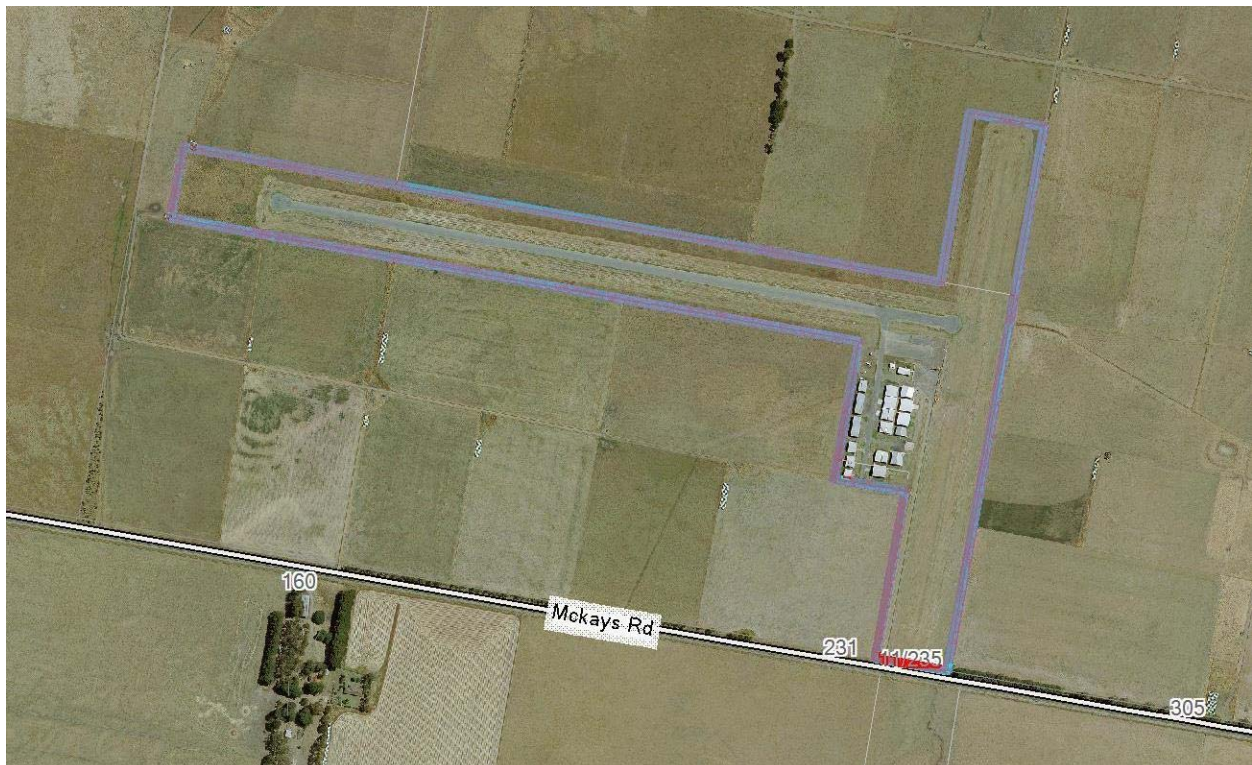
6.1.1 Minutes of the Old Beechy Rail Trail Committee should be included in the Council agenda once any confidential items have been identified and the minutes have been confirmed by the Committee.

6.1.2 Confidential minutes of the Old Beechy Rail Trail Committee are to be included in an In-Committee agenda of Council.

ORDINARY COUNCIL MEETING
**MANAGEMENT OF THE COLAC
 MUNICIPAL AERODROME**
 OM192404-9

LOCATION / ADDRESS	McKays Road, Irrewarra	GENERAL MANAGER	Ian Seuren
OFFICER	Gary Warrener	DIVISION	Development & Community Services
TRIM FILE	F18/4677	CONFIDENTIAL	No
ATTACHMENTS	1. DRAFT Terms of Reference - Colac Municipal Aerodrome Advisory Committee.pdf		
PURPOSE	To consider management options for the Colac Municipal Aerodrome.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

The Colac Aero Club was formed in 1963 and initially operated at a privately owned airfield at Yeo, southeast of Colac. The current site at Irrewarra was identified and purchased by Council in 1975, with the Colac Municipal Aerodrome (CMA) being officially opened on 21 November 1976.

The CMA has been operated by a Section 86 Committee of Management (CoM) for many years. In recent times, the CoM has struggled to attract members to its committee with the last formal meeting of this CoM being held on 7 August 2018.

It was initially proposed that the CoM would transition to an Asset Management Committee to continue management of the CMA; however due to insufficient numbers to form an Asset Management Committee other management options need to be considered by Council.

3. RECOMMENDATION

That Council:

- 1. Endorses the establishment of the Colac Municipal Aerodrome Advisory Committee, consisting of the following members:**
 - a. 3 representatives from the Colac Aero Club**
 - b. 1 representative from the Country Fire Authority**
 - c. 1 representative from Department of Environment, Land, Water and Planning**
 - d. 1 representative from the Air Ambulance (Ambulance Victoria)**
 - e. 1 representative from the community/business sector**
 - f. Council's Manager Economic Development and Tourism**
 - g. 1 Councillor (Cr Chris Smith as the current delegated Councillor to the S86 Committee of Management)**
- 2. Authorises the Chief Executive to seek nominations from the groups listed in point 1 (a – d).**
- 3. Authorises the Chief Executive to seek nominations from the community via an Expression of Interest process, and appoint a representative if no more than one application is received.**
- 4. Endorses the Draft Colac Municipal Aerodrome Advisory Committee Terms of Reference, which are to be returned to Council for ratification if changes are recommended following consideration by the Colac Municipal Aerodrome Advisory Committee at its inception meeting.**

4. BACKGROUND / KEY INFORMATION

BACKGROUND

The Colac Aero Club was formed in 1963 and initially operated at a privately owned airfield at Yeo, southeast of Colac. This site was adversely affected by a number of issues including the high risk of collision with livestock on the runways and the short runway length.

In 1972 it was decided that a municipal aerodrome be established. Council at the time provided funding to purchase land and assist with the capital and operational costs for the establishment of the aerodrome. The current site was identified and purchased by Council in 1975, with the CMA being officially opened on 21 November 1976.

In 2014 a Colac Municipal Aerodrome Business Plan was prepared by GHD consultants. The Business Plan was designed to provide Council with a framework detailing the investment required for the CMA to maximise utilisation and deliver the best economic return for the local community.

The Business Plan envisages a 20 year planning horizon, stretching out to 2033, and provides a financial assessment of the proposed development options through the establishment of an infrastructure cost plan and cost modelling of likely revenue, administration and maintenance costs. The Business Plan also considered aerodrome ownership management and marketing options to assist Council in establishing a framework for the facility's long term sustainable development.

The CMA site has a total area of 16.9 hectares and is bordered by farming properties. The CMA has a sealed main runway which is 850m long and a grassed runway 620 metres in length. There are currently 18 leased aircraft hangars located on site.

The current income from aerodrome operations is as follows:

- **Landing fees:** approx. \$10,000 per annum – funds distributed by Council to CoM less administration fee.
- **Lease from Hangars:** approx. \$20,000 per annum – funds go to CoM.
- **Rates on Hangars:** approx. \$10,000 per annum – funds received by Council.
- **Fuel Station:** Colac Aero Club owned, funds go to Aero Club.

Annual maintenance costs (\$20,000 - \$25,000) at the CMA undertaken by the CoM were covered by funds from user fees.

Approximately 10,000 aircraft used the aerodrome last year. The CMA is located within a short flying distance of several airfields such as Moorabbin, and can easily be used for trainee pilots. Fields such as Moorabbin are now overcrowded and trainee pilots can't get adequate flying time. It is possible to take advantage of that opportunity and attract trainees to use the facility and generate added fees for the Shire.

For safety reasons, Air Ambulance Victoria now utilise the CMA to transfer patients instead of using the Colac Cricket Ground (Lake Oval). The CMA is also used as a Regional Emergency Management Base during emergencies.

The CMA was utilised as an emergency response centre during the Wye River fires and is regarded as an important facility for any future emergency activities.

Qantas and Singapore Airlines have also made initial contact regarding use of the facility for trainee pilots. In addition, there is an opportunity to install runway lighting which would enable night flying opportunities for trainee pilots.

Council has determined to purchase of a two-hectare block of land adjacent to the CMA, which is now with Council's solicitors and being finalised. This will enable Council to actively attract more hangars to the precinct which will in turn generate more income from the facility. A focus will also be the attraction of an aircraft maintenance business to the site.

The CMA has been operated by a Section 86 CoM for many years. In recent times, the CoM has struggled to attract members to its committee with the last formal meeting of this CoM being held on 7 August 2018.

It was initially proposed that the CoM would transition to a Community Asset Management Committee to continue management of the CMA in line with all other S86 Committees. However, due to insufficient numbers interested at present to manage the facility other management options need to be considered by Council.

The purpose of this report is to provide Council with options for the future management of the CMA.

KEY INFORMATION

The CMA provides a number of social and economic benefits to the Colac Otway region. Therefore, it is important to have an appropriate management model in place to adequately manage the risks associated with running an Aerodrome, as well as enable the economic opportunities that the facility could attract.

Following discussions with the CoM, it has been clearly articulated that the former management model of a S86 CoM is not sustainable. In addition, the establishment of a Community Asset Management Committee would be challenging due to the low number of people interested in managing the facility.

OPTIONS

The following options regarding the future of the CMA have been identified for consideration.

Option 1 – Council assume the management responsibility for the CMA, supported by a formal Advisory Committee.

This is the preferred option. Council would assume the management responsibility for the CMA, with the Economic Development and Tourism Department of Council acting as the service manager.

A formal Advisory Committee would be established to provide advice to Council on the operations and management of the facility. This is consistent with other key community and business facilities including the Colac Regional Saleyards and Colac Central Reserve. A Draft Terms of Reference has been prepared (attached) which articulates the purpose and role of the Committee.

Council management through the Economic Development and Tourism Department, with support from an Advisory Committee, would provide greater focus on the identification of opportunities to grow the economic opportunities and take better advantage of external funding that might be available for facility improvements.

The Advisory Committee would include representatives from key users as listed below, as well as a representative from Council:

- Colac Aero Club x 3
- CFA x 1
- DELWP x 1
- Air Ambulance x 1
- The local community x 1

Council's Services and Operations Department would undertake the day to day maintenance of the facility. Under the Council management model, user fees would be utilised to cover maintenance costs.

Option 2 – Council assume the management responsibility for the CMA with informal advice from users.

As per Option 1 with consultation directly between Council and key agencies.

This is not the preferred option. For a key facility such as the CMA, it is important to ensure that key stakeholders are engaged in an appropriate manner. An Advisory Committee allows for collective engagement which is important when providing advice on the management and future direction.

Option 3 – Managed by a Community Asset Management Committee.

This is not the preferred option. The operations of a municipal aerodrome can be complex and includes numerous risks. The former S86 CoM has done a fantastic job of managing the CMA over many years. The facility is a well-established and well-operated aerodrome thanks to the great work of the CoM over many years.

As detailed previously, the number of people interested in actively managing the facility has dwindled over the last few years. The advice from the existing CoM members is that there are not sufficient numbers to re-establish a management committee to effectively manage and maintain the CMA. However, there would be support and interest in being involved in an Advisory Committee as the burden on volunteers is significantly less than actively managing the facility.

FUTURE DEVELOPMENT OF THE CMA

The former CoM had identified a number of projects which they believe would be of considerable benefit to strengthen the long term viability of the facility. It would be important to ensure that the proposed projects, which align to the 2014 Business Plan, remain current with the proposed new Advisory Committee.

The projects include:

- Hangar precinct extension – complete purchase of 2-hectare parcel of land adjacent to existing hangar precinct.
- Card swipe fuel bowser facility – work is scheduled to commence in April.
- Runway NVFR lighting.
- Redevelopment of Runway 18/36 – provide all weather landing area.
- Aerodrome car park resurfacing – improved to sealed surface.
- Redevelopment of Runway 09/27 – widen and lengthen.

These above projects will provide benefits to the region through increased income and the attraction of additional usage.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

There has been ongoing consultation with the remaining members of the CoM and members of the Colac Aero Club. Further engagement with the Colac Aero Club and other key users would occur following consideration of this report.

Council's Services and Operations Department have been advised of the new arrangements regarding maintenance. Specifications have been provided regarding the standards that need to be met regarding length of grass on the facility to enable them to provide the appropriate service.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

This aligns with the current 2017-2021 Council Plan:

Theme 1: Our Prosperity

- Goal 1 – Plan infrastructure, assets and land use with a long term vision for economic growth.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications with this report.

SOCIAL & CULTURAL IMPLICATIONS

There are several social implications regarding the outcome of this report.

The Air Ambulance now lands at the CMA for the transfer of patients. The Colac Cricket Ground is now not used due to safety reasons.

The CMA is a base for Emergency Services in the event of emergencies such as bushfires. Over 200 personnel were based at the facility during the Wye River fires.

The Colac Aero Club will also benefit as they will have a consistent management structure, support with grant applications for projects and potential income generated through the fuel facility.

ECONOMIC IMPLICATIONS

Economic implications exist following the recent decision to transfer the service management of the CMA to Economic Development and Tourism Department, however these are mostly positive. The facility will be viewed as an asset that can be developed to deliver greater benefit to the community and aim to reduce any ongoing operational costs to Council.

Further development of the CMA will facilitate greater economic opportunities through increase usage and the possible value add business attraction. With the Economic Development and Tourism Department having management responsibility for the CMA, there will be a greater focus on facilitating economic outcomes associated with the facility.

LEGAL & RISK IMPLICATIONS

The Local Government Act 1989 enables the establishment of Advisory Committees to assist Council with its business operations. Council has a Committees Policy which provides a consistent approach to the establishment of Council Committees.

The main function of an Advisory Committee is to assist Council in the consultative process and provide valuable information to support the decision making of Council. Furthermore, Advisory Committees allow Council to access independent external advice that may be available in the community. These committees would generally have a lifespan beyond one year and be focused in conjunction with a Council Plan or Strategy.

In terms of risk, it will be important for Council to undertake a risk assessment of the CMA in order to adequately manage the risk associated with the operation of an aerodrome. Whilst some of the risks are known, there could be others that are yet to be considered and mitigated. It will be important to engage the proposed Advisory Committee in this process to utilise their knowledge and expertise.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

With the direct management of the CMA returning to Council there will be resource implications. Historically, the CoM has undertaken the majority of maintenance at the facility eg: mowing of the site and other repairs as required. These costs have been covered by the funds from user fees being returned to the CoM. This figure is \$20,000-\$25,000 annually however it may require some additional funding to cover all maintenance, which would now be completed by Council's Services and Operations Department.

There will be additional work load implications for the Economic Development and Tourism Department as part of the overall management, including servicing of the Advisory Committee, preparation of grant applications, meetings, budget matters etc.

Income from the fuel bowser will continue to go to the Colac Aero Club, however all other income generated will be returned to Council to cover maintenance costs.

7. IMPLEMENTATION STRATEGY

DETAILS

Once the preferred management model is endorsed by Council, the structure will be set in place. Should Council support the recommendation to establish an Advisory Committee, nominations will be sought for positions from relevant agencies through direct correspondence. In addition, a community/business representative will be sought through media advertising. Membership selection will be undertaken and finalised by Council, with formal meetings to commence immediately the process has been completed.

Associated budget lines have been established in the Economic Development and Tourism Departmental budget to manage the CMA.

COMMUNICATION

Committee/group membership nominations will be called for through direct correspondence and advertising in local newspapers and social media.

Once the selection process is complete all nominees will be advised of the outcome.

TIMELINE

Necessary activities to establish the Advisory Committee will commence immediately following Council's consideration of this matter.

Meeting frequency and time of meeting will be decided at the first meeting which will be held immediately following the decision on membership.

8. OFFICER DIRECT OR INDIRECT INTEREST

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

Colac Municipal Aerodrome Advisory Committee

Terms of Reference



Colac Otway
SHIRE

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DRAFT

Purpose

The Colac Municipal Aerodrome Advisory Committee (CMAAC) has been established to provide input, advice and support to Council in the ongoing sustainability, planning, development and maintenance of the Colac Municipal Aerodrome (CMA).

Background

The Colac Aero Club was formed in 1963 and initially operated on private land at Yeo. The CMA was officially opened on 21 November 1976.

The CMA comprises:

- Two runways (one sealed and one grass)
- A clubhouse
- Toilet facility
- Fuel bowser
- 18 aircraft hangers (currently)

The CMA is used by members of the Colac Aero Club, aviation enthusiasts, visiting aviators, trainee pilots, air ambulance and as an emergency services base in times of emergency.

The CMAAC has been formed to:

- Effectively advise Council in the management and future sustainability of the facility on behalf of users of the facility.
- Represent a variety of community users and interest groups.
- Provide a forum for discussion and feedback on issues of the maintenance, operation and future development of the facility.

Objective of the CMAAC

The objectives of the CMAAC are to:

- Provide advice on the current and future management and maintenance of the CMA.
- Provide advice on new initiatives and opportunities the Council should consider, and how they could be resourced.
- Assist with the implementation of the Colac Municipal Aerodrome Business Plan.
- Provide a co-ordinated response to Council on strategic facility management issues and opportunities or initiatives.

Membership

Membership of the CMAAC will be drawn from key stakeholders including the Colac Aero Club, Ambulance Victoria (Air Ambulance), Department of Environment, Land, Water and Planning (DELWP), Country Fire Authority (CFA) and the community. These groups will be approached in writing requesting representatives of their organisation. A community representative will be sought via an Expression of Interest process.

Representatives would be expected to develop a broad understanding of the functions of the facility and issues regarding its use. These representatives must be able to comply with confidentiality requirements of Council. The representation will collectively have expertise in issues regarding their respective organisations usage needs of the facility.

The CMAAC will comprise:

- Three representatives from the Colac Aero Club
- One representative from the Ambulance Victoria (Air Ambulance)
- One representative from DELWP

- One representative from CFA
- One community stakeholder
- Manager of Economic Development and Tourism (Colac Otway Shire)
- One Councillor

Length of appointment

Representatives will be appointed for an indefinite term until resignation from the CMAAC.

Council appointments to the CMAAC will be made annually.

Casual Vacancies

Should a representative resign from the CMAAC, the Council may seek a replacement from that user group to serve on the CMAAC.

Decision Making

The role of the CMAAC is to advise Council and assist in the process of managing the CMA, whilst providing information to support decision making of Council. Council will make decisions in its own right.

The group should aim to achieve consensus on any decisions (where required). Where this cannot be reached, the Chairperson has the casting vote. Voting will be used to accept minutes and other cases where necessary. By agreement of the group, out-of-session decisions will be deemed acceptable (via the use of e-mail, meetings etc.).

Proxies or substitute members of the nominated membership organisations will be permitted to attend meetings on an as needed basis with voting rights. All key interest groups are to nominate their representative and substitute at the commencement of their term of office.

Chair

The Chairperson will be determined by the CMAAC annually. The Chairperson will convene all meetings and provide feedback to the CMAAC in accordance with the agreed principles or direction of the Committee.

If the designated Chairperson is not available, then the Manager Economic Development and Tourism will assume the role of Acting Chairperson and will be responsible for convening and/or conducting that meeting. The Acting Chairperson is responsible for informing the Chairperson as to the key points/discussions raised or agreed to at that meeting.

Meetings of the Advisory Committee shall at times be under the control of the Chairperson and shall be conducted in accordance with good meeting procedures.

The Manager Economic Development and Tourism will be responsible for minutes, agendas, meeting papers etc. In the event that the Manager Economic Development and Tourism is not available, he/she will designate these responsibilities to another member of staff and notify the Chair of such agreements.

Meeting Frequency

CMAAC meetings will be held every three months or as agreed by the CMAAC. Meeting days will be determined by the CMAAC at its first meeting.

Communications Protocol

All communications to the media regarding the CMA will go through Council. CMAAC members may communicate with the media only with regards to issues specific to their respective organisations.

- Input to the CMAAC: The CMAAC will consider matters and issues referred to it by the Council and the community and will seek advice from key statutory authorities, special interest groups and the community.

- Output from the CMAAC: The CMAAC will make recommendations and provide advice to the Council via the Council representatives.

Agenda Items

All agenda items should be forwarded to the Manager Economic Development and Tourism by close of business five working days prior to the next scheduled meeting. The agenda, with attached meeting papers will be distributed at least three working days prior to the next scheduled meeting by the Manager Economic Development and Tourism. For documents requiring review, appropriate time will be allowed between document distribution and expected submittal of the review.

The meeting agenda will include outstanding action items from the previous meeting and any relevant new issues for consideration as submitted by the members. Members may raise an item under "Other Business" as time permits and at the discretion of the Chairperson.

Minutes and Meeting Papers

The minutes of each meeting will be prepared by the Manager Economic Development and Tourism. Full copies of the minutes, including attachments, will be provided to all members no later than 20 business days following each meeting. Minutes including attendance, apologies, issues discussed, decisions made and action items will all be recorded for each meeting by the Manager Economic Development and Tourism.

All out-of-session decisions will be recorded in the minutes of the next scheduled meeting.

Quorum Requirements

A quorum comprises 50% of appointed members. A quorum is required for the meeting to be recognised as an authorised meeting for the recommendations or resolutions to be valid.

Voting Rights

The Chairperson will be both entitled to vote and have a casting vote. Council representatives will have voting rights. All representatives have one vote.

Conduct and Interest Provisions

In performing the role of an Advisory Committee member, any member of the CMAAC must:

- Act honestly.
- Exercise reasonable care and diligence.
- Not make improper use of their position.
- Not make improper use of information acquired because of their position.

Where a member of the CMAAC has an interest or conflict of interest in relation to a matter in which the CMAAC is concerned, or is likely to be considered or discussed, the member must disclose to the CMAAC before the matter is considered or discussed at the meeting, and leave the meeting while the matter is being considered.

Guests

The group may invite guests to appear at the meeting via the approval of the Chair and a majority of members. Guests may include any persons who provide technical or other insight as appropriate from time to time. The group is encouraged to make use of guests where particular skills/experience can be provided.

Terms of Reference

The Terms of Reference and objectives of the CMAAC are to be reviewed by the Committee from time to time. Any proposed changes to the Terms of Reference resulting from a review must be agreed on by the CMAAC and Council.

Administration

The CMAAC will operate in a professional manner, including the issuing of agendas with adequate lead time, the keeping and distribution of accurate minutes, and the development of draft policies/guidelines for consideration by the Council.

DRAFT

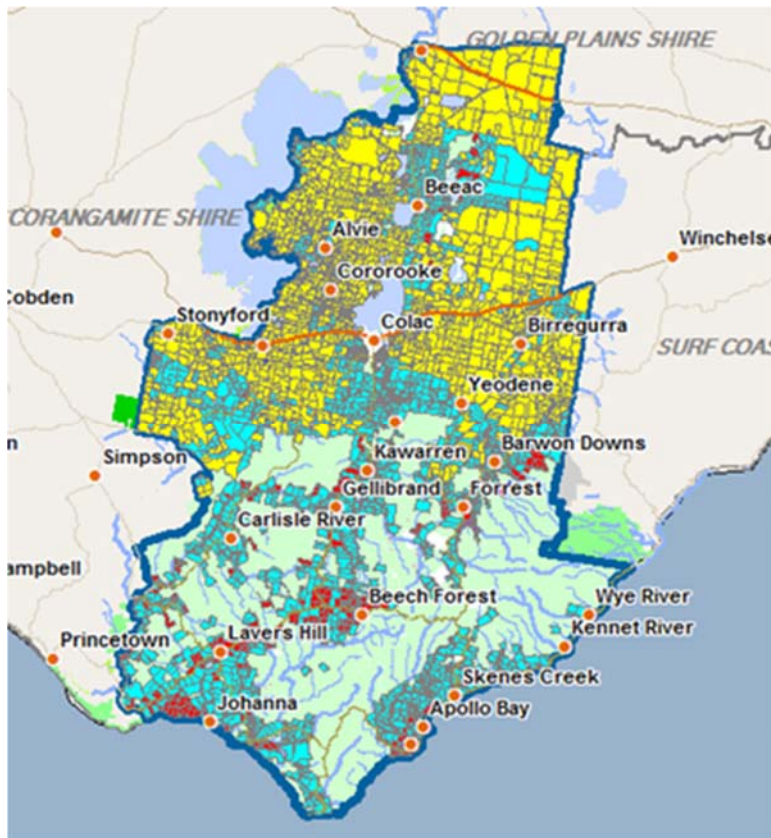
ORDINARY COUNCIL MEETING

AUTHORISATION OF OFFICER UNDER THE PLANNING AND ENVIRONMENT ACT 1987

OM192404-10

LOCATION / ADDRESS	Whole of Municipality	GENERAL MANAGER	Errol Lawrence
OFFICER	Errol Lawrence	DIVISION	Corporate Services
TRIM FILE	F18/6770	CONFIDENTIAL	No
ATTACHMENTS	Nil		
PURPOSE	Authorise officer to perform duties under the Planning and Environment Act 1987.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

The purpose of the report is for Council to appoint the Municipal Emergency Management Co-ordinator Callum Fairnie as an authorised officer under the *Planning and Environment Act 1987*.

3. RECOMMENDATION

That Council:

- 1. Appoints Callum Fairnie as an authorised officer pursuant to the *Planning and Environment Act 1987*.**
- 2. Notes that the *Instrument of Appointment and Authorisation* comes into force immediately the common seal of Council is affixed to the Instrument and remains in force until Council determines to vary or revoke it.**
- 3. Delegates to the Chief Executive authority to sign and place under Council Seal the *Instrument of Appointment and Authorisation*.**

4. BACKGROUND / KEY INFORMATION

BACKGROUND

The *Planning and Environment Act 1987* (the Act) establishes a framework for planning the use, development and protection of land in Victoria in the present and long-term interests of all Victorians.

Various staff members within Council's Environment and Community Safety Department are required to undertake assessments, give advice or investigate various issues in relation to the Act. In order to undertake these assessments legally, particularly during issues of non-compliance, authorisation under the Act is required.

KEY INFORMATION

It is requested that Council appoints the Municipal Emergency Management Co-ordinator, Callum Fairnie, as an authorised officer under the Act due to the following:

- The *Planning and Environment Act 1987* regulates enforcement and is reliant on authorised officers acting on behalf of the Responsible Authority.
- Currently the above officer is acting under a broader Appointment and Authorisation by the Chief Executive pursuant to section 224 of the *Local Government Act 1989*.
- Previous legal advice has recommended that authorised officers be appointed by Council using an instrument to address specific authorisation provisions of section 147(4) of the *Planning and Environment Act 1987* versus the broader authorisations of section 224 of the *Local Government Act 1989*.

The Emergency Management Coordinator requires authorisation in order to enter land and undertake urgent assessments or assist in investigations relevant to fire prevention and planning applications.

It is important to note that the broader Instrument of Appointment and Authorisation by the Chief Executive pursuant to section 224 of the *Local Government Act 1989* must also be retained as it appoints the officer as an authorised officer for the administration and enforcement of other acts.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

Not applicable

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The authorisation is required for an officer to undertake planning and land use investigations as outlined in this report directly address the themes of the Council Plan: Our Prosperity, Our Places, Our Community and Our Leadership and Management.

ENVIRONMENTAL IMPLICATIONS

The authorisation is required for an officer to undertake planning and land use investigations as outlined in this report serve to protect the wider environment in line with the requirements of the planning scheme and *Planning and Environment Act 1987*.

SOCIAL & CULTURAL IMPLICATIONS

The authorisation is required for an officer to undertake planning and land use investigations as outlined in this report serve to protect places of noted social and cultural significance in line with the requirements of the planning scheme and *Planning and Environment Act 1987*.

ECONOMIC IMPLICATIONS

Not applicable

LEGAL & RISK IMPLICATIONS

The *Planning and Environment Act 1987* regulates enforcement and is reliant on authorised officers acting on behalf of the responsible authority.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

Not applicable

7. IMPLEMENTATION STRATEGY

DETAILS

The attached Instruments of Appointment and Authorisation (*Planning and Environment Act 1987*) comes into force immediately upon its execution.

COMMUNICATION

Not applicable

TIMELINE

The attached Instruments of Appointment and Authorisation (*Planning and Environment Act 1987*) comes into force immediately after the common seal of Council is affixed to the Instrument by the Chief Executive.

8. OFFICER DIRECT OR INDIRECT INTEREST

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

ORDINARY COUNCIL MEETING

CITY DEAL

OM192404-11

LOCATION / ADDRESS	Apollo Bay to Kennett River	GENERAL MANAGER	Tony McGann
OFFICER	Paul Jane	DIVISION	Infrastructure & Leisure Services
TRIM FILE	F18/7487	CONFIDENTIAL	No
ATTACHMENTS	Nil		
PURPOSE	To update Council on the City Deal and seek authorisation for the Chief Executive to negotiate a funding agreement with the Victorian State Government.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

City Deals are a partnership between the three levels of government and the community to work towards a shared vision for productive and liveable cities.

The unique nature and diversity of cities across Australia means that a tailored approach is required to address the specific needs of each City inclusive of the surrounding areas that the City relies upon. In the case of Colac Otway Shire the Great Ocean Road is seen as a critical element of Geelong Deal to ensure that the city reaches its maximum potential.

The Geelong City Deal is Victoria's first with the Australian and Victorian governments working together with local government partners to negotiate the City Deal over the coming months.

Colac Otway Communities will be the beneficiary of \$18.9 million in funding to support three key projects captured within **Great Ocean Road Infrastructure Projects** those being -

- Apollo Bay Harbour \$12 million
- Great Ocean Walk between Apollo Bay (Wild Dog Creek) and Skenes Creek \$5 million
- Improvements to Tourism Infrastructure in Kennett River \$1.9 million.

3. RECOMMENDATION

That Council:

- 1. Acknowledge and thank both Australian and Victorian governments for the funding of critical projects through the City Deal.**
- 2. Authorise the Chief Executive to execute necessary funding agreement conditional on there being no financial commitment from the Colac Otway Shire.**

4. BACKGROUND / KEY INFORMATION

BACKGROUND

On 17 January 2018, the former Prime Minister, the Hon Malcolm Turnbull MP, and the Acting Premier of Victoria signed a Memorandum of Understanding, committing to work together on City Deals.

The Geelong City Deal is a 10-year plan to revitalise Geelong and unlock the potential of the Great Ocean Road visitor economy. The Australian and Victorian Governments, together with the City of Greater Geelong, Colac Otway Shire and other agencies will deliver more than \$355 million in investment to the region, supporting Geelong's continued economic diversification, growth of the visitor economy and a thriving city centre. The commitments under the deal include:

- Geelong Convention and Exhibition Centre \$170.2 million
- Revitalising Central Geelong Action Plan \$27.85 million
- Geelong Waterfront Safe Harbour project \$3.5 million
- Shipwreck Coast Master Plan \$108.15 million
- **Great Ocean Road Infrastructure Projects \$ 27.5 million**
- Deakin University Future Economy Precinct \$7.6 million
- Queenscliff Ferry Terminal \$10 million

The projects to be delivered within the Colac Otway Shire are captured under the Great Ocean Road Infrastructure Projects which is described as \$27.5 million package of funding support to deliver a range of projects along the Great Ocean Road, to better accommodate tourists and reduce impacts of increased visitation on the local community. The projects that will specifically be delivered in the Colac Otway Shire include:

1. Apollo Bay Harbour, \$12 million
2. Great Ocean Walk between Apollo Bay (Wild Dog Creek) and Skenes Creek, \$5 million
3. Improvements to Tourism Infrastructure in Kennett River, \$1.9 million.

All three levels of government are now jointly preparing an Implementation Plan which will set out key milestones for projects, timeframes and organisational responsibilities.

The City Deal projected timelines are

- 11 March 2019 Geelong City Deal signed (Achieved)
- Within six months Implementation Plan released
- March 2020 Annual Progress Report
- 2029 End of City Deal

It is projected that the projects within the Colac Otway Shire will be delivered within a three-year period subject to progression through respective planning approval processes. Given the sensitive nature of the coastal environment where the three projects will occur the development of cultural heritage management plans and flora and fauna studies will be a critical first step.

KEY INFORMATION

Under the City Deal it is proposed that the following projects are funded, the exact scope of the projects is yet to be negotiated and will be dependent on significant due diligence to identify project risks and constraints.

Apollo Bay Harbor \$12 million

The improvements include:

- Upgrading of Mother's Beach car park
- Harbour precinct entry road upgrade
- Breakwater Road upgrade
- Provision or upgrade of pedestrian and bicycle paths connecting the harbour precinct with Apollo Bay, including interpretive signage
- A new boardwalk along the harbour water's edge
- Extension of the Fisherman's Co-operative building
- New port operations depot, and public room and amenities
- Replacement of fencing in the harbour
- Utility upgrades

Great Ocean Walk between Apollo Bay (Wild Dog Creek) and Skenes Creek \$5 million

The improvements include:

- Generally, a 3m wide gravel path, with boardwalk in some sections
- The provision of seating, interpretive/regulatory signage, and rest areas
- The provision of viewing podiums/platforms at several locations
- Barrier ringlock wire fencing to some gravel sections and low boardwalks and handrails to more elevated boardwalks.
- Short span bridges 3-4 metres long across minor flood ways. Handrails to both sides. The bridges and boardwalks are to be designed to take the weight of small trucks, utilities and bobcats in the laying of gravel sections and construction of board walks.
- Longer span bridges 8-15 metres long to the upper end of several gullies.
- Utilise two VicRoads bridges for cantilevered walkways.

Improvements to Tourism Infrastructure in Kennett River \$1.9 million

The improvements include:

- Road and parking improvements
- New public toilet
- Water treatment plant for public toilet

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

Within each of the plans a comprehensive stakeholder analysis and community engagement strategy will be developed.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The delivery of the City Deal project aligns with components of all four council plan themes noted below –

THEME 1: OUR PROSPERITY

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

The City Deal will create the infrastructure to service both the community and visitors in a contemporary manner.

THEME 2: OUR PLACES

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

The City Deal will create critical infrastructure to promote community life.

THEME 3: OUR COMMUNITY

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

The City Deal will, through good governance and management, promote partnerships.

THEME 4: OUR LEADERSHIP & MANAGEMENT

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

The City Deal will deliver valuable upgrades for ratepayers funded by State and Federal governments.

ENVIRONMENTAL IMPLICATIONS

The projects contained within the City Deal all occur in sensitive coastal environments and as a result will need extensive Flora and Fauna planning and management coupled with erosion management planning and controls.

SOCIAL & CULTURAL IMPLICATIONS

The projects contained within the City Deal all occur in sensitive coastal environments and as a result will need an extensive analysis of the cultural heritage values and the corresponding management plans.

ECONOMIC IMPLICATIONS

The expressed purpose of City Deal projects within Colac Otway Shire is to better accommodate tourists and reduce the impacts of increased visitation on the local community, as a consequence the projects will have a significant economic impact which at this stage has not been projected.

LEGAL & RISK IMPLICATIONS

Colac Otway Shire as a funds recipient may bear significant project risk should it not be able to fulfil its obligations to both the State and Federal Governments through the funding agreement. At this point in time the funding agreement is under development and will require significant input from the Shire to ensure that any risks are mitigated through both the agreement and the project management strategy, these mitigation strategies include scope clarity, project hold points for cultural heritage and flora and fauna studies and a partnership approach to shared issues and management of other state and federal agencies involved.

It should be noted that the majority of works do not occur on land managed by Council, as a consequence project approvals and asset management obligations post construction will be a key negotiation point.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

The Federal and State governments have expressed a wish that the Colac Otway Shire deliver the City Deal projects. To achieve this officers have recommended that a project office be created within Colac Otway Shire to perform the role of Client Representative and be responsible for the delivery of the City Deal within Colac Otway Shire.

The role will ensure that the \$18.9 million in projects are delivered to the highest standard and maintain strict budget control adhering to project timeframes. The role will represent the interest of the Colac Otway Shire in the various facets of the project implementation including but not limited to project management, procurement, stakeholder management, risk identification, design, community engagement, budget management, communications, government liaison and commercial arrangements.

This role and all other roles within the project shall be funded out of the City Deal funds.

As a key negotiation point within the project future asset management obligations post construction will need to be defined with asset obligations costing in the vicinity of 2% pa of the capital construction costs dependant on the asset.

It is not intended that any of these assets will become Council assets.

7. IMPLEMENTATION STRATEGY

DETAILS

The implementation of the City Deal projects is subject to the successful negotiation of a funding agreement between partners.

COMMUNICATION

A communication strategy will be developed as a key component of the project.

TIMELINE

The City Deal is a ten year plan it is expected that by September 2019 the implementation plan will be agreed. The preliminary implementation plan for projects captured within the Colac Otway Shire is three years from the execution of the funding agreement.

8. OFFICER DIRECT OR INDIRECT INTEREST

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

ORDINARY COUNCIL MEETING
RURAL COUNCILS TRANSFORMATION PROGRAM -
G21 COUNCILS' BUSINESS CASE
 OM192404-12

LOCATION / ADDRESS	G21 Councils	GENERAL MANAGER	Errol Lawrence
OFFICER	Errol Lawrence	DIVISION	Corporate Services
TRIM FILE	F18/7487	CONFIDENTIAL	No
ATTACHMENTS	<ol style="list-style-type: none"> 1. RCTP Business Case 2. RCTP Staff Presentation 		
PURPOSE	<p>The purpose of this report is to present the final business case for the G21 Councils: Regional Service Collaboration project for Council's consideration.</p>		

1. LOCATION PLAN / AERIAL PHOTO

Not applicable

2. EXECUTIVE SUMMARY

It should be acknowledged that this report is substantially the same report presented to the Surf Coast Council at its Ordinary Council Meeting on 26 March 2019. Although there will be some subtle differences for each of the G21 Councils, it is the author's understanding that the reports to each of the councils will essentially be the same, particularly with reference to the Officer's Recommendation.

The Rural Councils Transformation Program (RCTP) is a Victorian Government initiative aimed at supporting local government to find solutions, based on collaboration, to the significant financial challenges faced by many rural and regional councils.

At its Ordinary meeting held 24 October 2018, Council resolved to submit to Local Government Victoria (LGV) an Expression of Interest (EOI) to the RCTP in partnership with the five local government authorities within the G21 region. LGV advised that this EOI was successful and invited the G21 councils to develop a business case and funding application to the RCTP.

The G21 councils have worked collaboratively to identify and articulate key problems and desired benefits through an Investment Logic Mapping (ILM) process. Research identified a number of relevant case studies across Australia and New Zealand where local government councils have worked together to achieve financial benefits. The ILM and research informed the development of a range of options.

Further exploration of the options, service delivery modes and the experiences of the G21 councils resulted in the G21 Councils: Regional Service Collaboration project, to be implemented over three years commencing 1 July 2019. An overview of the project scope is as follows:

1. Procurement and implementation of a single Strategic Asset Management System for the region with integration to each councils' core financial/asset corporate systems;
2. Establishment of Centres of Excellence for the following key functions:
 - i. Strategic asset management;
 - ii. Strategic procurement and contract management;
 - iii. Capital program and project management; and
3. Establishment of a regional staff sharing framework.

The project scope, governance, implementation approach, management and reporting are outlined in the business case (appended to this report). The business case also details:

1. the funding required to implement the project; and
2. the anticipated financial and non-financial benefits that the G21 councils can expect to achieve.

RCTP is a fully-funded Victorian Government program; councils are not asked to contribute financially although the project implementation will require the attention of Council's management and key staff in some areas.

It is expected that once implemented, Colac Otway Shire will receive recurrent financial benefits in the order of \$200K per annum. The project is also considered strategically important in progressing regional commitments to collaboration that may provide further benefits in the future.

The business case was required to be submitted to LGV before 31 March 2019 and had to be supported by councils' commitments to implement the project if the funding application is successful.

Options

Option 1 – Adopt the recommendation

This option is recommended by officers, primarily for the following three reasons.

1. Council, like most rural and regional councils across Victoria, continues to face significant financial challenges. The RCTP is an opportunity for Council to explore innovative opportunities to work with its regional partners to address the challenges faced in a low risk environment. If successful, this project can establish a foundation upon which further reforms might be based.
2. The project strongly aligns with the Council Plan, which clearly recognises that Council will increasingly work in partnership rather than alone.

Theme 1: Our Prosperity

- *Partnerships*

Theme 4:

- *Financial Management*
- *Openness and Accountability*
- *Organisational Development*
- *Value for Money*

3. LGV has confirmed that RCTP funding applications need to be supported by a council resolution based on standard wording that LGV has provided. The recommendation of this report is consistent with that requirement.

Option 2 – Support the submission of the business case with alternative wording to the recommendation

This option is not recommended. LGV might not accept the business case application if it deviates from the requested wording.

Option 3 – Not participate further in the RCTP process

This option is not recommended. This would be a missed opportunity for Council, diminish the regional benefits that might be achieved and indicate to LGV that Council is not committed to addressing its financial challenges.

Conclusion

Rural and regional councils face significant financial challenges. For some this is immediate and in the case of Colac Otway Shire Council it is expected to impact within the short to medium term. The RCTP is an opportunity for Council to explore solutions to this challenge and can also address other risks faced by Council in relation to access to skills and technology. The business case appended is consistent with Council's strategic direction, low risk, requires no direct financial contribution and may establish a foundation for further reform and innovation.

3. RECOMMENDATION

That Council:

- 1. Notes that Colac Otway Shire Council is a participant in a grouping of councils making an application for funding under the Victorian Government Rural Councils Transformation Program (RCTP) for the following initiative:***
 - a. G21 Councils: Regional Services Collaboration, in conjunction with the Borough of Queenscliffe, Surf Coast Shire Council, Golden Plains Shire Council and the City of Greater Geelong (lead council).***
- 2. Notes that for an RCTP application to be eligible for consideration, the following criteria must be met:***
 - a. Submission of a joint business case by 31 March 2019.***
 - b. Each council must pass an accompanying resolution committing to implement the business case, if approved for funding. The resolution must be lodged with Local Government Victoria by 30 April 2019.***
- 3. Approves the submission of the business case by the City of Greater Geelong on behalf of Colac Otway Shire Council.***
- 4. Approves implementation of the G21 Councils: Regional Services Collaboration within the submitted business case by Colac Otway Shire Council, subject to the application being approved for RCTP funding.***

4. BACKGROUND / KEY INFORMATION

BACKGROUND

The financial pressures and structural issues faced by rural and regional councils have long been recognised across Australia. In the latest attempt to effectively address these issues in Victoria, the Rural and Regional Councils Sustainability Reform Program (RRCSR), delivered through LGV, established that to operate sustainably local government needs:

- Capability – the capacity and capability to govern effectively and deliver its functions to meet community needs
- Efficiency – the ability to deliver services and infrastructure efficiently, and deliver value for money for ratepayers
- Effectiveness – the ability to deliver the agreed level and standard of services and infrastructure in accordance with community needs and strategic objectives
- Financial performance – the ability to generate sufficient funds to provide the agreed level and standard of services of infrastructure.

However, the RRCSR found that rural and regional councils faced more barriers to sustainability than metropolitan councils, largely reflecting their limited size and dispersion of population, along with a range of location specific factors, such as remoteness, ICT connectivity, composition of population, visitor numbers, etc.

In response to the above, the Victorian Government has launched the RCTP as a strategic local government reform initiative aimed at incentivising councils to jointly undertake large-scale transformative projects. Funding of \$20 million for the RCTP was included in the 2018-19 State Budget.

At its Ordinary meeting held 24 October 2018, Council resolved to submit a joint Expression of Interest (EOI) to the Victorian Government's RCTP, in partnership with the Borough of Queenscliffe, City of Greater Geelong (COGG), Surf Coast Shire Council and Golden Plains Shire Council. This partnership represents the G21 councils.

The G21 councils' EOI was successful and the Victorian Government invited the councils to prepare a business case and funding application. SGS Economics and Planning (SGS) were appointed by LGV to work with the G21 councils to develop the business case. The business case is presented in the format determined by LGV for this purpose.

KEY INFORMATION

Since January 2019 a working group comprising the Chief Executive Officers (CEOs) and senior officers from the G21 councils have worked collaboratively to identify and articulate key problems and desired benefits through an Investment Logic Mapping (ILM) process. Research identified a number of relevant case studies across Australia and New Zealand where local government councils have worked together to achieve financial benefits. The ILM and research informed the development of a range of options.

Further exploration of the options, service delivery models and the experiences of the G21 councils, resulted in the G21 Councils: Regional Service Collaboration project, to be implemented over three years commencing 1 July 2019. An overview of the project scope is as follows:

1. Procurement and implementation of a single Strategic Asset Management System for the region with integration to each councils' core financial/asset corporate systems;
2. Establishment of Centres of Excellence for the following key functions:
 - i. *Strategic asset management*: typical activities would include asset modelling, analysis and planning, development of best practice tools and templates;
 - ii. *Strategic procurement and contract management*: typical activities would include regional spend analysis, joint procurement planning, tendering for agreed goods & services, establishing contract management processes & templates;
 - iii. *Capital program and project management*: typical activities would include establishment of capital works program and project management best practice; and
3. Establishment of a regional staff sharing framework: shared resourcing of key positions should councils have the capacity and agreement of staff to participate (examples where this might support important service continuity include building services, environmental health and land use planning).

Adopting a common strategic asset management system for all G21 councils would also provide an opportunity to assess the practicality of shared technology. If this project is successful it may support Colac Otway Shire Council and other councils to reduce the cost and risk of accessing technology in future.

The project includes review points at which subsequent steps can be considered including the assessment of a potential shared services entity.

The project scope, governance, implementation approach, management and reporting are outlined in the business case (appended to this report). The business case also details:

1. the funding required to implement the project; and
2. the anticipated financial and non-financial benefits that the G21 councils can expect to achieve.

There were a number of other areas and concepts initially given consideration, but have been excluded at this time. There may be an opportunity for inclusion at a later date. These include:

- a regional services authority
- regulatory services being shared services between the municipalities.
- Payroll
- Local Laws

The G21 councils are already successful in working together, particularly with respect to regional advocacy and strategic planning. The project is considered strategically important in progressing regional commitments to collaboration that may provide further benefits in the future.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

No community engagement has occurred.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

Theme 1: Our Prosperity

- Partnerships

Theme 4:

- Financial Management
- Openness and Accountability
- Organisational Development
- Value for Money

ENVIRONMENTAL IMPLICATIONS

No environmental implications have been identified at this time.

SOCIAL & CULTURAL IMPLICATIONS

Financially sustainable Councils with access to skills when needed are important to Council's ability to provide important services and social outcomes in the future. The G21 Councils: Regional Services Collaboration project is an opportunity to support this objective.

ECONOMIC IMPLICATIONS

Any economic implications have been covered elsewhere in this report and in the business case attached.

LEGAL & RISK IMPLICATIONS

Policy and legal implications have been considered in development of the RCTP business and the implementation plan includes allowances to obtain legal advice on specific issues if needed.

The business case includes a risk assessment in section 7.1.

Should Council decide to proceed, it will have an obligation to remain in the program for three years plus three years. The first five years of costs will be covered by the State Government and the Colac Otway Shire will be required to remain for a further year at its own cost.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

The project funding required to implement the project is \$4.79 million. The RCTP business case application would see this investment being fully funded by the Victorian Government through the RCTP. The project requires no financial contribution from councils, but in-kind support by key staff is required.

The project also requires a minimum proportion of 10% of their materials and services budgets to be committed by each council to undertake collaborative procurement with the objective of achieving financial benefits through achieving economies of scale. Analysis of councils' materials and services budgets indicates that this commitment of 10% should be readily achievable.

In accordance with the RCTP application requirements the financial returns have been quantified (over the nominated period of 5 years) and presented as a Net Present Value (NPV). For this project, the NPV calculation is -\$1.7 million. While a positive NPV is generally the objective of a financial investment such as this, the project offers a good opportunity for councils if the funding application is successful because it receives the financial benefit without having to make a direct financial investment. It is also noteworthy that the financial savings (of \$200K for Colac Otway Shire Council) in year 5 (2023-34) are recurrent and will continue in following years beyond the business case assessment period.

7. IMPLEMENTATION STRATEGY

DETAILS

See timeline below.

COMMUNICATION

Communication between councils has been led by the CEOs during the development of the business case, with each CEO then providing regular briefing updates to their respective Councils or councillors.

Communication with staff has been undertaken on the same basis as the Councillors. When a well-progressed draft of the business case was in hand, face-to-face staff consultation occurred, supported by a presentation of a project overview (appended). This consultation occurred with the asset management, procurement and contract management and project management teams in the first instance and then a high-level communication was held for the broader workforce. The unions have already received written advice about council's participation in the RCTP to ensure that obligations under the Colac Otway Shire Enterprise Agreement No. 7, 2016 are met or exceeded.

TIMELINE

If the business case application is successful, project implementation will occur over 3 years:

Regional Staff Sharing Framework	1 year
Capital Works Program Delivery Framework	2 years
Strategic Procurement Framework	2 years
Asset Management System and Practices	3 years

8. OFFICER DIRECT OR INDIRECT INTEREST

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

Rural Councils Transformation Program

G21 Councils: Regional Service Collaboration

Lead council(s) and contact details	City of Greater Geelong
Member councils / entities	Borough of Queenscliffe Colac Otway Shire Council Golden Plains Shire Council Surf Coast Shire Council
Total funding requirements:	2019-20 \$2.595 million 2020-21 \$1.130 million 2021-22 \$0.515 million 2022-23 \$0.365 million 2023-24 \$0.185 million Total \$4.790 million

For convenience the business case assessment criteria are reproduced below from the 'Rural Councils Transformation Program Funding Guidelines'. The Department of Environment, Land, Water and Planning reserves the right not to award funding in the case that no applications reasonably meet these criteria.

Criteria	Description	Weighting
Financial sustainability	Demonstrate how the proposal will deliver efficiencies / savings that will contribute to improved sustainability of involved councils	35%
	Quantify the financial benefits of the proposal in annual terms and demonstrate that there will be a positive Net Present Value (NPV) within five years, which will be sustained beyond this period	
Evidence-based	Clearly articulates the evidence of the need and how the proposal will address this need	25%
	Outlines a robust framework for collecting data or other evidence to assess the proposal's outcomes and, if applicable, to assess its viability as a model that can be replicated or scaled up	
Impact	Clearly quantifies the expected improvements from current baseline resourcing and service provision levels or council operations that will result from the proposal	25%
	Outlines how the proposal project will result in a transformation of significant scale	
	Demonstrates that the proposal project will have a positive impact on rural communities through improving service delivery quality or scope	
Collaboration	Demonstrates clear and comprehensible partnering arrangement governance arrangements, including roles and responsibilities for project delivery on an ongoing basis*	15%

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1. Overview

1.1 Executive Summary

Project summary

The G21 regional services collaboration project will establish a regional centre of excellence to build regional capabilities and share expertise and insights across the five participating councils in:

- Strategic asset management
- Strategic procurement and contract management
- Capital program and project management.

The G21 regional services collaboration project will also establish a regional staff sharing framework, establishing a framework for sharing the resourcing of key positions e.g. building services; environmental health; land use planning, which are currently reliant on specific individuals and therefore pose service continuity risks.

Essentially the G21 regional services collaboration project will

- Procure a new strategic asset management system that can be utilised across the whole region
- Recruit an executive officer to lead regional collaboration activities for 3 years full-time and transition through to part-time in years 4 and 5
- Recruit a specialist project manager for 2 years to deliver procurement and implementation of a shared Strategic Asset Management system for the region, including full integration with councils' core systems
- Recruit a specialist asset manager to develop best practice methods, processes and templates for use across the region and provide analytical expertise for regional decision-making
- Recruit a specialist procurement manager for 4 years to develop best practice methods, processes and templates for use across the region, establish the regional contract register and undertake collaborative procurement
- Recruit a capital program manager for 2 years to develop best practice methods, processes and templates for capital program and project management use across the region
- Fund legal, training and other support services required for effective delivery, and
- Ensure specialist staff from the participating councils work as a regional team while remaining embedded within their home councils.

Project response to RCTP criteria

Criteria	Summary of how project responds
Financial sustainability Efficiencies/ savings that will contribute to improved sustainability	The G21 regional services collaboration project will generate financial savings by: <ul style="list-style-type: none"> • Reducing the use of contractors to deliver core services, enabling full time roles to specialise across the region • Enabling asset investment, renewal, and maintenance efficiencies to be better informed and coordinated across the councils' collective infrastructure asset base (valued at ~\$3 billion) • Ensuring regional procurement activities are aligned and coordinated to maximise value for money for councils as purchasing entities.
Quantify the financial benefits in annual terms and demonstrate that there will be a positive NPV within five years, which will be sustained beyond this period	Over the course of the 5 year forecast period under the business as usual scenario, \$135 million will be spent on <ul style="list-style-type: none"> • Strategic asset management, procurement and project, and • Services where small councils are unduly reliant on individual staff/ contractors. After project implementation, these 5 year costs will reduce to \$132 million.

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	<p>This \$3 million savings converts to a Net Present Cost of \$1.7 million once RCTP funded project costs of \$4.8 million are deducted.</p> <p>The savings differential in year 5 is expected to be \$2.0 million and this financial dividend is expected to flow on an ongoing basis.</p>
<p>Evidence-based</p> <p>Evidence of need and how the proposal will address this need</p>	<p>The benchmarking process conducted herein clearly evidences the:</p> <ul style="list-style-type: none"> Financial sustainability problems faced by the Geelong region's councils, which vary widely in terms of their size, and Fast paced growth and diversity of socioeconomic change expected across the region, which complicates service delivery and elevates delivery costs. <p>Given this context it is unfortunate that the Geelong region's councils have underdeveloped capabilities in strategic asset management, procurement and delivery; caused by legacy systems, siloed and duplicated approaches, and difficulties in retaining specialist skills.</p> <p>The project draws from the lessons of published literature and case study experience elsewhere to create a centre of excellence for addressing these issues; ensuring capabilities are collectively built while remaining embedded in participating councils, meaning regional insights effectively inform local decisions.</p> <p>A platform for collaboratively addressing the well documented security of service issues and value for money in the region's small councils also forms a key part of the project's scope.</p>
<p>Outline a robust framework for collecting data to assess the proposal's outcomes and, if applicable, to assess its viability for replication or scaling up</p>	<p>The project's progression and effectiveness will be monitored against its:</p> <ul style="list-style-type: none"> Implementation milestones, as per the detailed Implementation Plan Key performance indicators, as per the Benefits Management Plan <p>Moreover, the regional partnership will also publish:</p> <ul style="list-style-type: none"> An annual assessment of the region's development in terms of strategic asset management, procurement and delivery A detailed review of the regional partnership, after three years of operation, which will assess the feasibility of continuing and/ or expanding the suite of collaboratively delivered services, and the governance model adopted.
<p>Impact</p> <p>Clearly quantifies the expected improvements from current baseline resourcing and service provision levels or council operations that will result from the proposal</p>	<p>The project will fund an asset management system, an executive officer and specialist roles who will collectively drive best practice identification and adoption across the participating councils in strategic asset management, procurement and delivery.</p> <p>The gains that are generated from these improved capabilities, through councils undertaking collaborative procurement, and the better-informed decisions that result, will change regional outcomes. Ultimately, the changes will filter through to headline measures such as follows after five years (when compared to business as usual outcomes):</p> <ul style="list-style-type: none"> Adjusted underlying surplus - improved from -0.8% to -0.4% Expenditure per capita - reduced from \$1,765 to \$1,762.
<p>Outlines how the proposal project will result in a transformation of significant scale</p>	<p>The project will be transformative for the Geelong region as it aims to improve council capabilities in areas that have major impacts on council expenditures: strategic asset management, procurement and service delivery.</p> <p>The project will support the establishment of common and coordinated systems across the participating councils, meaning that major efficiencies in asset and service provision should naturally flow.</p> <p>Regional capabilities will also be progressively developed in the participating councils; addressing their ongoing issues with retaining skills in these specialist disciplines.</p>



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Demonstrates that the proposal project will have a positive impact on rural communities through improving service delivery quality or scope

The project will improve the security and consistency of service provision across the Geelong region. The regional staff sharing framework will enable ongoing and documented service delivery disruptions, caused by staff/ contractor unavailability, to be reduced in positions which have direct impacts of the community, e.g. building services, planning and environmental health.

Collaboration

Demonstrates clear and comprehensible partnering arrangement governance arrangements

The project will be delivered over three years through a regional shared service partnership.

Participating councils will oversee the partnership's activities via an Executive Steering Committee (ESC), comprised by the council's CEOs. This ESC will be:

- Serviced by an executive officer responsible for overall implementation and delivery who will lead and coordinate
- An Implementation Committee comprised by lead staff from each of the participating councils, representing the four service components of the shared service partnership.

Project funding will be used to support implementation of the nominated shared services.

At the conclusion of the project implementation period, the partnership will commit for a minimum of three years of operation. It will also review the model to consider evolving the partnership to:

- Include additional shared services, and/ or
 - A shared services entity.
-

Underlying problems

The councils in the Geelong region face three inter-related problems:

1. A constrained revenue base and a rapidly changing visitor and resident population threatens the financial sustainability of all G21 councils.
2. Disjointed and legacy systems hamper regional service provision efficiencies
3. Reliance by individual councils on a limited number of staff and contractors impacts on the continuity, cost and quality of services.

These problems are like those being faced by regional and rural councils across Victoria but are exacerbated in the Geelong region given the diversity of population growth rates and compositional changes, and the widely varying sizes of local government.

Overarching benefits

If these problems can be effectively addressed, the benefits that will be generated include:

- More productive and strategic resource allocation
- Agreed services continue to be funded into the future
- Improved community satisfaction with services
- Opportunity to build on the project's success to include other shared service functions in the future.

These benefits align strongly with both the objectives of the RCTP program and the underlying strategic objectives of each of the participating councils, as specified in each of their respective council plans.

Business as usual outcomes

If these benefits are not captured, the business as usual outcomes for the participating councils look bleak. Growing financial pressures will progressively diminish 1) new capital works to address currently unmet needs, 2) asset renewal efforts, and ultimately, 3) service delivery, with anticipated cutbacks having material socioeconomic consequences for the affected communities.

The logo for the Rural Councils Transformation Program features a teal background with a white triangle on the left side. The triangle is divided into three smaller triangles of different colors: red, dark blue, and teal.

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At a more specific level, essential services in the Geelong region will remain disrupted, particularly in the smaller councils, and the region's capabilities in asset management, procurement and delivery will remain undeveloped, with potentially very large savings remaining unrealised given the size of:

- Infrastructure assets currently under management (~\$3 billion), and
- Population growth and demographic change forecast across the region.

Project options

The analysis of options for strategically responding found that only acting collaboratively across the region would make a meaningful contribution towards solving the problems being faced.

Project options were also explored in terms of the functions of local government that could be collaboratively delivered, and the governance arrangements for implementation. Based on the evidence available, the project scope targets functions that are likely to:

- Significantly lift the capabilities of all councils
- Maximise financial savings
- Promote flexibility in opting into staff sharing
- Minimise implementation risks.

The collaborative services scoped in the original EOI have been amended to reflect these considerations. The suite that features in this business case will maximise benefits and minimise risks.

Final project scope

The project scope includes the establishment of a regional 'centre of excellence' for strategic asset management, procurement and delivery, and a regional 'staff sharing framework' for minimising service disruptions across the region.

Essentially the regional centres of excellence will:

- Procure and implement a new strategic asset management system across the five councils in the region
- Create a team environment for strategic asset management, procurement and capital project management staff
- Recruit an executive officer and specialist asset manager who will lead and coordinate the above, and
- Collaboratively develop best practice methods, processes and templates that will improve asset management, procurement and project management capabilities across the region.

Additionally, the regional 'staff sharing framework' will establish how staff resources might be shared across the region to minimise service disruptions caused by staff/ contractor unavailability. This framework will operate on an opt in basis, reflecting the evolving ability for participating councils to provide staff resources for delivering services in neighbouring councils.

Essentially the project scope (\$4.8 million) funds:

- Development of partnership's governance, funding and operating model
- Procurement and implementation of a common strategic asset management system and its effective integration within participating councils
- Standardisation of systems and processes in strategic asset management, procurement and delivery
- Establishment of a formal regional staff sharing agreements
- Recruitment of an executive officer to lead regional collaboration activities for 3 years full-time and transition through to part-time in years 4 and 5
- Recruitment of a specialist project manager for 2 years to deliver procurement and implementation of a shared Strategic Asset Management system for the region, including full integration with councils' core systems
- Recruitment of a specialist asset manager to develop best practice methods, processes and templates for use across the region and provide analytical expertise for regional decision-making

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- Recruitment of a specialist procurement manager for 4 years to develop best practice methods, processes and templates for use across the region, establish the regional contract register and undertake collaborative procurement
- Recruitment of a capital program manager for 2 years to develop best practice methods, processes and templates for capital program and project management use across the region
- Legal, training and other support services required for effective delivery.

The participating councils commit to project implementation (years 1, 2 and part year 3), as well as a minimum of three years of operations after initial delivery (part year 3, year 4 and 5).

Project governance/ management

The project objectives will be delivered through a regional shared service partnership, underpinned by an ongoing funding agreement based on the principles of:

- Pay for usage of opt in services (primarily for regional staff sharing or agreed projects)
- Financial transparency and equity
- Medium term financial commitment (through collaborative procurement budgets)

To ensure that all participating councils have adequate oversight of the partnership's activities an Executive Steering Committee (ESC), comprised of the CEOs from each of the member councils, will be established. The ESC will be serviced by an executive officer who will be responsible for project implementation and leading regional capability development in the strategic asset management, procurement and delivery.

An Implementation Committee will also be established, comprising the executive officer, a specialist asset manager and lead staff from each of the participating councils, i.e. senior staff that have relevant authority to commit resources, remove obstacles and make decisions about the relevant services in their home councils.

In addition to the project governance and management, councils' involvement and management of the four elements of the project scope will be as follows:

1. Two scope elements are primarily focussed on building capability and improving decision-making through the development of a common system and approach and then deploying this in their home council:
 - i. Shared strategic asset management systems and practices
 - ii. Common capital works program/project delivery framework

Each council will take the systems, processes, data and learnings from these two Centres of Excellence and deploy them on the ground in their own home council. Senior management in these home councils will be responsible for participation in the regional partnership as well as ensuring the effective deployment in their own council.

2. Two scope elements are primarily focussed on creating efficiencies and service continuity by leveraging buyer-power through collaborative procurement and by creating common frameworks and work practices whereby councils' resources can be effectively shared:
 - iii. Strategic procurement for regional services
 - iv. Regional staff sharing

These activities will be undertaken by councils working directly with each other in a common framework.

Post-project governance/ management

Every three years after initial project implementation, each council has the option of opting in or out in relation to each of the shared service categories.

Ongoing funding (beyond the three year project period) will predominantly be based around each council's:

- Contributions towards ongoing costs of common systems and shared services activities
- Staff resources participating in the regional partnership.

It is not envisaged that the partnership would employ staff directly, unless there is a decision to move to a shared services entity.

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Project implementation steps, costs & timeframes

A summary of the headline implementation steps, costs (total \$4.8 million) and timeframes (practically completed after 3 years) are provided below. Additional detail is provided in the appendices.

Scope	Summary milestones	Completion date	Delivery cost \$000
Governance model	Regional service delivery partnership	2019-20	\$725
	Governance structure	2019-20	
	3 year review of governance model	2022-23	
Strategic asset management	People	2019-20	\$2,740
	Organisation	2019-20	
	Systems	2020-21	
	Processes	2020-21	
Strategic procurement and contract management	Shared system realisation	2021-22	\$795
	Design	2019-20	
	Build and test	2020-21	
	Implement and roll out	2020-21	
Capital program and project management	Monitor and review	Ongoing	\$380
	Design	2019-20	
	Build and test	2020-21	
	Implement and roll out	2020-21	
Regional staff sharing	Monitor and review	Ongoing	\$150
	Organisation	2019-20	
	People	2019-20	
	Systems, platforms and applications	2019-20	
	Processes	2019-20	
		TOTAL	\$4,790

Anticipated project benefits

The project is expected to generate a wide variety of benefits within the overarching benefit framework established earlier. The centres of excellence will progressively lift regional capabilities in asset management, procurement and project delivery. In the medium term, when this flows through to operational decision making, these capabilities will generate material savings in:

- The planning for and provisioning of new assets
- Renewing and maintaining existing assets
- The procurement of regional goods and services
- Creating of a regional model upon which additional services and functions can be added or evolved to a shared services entity

In terms of second round effects, improved community satisfaction with council decisions and service delivery will ultimately eventuate.

The regional staff sharing framework will ensure that service disruptions across participating councils are addressed, thereby improving the security and quality of service provision. Given the range of services that are candidates from inclusion with the framework, these service security and quality improvements could have wide ranging community benefits, particularly in the small rural councils.

Anticipated financial savings

With project implementation, the expenditure profile for participating councils collectively over the five year forecast period has been forecast to:

- Increase by project implementation costs (\$4.8 million)
- Reduce due to efficiency gains (10% saving) made through collaborative procurement of a minimum of 10% of total regional Materials and Services budgets (based on examples including asset condition assessments; kerbside bin collection service; local sealed road resealing)



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- Reduce due to efficiency gains in contractor costs, i.e. by accessing staff from other councils and avoiding market contractor cost penalties (not redundancies), through regional staff sharing across capital program and project management, building, planning and environmental health services (10% saving).

Overall service delivery costs (operational) will reduce from \$135 million to \$132 million over the 5 years, generating a Net Present Cost of \$1.7 million.

While specific services benefit from regional procurement gains in the financial modelling, the participating councils are not able to commit these specific services to collaborative procurement at this stage. This is due in part because until the Strategic Procurement Centre of Excellence is established and a common register of contracts is in place, councils cannot know how current contract periods align. However, the participating councils commit to collaboratively procuring at least 10% of the regional Materials and Services budgets thereby achieving savings in these budgets of 5% in year 4 and 10% in year 5. Note that the level of 10% of total Materials and Services budgets is a significantly higher percentage of the 3rd party expenditure across the region (which could be as high as 25% for some councils).

Scalability of project scope

The modularity and/ or scalability of the project scope is limited, given that it encompasses heavily inter-related services. Indeed, given that the project aims to introduce common, best practice systems and approaches for these services and, in doing so, build the shared capability of and within the participating councils, it does not make much sense to modularise the approach to implementation.

Having said this, the recommended solution can be envisaged as the first stage of a much larger collaboration program across the region. It is therefore potentially scalable in the longer term as it provides the basis from which to:

- Expand regional service collaboration into additional services/ functions, and
- Evolve into a separate shared service delivery entity should this be considered beneficial.

Evaluation strategy

The evaluation strategy for the project comprises three elements:

- Monitoring and reporting of agreed implementation milestones which will form part of the proposed funds acquittal reporting
- Monitoring and reporting of identified benefits, as per the key performance indicators in the Benefits Management Plan (BMP) included in the appendices
- Consideration of establishing a separate delivery entity for the three 'centre of excellence' functions and additional services and functions that may be beneficial.

It is envisaged that the project will be fully implemented within three years (i.e. at the conclusion of 2021-22) and that councils will then move to an ongoing partnership model for a minimum of a further three years, based on learnings derived through the project. The ongoing partnership should again be evaluated after three years of operation to assess the feasibility and/ or attractiveness of continuing and/ or expanding regional service delivery collaboration; and altering governance arrangements if needed.

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1.2 Summary Statistics

Group	(\$000s)						
Description	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	5-year total	Ongoing
Total operational funds	0	0	0	0	0	0	0
Total operational expenditure	1,965	1,100	485	335	155	4,040	0
Net RCTP funds sought	1,965	1,100	485	335	155	4,040	0
Total capital funds	0	0	0	0	0	0	0
Total capital expenditure	630	30	30	30	30	750	0
Net RCTP funds sought	630	30	30	30	30	750	0
Total Net RCTP funds sought	2,595	1,130	515	365	185	4,790	0
Deliverables							
Strategic Asset Management							
Strategic Procurement & Contract Management							
Capital Program and Project Management							
Regional Staff Sharing							
Performance measure impact						n/a	n/a
Adjusted underlying result						n/a	n/a
-business as usual (%)	-0.1	0.5	-0.2	-0.4	-0.8	n/a	n/a
-recommended solution (%)	-0.1	0.5	-0.2	-0.2	-0.4	n/a	n/a
Expenditure per capita						n/a	n/a
-business as usual (\$)	1,687	1,691	1,732	1,765	1,797	n/a	n/a
-recommended solution (\$)	1,687	1,691	1,732	1,762	1,791	n/a	n/a
Total existing staff (FTE)	8.2	8.2	8.2	8.2	8.2	n/a	8.2
Total existing staff change (FTE)	0.0	0.0	0.0	0.0	0.0	n/a	0.0
Total existing non-staff (FTE)	0.0	0.0	0.0	0.0	0.0	n/a	0.0
Total non-staff change (FTE)	6.0	5.0	3.0	2.5	1.4	n/a	0.0
Total Labour (FTE)	14.2	13.2	11.2	10.7	9.6	n/a	8.2

2. Problem identification

2.1 Background

The financial pressures and structural issues faced by rural and regional councils have long been recognised across Australia. In the latest attempt to effectively address these issues in Victoria, the Rural and Regional Councils Sustainability Reform Program (RRCSR), delivered through Local Government Victoria (LGV), established that to operate sustainably local government needs:

- Capability - the capacity and capability to govern effectively and deliver its functions to meet community needs
- Efficiency – the ability to deliver services and infrastructure efficiently, and deliver value for money for ratepayers
- Effectiveness – the ability to deliver the agreed level and standard of services and infrastructure in accordance with community needs and strategic objectives
- Financial performance - the ability to generate sufficient funds to provide the agreed level and standard of services of infrastructure.

However, the RRCSR found that rural and regional councils faced more barriers to sustainability than metropolitan councils, largely reflecting their limited size and dispersion of population, along with a range of location specific factors, such as remoteness, ICT connectivity, composition of population, visitor numbers, etc.

The RRCSR concluded that, looking ahead, rural and regional councils faced three overarching issues:

- Reduced ability to invest for the long term (assets, service delivery, etc.)
- Increased dependency on governments for financial support
- Continued difficulty in attracting and retaining skilled, professional and knowledgeable staff.

The RRCSR highlighted that unless material inroads are made into improving rural and regional council sustainability, the community will suffer comparatively lower standards of service than their metropolitan counterparts, deteriorating infrastructure performance (roads, bridges, water, etc.) and reducing breadth and scope of service delivery (i.e. reduced access to services, less services for the vulnerable).

The RRCSR subsequently developed a suite of reform options. Three of the key components of these reform options included the following:

- 3.1 Regional service model development and implementation: regional service delivery has the potential to create significant financial savings for local government, supporting their achievement of ongoing sustainability, together with facilitating the provision of more integrated, coordinated services to support vibrant and productive rural and regional communities.
- 4.1 Support collaboration and innovation through enabling back office transformation: a modern digital strategy leading to shared IT platforms will improve communications and knowledge sharing between councils and improve engagement and opportunities for co-production with the community.
- 6.1 Improve knowledge and capability of council staff: building the capacity of councils and their staff is a vital element of enabling local government to adopt the reforms and improvements that are needed to guarantee sustainability.

The Rural Councils Transformation Program (RCTP) was developed to respond to the recommendations of RRCSR. The RCTP seeks to incentivise the implementation of large-scale transformative projects on a regional level, such as joined-up service delivery, corporate services, procurement and asset management. Indeed, the RCTP aims include demonstrating the economies of scale and service delivery improvements that can be achieved through regional service delivery or collaborative procurement.

The G21 regional service collaboration project aims to overcome the common issues facing rural and regional councils in the Geelong region, by collaboratively partnering with City of Greater Geelong, to deliver a suite of services using a regional approach; generating cost savings, improving staff capabilities, and ultimately improving service delivery and infrastructure conditions throughout the region. Aspects of all the three reform options mentioned above (i.e. RRCSR reforms 3.1, 4.1 and 6.1) are included in the proposed project.

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2.2 Definition and evidence of the problem

The problems facing local government identified in the RRCSR report are faced across the Geelong region.

The investment logic mapping (ILM) process further articulated these problems drawing from the insights of participating council CEOs, as depicted in Figure 1. Each of these problems are successively described and evidenced in the following paragraphs.

A constrained revenue base and a rapidly changing visitor and resident population threatens the financial sustainability of all G21 councils

The RRCSR highlighted the financial pressures faced by rural and regional councils across Victoria, including their:

- Low population bases from which to raise own source revenues (e.g. rates, fees and charges)
- High reliance on government grant funding to maintain services and infrastructure provision
- Higher unit costs in maintaining assets and delivering some services, particularly in large council areas with long road lengths and dispersed populations, and
- Escalating service and infrastructure delivery costs.

As a result, rural and regional councils spend much more on than their metropolitan counterparts on depreciation and amortisation and core services (such as local roads and bridges), leaving less for other functions. They also have inferior underlying operating results, with deficits much more likely to be recorded and more likely to occur in future financial forecasts.

Table 1 overleaf draws together comparable data for the G21 councils and the metropolitan and regional city council averages, illustrating the constrained revenues and cost penalties faced by councils in the Geelong region, along with the comparative financial unsustainability that results. Of particular note in the table are the elevated levels of the following measures when compared to metropolitan councils:

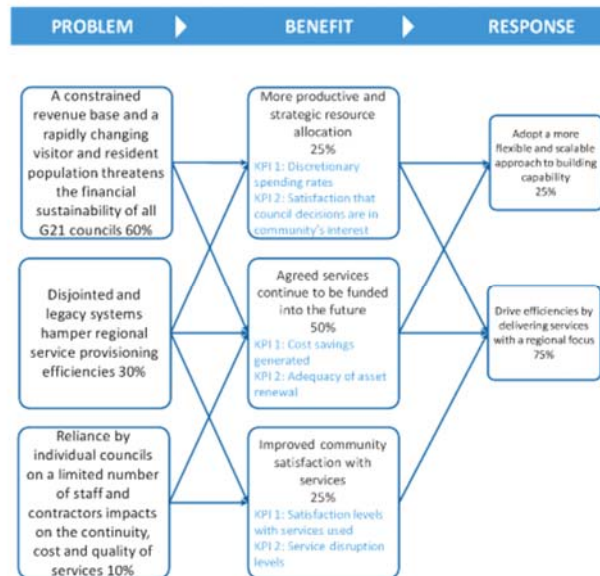
- Rates per capita (esp. in Colac Otway, Queenscliffe and Surf Coast)
- Expenditures per capita across all the Geelong region councils
- Infrastructure assets per capita for all of the rural councils throughout the region, and
- Percentage of total expenditures on a) depreciation and amortisation, and b) local roads and bridges in the large rural councils of Colac Otway and Golden Plains.

The insufficiency of asset renewal expenditures, when compared to depreciation, are widespread across the region, and the low levels of adjusted underlying surplus across are also noteworthy when compared to their metropolitan counterparts.

The G21 region councils are also facing sustainability pressures from a combination of population growth and compositional change, as well as the high level of tourist visitation. For instance:

- Population growth demands additional services and infrastructure provisioning in specific locations, and the funding gap and timing delays in recovering these provisioning costs from the served communities is undeniable.

Figure 1 Investment Logic Map



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- The changing (e.g. ageing) population causes additional demand in some services (e.g. meal programs, home support, social support, community transport, respite, etc.) and reducing demand for some facilities, but both are concurrently met with community expectations for maintained assets and services.
- The ageing population reduces local government's ability to raise own source revenues, due to lower retirement income levels and higher concession entitlements, and
- Coastal facilities can be pressured by significant visitor numbers experienced during holiday peaks.

Table 2 shows how the G21 regional councils are impacted by population growth and change and tourist numbers compared to their regional city and metropolitan counterparts. Of particular note in the rapidly growing region are the:

- Pockets of fast paced population growth in Surf Coast and Golden Plains, combined with a rapid ageing of the population bases in these municipalities, and
- Large divergences in forecast compositional changes in population bases, with Colac Otway and Queenscliffe expecting a reduction in population under 25 years and Golden Plains, Surf Coast and Greater Geelong conversely expecting relatively fast growth in this cohort.

The significance of tourism visitors also varies widely across the participating councils, as the ratio of tourist visitors to the population base within each of the participating councils.

Table 1 Comparative financial indicators

	Colac Otway	Golden Plains	Queens-cliffe	Surf Coast	Greater Geelong	Regional Cities	Metro-politan
Rates per capita ^{(2),(3)}	\$1,444	\$980	\$2,259	\$1,628	\$878	\$1,053	\$884
Rates/ adjusted underlying revenue ⁽¹⁾	0.59	0.55	0.65	0.69	0.59	0.58	0.66
Total expenditures per capita ^{(2),(3)}	\$2,341	\$1,657	\$3,593	\$2,254	\$1,455	\$1,814	\$1,221
Total infrastructure assets per capita ^{(2),(3)}	\$13,498	\$19,717	\$17,661	\$14,641	\$7,060	\$11,732	\$6,293
% Total expenditure on depreciation & amortisation ⁽²⁾	21%	19%	11%	17%	17%	19%	14%
% Total expenditure on local roads and bridges ⁽²⁾	21%	22%	5%	7%	8%	16%	8%
Asset renewal compared to depreciation ⁽¹⁾	1.16**	0.75	0.81	0.37	0.48	0.73	0.90
Adjusted underlying surplus ⁽¹⁾	1.0%	5.0%	0.7%	1.4%	2.0%	2.7%	10.2%
Current assets compared to current liabilities ⁽¹⁾	2.55	2.49	2.88	3.58	1.45	2.76	2.77
Loans and borrowings compared to rates ⁽¹⁾	0.11	0.37	0.01	0.35	0.23	0.30	0.16

Sources: ⁽¹⁾ LGPRF, 2017; ⁽²⁾ VGC, 2016; ⁽³⁾ VIF, 2016

Notes: ** this number reflects the recency of Surf Coast's urban development.

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Table 2 Comparative population and visitor statistics

	Colac Otway	Golden Plains	Queens-cliffe	Surf Coast	Greater Geelong	Regional Cities	Metro-politan
Population 2016 ⁽¹⁾	20,142	21,216	3,018	29,386	233,349	715,798	2,796,404
Population 2036 ⁽¹⁾	19,969	28,964	3,061	39,577	296,360	932,580	3,676,812
AAGR population (2016-31)	-0.1%	2.1%	0.1%	2.0%	1.6%	1.8%	1.8%
Population >65 yrs (2016) ⁽¹⁾	4,330	2,782	1,070	4,558	42,396	112,962	395,632
Population >65 yrs (2036) ⁽¹⁾	5,809	5,088	1,322	8,163	64,927	200,240	646,618
AAGR population > 65 yrs (2016-31)	2.0%	4.1%	1.4%	4.0%	2.9%	3.9%	3.3%
Population <25 yrs (2016) ⁽¹⁾	5,777	7,379	644	9,505	72,492	239,446	855,181
Population <25 yrs (2031) ⁽¹⁾	5,095	9,627	558	12,168	90,005	292,098	1,058,854
AAGR population <25 yrs (2016-31)*	-0.8%	1.8%	-1.0%	1.7%	1.5%	1.3%	1.4%
Tourist visitors ⁽²⁾	899,560	n.a.	393,067	2,037,069	4,137,000	n.a.	n.a.
Tourist visitors/ population ^{(1)X(2)}	45	n.a.	130	69	18	n.a.	n.a.

Sources: ⁽¹⁾ VIF, 2016; ⁽²⁾ TRA, 2017

Disjointed and legacy systems hamper regional service provision efficiencies

Disjointed and legacy asset management systems exist across the region:

- Queenscliffe currently does not have a dedicated asset management system, instead council relies upon staff developing their own capability using office productivity tools, such as Excel and limited integration with the corporate systems and GIS.
- Golden Plains and Greater Geelong both report that their existing systems are no-longer fit for purpose and need replacement.
- Colac Otway and Surf Coast both use the Asset Management module in the Civic Authority software suite.

The diversity of asset management tools combined with the differing local policies, procedures and business processes acts as a significant barrier to the councils effectively and efficiently collaborating around strategic asset management.

The purpose of strategic asset management is to define a plan for council's investment in community assets needed to deliver the required service outcomes. While each council has both the right and responsibility to determine the service outcomes that are relevant for their community, there are benefits to be gained by having continuity across the G21 network of assets, for example: in ensuring continuity in the level of service provided by the network of local roads across the G21 region.

The task of developing strategic asset management plans has and continues to be a challenge for most councils. It requires specialist skills, combining both service outcomes and asset performance knowledge. To do it effectively requires the comprehensive use of asset, service and spatial data along with data analytics. To be effective also requires good narrative skills in communicating the strategy; translating it into actions that can be endorsed and implemented by council.

Difficulties in acquiring the requisite skills and data means strategic asset management is often done poorly and almost never at the network level of the G21 region. Consequently, the benefits that could be achieved from rationalising the delivery and monitoring of assets across the G21 region are go unrealised. Legacy systems

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seldom permit efficient export or import of data. They lack sophistication in defining service levels and asset performance, which limits councils' understanding around the timing and scope of interventions.

However, by far the biggest downside to the limitation of the existing systems is that most of the analytics is undertaken outside of any formal system. The knowledge resides in the mind of the manager/analyst. When the analyst leaves, a massive slab of knowhow is lost, resulting in potentially substantial risks in terms of making, or not making, sound investment decisions. This problem is compounded by the high relative age of the asset management workforce.

Reliance by individual councils on a limited number of staff and contractors impacts on the continuity, cost and quality of services

The RRCSR report (KPMG 2018) highlighted that:

- "Rural and regional councils are more at risk than metropolitan and interface councils in the event of staff losses, particularly for skilled/ technical roles due to the limited workforce pool" (p. 74).
- "Regional and rural councils face challenges in attracting and retaining skilled, professional and knowledgeable staff. This is particularly the case for councils located further from metropolitan areas, or where staff are required for specific strategic and specialist roles" (p. 74).

These challenges are consistently experienced widely across the Geelong region in terms of the ability to attract and retain staff. However, in the smaller councils where services are provided by individual staff or contractors, the risks faced are particularly acute. Indeed, even a short absence of staff members can cause service disruptions which, at times, must be filled by contractors with material cost penalties resulting.

In 2013 Golden Plains Shire undertook a review of Building Services that considered a range of industry issues, including the:

- Inability to successfully recruit qualified building surveyors and inspectors, and the
- Availability of private building surveyors in the regional cities of Ballarat and Geelong.

At the time of the review, Golden Plains was having trouble recruiting for a new Municipal Building Surveyor (MBS). The position was eventually re-banded (increased from band 7 to band 8) and a permanent MBS was appointed. The position was once again vacated and, for approximately two (2) years, Golden Plains had to rely on a contract MBS and casual Building Inspector to deliver statutory building services. The MBS contractor continues to attend the office one day per week to review and sign building documentation. An Assistant Building Surveyor (ABS) role has been created to co-ordinate the delivery of Council's building services on a day to day basis. The ABS is responsible for undertaking the vast majority of building inspections, and has introduced a CRMS process for capturing and responding to all customer enquiries.

In addition to the MBS role, the table below demonstrates number of days in 2018 where services were not provided within Golden Plains due to the unavailability of single staff members or contractors.

Table 3 Golden Plains Shire service disruption days (2018)

Position	Department	Days with no service provided
Subdivision engineer	Works- indoor	130
Technical support officer	Works- indoor	151
Resource and recovery officer	Works- indoor	64
Asset management system coordinator	Works- indoor	54
Investigations officer	Local Laws	100
Municipal building surveyor	Building	156
Development admin officer	Building	66
Payroll Officer	People and Culture	42
Rates team leader	Rates	188

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GIS	IT	TBA
Fleet officer	Finance	47
Assessment officers	Aged and disability	20
Service coordination officer	Aged and disability	75

Source: Golden Plains Shire, 2019

The Borough of Queenscliffe has also been compromised in its ability to deliver services due to staff shortages. In the 2017/18 financial year, Council experienced difficulties in filling a Senior Planner position. The position could not be filled for 96 days, during which time Council spent \$50,000 on contractors. Council has advised that the level of service provided to the community was reduced during this time as the contractor was only available at a 0.6 FTE capacity. Across five positions in Council's Planning and Infrastructure department, there were 76 days in 2018 where no service was provided.

Table 4 Borough of Queenscliffe service disruption days (2017-18)

Position/ Service	Department	Days with no service provided
Heritage advice	Planning & Infrastructure	4
Environmental health	Planning & Infrastructure	18
Environmental sustainability	Planning & Infrastructure	12
Building Surveyor	Planning & Infrastructure	4
Planning	Planning & Infrastructure	38

Source: Borough of Queenscliffe, 2019

Although a larger council than Queenscliffe and Golden Plains, Surf Coast Shire has also noted that it experiences service delivery disruptions due to staff absences and ongoing recruitment difficulties in relation to key positions, some of which have had to be advertised repeatedly in 2018 for example:

- Senior Governance Officer (three rounds of advertising)
- Engineers (two rounds of advertising).

Surf Coast Shire has experienced periods without enough resources in key areas (Table 5), resulting in redirection of staff to ensure minimum service delivery continues. This generally results in reduced or delayed service provision in parts of the business beyond the directly listed departments.

Table 5 Surf Coast Shire service disruption days (2018)

Position	Department	Days with no service provision (without resource diverted from elsewhere)
Municipal building surveyor	Building Services	48
Asset Protection Officer	Development Engineering	20
Project Managers	Program Management Office	80
Asset Protection Officer	Development Engineering	20
Application Support Officer	Information Management	140
Design Engineer	Design and Traffic	60
Senior Governance Officer	Governance and Risk	80
Governance Administration	Governance and Risk	50

Source: Surf Coast Shire Council, 2019



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2.3 Timing considerations

The project needs to roll out as a matter of priority in the Geelong region for two specific reasons:

- Greater Geelong is currently in the process of planning for the procurement of a new asset management system. For the participating councils and the project to benefit from Greater Geelong's procurement activity, it is essential that Greater Geelong negotiate with its preferred vendor for volume based and/ or module based system expansion capabilities. This is unlikely to come without cost or resourcing implications for Greater Geelong. The project can incentivise these outcomes, thereby entrenching future collaboration opportunities in this space.
- The difficulties faced by councils in attracting and, more importantly, retaining specialist skills in the Geelong region appears to be becoming starker. Opportunities for reaping efficiencies in strategic asset management, procurement and delivery will be further delayed without the project, as the smaller participating councils are unlikely to be able to access the specialist skills for this purpose on their own.

3. Recommended (preferred) solution

3.1 Details of recommended solution

Regional Collaboration

The project to establish a Regional Service Collaboration partnership will be implemented over three years and will initially include the following functions and services:

1. Strategic asset management: inclusive of a common asset management system; joint procurement of asset condition assessments; asset renewal modelling, analysis and planning
2. Strategic procurement and contract management: regional spend analysis, joint procurement planning; tendering for goods and services; establishing contract management processes and templates
3. Capital program and project management: capital works planning; project management
4. Regional staff sharing: shared resourcing of key positions e.g. building services; environmental health; land use planning, where councils have the capacity to share them.

Regional centre of excellence

Essentially the project aims to establish and operate a regional 'centre of excellence' for the first three elements listed above, which will:

- Procure and implement a new strategic asset management system across the five councils (inclusive of project management, licences, interfaces, implementation, data mapping, conversion, testing etc); leveraging off the strategic asset management system procurement process that Greater Geelong is currently progressing.
- Recruit a specialist asset manager to lead collaboration activities in strategic asset management, procurement and delivery across the region.
- Recruit a specialist procurement manager (4 years) and capital program manager (2 years) to develop best practice methods, processes and templates for use across the region.
- Provide a team environment for specialist staff, seconded from each of the participating councils so they work as part of a specialist regional team, but remained embedded within their respective councils.
- Collaboratively develop best practice methods, processes and templates that will improve asset management, procurement, contract management and project planning and management capabilities across the region.

Regional staff sharing framework

Coupled with the centre of excellence will be a 'regional staff sharing framework' for sharing staff resources across the region. This framework will be activated as needed when the 'requesting council' identifies resourcing challenges and another council in the partnership has capacity to respond through sharing staff. This framework will reflect the evolving ability through common best practice and processes for participating councils to provide staff resources for delivering services in neighbouring councils. While the regional framework is designed to be flexible, it will aim to ensure that existing service delivery disruptions or service gaps can be addressed on a collaborative basis.

Potential positions that might be included in the regional sharing framework are: heritage advice; environmental health; environmental sustainability; building surveyor; maternal child health; aged care assessors and intake officers; payroll and IT officers.

The Local Government Act 1989 includes procurement requirements that may be triggered where the scale of staff sharing is high or for extended periods of time. The project will need to explore this issue and potentially establish exemptions or alternative procurement methods. The council providing the staff to its partner council may also need to be able to demonstrate that it is compliant with National Competition Policy requirements if there are alternative service providers in the market, such as demonstrating that the costs reflect full cost recovery. The project will also explore this issue in the development of the regional staff sharing framework.

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Project funding

Essentially the project funds:

- Development of partnership's governance, funding and operating model
- Procurement and implementation of a common strategic asset management system and its effective integration within participating councils
- Standardisation of systems and processes in strategic asset management, procurement, contract management and capital works program and project management
- Establishment of a formal regional staff sharing agreements
- Recruitment of essential project implementation roles including an executive officer, project manager (for strategic asset management system) and specialist asset manager, procurement manager and capital program manager (varying periods of employment to suit implementation needs)
- Legal, training and other support services required for effective delivery.

3.2 Partnering – legal / governance arrangements

Regional partnership/ funding agreement

Each council commits to participating and funding the regional partnership for a period of three years after initial project delivery (i.e. up to years 5 or 6 depending upon project implementation).

This commitment comes at the aggregate level, with councils opting into the:

- Collaborative procurement activities within existing budget capacity and where alignment of contract scope and timing can be established, and
- Regional staff sharing framework, when they have the required skills and capacity to temporarily share them with neighbouring councils.

At the conclusion of the initial three year project implementation period, ongoing objectives will be delivered through a regional shared service partnership, underpinned by a funding agreement based on the principles of:

- Pay for usage of opt in services
- Financial transparency and equity
- Medium term financial commitment.

Roles & responsibilities

To ensure that all participating councils have adequate oversight of the partnership's activities during project implementation an Executive Steering Committee (ESC), comprised by the CEOs from each of the member councils, will be established. Responsibilities of the ESC will include:

- Providing overarching leadership and direction for the shared service partnership
- Ensuring the business plan (work program/ activities) of the partnership aligns with established direction
- Ensuring the funding, staffing and other contributions from each council are received
- Endorse the appointment of key positions, contractors and/ or external consultants
- Reviewing performance of the partnership's activities and its funding model
- Managing partnership risks.

Figure 2 Project governance arrangements





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The ESC will be serviced by an executive officer who will be responsible for project implementation and leading regional collaboration and capability development in strategic asset management, procurement and delivery across the region. The executive officer would:

- Be the individual who is ultimately responsible for the delivery of the partnership's services
- Act as the main contact for this region's collaboration as a group
- Work as a conduit between the ESC and the Implementation Committee (IC), and attend both committees' meetings; keeping the ESC informed of progress and ensuring that the IC's work is reflective of the ESC's decisions and intentions.

An Implementation Committee (IC) comprising of the executive officer, the specialist asset manager and lead staff from each of the participating councils will also be established.

The IC will coordinate the following, through the specialist project-funded resources:

- Migration to common system/s
- Change management, staff training and emergent issues management
- Development of best practice processes and templates
- Development of regional insights that will better inform asset provisioning, procurement and delivery decisions across the region, and which will inform decision making in their home councils.

Project specific working teams to work with the specialist project-funded resources may also be developed with seconded staff on an as needs basis.

The governance arrangements will be similar after the three year project implementation period, requiring councils' commitment to the ESC, IC and working teams to fulfil the roles described herein, albeit some project roles will transition to part-time during years 4 and 5 as the partnership will have moved to embedding the capabilities established through the project and developing a model that is not dependant on the project funding.

Contracting arrangements

The regional partnership will not directly employ individuals. While the project will fund an executive officer and a specialist asset manager and other key roles, these individuals will be employed by a participating council (nominally Greater Geelong as the lead council). All other staff resources will be seconded from participating councils on a part time basis, recognising that the value that the project will bring will be underpinned by the degree to which best practice regional thinking translates to local decision making.

Greater Geelong will be responsible for contracting arrangements with the consultants and vendor of the Strategic Asset Management system, including implementation and integration across all councils.

Post implementation of the project, there may be some need for participating councils to fund some further contracted work to strengthen and expand Centre of Excellence activities, such as further template development, research work, training or other. This further work would be funded by through the partnership with one of the participating councils agreeing to be responsible for contracting arrangements.

3.3 Evidence of the proposed solution's effectiveness

Demonstrated success elsewhere

Appendix H details the available evidence that strategic asset management and strategic procurement pays significant financial and non-financial dividends for participating councils across regional collaboration groups.

A range of case studies detailed in the appendix are summarised in the table below, i.e. in terms of their scope and the financial savings generated. Two key conclusions can be drawn from this table:

- Strategic asset management and procurement are regular features in regional services collaboration
- Financial savings while variable can be considerable.

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Table 6 Summary of available evidence

Case Study	Scale of shared service	Shared Service type	Cost saving	Timespan
Local government common services joint venture	12 regional Tasmanian councils and several NT councils	Planning, finance and asset management services	\$1.2 million	1 year
Regional strategic alliance for regional asset management	3 NSW councils	Regional asset management	\$20.6 million (Total whole of life cost savings of 2%)	10 years
WBC Strategic Alliance	3 rural councils in New Zealand	IT systems and record keeping, fleet management, asset management, human resources, workforce planning and training, internal audit and business process improvement, integrated planning and reporting, global information systems, issue based regional strategies, procurement, general resource sharing	\$2.55 million	4 years
Shared procurement for GIS service in Gippsland	Two regional VIC councils	Shared procurement arrangement	\$8,000	1 year
Shared procurement for Cradle Coast councils	Nine councils in Tasmania	Shared procurement arrangement	\$2.5 million	1 year
ACT Government Shared Services	All ACT Government Departments and Agencies	ACT Government Information, communications and technology (ICT) provider, procurement solutions, records, publishing services, tactical and transactional finance, HR services	\$20 million	1 year
Hunter Councils Inc	12 councils in NSW Hunter Valley	Separate entity with environment, learning and development, regional procurement, records storage, professional grouping	\$1 million (procurement only)	1 year

Evidence relating to the benefits of regional procurement is abundant. In 2014, VAGO's report into *Shared Services in Local Government*, found that:

- There was "likely to be continued growth" in shared procurement between local governments in Victoria as it "provides a significant opportunity for the sector to realise cost savings and other benefits"
- 91% of the 58 surveyed councils were involved in shared service initiatives, with over 25% of current initiatives relating to shared procurement. Around one fifth of surveyed councils reported cost savings ranging from \$6,000 to \$1.3 million in relation to shared service activity. Most of these savings arose from shared procurement arrangements, while others were from external service delivery, including regional library corporations, waste management and immunisation services.

The *Local Government Procurement Strategy* undertaken by EY on behalf of the Minister for Local Government in 2008 concluded that adoption of better procurement practices across Victorian local governments could yield annual savings in the vicinity of \$180-350 million (or between 7.5 and 15% across expenditure categories). The

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Minister commented that cost savings of this scale "would have a significant impact across the sector, and ultimately deliver savings to local communities" (EY, 2008).

EY (2008) also found that across the range of regional procurement 'expenditure categories', the key enablers for financial savings were often linked with the following:

- Establishment of regional grouping possibly aligned with expiry of existing contracts
- Common planning cycles across councils in each regional grouping
- Common tendering requirements/ specifications
- Common tendering & contract management processes
- Bundling of upgrades or maintenance into a program of work.

Given that the scope of the project aims to establish and utilise common strategic procurement systems, processes and templates across the Geelong region, then financial savings are likely to be considerable given the scale of procurement activities by the participating councils.

While the evidence for strategic asset management is not as well researched as strategic procurement (and acknowledging that the two are somewhat linked), the scale of infrastructure assets in the Geelong region managed by participating councils is approaching \$3 billion. Even the smallest efficiency gain generated through strategic asset management is likely to accumulate into very large dollar savings over time.

In terms of the broader benefits that might be generated by the project, the literature and case studies reviewed in the appendices reveal the following potential (refer Table 7).

Table 7 Concordance of likely benefits for councils against elements of project scope

Benefits	Strategic asset management	Strategic procurement and contract management	Capital program and project management	Regional staff sharing
Cost savings arising from economies of scale		✓		
Advice that considers wider regional perspectives	✓	✓	✓	✓
Better risk management	✓	✓	✓	✓
Consistent levels of technical support and advice	✓	✓	✓	-
Access to more specialised or higher skilled staff	✓	✓	✓	✓
Increase efficiency/ reduce procurement cycle times	✓	✓		
Increased security/ availability of services				✓
Improved communication and knowledge sharing	✓	✓	✓	✓
Innovation opportunities	✓	✓	✓	✓

3.4 Scalability of the recommended solution

In terms of project implementation, the modularity and/ or scalability of the recommended solution is limited, given that it encompasses heavily inter-related services: strategic asset management; strategic procurement and contract management; capital program and project management. Given that the project aims to introduce common, best practice systems and approaches for these services and, in doing so, build the shared capability of and within the participating councils, it does not make much sense to modularise the approach to implementation.

Having said this, the recommended solution can be envisaged as the first stage of a much larger collaboration program across the region. It is therefore potentially scalable in the longer term (e.g. after three years of proven operation) at it provides the basis from which to:



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- Expand regional service collaboration into additional services/ functions, and
- Evolve into a separate shared services entity, should this be considered beneficial.

3.5 Alternatives considered

The participating councils have considered alternatives from a variety of perspectives:

- Different strategic response options were considered before the scope of the project was agreed
- Different project options were considered before agreeing on the scope proposed in the recommended solution.

Strategic response options analysis

In the strategic response options analysis, alternative strategic interventions were developed that would deliver some or all the expected benefits of solving the problems facing the participating councils. These interventions included the participating councils:

- Operating under a business as usual approach
- Acting individually to address the problems identified, and
- Acting collaboratively across the region to address the problems identified.

The strategic response options analysis found that only acting collaboratively across the region would make a meaningful contribution towards solving the problems being faced, and that acting individually would pose higher costs and socioeconomic risks for each of the participating councils. Taking a business as usual approach was considered to be a higher risk given the scale of problems facing rural and regional councils.

Alternative project options

Project options were also explored in terms of the services/ functions of local government that would be included, and the governance arrangements considered for implementing the project.

Originally the project canvassed a wide range of back office and customer facing services, and a range of governance arrangements. The original EOI included the following types of services that would be migrated to a separate regional services entity:

- Customer Facing
- Back Office:
- Strategic Planning:

However, as part of the business case development process, the participating councils investigated the evidence supporting the demonstrated success of such arrangements elsewhere (via literature and case study reviews), the likely overall financial savings that might be realistically generated, and the implementation difficulties and risks facing the project within each of their respective organisations.

After these deliberations, the participating councils decided to focus the project on a suite of services that are likely to:

- Significantly lift the capabilities of all councils in areas where they have historically found it hard to attract and retain skills (e.g. asset management, project management)
- Maximise financial savings given the scale of assets under management across the region, and therefore the potential gains that can be generated from best practice asset management systems and processes, and downstream collaborative procurement activities
- Promote flexibility in opting into staff sharing across roles where smaller councils consistently find it very difficult to provide service continuity due to reliance on individual staff members (e.g. building surveyors, environmental health officers)
- Minimise implementation risks (e.g. political appetite, change management, staff concerns) given the potential difficulties that would be expected in sharing services that would require the standardisation of multiple business processes, the utilisation of common back office systems, and/ or the rationalisation of assets/ staffing.



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The participating councils have sought to identify the lowest risk and highest benefit approach that is an enabler of further expansion if successful. Councils have considered a range of alternative governance arrangements (including a separate entity, single council provider under contract to participating councils, mixed council providers under contract to participating councils) before selecting the partnership model governed by a CEO management committee. While a separate entity was attractive from a long term commitment perspective, the likely costs of establishing and governing any new entity were assessed as considerable. Finally, the potential complexity of council contracting models was noted, and potentially undermined the benefits that each of the participating councils would derive from the 'centre of excellence' aspiration that is fundamental in the recommended solution.

3.6 Evaluation strategy

Robust framework

The evaluation strategy for the project is comprised of three elements:

- Monitoring and reporting of agreed implementation milestones which will form part of the proposed funds acquittal reporting
- Monitoring and reporting of identified benefits, as per the key performance indicators in the Benefits Management Plan (BMP), which will be incorporated into a final evaluation of the project
- Production of an annual report card summarising the region's progress/ development in relation to regional asset management, procurement and delivery issues and opportunities

Post-project implementation evaluation will also occur after three years of operation to assess the feasibility and/ or attractiveness of:

- Expanding regional service delivery collaboration to additional local government services
- Changing governance/ contracting arrangements (e.g. migration to a separate entity, contracting council, etc).

Project implementation milestones

Key project management milestones for each of the shared service elements are clearly specified in the project implementation plan. The progression through these stages of implementation will be transparently monitored and reported to project stakeholders.

Benefits Management Plan (BMP)

The BMP includes the following key performance indicators:

Benefit: More productive and strategic resource allocation

- KPI 1: Discretionary spend – the proportion of total council expenditures that are regarded as discretionary given their legislative and regulatory obligations, debt servicing and contractual commitments (Source: participating councils)
- KPI 2: Satisfaction that council decisions are in community's interest - community satisfaction rating out of 100 with how council has performed in making decisions in the interests of the community (Source: LGPRF)

Benefit: Agreed services continue to be funded into the future

- KPI 1: Cost savings generated – the actual costs of delivering the services within the project scope compared to the business as usual costs for the delivery of these services across all participating councils (Source: participating councils)
- KPI 2: Adequacy of asset renewal – the expenditure on renewing existing assets or replacing existing assets to their original capability divided by the amount of depreciation on all assets (Source: LGPRF).

Benefit: Improved community satisfaction with services

- KPI 1: Satisfaction with services used – community satisfaction with the provision of services that benefit from regional staff sharing arrangements (Source: participating councils)
- KPI 2: Service disruption levels - the number of days per annum that services are disrupted because individuals or providers who provide them are unavailable (Source: participating councils)

3.7 What are the implications of a 'business as usual' approach?

Progressive deterioration of assets and services

If the participating councils continue with a business as usual approach, the consequences will be progressive.

- First, councils will limit new capital expenditure, meaning that growing communities or evolving community needs will remain un-serviced indefinitely.
- Second, councils faced with ongoing financial sustainability issues will limit asset renewal expenditures, gradually running down their asset bases.
- Third, councils will eventually need to scale back services, reducing their direct contributions to their communities, and potentially indirectly causing broader socioeconomic breakdowns.

While this sounds alarmist, rural councils are facing real challenges and a business as usual approach will ultimately require something to give. The recent findings documented in the 2017 RRCSFP report highlight that in small rural councils, where the financial pressures are most exacerbated:

- Capital spending focusses on asset renewal with limited new asset development
- Capital renewal spending is inadequate to meet long term asset replacement needs
- Operating budgets are directed to core services with less available for other functions, with this being manifest in relatively low spending on community planning, libraries, health and welfare services.

Ongoing disruption to service provision in smaller councils

At a more immediate level, essential services in the Geelong region will remain disrupted, particularly in the smaller councils, if the business as usual continues. Furthermore, the region's capabilities in asset management, procurement and delivery will remain undeveloped, with potentially very large costs being imposed on the community given the:

- Scale of existing assets under management (approaching \$3 billion), and
- Size of population growth (~80,000 between 2016 and 2031) and demographic change forecast across the region.

Unsustainable business as usual financial trajectories

The following table summarises how key financial metrics will deteriorate under the business as usual scenario:

- Adjusted underlying result: All councils will experience underlying deficits by the end of the five year period with the exception of Colac-Otway. The group will experience declining underlying results over the five year period.
- Asset renewal: None of the councils will achieve the asset renewal target of 100% by the end of the five year period. The group will experience declining asset renewal results over the five year period.
- Expenditure per capita: All councils will experience increasing expenditure per capita over the five year period.

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	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24	5 Year Change
Adjusted underlying result (>0%)						
-Queenscliffe	-3.7%	-2.6%	-1.9%	-2.4%	-2.8%	24%
-Surf Coast	1.1%	0.6%	-2.0%	-2.2%	-2.4%	-315%
-Colac Otway	1.7%	2.2%	2.7%	3.4%	4.3%	144%
-Geelong	2.8%	1.6%	2.1%	-0.9%	-1.1%	-139%
-Golden Plains	0.4%	2.0%	4.0%	3.2%	-0.4%	-200%
-Group	-0.1%	0.5%	-0.2%	-0.4%	-0.8%	-700%
Asset renewal (>100%)						
-Queenscliffe	47%	81%	53%	54%	56%	20%
-Surf Coast	58%	56%	52%	52%	51%	-12%
-Colac Otway	81%	80%	79%	78%	77%	-6%
-Geelong	50%	45%	43%	42%	40%	-20%
-Golden Plains	77%	79%	52%	59%	55%	-29%
-Group	57%	54%	49%	48%	47%	-18%
Expenditure per capita						
-Queenscliffe	\$3,653	\$3,760	\$3,798	\$3,883	\$3,968	9%
-Surf Coast	\$2,348	\$2,307	\$2,369	\$2,412	\$2,457	5%
-Colac Otway	\$2,433	\$2,504	\$2,577	\$2,642	\$2,708	11%
-Geelong	\$1,510	\$1,518	\$1,558	\$1,588	\$1,619	7%
-Golden Plains	\$1,784	\$1,755	\$1,764	\$1,788	\$1,797	1%
-Group	\$1,687	\$1,691	\$1,732	\$1,765	\$1,797	7%

Note: Surf Coast's commitments to asset renewal reflects a funding strategy based on a 20 year renewal demand program and doesn't have a direct relationship to depreciation. Notwithstanding this, the metric should continue to be monitored for all councils.

4. Benefits

4.1 Benefits of recommended solution

The Investment Logic Map (ILM) depicted earlier notes three key benefits:

- More productive and strategic resource allocation
- Agreed services continue to be funded into the future
- Improved community satisfaction with services.

The project is expected to generate a wide variety of benefits within this overarching framework. The 'centre of excellence' will progressively lift regional capabilities in asset management, procurement and delivery. In the medium term, when this flows through to operational decision making, these capabilities will generate material savings in:

- The procurement of asset management systems (as procurement processes for updating existing systems are aligned and leveraged)
- The planning for and provisioning of new or upgraded assets (as capital investment decisions are better informed across the region)
- Renewing and maintaining existing assets (as capital renewal and maintenance decisions are better informed)
- The procurement of regional goods and services (as procurement processes are aligned and leveraged for a broad array of council expenditures).

In terms of second round effects, the financial savings generated will be invested in additional asset investment and service delivery, as determined individually by each of the participating councils. Improved community satisfaction with council decisions and service delivery are likely to eventuate.

The 'regional sharing framework' will ensure that service disruptions across participating councils are addressed, thereby improving the security and quality of service provision. Given the range of services that are candidates from inclusion with the framework, these security and quality improvements could have wide ranging community benefits, particularly in the small rural councils in the Geelong region. Community satisfaction with services utilised should ultimately lift and, where relevant (e.g. land use planning), investment and business confidence may also improve.

Project alignment with Council plans

The project contributes to the key strategies of each of the participating councils, as summarised in the table below.

Table 3 Project alignment with Council Plans

Plan	Strategic priority	Priority details
Borough of Queenscliffe Council Plan 2017-21	Governance and performance	<ul style="list-style-type: none"> • Maintain a cohesive, well governed, financially sustainable and independent Borough
Colac Otway Shire Council Plan 2017- 21	Our prosperity	<ul style="list-style-type: none"> • Strengthen partnerships with key stakeholders to benefit the whole community
	Our places	<ul style="list-style-type: none"> • Assets and infrastructure meet community needs
	Leadership and management	<ul style="list-style-type: none"> • Effectively manage financial resources • Organisational development and legislative compliance • Provide value for money services for the community
City of Greater Geelong Council Plan 2018-22	Innovative finances and technology	<ul style="list-style-type: none"> • Developing digital tools and technologies to improve service delivery and customer experience • Examining our budget to fund future initiatives • Establishing sustainable financial and infrastructure management systems for the future

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	Organisational leadership, strategy and governance	<ul style="list-style-type: none"> Proactively managing assets, including land holdings Making processes more effective and efficient Leading major local organisations in collaborative projects
City of Greater Geelong Clever and Creative	A leader in developing and adopting technology	<ul style="list-style-type: none"> Opportunities enabled by technology
Golden Plains Shire Council Plan 2017-21	Delivering good governance and leadership	<ul style="list-style-type: none"> Increase trust, ensure open and transparent good governance and active engagement through Council planning and decision making in the long-term interests of the community
Surf Coast Shire Council Plan 2017- 21	High performing Council	<ul style="list-style-type: none"> Ensure Council is financially sustainable and has the capability to deliver strategic objectives Provide quality customer service that is convenient, efficient, timely and responsive Ensure the community has access to services they need

4.2 Historical service performance

Historic service performance (baseline performance) is summarised below for the group and each of the participating councils in terms of:

- Adjusted underlying result (% income)
- Expenditure per capita (\$).

Group								
Performance measure	Unit of Measure	2017-18 Actual	2018-19 Budget	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Adjusted underlying result								
-Result	%	0.0	-2.2	-0.1	0.5	-0.2	-0.4	-0.8
-Target	%	>0	>0	>0	>0	>0	>0	>0
Expenditure per capita								
-Result	\$	1,631	1,632	1,687	1,691	1,732	1,765	1,797
-Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Queenscliffe								
Performance measure	Unit of Measure	2017-18 Actual	2018-19 Budget	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Adjusted underlying result								
-Result	%	1.0	-14.4	-3.7	-2.6	-1.9	-2.4	-2.8
-Target	%	>0%	>0%	>0%	>0%	>0%	>0%	>0%
Expenditure per capita								
-Result	\$	3,593	3,831	3,653	3,760	3,798	3,883	3,968
-Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Surf Coast								
Performance measure	Unit of Measure	2017-18 Actual	2018-19 Budget	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Adjusted underlying result								
-Result	%	-7.0	0.5	1.1	0.6	-2.0	-2.2	-2.4
-Target	%	>0%	>0%	>0%	>0%	>0%	>0%	>0%
Expenditure per capita								
-Result	\$	2,254	2,339	2,348	2,307	2,369	2,412	2,457
-Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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Colac-Otway								
Performance measure	Unit of Measure	2017-18 Actual	2018-19 Budget	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Adjusted underlying result								
-Result	%	1.0	-5.1	1.7	2.2	2.7	3.4	4.3
-Target	%	>0%	>0%	>0%	>0%	>0%	>0%	>0%
Expenditure per capita								
-Result	\$	2,362	2,370	2,433	2,504	2,577	2,642	2,708
-Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Geelong								
Performance measure	Unit of Measure	2017-18 Actual	2018-19 Budget	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Adjusted underlying result								
-Result	%	2.0	1.0	2.8	1.6	2.1	-0.9	-1.1
-Target	%	>0%	>0%	>0%	>0%	>0%	>0%	>0%
Expenditure per capita								
-Result	\$	1,455	1,446	1,510	1,518	1,558	1,588	1,619
-Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Golden Plains								
Performance measure	Unit of Measure	2017-18 Actual	2018-19 Budget	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Adjusted underlying result								
-Result	%	5.0	0.9	0.4	2.0	4.0	3.2	-0.4
-Target	%	>0%	>0%	>0%	>0%	>0%	>0%	>0%
Expenditure per capita								
-Result	\$	1,657	1,729	1,784	1,755	1,764	1,788	1,797
-Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4.3 Estimated impact on service performance measures and sustainability

The table below shows how the sustainability measures for the group, outlined in Section 4.2, are expected to change if the project is implemented.

Group								
Performance measure	Existing/ New	Unit of Measure	Baseline	Change in target from section 4.2 if proposal endorsed				
			2018-19 Budget	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Adjusted underlying result								
-Result	Existing	%	-2.2	-0.1	0.5	-0.2	-0.2	-0.4
-Target		%	>0	>0	>0	>0	>0	>0
Expenditure per capita								
-Result	Existing	\$	1,632	1,687	1,691	1,732	1,762	1,791
-Target		N/A	N/A	N/A	N/A	N/A	N/A	N/A

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5. Current Council Service(s) Delivery

5.1 Revenue history and forecasts ('business as usual')

Revenue history and forecasts are not relevant for the services that will be shared under the envisaged project scope, as they are not revenue generating services.

Group	(\$000s)						
Revenue	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Service: Strategic Asset Management							
1. User fees and charges	0	0	0	0	0	0	0
2. Specific purpose grants	0	0	0	0	0	0	0
3. Proceeds from sale/leaseback	0	0	0	0	0	0	0
4. Internal reserves	0	0	0	0	0	0	0
5. Loan funds	0	0	0	0	0	0	0
6. Other	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0
Service: Strategic Procurement & Contract Management							
1. User fees and charges	0	0	0	0	0	0	0
2. Specific purpose grants	0	0	0	0	0	0	0
3. Proceeds from sale/leaseback	0	0	0	0	0	0	0
4. Internal reserves	0	0	0	0	0	0	0
5. Loan funds	0	0	0	0	0	0	0
6. Other	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0
Service: Capital Program and Project Management							
1. User fees and charges	0	0	0	0	0	0	0
2. Specific purpose grants	0	0	0	0	0	0	0
3. Proceeds from sale/leaseback	0	0	0	0	0	0	0
4. Internal reserves	0	0	0	0	0	0	0
5. Loan funds	0	0	0	0	0	0	0
6. Other	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0
Service: Regional Staff Sharing (building, planning, env health)							
1. User fees and charges	0	0	0	0	0	0	0
2. Specific purpose grants	0	0	0	0	0	0	0
3. Proceeds from sale/leaseback	0	0	0	0	0	0	0
4. Internal reserves	0	0	0	0	0	0	0
5. Loan funds	0	0	0	0	0	0	0
6. Other	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Note: None of the services are revenue generating

5.2 Expenditure history and forecasts ('business as usual')

Participating councils individually

The expenditure history and forecasts for the services within the project scope are detailed by participating council and by the participating councils as a regional group in the tables overleaf. Collectively the results indicate that, under a business as usual scenario, the participating councils are expected to spend \$135 million over the five year forecast period to 2023-24.

It is noted that, under the regional staff sharing framework, building, planning and environmental health services have been used for indicative purposes, it is recognised that these are opt in arrangements for the councils.

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Queenscliffe							(5000s)
Operational Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Service: Strategic Asset Management							
1. Staffing (including oncosts)	65	67	69	70	72	74	76
2. Contractor/Consultants	0	0	0	0	0	0	0
3. External service providers	19	25	25	0	25	25	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	2	2	2	2	2	2	2
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	86	94	95	72	99	101	78
Service: Strategic Procurement & Contract Management							
1. Staffing (including oncosts)	108	111	114	117	119	122	125
2. Contractor/Consultants	1	1	1	1	1	1	1
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	2	2	3	3	3	3	3
6. Materials and consumables	559	573	503	518	515	528	541
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	670	687	620	638	638	654	670
Service: Capital Program and Project Management							
1. Staffing (including oncosts)	131	134	138	141	145	148	152
2. Contractor/Consultants	0	0	0	0	0	0	0
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	131	134	138	141	145	148	152
Service: Regional Staff Sharing							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	94	54	55	57	58	60	61
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	94	54	55	57	58	60	61
Total	981	969	909	909	940	963	961

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Surf Coast		(\$000s)					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Operational Expenditure	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Service: Strategic Asset Management							
1. Staffing (including oncosts)	199	203	208	212	217	222	227
2. Contractor/Consultants	12	8	8	8	9	9	9
3. External service providers	98	100	120	110	118	150	150
4. IT Operating	5	5	5	5	5	6	6
5. Plant, vehicles and equipment	2	2	2	2	2	2	2
6. Materials and consumables	3	2	2	3	3	3	3
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	318	320	345	340	353	390	396
Service: Strategic Procurement & Contract Management							
1. Staffing (including oncosts)	137	231	236	241	247	252	258
2. Contractor/Consultants	1	4	4	4	4	4	5
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	2	2	2	2	2	2
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	2,481	2,543	2,451	2,478	2,682	2,828	2,983
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	2,618	2,779	2,693	2,725	2,934	3,087	3,247
Service: Capital Program and Project Management							
1. Staffing (including oncosts)	981	1,028	1,051	1,074	1,098	1,122	1,147
2. Contractor/Consultants	124	93	95	98	100	102	105
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	1	1	1	1	1	1
5. Plant, vehicles and equipment	0	32	33	34	35	36	37
6. Materials and consumables	15	78	80	82	84	86	88
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	1,120	1,232	1,260	1,288	1,317	1,347	1,377
Service: Regional Staff Sharing							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	48	20	20	21	21	22	22
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	48	20	20	21	21	22	22
Total	4,105	4,351	4,318	4,374	4,626	4,846	5,042

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Colac-Otway							(\$000s)
Operational Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Service: Strategic Asset Management							
1. Staffing (including oncosts)	490	726	748	770	794	817	842
2. Contractor/Consultants	45	47	48	49	51	52	54
3. External service providers	338	0	0	346	0	0	355
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	16	16	17	17	18	19	19
6. Materials and consumables	40	34	35	36	37	38	39
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	929	823	847	1,219	899	926	1,308
Service: Strategic Procurement & Contract Management							
1. Staffing (including oncosts)	157	161	166	171	176	181	187
2. Contractor/Consultants	0	0	0	0	0	0	0
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	1,522	1,560	1,599	1,639	1,680	1,713	1,747
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	1,679	1,721	1,764	1,809	1,855	1,894	1,934
Service: Capital Program and Project Management							
1. Staffing (including oncosts)	572	586	604	622	641	660	680
2. Contractor/Consultants	132	135	139	143	148	152	157
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	21	22	22	23	24	24	25
6. Materials and consumables	21	21	22	23	23	24	25
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	746	764	787	811	835	860	886
Service: Regional Staff Sharing							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	110	33	34	35	36	37	38
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	110	33	34	35	36	37	38
Total	3,463	3,340	3,433	3,874	3,626	3,718	4,167

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Geelong								(\$000s)
Operational Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	
Service: Strategic Asset Management								
1. Staffing (including oncosts)	85	0	0	0	0	0	0	
2. Contractor/Consultants	129	183	188	192	197	202	207	
3. External service providers	858	708	977	997	875	722	977	
4. IT Operating	32	33	34	35	36	36	37	
5. Plant, vehicles and equipment	0	0	0	0	0	0	0	
6. Materials and consumables	0	0	0	0	0	0	0	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution of corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	1,105	924	1,199	1,224	1,108	961	1,222	
Service: Strategic Procurement & Contract Management								
1. Staffing (including oncosts)	239	583	601	619	637	656	676	
2. Contractor/Consultants	174	23	24	24	25	25	26	
3. External service providers	0	0	0	0	0	0	0	
4. IT Operating	0	0	0	0	0	0	0	
5. Plant, vehicles and equipment	0	0	0	0	0	0	0	
6. Materials and consumables	10,260	10,517	11,099	11,488	11,877	12,281	12,698	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution of corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	10,674	11,123	11,723	12,131	12,539	12,962	13,400	
Service: Capital Program and Project Management								
1. Staffing (including oncosts)	368	186	192	197	203	209	216	
2. Contractor/Consultants	22	21	22	22	23	24	24	
3. External service providers	0	0	0	0	0	0	0	
4. IT Operating	0	0	0	0	0	0	0	
5. Plant, vehicles and equipment	98	108	110	113	116	119	122	
6. Materials and consumables	123	160	163	168	172	176	180	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution to corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	611	475	487	501	514	528	542	
Service: Regional Staff Sharing								
1. Staffing (including oncosts)	0	0	0	0	0	0	0	
2. Contractor/Consultants	828	497	400	350	300	300	300	
3. External service providers	0	0	0	0	0	0	0	
4. IT Operating	0	0	0	0	0	0	0	
5. Plant, vehicles and equipment	0	0	0	0	0	0	0	
6. Materials and consumables	0	0	0	0	0	0	0	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution of corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	828	497	400	350	300	300	300	
Total	13,218	13,019	13,809	14,206	14,461	14,751	15,464	

Rural Councils Transformation Program

Golden Plains							(\$000s)
Operational Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Service: Strategic Asset Management							
1. Staffing (including oncosts)	304	317	323	330	337	344	351
2. Contractor/Consultants	0	0	0	0	0	0	0
3. External service providers	0	124	0	0	127	0	0
4. IT Operating	23	16	17	17	18	18	19
5. Plant, vehicles and equipment	4	4	4	4	4	4	4
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	330	461	344	352	486	367	374
Service: Strategic Procurement & Contract Management							
1. Staffing (including oncosts)	222	283	288	294	301	307	313
2. Contractor/Consultants	31	9	9	9	10	10	10
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	9	12	12	12	12	13	13
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	1,773	1,818	1,874	1,942	2,011	2,083	2,156
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	2,035	2,121	2,184	2,258	2,334	2,412	2,493
Service: Capital Program and Project Management							
1. Staffing (including oncosts)	411	441	450	460	469	479	489
2. Contractor/Consultants	0	0	0	0	0	0	0
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	411	441	450	460	469	479	489
Service: Regional Staff Sharing							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	30	21	22	22	23	23	24
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	30	21	22	22	23	23	24
Total	2,806	3,044	3,000	3,091	3,312	3,281	3,380

Rural Councils Transformation Program

Participating councils collectively

Group	(\$000s)						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Operational Expenditure	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Service: Strategic Asset Management							
1. Staffing (including oncosts)	1,142	1,313	1,348	1,383	1,420	1,457	1,496
2. Contractor/Consultants	187	238	244	250	257	263	270
3. External service providers	1,312	957	1,122	1,453	1,145	897	1,482
4. IT Operating	60	54	56	57	59	60	62
5. Plant, vehicles and equipment	24	24	24	25	26	26	27
6. Materials and consumables	43	36	37	38	39	40	42
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	2,768	2,621	2,831	3,207	2,945	2,744	3,378
Service: Strategic Procurement & Contract Management							
1. Staffing (including oncosts)	863	1,369	1,405	1,442	1,480	1,519	1,559
2. Contractor/Consultants	207	37	38	39	40	41	42
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	9	13	14	14	14	15	15
5. Plant, vehicles and equipment	2	2	3	3	3	3	3
6. Materials and consumables	16,595	17,010	17,525	18,064	18,764	19,432	20,126
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	17,676	18,431	18,984	19,561	20,301	21,010	21,745
Service: Capital Program and Project Management							
1. Staffing (including oncosts)	2,463	2,376	2,435	2,494	2,556	2,619	2,683
2. Contractor/Consultants	278	249	256	263	270	278	286
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	1	1	1	1	1	1
5. Plant, vehicles and equipment	119	162	166	170	175	179	184
6. Materials and consumables	158	258	265	272	279	286	293
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	3,019	3,047	3,123	3,201	3,281	3,363	3,447
Service: Regional Staff Sharing							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	1,110	625	531	484	438	442	445
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	1,110	625	531	484	438	442	445
Total	24,573	24,724	25,468	26,453	26,964	27,558	29,015

Rural Councils Transformation Program

Group	(\$000s)						
Capital Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Service: Strategic Asset Management							
1. Capital component 'a'	0	0	0	0	0	0	0
2. Capital component 'b'	0	0	0	0	0	0	0
3. Contingency/risk allocation	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0
Service: Strategic Procurement & Contract Management							
1. Capital component 'a'	0	0	0	0	0	0	0
2. Capital component 'b'	0	0	0	0	0	0	0
3. Contingency/risk allocation	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0
Service: Capital Program and Project Management							
1. Capital component 'a'	0	0	0	0	0	0	0
2. Capital component 'b'	0	0	0	0	0	0	0
3. Contingency/risk allocation	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0
Service: Regional Staff Sharing (building, planning, env health)							
1. Capital component 'a'	0	0	0	0	0	0	0
2. Capital component 'b'	0	0	0	0	0	0	0
3. Contingency/risk allocation	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Note: None of the services have capital expenditure

5.3 Return on investment

Given that the services within the project scope are non-revenue earning, the business as usual's return on investment equates with the forecast expenditures under the baseline (Section 5.2), that is:

- A collective spend of \$135 million over the five year forecast period to 2023-24.
- A Present Value spend of \$125 million (using a 2.5% discount rate).

6. Revenue sought for the recommended solution

6.1 Expenditure forecasts

Based on the evidence summarised in Section 3.3, the expenditure profile under the project scenario for participating councils will change to include:

- Project implementation costs (for which a RCTP grant is being sought)
- Regional asset management:
 - Cost of asset condition assessments – 10% efficiency gains assumed
- Regional procurement (of up to 10% of total Materials and Services spend, with two example contracts below):
 - Cost of kerbside bin collection service – 10% efficiency gains assumed
 - Cost of sealed road resealing – 10% efficiency gains assumed
 - Costs of other 3rd party spend budgets to make up the total spend of 10% of Materials and Services – 10% efficiency gains assumed
- Capital project management – 10% efficiencies in contractor costs due to accessing staff from other councils market-provided contractor cost penalties (not redundancies)
- Regional staff sharing – 10% efficiencies in contractor costs due to accessing staff from other councils market-provided contractor cost penalties (not redundancies) associated with building, planning and environmental health services.

These underlying assumptions are conservative given the findings of EY (2008), who found that collaborative procurement could generate savings between 7.5%-15% across all council expenditure categories, combined with the known penalties that are paid by participating councils for contractors that can be insourced as staff members.

In the tables overleaf, collective expenditure forecasts under the project scenario total to \$132 million over the five year forecast period.

Rural Councils Transformation Program

Participating councils individually

Queenscliffe		(\$000s)					
Operational Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing
	Forecast	Forecast	Forecast	Forecast	Forecast		
Service: Strategic Asset Management							
1. Staffing (including oncosts)	69	70	72	74	76	361	76
2. Contractor/Consultants	0	0	0	0	0	0	0
3. External service providers	25	0	25	24	0	74	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	2	2	2	2	2	9	2
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	95	72	99	100	78	444	78
Service: Strategic Procurement & Contract Management							
1. Staffing (including oncosts)	114	117	119	122	125	597	125
2. Contractor/Consultants	1	1	1	1	1	6	1
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	3	3	3	3	3	13	3
6. Materials and consumables	503	518	515	502	492	2,530	492
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	620	638	638	629	621	3,146	621
Service: Capital Program and Project Management							
1. Staffing (including oncosts)	138	141	145	148	152	724	152
2. Contractor/Consultants	0	0	0	0	0	0	0
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	138	141	145	148	152	724	152
Service: Regional Staff Sharing							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	55	52	53	54	56	270	56
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	55	52	53	54	56	270	56
Total	909	903	935	931	906	4,584	906

Rural Councils Transformation Program

Surf Coast		(\$000s)						
Operational Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing	
	Forecast	Forecast	Forecast	Forecast	Forecast			
Service: Strategic Asset Management								
1. Staffing (including oncosts)	208	212	217	222	227	1,085	227	
2. Contractor/Consultants	8	8	9	9	9	43	9	
3. External service providers	120	110	118	143	136	627	136	
4. IT Operating	5	5	5	6	6	27	6	
5. Plant, vehicles and equipment	2	2	2	2	2	9	2	
6. Materials and consumables	2	3	3	3	3	13	3	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution of corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	345	340	353	383	382	1,804	382	
Service: Strategic Procurement & Contract Management								
1. Staffing (including oncosts)	236	241	247	252	258	1,234	258	
2. Contractor/Consultants	4	4	4	4	5	22	5	
3. External service providers	0	0	0	0	0	0	0	
4. IT Operating	2	2	2	2	2	9	2	
5. Plant, vehicles and equipment	0	0	0	0	0	0	0	
6. Materials and consumables	2,451	2,478	2,682	2,694	2,712	13,016	2,712	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution of corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	2,693	2,725	2,934	2,952	2,976	14,280	2,976	
Service: Capital Program and Project Management								
1. Staffing (including oncosts)	1,051	1,074	1,098	1,122	1,147	5,491	1,147	
2. Contractor/Consultants	95	98	91	93	96	472	96	
3. External service providers	0	0	0	0	0	0	0	
4. IT Operating	1	1	1	1	1	5	1	
5. Plant, vehicles and equipment	33	34	35	36	37	175	37	
6. Materials and consumables	80	82	84	86	88	418	88	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution to corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	1,260	1,288	1,308	1,338	1,368	6,562	1,368	
Service: Regional Staff Sharing								
1. Staffing (including oncosts)	0	0	0	0	0	0	0	
2. Contractor/Consultants	20	19	19	20	20	98	20	
3. External service providers	0	0	0	0	0	0	0	
4. IT Operating	0	0	0	0	0	0	0	
5. Plant, vehicles and equipment	0	0	0	0	0	0	0	
6. Materials and consumables	0	0	0	0	0	0	0	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution of corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	20	19	19	20	20	98	20	
Total	4,318	4,372	4,615	4,693	4,746	22,744	4,746	

Rural Councils Transformation Program

Colac-Otway		(\$000s)						
Operational Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing	
	Forecast	Forecast	Forecast	Forecast	Forecast			
Service: Strategic Asset Management								
1. Staffing (including oncosts)	748	770	794	817	842	3,971	842	
2. Contractor/Consultants	48	49	51	52	54	254	54	
3. External service providers	0	346	0	0	322	668	322	
4. IT Operating	0	0	0	0	0	0	0	
5. Plant, vehicles and equipment	17	17	18	19	19	90	19	
6. Materials and consumables	35	36	37	38	39	183	39	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution of corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	847	1,219	899	926	1,276	5,167	1,276	
Service: Strategic Procurement & Contract Management								
1. Staffing (including oncosts)	166	171	176	181	187	880	187	
2. Contractor/Consultants	0	0	0	0	0	0	0	
3. External service providers	0	0	0	0	0	0	0	
4. IT Operating	0	0	0	0	0	0	0	
5. Plant, vehicles and equipment	0	0	0	0	0	0	0	
6. Materials and consumables	1,599	1,639	1,680	1,632	1,589	8,137	1,589	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution of corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	1,764	1,809	1,855	1,813	1,775	9,017	1,775	
Service: Capital Program and Project Management								
1. Staffing (including oncosts)	604	622	641	660	680	3,206	680	
2. Contractor/Consultants	139	143	134	138	142	697	142	
3. External service providers	0	0	0	0	0	0	0	
4. IT Operating	0	0	0	0	0	0	0	
5. Plant, vehicles and equipment	22	23	24	24	25	119	25	
6. Materials and consumables	22	23	23	24	25	116	25	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution to corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	787	811	822	846	872	4,138	872	
Service: Regional Staff Sharing								
1. Staffing (including oncosts)	0	0	0	0	0	0	0	
2. Contractor/Consultants	34	32	33	34	35	167	35	
3. External service providers	0	0	0	0	0	0	0	
4. IT Operating	0	0	0	0	0	0	0	
5. Plant, vehicles and equipment	0	0	0	0	0	0	0	
6. Materials and consumables	0	0	0	0	0	0	0	
7. Imputed accommodation	0	0	0	0	0	0	0	
8. Contribution of corporate governance	0	0	0	0	0	0	0	
9. Annualised cost of capital	0	0	0	0	0	0	0	
Sub-total	34	32	33	34	35	167	35	
Total	3,433	3,871	3,609	3,619	3,958	18,489	3,958	

Rural Councils Transformation Program

Geelong		(\$000s)					
Operational Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing
	Forecast	Forecast	Forecast	Forecast	Forecast		
Service: Strategic Asset Management							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	188	192	197	202	207	987	207
3. External service providers	977	997	875	688	888	4,425	888
4. IT Operating	34	35	36	36	37	178	37
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	1,199	1,224	1,108	926	1,133	5,590	1,133
Service: Strategic Procurement & Contract Management							
1. Staffing (including oncosts)	601	619	637	656	676	3,189	676
2. Contractor/Consultants	24	24	25	25	26	124	26
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	11,099	11,488	11,877	11,696	11,544	57,703	11,544
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	11,723	12,131	12,539	12,378	12,246	61,017	12,246
Service: Capital Program and Project Management							
1. Staffing (including oncosts)	192	197	203	209	216	1,017	216
2. Contractor/Consultants	22	22	21	21	22	108	22
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	110	113	116	119	122	581	122
6. Materials and consumables	163	168	172	176	180	859	180
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	487	501	512	526	540	2,566	540
Service: Regional Staff Sharing							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	400	318	273	273	273	1,536	273
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	400	318	273	273	273	1,536	273
Total	13,809	14,174	14,431	14,102	14,191	70,708	14,191

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Golden Plains		(S000s)					
Operational Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing
	Forecast	Forecast	Forecast	Forecast	Forecast		
Service: Strategic Asset Management							
1. Staffing (including oncosts)	323	330	337	344	351	1,686	351
2. Contractor/Consultants	0	0	0	0	0	0	0
3. External service providers	0	0	127	0	0	127	0
4. IT Operating	17	17	18	18	19	88	19
5. Plant, vehicles and equipment	4	4	4	4	4	21	4
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	344	352	486	367	374	1,922	374
Service: Strategic Procurement & Contract Management							
1. Staffing (including oncosts)	288	294	301	307	313	1,504	313
2. Contractor/Consultants	9	9	10	10	10	48	10
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	12	12	12	13	13	62	13
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	1,874	1,942	2,011	1,983	1,960	9,770	1,960
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	2,184	2,258	2,334	2,313	2,297	11,385	2,297
Service: Capital Program and Project Management							
1. Staffing (including oncosts)	450	460	469	479	489	2,348	489
2. Contractor/Consultants	0	0	0	0	0	0	0
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	450	460	469	479	489	2,348	489
Service: Regional Staff Sharing							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	22	20	21	21	22	105	22
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution of corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	22	20	21	21	22	105	22
Total	3,000	3,089	3,310	3,180	3,182	15,761	3,182

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Participating councils collectively

Group	(\$000s)						
	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing
Operational Expenditure	Forecast	Forecast	Forecast	Forecast	Forecast		
Service: Strategic Asset Management							
1. Staffing (including oncosts)	1,348	1,383	1,420	1,457	1,496	7,103	1,496
2. Contractor/Consultants	244	250	257	263	270	1,284	270
3. External service providers	1,122	1,453	1,145	854	1,347	5,921	1,347
4. IT Operating	56	57	59	60	62	293	62
5. Plant, vehicles and equipment	24	25	26	26	27	129	27
6. Materials and consumables	37	38	39	40	42	196	42
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	2,831	3,207	2,945	2,702	3,243	14,927	3,243
Service: Strategic Procurement & Contract Management							
1. Staffing (including oncosts)	1,405	1,442	1,480	1,519	1,559	7,405	1,559
2. Contractor/Consultants	38	39	40	41	42	199	42
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	14	14	14	15	15	71	15
5. Plant, vehicles and equipment	3	3	3	3	3	13	3
6. Materials and consumables	17,525	18,064	18,764	18,507	18,296	91,156	18,296
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	18,984	19,561	20,301	20,084	19,915	98,845	19,915
Service: Capital Program and Project Management							
1. Staffing (including oncosts)	2,435	2,494	2,556	2,619	2,683	12,787	2,683
2. Contractor/Consultants	256	263	246	253	260	1,278	260
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	1	1	1	1	1	5	1
5. Plant, vehicles and equipment	166	170	175	179	184	874	184
6. Materials and consumables	265	272	279	286	293	1,394	293
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	3,123	3,201	3,256	3,338	3,421	16,338	3,421
Service: Regional Staff Sharing							
1. Staffing (including oncosts)	0	0	0	0	0	0	0
2. Contractor/Consultants	531	440	398	401	405	2,176	405
3. External service providers	0	0	0	0	0	0	0
4. IT Operating	0	0	0	0	0	0	0
5. Plant, vehicles and equipment	0	0	0	0	0	0	0
6. Materials and consumables	0	0	0	0	0	0	0
7. Imputed accommodation	0	0	0	0	0	0	0
8. Contribution to corporate governance	0	0	0	0	0	0	0
9. Annualised cost of capital	0	0	0	0	0	0	0
Sub-total	531	440	398	401	405	2,176	405
Total	25,468	26,409	26,900	26,525	26,984	132,286	26,984

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Group							(\$000s)	
Capital Expenditure	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	5-year total	Ongoing	
Service: Strategic Asset Management								
1. Capital component 'a'	0	0	0	0	0	0	0	
2. Capital component 'b'	0	0	0	0	0	0	0	
3. Contingency/risk allocation	0	0	0	0	0	0	0	
Sub-total	0	0	0	0	0	0	0	
Service: Strategic Procurement & Contract Management								
1. Capital component 'a'	0	0	0	0	0	0	0	
2. Capital component 'b'	0	0	0	0	0	0	0	
3. Contingency/risk allocation	0	0	0	0	0	0	0	
Sub-total	0	0	0	0	0	0	0	
Service: Capital Program and Project Management								
1. Capital component 'a'	0	0	0	0	0	0	0	
2. Capital component 'b'	0	0	0	0	0	0	0	
3. Contingency/risk allocation	0	0	0	0	0	0	0	
Sub-total	0	0	0	0	0	0	0	
Service: Regional Staff Sharing (building, planning, env health)								
1. Capital component 'a'	0	0	0	0	0	0	0	
2. Capital component 'b'	0	0	0	0	0	0	0	
3. Contingency/risk allocation	0	0	0	0	0	0	0	
Sub-total	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	0	

6.2 Proposed revenue sources and alternatives

Group							(\$000s)	
Revenue	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	5-year total	Ongoing	
Service: Strategic Asset Management								
1. User fees and charges	0	0	0	0	0	0	0	
2. Specific purpose grants	0	0	0	0	0	0	0	
3. Proceeds from sale/leaseback	0	0	0	0	0	0	0	
4. Internal reserves	0	0	0	0	0	0	0	
5. Loan funds	0	0	0	0	0	0	0	
6. Other	0	0	0	0	0	0	0	
Sub-total	0	0	0	0	0	0	0	
Service: Strategic Procurement & Contract Management								
1. User fees and charges	0	0	0	0	0	0	0	
2. Specific purpose grants	0	0	0	0	0	0	0	
3. Proceeds from sale/leaseback	0	0	0	0	0	0	0	
4. Internal reserves	0	0	0	0	0	0	0	
5. Loan funds	0	0	0	0	0	0	0	
6. Other	0	0	0	0	0	0	0	
Sub-total	0	0	0	0	0	0	0	
Service: Capital Program and Project Management								
1. User fees and charges	0	0	0	0	0	0	0	
2. Specific purpose grants	0	0	0	0	0	0	0	
3. Proceeds from sale/leaseback	0	0	0	0	0	0	0	
4. Internal reserves	0	0	0	0	0	0	0	
5. Loan funds	0	0	0	0	0	0	0	
6. Other	0	0	0	0	0	0	0	
Sub-total	0	0	0	0	0	0	0	
Service: Regional Staff Sharing (building, planning, env health)								
1. User fees and charges	0	0	0	0	0	0	0	
2. Specific purpose grants	0	0	0	0	0	0	0	
3. Proceeds from sale/leaseback	0	0	0	0	0	0	0	
4. Internal reserves	0	0	0	0	0	0	0	
5. Loan funds	0	0	0	0	0	0	0	
6. Other	0	0	0	0	0	0	0	
Sub-total	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	0	

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6.3 RCTP grant sought

An RCRP grant is sought for \$4.8 million, with the vast bulk of this expended in the first 3 years, enabling financial dividends to be recouped in the later years.

Group		(\$000s)						
		2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing
RCTP Grant		Forecast	Forecast	Forecast	Forecast	Forecast		
RCTP Grant Proceeds	Total	2,595	1,130	515	365	185	4,790	0
Service: Governance Model								
RCTP Budget Allocation								
1. Staffing management/admin		150	150	150	100	50	600	0
2. Accommodation		0	0	0	0	0	0	0
3. Consultancies		0	0	0	0	0	0	0
4. Training and development		0	0	0	0	0	0	0
5. Legal		75	0	50	0	0	125	0
6. Leases		0	0	0	0	0	0	0
7. Other direct council resources		0	0	0	0	0	0	0
Capital								
8. Vehicles		0	0	0	0	0	0	0
9. Equipment		0	0	0	0	0	0	0
10. IT Software		0	0	0	0	0	0	0
11. IT Hardware		0	0	0	0	0	0	0
12. [Other]		0	0	0	0	0	0	0
	Sub-total	225	150	200	100	50	725	0
Service: Strategic Asset Management								
RCTP Budget Allocation								
1. Staffing management/admin		300	300	150	100	50	900	0
2. Accommodation		0	0	0	0	0	0	0
3. Consultancies		800	300	0	0	0	1,100	0
4. Training and development		50	50	0	0	0	100	0
5. Legal		50	0	0	0	0	50	0
6. Leases		0	0	0	0	0	0	0
7. Other direct council resources		0	0	0	0	0	0	0
Capital								
8. Vehicles		0	0	0	0	0	0	0
9. Equipment		0	0	0	0	0	0	0
10. IT Software		550	10	10	10	10	590	0
11. IT Hardware		0	0	0	0	0	0	0
12. [Other]		0	0	0	0	0	0	0
	Sub-total	1,750	660	160	110	60	2,740	0
Service: Strategic Procurement & Contract Management								
RCTP Budget Allocation								
1. Staffing management/admin		135	135	135	135	55	595	0
2. Accommodation		0	0	0	0	0	0	0
3. Consultancies		50	0	0	0	0	50	0
4. Training and development		25	25	0	0	0	50	0
5. Legal		20	0	0	0	0	20	0
6. Leases		0	0	0	0	0	0	0
7. Other direct council resources		0	0	0	0	0	0	0
Capital								
8. Vehicles		0	0	0	0	0	0	0
9. Equipment		0	0	0	0	0	0	0
10. IT Software		40	10	10	10	10	80	0
11. IT Hardware		0	0	0	0	0	0	0
12. [Other]		0	0	0	0	0	0	0
	Sub-total	270	170	145	145	65	795	0

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	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	5-year total	Ongoing
Service: Capital Program and Project Management							
RCTP Budget Allocation							
1. Staffing management/admin	115	115	0	0	0	230	0
2. Accommodation	0	0	0	0	0	0	0
3. Consultancies	0	0	0	0	0	0	0
4. Training and development	25	25	0	0	0	50	0
5. Legal	20	0	0	0	0	20	0
6. Leases	0	0	0	0	0	0	0
7. Other direct council resources	0	0	0	0	0	0	0
Capital							
8. Vehicles	0	0	0	0	0	0	0
9. Equipment	0	0	0	0	0	0	0
10. IT Software	40	10	10	10	10	80	0
11. IT Hardware	0	0	0	0	0	0	0
12. [Other]	0	0	0	0	0	0	0
Sub-total	200	150	10	10	10	380	0
Service: Regional Staff Sharing							
RCTP Budget Allocation							
1. Staffing management/admin	110	0	0	0	0	110	0
2. Accommodation	0	0	0	0	0	0	0
3. Consultancies	0	0	0	0	0	0	0
4. Training and development	20	0	0	0	0	20	0
5. Legal	20	0	0	0	0	20	0
6. Leases	0	0	0	0	0	0	0
7. Other direct council resources	0	0	0	0	0	0	0
Capital							
8. Vehicles	0	0	0	0	0	0	0
9. Equipment	0	0	0	0	0	0	0
10. IT Software	0	0	0	0	0	0	0
11. IT Hardware	0	0	0	0	0	0	0
12. [Other]	0	0	0	0	0	0	0
Sub-total	150	0	0	0	0	150	0
Total	2,595	1,130	515	365	185	4,790	0

Greater Geelong, as lead Council, will be the recipient of the project funds on behalf of the partnership of regional councils. Greater Geelong will ensure that all the participation costs of all councils will be supported through the grant, noting that the majority of costs will be used for:

- Recruitment of an executive officer to lead project implementation as well as a specialist asset manager, procurement manager and capital program manager to establish targeted Centres of Excellence, and
- Allowance for a common Strategic Asset Management System procurement, implementation and integration (inclusive of project management and consulting costs).

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6.4 Return on investment

Financial returns

Given that the services within the project scope are non-revenue earning, the project's return on investment equates with the difference in between project (Section 6.1) and baseline expenditure profiles (Section 5.2), after accounting for project implementation costs (Section 6.3), that is:

- A collective operational spend of \$135 million over the five year forecast period to 2023-24, compared to a \$132 million spend under the business as usual scenario.
- RCTP funded project costs of \$4.8 million
- A Net Present Value cost of \$1.7 million.

Sensitivity analysis

In the table below a sensitivity analysis tabulated below:

- Column A summaries the assumptions and results generated by the project documented above, assuming that 10% of the participating council's collective materials and services budgets are subject to collaborative procurement
- Column B presents a more optimistic scenario, as per Column A, assuming that 20% of the participating council's collective materials and services budgets are subject to collaborative procurement
- Column C presents a more pessimistic scenario, as per Column A, assuming that 5% of the participating council's collective materials and services budgets are subject to collaborative procurement

Table 8 Sensitivity analysis

Savings	A Proposed	B Optimistic	C Pessimistic
Materials and services* spend %	10%	20%	5%
5 yr BAU (\$m)	135.5	229.4	88.5
5yr Proposed (\$m)	132.3	223.4	86.7
RCTP Grant (\$m)	-4.8	-4.8	-4.8
NPV (\$m)	-1.7	0.7	-3.0

*Total forecast materials and services for all councils

Non-financial returns

Improved quality of assets is a direct outcome from the joint asset management system across the region, which has not been quantified. In this case, the non-financial return stems from the fact that most councils will now gain access to a superior system which they would otherwise not have been able to afford.

The increased levels of collaboration through this process across the councils is not a quantifiable return. However, just having the CEOs and key staff work through important issues such as staff resourcing and asset management is likely to build a deeper working relationship which will transcend beyond current levels of collaboration; they will have actual systems and staff to embed and share across the councils – which could be extended to other important operational functions in the future.

7. Deliverability

7.1 Assessment and management of risks and sensitivities

The key risks to project delivery have been identified by the CEOs of the participating councils, as well as by drawing from evidence elsewhere regarding the potential threats to shared services arrangements. These key risks are identified below, as are their respective:

- Likelihood of occurrence
- Impact if they do occur
- Mitigation strategy
- Residual risk after mitigation strategies are employed.

Table 9 Risk mitigation

Risk	Likelihood*	Impact^	Mitigation strategy	Residual risk [#]
Ongoing commitment: Existing and potentially new CEOs of participating councils continue to support project.	Possible	Major	Councils will be required to contractually commit to three years of operations following initial project implementation, effectively 5 to 6 full years. CEOs to continue to meet regularly to ensure relationships are confirmed and nurtured. Baseline vs project resourcing and outcomes monitored and assessed both annually, via Benefits Management Plan, and on rolling 3 year bases (overall evaluation).	Low
Ongoing commitment: Councillors: Existing and potentially new councillors of participating councils continue to support project.	Unlikely	Major	Governance model has been developed at the management level. Service levels and qualities still to be determined by elected councillors. Ongoing councillor briefing sessions planned as well as regular reporting on partnership progress and achievements.	Low
Ineffective project governance/ management: Governance model does not fairly and reasonably match participation costs and benefits	Unlikely	Moderate	Overall review after three year periods provides an inbuilt opportunity to refine any unintended governance issues. Collaborative nature of governance model will enable ongoing scope and operational refinements	Low
Staff resistance: Relevant staff members resist proposed changes	Low	Moderate	Ongoing staff engagement program commenced. Change management expertise and processes to be used throughout	Low

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			implementation program.	
Partial implementation: Standardisation of systems and processes for relevant services is compromised by opt in arrangements	Possible	Moderate	<p>Services included in project scope selected due to ongoing difficulties recognised by all CEOs. That is, scope is limited but considered practical and highly beneficial.</p> <p>Baseline vs project resourcing and outcomes monitored and assessed annually as per Benefits Management Plan.</p> <p>Project funding provides for standardisation and integration of systems and processes across all councils.</p>	Low
Benefits unrealised: the envisaged benefits are not generated	Possible	Moderate	<p>Baseline vs project resourcing and outcomes monitored and assessed annually as per Benefits Management Plan.</p> <p>Collaborative nature of governance model will enable ongoing scope and operational refinements.</p> <p>Project funding provides for standardisation and integration of systems and processes across all councils.</p>	Low
Contractor selection: Contractor selected to provide common systems/ integration services fails to deliver	Unlikely	Major	<p>Internal and external technical and procurement experts will be recruited to assist with selection and management of preferred contractor.</p> <p>Engagement contract with preferred contractor will have clear performance expectations regarding documentation of process and progression milestones, enabling contract to be effectively supervised.</p>	Low
Time delays: Timelines estimated for delivering project milestones are not met	Likely	Moderate	Specialist project management resources to be used throughout implementation program.	Medium
Cost blowouts: Costs estimated for delivering project milestones are insufficient	Likely	Moderate	<p>Specialist project management resources to be used throughout implementation program.</p> <p>Major cost items are participating council staff and asset management system, which is a necessary upgrade for all participating councils.</p>	Medium

*Ranging from 1) Rare, 2) Unlikely, 3) Possible, 4) Likely to 5) Almost certain.
 ^Ranging from 1) Negligible, 2) Minor, 3) Moderate, 4) Major to 5) Catastrophic.
 # Ranging from 1) Very Low, 2) Low, 3) Medium, 4 High and 5) Very High.

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Once funding is sourced from the RCTP, the participating councils will appoint a dedicated executive officer whose task it will be to develop documented project governance including a detailed risk register and to monitor and report how project risks evolve throughout its progressive delivery.

7.2 Impacts

The suite of social, environmental and economic impacts of this project versus the business-as-usual scenario are outlined below. A basis for their inclusion, as well as the significance their impacts are also described.

The identified impacts of the project versus the business as usual, segmented on a triple bottom line basis, are summarised in the following table.

Table 10 Implementation impacts by stakeholder group

Impact	Affected groups	Type	Scale/direction	Key issues
Community perception of a loss of local control and influence	Councillors/ Community	Social	Small/ negative	A greater level of regional collaboration could be perceived by some sections of the community as an attempt to reduce the independence of local councils from an operational perspective.
Potential increased travel between councils for all the activities involved in collaboration	Councils/ community	Environmental	Small/ negative	The ESC and IC meetings plus all the project specific collaborations would require significant face to face contact and that necessitates travel.
Transaction costs in implementation	Councils	Financial	Small/ negative	The financial and/or resourcing cost associated with all the governance, legal and implementation aspects of putting the shared services into practice.
Some existing systems which may still have had a life are written off the books	Councils	Financial	Small/ negative	Sunk cost associated with the loss of utility from asset management systems which may still have had some time to run. That said, most participating councils appear to have already commenced looking into upgrading to a new system.
Improved provisioning of assets and asset renewal program	Councils	Financial	Large/ positive	Being able to plan assets with a regional perspective, better monitor asset conditions, and respond more effectively when intervention is required will improve the quality of the asset stock and efficiency of capital expenditures.
Reduced cost of procurement across the region	Councils	Financial	Large/ positive	Cost savings to be generated through joint procurement, at least in the negotiation of price with private providers, but also likely in the efficiency of the providers delivering the service across a region.
Financial savings and sustainability	Councils	Financial	Medium/ positive	The main direct benefit is the reduction in costs which directly contributes to the financial sustainability of councils over the medium and long term
More productive and strategic resource allocation	Councils/ Community	Financial/ Social/ Economic	Large/ positive	The financial savings should support ongoing service delivery given financial constraints asset renewal activities.

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7.3 Readiness and implementation process

The participating councils are ready to implement but await seed funding given the resourcing required to deliver the project scope.

The working arrangements between the CEOs of participating councils are informally in place and can quickly be formalised.

An implementation process, budget and time frame has been developed in preparation for this RCTP funding bid and are included in the appendices for reference purposes.

7.4 Timelines and milestones

Each of the key elements within the project scope generally have four key milestones: design; build and test; implement and roll out; and monitor and review. Consequently, monitoring project delivery progression should be relatively straightforward at a key milestone level. Refer table below.

Table 11 Summary implementation timeframes

Scope	Summary milestones	Completion date	Delivery cost \$000
Governance model	Regional service delivery partnership	2019-20	\$725
	Governance structure	2019-20	
	3 year review of governance model	2022-23	
Strategic asset management	People	2019-20	\$2,740
	Organisation	2019-20	
	Systems	2020-21	
	Processes	2020-21	
	Shared system realisation	2021-22	
Strategic procurement and contract management	Design	2019-20	\$795
	Build and test	2020-21	
	Implement and roll out	2020-21	
	Monitor and review	Ongoing	
Capital program and project management	Design	2019-20	\$380
	Build and test	2020-21	
	Implement and roll out	2020-21	
	Monitor and review	Ongoing	
Regional staff sharing	Organisation	2019-20	\$150
	People	2019-20	
	Systems, platforms and applications	2019-20	
	Processes	2019-20	
		TOTAL	\$4,790

8. Staffing requirements

8.1 Staff/Contractors

Rural Councils Transformation Program

Group	(FTE)					
Functional category	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	Ongoing
Service: Governance Model						
RCTP Budget Allocation						
New staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	0.0	0.0	0.0	0.0	0.0	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0
Existing staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	0.0	0.0	0.0	0.0	0.0	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0
Non-staff (category)						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	1.0	1.0	1.0	0.8	0.5	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
	1.0	1.0	1.0	0.8	0.5	0.0
Sub-total	1.0	1.0	1.0	0.8	0.5	0.0
Total	1.0	1.0	1.0	0.8	0.5	0.0
Service: Strategic Asset Management						
New staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	0.0	0.0	0.0	0.0	0.0	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	0.0	0.0	0.0	0.0	0.0	0.0
Existing staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	2.4	2.4	2.4	2.4	2.4	2.4
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
	2.4	2.4	2.4	2.4	2.4	2.4
Sub-total	2.4	2.4	2.4	2.4	2.4	2.4
Non-staff (category)						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	2.0	2.0	1.0	0.8	0.5	1.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
	2.0	2.0	1.0	0.8	0.5	1.0
Sub-total	2.0	2.0	1.0	0.8	0.5	1.0
Total	4.4	4.4	3.4	3.2	2.9	3.4
Location: Geelong						
Service: Strategic Procurement & Contract Management						
New staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	0.0	0.0	0.0	0.0	0.0	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	0.0	0.0	0.0	0.0	0.0	0.0
Existing staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	2.2	2.2	2.2	2.2	2.2	2.2
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
	2.2	2.2	2.2	2.2	2.2	2.2
Sub-total	2.2	2.2	2.2	2.2	2.2	2.2
Non-staff (category)						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	1.0	1.0	1.0	1.0	0.4	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
	1.0	1.0	1.0	1.0	0.4	0.0
Sub-total	1.0	1.0	1.0	1.0	0.4	0.0
Total	3.2	3.2	3.2	3.2	2.6	2.2
Location: At individual councils						

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Functional category	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	Ongoing
Service: Capital Program and Project Management						
New staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	0.0	0.0	0.0	0.0	0.0	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	0.0	0.0	0.0	0.0	0.0	0.0
Existing staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	2.8	2.8	2.8	2.8	2.8	2.8
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	2.8	2.8	2.8	2.8	2.8	2.8
Non-staff (category)						
1. Frontline						
2. Back office	1.0	1.0	0.0	0.0	0.0	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	1.0	1.0	0.0	0.0	0.0	0.0
Location: At individual councils	Total	3.8	3.8	2.8	2.8	2.8
Service: Regional Staff Sharing						
New staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	0.0	0.0	0.0	0.0	0.0	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	0.0	0.0	0.0	0.0	0.0	0.0
Existing staff						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	0.8	0.8	0.8	0.8	0.8	0.8
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	0.8	0.8	0.8	0.8	0.8	0.8
Non-staff (category)						
1. Frontline	0.0	0.0	0.0	0.0	0.0	0.0
2. Back office	1.0	0.0	0.0	0.0	0.0	0.0
3. Contractor	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	1.0	0.0	0.0	0.0	0.0	0.0
Location: At individual councils	Total	1.8	0.8	0.8	0.8	0.8
Grand total	14.2	13.2	11.2	10.7	9.6	9.2

9. Attachments

Appendix A – Bibliography

Appendix B - Completed RCTP Checklist

Appendix C – Benefits Management Plan

Appendix D – Council Policy Alignment

Appendix E – Implementation Steps

Appendix F – Implementation Costs & Timeframes

Appendix G – RCTP Benefits Summary

Appendix H – Demonstrated success elsewhere

Appendix A – Bibliography

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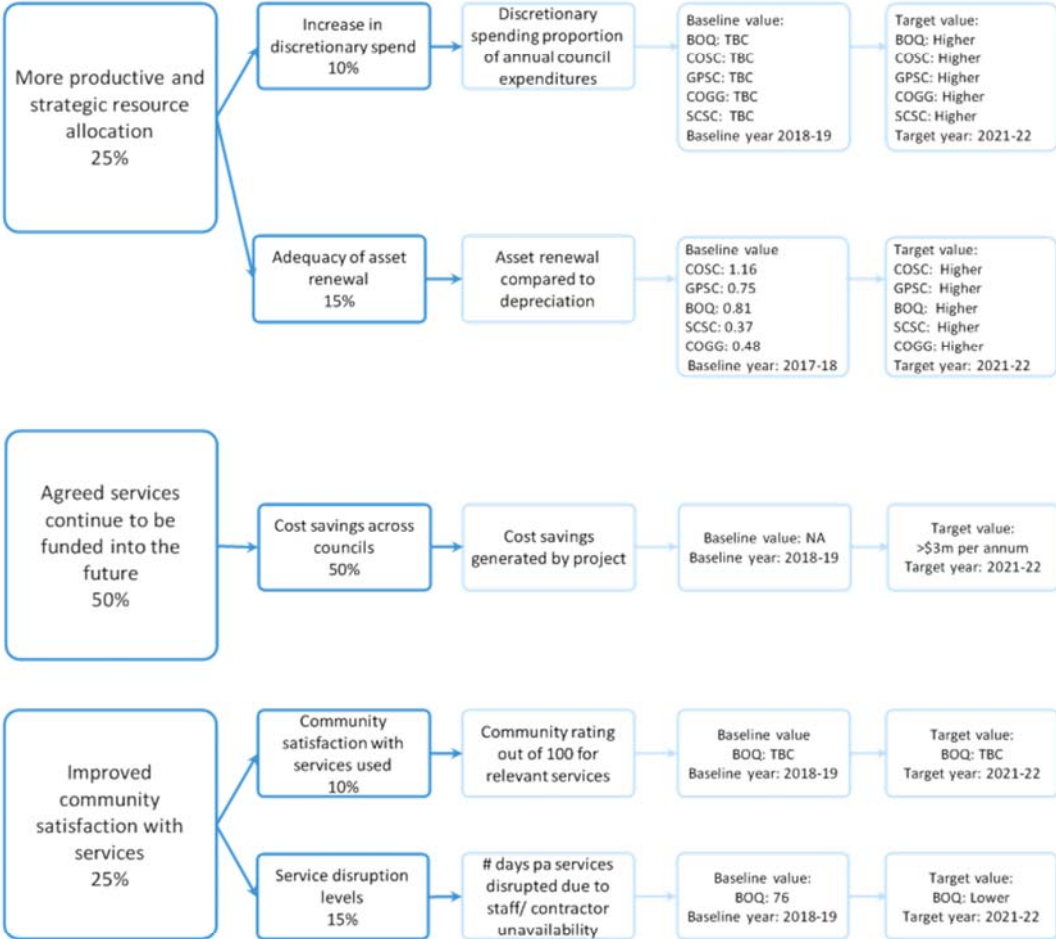
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Appendix B – Completed RCTP Checklist

Initiative title:	Rural Councils Transformation Program business case template	Yes
Department:	Surf Coast Shire	Yes
1.	Is the problem clearly defined?	<input checked="" type="checkbox"/>
2.	Is it clear what the RCTP is purchasing?	<input checked="" type="checkbox"/>
3.	Are the links to policy(ies) and contributions explicit?	<input checked="" type="checkbox"/>
4.	Are impacts on performance measures specified?	<input checked="" type="checkbox"/>
5.	If the submission has multiple components, have these been described separately and is the impact of each component clearly articulated in the costings, staffing and performance measures sections?	<input checked="" type="checkbox"/>
6.	Has Local Government Victoria (LGV) been engaged on the development of the draft business case?	<input checked="" type="checkbox"/>
7.	Has the <i>Business case</i> been completed in the form of the business case template?	<input checked="" type="checkbox"/>
8.	Have costings been agreed with LGV?	<input checked="" type="checkbox"/>
9.	Have detailed costings been provided in Excel?	<input checked="" type="checkbox"/>

Appendix C – Benefits Management Plan



Rural Councils Transformation Program

Appendix D – Council Policy Alignment

G21 regional alliance – strategic alignment

Plan	Direction	Policy	Regional objectives
The Geelong Region Plan	Refocus our economy	Reduce skills gaps and shortages	<ul style="list-style-type: none"> Decrease skills shortages and close skills gaps through region driven, whole of government, collaborative responses to meeting (well researched), current and future industry needs Align education, training, career migration and employment initiatives to support current and future industry skill requirements and job opportunities Meet the challenges of an economy in transition and increasingly driven by knowledge and innovation through improved skills, technological knowledge and ICT capability.
		Improve the operating environment for business	<ul style="list-style-type: none"> Support the collaborative planning, shared resourcing and implementation of sustainable economic development projects in the region Invest in programs and infrastructure that develop the region's Information, Communications and Technology (ICT) capability
	Make it happen	Influence the way we think and act	<ul style="list-style-type: none"> Develop an environment where visionary leadership, strategic thinking, change, innovation and creativity is embraced and considered a region wide strength
		Work together to deliver region wide community benefits	<ul style="list-style-type: none"> Continuously improve the governance, structures, funding, consultation, engagement and operating arrangements needed to secure the region's future and achieve the G21 region vision Develop better ways for the region to work together and engage with the State and Federal Government
		Use data to plan and measure progress	<ul style="list-style-type: none"> Minimise costs and improve the quality and access to regional level research data

Local government strategies

Plan	Strategic priority	Priority details	Aims/ actions
Borough of Queenscliffe Council Plan 2017-21	Governance and performance	Maintain a cohesive, well governed, financially sustainable and independent Borough	<ul style="list-style-type: none"> Ensure the continuing financial sustainability and independence of the Borough Continually review and plan to meet corporate needs while enhancing organisational capacity and performance Maximise the return on Council assets and leverage external funding opportunities Strengthen and promote the Borough as a place to explore and implement innovative approaches to environmental, technological, social and economic initiatives Foster partnerships with community organisations, business, neighbouring Councils, Statutory Organisations and other levels of government
		Strengthen partnerships with key stakeholders to benefit the whole community	<ul style="list-style-type: none"> Develop and maintain regional partnerships and joint advocacy
Colac Otway Shire Council Plan 2017-21	Our prosperity	Strengthen partnerships with key stakeholders to benefit the whole community	<ul style="list-style-type: none"> Develop and maintain regional partnerships and joint advocacy
	Our places	Assets and infrastructure meet community needs	<ul style="list-style-type: none"> Develop and maintain constructive partnerships to access appropriate levels of funding, coordination, infrastructure and services

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	<ul style="list-style-type: none"> Leadership and management 	<ul style="list-style-type: none"> Effectively manage financial resources Organisational development and legislative compliance Provide value for money services for the community 	<ul style="list-style-type: none"> Conduct an ongoing program of service reviews to guide planning for infrastructure Manage the short- and long-term financial sustainability of the shire through prudent financial management Identify new income opportunities Support organisational development to ensure key organisational capability areas support the organisation to deliver on Council priorities Implement a program of ongoing service reviews to ensure services are efficient and effective and are valued by the community Develop partnerships to procure services and materials on a regional basis
City of Greater Geelong Council Plan 2018-22	<ul style="list-style-type: none"> Innovative finances and technology Organisational leadership, strategy and governance 	<ul style="list-style-type: none"> Developing digital tools and technologies to improve service delivery and customer experience Examining our budget to fund future initiatives Establishing sustainable financial and infrastructure management systems for the future Proactively managing assets, including land holdings Making processes more effective and efficient Leading major local organisations in collaborative projects 	<ul style="list-style-type: none"> Drive digital transformation in the organisation Review the efficiency of service delivery Strengthen relationships with neighbouring councils, including G21 region councils and City of Wyndham Strengthen strategic governance and communication frameworks
City of Greater Geelong Clever and Creative	<ul style="list-style-type: none"> A leader in developing and adopting technology 	<ul style="list-style-type: none"> Opportunities enabled by technology 	<ul style="list-style-type: none"> n/a
Golden Plains Shire Council Plan 2017-21	<ul style="list-style-type: none"> Delivering good governance and leadership 	<ul style="list-style-type: none"> Increase trust, ensure open and transparent good governance and active engagement through Council planning and decision making in the long-term interests of the community 	<ul style="list-style-type: none"> Maintain active regional partnerships with a focus on economic development, wellbeing, environmental sustainability and shared services
Surf Coast Shire Council Plan 2017-21	<ul style="list-style-type: none"> High performing Council 	<ul style="list-style-type: none"> Ensure Council is financially sustainable and has the capability to deliver strategic objectives Provide quality customer service that is convenient, efficient, timely and responsive Ensure the community has access to services they need 	<ul style="list-style-type: none"> Develop and implement an organisational capability and capacity program Develop innovative funding partnerships with community, business and government Build on relationships with agencies and key stakeholders for the benefit of the community Implement Digital Transformation Program, including opportunities for customer self service Investigate the feasibility of a certified quality system Continued reforms in statutory planning service delivery Review Council delivered services to ensure they are of high quality and delivering best value Conduct service reviews to identify best service delivery model Advocate for services that are best delivered by others Review arrangements for governance of the coast

Appendix E – Implementation Steps

What		Key Steps
Governance model	Regional service delivery	<p>Regional service delivery partnership</p> <ul style="list-style-type: none"> • Draft agreement/MOU • Sign agreement/MOU <p>Governance structure</p> <ul style="list-style-type: none"> • Establish Executive Steering Committee comprising CEOs • Develop project implementation, monitoring and reporting framework • Engage executive officer <p>3 year review of governance structure</p> <ul style="list-style-type: none"> • Investigate feasibility of separate entity • Investigate feasibility of different or additional functions and services • Establish ongoing governance bodies • Draft governance documentation • Draft operating procedures
Strategic asset management: asset management system; asset condition assessments; asset renewal planning	<p>Common asset management system</p> <p>Standardised systems/processes</p> <p>Shared staff resources</p> <p>Shared assets</p>	<p>People</p> <ul style="list-style-type: none"> • Create project team <ul style="list-style-type: none"> ○ Recruit specialist asset manager ○ Recruit system project manager ○ Roles, responsibilities and accountabilities ○ Potential for matrix reporting to both the specialist function and the council ○ Engage specialist roles from participating councils: Strategic Asset Management system, Engineering, GIS Data collection and data analytics ○ Skills and competency requirements vs actual ○ Training and development needs; immediate and ongoing ○ Staff attraction, retention and rationalisation • Accommodation, communication and normal mode of working <p>Organisation</p> <ul style="list-style-type: none"> • Negotiate council service level agreements (SLAs) <ul style="list-style-type: none"> ○ Resource sharing agreements ○ Performance expectations

Rural Councils Transformation Program

- Locations

Systems

- Develop preferred system and business architecture¹
 - Determine which of the council systems the asset data will need to be integrated/interfaced with in order to ensure operational, financial and reporting integrity within each of the councils.
- Develop agreed common data schema
 - Develop mappings of existing data into the agreed schema.
- Establish API's and integration for councils other than Greater Geelong

Processes

- Develop common templates for key strategic asset management documents including:
 - Strategic asset management policies
 - Asset management strategies
 - Asset management plans
 - Asset recognition rules
 - Asset condition measurement methodologies
 - Asset management funding strategies
- Develop common processes for strategic asset management, including:
 - Inventory
 - Condition monitoring
 - Level of Service
 - Useful Life
 - New and retirement
 - Innovation and research opportunities

Shared System Realisation

- Procurement
 - Develop specification
 - Tender for systems/services
 - Negotiate/sign contracts
- Implementation
 - Implementation Core System
 - Initial Data Ingestion
 - Implementation of API interfaces

¹ For example: in a multi-tenanted cloud implementation of the Asset Management Systems, the IT infrastructure, platform and software services could all be shared with the platform and software services providing a common data schema and shared business rules but retaining the council's data as separate tenancies. Taking it a step further the councils could co-mingle their data, developing business rules based on the G21 regional data. business rules

Rural Councils Transformation Program

- Testing and Signoff
- Training and Change Management
- Go Live
- Continuous Improvement
 - Monitor and review
 - Refine

Strategic Procurement and Contract Management: joint procurement planning; tendering for goods and services; contract management	Common contract register Standardised systems/processes Shared staff resources	<p>Design</p> <ul style="list-style-type: none"> • Create project team including recruitment of specialist roles • Develop plans (project; transition; change management; communication) • Develop detailed system/process designs • Develop operating model (resources; location) • Develop specification (contract register) • Tender for system • Negotiate/sign contract • Negotiate service level agreements (SLAs) <p>Build and test</p> <ul style="list-style-type: none"> • Create detailed system/process maps • Create user documentation (procurement policy/procedures; standard tenders/standard contract conditions) • Build custom programs/interfaces • Prepare data for conversion • Test technology components • Conduct training <p>Implement and roll out</p> <ul style="list-style-type: none"> • Implement plans (transition; change management; communication) • Testing phase/go live • Monitor and review
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Capital Program and Project Management: capital works planning; capital works procurement; project management	Common project management framework Standardised systems/processes Shared staff resources	<p>Design</p> <ul style="list-style-type: none"> • Create project team including recruitment of specialist roles • Develop plans (project; transition; change management; communication) • Develop detailed system/process designs • Develop operating model (resources; location) • Develop specifications (project management system) • Tender for system • Negotiate/sign contract • Negotiate service level agreements (SLAs) <p>Build and test</p> <ul style="list-style-type: none"> • Create detailed system/process maps • Create user documentation (contract management)
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Rural Councils Transformation Program

		<p>policy/procedures)</p> <ul style="list-style-type: none"> • Build custom programs/interfaces • Prepare data for conversion • Test technology components • Recruit/rationalise staff • Conduct training • Implement physical infrastructure <p>Implement and roll out</p> <ul style="list-style-type: none"> • Implement plans (transition; change management; communication) • Testing phase/go live • Sign SLAs <p>Monitor and review</p> <ul style="list-style-type: none"> • Initiate shared service management
<p>Regional staff sharing: key positions e.g. building services; environmental health; land use planning</p>	<p>Standardised systems/processes</p> <p>Shared staff resources</p>	<p>Organisation</p> <ul style="list-style-type: none"> • Negotiate council service level agreements (SLAs) <ul style="list-style-type: none"> ○ Resource sharing agreements ○ Performance expectations ○ Locations <p>People</p> <ul style="list-style-type: none"> • Resource Sharing Co-ordinator <ul style="list-style-type: none"> ○ Roles, responsibilities and accountabilities ○ Skills and competency requirements ○ Training and development needs; immediate and ongoing • Accommodation, communication and mode of remote working <p>Systems and Platform and Applications</p> <ul style="list-style-type: none"> • Identity and Access Management • Remote Access <p>Processes</p> <ul style="list-style-type: none"> • Standardise common processes

Rural Councils Transformation Program

Appendix F – Implementation Costs & Timing

	Headline	SubCategory	Y1	Y2	Y3	Y4	Y5
Governance model: Regional service delivery							
Staffing management/admin	600	-					
o Executive officer (5 years FT)		600	150	150	150	100	50
Accommodation	-	-					
Consultancies	-	-					
Training and development	-	-					
Legal	125	-					
o Agreement/MOU		75	75				
o Develop agreement for ongoing model		50			50		
Leases	-	-					
Other council resources	-	-					
Vehicles	-	-					
Equipment	-	-					
IT Software	-	-					
IT Hardware	-	-					
	725	725	225	150	200	100	50
Strategic asset management: asset management system; asset condition assessments; asset renewal planning							
Staffing management/admin	900	-					
o Project Manager (2years FT)		300	150	150			
§ Plan		-					
§ AMS procurement and implementation		-					
o Lead Specialist Strategic Asset Manager (5 years FT)		600	150	150	150	100	50
§ Data Mapping		-					
§ Process Design and documentation		-					
Accommodation	-	-					
Consultancies	1100	-					
o SAMS SaaS specifications		250	250				
o SAM SaaS and integration services procurement		250	250				
o Integration API implementation		-					
§ Asset Data (4 Councils @100k)		400	200	200			
§ GIS Integration		200	100	100			
Training and development	100	-					
o Staff training		100	50	50			
Legal	50	-					
o Contracts/agreements		50	50				
Leases	-	-					
Other council resources	-	-					
Vehicles	-	-					
Equipment	-	-					
IT Software	590	-					
o Asset management system contribution		500	500				
o Civica API Licence for Asset Management		90	50	10	10	10	10
IT Hardware	-	-					
	2740	2740	1750	660	160	110	60

Rural Councils Transformation Program

	Headline	SubCategory	Y1	Y2	Y3	Y4	Y5
Strategic Procurement and Contract Management: joint procurement planning; tendering for goods and services; contract manag							
Staffing management/admin (backfill)	595	-					
o Specialist Procurement Manager		595	135	135	135	135	55
§ Plans		-					
§ System/process design/mapping		-					
§ System specification		-					
§ System procurement		-					
§ Documentation		-					
Accommodation	-	-					
Consultancies	-	-					
Training and development	50	-					
o Staff training		50	25	25			
Legal	70	-					
o Contracts/service agreements		20	20				
o Common documentation		50	50				
Leases	-	-					
Other council resources	-	-					
Vehicles	-	-					
Equipment	-	-					
IT Software	80	-					
o Contract register system		80	40	10	10	10	10
IT Hardware	-	-					
	795	795	270	170	145	145	65
Capital Program and Project Management: capital works planning; capital works procurement; project management							
Staffing management/admin (backfill)	230	-					
o Specialist Capital Program Manager		230	115	115			
§ Plans		-					
§ System/process design/mapping		-					
§ System specification		-					
§ System procurement		-					
§ Documentation		-					
Accommodation	-	-					
Consultancies	-	-					
Training and development	50	-					
o Staff training		50	25	25			
Legal	20	-					
o Contracts/service agreements		20	20				
Leases	-	-					
Other council resources	-	-					
Vehicles	-	-					
Equipment	-	-					
IT Software	80	-					
o Project management system		80	40	10	10	10	10
IT Hardware	-	-					
	380	380	200	150	10	10	10



Rural Councils Transformation Program

	Headline	SubCategory	Y1	Y2	Y3	Y4	Y5
Regional staff sharing: key positions e.g. building services; environmental health; land use planning							
Staffing management/admin (backfill)	110	110	110				
o Plans		-					
o Process Design		-					
o Policy and Procedures		-					
Accommodation	-	-					
Consultancies	-	-					
Training and development	20	-					
o Staff training		20	20				
Legal	20	-					
o Contracts/ service agreements		20	20				
Leases	-	-					
Other council resources	-	-					
Vehicles	-	-					
Equipment	-	-					
IT Software	-	-					
IT Hardware	-	-					
	150	150	150	0	0	0	0

Appendix G – Benefits Summary

Rural Councils Transformation Program

	Option 1: Existing service arrangements						Option 2: Recommended new service arrangements					
	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	Ongoing	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	Ongoing
Analysis period (years)	5 years						5 years					
Capital costs (\$m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operational costs (\$m)	25.5	26.5	27.0	27.6	29.0	29.0	25.5	26.4	26.9	26.5	27.0	27.0
Cost benefit analysis (of monetised costs and benefits)												
Discount factor	2.5%	2.5%	2.5%	2.5%	2.5%	N/A	2.5%	2.5%	2.5%	2.5%	2.5%	N/A
Present value of benefits (\$m)	0.0	0.0	0.0	0.0	0.0	N/A	0.0	0.0	0.1	0.9	1.8	N/A
Present value of costs (\$m)	0.0	0.0	0.0	0.0	0.0	N/A	2.5	1.1	0.5	0.3	0.2	N/A
Net Present Value (\$m)	0.0	0.0	0.0	0.0	0.0	N/A	(2.5)	(1.0)	(0.4)	0.6	1.6	N/A
Other important considerations												
Scenario analysis (in NPV)												
Pessimistic scenario (\$m)	0.0	0.0	0.0	0.0	0.0	N/A	(2.5)	(1.0)	(0.4)	0.2	0.8	N/A
Optimistic scenario (\$m)	0.0	0.0	0.0	0.0	0.0	N/A	(2.5)	(1.0)	(0.4)	1.4	3.2	N/A
Non-monetised disbenefits/benefits (e.g. small, med, large)						N/A						N/A
Impacts (e.g. small, med, large)						N/A						N/A
Preferred option												
Justification of preferred option summary	The business as usual option has operating expenditure over the 5 year period of \$135 million or PV of \$126 million.						The recommended option has operating expenditure over the 5 year period of \$132 million or PV of \$123million. The recommended option provides savings of \$3.2 million or PV of \$2.8 million compared to the RCTP investment of \$4.8 million or PV of \$4.6 million. This provides an NPV cost of \$1.7 million over the 5 year period. By comparison, the optimistic scenario provides an NPV benefit of \$0.7 million and the pessimistic scenario provides an NPV cost of \$3.0 million.					

Appendix H – Demonstrated success elsewhere

Strategic Asset Management at a regional level

Case Study: Local Government Common Services Joint Venture (Tasmania and NT councils)

A Local Government Common Services Joint Venture has been operating for around three years among 12 regional Tasmanian councils and several NT councils. Planning, finance and asset management services are exchanged each month between the councils, equating to approximately nine full-time equivalent staff members (Local Government Focus, 2014). An estimated 15,000 hours were expected to be exchanged in 2015-16, providing \$1.2 million in savings to the group.

The independent chairman of the Local Government Common Services Joint Venture, Peter Murfett, recognised the value of the arrangement in terms of increased efficiency, improved learning and the expansion of previous ad hoc shared knowledge and skills arrangements (Local Government Focus, 2014).

Case study: Regional Strategic Alliance (RSA) for Regional Asset management

In March 2018, Blue Mountains City Council, Hawkesbury City Council and Penrith City Council developed a business case on options for developing an alliance to deliver several shared services, including:

Regional 'asset' strategic planning

- Common asset data collection
- Shared strategic asset management expertise
- Local asset management systems, and
- Contract management and tendering.

In the 2017 business case, Morrison Low estimated that the potential savings from the three opportunities over ten years at 2% of whole of life costs for each council were likely to be:

- Blue Mountains \$18.5 million
- Hawkesbury \$7.3 million
- Penrith \$10.9 million.

Total whole of life cost savings of 2% over a ten year period at an NPV of 7% would generate \$20.6 million (Morrison Low, 2017, and Blue Mountains City Council, 2018).

The financial benefits would arise from:

- **Regional facilities strategy:** through closing duplicated regional facilities, avoided costs in not building facilities that duplicate others or lower individual costs by sharing the capital cost and/or saving in capital, renewal and maintenance costs. The initiative will also lead to greater efficiency as a result of a move to planned rather than reactive maintenance.
- **Joint data collection:** procurement savings for larger data collection and analysis contracts that offer increased surety for a contractor once an agreed regional asset data collection strategy has been adopted.
- **Staff collaboration:** staff working collaboratively ensures that consistent and appropriate systems and procedures in place across the region that ensure best value for each organisation and its communities.

Other financial benefits include increased asset management maturity, improved systems and processes, better information and ultimately better decision making, improvement of asset life and lifecycle management (Morrison Low, 2017 and Blue Mountains City Council, 2018).

The councils also listed a number of non-financial benefits, including

- **Improved knowledge and innovation opportunities:** collaborations between council staff on asset management planning will improve individual and collective knowledge, effectiveness and enable innovation and innovative practices in asset management particularly for individual councils.

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Rural Councils Transformation Program

- **Ownership of knowledge:** The collaborative approach to asset management retains the ownership of critical responsibilities by the individual councils and alleviates concerns over risks of devolution of ownership of core functions.
- **Common processes:** all three councils will be able to develop a single set of common processes (including audit) that each will benefit from.
- **Improved staff capability and capacity:** the development of a skills matrix for each council's asset management staff will enable the councils to share skills and expertise. The initiative will also assist in resourcing across the Councils when staff positions are vacant.
- **Increased satisfaction of council customers:** through better asset condition, more transparent maintenance programs and better asset outcomes.
- **Increased satisfaction of management and operations staff:** through opportunity to work across organizational groups and work with better maintained assets.
- **Risk management:** sharing risk between councils and collaborative approaches improving risk management processes (Morrison Low, 2017 and Blue Mountains City Council, 2018).

Case Study: WBC Strategic Alliance (also includes regional procurement)

The WBS Strategic Alliance was developed in 2003 as a voluntary partnership between three rural councils in New Zealand - Wellington Council, Blayney Shire Council and Cabonne Shire Council. Central Tablelands Water subsequently joined the Alliance in 2005.

Two of the goals of the WBC Alliance include to reduce costs to member councils by aggregating the demand for goods and services by joint procurement, and to reduce the cost to member councils by sharing knowledge, skills and methods (KPMG, 2015).

Activities and projects initiated by the alliance include both front line services and corporate functions of the member organisations, namely;

- IT systems and record keeping
- Fleet management and asset management
- Human resources, workforce planning and training
- Internal audit and business process improvement
- Integrate planning and reporting
- Global information systems
- Issue based regional strategies (such as climate change)
- Procurement of goods and services
- General resource sharing (ad hoc basis).

Literature and reviews of the WBC Strategic Alliance point to three principal benefits to members and their communities:

- Improve communication and sharing of experience and knowledge
- Access to more specialised or higher skilled staff
- Efficiency savings through process improvement and joint purchasing.

Examples of project benefits generated by this alliance include a road resealing project with an estimated savings of \$440,000 over two financial years across 2013 and 2014, and an IT implementation project with estimated savings of \$440,000 in 2010 (KPMG, 2015).

For the year 2013/2014, the reported annual savings of the alliance were \$520,000. Based on KPMG's analysis of the alliance's annual reports since 2003, the reported aggregate savings generated from the alliance led initiatives exceeded \$5.71 million to 2015 (not adjusted for inflation) (KPMG, 2015). Between 2010-11 and 2013- 14, \$2.55 million in savings were reported, with the nature of savings being from initiatives within:

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Rural Councils Transformation Program

- Resource sharing 14% (~ \$360,000)
- Knowledge sharing 19% (~ \$480,000)
- Joint procurement 28% (~ \$710,000)
- It and records management 26% (~ \$660,000)
- Grant funding 10% (~ 250,000)
- Governance and admin 3%. (~80,000) (KPMG, 2015).

Regional Procurement

In the Victorian Auditor General's report on Shared Services in Local Government, Auditor General John Doyle notes that there is "likely to be continued growth" in shared procurement between local governments in Victoria as it "provides a significant opportunity for the sector to realise cost savings and other benefits" (Victorian Auditor General's Office, 2014).

Ninety-one per cent of the 58 surveyed councils by the Auditor General are currently involved in shared service initiatives, with over 25 per cent of current initiatives relating to shared procurement. Around one fifth of surveyed councils reported cost savings ranging from \$6,000 to \$1.3 million in relation to shared service activity. Most of these savings arose from shared procurement arrangements, while others were from external service delivery, including regional library corporations, waste management and immunisation services (Victorian Auditor General's Office, 2014).

The *Local Government Procurement Strategy* undertaken by EY on behalf of the Minister for Local Government in 2008 concluded that adoption of better procurement practices across Victorian local governments has the potential to yield annual savings in the vicinity of \$180-350 million (EY, 2008). The Minister commented that cost savings of this scale "would have a significant impact across the sector, and ultimately deliver savings to local communities" (EY, 2008). This figure is broken down into service categories in the table below.

Category	Estimated Victorian sector spending	Estimated savings potential	Key enablers
Roads and streets	\$630-690m pa	7.5-15%, \$50-100m	<ul style="list-style-type: none"> Common tendering & contract management processes Common planning cycles across councils in each cluster Good relationships with major suppliers Bundling of upgrades or maintenance into a program of work
Facilities maintenance	\$125-140m pa	7.5-15%, \$10-20m	<ul style="list-style-type: none"> Establishment of cluster possibly aligned with expiry of existing contracts Presence of cleaning / maintenance companies across geographies Ability / flexibility of suppliers to service different types of facilities e.g. office versus town hall
Waste collection	\$120-130m pa	7.5-15%, \$10-19m	<ul style="list-style-type: none"> Standardisation of planning cycles and specifications across councils in cluster Establishment of clusters may be aligned with expiry of existing contracts with suppliers Continuing competition among the big waste management companies; state wide review to identify potential monopolies forming Capability of waste collection companies to service the wide

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Rural Councils Transformation Program

			geography
Professional services- legal	\$38-42m pa	7.5-15%, \$3-6m	<p>Improved controls for legal spend for councils going forward</p> <p>Strong internal legal capabilities, reducing requirement to outsource legal services</p> <p>Internal legal resources, potentially shared across multiple councils</p> <p>Continuing competition amongst top tier legal firms</p>
Professional services- engineering	\$19-21m pa	7.5-15%, \$2-4m	<p>Standardisation of requirements</p> <p>Similar planning cycles</p> <p>Continuing competition amongst top engineering services firms</p> <p>Ability of construction companies to effectively implement plans of engineering companies</p>
Plant and equipment	\$100-105m	7.5-15%, \$10-20m	<p>Standardisation of specifications</p> <p>Common planning cycles across councils with similar needs</p> <p>Common tendering & contract management processes</p> <p>Direct negotiations and good relationships with manufacturers</p> <p>Bundling of upgrades/maintenance into a program of work</p>
Vehicles	\$68-70m pa	7.5-15%, \$5-10m	<p>Standardisation of vehicles</p> <p>Approved list of car manufacturers and partnership with these manufacturers</p> <p>Personal preference of staff</p> <p>Fuel efficiency/Carbon</p> <p>Safety</p> <p>Potential re-sale value</p> <p>Local businesses</p>
Utilities	\$78-82m pa	Cost Containment	Long term contracts with energy providers
Computers & Equipment - Software	\$30-34m pa	7.5-15%, \$2-5m	<p>Improve specification to ensure that software requirements are fully specified and are fit for purpose</p> <p>Use of remote system maintenance with software suppliers to lower maintenance costs</p> <p>Complete detailed business case before initiating additional systems development</p>
Computers & Equipment - Hardware	\$13-15m pa	5-10%, \$1-1.5m	n/a

Source: EY 2008



Rural Councils Transformation Program

Case Study: Shared Procurement for GIS Service in Gippsland

Latrobe City Council and East Gippsland Shire entered into a shared procurement arrangement for a GIS service called Intramaps. The collaboration achieved a five per cent cost saving (approximately \$8,000 total) compared to what the councils would have paid if they upgraded to a superior product on their own (Victorian Auditor General's Office, 2014).

Case Study: Shared Procurement for all South Australian Councils

LGA Procurement was established to provide South Australian councils purchasing and procurement services and advice for a number of contract types, including professional services, IT, corporate, outdoor and plant supplies and equipment, utilities, vehicles, and state government contracts. LGA Procurement is a commercial entity, solely owned by the Local Government Association of South Australia.

The benefits for South Australian Councils of LGA Procurement managing contracts on their behalf are cost savings arising from economies of scale, and being able to access advice that considers wider metropolitan or regional perspectives. The main benefit for suppliers in partnering with LGA procurement is the reduction in tender writing, coordination and administrative costs due to only needing to respond to one tenderer in a consistent format. Contractors also enjoy a reduction in risk by having ensured compliance with the Local Government Act (SA) and consistent levels of advice and technical support (Local Government Association of South Australia, 2015).

Case Study: Shared Procurement for Cradle Coast Councils

Third Horizon was engaged to provide an objective and independent point of view on whether any benefits existed for further sharing arrangements across the nine Cradle Coast Councils in Tasmania.

Third Horizon concluded that an increase in sharing arrangements across the Cradle Coast Councils could provide significant qualitative and quantitative gains. Specifically, they suggested that shared arrangements for regional procurement would amount to the following benefits:

- Standardising processes would increase efficiencies and reduce procurement cycle times
- Increased sharing would also provide a capability uplift
- Third Horizon estimated that the potential quantitative benefits of shared procurement could be worth more than \$2.5 million in savings per year (Third Horizon, 2016).

Case study: Shared Services in the ACT Government

The ACT Government Shared Services (Shared Services) became operational on 1 February 2007. It included the existing ACT Government Information, Communications and Technology (ICT) provider, InTACT, as well as Procurement Solutions, records and publishing services and tactical and transactional finance and human resources services for all ACT Government departments and agencies.

The initiative achieved its target of saving the ACT Government \$20 million per year.

It was observed by the staff involved that the quality of corporate services had improved as a result of the initiatives, but that it had done so gradually over time and that some functions work better than others in a shared arrangement. Some staff noted also that they thought the expectations of receivers of services are now much higher than they were when the services were provided within the separate agencies (Australian Institute of Management, 2012).

Case Study- Hunter Councils Inc

Hunter Councils Inc represents the twelve local government areas of the Hunter Valley. The shared service entity, Hunter Councils Inc and its trading arm, Hunter Councils Ltd, generates a turnover of \$4 million per annum and delivers cost savings and efficiencies to its member councils at no direct cost whilst delivering an annual reduction in membership fees (NSW Department of Local Government, 2007).

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Rural Councils Transformation Program

Through this entity, the councils have the ability to share a range of resources including professional staff and plans between councils, and undertake a range of projects including running a regional airport and a waste recycling facility.

The organisation comprises:

- An environment division
- Learning and development
- Regional procurement (providing an average saving of 10% - \$1 million annually)
- Records storage
- Professional groups (NSW Department of Local Government, 2007).

Case study: The Waikato Road Asset Technical Accord (RATA)

The Waikato Road Asset Technical Accord (RATA) is a collaboration that was established to improve the management of the participating Waikato Council's road assets (The Road Efficiency Group, 2015).

RATA comprises of the New Zealand district Councils of Hauraki, Matamata-Piako, Otorohanga, South Waikato, Thames- Coromandel, Waikato, Waipa, Waitomo, and Hamilton City Council, and is supported by the NZ Transport Agency. The collaboration is led by the Waikato Mayoral Forum and the Road Advisory Group. The Waikato Mayoral Forum was created in 2011 in order to explore efficiency opportunities within local government (The Road Efficiency Group, 2015).

In its first twelve months of implementation, RATA achieved financial savings for the participating councils of an estimated \$170,000 combined. The benefits of the collaboration included procurement savings, improved data collection and analysis, deferral of renewals work (where appropriate), skills and knowledge development and the sharing of innovation and expertise (The Road Efficiency Group, 2015).



Rural Councils Transformation Program

**G21 Councils - Regional Service Collaboration
19 Mar 2019**



Important

Other than through natural attrition, the intention from a Colac Otway Shire perspective, is that there will be no job losses as a result of the RCTP.



What is RCTP?

Program

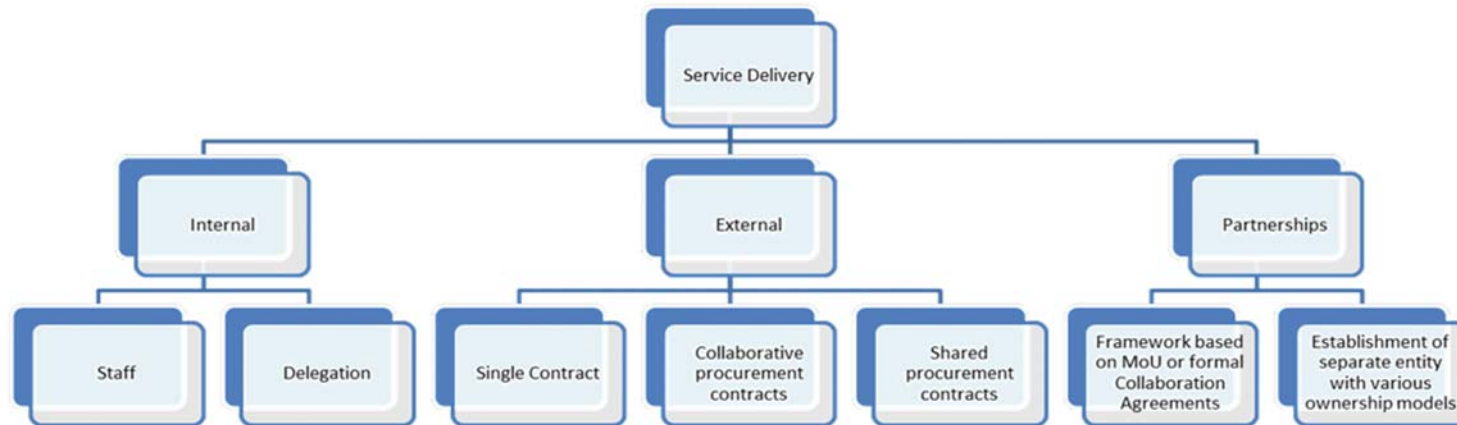
- RCTP is a Victorian Government initiative that seeks to support Councils to find solutions to their significant financial challenge.
- G21 Councils submitted joint application in October 2018 (successful).
- COS shares our sector's financial challenge and we believe in working as a region and in partnerships: aligns to the Council Plan - "Our Prosperity" and "Our Leadership and Management".

Current Status

- Victorian Government assigned consulting firms to assist Councils develop a Business Case, seeking up to \$5m in grant funding.
- Utilises formal Department of Treasury approach called Investment Logic Mapping, with a fixed format that quantifies benefits.
- Must be accompanied by Council resolution that commits to implement change if successful: coming to 24 April Council meeting.



How do we already deliver services?



Rural Councils Transformation Program

All Councils, including COS, already use a range of approaches to deliver services, many of which are in conjunction with others parties.

RCTP encourages collaboration, sharing and working in partnerships - this proposes to extend something we are already doing.



What is being proposed?

Build Capability

Asset Management
System and Practices

Capital Works Program
Delivery Framework –
Project Management

*Develop common approach then
each Council applies for itself*



Share Delivery

Strategic Procurement
Framework

Regional Staff Sharing
Framework

*Develop common framework
then undertake tasks together*



What is being proposed? (cont.)

Asset Management System and Practices

- COS Asset Management System is now advancing with the use of a fully integrated enterprise system.
 - however this not the case for all G21 Councils (some have none).
- Establish single computer system to be used by all G21 Councils to differing degrees.
 - purchased under single contract (part of COGG's ERP selection).
- Goal is to share more technology over time - let's see how this goes.
 - we will however continue on our Digital Transformation journey

Capital Works Program Delivery Framework – Project Management

- Surf Coast framework is well advanced and based on industry standard; it is expected their approach will be the basis for this work.
- A common approach across Councils is important to facilitate any Regional Staff Sharing for this service.



What is being proposed? (cont.)

Strategic Procurement Framework

- We already undertake some joint procurement, however this is on a case by case and has proven difficult to arrange.
- Seeking to extend to more contracts where benefits are available
- commencing with aspirational yet achievable targets.
- Scope is only current contracts for materials and services
- RCTP is not seeking to outsource existing staff functions.
- Councils are mindful of impacts on local jobs when a regional contract is awarded.



What is being proposed? (cont.)

Regional Staff Sharing Framework

While any service is eligible, the following are examples:

- *Environmental Health*
- *Building Services*
- *Land Use Planning*

Objectives

- Improved staff coverage, particularly for smaller Councils.
- Reduced paying of higher costs for casual or contractor labour.
- Add to richness of staff experience, learning and opportunities.

Principles

- Staff remain employees of existing Council.
- Assignments would be by agreement with staff member.
- Evaluate over time to consider:
 - Impact on staff
 - Effectiveness and efficiency
 - Range of service areas (if possible and sensible to do more)
 - Whether a Council-owned shared company is warranted



How does this fit with our strategic direction?

- COS experiences local government’s financial challenge:
 - Well managed so far to offset rate-capping, but will require ongoing savings.
- Already do much with partners, this will increasingly be the case:
 - Community would expect us to work with other Councils to be efficient.
 - “Our Prosperity”: Economic Growth, Thriving Industries, Partnerships, Great Ocean Road.
 - “Our Leadership and Management”: Financial Management, Openness and Accountability, Organisational Development, Value for Money, Communication.
- This business case stage is a modest but important step:
 - Even this scope is challenging, with Councils busy on local priorities.
 - Communicates our direction for community, State Government and staff.
 - Basis for evaluating benefits and challenges before any expansion.



Next steps?

Grant Application – Business Case Submission

- Seeking up to \$5m funding from State Government - no matching funds required from Councils.
- Requires Councils' resolution:
 - Being considered at 24 April Council meeting.
 - Report will be in the Open Council agenda.
- State Government grant decision by 30 June.

Implementation Timetable

If grant application successful, project implementation is over 3 years:

- | | |
|--|---------|
| • Regional Staff Sharing Framework | 1 year |
| • Capital Works Program Delivery Framework | 2 years |
| • Strategic Procurement Framework | 2 years |
| • Asset Management System and Practices | 3 years |



Pleased to discuss any questions

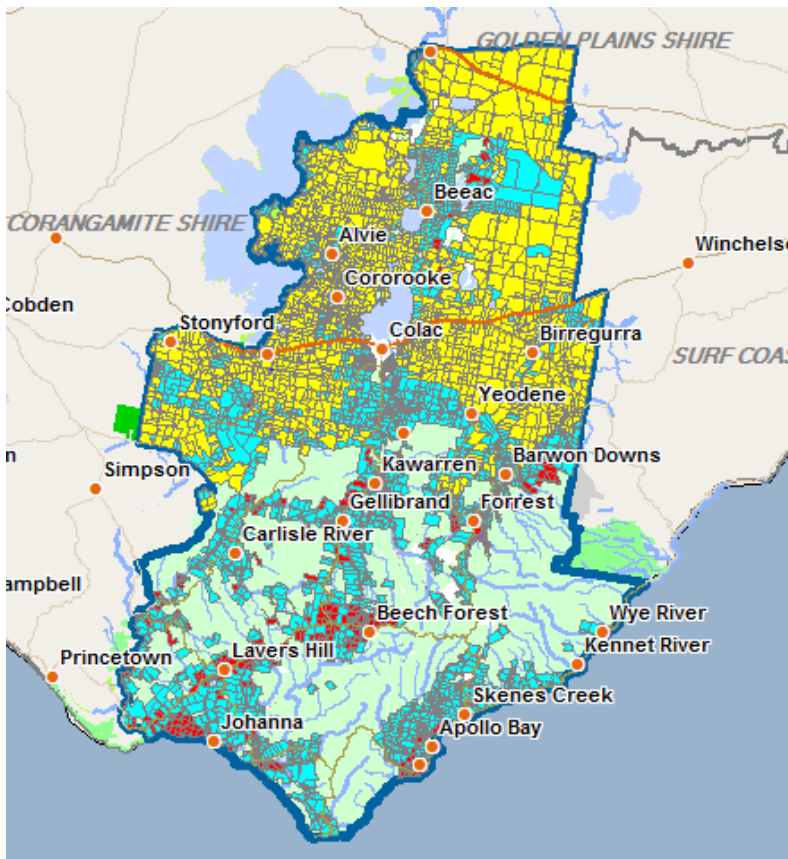


ORDINARY COUNCIL MEETING
QUARTERLY PERFORMANCE REPORT 2018-2019

OM192404-13

LOCATION / ADDRESS	Whole Municipality	GENERAL MANAGER	Errol Lawrence
OFFICER	Melanie Duve	DIVISION	Corporate Services
TRIM FILE	F18/7513	CONFIDENTIAL	No
ATTACHMENTS	Nil		
PURPOSE	To note the Quarterly Performance Report 2018/19 for the period 1 January - 31 March 2019.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

This report provides information to Council and the community, combining progress on Council Plan actions, Planning and Building activities, Capital Works and Major Projects and the status of Council's finances for the third quarter of the financial year, ending 31 March 2019.

3. RECOMMENDATION

That Council notes the Quarterly Performance Report 2018/19 for the period 1 January to 31 March 2019.

4. BACKGROUND / KEY INFORMATION

BACKGROUND

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

KEY INFORMATION

The Quarterly Performance Report 2018/19 provides Council with a progress report as at 31 March 2019 and is structured in several sections as follows:

- Introduction, Council's strategic direction, Council Plan 2017-2021 themes
- Chief Executive Report; highlights and challenges for the quarter
- Council Plan Performance Report
- Planning and Building Performance Report
- Capital Works Performance Report
- Major Projects Performance Report
- Financial Performance Report

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

Comprehensive community consultation and engagement was undertaken during the development of the Council Plan 2017-2021 and the 2018-2019 Budget.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The Quarterly Performance Report 2018-2019 combines progress on Council Plan 2017-2021 actions, Planning activities, Capital Works and Major Projects and the status of Council's finances.

ENVIRONMENTAL IMPLICATIONS

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

SOCIAL & CULTURAL IMPLICATIONS

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

ECONOMIC IMPLICATIONS

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

LEGAL & RISK IMPLICATIONS

Section 138 of the *Local Government Act 1989* requires financial reporting to be provided to Council on a quarterly basis. The *Local Government (Planning and Reporting) Regulations 2014* requires a report reviewing performance against Council Plan actions to be provided to Council on at least a six monthly basis.

RESOURCE IMPLICATIONS (FINANCIAL ETC)

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

7. IMPLEMENTATION STRATEGY

DETAILS

Not applicable

COMMUNICATION

The Quarterly Performance Report is to inform Council and the community about progress against the Council Plan 2017-2021.

The Quarterly Performance Report will be published on Council's website, following the Ordinary Council Meeting.

TIMELINE

Not applicable

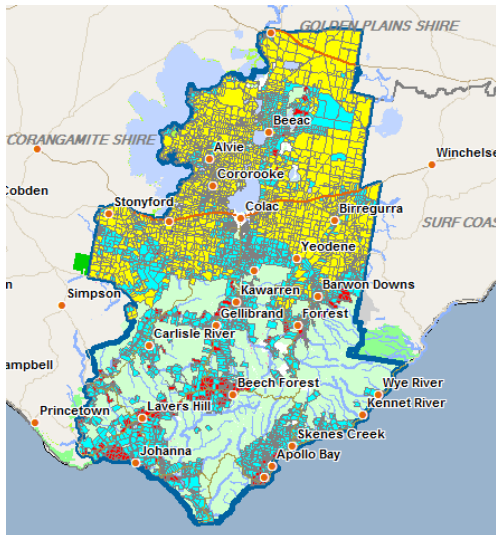
8. OFFICER DIRECT OR INDIRECT INTEREST

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

ORDINARY COUNCIL MEETING
OLD BEECHY RAIL TRAIL MINUTES AND
ASSEMBLY OF COUNCILLORS NOTES
 OM192404-14

LOCATION / ADDRESS	Whole of municipality	GENERAL MANAGER	Errol Lawrence
OFFICER	Lyndal McLean	DIVISION	Corporate Services
TRIM FILE	F18/7487	CONFIDENTIAL	No
ATTACHMENTS	<ol style="list-style-type: none"> 1. Old Beechy Rail Trail Committee Meeting Minutes 5 March 2019 - Confirmed 2. Assembly of Councillors - Pre Special Council Meeting Preparation - 20 March 2019 3. Assembly of Councillors - Colac Regional Saleyards Advisory Committee Meeting - 27 March 2019 4. Assembly of Councillors - Pre Council Meeting Preparation - 27 March 2019 5. Assembly of Councillors - Councillor Briefing - 3 April 2019 6. Assembly of Councillors - Councillor Briefing - 10 April 2019 7. Assembly of Councillors - Planning Meeting - 10 April 2019 		
PURPOSE	To report on the Minutes of the Old Beechy Rail Trail and report the Assemblies of Councillors.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

ASSEMBLIES OF COUNCILLORS

The *Local Government Act 1989* requires that records of meetings which constitute an Assembly of Councillors be reported at the next practicable meeting of Council and incorporated in the minutes of the Council meeting. All relevant meetings have been recorded, documented and will be kept by Council for 4 years. The attached documents provide details of those meetings held that are defined as an Assembly of Councillors.

OLD BEECHY RAIL TRAIL COMMITTEE MINUTES

Colac Otway Shire formed the Old Beechy Rail Trail Committee (OBRTC) on 26 September 2001. The OBRTC was conferred as a Section 86 Committee under the *Local Government Act 1989* and delegated the functions, duties and powers set forth in the schedule titled Old Beechy Rail Trail Committee Charter. The Charter was developed as the basis of the Instrument of Delegation to be used by the Old Beechy Rail Trail Committee.

The Old Beechy Rail Trail Committee Charter states that:

- “Minutes of the Old Beechy Rail Trail Committee should be included in the Council agenda once any confidential items have been identified and the minutes have been confirmed by the Committee” (Item 6.1.1).
- “Confidential minutes of the Old Beechy Rail Trail Committee are to be included in an In-Committee agenda of Council” (Item 6.1.2).

3. REPORTING

1. *The Assemblies of Councillors are reported herewith.*
2. *The minutes of the Old Beechy Rail Trail Committee for 5 March 2019 are reported herewith.*

The Local Government Act 1989 does not require a Council decision

DETAILS

The following assemblies of Councillors have been held and are attached to this report:

Special Council Meeting Preparation	20 March 2019
Colac Regional Saleyards Advisory Committee Meeting	27 March 2019
Ordinary Council Meeting Preparation	27 March 2019
Councillor Briefing	3 April 2019
Councillor Briefing	10 April 2019
Planning Committee Meeting Preparation	10 April 2019

The following minutes of the Old Beechy Rail Trail Committee are attached to this report:

Old Beechy Rail Trail Committee	5 March 2019
---------------------------------	--------------

4. OFFICER DIRECT OR INDIRECT INTEREST

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

OLD BEECHY RAIL TRAIL COMMITTEE MINUTES

Committee Members:

✓	Cr Chris Smith (Chair)	COS Councillor	✓	Tricia Jukes	Land Owner representative
	Geoff De La Rue / Wayne Knight	Colac Area representative – Rotary Club of Colac		Bob Atkins	Lavers Hill representative
	Cyril Marriner	Colac Area representative		Virginia Atkins	Lavers Hill representative
✓	Noel Barry	Friends of the Old Beechy Rail Trail representative	✓	Jessica Reid	Parks Victoria representative
✓	Sue Thomas	Gellibrand/Kawarren Area representative	✓	Linda Laurie (proxy for Craig Clifford)	Department of Environment, Land, Water and Planning representative (DELWP)
✓	Philippa Bailey	Gellibrand/Kawarren Area representative	✓	Nicole Frampton (minutes)	COS Recreation and Open Space Coordinator

Non-voting invitees:

Philip Dandy, ✓ Tony Grogan, ✓ Andrew Daffy, Anthony Zappelli, ✓ Paul Jane (Acting Manager Arts and Leisure)

1. Welcome, apologies	
Apologies: Cyril Marriner	
2. Confirmation of previous minutes – 5 February 2019	
Moved: Tricia Jukes Seconded: Sue Thomas Carried.	
3. Business Arising from Previous Minutes (see attached)	
Item 3 Discussion: <u>Committee Appointments/Membership Action Item</u>	
<ul style="list-style-type: none"> Clarification was sought re: the Community representatives appointment to the OBRT Committee. Background – the OBRT Committee has always been a community committee – the community representatives appointment committee as discussed at the February meeting, gives the appearance that the selection committee is Council heavy. Appointment Committee was discussed at the February meeting and would include Cr Smith, Nicole Frampton, Craig Clifford. It was discussed that there should be a community representative who has had a long involvement with the OBRT Committee be included on the appointment committee. Landholders insurance coverage – It was requested that the staff member who is following this item up attend today's meeting – Both Nicole and Paul 	

Jane will be able to answer the committee members questions.	
Outstanding Actions were discussed and updated on linked spreadsheet – see attached for update.	
4. Correspondence	
In	
<ul style="list-style-type: none"> 7/02/2019 – Response from Insurers Re Licence Agreement clarification – preliminary information received. Further clarification is required. 	
<ul style="list-style-type: none"> 18/02/2019 – Email from Philippa Bailey – Details to the committee regarding the “Clean up Australia Day” event organised for the Colac Station section of the OBRT – Sunday 3 March, 10am – 12pm. Discussion: Successful event. Chair commended Philippa on the initiative and going through the process to get the event organised. 	
<ul style="list-style-type: none"> 22/02/2019 – Email from Philippa Bailey – requesting information, feedback for COS Services and Operations team, registration for Clean Up Australia Day. Update: Requested information provided to Philippa. 	
Out	
<ul style="list-style-type: none"> 6/02/2019 – Email to Insurers Re Licence Agreement clarification. 	
5. Monthly Report	
<p>Item 5 Discussion:</p> <p>The March 2019 Monthly Report was presented to the Committee for discussion – see attached. Hardcopy report provided to committee members present at the meeting.</p> <ul style="list-style-type: none"> COS have installed temporary signs for recent weed spraying completed along the trail. <p>February Councillor Briefing presentation shown to the committee.</p>	
6. Friends Report – Noel Barry	
<p>Update/Discussion:</p> <ul style="list-style-type: none"> Coram Station – Sign was attempted to be painted. Due to the hot weather, the paint job isn't very good and will need redoing. The fascia panel will also now need replacing. Noel informed the committee of an upcoming train trip and Otways tour being organised through Steamrail Victoria. Maggio's Road/103 Mile post location – a sign has been damaged. 	
Action: Sign at the Maggio's Road/103 Mile post location has been damaged. Nicole to get Services and Operations to fix.	NF
7. Treasurers Report – Tricia Jukes	
<p>No change to the bank balance tabled at 5/02/2019 OBRT Committee Meeting. Current bank balance: \$6,919.70</p> <p>A brochure was developed for the Gellibrand Blues and Blueberry Festival to promote the Hunt for the Golden Gumboot during the September school holidays at a cost of \$80.01.</p>	

<p>Motion: "That the OBRT Committee pass the Treasurer's Report and authorise payment of the Hunt for the Golden Gumboot brochure invoice of \$80.01." Moved: Sue Thomas Seconded: Philippa Bailey Carried.</p>	TJ
8. Working Group Updates	
<ul style="list-style-type: none"> Marketing / Governance / Promotions / Events Working Group <p>New Map/Brochure update – Sue has discussed this with Adrian Healey and he will assist the group in developing the new brochure and also webpage content. A sub-committee of Tricia, Sue and Philippa will progress this project.</p>	
<ul style="list-style-type: none"> Maintenance and Future Planning Working Group <p>No meeting held – nothing to report.</p>	
9. General Business	
<ul style="list-style-type: none"> Committee Charter and Membership Update Item Discussion/Update: Advertisement for the community representative positions went into the Colac Herald on Friday 1 March. Letters will be sent to current Committee membership and representative organisations this week. It was discussed that the OBRT Committee was initially a community committee until Council became involved, and as previously discussed perhaps a community representative should be involved in the selection committee for the 5 advertised community representatives. 	
<p>Action: That Nicole send letters/emails to the current OBRT Committee representatives and representative organisations informing them of the changes to the Committee membership and inviting interested persons to apply for one of the community representative positions.</p>	NF
<p>Motion: "That Tony Grogan, if available, is involved in the OBRT Committee community representative selection process". Moved: Tricia Jukes Seconded: Noel Barry Carried.</p>	NF
<ul style="list-style-type: none"> Dinmont to Ditchley closure Item Discussion: This section of the trail remains closed. 	
<ul style="list-style-type: none"> OBRT Audit – Trail Management Plan Item Discussion: the management plan hasn't progressed. 	
<ul style="list-style-type: none"> OBRT Train – 2018/19 operation Update: Chris informed the committee that the train is unlikely to operate this season. 	
<p>Action: If the train is to operate for 2018/19, a Risk Assessment and the dates of operation need to be provided to Council prior to use.</p>	CS
<ul style="list-style-type: none"> Colac Station section of the OBRT Discussion: Interested committee members will meet to discuss some ideas prior to Nicole organising a formal meeting with the group once the Management Plan is completed. 	

Action: Interested OBRT committee members to meet and discuss ideas for the Colac Station section of the OBRT.	PB, TJ, ST & others
<ul style="list-style-type: none"> Humphris land titles – Humphris property/land transfer update Update provided. The gully section has been surveyed, waiting for the documentation from the Surveyor. Once received a meeting will be organised with the landowner. Onsite meeting to include Richard Humphris, Andrew Daffy, Chris Smith, Nicole Frampton, Mark McLennan, surveyor. 	
<ul style="list-style-type: none"> Harris Road Property Update: land is still for sale. 	
<ul style="list-style-type: none"> Midway Plantations – upcoming harvesting and establishment activities – dates for scheduled works. Update: Midway have been emailed but no response has been received. Nothing further to report. 	
Action: Nicole to inform the committee members once dates for the scheduled works are provided to COS.	NF
<ul style="list-style-type: none"> Kawarren Station Photo – Tony Grogan Donation Noel Barry is holding the photo on behalf of the committee until a location for the photo is determined. 	
<ul style="list-style-type: none"> Beech Forest Aqua Duct Update: Chris discussed recent conversations with Andrew Zappelli and provided an impression of where the project is at. 	
<ul style="list-style-type: none"> Insurance cover for farmers landowners which licence the land to Council for OBRT purposes Update: preliminary advice has been received; Council officers are seeking further advice to clarify the situation prior to informing landowners. Clarification needs to be sought as to whether the trail is seen as private land or public land (roadway). 	
Action – Nicole to seek further clarification on the public liability coverage provided under the current and future licence agreements for landowners of the OBRT. Timeframe: to be resolved in the next month.	NF
<ul style="list-style-type: none"> Hunt for the Golden Gumboot Event – September School Holidays Update: Philippa is going to coordinate this year's event. This year the Gellibrand Community House would like to collect the number of users along the trail during the event period, not just the number of participant registrations. This will pick up on the users of the trail who do not register. Council's community grants program will open soon. 	
<p>Motion: "That the Old Beechy Rail Trail Committee applies for funding for the Hunt for the Golden Gumboot 2019 event." Moved: Philippa Bailey Seconded: Tricia Jukes. Carried.</p>	
<ul style="list-style-type: none"> When collecting the pedestrian counter numbers, Noel noticed a koala in the vicinity of the Watsons Facey's area. 	
10. Meeting Dates & Times	
Meeting Closed 11:39am	



**OLD BEECHY RAIL TRAIL COMMITTEE
MEETING MINUTES
TUESDAY 5 MARCH 2019
10:00am – 11:39am
COPACC – MEETING ROOM 1**

<p><u>Next meeting:</u> Tuesday 2 April 2019 at 10am; Venue: TBC</p> <p><u>Proposed 2019 Meeting Date:</u> Tuesday 7 May 2019 – with New Committee.</p>	
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OBRT Committee - Meeting Action Sheet

Meeting Date	Meeting Action	Responsibility	Status	Update / Comments
2019 - 5 February	Insurance cover for farmers/landowners which licence the land to Council for OBRT purposes. Action: Nicole to seek clarification on the public liability coverage provided under the licence for landowners of the OBRT.	Nicole Frampton	In Progress	Preliminary advice received. Seeking further clarification.
2019 - 5 February	Midway Plantations – upcoming harvesting and establishment activities – dates for scheduled works. Action: Nicole to contact Midway to confirm the dates for scheduled works.	Nicole Frampton	In Progress	Response from Midway has not yet been received.
2019 - 5 February	OBRT Map/Brochure Action: Meeting to be organised with sub-committee (Tricia, Sue, Philippa). Tricia will organise a meeting with Adrian and the sub-committee re new brochures and format.	Tricia Jukes		Update 5/3/19 - Sue spoke to Adrian re new brochure format and web page.
2019 - 5 February	Action: Letters of thanks to be sent to Nathan Swain and Bernard Jordan following their recent resignations.	Nicole Frampton	Not Commenced	Letter/Certificate to provided to all recent resignations.
2019 - 5 February	Committee identified maintenance works: * Colac Station - broken yellow marker * Coram - pedestrian and vehicle gate on Forrest St South - a chain has been installed around the vehicle and pedestrian gate restricting access. * Larsons gate - chicane pedestrian gate - committee has requested that this be removed. * Drains and surface of the trail between Gellibrand and Ferguson appears to not been touched. (Frank provided an update of the works completed along the trail) * Many sections with long grass on either side of the trail. * Drains in Fairyland section are clogged/blocked with leaf litter. * Fairyland section fern fronds are too low - low height. * Section between Maxwells Road and Birnam Station needs attention. Action: Nicole to email committee identified maintenance works to COS Services and Operations	COS Service and Op	In Progress	Coram - chain has been removed.
2018 - 4 December	Donation from Events to go towards OBRT maintenance - Trail preparation for event Committee discussion – perhaps the committee needs to consider that event organisers consider giving a donation to the committee for the use of the trail for events. The donation would be used by the committee for ongoing maintenance of the trail. Action: Committee notes this discussion and will consider requesting a donation for future requests to use the OBRT for events.	Committee	Ongoing	
2018 - 4 December	Friends of OBRT Newsletter Send through any news or project updates to Philip Dandy to be included in the Friends of the OBRT Newsletter. Action: Tricia and Sue to provide updates to be included in the newsletter; eg. market exhibitions, grants, events, etc.	Committee	Ongoing	

07/03/2019

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OBRT Committee - Meeting Action Sheet

Meeting Date	Meeting Action	Responsibility	Status	Update / Comments
2018 - 4 December	<p>Committee Appointments/Membership</p> <p>Motion: "That the Old Beechy Rail Trail Committee request that Council officers work towards, as soon as possible, seeking Council approval to amend the Old Beechy Rail Trail Committee Charter by changing the committee membership to reflect the Committee's proposal of: two (2) Council representatives (one Councillor and one member of Council staff); five (5) Community representatives; one (1) DELWP representative (Department of Environment, Land, Water and Planning); one (1) Landowner representative; and one (1) Friends of the Old Beechy Rail Trail representative; and amend Section 3.3 of the current charter to include "more often as required as called by the chair".</p> <p>Carried</p>	Nicole Frampton	In Progress	<p>Report presented to 30 January 2019 OCM for consideration</p> <p>- Council endorsed the changes to the OBRT Committee Instrument of Delegation and Charter.</p> <p>Update 5/03/2019: Advertisement placed in Colac Herald (1 March), and requested to be placed in the Apollo Bay News, Birregurra Mail, Apollo Bay website, Otway Light, and Forrest Post.</p>
2018 - 4 December	<p>OBRT Risk Assessment Report - Dinmont to Ditchley Closure</p> <p>Motion: "That the Old Beechy Rail Trail Committee reinforces its position that the rail trail section through Humphris (Dinmont to Ditchley) remain closed due to risk factors and until such time as the steep section and the cattle crossing section are rectified in line with the committees expectations, and that the committee request that Council do the appropriate work on the road section to mitigate our risks as identified in the MAV Insurance Risk Assessment Report."</p> <p>Carried.</p>	Nicole Frampton	In Progress	<p>Whilst maintenance works are being completed in this section of the trail, the trail remains closed to users.</p> <p>Council officers are developing a traffic management plan to ensure the Old Beech Forest Road is signposted accordingly during trail closures and diversion to the road.</p> <p>Council has commissioned works to survey a proposed re-alignment of the existing trail to eliminate one of the very steep sections of trail, to improve the gate crossing, and two other steep sections of trail within the Ditchley gully area.</p>
2018 - 4 December	OBRT Audit - Trail Management Plan	Nicole Frampton/COS Assets Department	In Progress	This is still being completed.
2018 - 4 December	<p>Old Beechy "Train" rides (by C & M Smith) along the OBRT for the 2018/19 season</p> <p>A Risk Assessment must be provided to Council and reviewed prior to conducting any train rides along the trail on behalf of the committee. The train will be required to operate in accordance with the completed Risk Assessment.</p> <p>The dates of use must be provided to Council prior to using the train along the trail. All bookings will be entered into the OBRT calendar bookings system. This is required to ensure maintenance works can be scheduled around the train's use of the trail.</p> <p>A report will need to be provided to the committee at the conclusion of the trains operating season.</p> <p>Motion: "That the Old Beechy Rail Trail Committee members agree to C & M Smith operating the "train" on behalf of the Old Beechy Rail Trail Committee from December 2018 until the end of May 2019 as detailed above and as per the Risk Assessment and dates of use being provided to Colac Otway Shire prior to the "trains" use of the trail".</p> <p>Carried.</p>	Chris Smith	Not Received	<p>COS has not yet received a completed risk assessment for review.</p> <p>COS has not yet received any dates for the train along the trail.</p>
2018 - 4 December	<p>Crowes Buffer Stop</p> <p>Works will need to be completed to fix the Crowes Buffer Stop.</p>	Committee	Not Commenced	Committee to determine the works required to be completed.
2018 - 4 December	<p>Timber trolley/OBRT information building at Rex Norman Park, Gellibrand</p> <p>Works will be required in the future on both the trolley and the building. If Council is going to undertake any works on this building, the Committee would like to know what is going to happen prior to any works occurring. Noted.</p>	Nicole Frampton	Not Commenced	Committee will be updated if works are to be undertaken

07/03/2019

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OBRT Committee - Meeting Action Sheet

Meeting Date	Meeting Action	Responsibility	Status	Update / Comments
2018	Beech Forest to Ferguson maintenance/condition update	Nicole Frampton	Ongoing	Maintenance is being completed to improve this section of trail. Works completed include spraying, vegetation clearance, surface
2018	Outstanding maintenance items	Nicole Frampton	Ongoing	An audit has been completed for the full length of the trail. Maintenance is being completed as per identified works.
2018	Broken trail sign - Gellibrand	Nicole Frampton	Not Commenced	This still needs to be completed. Works will commence once the Coram sign is replaced.
2018	Colac Station section of the OBRT	Nicole Frampton	Not Commenced	Nicole to organise a meeting with Chris, Tricia, Sue and Philippa once the OBRT Audit and Management Plan have been completed. To be discussed at the Committee level once a meeting has occurred.
2018	Humphris Land Titles - Humphris property/land transfer	Nicole Frampton/COS	In Progress	Waiting on the completion of the final survey to enable land transfer. Discussions and updates have been provided to the landowner (Humphris). Nicole and the property department will continue to work with the landowner to get the land transfer completed. Update 5/2/19 - Need to organise an onsite meeting to discuss exactly where the trail goes (Rick, Andrew, Chris, Nicole, Mark and surveyor).
2018	List of land owners (including map) & Licence Renewal update	Nicole Frampton	In Progress	Update 5/2/19 - Letter sent to land owners re Licence Renewal on 21/12/2018. Current Licence Agreement is being reviewed at the moment.
2017 - December	Coram Station Sign Replacement	Noel Barry	In Progress	Works are progressing to complete the replacement sign. Update 5/3/19 - Sign was attempted to be painted. Due to the hot weather, the paint job isn't very good and will need redoing. The fascia panel will also now need replacing. Update 5/2/19 - Sign needs painting and will then be finished.

07/03/2019

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March 2019
Monthly Report

Summary

An asset audit was undertaken that identified all assets on the trail and reported their condition. This work along with an infrastructure audit will be fed into an asset plan (which is being developed) for the trail.



Budget Status

The budget as of the 1/03/2019 \$58,472 of the \$60,000 has been spent.



Works Completed

Of the 189 defects identified in late September 116 of those defects have been addressed with programed works to address the remaining.

Weekly inspections of the trail carried out on the last working day of each week include clearing of low hanging branches, removal of fallen logs, clearing drainage and signage inspection.

Specific works completed include:

- Colac to Gellibrand section sprayed on 7 & 8 Feb
- Reach-arm slashing Colac to Gellibrand commenced 11/2 to 18/2.
- Weekly inspection and trimming of lighter vegetation carried out 14 Feb.
- Culverts cleared on 14 Feb.
- Some of the barrier gates require some upgrading – the gates are for maintenance purposes only, so this should not affect trail users.
- The report from the team is that the trail in general is in good condition. The surface is good, but we are still fairly dry and there is quite a bit of leaf matter on the surface.



Works Planned

Defects identified which have not yet been completed will be Merited for completion identifying whether the works are maintenance or capital.

To be completed:

- Scheduling the spraying of the Gellibrand to Ferguson section.
- A re-sheet of the surface will be programmed before Easter.

Events

Event applications received:
Nil

- Upcoming Events:**
- 31/03/2019 – Otway Trail Run (Rotary Club of Colac)

Average of 11.4 pedestrians per day using the trail

Trail Count

Data not yet available

Merits Received

Data not yet available
To be reviewed in 2019

Media Posts



Licence/Landowner Agreements

Purpose of this section is to provide the committee with an update of current and due to expire agreements.

A letter was sent to all landowners on 21/12/2018 advising that Council is reviewing the licence agreement to ensure it meets today's legislative requirements. The updated licence agreement will be presented to all landowners for consideration in the New Year. It is proposed that all agreements/licences will be updated at the same time (ensures consistency with renewal dates).

Update 1/03/2019: A new licence agreement has been received and is being reviewed by Council officers and further advice is being sought in relation to insurance and indemnity clauses and the landowners coverage.

Pedestrian Tracker Counter Readings

	Date of Reading	Reading	Ped Count	No of Days	Peds/day
Colac (walk 50 metres down trail)	28/02/19	16181	261	24	11
Coram (Forest St South)	28/02/2019	6782	249	24	10
Maggio's Rd. (near 103 mile post sign)	4/02/2019	39063	695	30	23
Maxwell Rd.	28/02/2019	96072	215	24	9
Fry's Rd. (railway culvert)	4/02/2019	14383	958	84	11
Larson's Gate	10/11/2018	52186	1426	94	15
Zappelli's (just down from gate)	16/11/2018	38790	690	83	8
Ditchley (park at & walk to cattle crossing)	16/11/2018	16041	1605	93	17
Beech Forest (near old church) (new counter installed 7/7/2015)	16/11/2018	9209	492	83	6
Fairyland (park opp. Old Colac Road – walk down hill, near Telstra tower)	16/11/2018	128987	310	83	4

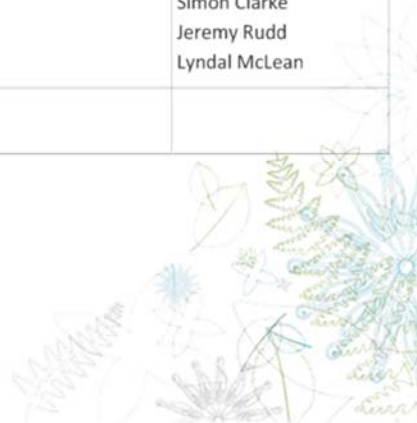


OBRT Maintenance Budget

Month	2018/19 Budget	2017/18 Budget	2016/17 Budget
July	\$1,253 (plus \$26 for bridge works from other budget lines)	\$1,170	\$1,723
August	\$12,296	\$2,269 (plus \$1,963 for bridge works from other budget lines)	\$6,972
September	\$1,567	\$5,572	\$1,702
October	\$1,198	\$1,508 (plus \$631 for bridge works from other budget lines)	\$2,995
November	\$10,987 (plus \$1,152 for bridge works from other budget lines)	\$859 (plus \$573 for bridge works from other budget lines)	\$4,293
December	\$10,414	\$171	\$6,162
January	\$6,876	\$8,561	\$4,520
February	\$13,881	\$2,527	\$5,378
March		\$4,487	\$5,722
April		\$7,025	\$10,334
May		\$910	\$2,012
June		\$22,079 (plus \$512 for bridge and culvert works from other budget lines)	\$1,926
TOTAL EXPENDITURE FOR OBRT MAINTENANCE BUDGET	\$58,472 (as@1/3) Budget Allocated \$60,000	\$55,421 Budget Allocated \$45,000	\$53,737 Budget Allocated \$45,000
TOTAL EXPENDITURE FOR OBRT INCLUDING OTHER BUDGET LINES (Bridges and Culverts)	\$59,650	\$59,100	

Assembly of Councillors

INVITEES: Cr Smith, Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Peter Brown, Tony McGann, Errol Lawrence, Ian Seuren		
ATTENDEES: Cr Crook, Cr Hanson, Cr Hart, Cr McCracken, Cr Potter, Cr Schram, Peter Brown, Errol Lawrence, Tony McGann, Ian Seuren, Sarah McKew, Doug McNeill, Suzanne Barker, Simon Clarke, Jeremy Rudd, Lyndal McLean		
EXTERNAL ATTENDEES: Nil		
APOLOGIES: Nil		
ABSENT: Cr Smith		
Meeting commenced at 3:13pm		
Declarations of Interest	Item	Reason
Nil		
Councillor Briefing		
Time	Item	Attendees
3:13pm – 3:47pm	Pre-Special Council Meeting Preparation Cr McCracken attended the meeting at 3:35pm Cr Hanson attended the meeting at 3:38pm	Sarah McKew Doug McNeill Suzanne Barker Simon Clarke Jeremy Rudd Lyndal McLean
3:48pm	Meeting closed	





Assembly of Councillors Record

This Form MUST be completed by the attending Council Officer and returned IMMEDIATELY to Document Management Co-ordinator for filing. A copy of the completed form must be provided to the Executive Officer to the CEO, Mayor & Councillors for reporting at the next Ordinary Council Meeting.

Assembly Details: Colac Saleyards Advisory Committee

Date: Friday: 27 March 2019

Time: 8:30am-10:00am

Assembly Location: Colac Regional Saleyards, Ballarat Road Colac

(some e.g's. COPACC, Colac Otway Shire Offices, 2 - 6 Rae Street, Colac, Shire Offices – Nelson Street, Apollo Bay

In Attendance:

Councillors: Cr Smith

Officer/s: Gary Warrener & Graeme Riches

Matter/s Discussed Saleyards operations

(some e.g's. Discussion s with property owners and/or residents, Planning Permit Application No. xxxx re proposed development at No. xx Pascoe Street, Apollo Bay, Council Plan steering committee with Councillors and officers.)

Conflict of Interest Disclosures: (refer page 5)

Councillors:/...../...../.....

...../...../...../.....

Officer/s:/...../...../.....

...../...../...../.....

Left meeting at: No conflict of interest declared

Completed by: 

Assembly of Councillors

INVITEES: Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Cr Smith, Peter Brown, Tony McGann, Errol Lawrence, Ian Seuren		
ATTENDEES: Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Peter Brown, Tony McGann, Errol Lawrence, Ian Seuren, Sarah McKew, Lyndal McLean, Gary Warrener, Frank Castles, Jeremy Rudd, Paul Jane, Alison Martin		
EXTERNAL ATTENDEES: Beverley McArthur MP, Jennifer Lowe		
APOLOGIES: Nil		
ABSENT: Cr Smith		
Meeting commenced at 1:40pm		
Declarations of Interest	Item	Reason
Nil		
Time	Item	Attendees
1:40pm – 3:12pm	Ordinary Council Meeting Preparation Cr McCracken arrived at the meeting at 2:16pm	Sarah McKew Lyndal McLean Gary Warrener Frank Castles Jeremy Rudd Paul Jane Alison Martin

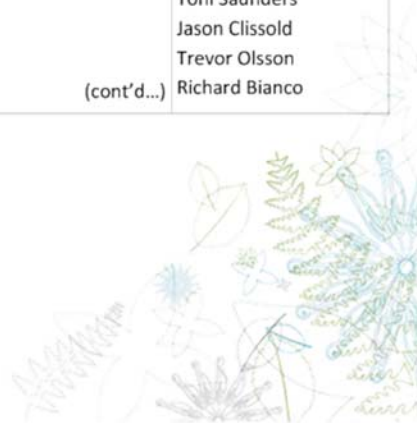


Time	Item	Attendees
3:12pm – 3:26pm	Break	
3:26pm – 3:50pm	Beverley McArthur MP	Sarah McKew Lyndal McLean Jennifer Lowe
3:50pm	Meeting closed	



Assembly of Councillors

INVITEES: Cr Smith, Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Peter Brown, Tony McGann, Ian Seuren, Sarah McKew		
ATTENDEES: Cr Hanson, Cr Hart, Cr McCracken, Cr Potter, Peter Brown, Tony McGann, Sarah McKew, Jason Clissold, Nick Howard, Nick Welsh, Toni Saunders, Jeremy Rudd, Frank Castles, Peter Macdonald, Doug McNeill, Paul Jane, Gary Warrenner, Stewart Anderson, Trevor Olsson, Richard Bianco, Paul Carmichael		
EXTERNAL ATTENDEES: Nil		
APOLOGIES: Cr Crook, Cr Schram		
ABSENT: Cr Smith		
Meeting commenced at 1:36pm		
Declarations of Interest	Item	Reason
Nil		
Councillor Briefing		
Time	Item	Attendees
1:36pm – 2:28pm	2019/20 Budget discussions	Nick Howard Nick Welsh Toni Saunders Jason Clissold Trevor Olsson (cont'd...) Richard Bianco



Councillor Briefing (continued)		
Time	Item	Attendees
1:36pm – 2:28pm	2019/20 Budget discussions (cont'd) Cr Hanson arrived at the meeting at 1:46pm	Frank Castles Paul Jane Jeremy Rudd Doug McNeill Stewart Anderson Gary Warrener Peter Macdonald
2:28pm – 2:39pm	Special Committee Meeting preparation	Paul Carmichael Jason Clissold
2:39pm – 2:50pm	General Business: - City Deal - Planning items - Borrowing principles	Jason Clissold
2:50pm	Meeting closed	



Assembly of Councillors

INVITEES: Cr Crook, Cr Hanson, Cr Hart, Cr McCracken, Cr Potter, Cr Schram, Cr Smith, Peter Brown, Frank Castles, Ian Seuren, Sarah McKew		
ATTENDEES: Cr Crook, Cr Hanson, Cr Hart, Cr McCracken, Cr Potter, Cr Schram, Peter Brown, Frank Castles, Ian Seuren, Sarah McKew, Gary Warrener, Vicki Jeffrey, Jason Clissold, Trevor Olsson, Nick Howard, Nick Welsh, Toni Saunders		
EXTERNAL ATTENDEES: Terry Maguire (Valuer General Victoria), Barrie Walder (Valuer General Victoria), Chris Bradshaw (Preston Rowe Patterson), Les Speed (Preston Rowe Patterson), Bruce Harwood (Mayor, City of Greater Geelong), Luke Fraser (Principal, Juturna Infrastructure), Mark Koliba (Regional Roads Victoria), Wayne Perrett (Regional Roads Victoria), Bob Osburn (Regional Roads Victoria), Shayne Jellyman (Regional Roads Victoria)		
APOLOGIES: Nil		
ABSENT: Cr Smith		
Meeting commenced at 8:32am		
Declarations of Interest	Item	Reason
Councillor Briefing		
Time	Item	Attendees
8:32am – 8:57am	Australia Day 2020 review	Gary Warrener Vicki Jeffrey
8:57am – 9:30am	Budget & Finance Discussions Cr Potter left the meeting at 9:30am Cr Crook left the meeting at 9:30am	Toni Saunders Jason Clissold Nick Howard Nick Welsh Trevor Olsson



Councillor Briefing (continued)		
Time	Item	Attendees
9:30am – 9:35am	Break	
9:35am – 9:47am	Review of the Council Plan	Jason Clissold Trevor Olsson
9:47am – 10:37am	Property Valuation Presentation	Jason Clissold Paul Carmichael Emily Haslem Jen Featherstone Terry Maguire Barrie Walder Chris Bradshaw Les Speed
10:37am – 11:00am	Break	
11:00am – 12:04pm	Rail Futures Cr Crook returned to the meeting at 11:36am Cr Potter returned to the meeting at 11:36am	Bruce Harwood Luke Fraser
12:04pm – 12:17pm	Quarterly Report	Jason Clissold Trevor Olsson
12:17pm – 1:10pm	Apollo Bay Roundabout	Jeremy Rudd Alison Martin Mark Koliba Wayne Perrett Bob Osburn Shayne Jellyman
1:10pm	Meeting closed	



Assembly of Councillors

INVITEES: Cr Smith, Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Peter Brown, Ian Seuren, Sarah McKew, Frank Castles		
ATTENDEES: Cr Hanson, Cr Hart, Cr Schram, Cr Potter, Cr McCracken, Cr Crook, Peter Brown, Ian Seuren, Sarah McKew, Frank Castles, Ian Williams, Lyndal Redford		
EXTERNAL ATTENDEES: Nil		
APOLOGIES: Nil		
ABSENT: Cr Smith		
Meeting commenced at 3:16pm		
Declarations of Interest	Item	Reason
Cr Hart	PC191004-1 Telecommunications Facility (20m monopole) – 52-54 Jenner Street, Birregurra	Indirect interest – Section 78A Own Telstra shares. Telstra facility – gives me an indirect financial interest.
Cr Hanson	PC191004-1 Telecommunications Facility (20m monopole) – 52-54 Jenner Street, Birregurra	Direct interest – Section 77B I own shares in Telstra.



Time	Item	Attendees
	Planning Committee Meeting Preparation	
3:16pm – 3:31pm	Having declared a conflict of interest, Cr Hart left the meeting at 3:16pm; returned at 3:28pm Having declared a conflict of interest, Cr Hanson left the meeting at 3:16pm; returned at 3:28pm	Doug McNeill Ian Williams Lyndal Redford
3:31pm	Meeting closed	



CLOSED SESSION

Recommendation

That pursuant to the provisions of Section 89(2) of the Local Government Act, the meeting be closed to the public and Council move into Closed Session in order to deal with:

SUBJECT	REASON	SECTION OF ACT
<i>Minutes of the Closed Session Council Meeting held on 27 March 2019.</i>	this matter deals with contractual matters.	Section 89 (2) (d)
<i>Contract 1921 Municipal Waste Disposal</i>	this matter deals with contractual matters.	Section 89 (2) (d)